Gap grows between underfunded public and overfunded private schools

By Trevor Cobbold



New school income data show that Catholic and Independent schools have increased their resource advantage over public schools in Australia.

This trend has been driven by sustained increases in government funding, combined with growth in fees in private schools. Decades of favourable funding for private schools is a key factor behind the enrolment shift to these schools. Public schools are massively underfunded while private schools are overfunded.

The new figures published by the Australian Curriculum Assessment and Reporting Authority (ACARA) show that in 2024, total income per student averaged $20,368 in public schools, compared with $22,067 in Catholic schools and $28,642 in Independent schools.

Generous government funding (Commonwealth and state/territory) underpins the resource advantage held by private schools. Government funding represents around three-quarters of Catholic school income and nearly half of Independent school income.

Catholic schools received approximately $16,590 per student from governments, while Independent schools received about $13,826.

Long-term trends since 2009 indicate that real government funding increases have been stronger for private schools than for public schools.

After adjusting for inflation using a combined wage and consumer price index, real government funding rose by $3,118 per student in Catholic schools and $2,729 in Independent schools between 2009 and 2024.

Over the same period, public school funding increased by a smaller amount —$2,154 per student. In percentage terms,

funding growth in Catholic and Independent schools was double that in public schools – 40 per cent, 43 per cent and 20 per cent respectively.

Increased government funding and fee increases have magnified the resource advantage of Independent schools.

In 2009, the total income per student in Independent schools was $4,066 higher than in public schools. By 2024, this had increased to $5,460 and their total income per student was 141 per cent of that of public schools.

Total income per student in Catholic schools was slightly below that of public schools in 2009, but since 2011 they have a significant advantage over public schools through generous government funding and fee increases.

Public schools are massively underfunded in all jurisdictions, except the ACT.

For example, public schools in NSW, Victoria, Queensland and the Northern Territory are funded at less than 90 per cent of the Schooling Resource Standard (SRS) required to ensure successful school outcomes for all students. The total underfunding in 2026 is estimated at $6.5 billion.

While the new bilateral funding agreements between the Commonwealth and state and territory governments will provide a substantial boost in funding of public schools, they will remain underfunded to 2034 and beyond.

State and Northern Territory governments can continue to claim non-SRS expenditures as part of their share of funding public schools.

They can claim capital depreciation up to four per cent of the SRS, some school transport expenditure and expenditure on regulatory bodies. These expenditures are specifically excluded from how the SRS is estimated because the SRS is a measure of the resources needed in schools to deliver successful outcomes.

Government claims that public schools will be fully funded by 2034 are a blatant lie. While the four per cent allowance will be phased out by 2034, governments will continue to claim regulatory expenditures as part of their share of funding public schools.

By contrast, private schools in all states except the Northern Territory are overfunded and will remain so until at least 2029.

For example, Catholic and Independent schools in several states, including NSW, Queensland and Western Australia are funded at 102 per cent of their SRS in 2026.

The favourable treatment of private schools is also apparent in the new funding agreements. While the states can claim non-SRS expenditures as part of their share of funding public schools, they are not permitted to do so for private schools.

Private school students also benefit from school transport subsidies, and the remit of school regulatory bodies also includes private schools.

The jarring dichotomy in government funding policies towards public and private schools is scandalous because it is public schools that do the heavy lifting in educating young people.

The Report on Government Services 2026 shows that 80 per cent of students from low socio-educational backgrounds, 81 per cent of Indigenous students, and a similar proportion of students in remote areas attend public schools.

Nearly one-third (32 per cent) of students in public schools are from low socio-educational backgrounds compared to 14 per cent in private schools. Research by Save Our Schools shows that 90 per cent of all disadvantaged schools are public schools.

The persistent underfunding of public schools has significant long-term implications. Students entering public schools today may spend much, if not all, of their entire schooling years in institutions operating below resource standards considered necessary for equitable outcomes.

This, in turn, may perpetuate educational inequality, social segregation, and constraints on national productivity and economic growth.

To address these concerns, governments must accelerate the transition to full funding of public schools. The funding agreements must be revised to give public schools better and fairer funding.

The Commonwealth should accelerate the increase in its funding share of the SRS public schools to achieve 25 per cent by 2029.

State governments should remove the existing four per cent allowance for non-SRS expenditure by 2029 and immediately

remove new non-SRS expenditure claims as part of public school funding.

Overall, sustained policy reform is needed to reduce funding disparities between sectors. Ensuring adequate and fair funding for public schools is critical not only for educational equity but also for broader social and economic objectives.

Trevor Cobbold is the convenor of Save our Schools Australia. The opinions expressed in this article are that of the author and do not necessarily reflect any official policies or positions of the AEU or SSTUWA. This article was published on Save our Schools *website and has been reproduced here with permission.*

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