

Understanding How Commonwealth Schools Funding Works

Reforming Commonwealth Schools Funding
Part 1



The States Grants Act

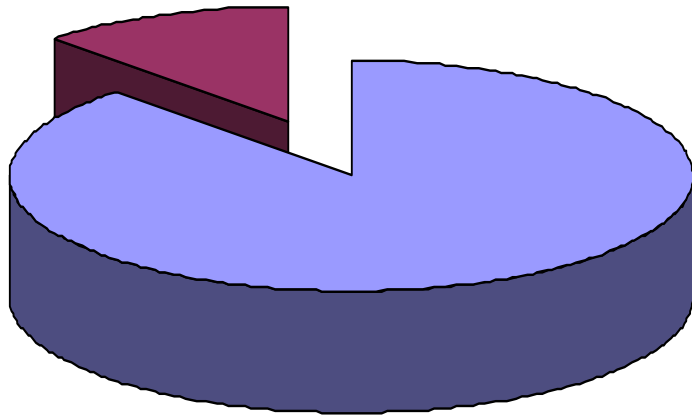
- The Commonwealth government funds schools under the States Grants (Primary and Secondary Education Assistance) Act 2000
- The current act runs out in 2004, and so a new act will have to be passed soon
- The legislation will also be an important part of the debates in the run up to the next Federal election.



Sources of Funding

Public Schools

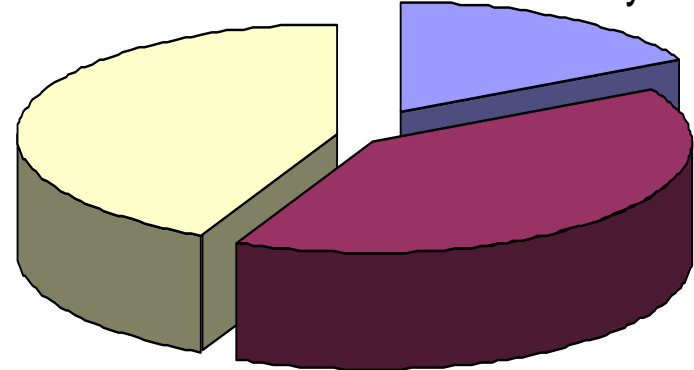
Commonwealth 12%



State or territory 88%

Private Schools

State or territory 17%



Private 43%

Commonwealth 40%



Funding to Australian Schools 2003-04

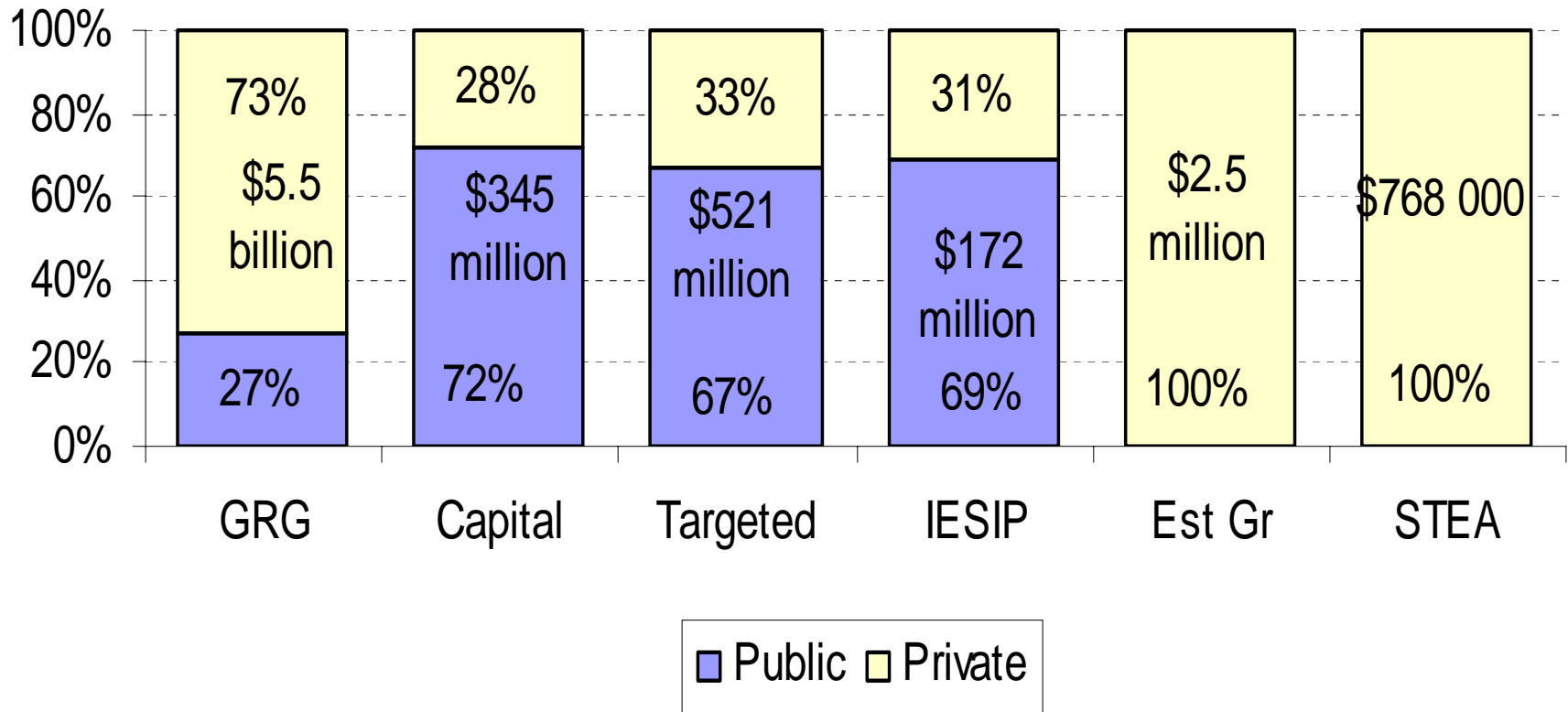
	Public Schools	Private Schools
Commonwealth	\$2262m (12%)	\$4373m (40%)
State and Territory	\$16588m (88%)	\$1859m (17%)
Private		\$4701m (43%)
Total	\$18850m	\$10933m
% of total	63%	37%

Source: Calculated from Budget Paper No. 1, pp6-19, 2003



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Commonwealth Funding



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GRG - The SES Index

- Commonwealth GRG funding to (some) private schools is allocated on the basis of the SES Index
- (In addition, states and territories have different systems)



Calculating the SES

1. Schools give DEST the addresses of their students
2. DEST “geocodes” these against ABS collection districts (CD’s) which are about 200 households.
3. Student SES rating calculated on the basis of the CD they reside in using education, occupation and income of adults in that CD.
4. School gets SES calculated from these.
5. Thus the SES is said to “reflect the community from which the school draws its students”.



From SES to AGSRC

- Each SES score corresponds to a funding level based on a per cent of the Average Government School Recurrent Cost (AGSRC)
- An SES of 85 corresponds to 70% of AGSRC
- An SES of 130 corresponds to 13.7% of AGSRC



AGSRC Range

- The AGSRC is applied only on SES scores between 85 (low) and 130 (high)
- Schools below 85 are classed at 85 and those above 130 at 130



**Table 4 – General Recurrent Grants Programme – Commonwealth General Recurrent Grants Per Student
Non-government Schools, 2003 – SES Funding**

SES Score	SES funding Level (% of AG&RC	Primary rate Per student \$	Secondary rate Per Student \$
130 or greater	13.7	775	1024
129	15	849	121
128	16.2	917	1210
127	17.5	990	1308
126	18.7	1058	1397
125	20	1132	1494
1245	21.2	1200	1584
123	22.5	1273	1681
122	23.7	1341	1771
121	25	1415	1868
120	26.3	1483	1957



99	52.5	2970	3922
98	53.7	3038	4011
97	55	3112	4108
96	56.2	3180	4198
95	57.5	3253	4295
94	58.7	3321	4385
93	60	3395	4482
92	61.2	3463	4572
91	62.5	3536	4669
90	63.7	3604	4758
89	65	3678	4855
88	66.2	3745	4945
87	67.5	3819	5042
86	68.7	3887	5132
85 or less	70	3950	5229



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- Public schools receive 8.9% of AGSRC (\$504) in primary and 10% of AGSRC (\$747) in Secondary



SES Exceptions

- Catholic systemic schools do not have their SES assessed. They are deemed to be at SES 96 (56.2% of AGSRC), except ACT where they are SES 100 (51.2% of AGSRC)
- About 300 Independent schools would have been worse off under the SES so they are “Funding Maintained”.
- This means they get their old grant indexed to the AGSRC
- Special schools are automatically given SES 85 (70%)



How many are on the SES?

In fact only:

- 32% of all private schools
- 75% of Independent schools

Are actually on the SES



Establishment Grants

- In addition, new schools get \$500 per student in their first year
- And \$250 per student in their second



This is the first in a series of three presentations dealing with the States Grants Act and Commonwealth school funding.

The others are:

2. Some problems with the current Commonwealth funding arrangements for schools.
3. Amending the States Grants Act

They are available from the AEU website at www.aeufederal.org.au

