



How is school funding indexed?

School funding – the Schooling Resource Standard (SRS)

Commonwealth funding for schools is needs-based and is calculated with reference to the [Schooling Resource Standard \(SRS\)](#). The SRS is an estimate of how much total public funding a school needs to meet its students' educational needs.

The SRS is made up of a base amount for all primary and secondary students and up to 6 needs-based loadings for student priority cohorts and disadvantaged schools.

The base amount and all the loadings are indexed each year to reflect changes in prices and therefore costs faced by schools.

How is indexation calculated and applied?

The base amount, and all the loadings with the exception of the school size loading, are worked out by reference to an amount per primary and secondary student called the SRS funding amount.¹ The school size loading is worked out by reference to maximum size loading amounts and starting amounts.

As part of [legislative changes to school funding arrangements in 2018](#), the Australian Government prescribed the 2018 SRS funding amounts, maximum size loading amounts and starting amounts.²

From 2019, these SRS funding amounts, maximum size loading amounts and the starting amounts are indexed annually by a rate calculated as the higher of:

- 3 per cent, or
- a factor derived from 75 per cent of the Wage Price Index (WPI) and 25 per cent of the Consumer Price Index (CPI).

This approach provides a minimum base and certainty for schools, while ensuring that funding reflects changes in wages and other costs. Indexation is weighted towards changes in wage costs reflecting that teachers' and staff salaries are a significant driver of schools' costs.

Alternatively, the Minister of Education can prescribe an indexation rate.

¹ Section 31 of the *Australian Education Act 2013* (the Act).

² Section 34, 44 and 49 of the Act.

Indexation rates and SRS funding amounts in recent years

	2018	2019	2020	2021	2022	2023
SRS funding amount for a primary student	10,953	11,343	11,747	12,099	12,522	13,048
SRS funding amount for a secondary student	13,764	14,254	14,761	15,204	15,736	16,397
Indexation rate	N/A ³	3.56%	3.56%	3.0%	3.5%	4.2%
Basis of indexation rate	N/A	Prescribed rate	Prescribed rate	Minimum legislated rate	CPI and WPI derived factor	CPI and WPI derived factor

Source: Australian Government Department of Education

Indexation rates going forward

The final indexation rate for each year will be available around August of the year, after the Australian Bureau of Statistics publishes the June quarter CPI and WPI.

The indexation rate for 2024 is expected to be available after August 13, 2024.

³ In 2018, the SRS funding amounts were prescribed in section 34 of the Act.