



Quality Schools

A fairer transition to the new model

Under current arrangements, some schools remain overfunded for more than 150 years

If current arrangements were to continue, by 2019 it is estimated that there would have been:

- only 116 schools that had managed to reach 100 per cent of the Schooling Resource Standard, with 9,018 schools still being funded below
- 5,524 schools still left below the funding target of 95 per cent of the Schooling Resource Standard by 2019, underfunded by an average of almost \$458,000 for every school
- around 256 schools receiving more than the full Schooling Resource Standard by an average of \$1.2 million

By 2027, 6,966 schools would still have been below the full Schooling Resource Standard by an average of approximately \$690,000.

Under current arrangements, even the most overfunded of schools get a guaranteed three per cent growth in funding each and every year under the current arrangements, regardless of need.

Many of these schools will remain overfunded for decades – more than 150 years in the worst case.

The 10 year transition to the new model is faster and fairer

Under the Australian Government's new fair, needs-based funding arrangements, there will be a 10 year transition to consistent Commonwealth funding commencing from 2018.

This is much faster and fairer than the more than 150 year transition under current arrangements.

A 10 year transition will help schools adjust and give them time to plan for the future.

By 2027, all schools will be funded on the same basis by the Commonwealth and attract consistent shares of the funding standard. In line with states having full constitutional responsibility for schools, the Commonwealth will fund:

- 20 per cent of the Schooling Resource Standard for government schools reflecting the Commonwealth's role as the minority public funder of government schools
- 80 per cent of the Schooling Resource Standard for non-government schools, reflecting the Commonwealth's role as the majority public funder of non-government schools.

A small number of schools will have their recurrent funding reduced

Over the 10 year transition to the new, fair funding arrangements, more than 99 per cent of schools will receive increases in their Commonwealth per student funding.

In 2018, a very small number of non-government schools, are expected to have their recurrent funding reduced as they transition to the Schooling Resource Standard. This is because these non-government schools have historically received more funding than similar schools with students with the same level of need.

The funding reduction will occur in a manageable way, with most affected schools set to have a reduction in Commonwealth funding of less than two per cent a year over the next four years.

Vulnerable and disadvantaged schools will be eligible for temporary adjustment assistance

In some cases, a school may find it unreasonably hard to adjust to the reduction of funding. This could be, for example, a school with a high proportion of students with disability or a school in a disadvantaged community. For these disadvantaged or vulnerable schools, the Government is providing an additional \$39.8 million in financial support over 10 years through adjustment assistance.

Adjustment assistance will be temporary, targeted, and provided on a case by case basis according to strict criteria.

The Australian Government Department of Education and Training will contact all schools estimated to have a reduction in funding to provide advice on how to apply for adjustment assistance. The department will also consult with the sector and seek independent advice to finalise clear and reasonable criteria for adjustment assistance.

More detailed arrangements will be announced following consultation with the sector.