



How is school funding indexed?

School funding – the Schooling Resource Standard (SRS)

Commonwealth funding for schools is needs-based and is calculated with reference to the [Schooling Resource Standard \(SRS\)](#). The SRS is an estimate of how much total public funding a school needs to meet its students' educational needs.

The SRS is made up of a base amount for all primary and secondary students and up to 6 needs-based loadings for student priority cohorts and disadvantaged schools.

The base amount and all the loadings are indexed each year to reflect changes in prices and therefore costs faced by schools.

How is indexation calculated and applied?

The base amount, and all the loadings except for the school size loading, are worked out by reference to an amount per primary and secondary student called the SRS funding amount.¹ The school size loading is worked out by reference to maximum size loading amounts and starting amounts.

For 2018, the SRS funding amounts, maximum size loading amounts and starting amounts are prescribed in the *Australian Education Act 2013* (the Act).²

From 2019, these SRS funding amounts, maximum size loading amounts and the starting amounts are indexed annually by either:

- a rate calculated as the higher of:
 - 3 per cent, or
 - a percentage derived from 75 per cent of the change of the Wage Price Index (WPI) and 25 per cent of the change of the Consumer Price Index (CPI), or
- a rate prescribed by the Minister for Education.

This approach provides a minimum indexation rate and certainty for schools, while ensuring that funding reflects changes in wages and other costs. Indexation is weighted towards changes in wage costs reflecting that teachers' and staff salaries are a significant driver of schools' costs.

¹ Section 31 of the *Australian Education Act 2013* (the Act).

² Section 34, 44 and 49 of the Act.

Final indexation rates and SRS funding amounts

	2018	2019	2020	2021	2022	2023	2024	2025	2026
SRS funding amount for a primary student	10,953	11,343	11,747	12,099	12,522	13,048	13,570	13,991	14,467
SRS funding amount for a secondary student	13,764	14,254	14,761	15,204	15,736	16,397	17,053	17,582	18,180
Indexation rate	N/A ³	3.56%	3.56%	3.0%	3.5%	4.2%	4.0%	3.1%	3.4%
Basis of indexation rate	N/A	Prescribed rate	Prescribed rate	Minimum legislated rate	CPI and WPI derived factor	CPI and WPI derived factor	CPI and WPI derived factor	CPI and WPI derived factor	CPI and WPI derived factor

Source: Australian Government Department of Education

The final indexation rate for each year will be available around August, after the Australian Bureau of Statistics publishes the June quarter CPI and WPI.

The final indexation rate for 2027 is expected to be available after August 18, 2027.

Estimated indexation rates and SRS funding amounts

	2027	2028	2029	2030
SRS funding amount for a primary student	14,944	15,437	15,946	16,488
SRS funding amount for a secondary student	18,780	19,400	20,040	20,721
Indexation rate	3.3%	3.3%	3.3%	3.4%
Basis of indexation rate	Estimated based on Budget 2026-27	Estimated based on Budget 2026-27	Estimated based on Budget 2026-27	Estimated based on Budget 2026-27

Source: Australian Government Department of Education

Estimated indexation rates for 2027 to 2030 take into consideration the latest available Budget and Mid-Year Economic and Fiscal Outlook (MYEFO) projections. Published estimates may not be reflected in the latest payment calculations for schools due to the timing of these releases and payment schedules.

Estimated indexation rates for 2027 to 2030 will be next updated with CPI and WPI projections from MYEFO 2026-27, expected to be released at the end of 2026.

³ In 2018, the SRS funding amounts were prescribed in section 34 of the Act.