

## 2 Resourcing Australian schools

### 2.1 Overview

Australian schools are resourced primarily from funding from State and Commonwealth governments. Governments at State level 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. Schooling in the non-government sector also relied on significant income from sources such as tuition fees (Table 2D).

At State government level, recurrent funding was allocated in accordance with government policies and priorities to support the education of students in both government and non-government schools. In total, States expended in excess of \$11.9 billion on government schools (Table 2A), including some \$793m on capital projects. That funding was generally allocated on the basis of student numbers and the level and type of education being provided. In addition, State governments assisted non-government schools via per capita grants (Table 2E).

In 1997, the Commonwealth provided supplementary funding for government and non-government schools through a range of general and specific purpose grants programs. General Recurrent Grants contributed to meeting the recurrent costs of schools, while Capital Grants assisted in the provision of school facilities.

The Commonwealth's specific purpose programs, restructured in 1997 to make them simpler, more flexible and more readily targeted at local needs, provided funding for literacy, languages, special learning needs, quality outcomes and the transition of students from school to work. In overview:

- *literacy* programs aim to ensure that all students acquire appropriate literacy and numeracy skills and to improve outcomes for students from educationally disadvantaged backgrounds;
- *language* programs support expansion and improvement in the learning of languages other than English, and promote Asian languages and studies;
- *special learning needs* programs cater for students with disabilities, students arriving in Australia with little or no English and geographically isolated students;

- *school-to-work* programs support young people's transition from schooling to work and to further education and training; and
- *quality outcomes* programs provide funding for strategic programs which support the Commonwealth's objective of improving student learning outcomes and its national leadership role in school education.

The Commonwealth contributed to the education of Indigenous students through the Indigenous Education Strategic Initiatives Programme (IESIP), and through programs to increase parent participation in schooling and provide tutorial assistance and vocational guidance for Indigenous students. The Commonwealth also provided direct income support for students in need, Indigenous students and students who, because of isolation or disability, have to live away from home to attend school.

In 1997, the Commonwealth provided around \$3.79 billion in specific purpose payments for schools and a further \$604m of income support to school students and their families.

### 2.2 Principal areas of expenditure

#### Government schools

Table 2A enables a national overview of expenditure levels by government education systems in 1996–97 in key operational areas, such as the relative levels of salary and non-salary costs. For example:

- 68.4 per cent of total expenditure in 1996–97 was directed to the payment of salaries (both teaching and non-teaching staff);
- teaching staff salary costs represented 83.1 per cent of total salary costs in 1996–97 and 56.8 per cent of total expenditure;
- the level of expenditure on non-teaching staff salaries changed only marginally from 17.0 per cent of total salary costs in 1995–96 to 16.9 per cent of total salary costs in 1996–97 (both significantly increased from 12.9 per cent of total salary costs in 1994–95); and
- expenditure on non-salary costs fell marginally from 31.8 per cent of total government sector expenditure in 1995–96 to 31.6 per cent in 1996–97, but remained above the 30.6 per cent of total expenditure in 1994–95.

**Table 2A. Expenditure by government education systems, by level of education, area of expenditure, by State, 1996–97 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	1,166,344	801,165	661,787	320,593	369,659	98,387	59,717	62,442	3,540,094
Non-teaching staff salaries	177,835	84,326	126,096	59,066	65,710	19,554	13,347	12,437	558,371
Non-salary costs	587,475	377,819	443,284	142,073	166,083	49,087	48,634	29,050	1,843,505
Sub-total	1,931,654	1,263,310	1,231,167	521,732	601,452	167,028	121,698	103,929	5,941,970
<b>In-school, secondary education</b>									
Teaching staff salaries	1,149,279	864,280	500,057	233,518	299,357	93,848	34,651	69,654	3,244,644
Non-teaching staff salaries	158,278	85,186	88,408	38,692	59,478	14,657	9,778	11,455	465,932
Non-salary costs	566,182	348,291	259,259	93,399	165,830	49,433	23,936	26,998	1,533,328
Sub-total	1,873,739	1,297,757	847,724	365,609	524,665	157,938	68,365	108,107	5,243,904
<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	91,043	60,284	83,311	33,069	41,617	12,673	19,232	12,434	353,663
Non-salary costs	125,713	73,708	78,697	48,057	41,586	12,798	12,774	8,935	402,268
Sub-total	216,756	133,992	162,008	81,126	83,203	25,471	32,006	21,369	755,931
<b>Total</b>	<b>4,022,149</b>	<b>2,695,059</b>	<b>2,240,899</b>	<b>968,467</b>	<b>1,209,320</b>	<b>350,437</b>	<b>222,069</b>	<b>233,405</b>	<b>11,941,805</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, e.g. 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*, 1997

The per capita expenditure information provided in Table 2B gives a nationally consistent basis for comparison of the levels of expenditure across States in government schools in 1996–97. It is, however, essential that full consideration of the footnotes presented with the table accompany any assessment of the information contained in it.

Figures included in Table 2B indicate that average per capita expenditure in government schools in 1996–97 was 37.6 per cent more for a secondary student than for a primary student. This ratio was not nationally consistent. For example, in Western Australia average per capita expenditure in government schools in secondary was almost 54 per cent greater than in primary, while in

Queensland and Tasmania per capita expenditure in secondary was less than 25 per cent greater than in primary.

Table 2B also enables a comparison with levels of expenditure a year earlier, as included in the *National Overview* of 1996. That comparison indicates that per capita expenditure in both primary and secondary had increased in all States in 1996–97. Per capita increases at primary level ranged from 1.9 per cent in New South Wales to more than 11.0 per cent in Queensland, Tasmania and Northern Territory. The growth in per capita expenditure at secondary also varied markedly between the States, although with less marked changes than occurred in primary. Nationally, average per capita expenditure in primary grew by 6.3 per cent and secondary by 5.5 per cent compared with a year before.

**Table 2B. Per capita expenditure (a) (b) on government schools, by level of education, by State, 1996–97 financial year (\$ per student)**

<i>State</i>	<i>Primary</i>	<i>Secondary</i>	<i>Total</i>
New South Wales	4 ,5 52	6 ,3 51	5 ,2 82
Victoria	4 ,4 11	6 ,3 37	5 ,2 05
Queensland	5 ,0 08	6 ,1 68	5 ,4 20
South Australia	4 ,8 16	6 ,8 42	5 ,4 71
Western Australia	4 ,5 04	6 ,9 33	5 ,3 65
Tasmania	5 ,0 60	6 ,2 62	5 ,5 76
Northern Territory	7 ,1 44	9 ,9 59	7 ,9 23
Australian Capital Territory	5 ,2 12	6 ,6 96	5 ,8 67
<b>Australia</b>	<b>4,686</b>	<b>6,447</b>	<b>5,365</b>

(a) Expenditure on provision of buildings and grounds is included. It is estimated that this amounts to \$356 per student for Australia overall; primary \$330; secondary \$397.

(b) Expenditure on superannuation i.e. employer liability, is excluded. It is estimated that this amounts to \$404 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 superannuation, 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 1996–97 Finance Statistics* from the Government Section of the *National Schools Statistics Collection*, 1997

## Non-government schools

Tables 2C and 2D give an overview of expenditure and income sources in non-government schools. Figures presented represent average expenditure across the Catholic and independent sectors and cannot be taken to reflect expenditure levels of particular schools.

## 2.3 Recurrent funding

In 1997, governments in Australia provided increased levels of recurrent funding, in comparison with 1996, 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,

developing curriculum initiatives, professional development of staff and a range of maintenance and general operating costs.

State governments have primary responsibility to fund the recurrent costs of education in government sector schools. The expenditure information included in Table 2A provides a broad perspective on the level of recurrent costs of government sector schooling, identifying particularly the differences between salary and other costs and between in-school and other expenditure. The per capita expenditure information in Table 2B provides an additional view of State governments' recurrent expenditure on government schools in 1997. It is important that the footnotes which accompany each of

these two tables are considered in conjunction with the data they provide.

**Table 2C. Per student expenditure (a) of non-government schools, by affiliation and level of education , by State, 1997 (\$ 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>
<i>Catholic</i>									
Primary	4,066	3,547	3,896	3,797	3,841	3,379	5,654	3,953	3,843
Secondary	6,049	6,173	6,519	6,279	6,990	6,594	(b)	6,076	6,251
Combined	6,023	7,484	5,604	6,042	6,611	4,905	(b)	(b)	6,100
<b>Total</b>	<b>5,038</b>	<b>4,755</b>	<b>5,016</b>	<b>4,963</b>	<b>5,242</b>	<b>4,693</b>	<b>5,848</b>	<b>5,018</b>	<b>4,966</b>
<i>Independent</i>									
Primary	5,938	5,693	5,389	4,411	4,912	5,001	6,589	4,693	5,346
Secondary	9,350	9,616	8,530	7,874	6,640	(b)	8,477	(b)	8,779
Combined	8,313	8,791	7,237	7,372	7,470	6,648	(b)	8,640	8,026
<b>Total</b>	<b>8,117</b>	<b>8,614</b>	<b>7,176</b>	<b>6,614</b>	<b>7,140</b>	<b>6,530</b>	<b>7,276</b>	<b>8,481</b>	<b>7,773</b>
<i>Total non-government</i>									
Primary	4,223	3,677	4,067	3,981	3,955	3,514	5,948	3,969	3,996
Secondary	6,275	6,432	6,851	6,836	6,964	6,568	8,202	6,420	6,510
Combined	7,796	8,667	6,882	6,817	7,233	6,057	5,601	7,610	7,592
<b>Total</b>	<b>5,932</b>	<b>6,017</b>	<b>5,874</b>	<b>5,684</b>	<b>5,916</b>	<b>5,396</b>	<b>6,461</b>	<b>5,858</b>	<b>5,916</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.

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.

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.
- depreciation or amortization.

Source: Commonwealth DEETYA

Each State government also provided funding support to non-government schools, at levels above those provided in 1996, to assist them to meet the costs of operation. The extent of that support, again provided in each State by way of per capita grants, is summarised in Table 2E. That table also provides a view 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.

Commonwealth recurrent funding for government schools in the States was provided through block grants calculated according to the numbers of students at each level of schooling. The rates for government schools in 1997 were \$379 per primary school student and \$559 per secondary school student. Additional payments of \$78 per primary

student and \$113 per secondary student were available for eligible students with disabilities.

Commonwealth support for the recurrent costs of non-government schools was also provided on a per capita basis. Non-government schools are classified into 12 funding categories according to need, the level of grant being determined by a school's funding category. Category 1 schools receive the lowest level of per capita funding and Category 12 schools the highest, while special schools are funded at the Category 8 level. Additional funding is available for eligible students with disabilities attending non-government schools, based on the difference between Category 12 funding and the school's funding category. Table 2F compares grant levels for both government and non-government schools in 1993 and 1997.

**Table 2D. Income and expenditure per student of all non-government schools, by affiliation, by State, 1997**  
(\$ 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>Total Catholic schools</b>									
Fees and Charges	1,026	1,116	1,073	1,258	1,117	939	861	1,233	1,084
Private Donations and Income	391	226	352	305	208	181	286	379	310
Total Private Income	1,416	1,342	1,425	1,562	1,326	1,119	1,148	1,611	1,395
State Grants	1,125	918	1,186	1,007	1,111	1,002	1,678	1,065	1,067
Commonwealth Grants	2,536	2,431	2,473	2,384	2,597	2,484	2,684	2,531	2,492
<b>Total income (a)</b>	<b>5,078</b>	<b>4,691</b>	<b>5,083</b>	<b>4,953</b>	<b>5,033</b>	<b>4,606</b>	<b>5,510</b>	<b>5,207</b>	<b>4,954</b>
Recurrent Expenditure (a) (b)	4,549	4,242	4,478	4,406	4,486	4,191	4,714	4,571	4,431
Capital Expenditure (a)	489	512	538	557	756	502	1,134	448	536
<b>Total Expenditure</b>	<b>5,038</b>	<b>4,755</b>	<b>5,016</b>	<b>4,963</b>	<b>5,242</b>	<b>4,693</b>	<b>5,848</b>	<b>5,018</b>	<b>4,966</b>
<i>Loans at end of year</i>	<i>937</i>	<i>928</i>	<i>862</i>	<i>1,569</i>	<i>1,986</i>	<i>1,237</i>	<i>1,877</i>	<i>749</i>	<i>1,069</i>
<i>Loans at start of year</i>	<i>872</i>	<i>886</i>	<i>906</i>	<i>1,355</i>	<i>1,760</i>	<i>1,222</i>	<i>1,418</i>	<i>669</i>	<i>1,001</i>
<i>Annual Movement in Borrowing</i>	<i>65</i>	<i>42</i>	<i>-44</i>	<i>214</i>	<i>226</i>	<i>15</i>	<i>459</i>	<i>80</i>	<i>68</i>
<b>Total independent schools</b>									
Fees and Charges	4,723	5,685	3,155	3,321	3,710	3,638	1,933	4,739	4,371
Private Donations and Income	593	652	383	465	418	238	436	653	527
Total Private Income	5,316	6,337	3,538	3,787	4,128	3,876	2,369	5,392	4,898
State Grants	963	643	1,114	882	1,038	1,041	1,913	944	918
Commonwealth Grants	1,481	1,350	1,927	1,947	1,845	1,571	3,404	1,610	1,641
<b>Total income (a)</b>	<b>7,759</b>	<b>8,331</b>	<b>6,579</b>	<b>6,616</b>	<b>7,011</b>	<b>6,488</b>	<b>7,686</b>	<b>7,946</b>	<b>7,458</b>
Recurrent Expenditure (a) (b)	6,772	7,260	5,673	5,507	6,006	5,735	6,328	6,912	6,452
Capital Expenditure (a)	1,345	1,354	1,504	1,107	1,134	796	947	1,569	1,321
<b>Total Expenditure</b>	<b>8,117</b>	<b>8,614</b>	<b>7,176</b>	<b>6,614</b>	<b>7,140</b>	<b>6,530</b>	<b>7,276</b>	<b>8,481</b>	<b>7,773</b>
<i>Loans at end of year</i>	<i>3,863</i>	<i>2,286</i>	<i>4,322</i>	<i>2,373</i>	<i>3,343</i>	<i>2,016</i>	<i>3,235</i>	<i>3,547</i>	<i>3,278</i>
<i>Loans at start of year</i>	<i>3,532</i>	<i>2,076</i>	<i>3,674</i>	<i>2,282</i>	<i>3,158</i>	<i>1,837</i>	<i>2,999</i>	<i>2,895</i>	<i>2,953</i>
<i>Annual Movement in Borrowing</i>	<i>331</i>	<i>210</i>	<i>648</i>	<i>90</i>	<i>185</i>	<i>178</i>	<i>236</i>	<i>652</i>	<i>325</i>
<b>Total non-government schools</b>									
Fees and Charges	2,099	2,610	1,900	2,159	2,039	1,972	1,322	2,083	2,196
Private Donations and Income	449	365	364	375	283	203	350	445	383
Total Private Income	2,548	2,976	2,264	2,534	2,321	2,175	1,672	2,528	2,579
State Grants	1,078	828	1,157	952	1,085	1,017	1,779	1,036	1,017
Commonwealth Grants	2,230	2,078	2,256	2,193	2,330	2,135	2,993	2,308	2,205
<b>Total income (a)</b>	<b>5,856</b>	<b>5,881</b>	<b>5,677</b>	<b>5,679</b>	<b>5,736</b>	<b>5,326</b>	<b>6,444</b>	<b>5,872</b>	<b>5,801</b>
Recurrent Expenditure (a) (b)	5,194	5,229	4,953	4,887	5,026	4,782	5,407	5,138	5,114
Capital Expenditure (a)	738	788	922	797	890	614	1,054	720	801
<b>Total Expenditure</b>	<b>5,932</b>	<b>6,017</b>	<b>5,874</b>	<b>5,684</b>	<b>5,916</b>	<b>5,396</b>	<b>6,461</b>	<b>5,858</b>	<b>5,916</b>
<i>Loans at end of year</i>	<i>1,786</i>	<i>1,373</i>	<i>2,236</i>	<i>1,920</i>	<i>2,468</i>	<i>1,535</i>	<i>2,460</i>	<i>1,428</i>	<i>1,816</i>
<i>Loans at start of year</i>	<i>1,644</i>	<i>1,275</i>	<i>2,005</i>	<i>1,760</i>	<i>2,257</i>	<i>1,458</i>	<i>2,097</i>	<i>1,209</i>	<i>1,661</i>
<i>Annual Movement in Borrowing</i>	<i>142</i>	<i>97</i>	<i>231</i>	<i>160</i>	<i>211</i>	<i>78</i>	<i>363</i>	<i>219</i>	<i>155</i>

(a) Excludes amounts relating to boarding facilities.

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

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

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

(e) Excludes depreciation and amortization.

Source: Commonwealth DEETYA

Table 2E. State government per capita grants to non-government schools, by category, 1997 (\$ per student) (a)

<i>C'wealth funding category</i>	<i>NSW (b)</i>	<i>Vic. (c)</i>	<i>WA (d)</i>	<i>ACT (e)</i>	<i>Rates for other States</i>	
	Primary					
1	3 94	2 86 /3 43	7 02	2 37	Tasmania (f)	
2	5 12	3 99	7 02	3 15	Primary (g)	7 20
3	5 90	5 14	7 02	3 92	Junior secondary	1 ,0 08
4	6 30	5 51	7 70	4 77	Senior secondary	1 ,5 85
5	6 69	5 53	7 70	5 52		
6	7 09	5 76	7 96	6 12	Northern Territory	
7	7 48	5 79	7 96	6 72	Primary	1 .0 61
8	7 87	5 98	8 36	7 37	Secondary	1 ,6 10
9	8 27	6 57	8 36	7 87		
10	8 66	6 61	8 70	8 36	South Australia (h)	
11	9 05	6 65	8 70	8 87	Primary	3 84
12	1 ,0 26	6 67	9 00	9 39	Secondary	5 34
	Secondary					
1	6 00	4 21 /5 03	1 ,0 66	3 74	Queensland (i)	
2	7 79	5 89	1 ,0 66	4 96	Primary	6 06
3	8 99	7 58	1 ,0 66	5 74	Secondary	9 48
4	9 59	8 70	1 ,2 48	7 50		
5	1 ,0 19	8 72	1 ,2 48	8 03		
6	1 ,0 79	9 07	1 ,3 14	8 92		
7	1 ,1 39	9 11	1 ,3 14	9 81		
8	1 ,1 99	9 41	1 ,3 72	1 ,0 79		
9	1 ,2 59	1 ,0 33	1 ,3 72	1 ,1 53		
10	1 ,3 19	1 ,0 35	1 ,4 18	1 ,2 21		
11	1 ,3 79	1 ,0 37	1 ,4 18	1 ,2 94		
12	1 ,4 77	1 ,0 39	1 ,4 68	1 ,3 72		

- (a) All amounts rounded to the nearest dollar. Rates are expressed in 1997 prices. Rates for some States may be subject to cost supplementation.
- (b) 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.
- (c) Victoria splits category 1 into 1A and 1B for schools with an Education Resources Index over 100. The rate shown for Victoria is that which applied until 30 June 1997. The per capita rate was increased by up to \$16 per student from 1 July 1997.
- (d) The primary rates of funding shown are also applied on an FTE basis to pre-primary students.
- (e) ACT figures represent the average of two distinct half yearly payments across financial years 1995/6 and 1996/7.
- (f) Tasmania also made a grant of more than \$201,000 to Giant Steps Tasmania (an autism school) over and above this per capita expenditure.
- (g) Primary includes kindergarten.
- (h) SA also pays a needs component which comprises 52.75 per cent of total grants available in 1997. 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.
- (i) 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 1997.

Source: State Departments of Education

**Table 2F. Commonwealth general recurrent per capita grants to schools, by funding category, 1993 and 1997 (\$ estimated at final 1997 prices)**

	<i>Primary</i>		<i>Secondary</i>	
	1993	1997	1993	1997
<i>Government schools</i>	3 79	3 79	5 59	5 59
<i>Non-government schools</i>				
Category 1	5 01	5 01	7 95	7 95
Category 2	6 69	6 69	1 0 54	1 0 54
Category 3	8 36	8 36	1 2 22	1 2 22
Category 4	1 0 18	1 0 18	1 6 03	1 6 03
Category 5	1 1 77	1 2 12	1 7 14	1 7 64
Category 6	1 3 06	1 3 40	1 9 05	1 9 54
Category 7	1 4 36	1 4 71	2 0 95	2 1 46
Category 8	1 5 75	1 6 17	2 3 04	2 3 67
Category 9	1 6 82	1 7 87	2 4 65	2 6 16
Category 10	1 7 87	1 9 21	2 6 11	2 8 05
Category 11	1 8 97	2 0 65	2 7 69	3 0 14
Category 12	2 0 08	2 2 17	2 9 34	3 2 39

Note: Non-government schools are classified into 12 funding categories according to need. Special schools are funded at category 8.

Source: Commonwealth DEETYA

Commonwealth recurrent grants to government schools and non-government schools in categories 1 to 4 were maintained in real terms over the period 1993 to 1997, while non-government schools in categories 5 to 12 received real increases. Grants across all categories were subject to the same rate of indexation. The rate for non-government primary schools was around two-thirds of the secondary rate.

Commonwealth general recurrent grants totalling some \$1,925m were allocated to non-government schools in 1997, with almost 75 per cent of the total allocated to Catholic schools.

As part of the 1996–97 Budget, the Federal Government abolished the New Schools Policy. From 1 January 1997 the additional layer of assessment previously imposed by the Commonwealth was removed, and all non-government schools that had State recognition became eligible for Commonwealth general recurrent grants. Basic requirements, such as that the school be non-profit, have a body corporate as its approved authority and enter into a funding agreement with the Commonwealth remained in place. One hundred and nine applications for the funding of schools as new schools were approved by the Commonwealth during 1997.

Although the government funding reported in Tables 2E and 2F 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 schools located in their State.

In implementing their educational programs in 1997, non-government schools generally expended funds in areas similar to government schools.

## 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.

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 (Table 2G).

State government capital expenditure in government schools funded similar projects in each of the eight States, consisting mainly of the construction of new schools and the upgrading of existing facilities to enable them to meet current uses and standards of accommodation. In the case of Queensland, for example, State funds were provided to construct seven new primary schools, three secondary schools and other enrolment growth related projects such as classroom blocks, as well as facilities for specialist subject areas. Additionally, major upgrading projects were undertaken in both primary and secondary schools.

**Table 2G. Capital expenditure by State governments in government schools, 1996–97 (\$ million)**

New South Wales	1 54 .0
Victoria	2 03 .2
Queensland	2 19 .5
South Australia	8 3 .9
Western Australia	7 8 .0
Tasmania	1 4 .7
Northern Territory	1 5 .9
Australian Capital Territory	2 3 .9

Source: MCEETYA, *National Schools Statistics Collection*, 1997



**Table 2H. Commonwealth capital expenditure, all schools, by State, 1997 (\$ million) (a) (b)**

New South Wales	1 00 .5
Victoria	7 3. 4
Queensland	5 2. 6
South Australia	2 3. 2
Western Australia	2 9. 0
Tasmania	8 .1
Northern Territory	3 .2
Australian Capital Territory	5 .8
<b>Total</b>	<b>295.9</b>

(a) Does not include capital funding provided under Special Education Non-government Centre Support.

(b) Components may not add to total due to rounding.

Source: Commonwealth DEETYA

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 State governments. The varying approaches 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 New South Wales, 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 some \$296 million in capital funding for Australian schools in 1997. All of this funding was made available through the Capital Grants Programme, in the form of block grants for government and non-government schools to help improve educational outcomes for Australian students through the provision of better school facilities.

Capital expenditure by the Commonwealth during 1997 is summarised in Table 2H.

Capital funding from the Commonwealth supported the provision of facilities to serve the needs of students in new

and developing areas, as well as maintaining physical resources in existing schools. The type of projects undertaken in the States using the capital funding provided by the Commonwealth included:

- the provision of site services to new schools;
- the construction of general purpose learning areas and specialist facilities including computer rooms and laboratories, design and technology facilities, resource centres and science facilities;
- the refurbishment, upgrading and upkeep of existing general purpose classrooms and specialist learning areas;
- the construction and improvement of student amenities, including toilets;
- the provision of facilities for students with disabilities; and
- the construction or refurbishment of administration facilities and staff facilities and amenities.

Further details of capital projects undertaken in 1997 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 expenditure on government schools (Table 2I).

Total government outlays on primary and secondary education totalled 2.7 per cent of GDP in 1996–97, a maintenance of the level of the preceding two financial years.

**Table 2I. Government outlays on primary and secondary education as a percentage of GDP, Australia, 1988–89 to 1996–97**

<i>Year(s)</i>	<i>Per cent</i>
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
1996–97	2 .7

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