

## 2 Resourcing Australian schools

### 2.1 Overview

Schooling in Australia in 1996 was resourced by both State and Commonwealth governments, to enable schools to address the Common and Agreed National Goals. State governments provided both recurrent and capital funding for schooling in their jurisdictions. Additional funding from the Commonwealth assisted both government and non-government education providers in each State to improve outcomes for students. In addition to funding from governments, schooling in the non-government sector also relied on significant levels of income from private sources such as fees.

Within each State, recurrent funding was allocated in accordance with government policies and priorities to support the education of students in both government and non-government schools. That funding was generally allocated on the basis of student numbers and the level and type of education being provided. All State governments provided funding for capital projects in government schools and some also assisted non-government providers financially in undertaking capital projects.

In 1996, the Commonwealth provided approximately \$3 billion in supplementary funding for government and non-government schools through a range of general and specific purpose grants programs. General Recurrent Grants supported the recurrent costs of schools, while Capital Grants assisted in the provision of school facilities. The National Equity Programme for Schools (NEPS), targeted specifically at educational disadvantage, provided funding for instruction in English as a Second Language (ESL), special education programs for students with disabilities, programs for students at risk of leaving school prematurely and programs to foster the development of literacy in the early years of schooling.

Commonwealth funds were also directed at a range of programs related to national priorities in education including the education of girls, nationally-consistent curriculum, professional development, key competencies and the NSELS. The Commonwealth also provided funding for the collaborative National Asian Languages and Studies in Australian Schools (NALSAS) Strategy, as well as assistance for the teaching and learning of community languages and identified 'priority' languages.

The Commonwealth contributed to the education of Indigenous students in 1996 through the Aboriginal Education Strategic Initiatives Programme (AESIP) and the Aboriginal Education Direct Assistance (AEDA) Programme, aimed at increasing parent participation in schooling and providing individual small group vocational guidance for Indigenous students. The Commonwealth also provided a further \$608 million in direct income support for students in need, Indigenous students and students who, because of isolation or disability, must live away from home to attend school.

Additional information about these activities can be found in the Commonwealth chapter of the *National Report*.

### 2.2 Principal areas of expenditure

Calculations based on data in Table 10 reveal that 93.8 per cent of the total expenditure by government school education systems in Australia in 1995–96 was spent directly in schools. In-school primary education received 49.8 per cent of total expenditure, while in-school secondary education received 44.0 per cent. These percentages each varied only marginally from equivalent figures for 1994–95, reflecting a minor increase in the percentage of funds devoted to out-of-school expenditure, from six per cent in 1994–95 to 6.2 per cent in 1995–96. This greater figure was identical with that for 1993–94.

Table 10 also provides a national overview of expenditure levels by government education systems in 1995–96 in key operational areas, such as the relative levels of salary and non-salary costs. For example:

- 68.2 per cent of total expenditure in 1995–96 was directed to the payment of salaries (both teaching and non-teaching staff), compared with 69.4 per cent in 1994–95;
- teaching staff salary costs represented 83.0 per cent of total salary costs (87.1 per cent in 1994–95) and 56.6 per cent of total expenditure (57.9 per cent in 1994–95);
- the level of expenditure on non-teaching staff salaries increased from 12.9 per cent of total salary costs in 1994–95 to 17.0 per cent in 1995–96; and
- expenditure on non-salary costs again grew in 1995–96, increasing from 30.6 per cent of total expenditure in 1994–95 to 31.8 per cent of the total in 1995–96.

Table 10 also provides a perspective on spending by the States in terms of the level education, school or non-school

**Table 10. Expenditure by government education systems, by level of education and State, 1995–96 financial year (\$'000)**

	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas.</i>	<i>NT</i>	<i>ACT</i>	<i>Australia</i>
<b>In-school, primary education</b>									
Teaching staff salaries	1,093,926	738,973	631,210	308,991	346,998	92,998	53,290	60,112	3,326,498
Non-teaching staff salaries	168,682	78,227	118,324	56,974	60,107	18,244	12,402	13,092	526,052
Non-salary costs	642,829	356,389	333,807	128,146	169,056	38,495	42,927	26,950	1,738,599
Sub-total	1,905,437	1,173,589	1,083,341	494,111	576,161	149,737	108,619	100,154	5,591,149
<b>In-school, secondary education</b>									
Teaching staff salaries	1,076,215	782,036	477,511	217,486	273,847	90,523	32,005	66,396	3,016,019
Non-teaching staff salaries	154,464	71,478	80,897	37,646	53,473	13,810	8,773	10,477	431,018
Non-salary costs	568,014	331,623	242,623	85,389	154,242	48,688	23,833	28,725	1,483,137
Sub-total	1,798,693	1,185,137	801,031	340,521	481,562	153,021	64,611	105,598	4,930,174
<b>Out-of-school</b>									
Teaching staff salaries	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Non-teaching staff salaries	92,138	51,008	91,920	31,279	39,913	11,826	17,612	10,521	346,217
Non-salary costs	84,321	70,295	78,913	44,531	35,942	13,870	10,308	7,254	345,434
Sub-total	176,459	121,303	170,833	75,810	75,855	25,696	27,920	17,775	691,651
<b>Total</b>	<b>3,880,589</b>	<b>2,480,029</b>	<b>2,055,205</b>	<b>910,442</b>	<b>1,133,578</b>	<b>328,454</b>	<b>201,150</b>	<b>223,527</b>	<b>11,212,974</b>

n.a. not applicable.

Note: Non-salary costs include goods and services, cleaning and the provision of buildings and grounds. Users wishing to publish this data should provide suitable explanatory notes and be aware that the data do not represent total government expenditure on school-level education. They specifically exclude items such as:

- i) Commonwealth direct payments to parents and/or students, eg, AUSTUDY;
- ii) preschools and TAFE establishments;
- iii) superannuation, payroll tax, long service leave provisions, depreciation and sinking fund payments, interest on Commonwealth loans, teacher housing;
- iv) student hostel provisions; and
- v) funds raised by schools, school councils or community organisations.

Source: MCEETYA, *National Schools Statistics Collection, 1996*

location and on expenditure changes over 12 months, through a comparison with equivalent data in the 1995 *National Overview*. For example:

- total expenditure by government systems in 1995–96 increased by \$636.5 million (six per cent) over the 1994–95 total;
- expenditure on salaries increased in 1995–96 by \$304.9 million or 4.2 per cent, reversing the 1994–95 trend when total expenditure on salaries fell by \$74.5 million or one per cent compared with the previous year;
- expenditure on in-school primary education in Australia in 1995–96 grew by 5.9 per cent over 1994–95 levels, while expenditure on in-school secondary education grew by 5.7 per cent and total in-school expenditure by government school systems increased by 5.8 per cent;

- the level of government system expenditure on in-school primary education in 1995–96 was greater than comparable levels in 1994–95 in all States except South Australia and the Northern Territory, while expenditure on in-school secondary education increased in all but South Australia and the Australian Capital Territory;
- the level of out-of-school expenditure increased in all States except Western Australia and the Australian Capital Territory; and
- there was no consistency between the States in the degrees to which expenditure on particular education categories increased or decreased.

Further detail concerning specific areas of expenditure in government education systems is provided elsewhere in the *National Overview* and in individual State chapters.

**Table 11. Per capita expenditure (a) (b) of government schools, by level of education, by State, 1995–96 financial year (\$ per student)**

<i>State</i>	<i>Primary</i>	<i>Secondary</i>	<i>Total</i>
New South Wales	4,465	6,083	5,122
Victoria	4,113	5,792	4,807
Queensland	4,499	6,012	5,030
South Australia	4,489	6,467	5,115
Western Australia	4,293	6,497	5,063
Tasmania	4,542	6,115	5,211
Northern Territory	6,427	9,679	7,308
Australian Capital Territory	4,906	6,459	5,587
<b>Australia</b>	<b>4,410</b>	<b>6,110</b>	<b>5,063</b>

(a) Expenditure on provision of buildings and grounds is included. It is estimated that this amounts to \$302 per student for Australia overall; primary \$265; secondary \$361.

(b) Expenditure on superannuation ie employer liability is excluded. It is estimated that this amounts to \$393 per student for Australia.

Note: The expenditure base used to derive the per capita figures specifically excludes:

- expenditure on sessional preschools and technical and further education;
- private expenditure, i.e. funds raised by schools, school councils or community organisations;
- expenditure on payroll tax, provision for long service leave, depreciation and sinking fund payments, interest on Commonwealth loans, staff accommodation (including all payments to housing authorities);
- expenditure on accruals, provisions, commitments and liabilities;
- direct payment of allowances by the Commonwealth to individual students and/or parents;
- salaries of staff and operating expenses of student hostels, including hostel subsidies;
- expenditure on children in residential care programs; and
- all known and clearly identifiable expenditure by government school systems on non-government schools.

Specific inclusions in the base used to derive the per capita figures are:

- expenditure on special schools;
- Commonwealth grants for education;
- expenditure on behalf of the Director-General of Education (or equivalent) by other State Government agencies;
- expenditure financed from DEETYA joint programs apportioned where possible between the government and non-government systems and only that portion expended on the government school system included; and
- payments to staff in the form of allowances for accommodation.

Source: MCEETYA Summary 1995–96 Finance Statistics from the Government Section of the *National Schools Statistics Collection, 1996*

The per capita expenditure information provided in Table 11 gives a nationally consistent basis for comparison of levels of expenditure in government schools in 1995–96. It is, however, essential that the footnotes accompanying the table be considered along with the information it presents.

Figures in Table 11 indicate that per capita expenditure in government schools in 1995–96 was 38.5 per cent more for a secondary student than for a primary student. This ratio was not nationally consistent. In Western Australia and the Northern Territory, expenditure at the secondary level was more than 50 per cent greater than at the primary level, while in Queensland, Tasmania and the Australian Capital Territory, it was less than 35 per cent greater.

Table 11 also enables a comparison, in dollar terms, with equivalent levels of expenditure the previous year, as included in the *National Overview* of 1995. That

comparison indicates that per capita expenditure in primary increased in all States except South Australia and the Northern Territory, although the Northern Territory maintained higher levels of average per capita expenditure in primary than other States. Most States also increased per capita expenditure in secondary compared with 1994–95. Nationally, average per capita expenditure in primary, secondary and total categories grew by 5.9 per cent from 1994–95 to 1995–96.

## 2.3 Recurrent funding

In 1996, governments in Australia provided increased levels of recurrent funding, in comparison with 1995, to enable schools and education authorities to meet ongoing operating costs. This funding was directed towards a range of costs, including the payment of salaries, development of curriculum initiatives, professional development of staff and a range of maintenance and general operating costs.

**Table 12. State government per capita grants to non-government schools, by category, Australia, 1996 (\$ per student)**

<i>C'wealth funding category</i>	<i>NSW (a)</i>	<i>Vic. (b)</i>	<i>WA (c)</i>	<i>ACT (d)</i>	<i>Rates for other States</i>	
	<b>PRIMARY</b>					
1	371	282/338	646	231	<b>Tasmania (e)</b>	
2	482	393	646	307	Primary (f)	690
3	556	506	646	383	Junior secondary	966
4	593	543	708	466	Senior secondary	1,519
5	630	545	708	539		
6	667	567	732	598	<b>Northern Territory</b>	
7	704	570	732	656	Primary	1,043
8	742	589	770	720	Secondary	1,584
9	779	647	770	769		
10	816	651	800	816	<b>South Australia (g)</b>	
11	853	655	800	866	Primary	347
12	963	657	828	917	Secondary	482
	<b>SECONDARY</b>					
1	569	415/496	980	366	<b>Queensland (h)</b>	
2	739	580	980	484	Primary	582
3	853	747	980	561	Secondary	933
4	910	857	1,148	733		
5	967	859	1,148	784		
6	1,024	894	1,208	872		
7	1,081	898	1,208	958		
8	1,137	927	1,262	1,053		
9	1,194	1,018	1,262	1,126		
10	1,251	1,020	1,304	1,193		
11	1,308	1,022	1,304	1,264		
12	1,397	1,024	1,350	1,340		

Note: All amounts rounded to the nearest dollar. Rates are expressed in 1996 prices. Rates for some States may be subject to cost supplementation.

- (a) Calendar-year figures for NSW are calculated by adding two payments which are made each half-year for each category, each payment falling in a different financial year. Special schools and children with disabilities (in terms of the Commonwealth's definition) are paid category 12 rates.
- (b) Victoria splits category 1 into 1A and 1B for schools with an Education Resources Index over 100.
- (c) Includes pre-primary rates of \$484 (cat. 1–3), \$530 (cat. 4–5), \$548 (cat. 6–7), \$578 (cat. 8–9), \$600 (cat. 10–11) and \$620 (cat. 12), for each full-time equivalent student.
- (d) ACT figures represent the average of two distinct half yearly payments across financial years 1995/6 and 1996/7.
- (e) Tasmania also made a grant of \$150,000 to Giant Steps Tasmania (an autism school) over and above this per capita expenditure.
- (f) Primary includes kindergarten.
- (g) SA also pays a needs component which comprises 53.4 per cent of total grants available in 1996. Total amount of needs component is distributed amongst schools using 35 per cent according to a number of needs of schools and 65 per cent according to a number of needs of students.
- (h) Queensland also pays a needs component according to school and student needs. The needs component comprised approximately 20 per cent of the total funding in 1996.

Source: State departments of education

The eight State governments, which have the major, ongoing responsibility to fund the recurrent costs of operating government schools, were the principal source of recurrent funding for government sector schools. The expenditure information included in Table 10 provides a broad perspective of expenditure by the States in government schools, through its reporting of expenditure levels in a number of key areas. It identifies salary and non-salary components, teaching and non-teaching staff salary components, in-school and out-of-school expenditure and, in the case of in-school expenditure, establishes the relative levels of expenditure to support primary and secondary education. The per capita expenditure information in Table 11 provides an alternative view of State governments' recurrent expenditure on government schools in 1996.

Each State government also provided funding support to non-government schools, at levels above those provided in 1994–95, to assist them to meet the costs of operation. The extent of that support, again provided in each State in 1995–96 by way of per capita grants, is summarised in Table 12. That table also provides details of the differing methodologies adopted by the States in the per capita funding of non-government schools and the different funding levels provided by States.

Further details of recurrent expenditure by State governments in 1996 are included in the State chapters.

In addition to the expenditure by the State governments, in 1996 the Commonwealth also provided a total of \$2.6 billion in support for the recurrent costs of schooling in Australia, in both government and non-government schools, through the General Recurrent Grants Programme.

The Commonwealth's contribution to the costs of education in government schools in the States was provided in the form of general recurrent per capita grants, as summarised in Table 13. The rates provided in respect of government school students in 1996 were \$352 per primary student and \$520 per secondary student. Table 13 indicates that those per capita grants increased, in real terms, over the period 1991–96, following earlier growth in the period 1986–91.

Commonwealth support for the recurrent costs of non-government schools was also provided on a per capita grant basis. For this purpose, non-government schools are classified into 12 funding categories according to need and the level of per capita grant to any non-government school is determined by that funding category. Category 1 schools receive the lowest level of per capita funding and category 12 schools receive the highest level. Special schools are

funded at category 8 and Aboriginal community schools are funded up to category 12, according to need.

Table 13 reports increases in each category and the level of Commonwealth general recurrent funding from 1995 to 1996. From the figures presented in respect of funding for non-government schools, it can be seen that:

- the level of Commonwealth per capita grant paid to schools in the non-government sector was of the order of 50 per cent greater for secondary students than for primary equivalents;
- schools assigned a higher category of need received a higher level of Commonwealth funding than those assessed at a lower category;
- per capita funding for each category of non-government school increased in the period 1991–6, following increases for most school categories from 1986–91; and
- the increases in per capita grants to non-government schools in the period 1991–96 were significantly greater for schools assessed at higher categories of need than for those assessed at lower categories.

1996 saw the passage of Commonwealth legislation which will have the effect of removing certain funding restrictions on new non-government schools. The changed legislation can be expected to affect the total number of non-government schools eligible for Commonwealth support, as well as the level of support available to many existing schools.

Further details of Commonwealth funding for schooling in the States in 1996 are provided elsewhere in the *National Overview* and in the Commonwealth chapter.

Although the government funding reported in Tables 12 and 13 was a major component of the total funding for non-government schools, the financial operations of individual schools were the responsibilities of school boards and councils, with monitoring roles being performed by education authorities for their member schools.

In 1996, Catholic and independent schools faced ongoing requirements to generate private income, mainly through fees, for the support of their education programs.

In implementing their educational programs in 1996, non-government schools expended funds in areas similar to government schools. Table 14 enables a broad assessment, on a consistent basis, of levels of educational expenditure in Australia's non-government schools during 1996. However, it must be stressed that the figures presented represent average expenditure only and cannot be taken to reflect the expenditure levels of particular schools.

**Table 13. Commonwealth general recurrent per capita grants to schools, by funding category, selected years, Australia (\$ estimated at final 1996 prices)**

	<i>Primary</i>			<i>Secondary</i>		
	<i>1986</i>	<i>1991</i>	<i>1996</i>	<i>1986</i>	<i>1991</i>	<i>1996</i>
<i>Government schools</i>	265	319	350	312	471	518
<i>Non-government schools</i>						
Category 1	457	457	466	725	725	740
Category 2	609	609	622	966	966	981
Category 3	637	750	778	991	1,111	1,137
Category 4	920	920	947	1,464	1,464	1,492
Category 5	945	1,054	1,120	1,478	1,559	1,630
Category 6	965	1,159	1,240	1,510	1,721	1,809
Category 7	985	1,271	1,362	1,541	1,883	1,986
Category 8	1,282	1,396	1,496	2,005	2,063	2,189
Category 9	1,294	1,466	1,638	2,026	2,172	2,401
Category 10	1,310	1,540	1,756	2,051	2,281	2,567
Category 11	1,324	1,614	1,882	2,071	2,387	2,747
Category 12	1,337	1,686	2,014	2,089	2,492	2,942

Note: Non-government schools are classified into 12 funding categories according to need. Special schools are funded at category 8 and Aboriginal community schools are eligible for funding up to category 12, according to need.

Source: Commonwealth DEETYA

**Table 14. Expenditure (a) of non-government schools, by affiliation and level of education, by State, 1996 (\$ per student)**

	<i>NSW</i>	<i>Vic.</i>	<i>Qld</i>	<i>SA</i>	<i>WA</i>	<i>Tas.</i>	<i>NT</i>	<i>ACT</i>	<i>Aust.</i>
<b>Catholic</b>									
Primary	3,752	3,516	3,695	3,753	3,600	3,319	4,300	3,569	3,650
Secondary	5,871	5,995	6,376	6,452	6,590	6,052	(b)	5,909	6,073
Combined prim/sec	5,694	7,109	5,417	5,498	5,923	4,901	(b)	11,273	6,049
<b>Total</b>	<b>4,767</b>	<b>4,644</b>	<b>4,825</b>	<b>4,776</b>	<b>4,874</b>	<b>4,482</b>	<b>5,631</b>	<b>6,072</b>	<b>4,785</b>
<b>Independent</b>									
Primary	4,983	4,878	4,410	4,148	4,191	4,073	6,282	(b)	4,603
Secondary	8,699	9,635	8,214	8,137	6,921	(b)	(b)	(b)	8,630
Combined prim/sec	8,024	8,363	6,661	6,970	7,188	6,242	(b)	7,778	7,623
<b>Total</b>	<b>7,733</b>	<b>8,210</b>	<b>6,616</b>	<b>6,198</b>	<b>6,805</b>	<b>6,087</b>	<b>7,586</b>	<b>7,750</b>	<b>7,353</b>
<b>Total non-government</b>									
Primary	3,850	3,594	3,772	3,880	3,665	3,379	4,854	3,585	3,745
Secondary	6,088	6,302	6,712	6,995	6,621	6,036	9,932	6,219	6,356
Combined prim/sec	7,457	8,240	6,378	6,328	6,823	5,836	6,619	9,477	7,252
<b>Total</b>	<b>5,597</b>	<b>5,790</b>	<b>5,523</b>	<b>5,386</b>	<b>5,545</b>	<b>5,083</b>	<b>6,461</b>	<b>6,476</b>	<b>5,632</b>

(a) Excludes expenditure on special schools.

(b) Data not provided where fewer than three schools are involved.

Note: Expenditure at system office level is allocated across the schools in systems in proportion to enrolments. It includes:

- capital expenditure;
- expenditure of funds raised through fees or obtained from church or parish grants;
- either expenditure on, or allowance for, superannuation and long service leave;
- Commonwealth and State grants for education; and
- payments to staff of salary-related allowances including motor vehicle allowances.

Expenditure excludes:

- direct payment of allowances by the Commonwealth and States to individual students and/or parents; and
- salaries of staff and operating expenses of the boarding house components of schools.

Source: Commonwealth DEETYA

**Table 15. Income and expenditure per student of all non-government schools, by affiliation, by State, 1996**  
(\$ per student)

	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Australia
	<b>Total Catholic schools</b>								
Fees and charges	922	1,036	1,011	1,146	1,038	857	669	1,150	996
Private donations and income	422	239	384	319	241	232	460	411	337
<i>Total private income</i>	1,344	1,275	1,394	1,465	1,279	1,089	1,130	1,561	1,332
State grants	1,072	872	1,101	962	1,016	941	1,748	1,064	1,009
Commonwealth grants	2,336	2,354	2,268	2,256	2,439	2,276	2,605	2,328	2,335
<b>Total income (a)</b>	<b>4,752</b>	<b>4,500</b>	<b>4,763</b>	<b>4,684</b>	<b>4,734</b>	<b>4,306</b>	<b>5,483</b>	<b>4,952</b>	<b>4,676</b>
Recurrent expenditure (a) (b)	4,269	4,052	4,240	4,247	4,125	3,965	4,692	4,453	4,189
Capital expenditure (a)	498	592	584	528	749	518	939	1,619	595
<b>Total expenditure</b>	<b>4,767</b>	<b>4,644</b>	<b>4,825</b>	<b>4,776</b>	<b>4,874</b>	<b>4,482</b>	<b>5,631</b>	<b>6,072</b>	<b>4,785</b>
<i>Loans at end of year</i>	875	885	905	1,408	1,805	1,220	1,500	677	1,008
<i>Loans at start of year</i>	835	808	807	1,201	1,624	1,054	1,361	578	920
<i>Annual movement in borrowing</i>	40	77	99	207	181	165	140	99	88
	<b>Total independent schools</b>								
Fees and charges	4,505	5,433	3,042	3,128	3,512	3,488	2,001	4,588	4,181
Private donations and income	652	517	411	345	522	387	381	595	514
<i>Total private income</i>	5,158	5,950	3,453	3,473	4,034	3,875	2,381	5,183	4,695
State grants	933	638	1,053	867	968	972	2,041	891	885
Commonwealth grants	1,362	1,254	1,744	1,605	1,791	1,379	3,011	1,375	1,492
<b>Total income (a)</b>	<b>7,452</b>	<b>7,843</b>	<b>6,249</b>	<b>5,945</b>	<b>6,792</b>	<b>6,226</b>	<b>7,434</b>	<b>7,449</b>	<b>7,072</b>
Recurrent expenditure (a) (b)	6,470	6,922	5,408	5,252	5,648	5,445	6,172	6,514	6,150
Capital expenditure (a)	1,263	1,288	1,208	946	1,157	642	1,414	1,236	1,202
<b>Total expenditure</b>	<b>7,733</b>	<b>8,210</b>	<b>6,616</b>	<b>6,198</b>	<b>6,805</b>	<b>6,087</b>	<b>7,586</b>	<b>7,750</b>	<b>7,353</b>
<i>Loans at end of year</i>	3,728	2,173	3,784	2,387	3,218	1,843	3,217	2,958	3,068
<i>Loans at start of year</i>	3,471	2,031	3,398	1,993	3,007	1,814	2,729	2,652	2,811
<i>Annual movement in borrowing</i>	258	141	386	394	210	29	488	307	257
	<b>Total non-government schools</b>								
Fees and charges	1,924	2,449	1,803	1,995	1,898	1,842	1,235	1,977	2,047
Private donations and income	486	328	394	330	339	290	426	455	395
<i>Total private income</i>	2,411	2,777	2,197	2,326	2,236	2,132	1,661	2,432	2,442
State grants	1,033	797	1,082	922	999	953	1,873	1,022	968
Commonwealth grants	2,064	2,000	2,063	1,977	2,213	1,940	2,777	2,098	2,057
<b>Total income (a)</b>	<b>5,507</b>	<b>5,574</b>	<b>5,343</b>	<b>5,224</b>	<b>5,449</b>	<b>5,025</b>	<b>6,311</b>	<b>5,553</b>	<b>5,467</b>
Recurrent expenditure (a) (b)	4,885	4,974	4,696	4,678	4,654	4,519	5,320	4,949	4,837
Capital expenditure (a)	712	815	828	707	891	564	1,141	1,527	796
<b>Total expenditure</b>	<b>5,597</b>	<b>5,790</b>	<b>5,523</b>	<b>5,386</b>	<b>5,545</b>	<b>5,083</b>	<b>6,461</b>	<b>6,476</b>	<b>5,632</b>
<i>Loans at end of year</i>	1,673	1,299	2,028	1,828	2,296	1,453	2,229	1,226	1,688
<i>Loans at start of year</i>	1,572	1,201	1,817	1,541	2,105	1,339	1,942	1,078	1,544
<i>Annual movement in borrowing</i>	101	98	211	287	191	114	287	149	144

(a) Excluding amounts relating to boarding facilities.

(b) Includes debt servicing of loans for capital and operating purposes.

(c) Data not provided where fewer than three schools are involved.

(d) Where figures have been rounded, discrepancies may occur between the sums of component items and totals.

Source: Commonwealth DEETYA

## 2.4 Capital expenditure by State governments

Most capital funding for schools in Australia is provided through the combined commitment of funds by State governments and the Commonwealth Capital Grants Programme. In the case of non-government schools (and, occasionally, government schools) school communities also provide substantial funds for capital development.

Combined capital expenditure sourced from State government funds significantly exceeded the capital funding provided by the Commonwealth. The majority of State government funding served to provide capital facilities at government schools.

State government expenditure in government schools funded similar projects in each of the eight States. These projects consisted mainly of the construction of new schools and the upgrading of existing facilities to enable them to meet current uses and standards of accommodation, or to improve access for students with disabilities.

In Queensland, to take one example, State government funds were provided for the construction of four new primary schools, one secondary school and a range of smaller projects necessitated by the growth in student numbers. Additionally, major upgrading projects, including the replacement of substandard demountable buildings, were undertaken.

There was no common or national approach to the provision by State governments of capital funding to non-government schools. The nature and extent of State government support for capital projects in those schools was determined by the policies and priorities of individual

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State governments. The varying approaches taken have included:

- the operation of a low-interest loan scheme, as occurs in Western Australia;
- the provision of direct assistance through the provision of grants, as has occurred in the Northern Territory and Queensland;
- the provision of interest subsidies in States including Tasmania and the Australian Capital Territory; and
- a policy of not providing for capital funding support for non-government schools, as in South Australia.

## 2.5 Commonwealth capital funding

The Commonwealth provided most of its capital grants for schools for 1996 through the General Element of the Capital Grants Programme. This provided funds in the form of block grants to both government and non-government schools to help improve educational outcomes for Australian children through the provision of better school facilities. Additional support was provided to non-government schools through other elements of the Capital Grants Programme such as the Quality, Competencies and Technological Support (QCATS), Aboriginal and Torres Strait Islander Support (ATSIS) and Hostels for Rural Students Elements.

Under the national guidelines applying to the provision of capital funding by the Commonwealth, funds are granted on the combined basis of enrolments and need, to help meet the demand for new capital facilities, encourage the upkeep of existing infrastructure and help meet demand for facilities and equipment in areas such as information technology, which are seen as nationally important but lacking in funding from other sources.

**Table 16. Capital expenditure by State governments in government schools, 1995–96 (\$ million)**

New South Wales	1 74.4
Victoria	209.2
Queensland	1 60.3
South Australia	80.9
Western Australia	86.5
Tasmania	12.0
Northern Territory	6.6
Australian Capital Territory	15.5

Source: State departments of education



**Table 17. Summary of Commonwealth capital expenditure, all schools, by State, 1996 (\$ million) (a)**

New South Wales	108.7
Victoria	81.0
Queensland	54.3
South Australia	30.0
Western Australia	31.1
Tasmania	9
Northern Territory	5.0
Australian Capital Territory	6.4
<b>Total</b>	<b>325.5</b>

(a) Does not include NEPS Special Education Capital Support funding.

Source: Commonwealth DEETYA

The Commonwealth's guidelines require at least 50 per cent of the capital funding it provides to be applied to facilities for existing students. In addition, a focus on the provision of major capital projects is assured by a requirement that at least 80 per cent of the Commonwealth's capital contribution be allocated in that manner. For a proportion of projects submitted for funding, the Commonwealth contribution must be more than 50 per cent of the project cost.

Capital expenditure by the Commonwealth during 1996 is summarised in Table 17.

In balancing demands for school facilities to serve the needs of families in new and developing areas with the provision and maintenance of resources in existing schools, capital funding provided by the Commonwealth to the States was commonly used for:

- facilities planning, site preparation and the establishment of site infrastructure;
- the provision of new schools, individual classrooms, resource centres, and teaching/learning facilities to cater for specialist areas such as science, technology, art and home economics;
- the refurbishment and upgrading of existing general purpose classrooms and specialist learning areas; and
- the construction or upgrading of administration and amenities facilities, including staff facilities.

Following its four years of operation, capital funding through the QCATS ceased at the end of 1996. This element aimed to help the States to broaden and develop their

curriculum, to meet the diverse needs of students in senior secondary levels, and to provide the technological support complementary to these objectives. Its most obvious impact stemmed from the national attention given to initiatives in information technology and the resultant requirements for appropriate physical facilities to best enable the incorporation of this technology into the curriculum of schools.

Also ceasing in 1996 after its four-year term was the Aboriginal and Torres Strait Islander Support Element of the Commonwealth's capital funding program. Funding under this element provided capital facilities (including equipment) aimed specifically at improving the educational outcomes for Indigenous students.

Further details of capital projects undertaken in 1996 can be found in the State chapters.

## 2.6 Expenditure as a proportion of GDP

The full range of data necessary to permit analysis of total school expenditure as a percentage of GDP is not available. Data are therefore provided only in respect of government expenditure on schools.

Total government outlays on primary and secondary education totalled 2.7 per cent of GDP in 1995–96, a maintenance of the level of 1994–95. This represented a marginal decrease from the levels of 2.9 per cent in 1992–93 and 3.0 per cent in 1991–92, but was a return to the more readily sustainable levels prevailing prior to 1991–92.

**Table 18. Government outlays on primary and secondary education as a percentage of GDP, Australia, 1988–89 to 1995–96**

Year(s)	Per cent
1988–89	2.8
1989–90	2.7
1990–91	2.8
1991–92	3.0
1992–93	2.9
1993–94	2.8
1994–95	2.7
1995–96	2.7

Source: Derived by Commonwealth DEETYA from ABS Cat. No. 5510.0, *Expenditure on Education, Australia*, Table 1 and Table 3