



Australian Government
Department of Education and Training

Our Ref MC16-000249

Ms Tricia Blombery
Convener Standing Committee for Education
Australian Federation of Graduate Women Inc
11 Park Road
MARRICKVILLE NSW 2204

Dear Ms Blombery

Thank you for your letter of 1 January 2016 to Senator the Hon Simon Birmingham, Minister for Education and Training, concerning Commonwealth funding for schools. I have been asked to reply on the Minister's behalf.

The Australian Government is providing \$69.4 billion in total Commonwealth funding for schools over the forward estimates in all states and territories—this represents an increase in funding of 27.3 per cent from 2014–15 to 2018–19.

Total Commonwealth funding in 2016 for government schools in Australia will be \$6.0 billion, with overall funding of \$23.1 billion over 2014 to 2017. This represents a growth in funding of 36.6 per cent over this period.

From 2014 to 2017, Commonwealth recurrent funding for all schools is transitioning under the *Australian Education Act 2013* from levels under the previous funding arrangements towards the Schooling Resource Standard (SRS) funding arrangement levels. Funding is calculated with reference to a base per-student amount plus additional loadings to target student and school disadvantage including students from lower socioeconomic backgrounds, students with disability, Aboriginal and Torres Strait Islander students, students with low English proficiency, and school size and location. For most non-government schools, the base per-student amount is discounted by the anticipated capacity of their school community to financially contribute towards the school's operating costs.

Beyond 2017, schools funding will continue to grow, consolidating the substantial increases in schools funding over the 2014 to 2017 funding period. Commonwealth schools funding arrangements from 2018 will be informed by discussions with state and territory governments and non-government education authorities to ensure a fair, stable and sustainable approach to schools funding. These discussions will also provide an opportunity to improve transparency and to better target the Commonwealth's investment to those who need it most.

Under the Australian Constitution, the Commonwealth has no specific power in relation to schooling and does not have a direct role in the registration, administration and operation of schools. Instead states and territories are responsible for the overall quality of school education in their jurisdictions and are also the major funder of schools, providing around 67 per cent of total public funding in 2013.

Commonwealth recurrent funding for government schools is passed directly to the state and territory governments which are then responsible for distributing the funding to each government school in their jurisdiction according to their own needs-based allocation model.

Commonwealth recurrent funding for non-government schools is passed by the state and territory governments to the approved authorities for each school according to the Commonwealth's SRS funding calculation. Non-government education systems operating in the various states and territories are responsible for the distribution of the Commonwealth recurrent funding they receive to their member schools based on their own needs-based distribution method.

Despite the constitutional limitations to its powers the Commonwealth still has a role in schooling. Education is of paramount importance to Australia's national economy and our national well-being. As a nation we expect all Australian children should be afforded similar opportunities including access to a quality education. To this end the Commonwealth works collaboratively with states and territories to develop national priorities for schooling based on the best evidence of what works to improve student outcomes and close gaps.

Even with Australia's increasing financial investment, educational outcomes continue to decline. It is clear it is not just a question of how much funding is provided; the way resources are invested is critical to improving outcomes. Under the *Students First* approach, the Government is working with states and territories to focus on the four key areas that make a real difference to students. They are:

- Teacher quality
- School autonomy
- Engaging parents in education
- Strengthening the curriculum.

Further information on the Government's education initiatives can be found at www.studentsfirst.gov.au.

Thank you for your interest in this matter.

Your sincerely



John Baker
A/g Branch Manager
Schools Funding Branch

26 February 2016