

SCHOOL FUNDING – FAQs

1. WHY HAS AISNSW MADE THIS VIDEO?

There's a lot of talk about school funding in the media and especially on social media, but much of it is misunderstood or misleading because it's such a complex topic.

You hear lots of jargon and talk about billions of dollars for this sector or that sector. It's confusing and hard to follow.

People need an entry point – and this video is that entry point.

It assumes no prior knowledge.

2. WHAT DOES THE VIDEO TELL THE VIEWER?

It says that all schools in Australia attract some level of funding, based on:

- how many students they enrol
- what their needs are, and
- in the case of non-government schools, how much their parents earn.

It tells people that, at a minimum, it costs about \$13,557 a year to educate a primary school child with no disadvantages... and \$17,036 for a secondary child.

It then shows how much of each amount the government pays for schools in each sector.

One thing the video makes very clear... public schools will ALWAYS attract more government funding per student than non-government schools.

3. WHAT CAN THIS FUNDING BE USED FOR?

The funding explained in this video is recurrent funding, which every not-for-profit school receives each year. It can only be used to help meet the costs of operating a school, which is mostly staff salaries.

The video does not mention funding for building new classrooms and other school infrastructure, which is a separate category called capital funding. Most schools do not receive capital funding each year.

In government schools, buildings and infrastructure are funded by government while in Independent schools, they are largely paid for by parents and the school community.

4. WHY DOES AISNSW WANT PEOPLE TO UNDERSTAND SCHOOL FUNDING?

It's important for parents in all sectors to understand the truth about how their child's school is funded.

There's been decades of misinformation about who gets how much, and false claims about one sector getting more at the expense of another.

We want an informed debate about school funding and that's why we've produced a clear, easy to follow explainer video.

5. CAN YOU EXPLAIN HOW SCHOOL FUNDING WORKS, IN A NUTSHELL?

The video does it well because it uses graphics, but I'll give it a go.

Basically, there are two parts to school funding - a 'base amount' for each student, plus extra funding called 'loadings' for up to six types of disadvantage.

The 2024 base amounts are \$13,557 per primary student and \$17,036 per secondary student. The six types of disadvantage are:

- disability
- low English skills
- parents' educational level & employment
- First Nations status
- small school size, and
- remoteness

When you put the base amount and the loadings together, you have something most people have heard about -- the Schooling Resource Standard, or SRS. That's the amount your child's school attracts.

The next question is who pays the SRS in each sector:

- If your child is in a government school, the government alone pays the SRS
- If your child is in a non-government school, the government pays only some of the base amount – based on parents' income - and all of the disadvantage funding.

6. CAN YOU GIVE ME AN EXAMPLE?

Let's say you have two secondary schools in the same street – one government and one non-government – educating students in a high-income area, like the lower north shore of Sydney.

Let's say there's little disadvantage in both schools, so the SRS is \$18,000 per student.

In the government school... state and federal governments jointly pay the SRS.

In the non-government school... the government looks at the income tax data of the school's parents and if they are at the top of the income scale, which is likely in an area like this, that school would attract the lowest level of government funding -- about \$3,400 per student plus funding for any disadvantage (less than \$4,000 per student in total).

7. WHAT ABOUT SCHOOLS IN LOW-INCOME AREAS?

If you had two secondary schools educating more disadvantaged children from low income families, the SRS might be \$24,000 per student.

Again, government is responsible for that entire amount in the government school.

But it might pay as much as \$21,000 per student in the non-government school, if the income tax data shows their parents are in the lowest band of income earners.

It costs a lot more to educate children from disadvantaged background in all sectors.

8. WHY IS IT SUCH A SHORT VIDEO? SURELY THERE'S MORE TO SCHOOL FUNDING THAN THIS?

Of course there is, but this video is intended as an entry point for people who have never looked deeply into the issue previously.

It simply explains, in less than two minutes, the underlying basis for school funding... which is that non-government schools receive less government funding, based on parents' income.

Of course, the Government's school funding formula is more complex; it needs to be, to address the various learning needs of every child in every sector.

So we provide more detail on our website. There's a link to it at the end of the video.

9. WHY DOESN'T THE VIDEO EXPLAIN THAT GOVERNMENT SCHOOLS ARE UNDERFUNDED AND SOME PRIVATE SCHOOLS ARE OVERFUNDED?

Let's be clear about how that occurred.

In 2018, the Federal Government changed the funding model for non-government schools and, overnight, funding for some non-government schools went up and some went down, through no fault of the schools.

Since then, those schools which had received higher funding under the earlier model have been moving towards their new lower level. Most are now within a couple of percentage points of their new level.

It's true that government schools, as a sector, have not received 100% of their SRS funding since the model was introduced a decade ago. AISNSW has always said that every school in every sector should attract its correct government funding entitlement.

10. BUT IF THOSE NON-GOVERNMENT SCHOOLS RECEIVED LESS FUNDING, THERE'D BE MORE FOR PUBLIC SCHOOLS?

That's actually incorrect.

Non-government schools have had their funding cut, but government schools are still not receiving 100% of their SRS.

This is partly because the Commonwealth is the major funder of non-government schools and the states are the major funder of public schools.

So cuts in one sector don't automatically translate to the other.

The current Federal Government has committed to getting all public schools up to 100% in the next funding agreement with the states and territories.

11. WHY SHOULD NON-GOVERNMENT SCHOOLS GET ANY GOVERNMENT FUNDING AT ALL?

Because non-government schools help State Governments fulfil their responsibility to educate every child at a reduced cost to taxpayers.

In NSW, there are almost 1.25 million school students. Over 785,000 are in government schools, where taxpayers fund their entire SRS.

Another 460,000 students are in non-government schools, where taxpayers fund only part of the SRS and parents pay the remaining cost.

Most of these their parents could not afford to pay the full cost of educating their child without government support, especially if they have more than one child.

Government funding helps lower the cost of non-government schools so that parents can pay some of the cost for those 460,000 students. Without government funding, a significant proportion of those students would move across to 'free' government schools, most of which are already full and where taxpayers would have to pay the full cost.

There is no way our public schools could absorb another 100,000 students, let alone over 400,000 more.

Parents also pay for 90% of capital works in non-government schools, saving taxpayers even more.

12. NO OTHER COUNTRY FUNDS PRIVATE SCHOOLS – WHY SHOULD AUSTRALIA?

That's actually a myth.

Most OECD countries provide public funding to their non-government schools and some of them – including Finland -- fully fund their non-government schools.

We have a good balance in Australia where parents pay some of the cost to educate their child in a school of their choice.