

BUDGET ESTIMATES 2014-15 BACKPOCKET

GROUP: SCHOOLS FUNDING GROUP

TITLE: BP1 Funding Maintained and Funding Guaranteed

KEY MESSAGES

- In 2013, non-government schools were funded according to their calculated SES score, or 'funding maintained' on their funding level prior to joining the SES funding arrangements.
 - Funding maintained schools would have received less money if they were funded on the basis of their SES score at the time they joined the SES system. These schools had their previous funding entitlements preserved with full AGSRC supplementation.
- In 2013, there were no longer any 'funding guaranteed' schools. All funding guaranteed schools moved to be funded on their actual SES score in 2012.
 - Funding guaranteed schools are those SES-funded schools whose SES scores were higher in 2009-2013 than 2005-2008 resulting in reduced per capita funding entitlements. These schools had their 2008 per capita dollar amounts guaranteed (frozen) in the current funding period until the funding associated with their new SES score, plus supplementation, was equal to or greater than their 2008 entitlements.
- Funding Maintenance and Funding Guarantee do not exist under the funding arrangements from 2014. However, the Government has committed to ensuring every authority receives at least its 2013 funding plus 3%.
- With regard to funding under the *Australian Education Act 2013*, the Government has made a commitment to work with states and territories to deliver stable and sustainable funding into the future for all Australian schools.
- While this work is undertaken, the Government has committed to match the previous government's funding envelope over the next four years to provide schools with funding certainty.

FAST FACTS

Funding

- A separate brief has been prepared on the actual funding amounts for non-government schools under the *Schools Assistance Act 2008* (see BP2)
- The cost of funding maintenance over 2009-2013 was almost \$3.3 **b**illion (see table under Background)
- The cost of funding guarantee over 2009-2013 was almost \$11.8 **m**illion
- Final amounts will be known after the 2013 Post Determination is complete.

Key Numbers

- In 2013 there were 2,733 funded non-government schools, of which 1,069 (39.1) were funding maintained. The remainder were funded according to their socioeconomic status (SES) score.
 - Of the 1,655 Catholic systemic schools, 892 (53.5%) were funding maintained.
 - Of the 1,079 independent schools, 177 (16.4%) were funding maintained.
 - In 2012 all remaining funding guaranteed schools moved to being funded on their actual SES scores.

BACKGROUND

FUNDING MAINTENANCE

- Funding maintained schools were those that would have received less money if they were funded on the basis of their SES score at the time they joined the SES system:
 - Independent schools – Independent schools joined the SES funding arrangements from 2001. Funding maintained independent schools had their funding entitlements preserved, with full Average Government School Recurrent Costs (AGSRC) supplementation, at their 2000 funding levels under the previous Education Resources Index (ERI) funding system.
 - Catholic systemic schools – Catholic systemic schools joined the SES funding arrangements from 2005. Funding maintained Catholic systemic schools had their funding entitlements preserved, with full AGSRC supplementation, at their 2004 funding levels.
- Funding maintained schools received almost \$3.3 billion above their SES entitlements over the 2009-2013 funding period as set out below:

Estimated Cost of Funding Maintenance Arrangements						
	2009	2010	2011	2012	2013	2009-2013
	\$	\$	\$	\$	\$	\$
Catholic Systems	452,685,658	491,824,522	529,305,142	559,125,271	591,923,053	2,624,863,647
Independent Systems	18,865,779	20,749,850	22,115,849	23,683,300	25,202,064	110,616,842
Non-systemic Schools	95,190,457	102,644,832	107,791,307	111,071,945	116,726,772	533,425,313
ALL SCHOOLS TOTAL	566,741,895	615,219,205	659,212,298	693,880,516	733,851,889	3,268,905,802
Total - Independent Schools	114,056,237	123,394,682	129,907,156	134,755,245	141,928,836	644,042,155

Totals may differ due to rounding

- There is no provision for funding maintenance under the Australian Education Act 2013 and, therefore, funding maintenance no longer exists under the schools funding arrangements from 2014.
- The Government has committed to ensuring every Approved Authority receives at least its 2013 Commonwealth per student funding plus 3 per cent in 2014.

FUNDING GUARANTEE

- Funding guarantee schools were those SES-funded schools whose SES scores were higher in 2009-2013 than 2005-2008 resulting in reduced per capita funding entitlements. These schools had their 2008 per capita dollar amounts guaranteed (frozen) in the current funding period until the funding associated with their new SES score, plus supplementation, was equal to or greater than their 2008 entitlements.
- Unlike funding maintenance, funding guarantee worked as a transitional arrangement with all schools moving to their actual SES score funding before the end of the 2009-2013 funding period.
- The funding guarantee provision continued a principle which had long been a feature of schools funding, recognising that funding adjustments need to be phased-in over a period of time.

**Status of Non-Government Schools 2009-13
Funding Status in 2013**

	Number of Schools	%
Catholic Systemic Schools		
SES Funded	763	46.1
Funding Maintained	892	53.9
Funding Guarenteed*	0	0
*as at 1/1/2009 - 188		
end 2009 - 74		
end of 2010 - 5		
end 2011 - 1		
end 2012 - 0		
end 2013 - 0		
Total	1655	100
Independent Schools		
SES Funded	901	83.5
Funding Maintained	177	16.4
Funding Guarenteed*	0	0
*as at 1/1/2009 - 303		
end 2009 - 137		
end of 2010 - 27		
end 2011 - 4		
end 2012 - 0		
end 2013 - 0		
Total	1079	100
All Non-Government Schools		
Includes all Special schools and Special Assistance Schools		
SES Funded	1664	60.9
Funding Maintained	1069	39.1
Funding Guarenteed*	0	0
*as at 1/1/2009 - 491		
end 2009 - 211		
end of 2010 - 32		
end 2011 - 5		
end 2012 - 0		
end 2013 - 0		
Total	2734	100

* Movement of schools off Funding Guarentee following annual AGSRC supplementation