



How is the Australian Government linking funding to the quality of Australia's schools?

Commonwealth funding must be used to improve outcomes for students

Evidence from the Organisation of Economic Co-operation and Development (OECD) is clear that simply providing more funding does not in itself improve student outcomes. The OECD has found that for high-income countries like Australia it matters more *how* money is spent, than *how much* is spent.

A strong level of funding is necessary, and we have that, but what is more important is to ensure that funding is being used on initiatives proven to boost student results.

Australian Government schools funding is tied to reforms proven to lift student outcomes

Since 2018, the government's growing investment in schools is being distributed according to need and tied to the implementation of our evidence-based quality reforms proven to lift student achievement.

The government established the [Review to Achieve Educational Excellence in Australian Schools](#), 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.

On 28 March 2018, the Review panel delivered the final report to the government, [Through Growth to Achievement: Report of the Review to Achieve Educational Excellence in Australian Schools](#). The recommendations informed the development of the new [National School Reform Agreement \(Agreement\)](#) between Commonwealth and state and territory governments. Bilateral agreements between the Commonwealth and each state or territory sit alongside the Agreement and set out state-specific reform actions to improve student outcomes.

The reforms within the Agreement and the supporting bilateral agreements aim to support schools and students across the country. Funding of \$200.1 million over 5 years is being provided to

state-based non-government representative bodies to support implementation of national and state reforms in all non-government schools.

States and territories are required to deliver their share of total public funding

New funding arrangements focus on student need with a [Schooling Resource Standard](#) (SRS), as recommended by the 2011 Review of Funding for Schooling, led by Mr Gonski. The SRS is made up of a base amount for every primary and secondary student, along with 6 loadings to provide extra funding to support disadvantaged schools and facilitate the achievement of priority cohorts.

By 2029, all schools in same sector will be funded on the same share of the SRS by the Commonwealth. In line with states 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?](#)