

AISNSW Fact Sheet - changes to school funding arrangements from 2018



1. Commonwealth funding for non-government schools

From 2018 the Commonwealth Government will be responsible for providing 80% of an individual school's Schooling Resource Standard (SRS) funding entitlement. There are currently no Independent schools in NSW funded exactly at the 80% Commonwealth share of their SRS.

2. Indexation of funding

- From 2018 one indexation rate will apply to the SRS for all schools. The SRS will be indexed at 3.56% from 2018 to 2020, then indexation will be calculated based on a floating measure of 75% of the [Wage Price Index \(WPI\)](#) and 25% of the [Consumer Price Index \(CPI\)](#), with a minimum rate of 3% from 2021.
- The previous indexation rates of 3% for schools **above SRS**; 3.6% for schools **on SRS**; and 4.7% for schools **below SRS** will no longer apply from 2018.
- During the transition phase (six years for schools **below 80%** Commonwealth share of SRS or ten years for schools **above 80%** Commonwealth share of SRS) indexation rates for individual schools will vary considerably as each school is at a different starting point relative to its SRS funding entitlement. Once schools reach their designated funding level, indexation will be based on the floating measure calculated using the WPI and CPI rates as outlined above. Schools will still receive adjustments to their funding each year to take account of changes in the characteristics of their student cohort and changing enrolments.

3. Timeframe for schools' transition to the SRS

- Under the funding arrangements in place to the end of 2017, schools were *transitioning* to their SRS per student funding entitlement over a period of time. The timeframe for this transition varied significantly between schools and depended on the individual circumstances of the school. For some schools, this transition would have taken many decades.
- From 2018, schools currently funded **below** 80% of the Commonwealth share of their SRS entitlement will transition to the 80% Commonwealth share of their SRS in six years. Schools currently funded **above** 80% of the Commonwealth share of their SRS entitlement will transition to the 80% Commonwealth share of their SRS over ten years. The majority of schools currently funded **above** 80% of their SRS will have their rate of funding growth (indexation) slowed over this period, while for a small number of schools their per-student funding will be reduced in real terms.

4. Using the [Nationally Consistent Collection of Data \(NCCD\)](#) to calculate the funding loading for students with disability

- Students with disability will now be funded based on the NCCD which assesses the level of adjustment required by each student to provide them access to education on the same basis as other students.
- There are four levels of adjustment, with the top three levels (Supplementary, Substantial and Extensive) funded at different rates for primary and secondary students. When multiplied by the primary or secondary SRS amount this will deliver similar loadings for both primary and secondary students. Up to the end of 2017, students with disability attending a mainstream school were funded at a fixed rate of 186 per cent of the SRS, while students with disability attending a special school were funded at 223 per cent of the SRS. As a result for many schools their funding entitlement under this loading may change considerably — positively or negatively – compared with their previous entitlement.

5. State and Territory governments to maintain current levels of funding for schools

- From 2018, state and territory governments will be required to at least maintain their current share of funding for both government and non-government schools. The amendments also include a requirement for state and territory governments to deliver their share of a total public funding level agreed with the Commonwealth.
- It is possible that some Independent schools may currently be in receipt of NSW Government funding which exceeds 20% of a school's SRS. The Commonwealth and state and territory departments of education are currently negotiating how these arrangements might work.

6. Establishment of a Transition Adjustment Fund

The Commonwealth Government is establishing a Transition Adjustment Fund to provide financial support to schools which are expected to have a reduction in funding and which are considered to be disadvantaged or financially vulnerable. This 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 consult with the sector and seek independent advice to finalise clear and reasonable criteria for adjustment assistance. Schools will be contacted by the Department following this consultation with the sector.

7. The Review to Achieve Educational Excellence in Australian Schools

The Government has established the Review to Achieve Educational Excellence in Australian Schools, to be chaired by Mr David Gonski AC, to provide advice on how the extra Commonwealth funding provided from 2018 should be invested to improve Australian schools' performance and grow student achievement. The Review Panel will examine evidence and make recommendations on the most effective teaching and learning strategies and initiatives to be deployed, with the findings informing the development of a new national schooling agreement between the Commonwealth and states. The Review will report to the Prime Minister and Minister Birmingham by March 2018.

8. National School Resourcing Board and Review of SES

During negotiations on the [Australian Education Amendment Act 2017](#), the Government agreed to establish the National School Resourcing Board which will conduct a review of socioeconomic status (SES) as the basis for determining the capacity to contribute settings for non-government schools. This review will be conducted over the next and will potentially inform any new funding parameters after 2018.

9. Adjustment to the Capacity to Contribute (CTC) curve

Under the new funding model, the CTC curve has been adjusted to ensure that a primary student does not attract more funding than a secondary student. This change was implemented to reflect the actual costs of primary and secondary schools.

10. Removal of System Weighted Average SES

- The current funding model allows school systems to use a student-weighted average SES score for the whole system. Under this method all schools within the system are assigned the same CTC percentage.
- The [student weighted average SES](#) will still exist in 2018, but from 2019 all schools (including those belonging to a system) will have their CTC calculated on the individual school's SES.

Additional Information

Funding entitlements from 2018 are estimates only

It is important to remember that the funding entitlements and the funding transition path published by the Australian Government have been calculated using 2016 enrolment data and therefore are estimates only. The actual level of funding for individual schools will depend on the final 2017 funding amounts. Funding will also vary depending on changes to student demographics and characteristics within a school.

Per student base funding for a non-government school is determined by a school community's **capacity to contribute** — calculated using a measure of the school community's socio-economic status (SES).

Funding loadings

The areas of disadvantage addressed through the funding loadings are unchanged. They are:

- a. Size (particular circumstances of small schools)
- b. Location (rural, regional and remote)
- c. Low Socio-Educational Advantage (SEA) background
- d. Students with disability
- e. English language proficiency (disadvantaged LBOTE)
- f. Indigenous students.

Useful Links and Information

The following website links may be of use for schools, particularly to the Australian Government Department of Education and Training's **Quality Schools Fact Sheets**.

- https://docs.education.gov.au/system/files/doc/other/quality_schools_package_0.pdf
- https://docs.education.gov.au/system/files/doc/other/srs_explained.pdf
- <https://www.education.gov.au/quality-schools>
- <http://isca.edu.au/>
- <https://www.legislation.gov.au/Details/C2008A00136>
- <http://www.acara.edu.au/>
- <https://www.myschool.edu.au/>
- https://acaraweb.blob.core.windows.net/resources/About_icsea_2014.pdf
- <https://www.education.gov.au/quality-schools-frequently-asked-questions#what-is-the-national-school-resourcing>

Additional Support

- AISNSW is committed to supporting Independent schools during the transition into the new funding arrangements in 2018.
- For further information and a more detailed breakdown of funding entitlements for your individual school, please visit the [School Entry Point](#) web site.

Contact AISNSW

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