



How is school funding indexed?

School funding – the Schooling Resource Standard (SRS)

Commonwealth funding for schools is needs-based and is calculated with reference to the [Schooling Resource Standard \(SRS\)](#). The SRS is an estimate of how much total public funding a school needs to meet its students' educational needs.

The SRS is made up of a base amount for all primary and secondary students and up to 6 needs-based loadings for student priority cohorts and disadvantaged schools.

The base amount and all the loadings are indexed each year to reflect changes in prices and therefore costs faced by schools.

How is indexation calculated and applied?

The base amount, and all the loadings except for the school size loading, are worked out by reference to an amount per primary and secondary student called the SRS funding amount.¹ The school size loading is worked out by reference to maximum size loading amounts and starting amounts.

For 2018, the SRS funding amounts, maximum size loading amounts and starting amounts are prescribed in the *Australian Education Act 2013* (the Act).²

From 2019, these SRS funding amounts, maximum size loading amounts and the starting amounts are indexed annually by either:

- a rate calculated as the higher of:
 - 3 per cent, or
 - a percentage derived from 75 per cent of the change of the Wage Price Index (WPI) and 25 per cent of the change of the Consumer Price Index (CPI), or
- a rate prescribed by the Minister for Education.

This approach provides a minimum indexation rate and certainty for schools, while ensuring that funding reflects changes in wages and other costs. Indexation is weighted towards changes in wage costs reflecting that teachers' and staff salaries are a significant driver of schools' costs.

¹ Section 31 of the *Australian Education Act 2013* (the Act).

² Section 34, 44 and 49 of the Act.

Final indexation rates and SRS funding amounts

	2018	2019	2020	2021	2022	2023	2024
SRS funding amount for a primary student	10,953	11,343	11,747	12,099	12,522	13,048	13,570
SRS funding amount for a secondary student	13,764	14,254	14,761	15,204	15,736	16,397	17,053
Indexation rate	N/A ³	3.56%	3.56%	3.0%	3.5%	4.2%	4.0%
Basis of indexation rate	N/A	Prescribed rate	Prescribed rate	Minimum legislated rate	CPI and WPI derived factor	CPI and WPI derived factor	CPI and WPI derived factor

Source: Australian Government Department of Education

The final indexation rate for each year will be available around August, after the Australian Bureau of Statistics publishes the June quarter CPI and WPI.

The indexation rate for 2025 is expected to be available after August 13, 2025.

Estimated indexation rates and SRS funding amounts

	2025	2026	2027	2028
SRS funding amount for a primary student	13,977	14,396	14,842	15,332
SRS funding amount for a secondary student	17,565	18,092	18,653	19,269
Indexation rate	3.0%	3.0%	3.1%	3.3%
Basis of indexation rate	Estimated based on MYEFO 2024-25	Estimated based on MYEFO 2024-25	Estimated based on MYEFO 2024-25	Estimated based on MYEFO 2024-25

Source: Australian Government Department of Education

Estimated indexation rates for 2025 to 2028 take into consideration the latest available Budget and Mid-Year Economic and Fiscal Outlook (MYEFO) projections. Published estimates may not be reflected in the latest payment calculations for schools due to the timing of these releases and payment schedules.

Estimated indexation rates for 2025 to 2028 will be next updated with CPI and WPI projections from Budget 2025-26, expected to be released in the first half of 2025.

³ In 2018, the SRS funding amounts were prescribed in section 34 of the Act.