

School Funding in Australia

The National Catholic Education Commission gratefully acknowledges the support of the Australian Government, state and territory governments in the provision of funding for Catholic schools.

This factsheet provides an overview of how school funding is determined in Australia and includes:

- A statistical snapshot of Catholic education in Australia
- An overview of recurrent funding
- An overview of capital funding
- An explanation of the Direct Measure of Income (DMI)
- Links to related resources and information
- A glossary of commonly-used terms

The information and statistics provided in this publication is based on the latest available figures at the time of publishing and is updated annually to reflect changes.

Glossary

Capital funding: funding for infrastructure and facilities for new and existing schools.

Recurrent funding: annual funding to cover direct costs of providing education e.g. staff salaries, professional development, curriculum and materials, administration, maintenance and general operating expenses.

Schooling Resource Standard (SRS): an estimate of how much total public recurrent funding a school needs to meet its students' educational needs.

SRS base funding: the minimum recurrent cost of educating a student.

SRS need-based loadings: additional recurrent funding for priority cohorts or school disadvantage.

Capacity to Contribute: a reduction to SRS base funding for the anticipated capacity of the school community (e.g. parents) to financially contribute to the school's recurrent costs.

Direct Measure of Income (DMI): a measure of capacity to contribute based on the median (middle) income of parents or guardians at a school.

Headcount is the number of staff and students at a school.

Full time equivalent (FTE) is the number of staff adjusted for working hours and the number of students adjusted for workload.

SNAPSHOT OF AUSTRALIAN CATHOLIC EDUCATION



38% of Australia's 1,755 Catholic Schools are in regional and remote areas

Over 785,000 students attend Catholic schools



785,585 headcount / 785,396 FTE



Over 102,000 staff work in Catholic education

Staff - 102,788 headcount / 83,194 FTE
Teachers - 66,080 headcount / 57,586 FTE



1 in 5 Australian students attend a Catholic school

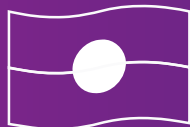
Primary - 17.7%*
Secondary - 21.3%*

*2020 data



Students with disability make up 20% of student population in Catholic schools

156,818 FTE



Since 2000 the number of Aboriginal and Torres Strait Islander students in Catholic schools has increased by 180.2%

41%* of Catholic school students are funded for socio-educational disadvantage



91% of Catholic schools are co-educational
3% are boarding schools

RECURRENT FUNDING

What does a school education cost?

There are significant costs attached to educating children and young people in all Australian schools.

In 2022 the minimum (or “base”) cost of school education for every Australian student is:

- \$12,462 for a primary student, and
- \$15,660 for a secondary student

Students in priority cohorts and disadvantaged schools attract higher amounts of funding to respond to specific needs and enable priority students to achieve their full potential.

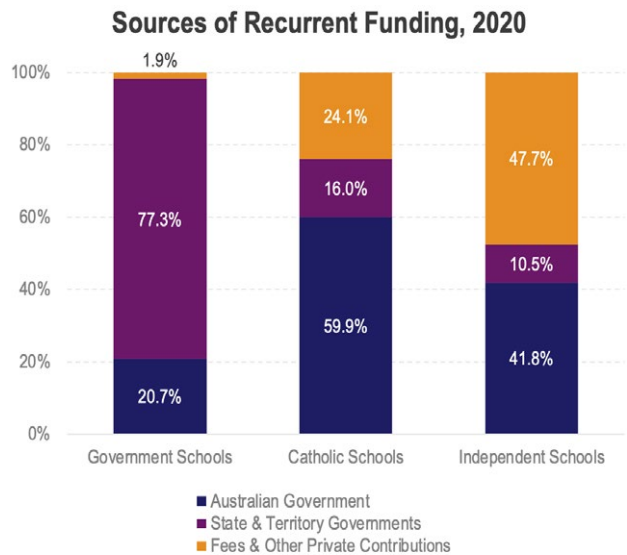
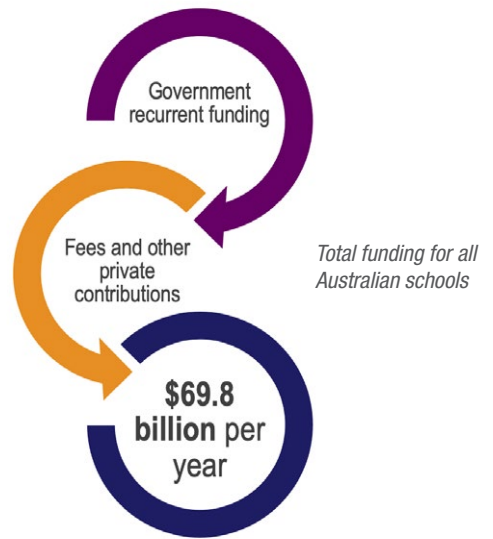
Per student funding is called “recurrent funding” and it must be spent directly on students, staff and operating costs.

Who pays for school education?

Responsibility for funding the per student cost of education is shared by the Australian Government, by state and territory governments and by parents and non-government school communities.

The Australian Government provides more than half of per student funding for Catholic schools, while private income is the principal source of independent schools’ funding.

Government school students are mainly funded by governments, with state and territory governments contributing more than ¾ of total per student funding for government schools.



Sources of recurrent funding (2020)

\$ Billions	Australian Government	State & Territory Governments	Parents & School Communities	Total
Catholic Schools	8.24	2.20	3.31	13.75
Independent Schools	5.93	1.49	6.77	14.19
Government Schools	8.67	32.34	0.81	41.83
All Schools	22.84	36.03	10.90	69.77

How is school funding calculated?

SCHOOLING RESOURCE STANDARD (SRS)

The Schooling Resource Standard (SRS) is calculated by Base Funding reduced by the Capacity to Contribute plus Loadings as illustrated below.

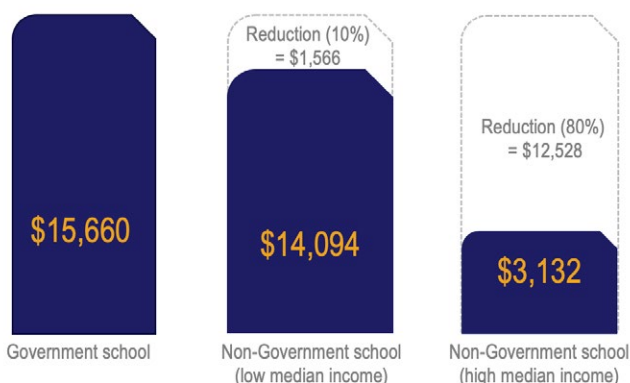
BASE FUNDING

The SRS benchmark establishes the minimum cost of educating each Australian student. This minimum amount is called “base” funding. In 2022 base funding per student is:

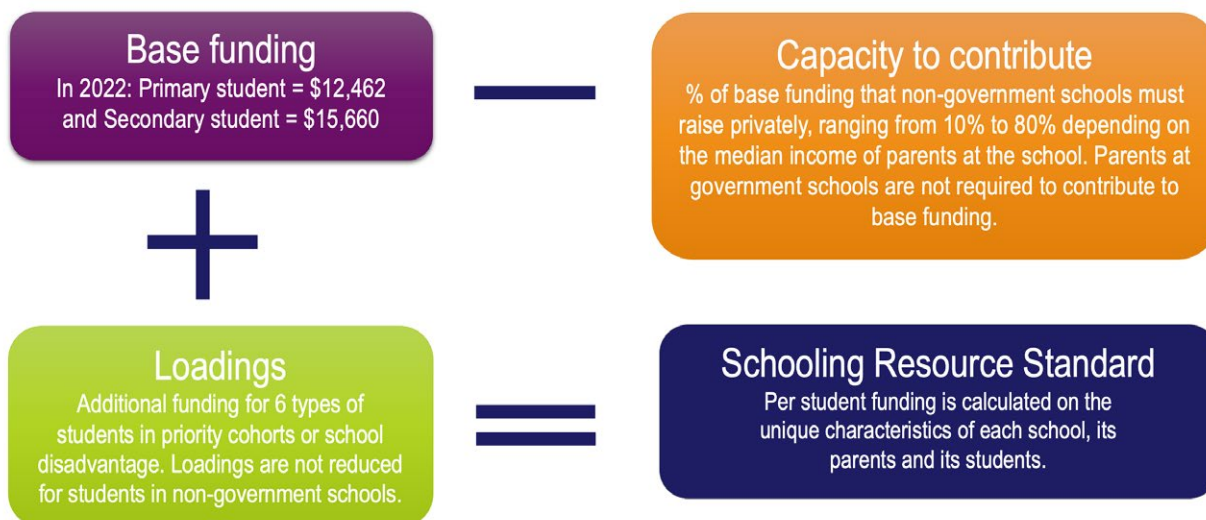


For non-government schools, per student base funding is means tested. These schools are required to raise between 10% and 80% of base funding privately, through fees and other private contributions - see graph below.

Government funding: 2022 base SRS (Secondary)



SCHOOLING RESOURCE STANDARD CALCULATION



CAPACITY TO CONTRIBUTE

How much a school must contribute privately to base funding depends on the median income of the school’s parents. This is called “Capacity to Contribute” and it only applies to non-government schools. Because base funding is means tested, government support for non-government schools is reduced by the same amount as each school’s private capacity to contribute.

Who receives additional funding?

LOADINGS

Additional funding called “Loadings” are added to base funding for students in priority cohorts and disadvantaged schools to address specific needs that individual students face. Loadings are not reduced by non-government school capacity to contribute, so that students in priority cohorts can attract the same loadings regardless of the schools they attend.

Four types of students and two types of schools attract loadings:

- Students with disability
- Aboriginal or Torres Strait Islander students
- Students with low English proficiency
- Students facing socio-educational disadvantage
- Regional and remote schools
- Small schools

On average, loadings comprise approximately 25% of total funding for Catholic schools, however the number and proportion of students from priority cohorts varies widely from school to school.

TRANSITION

- Every school in Australia is moving to the Schooling Resource Standard (SRS).
- However, some schools are currently funded above the SRS for historic reasons, and some are funded below the SRS.
- Governments have agreed to a transition period to enable schools to adjust to lower/higher SRS funding.
- In 2020 all schools began transition to the new funding model with full alignment to SRS funding expected by 2029.

DIRECT MEASURE OF INCOME

How is the Capacity to Contribute calculated?

Previously, each Catholic and independent school's Capacity to Contribute (CTC) was estimated using socio-economic information from the ABS 2011 Census calculated for areas where students live. These area-based estimates (called SES scores) were replaced in 2020 with a Direct Measure of Income (DMI) based on the actual financial data of the parents and guardians of students at a school. Financial information used in the calculation includes Australian Tax Office records and other income-related records such as PAYG and concession cards.

The new DMI measure was developed on a recommendation of the National School Resourcing Board's review of the socio-economic status (SES) score methodology. Replacing area-based SES scores with a direct measure of family incomes enables a fairer and more accurate distribution of government funding to the students that need it most.

To create school DMI scores, the Australian Bureau of Statistics:

- Calculates family income for each student enrolled at a school by adding all of the income information available for that student's parents and/or guardians
- Identifies the median (middle) family income from the set of all family incomes within the school
- Ranks all the median incomes calculated for all non-government schools
- Converts the ranked median income values into a set of DMI scores.

The Department of Education, Skills and Employment uses school DMI scores to determine each school's capacity to contribute (it's CTC score). A school's CTC score is the rounded average of its annual DMI scores for the three most recent years. For example, a school's DMI-based CTC score that applies to 2022 is the average of the annual DMI scores for the school worked out for 2019, 2020 and 2021.

CTC scores determine each non-government school's private contributions to base funding, ranging from a 10% contribution for schools with CTC scores of 93 and lower, to 80% for schools with CTC scores of 125 or higher. Governments' responsibility for base funding is reduced by the same amount, in accordance with the CTC schedule set out in the Australian Education Act (2020 amendment).

While a change from the previous SES area-based score to the DMI score improves assessment of need, some non-government schools will face substantial reductions in government funding. To assist these schools to adjust, government funding for 2020 and 2021 was based on the most financially beneficial of three CTC scores: 2011 Census SES score, 2016 Census SES score or DMI score. The DMI will apply to all schools by 2022.

The Australian Government Department of Education, Skills and Training has published details of the [methodology for the DMI](#). The Department, in partnership with the Australian Bureau of Statistics (ABS), will also apply a new [Data Quality and Validation Framework](#) to assess whether the data used to calculate annual DMI scores are fit for purpose. For a small number of schools where data does not pass the validation process, the Department will use a refined area-based SES score to calculate that school's private contribution.



Further information

For more information on school funding in Australia see:

- [National Schools Resourcing Board](#)
- [Quality Schools Package](#)
- [Direct Measure of Income Methodology](#)

IN 2020, CATHOLIC SCHOOL FAMILIES CONTRIBUTED **\$3.31 BILLION** TOWARDS THEIR CHILDREN'S EDUCATION

CAPITAL FUNDING

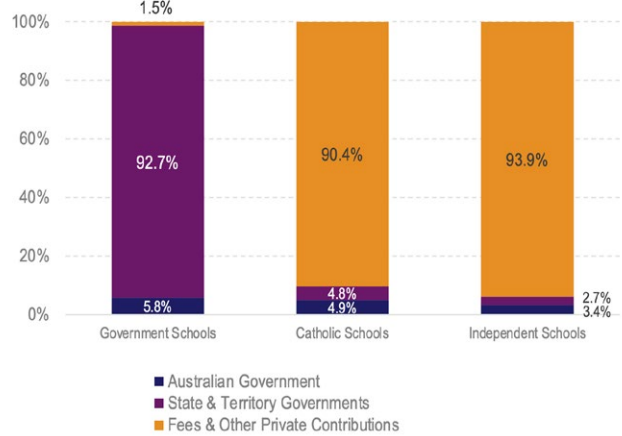
Who pays for additional facilities?

In addition to the \$69.8 billion cost of educating students (called recurrent funding), schools incur additional costs for classrooms, libraries, sports facilities, and other capital projects (called capital funding).

Catholic and independent school parents and communities must raise the costs of capital projects privately, although disadvantaged schools can apply for assistance through government grants.

In contrast, government school capital costs are mainly funded by state and territory governments with a small contribution from parents.

Sources of Capital Funding, 2020



Data source: ACARA, My School, Financial Data, 2020
 Note: Sum of proportions may not add to 100% due to rounding

Sources of capital funding, 2020

\$ Billions	Australian Government	State & Territory Governments	Parents & School Communities	Total
Catholic Schools	0.09	0.09	1.62	1.80
Independent Schools	0.07	0.06	1.97	2.10
Government Schools	0.27	4.34	0.07	4.68
All Schools	0.43	4.49	3.66	8.58

Note: Sum of parts may not equal totals due to rounding

IN 2020, CATHOLIC SCHOOLS INVESTED \$1.8 BILLION ON CAPITAL PROJECTS



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