



What is the Schooling Resource Standard and how does it work?

The Schooling Resource Standard (SRS) is an estimate of how much total public funding a school needs to meet its students' educational needs, and is based on recommendations from the 2011 [Review of Funding for Schooling](#), led by Mr. David Gonski AC.

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.

By 2029, all schools in the same sector will be funded on a consistent share of the SRS by the Commonwealth. In line with states and territories having full constitutional responsibility for schooling, the Commonwealth is moving towards:

- consistently funding at least 20% of the total SRS for government schools, reflecting the Commonwealth's role as the minority public funder of this sector
- consistently funding at least 80% of the total SRS for non-government schools, reflecting the Commonwealth's role as the majority public funder of the sector.

Schools currently funded **below** their target Commonwealth share of the SRS will transition to the target by 2023. Schools that are currently funded **above** their target Commonwealth share will transition to it by 2029 at the latest.

Alongside the Commonwealth's increased investment, state and territory governments are also required to deliver their share of total public funding. Further information about state funding contribution requirements is available at: [How are schools funded in Australia?](#)

Base amount provides funding for every student

The base amount is calculated using the SRS funding amounts and a capacity to contribute discount for most non-government schools. It is estimated that the base amount accounts for 74.1% of Commonwealth recurrent school funding expenditure in 2022.

The SRS funding amounts were calculated by analysing funding levels in schools (known as 'reference schools') where at least 80% of students had achieved above the national minimum standard in NAPLAN for reading and numeracy for 3 years in a row. The SRS funding amounts are indexed each year to keep in line with or surpass any increases to wages and consumer prices.

The SRS funding amounts in 2022 are \$12,462 for primary students and \$15,660 for secondary students.

For most non-government schools, calculation of the base amount includes a reduction for the anticipated capacity of the school community to financially contribute to the school's operating costs.

This is called the 'capacity to contribute' (CTC) assessment. 'Capacity to contribute' does not apply to government schools, non-government special schools or special assistance schools, non-government majority Aboriginal and Torres Strait Islander schools, or non-government sole-provider schools. It also does not apply to distance education students, who attract 45% of the SRS funding amount to their school's base amount. There is no CTC discount applied to any of the 6 loadings; however, it is important to note that transition arrangements currently in-place for most schools affect both their base and their loading entitlements. The higher the school's CTC score, the more the base amount is discounted, up to a cap of 80% of the base amount.

Previous arrangements for calculating CTC used an area-based socio-economic status (SES) score measure, which was the best available data when implemented in 2001. A 2018 review by the National School Resourcing Board ([review of the socio-economic status \(SES\) score methodology](#)) found that recent innovations mean that a better measure of a school community's capacity to contribute based on the income of parents and guardians is now available.

In 2020 the Australian Government introduced a new method for calculating a school community's CTC based on a [Direct Measure of Income](#) (DMI) of parents and guardians of students at a school. This more accurate approach will ensure more funding flows to the schools that need it the most.

The government has put in place arrangements to support the gradual introduction of change to provide schools time to plan. Over 2020 to 2021 schools will receive the financial benefit of the 2011 Census SES score, 2016 Census SES score or the average DMI score. The new direct measure will apply to all schools by 2022, and where a DMI score can't be applied a Refined Area-Based (RAB) score will be applied instead. The Department of Education, Skills and Employment has advised approved authorities of whether a school would financially benefit from the use of DMI arrangements in 2020. This, and other arrangements will provide schools with time to plan as change is gradually introduced.

More information about the DMI is available in the [What is the methodology for the Direct Measure of Income?](#) fact sheet, and information about the RAB is available in the [What is a Refined-Area Based score?](#) fact sheet.

Loadings provide extra funding for student priority cohorts and disadvantaged schools

Up to 4 student loadings and 2 school-based loadings make up the total loading amount used to calculate a school's SRS. Loadings were developed by looking at how much funding in addition to the base amount was required to help students in priority cohorts achieve their full potential.

The 4 student loadings are the student with disability loading, the Aboriginal and Torres Strait Islander loading, the socio-educational disadvantage loading and the low English proficiency loading. The school-based loadings are for school size and school location.

All loadings are indexed at or above wage and consumer prices each year. With the exception of the school size loading, loadings are calculated with reference to the SRS funding amount. The base and loadings are not treated separately for the application of the Commonwealth share or any transitional arrangements.

Student with disability loading

This loading provides extra funding on top of the base amount for each student with disability.

The loading is based on the [Nationally Consistent Collection of Data on School Students with Disability \(NCCD\)](#), which collects information on students with disability by the level of additional support they are provided to access and participate in learning. Under the NCCD, the school team uses their professional, evidence-based judgement to capture information on the level of additional support a student is provided in the classroom.

Students with disability who are counted in the top 3 levels of the NCCD (extensive, substantial and supplementary) attract additional funding through the student with disability loading. The amount of the loading reflects the level of support they need to participate fully in school, with higher funding for those who need higher levels of support.

The NCCD captures a fourth level of support defined as 'support provided within quality differentiated teaching practice'. This comprises support provided within the classroom as part of standard teaching practice which is responsive to the needs of all students and delivered without the need for additional funding.

It is estimated the student with disability loading accounts for 10.5% of Commonwealth recurrent school funding expenditure in 2022. The student with disability loading is estimated to grow, on average, by 6.8% per year over 2018 to 2029.

Low English language proficiency loading

This loading provides extra funding on top of the base amount for students from a language background other than English where at least one parent has completed school education only to Year 9 (or equivalent) or below. This may include recently settled migrants and refugees. The loading is 10% of the SRS funding amount.

It is estimated the low English language proficiency loading accounts for 0.3% of Commonwealth recurrent school funding expenditure in 2022.

The low English language proficiency loading is estimated to grow, on average, by 5.9% per year over 2018 to 2029.

Aboriginal and Torres Strait Islander student loading

This loading provides extra funding on top of the base amount for each Aboriginal and Torres Strait Islander student. The amount of extra funding for each student depends on the proportion of

Indigenous students in the school. If there is a single Indigenous student in the school, the loading is 20% of the SRS funding amount. If 100% of the students in the school are Indigenous students, the loading is 120% of the SRS funding amount.

It is estimated the Aboriginal and Torres Strait Islander student loading accounts for 1.8% of Commonwealth recurrent school funding expenditure in 2022.

The Aboriginal and Torres Strait Islander student loading is estimated to grow, on average, by 5.8% per year over 2018 to 2029.

Socio-educational disadvantage loading

This loading provides extra funding on top of the base amount for each student from a socio-educationally disadvantaged background.

The loading amount is based on the percentage of students in the lowest 2 quartiles of socio-educational advantage (SEA) developed by the [Australian Curriculum, Assessment and Reporting Authority](#). The SEA measures the occupational and educational status of students' parents by looking at factors like occupation, completed school education and highest level of post-school education.

The greater the percentage of a school's students in each of the bottom 2 quartiles of the SEA, the higher the loading, up to a maximum of 50% of the SRS funding amount for Quartile 1 and 37.5% for Quartile 2.

It is estimated the socio-educational disadvantage loading (previously known as the low socio-economic status loading) accounts for 9.7% of Commonwealth recurrent school funding expenditure in 2022.

The socio-educational disadvantage loading is estimated to grow, on average, by 5.7% per year over 2018 to 2029.

Note: The calculation of the socio-educational disadvantage loading is unrelated to the methodology used to determine a non-government school's CTC score for the 'capacity to contribute' assessment referenced on the first page of this factsheet.

School location loading

This loading provides extra funding for schools in regional and remote locations in recognition that it generally costs more to educate students in regional and remote schools than it does for students in city-based schools. The loading is based on a school's Accessibility/Remoteness Index of Australia (ARIA) score, a measure of the remoteness or accessibility of every location in Australia, as a percentage the SRS funding amount and the school's size loading.

It is estimated the location loading accounts for 2.1% of Commonwealth recurrent school funding expenditure in 2022.

The school location loading for regional and remote schools is estimated to grow, on average, by 4.6% per year over 2018 to 2029.

School size loading

This loading provides extra funding for medium, small and very small schools in recognition that they cannot achieve the same efficiencies of scale as a large school. This is the **only** loading that is calculated as a set dollar amount (rather than as a proportion of the SRS funding amount).

Primary schools with up to 300 students and secondary schools with up to 700 students attract a size loading. The size loading is scaled:

- primary schools with between 15 and 200 students attract the maximum loading of \$196,526 in 2022
- secondary schools with between 100 and 500 students attract the maximum loading of \$314,443 in 2022.

It is estimated the school size loading accounts for 1.5% of Commonwealth recurrent school funding expenditure in 2022.

The school size loading is estimated to grow, on average, by 3.7% per year over 2018 to 2029.

Further information

Further information about the funding formula for schools can be found at Part 3, Division 2 of the *Australian Education Act 2013*.