



Why did the Australian Government introduce the *Quality Schools* funding arrangements?

School funding has been growing and some results have been improving

The Australian Government is growing its record levels of recurrent funding for schools from \$18.7 billion in 2018 to \$33.0 billion in 2029. Total combined Commonwealth and state government funding has grown in real terms by 21.4% per student over the decade from 2010-11 to 2019-20.

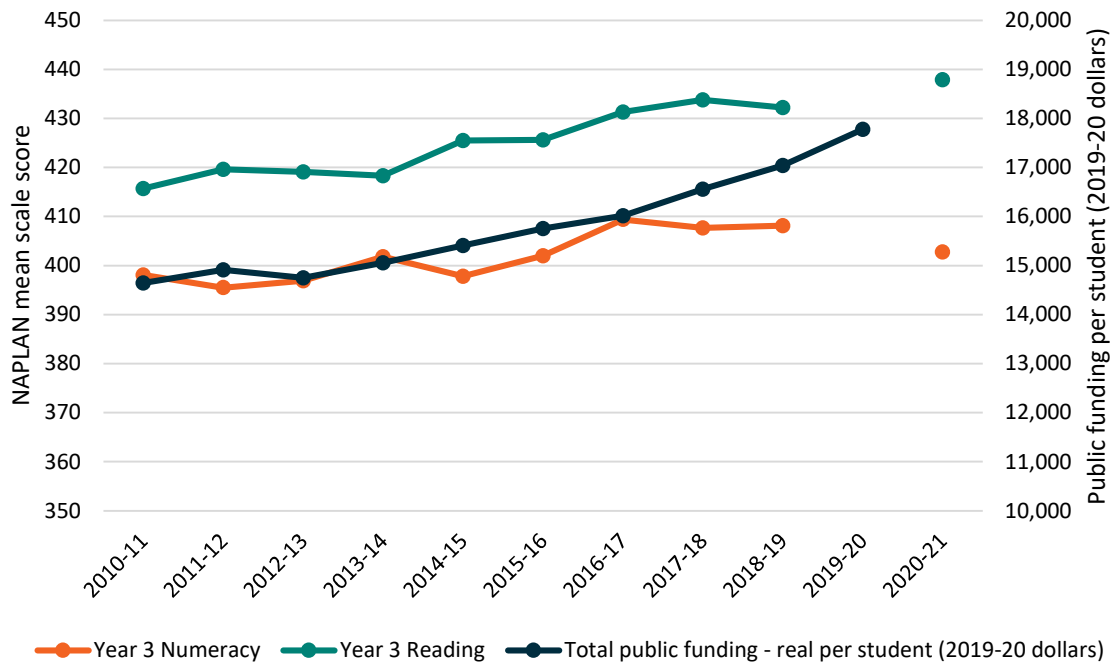
Over this period, Commonwealth funding per student has increased in real terms by 64.1% for government schools and 49.8% for non-government schools while comparable state and territory funding has grown by only 9.6% to their own government schools and by 15.4% to non-government schools.

The National Assessment Program – Literacy and Numeracy (NAPLAN) is an annual assessment for all students in Years 3, 5, 7 and 9. It tests the types of skills that are essential for every child to progress through school and life. The tests cover skills in reading, writing, spelling, grammar and punctuation, and numeracy.

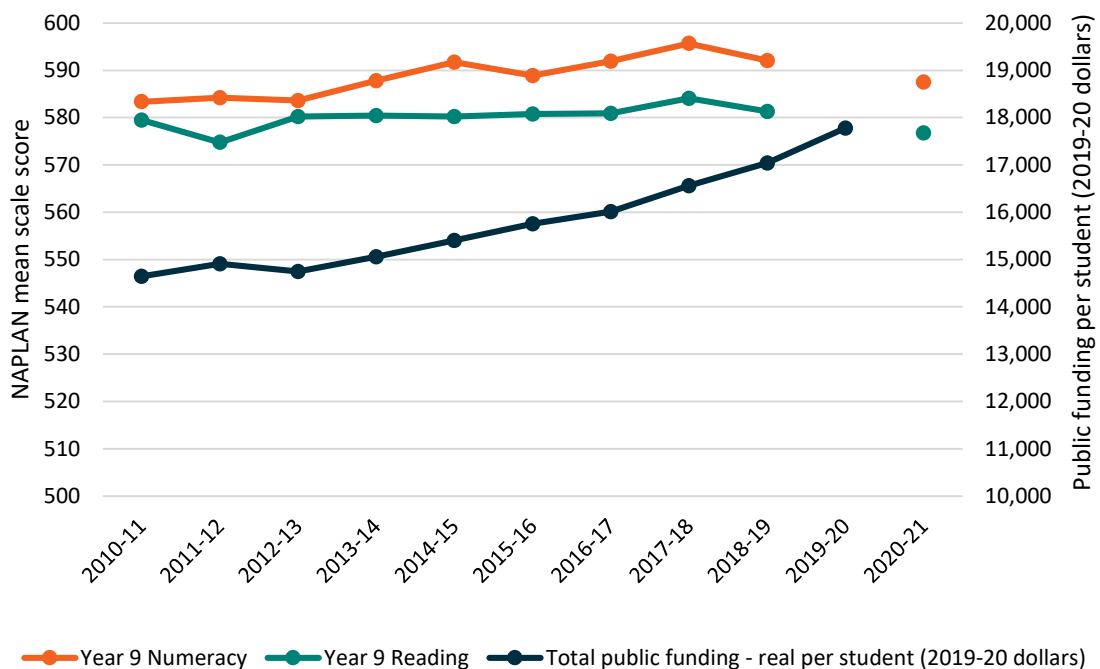
Since 2008, NAPLAN assessments have shown significant improvements in Year 3 students' reading, spelling, and grammar and punctuation. Results have also improved for Year 5 students' reading, spelling and numeracy. However, there has been no significant change in results for Year 3 and Year 5 students in other domains. Results for students in Years 7 and 9 have not changed significantly in any domain.

Evidence from the Organisation for Economic Co-operation and Development (OECD) is clear that simply providing more funding does not in itself improve student outcomes. The OECD has found that for high-income countries like Australia it matters more how money is spent, than how much is spent.

Real public funding per student and Year 3 NAPLAN numeracy and reading mean score



Real public funding per student and Year 9 NAPLAN numeracy and reading mean score



Sources: Productivity Commission (2022). Report on Government Services.

ACARA, National Assessment Program - Literacy and Numeracy (NAPLAN).

Notes: 1. Education ministers made the decision to cancel NAPLAN in 2020 due to the COVID-19 pandemic.

2. Financial data from the Report on Government Services is only available up to 2019-20.