School Funding Equity in Australia

Risk and resource analysis of government, Catholic and independent schools

Bruce D. Baker · University of Miami · October 2026

Progressive public, regressive independent

1.15

High-need ÷ low-need teaching staff per student, government schools, same state, size and remoteness

0.72

Same ratio within the independent sector

+28%

Total staff per student in independent vs. government schools with the same need

73%

Variation in Victorian median VCE study scores explained by ICSEA alone

About 37% of students attend Catholic or independent schools, which receive public funding and charge fees. 9,350 schools, 2015–2025.

Source: B. D. Baker analysis of ACARA School Profile and finance data, VCAA results, NSW RAM. Schools, 2015–2025.

Two questions from the equal-opportunity framework

1a Risk analysis

Which student and community characteristics most strongly predict lower outcomes?

Outcomes = f(Needs, Context)

1b Resource analysis

Are staff and funding higher where risks are concentrated, net of size and remoteness?

Resources = f(Needs, Context)

2 Cost modeling (next)

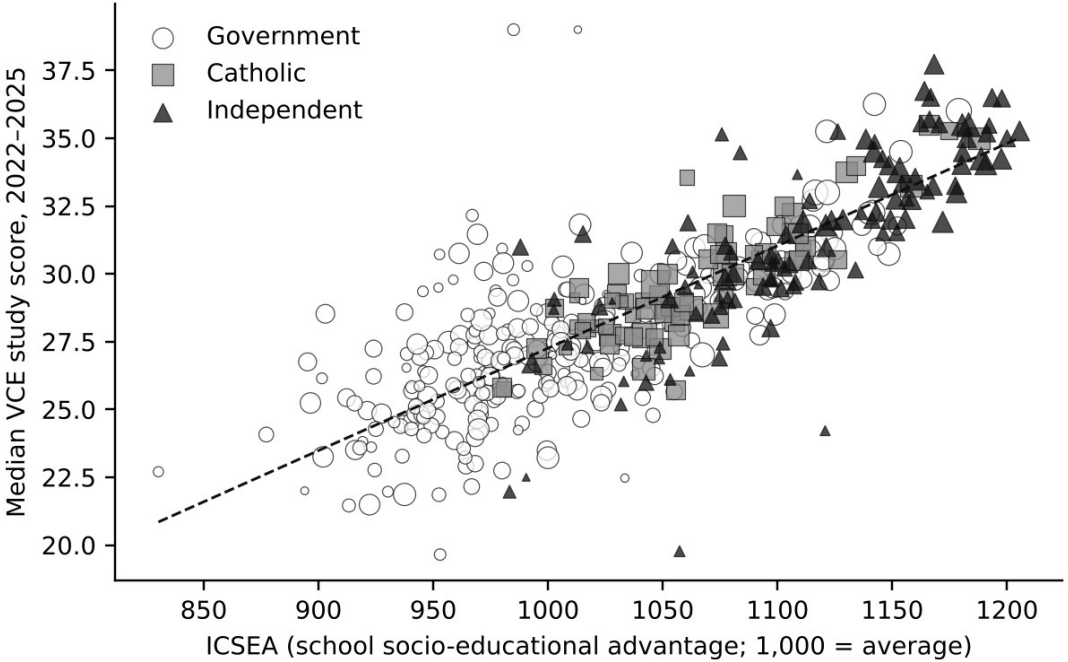
How much more would give high-need schools an equal opportunity to reach common goals?

Sizing the differential

Commonwealth funding uses the Schooling Resource Standard: a base per student plus loadings for disadvantage, Aboriginal and Torres Strait Islander students, English proficiency, disability, size and location.

Source: B. D. Baker analysis of ACARA School Profile and finance data, VCAA results, NSW RAM. Schools, 2015–2025.

Intake advantage predicts senior secondary results



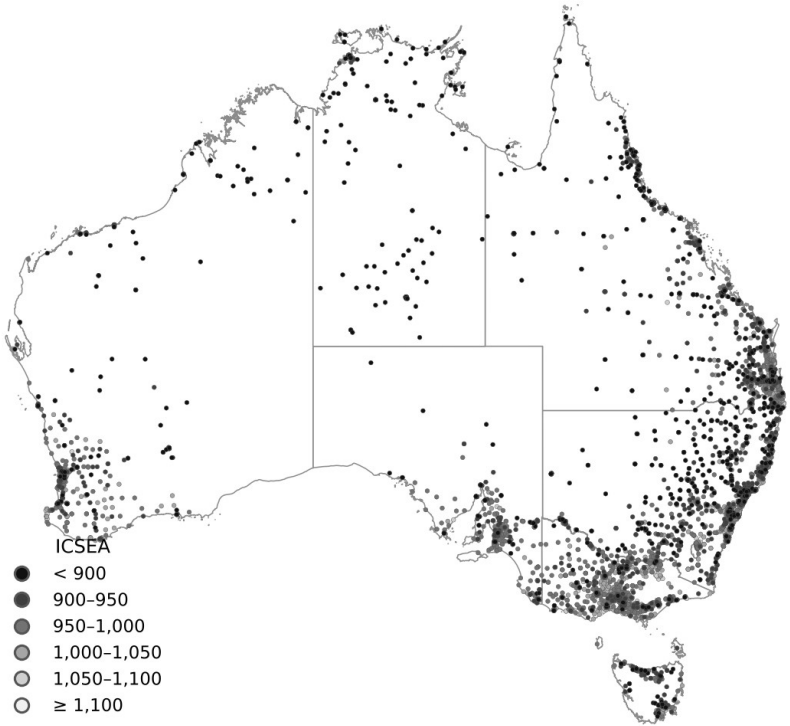
ICSEA alone explains **73%** of variation in median VCE study scores (453 Victorian schools)

90th vs. 10th percentile of ICSEA: **7.4** study-score points

With ICSEA held constant, independent schools: **+0.3** points (not significant)

Source: B. D. Baker analysis of ACARA School Profile and finance data, VCAA results, NSW RAM. Schools, 2015–2025.

Where need is concentrated

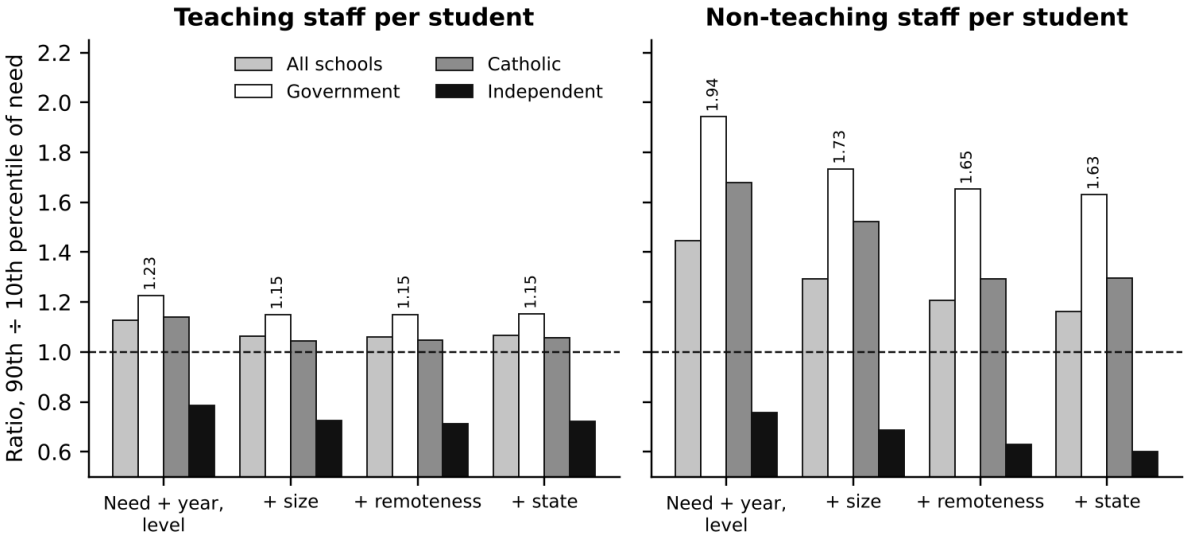




ICSEA (1,000 = average) is ACARA's index of socio-educational advantage, weighted to predict NAPLAN. Darker = more need. Right: circles government, squares Catholic, triangles independent.

Source: B. D. Baker analysis of ACARA School Profile and finance data, VCAA results, NSW RAM. Schools, 2015–2025.

Staffing by need: government vs. independent



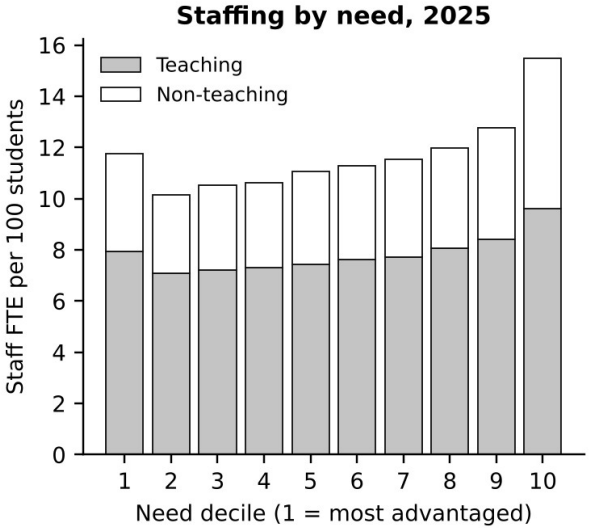
Government: **1.15×** teaching, **1.63×** non-teaching staff

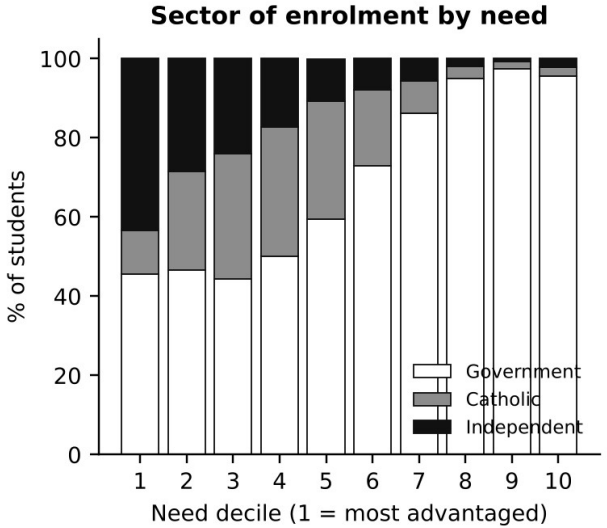
Independent: **0.72×** and **0.60×**

All schools: **1.07×**

Source: B. D. Baker analysis of ACARA School Profile and finance data, VCAA results, NSW RAM. Schools, 2015–2025.

Advantaged students, well-staffed schools



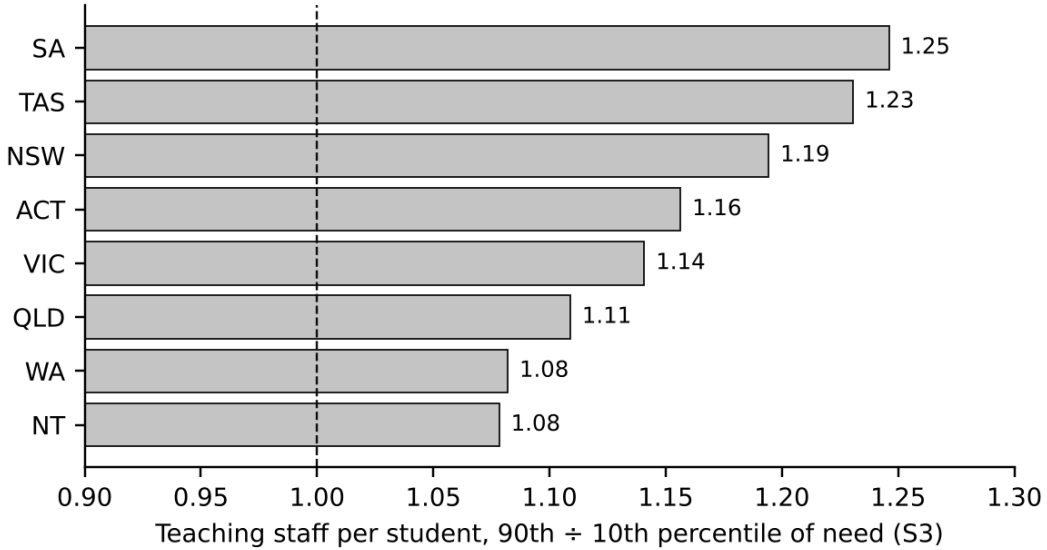


Independent schools enrol **44%** of the most advantaged tenth, **2%** of the highest-need

Extra staff in the highest-need tenth is mostly small remote schools

Source: B. D. Baker analysis of ACARA School Profile and finance data, VCAA results, NSW RAM. Schools, 2015–2025.

Every state staffs government schools progressively

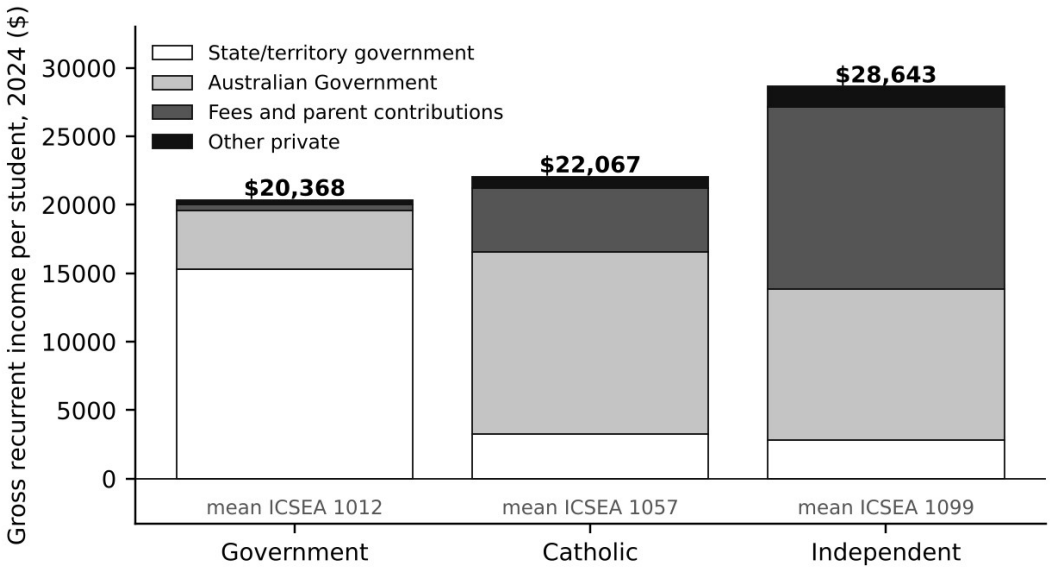


Ratios from **1.08** (NT, WA) to **1.25** (SA)

Stable since 2015: government-school ratio **1.14–1.16**

Source: B. D. Baker analysis of ACARA School Profile and finance data, VCAA results, NSW RAM. Schools, 2015–2025.

Fees sustain the sector gap



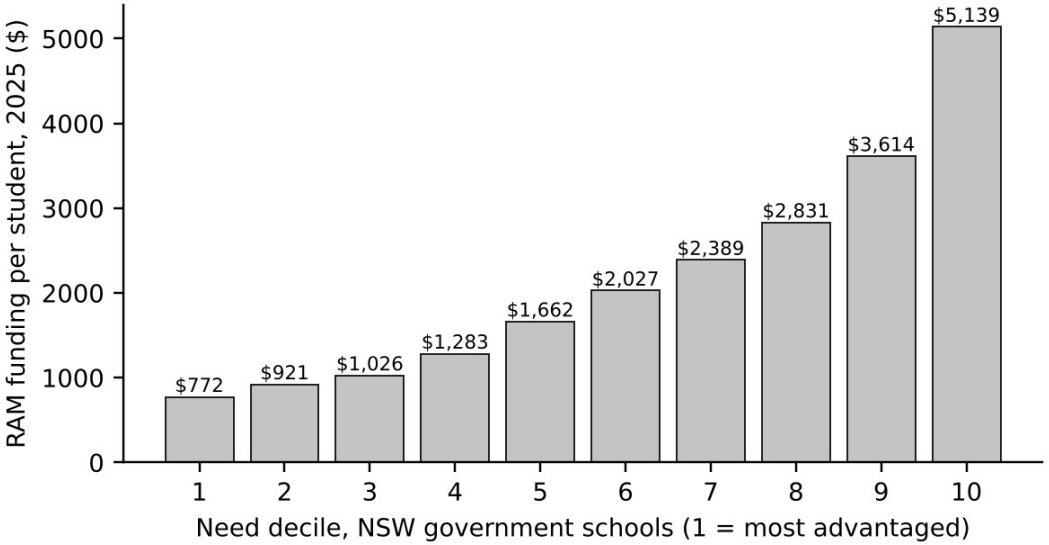
Public funding per student: government **$19,564**, Catholic **$16,590**, independent **$13,826**

Private income: independent **$14,817** vs. government **$804**

Total: independent **41%** above government

Source: B. D. Baker analysis of ACARA School Profile and finance data, VCAA results, NSW RAM. Schools, 2015–2025.

Targeted formulas can be strongly progressive



NSW Resource Allocation Model equity loadings, 2025

$772 per student in the lowest-need tenth, **$5,139** in the highest

A small share of total resources

Source: B. D. Baker analysis of ACARA School Profile and finance data, VCAA results, NSW RAM. Schools, 2015–2025.

Cost modeling needs licensed data

Outcomes	Open: Victorian VCE only. DAP: school NAPLAN, all states, since 2008	**Strong with DAP**
Spending	Open: sector aggregates. DAP: school recurrent income by source	**Strong with DAP**
Need	ICSEA, SEA quarters, Indigenous, LBOTE	**Strong**
Input prices	State salary awards; no school-level pay	**Weak**
Structural	Enrolment, ABS remoteness, school type	**Strong**
Variation	Large, but cross-sector variation reflects fees	**Sufficient**
Instruments	SRS transition paths; 2020 Direct Measure of Income	**Promising**

Feasible for government schools with ACARA Data Access Program data; would test the SRS loadings.

Source: B. D. Baker analysis of ACARA School Profile and finance data, VCAA results, NSW RAM. Schools, 2015–2025.

Implications

- Government-school progressivity (≈15%) is modest against a two-SD outcome gap; cost modeling should size it
- Sector structure undermines system equity: public funding plus fees gives the most advantaged schools the most staff
- Full SRS funding of government schools is the minimum; loadings decide how much reaches high-need students
- Open school-level NAPLAN and finance data would allow analysis in dollars across all states