



# Quality Schools

## Commonwealth and state responsibilities for schools funding

### School education in Australia's federation

States and territories have been responsible for schooling in their jurisdiction since Australia became a Federation. However, as Australian society and the economy have changed over time, the Australian Government has taken on a greater role in education funding and policy.

These days, states and territories still have overarching responsibility for schools in their jurisdiction. This includes the registration and regulation of all schools in their jurisdiction (whether government or non-government) and the operation of public schools. The Commonwealth does not run any schools nor does it employ any teachers.

However, funding responsibility is shared with the Australian Government and national education policy is decided by all governments working together through the Council of Australian Governments system.

### States are responsible for the delivery of school education

In line with their responsibility for the delivery of school education, states and territories are the majority public funder of government schools (with 65 per cent of students) and the Australian Government is a minority public funder of the government sector.

The Australian Government has historically been the majority public funder for non-government schools (with 35 per cent of students) reflecting its commitment to supporting parental choice and diversity in the schooling system. State governments are minority public funders of the non-government sector.

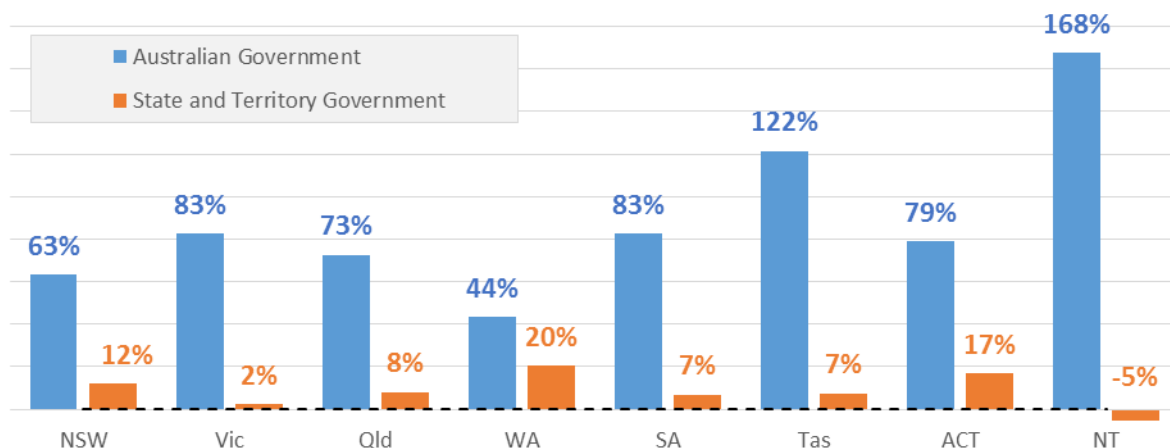
Australian Government funding to non-government schools takes into account the capacity of parents and school communities to contribute to their school's operating costs, for example the ability of parents to pay school fees. This means that non-government schools in wealthier suburbs receive less total public funding than their government counterparts or non-government schools in disadvantaged areas.

### The Commonwealth share of school funding has been increasing over time

Total combined Commonwealth and state / territory funding per student has grown in real terms by 15.4 per cent over the decade from 2005-06. At the same time, Commonwealth funding has grown in real terms by 43.7 per cent.

This means that Commonwealth school funding has grown at a much faster rate than state funding over this time, with the Commonwealth share of total public funding growing from 72.0 per cent in 2005-06 for non-government schools to 74.5 per cent in 2014-15 and 8.9 per cent in 2005-06 to 13.4 per cent in 2014-15 for government schools.

Growth in Recurrent Funding for Government schools 2005-06 to 2014-15



Source: Productivity Commission (2017). Report on Government Services. Tables: 4A.7, 4A.8, 4A.12, 4A.13. \* Real figures in 2014-15 prices using GGFCE.

## New fair and equitable funding arrangements

The Australian Government is committed to creating a funding model that is simple, transparent and based on need. Over a 10 year transition period, the Australian Government will move towards consistently funding 20 per cent of the Schooling Resource Standard for government schools and 80 per cent for non-government schools, representing its respective roles as minority and majority funder for each sector.

This will ensure that students with greater needs will attract higher levels of funding from the Commonwealth, regardless of the state where they live, and students with the same need within the same sector will attract the same support from the Commonwealth, regardless of the state where they live.

States and territories can then make their own funding decisions about whether they want their schools to reach the Schooling Resource Standard. States will, however, be required to at least maintain their real per student funding levels as a condition of Commonwealth funding.