

Chapter 9: School Funding

This chapter reports on government funding of Australian schooling, school income and school expenditure.



In Australia, schools are funded by a combination of state/territory government funding, Australian Government funding, fees and charges, and other private contributions.

The bulk of funding for government schools comes from the state or territory government that owns and administers the school, with additional contributions from the Australian Government. A smaller contribution comes from fees, charges and other private sources. Most of the income for non-government schools comes from Australian Government funding and private sources (including fees and other charges), with smaller contributions from state and territory governments.

In the 2021/22 financial year, total operating expenses for all levels of government on primary and secondary education was 2.8% of Australia's gross domestic product (GDP).¹

This chapter is structured as follows. Section 9.1 reports on government recurrent funding for school education, using data from the NSSC and the Report on Government Services. Section 9.2 uses the ACARA MySchool Finance data collection to report on school income from all sources (government funding, fees and charges and other private income). Section 9.3 provides information about school expenditure, using data from the NSSC for government schools, and unpublished data from the Australian government department of education for non-government schools.

When reading this chapter, it is important to keep in mind that because of differences between the various data collections, not all data reported in this chapter is directly comparable.²

¹ Derived by Australian Government Department of Education ABS, 'Government Finance Statistics, Annual' (previously known as Cat. No. 5512.0).

² There are key differences between the 'School income and capital expenditure for government and non-government schools' – [My School](#) finance data (based on a calendar year) and the 'Government expenditure on government schools' - National Schools Statistics Collection (NSSC) finance data (based on a financial year). The income-based finance data from My School should not be compared to the expenditure-based finance data from NSSC (Finance). Table 9.3 (at the end of this chapter) provides an overview of the key features of the 4 data collections and the differences between them.

In this chapter, time-series figures have been adjusted for inflation to 2022 dollars, based on the Consumer Price Index (CPI) for June of each year where financial year values are presented, and December of each year when calendar year values are presented. Nominal values and values adjusted using the General Government Final Consumption Expenditure (GGFCE) chain price deflator and the ABS Wage Price Index (WPI) are available on the National Report on Schooling Data Portal.

While wage/salary related expenditure makes up the majority of school recurrent expenditure (more so for government schools than for non-government schools), the purpose of the deflator in this chapter is to provide a “real-dollar” comparison of monetary values over time. The use of deflators that focus only on wages (WPI), or government expenditure (as is the case with GGFCE) is somewhat ‘self-referential’ in the sense that values are being adjusted by a factor of how much the values themselves have changed, rather than how much the value of a dollar (more generally) has changed. As such, the nominal values and the deflator values are likely to be highly correlated. In this sense, the CPI is the most independent, unbiased way of equating the value of the dollar at a particular point in time.

In most years there is not a substantial amount of difference in the adjusted values when CPI or WPI are used. There are some exceptions, for example, in periods of high inflation where wages/salaries have not increased in line with inflation, and in years where policy changes have resulted in teacher wages increasing at a higher rate than inflation. For example, in recent years, government attempts to reduce inflation have introduced a somewhat artificial change in CPI (although the impact is real), while over the same period, there have been increases in teacher salaries to try and attract and retain teachers.

9.1 Government recurrent funding for school education

Key Facts:

In the 2021/22 financial year:

- Total recurrent government funding for schooling was \$78.69 billion. This was made up of \$53.56 billion (68.1%) from state and territory budgets and \$25.12 billion (31.9%) from the Australian Government (Commonwealth) budget.
- Overall, 74.6% (\$58.74 billion) of total recurrent government funding was allocated to government schools and 25.4% (\$19.95 billion) to non-government schools.
- The bulk of state and territory funding (91.5%) was allocated to government schools, while 61.2% of Australian Government funding was allocated to non-government schools.
- Total recurrent government funding was \$22,511 per student in government schools and \$14,032 per student for non-government schools.

Government recurrent funding, which supports the ongoing operating expenses of schools, is linked to the NSRA. Each state and territory government has a separate agreement with the Australian Government, which includes state-specific actions to improve student outcomes, and minimum state and territory funding contribution requirements.

The Australian Government provides funding through the recurrent funding model, set out in the *Australian Education Act 2013*. Under the recurrent funding arrangements, the Australian Government pays a prescribed percentage of each school's Schooling Resource Standard (SRS) each year. The SRS is an estimate of how much public funding a school needs to meet its students' educational needs. It is calculated from a per-student base-funding amount with six needs-based loadings to provide extra funding for students with disability, Aboriginal and Torres Strait Islander students, students who have low English language proficiency, students from a socio-educationally disadvantaged background, schools that are not in major cities and smaller schools.³

All state and territory governments redistribute funding between government schools within their jurisdiction according to their own funding arrangements, as per the *Australian Education Act 2013*. Each state and territory has its own model for distributing funds, such as the Student Resource Package in Victoria or the Resource Allocation Model in New South Wales. These models are designed to address the specific educational needs within their jurisdictions. They consider factors such as student and school characteristics to ensure that resources are directed where they are needed most, and all students are supported to achieve, regardless of where they live, their background, or their SES.

³ The amount of government funding received by a school will change from year to year depending on the number of students enrolled at the school and the loadings the students and school attract. More information on loadings is available on the [Australian Government Department of Education website](#). The low English language proficiency loading applies to 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.

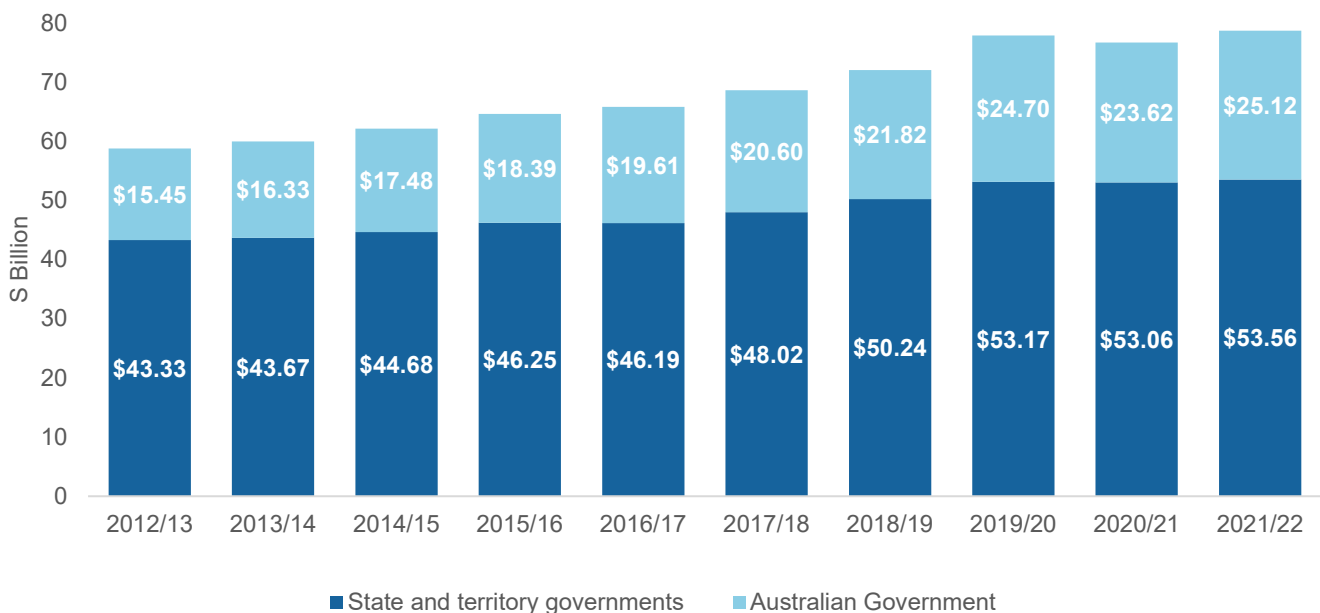
For most non-government schools, the SRS base amount is reduced by the school's Capacity to Contribute (CTC) – a measure of the capacity of the parents and guardians of students at the school to contribute financially to operating costs, relative to the capacity at other non-government schools. The CTC for most non-government schools is calculated using a Direct Measure of Income (DMI) based on the actual income of parents and guardians of students at each school.⁴

In 2021/22, total government recurrent funding of \$78.69 billion was provided for school education. This included \$53.56 billion (68.1%) through state and territory budgets and \$25.12 billion (31.9%) through the Australian Government budget.⁵

After adjusting for inflation, this represents an increase of 2.6% from the previous financial year, made up of a 6.4% increase in funding from the Australian Government and a 1.0% increase in funding from state and territory governments. Funding of school education over time, by the Australian Government and state and territory governments, is shown in Figure 9.1.

Figure 9.1

Australian and State/Territory government recurrent funding for all schools 2012/13 to 2021/22 (\$billion)



Notes:

Amounts are adjusted for inflation to 2022 dollars, based on the Consumer Price Index for June of each year. Nominal values and values adjusted using the General Government Final Consumption Expenditure (GGFCE) chain price deflator and the ABS Wage Price Index (WPI) are available on the National Report on Schooling Data Portal.

The Australian Government provided increased assistance in 2020 to some non-government schools in response to COVID-19. Australian Government expenditure data in this table include only Australian Government specific purpose payments. Other Australian Government funding for schools and students is not included. For some non-government schools 2020–21 financial year payments from the Australian Government were brought forward to the 2019–20 financial year.

Sources: National Schools Statistics Collection (Finance), unpublished, 2022; the Australian Government Department of Education (unpublished); Steering Committee for the Review of Government Service Provision, *Report on Government Services 2024*, Productivity Commission; ABS, *Schools, 2022*; ABS, *Consumer Price Index, Australia, 2023*.

⁴ The CTC does not apply to government schools, or non-government schools which are special schools, special assistance schools, majority Aboriginal and Torres Strait Islander schools, or sole provider schools. There are 2 other methodologies that can be used to calculate a school's CTC – the Refined Area Based (RAB) methodology and ministerial discretion. The RAB methodology is used to calculate CTC for schools if it is not practicable to use the DMI methodology for the school for the year.

⁵ Components of government recurrent funding do not sum to total due to rounding.

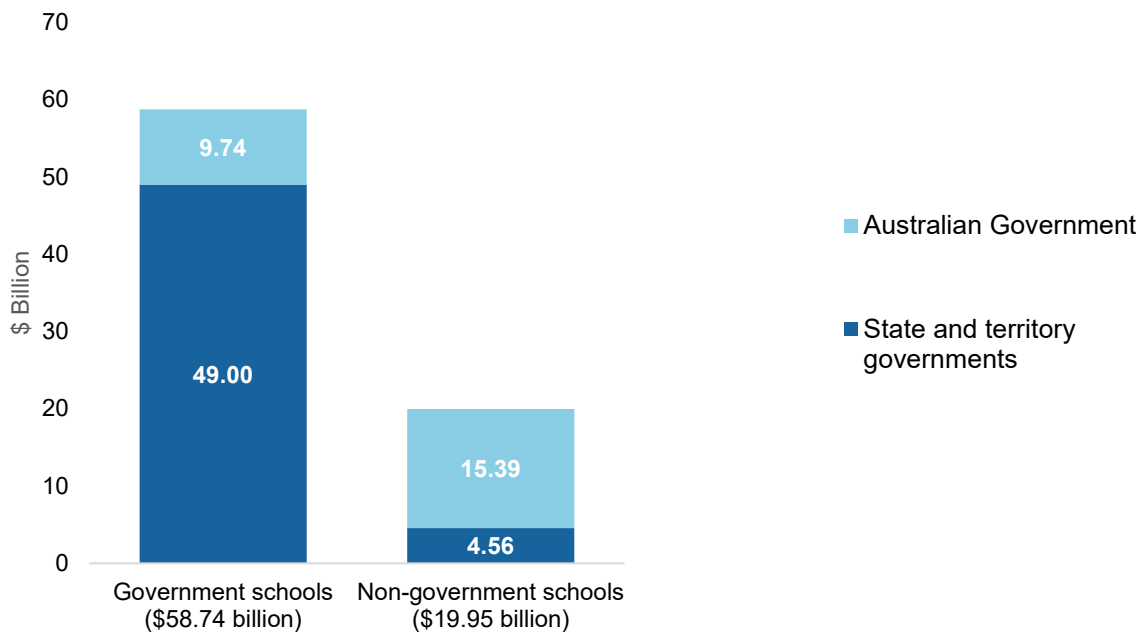
Government recurrent funding, by school sector

Of total government recurrent funding in 2021/22, the government school sector received 74.6% (\$58.74 billion) and the non-government sector received 25.4% (\$19.95 billion). This breakdown is shown in Figure 9.2.⁶

The bulk of state and territory funding (91.5%) was allocated to government schools, while 61.2% of Australian Government funding was allocated to non-government schools.

Figure 9.2

Total government recurrent funding for school education, by funding source and school sector, Australia, 2021–22 (\$ billion)

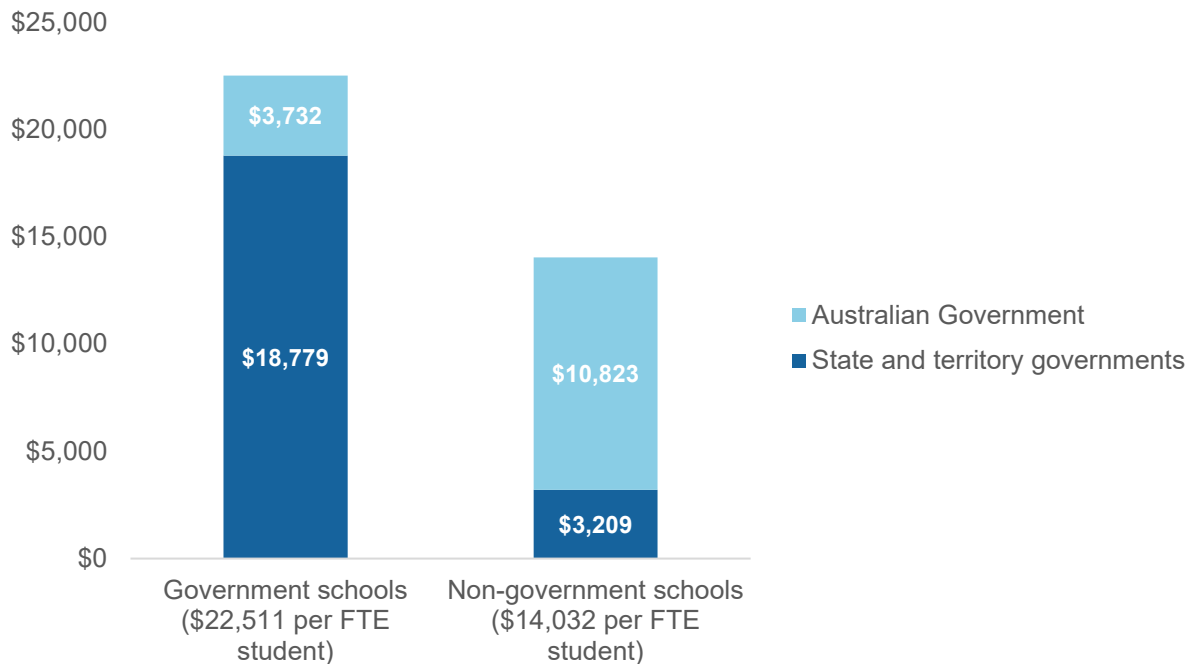


Sources: Government Schools Finance Statistics Group, National Schools Statistics Collection (NSSC) – Finance 2022, unpublished; the Australian Government Department of Education (unpublished); Steering Committee for the Review of Government Service Provision (SCRGSP), Report on Government Services 2024, Productivity Commission.

In 2021/22, total government recurrent funding was \$22,511 per student in government schools and \$14,032 per student in non-government schools. Figure 9.3 shows the contribution of state and territory governments and the Australian Government to the government and non-government school sectors, on a per-student basis.

⁶ Government funding for schools is historically reported on a financial year basis. Calendar year data for non-government schools has been adapted in this section to report on a comparable basis to government school financial data.

Figure 9.3

Government recurrent funding for school education by funding source and school sector, Australia, 2021/22, (\$ per student)

Note: Student numbers are the average full-time equivalent (FTE) student populations for the years being reported.

Sources: Government Schools Finance Statistics Group, National Schools Statistics Collection (NSSC) – Finance 2022, unpublished; the Australian Government Department of Education (unpublished); Steering Committee for the Review of Government Service Provision (SCRGSP), Report on Government Services 2024, Productivity Commission.

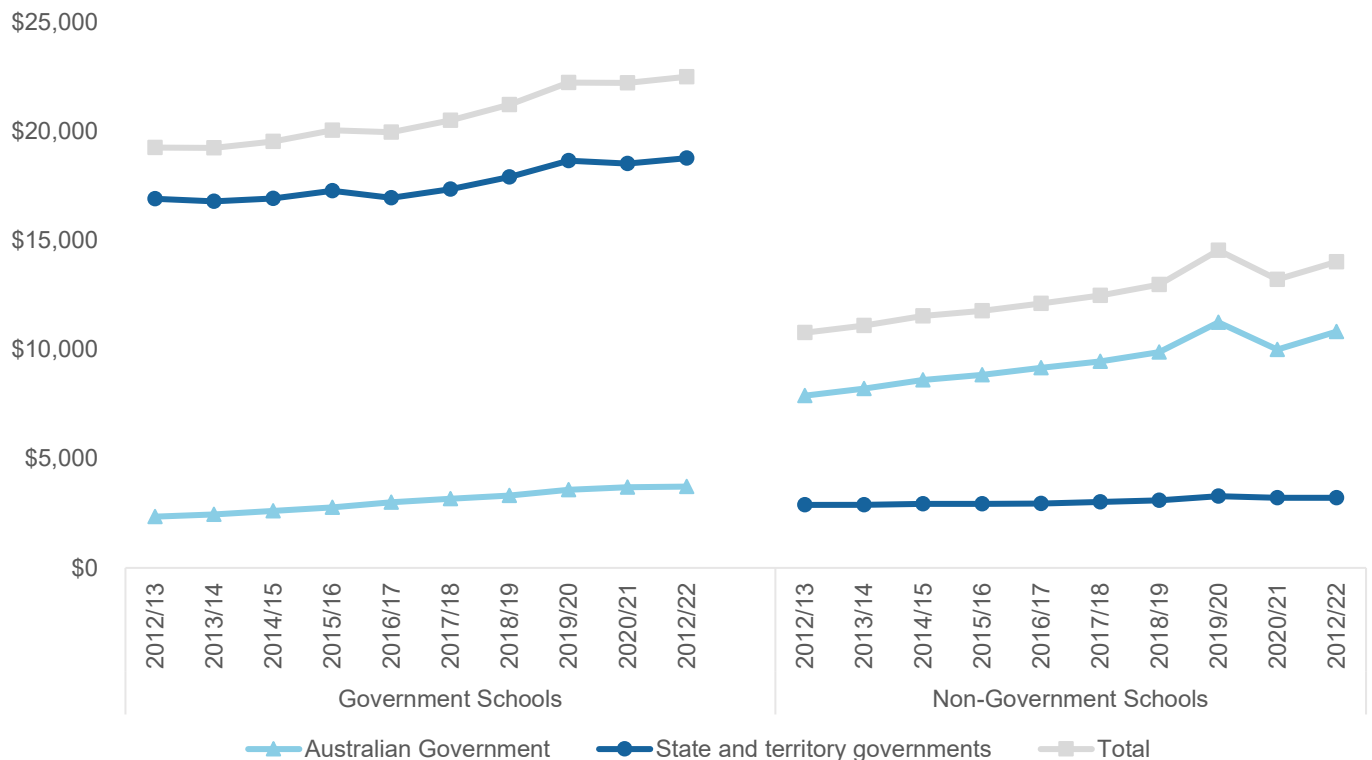
Between the 2020/21 and 2021/22 financial years, after adjusting for inflation:

- Across all schools, total government recurrent funding per student increased by \$417 (2.2%) per student, with increases of \$349 (5.9%) in Australian government funding and \$68 (0.5%) in state/territory funding.
- In government schools, total government recurrent funding per student increased \$284 (1.3%), with increases of \$38 (1.0%) in Australian government funding and \$246 (1.3%) in state/territory funding.
- In non-government schools, total government recurrent funding per student increased by \$806 (6.1%), with an increase of \$815 (8.1%) in Australian government funding and almost no change in state/territory funding (a decrease of \$8 or 0.2%).

Figure 9.4 shows changes in government funding per student in government and non-government schools since the 2012/13 financial year, after adjusting for inflation.

Figure 9.4

Government recurrent funding for school education (\$ per student), by funding source and school sector, Australia, 2012/13 to 2021/22



Notes: Student numbers are the average full-time equivalent (FTE) student populations for the years being reported.

Amounts are adjusted for inflation to 2022 dollars, based on the Consumer Price Index for June of each year. Nominal values and values adjusted using the General Government Final Consumption Expenditure (GGFCE) chain price deflator and the ABS Wage Price Index (WPI) are available on the National Report on Schooling Data Portal.

Sources: Government Schools Finance Statistics Group, National Schools Statistics Collection (NSSC) – Finance 2022, unpublished; the Australian Government Department of Education (unpublished); Steering Committee for the Review of Government Service Provision (SCRGSP), Report on Government Services 2024, Productivity Commission.

Over the ten-year period from 2012/13 to 2021/22, after adjusting for inflation:

- Across all schools, total government recurrent funding per student increased by \$3,219 (19.7%), with increases of \$1,949 (45.5%) in Australian government funding and \$1,270 (10.6%) in state/territory funding.
- In government schools, total government recurrent funding per student increased by \$3,248 (16.9%), with increases of \$1,382 (58.8%) in Australian government funding and \$1,866 (11.0%) in state/territory funding.
- In non-government schools, total government recurrent funding per student increased by \$3,252 (30.2%), with increases of \$2,930 (37.1%) in Australian government funding and \$321 (11.1%) in state/territory funding.

9.2 School Income

Key Facts:

In Australia, school income is made up of a combination of government funding, fees and charges, and private contributions.

In 2022:

- In government schools, state and territory governments provided 75.6% of total gross income, Australian Government funding accounted for 20.7%, and the remaining 3.7% came from fees, charges parent contributions and other private sources.
- In Catholic schools, the Australian Government contributed 60.7% of gross income, state and territory governments provided 15.7%. Fees, charges and private contributions made up 23.6% of Catholic sector income.
- In independent schools, income from fees, charges and parent contributions made up 46.9% of total gross income, with income from other private sources contributing an additional 4.4%. Australian Government funding accounted for 38.3% of total gross income, and state and territory governments provided 10.4%.

In Australia, school income is made up of a combination of government funding (from the Australian Government and state/territory governments) and income from fees and charges and private contributions.

For government schools, the bulk of income comes from the state or territory government, with smaller contributions from the Australian Government, fees and charges and private contributions. Most of the income for non-government schools comes from Australian Government funding and private sources (including fees and other charges), with smaller contributions from state and territory governments.

This section reports on school income from government and private sources using the ACARA *MySchool* finance data collection, and the amounts reported in this section are not directly comparable to the data presented in Section 9.1 of this Chapter. The *MySchool* data collection differs from the NSSC finance data in the following ways:

- it is based on income reported by schools, rather than government expenditure,
- it is reported on a calendar year basis, rather than a financial year basis,
- the amounts reported in the *MySchool* data include government and private funding that supports a school but exclude distinct income and/or expenditure items treated differently across all sectors such as user cost of capital (a notional opportunity cost), payroll tax, depreciation and the cost of transporting students to and from school.⁷

⁷ As these items are included in the NSSC finance data, school funding amounts reported in Section 9.1 are considerably higher than school income from government funding based on the *MySchool* data, particularly for state/territory government funding for government schools.

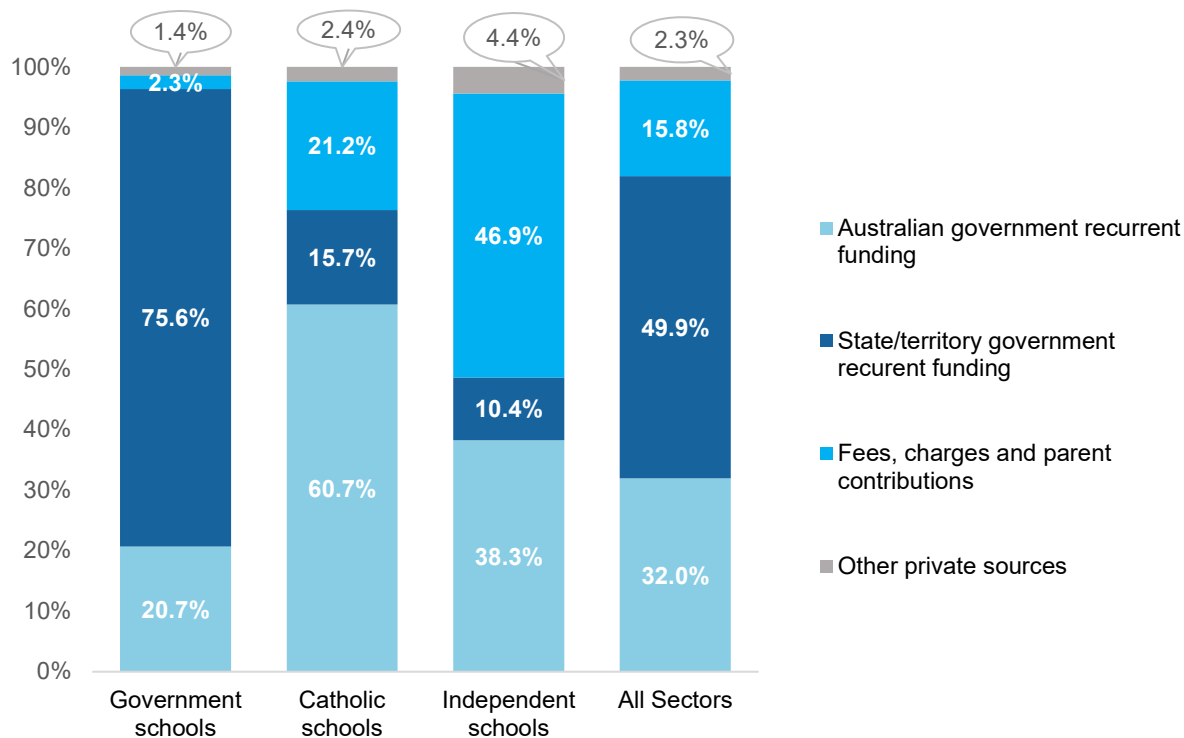
Recurrent income for schools

In 2022, total gross recurrent income for all schools in Australia was \$80.05 billion, made up of \$25.62 billion (32.0%) from Australian Government recurrent funding, \$39.98 billion (49.9%) from state/territory government recurrent funding, \$12.65 billion (15.8%) from fees, charges and parent contributions and \$1.81 billion (2.3%) from other private contributions.

Australian Government recurrent funding accounted for 20.7% of the total gross income for government schools, with state and territory governments providing 75.6% of funds. For non-government schools, the Australian Government contributed 60.7% of Catholic sector gross income and 38.3% of independent sector gross income.⁸ Income from fees, charges and parent contributions made up 21.2% of Catholic sector income and 46.9% of independent sector income. These contributions are shown in Figure 9.5.

Figure 9.5

Gross recurrent school income, by funding source and school sector, Australia, 2022 (%)



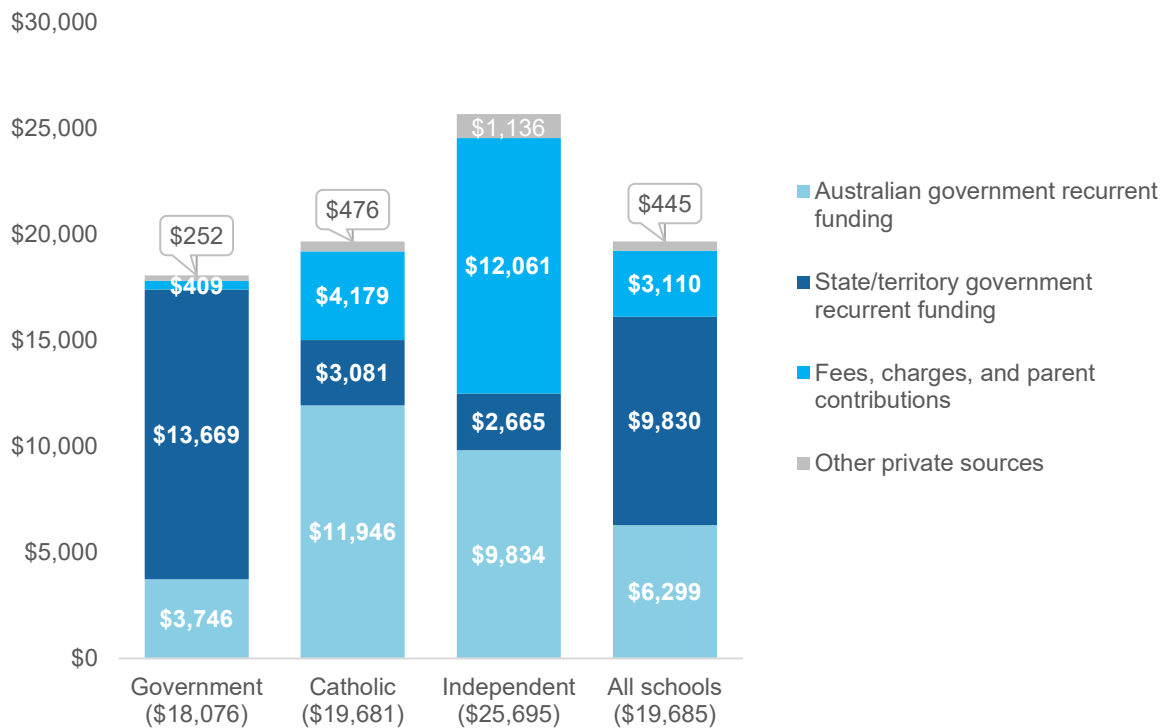
Source: ACARA, *My School* finance data collection.

In 2022, average gross recurrent income per student, across all Australian schools, was \$19,685. It was higher for independent schools (\$25,695) than for Catholic schools (\$19,681) and government schools (\$18,076). Figure 9.6 provides a breakdown by source of income and school sector.

⁸ In this section non-systemic Catholic schools are included in the independent school data to reflect their financial status. This is an exception to the general statement that non-systemic Catholic schools are counted as Catholic in this report.

Figure 9.6

Gross recurrent school income, by funding source and school sector, 2022 (\$ per FTE student)



Source: ACARA, *My School* finance data collection.

Net recurrent income per student (NRIPS) includes total gross recurrent income from all sources (public and private) minus deductions for debt and capital expenditure. In 2022, average NRIPS across all schools was \$19,025. It was higher for independent schools (\$23,318) than for Government schools (\$18,063) and Catholic schools (\$18,363).

In real terms (after adjusting for inflation), between 2021 and 2022, NRIPS increased by \$23 (0.1%) in government schools; but decreased by \$427 (2.3%) in Catholic schools and \$555 (2.3%) in independent schools. Across all sectors, NRIPS was \$128 (0.7%) lower in 2022 than in 2021.⁹

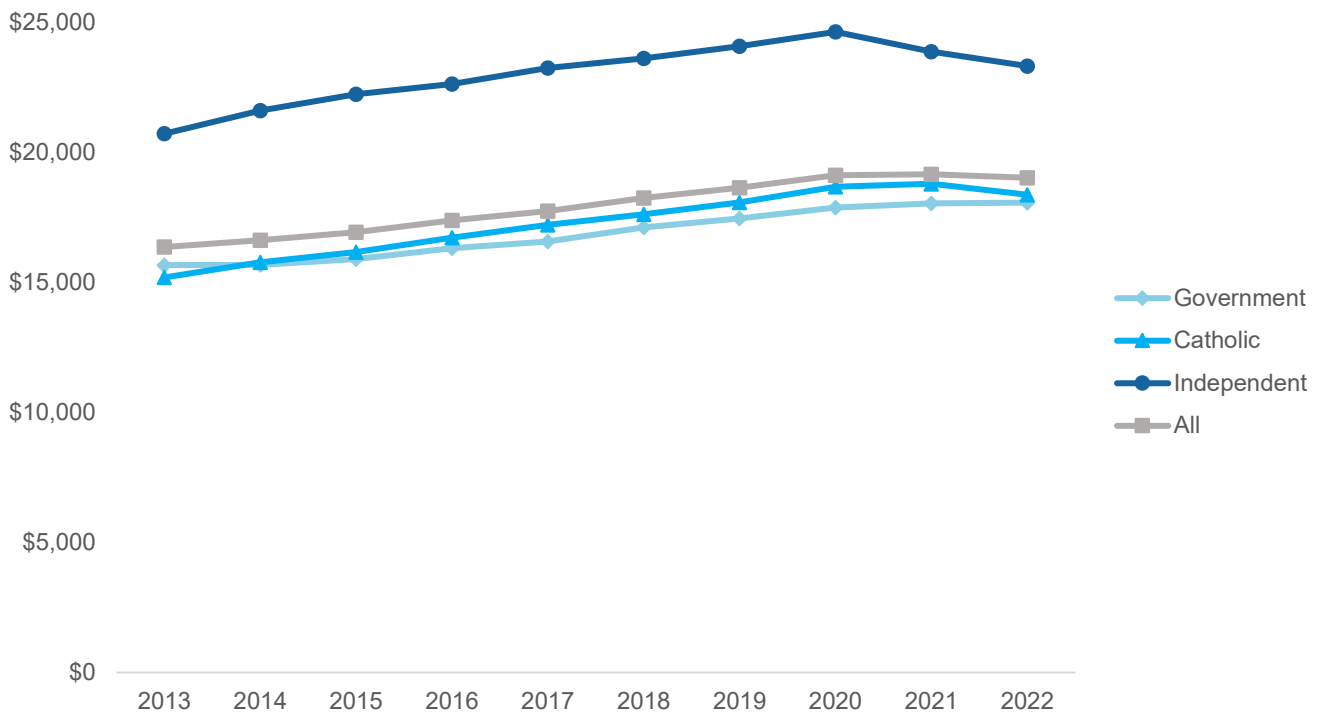
Figure 9.7 shows NRIPS, adjusted for inflation, for the period 2013 to 2022.

After adjusting for inflation, NRIPS across all schools was \$2,668 (16.3%) higher in 2022 compared to 2013, with increases of \$2,401 (15.3%) in government schools, \$3,176 (20.9%) in Catholic schools and \$2,605 (12.6%) in independent schools.

⁹ The decline in NRIPS for independent schools between 2020 and 2022 is likely to be at least partly due to the increased enrolment numbers in the independent sector. Between 2019 and 2022, the government sector share of total enrolments fell by 1.2 percentage points to 64.5%, independent school enrolments rose by 1.1 percentage points to 15.9% of the total market, while Catholic sector enrolments increased by 0.2 percentage points to 19.7% of total enrolments. See Chapter 2: Schools and Schooling for further details of changes in government, Catholic and Independent schools share of total enrolments over time.

Figure 9.7

Net recurrent income per student (NRIPS), by school sector, Australia, 2013–2022 (\$ per student, \$2022)



Note: Values are adjusted for inflation to 2022 dollars, based on the Consumer Price Index for December of each year. Nominal values and values adjusted using the General Government Final Consumption Expenditure (GGFCE) chain price deflator and the ABS Wage Price Index (WPI) are available on the National Report on Schooling Data Portal.

Sources: ACARA, *My School* finance data collection. ABS, *Schools*, 2022; ABS, Consumer Price Index, Australia, 2023.

9.3 School expenditure

Key Facts:

- In government schools, in the 2021/22 financial year:
 - average total government recurrent expenditure (money spent on the daily operations of schools) was \$22,511 per student
 - \$10,458 per student (46.5% of total government recurrent expenditure) was spent on teaching staff salaries.
- In non-government schools, in the 2022 calendar year:
 - average total recurrent expenditure was \$19,372 per student
 - \$9,031 per student (46.6% of total recurrent expenditure) was spent on teaching staff salaries.
- In the 2022 calendar year, capital expenditure (money spent to buy or improve long-term fixed assets, such as renovating classrooms, or constructing a new library) was \$4.35 billion in government schools, \$1.93 billion in Catholic schools, and \$2.95 billion in independent schools.

There are 2 types, or functions, of school expenditure. Recurrent expenditure is money spent on the daily operations of schools, including:

- salaries for school staff,
- school supplies (e.g., textbooks, art supplies, sporting equipment),
- general operating expenses of the school (e.g., utility bills and insurance),
- maintaining the school's land and buildings (e.g., building repairs and school grounds upkeep), and
- other administrative costs (e.g., staff costs in meeting Australian Government reporting requirements and participating in NAPLAN or other national assessments).

Capital expenditure is money spent to buy or improve long-term fixed assets that can be used for educational purposes, for example, renovating classrooms, or constructing a new library.¹⁰

¹⁰ Non-government schools derive their income from Australian Government and state/territory government grants, school fees and charges, and from private sources including fundraising, and donations. This income is used to fund both recurrent and capital purposes. Under the *Australian Education Act 2013*, an approved authority for a non-government school that has a capacity to contribute greater than zero percent must not use government recurrent funding for the purchase of land or buildings for the school, the construction of a building, or part of a building, for the school, capital improvements for the school, any form of loan, credit facility, or other interest in relation to the above.

In this section, school expenditure is reported separately for government and non-government schools. For government schools, data is sourced from the NSSC and reported on a financial year basis. Only expenditure from government funding is reported.¹¹

For non-government schools, expenditure data is sourced from the Australian Government Department of Education financial questionnaire. Expenditure is reported for the calendar year and includes expenditure from all income sources, including school fees and other private sources.¹²

It is important to note that, due to the differences in the data sources and the time-period for which expenditure is reported (financial year for government schools and calendar year for non-government schools), expenditure per student for government and non-government schools is not directly comparable.

Government recurrent expenditure on government schools

Total recurrent government expenditure on government schools in 2021/22 was \$58.74 billion (\$22,511 per student).

The major component of expenditure for government schools is in-school expenditure, which covers schools' day-to-day operations. In-school expenditure encompasses expenses related to teaching, learning, school administration and library functions. Out-of-school expenditure includes state office costs, and regional and local functions which support schools. Amounts of in-school and out-of-school expenditure, by function, are presented in Table 9.1.

Salaries are by far the largest component of expenditure on schools, with teacher salaries comprising the majority of this expenditure. Teaching salary costs (average \$10,458 per student) represented 75.6% of total salary costs in 2021/22 and 46.5% of total recurrent expenditure inclusive of user cost of capital, down marginally from 48.4% in 2020–21. In 2021–22, non-salary costs including user cost of capital made up 38.6% of total operating expenditure inclusive of user cost of capital.¹³

¹¹ For government schools, expenditure from income from fees, charges and other private sources is excluded from the amounts reported in this section. Therefore, for government schools, total expenditure is equal to the total funding amounts reported in Section 9.1.

¹² In this data collection, compiled by the Australian Government, non-systemic Catholic schools are counted as Catholic.

¹³ Expenditure data for government and non-government schools, broken down by school level (primary and secondary), is available on the National Report on Schooling data portal. Average recurrent expenditure per student is higher, on average, for secondary school students than for primary students. Capital expenditure per student is also higher, on average, for secondary school students than for primary school students.

Table 9.1

Recurrent expenditure by government education systems, Australia, 2021/22 financial year (accrual basis), (nominal \$'000 and \$ per student)

	In school recurrent expenditure (\$'000)	Out of school recurrent expenditure (\$'000)	Total recurrent expenditure (\$'000)	Total recurrent expenditure per student (\$ per student)
Salaries - Teaching staff	\$27,287,355	\$0	\$27,287,355	\$10,458
Salaries - Non-teaching staff	\$7,107,199	\$1,637,312	\$8,744,511	\$3,351
Redundancies	\$36,293	\$26,693	\$62,986	\$24
Non-salary costs	\$11,375,221	\$1,262,228	\$12,637,449	\$4,843
Total recurrent expenditure (excluding user cost of capital)	\$45,806,068	\$2,926,233	\$48,732,301	\$18,676
User cost of capital	\$9,929,322	\$77,277	\$10,006,599	\$3,835
Total recurrent expenditure (including user cost of capital)	\$55,735,390	\$3,003,510	\$58,738,900	\$22,511

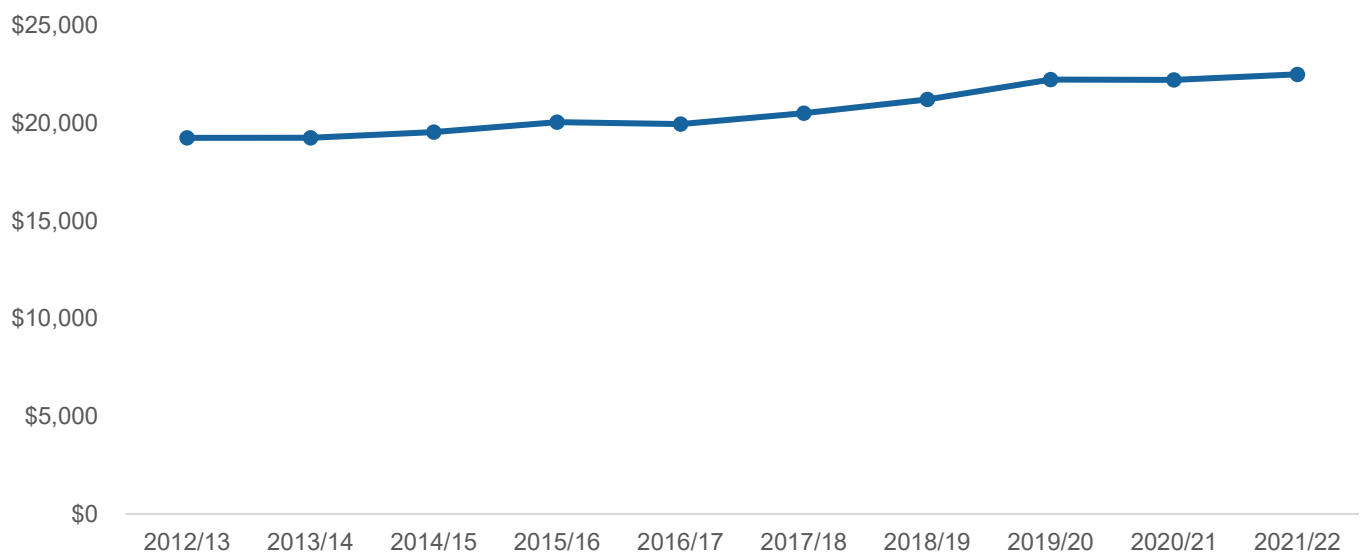
Notes: Amounts are expressed in actual dollars (nominal) and are not adjusted for inflation. Components may not add to totals due to exclusions and rounding. Salaries include on-costs such as superannuation, payroll tax, workers compensation and long service leave. Redundancy payments have been excluded from salaries (teaching and non-teaching)

Source: National Schools Statistics Collection (NSSC) (Finance), unpublished, 2022.

After adjusting for inflation, average total recurrent expenditure per student in government schools increased by \$284 (1.3%) between the 2020/21 and 2021/2022 financial years.

Figure 9.8 shows average total recurrent expenditure per student in government schools, adjusted for inflation, for the period 2012/13 to 2021/22. During this period, average total recurrent expenditure per student increased by \$3,248 (16.9%) in real terms.

Figure 9.8

Total recurrent expenditure per student (including user cost of capital), government schools, Australia, 2012/13 to 2021/22 (\$ per student, \$2022)

Notes: Amounts are adjusted for inflation to 2022 dollars, based on the Consumer Price Index for June of each year. Nominal values and values adjusted using the General Government Final Consumption Expenditure (GGFCE) chain price deflator and the ABS Wage Price Index (WPI) are available on the National Report on Schooling Data Portal.

Sources: National Schools Statistics Collection (NSSC) (Finance), unpublished, 2022; ABS, Consumer Price Index, Australia, 2023.

Recurrent expenditure in non-government schools

In 2022, total recurrent expenditure in non-government schools was \$28.91 billion (\$19,372 per student).

Table 9.2 shows total recurrent expenditure per student for non-government schools in the 2022 calendar year.

As was the case for government schools, salaries are the largest component of expenditure on schools, with teacher salaries comprising the majority of this expenditure. In 2022, teaching salary costs (average \$9,031 per student) represented 72.8% of total salary costs and 46.6% of total recurrent expenditure, down from 48.3% of total recurrent expenditure in 2021. Non-staff related expenditure made up 25.4% of total recurrent expenditure in non-government schools in 2022.

Table 9.2

Recurrent expenditure in non-government schools, by function, Australia, 2022 calendar year (\$ per student)

	Total recurrent expenditure (\$'000)	Total recurrent expenditure per student (\$)
Salaries - Teaching staff	\$13,478,464	\$9,031
Salaries - Non-teaching staff	\$5,027,857	\$3,369
Other staff-related expenditure	\$3,061,002	\$2,051
Debt servicing	\$317,157	\$213
Other operating expenditure	\$7,027,221	\$4,709
Total recurrent expenditure	\$28,911,701	\$19,372

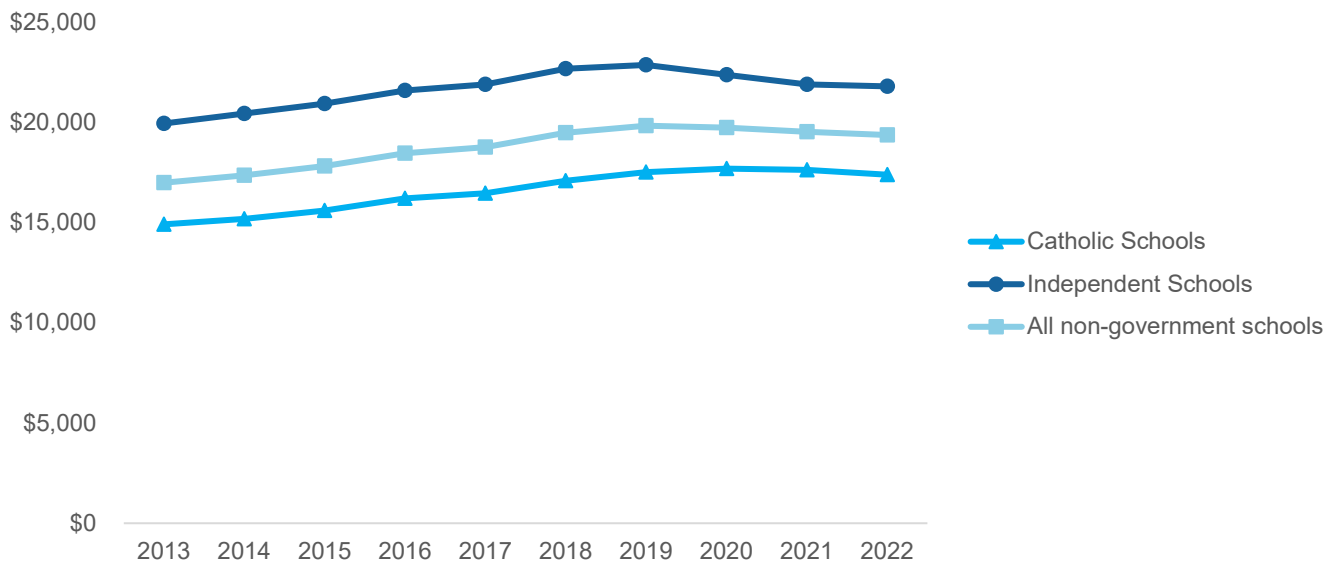
Notes: Expenditure per student for the components of recurrent expenditure is derived based on the percentage of total recurrent expenditure (including user cost of capital) of each component.

Source: Australian Government Department of Education, unpublished data.

In 2022, total recurrent expenditure per student was higher for independent schools (\$21,796 per student) than in Catholic schools (\$17,385 per student). Average total recurrent expenditure per student for the period from 2013 to 2022, adjusted for inflation, is shown in Figure 9.9.

Figure 9.9

Total recurrent expenditure per student, non-government schools, Australia, by sector, 2013–2022 (\$ per student, \$2022)



Note: Values are adjusted for inflation to 2022 dollars, based on the Consumer Price Index for December of each year. Nominal values and values adjusted using the General Government Final Consumption Expenditure (GGFCE) chain price deflator and the ABS Wage Price Index (WPI) are available on the National Report on Schooling Data Portal.

Source: Australian Government Department of Education, unpublished data.

After adjusting for inflation, total recurrent expenditure per student in non-government schools decreased by \$157 (0.8%) between 2021 and 2022, with decreases of \$250 (1.4%) for Catholic schools and \$96 (0.4%) for independent schools.¹⁴

In real terms (after adjusting for inflation), average total recurrent expenditure per student in non-government schools increased by 14.0% (\$2,381 in 2022 dollars) over the period from 2013 to 2022, with increases of 16.6% (\$2,471) for Catholic schools and 9.3% (\$1,850) for independent schools.

Capital expenditure in government and non-government schools

My School allows for comparable reporting of capital expenditure by all schools.¹⁵ In 2022, capital expenditure was \$4.35 billion across 6,699 government schools, \$1.93 billion over 1,766 Catholic schools, and \$2.95 billion across 1,149 independent schools.

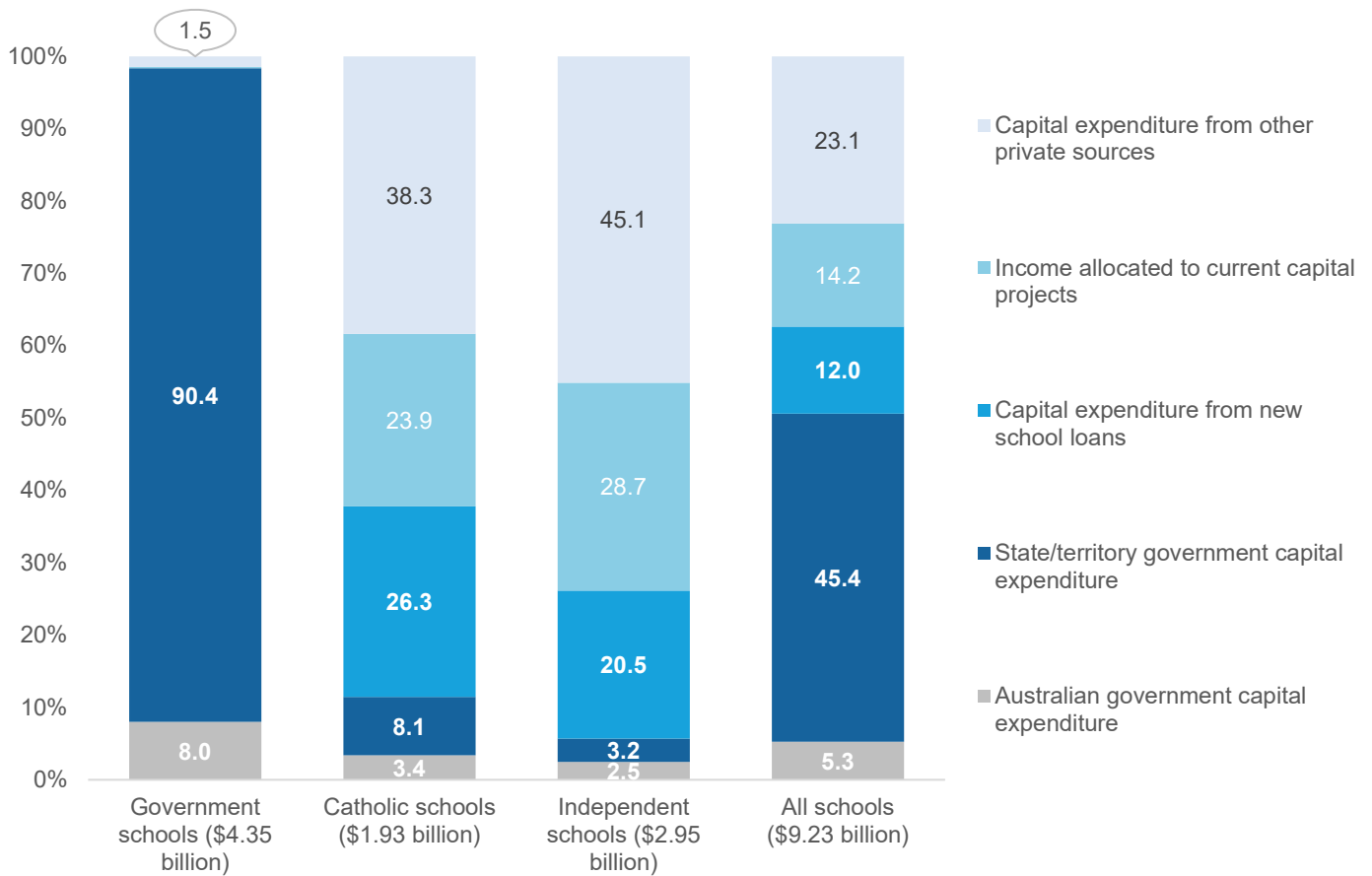
In government schools, capital expenditure was mainly sourced from state/territory funding (90.4%), with an additional 8.0% from Australian government funding, and 1.5% from other private sources, as shown in Figure 9.10.

¹⁴ As was the case for the decline in net recurrent income per student (NRIPS), the decline in total recurrent expenditure per student independent schools between 2019 and 2022 is likely to be at least partly due to the increased enrolment numbers in the independent sector.

¹⁵ Capital expenditure for both government and non-government schools were derived from *MySchool* data. These amounts differ from the capital expenditure amounts based on NSSC data for government schools and data provided by the Australian Government Department of Education for non-government schools. For the *MySchool* Finance data, jurisdictions agreed to exclude all capital expenditure on the construction and acquisition of new schools where the expenditure was incurred in calendar years prior to the school becoming operational. There are generally 40-45 new schools opened each year, for which this change applies.

Figure 9.10

Capital expenditure, by income source and school sector, Australia, 2022 calendar year (%)



Note: New school loans refer to the amount of capital expenditure funded by capital loan drawdowns in the reporting year. Income allocated to current capital projects is the amount of gross income received by the school that has been spent on capital projects in the reporting year. Other (capital expenditure) – the amount of capital expenditure funded through other private sources including retained earnings from previous years. Values may not sum exactly to 100.0 due to rounding.

Source: ACARA, *My School* finance data collection.

A relatively small proportion of capital expenditure in non-government schools was sourced from state/territory government capital funding (8.1% for Catholic schools and 3.2% for independent schools) or Australian government funding (3.4% for Catholic schools and 2.5% for independent schools).

In Catholic schools, 38.3% of capital expenditure was sourced from private income sources, as was 45.1% of capital expenditure in independent schools. Capital expenditure from income allocated to current capital projects made up 23.9% of total capital expenditure for Catholic schools and 28.7% of total capital expenditure for independent schools, while capital expenditure from new school loans made up 26.3% of total capital expenditure for Catholic schools and 20.5% of total capital expenditure for independent schools.

Table 9.3 An overview of the key features and differences between the 4 school funding data collections

	Government expenditure on government schools	Non-government schools' income and expenditure	School income and capital expenditure for government and non-government schools	Government recurrent expenditure on government and non-government schools
Reporting period	Financial year 2021/22 (ending in reporting year)	Calendar year 2022 (same as reporting year)	Calendar year 2022 (same as reporting year)	Financial year 2021/22 (ending in reporting year)
Scope of reporting	Government schools only Disaggregation by state/territory No disaggregation by funding source	Non-government schools receiving Australian Government recurrent funding Disaggregation by state/territory, Catholic and independent schools Catholic non-systemic schools are reported as Catholic schools.	Government and non-government schools receiving government funding Disaggregation by state/territory, Catholic and independent schools Catholic non-systemic schools are reported as independent schools in aggregated data.	Government and non-government schools receiving government funding No disaggregation by Catholic/Independent for non-government schools.
What is reported	Capital and recurrent expenditure In-school costs (e.g., teacher salaries) Out-of-school costs (e.g., state office, regional and local functions which support schools)	Income from all sources Capital expenditure and recurrent expenditure	Recurrent income from all sources Capital expenditure	Government recurrent expenditure on government schools and non-government schools No disaggregation by state/territory or primary/secondary
Income or expenditure based	Expenditure based (based on payment of expenses)	Income and expenditure based	Income and capital expenditure based	Expenditure based (based on payment of expenses)
Treatment of private funding	Not reported	Private income reported	Private income reported	Not reported
Inclusions	Payroll tax (real or notional) Notional user cost of capital in government school funding Non-salary costs include other operating expenses, grants and subsidies and depreciation	Recurrent and capital grants Debt servicing of loans Australian Government assistance as part of the COVID-19 response (including JobKeeper payments)	Government funding (including JobKeeper payments received by non-government schools) Private funding	Australian Government funding for schools, joint programs apportioned to government schools, assistance in response to COVID-19 (excluding JobKeeper payments received by non-government schools) Expenditure by state and territory government education departments Staff allowances for accommodation
Exclusions	Funds raised by schools, school councils or community organisations	Amounts related to boarding facilities	Items are treated differently across sectors, such as user cost of capital, payroll tax and boarding	Funds raised by schools, school councils or community organisations
Agency responsible for collecting data	State and territory governments	Australian Government Department of Education (AGDE)	AGDE (non-government schools) State/territory governments (government schools)	Productivity Commission
Source	National Schools Statistics Collection (Finance)	AGDE financial questionnaire	<i>My School</i>	NSSC Finance Collection, federal budget papers and data provided to the Productivity Commission