



Full funding of public schools	
Party:	Australian Greens
<p>Summary of proposal:</p> <p>The proposal would increase the Commonwealth share of funding to all government schools under the following components:</p> <ul style="list-style-type: none"><li>• <b>component 1:</b> the Commonwealth share for the Schooling Resource Standard (SRS) to increase to 25% in all government schools except those in the Northern Territory, where the Commonwealth share would increase to 40%</li><li>• <b>component 2:</b> SRS funding to be indexed to the higher of Wage Price Index (WPI), Consumer Price Index (CPI) or the SRS indexation factor.</li></ul> <p>The proposal would start from 1 July 2026 and would be ongoing.</p>	

## Costing overview

The proposal would be expected to decrease the fiscal and underlying cash balances by around \$8.8 billion over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects an increase in administered expenditure associated with an increase in school funding.

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

The components of the proposal are applied sequentially:

- Component 1 was calculated prior to the impact of the indexation change in component 2.
- The impact of component 2 is cumulative with the impact of the changes in the Commonwealth share of SRS funding for government schools under component 1. It should not be interpreted in isolation from component 1.

The financial implications of the proposal are sensitive to any other changes made to school funding.

**Table 1: Full funding of public schools – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	-2,860.0	-2,960.0	-3,000.0	<b>-8,820.0</b>
Underlying cash balance	-	-2,860.0	-2,960.0	-3,000.0	<b>-8,820.0</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

- Indicates nil.

Note that under the [Better and Fairer Schools Agreement – Full and Fair Funding 2025-2034](#), the Commonwealth will increase its share of the SRS from 20% to 25% for all government schools by 2034. For the Northern Territory, the Commonwealth's contribution will increase to 40% of the SRS by 2029. As a result, component 1 of this proposal has impacts across the period 2026-27 to 2033-34 where the Commonwealth's share of funding is lower in the baseline than under the proposal. However, from 2034-35 onwards component 1 has nil impact as the baseline aligns with the proposal.

## Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- States and territories would agree to the changes to funding agreements required to implement the proposal.
- The increase in SRS contribution and changes in indexation would only affect school funding after 1 July 2026 and would not be applied retrospectively for the first half of the 2026 school year.
- The proportion of students and schools eligible for additional SRS loadings would remain consistent with baseline projections throughout the forward estimates and medium-term period.
- No additional departmental expenses are expected to be incurred as administration of the additional funding does not involve a significant change in the complexity of administering the school funding system.

## Methodology

The Department of Education provided the Commonwealth School Recurrent Funding Model for the analysis in this response. The parameters in the model were adjusted to reflect each component of the proposal. The original forecast funding amount was then deducted from the new output to estimate the financial implications of the policy.

The Commonwealth School Recurrent Funding Model only provides school funding forecasts from 2026 to 2032. The PBO projected the remaining period 2033 to 2036, consistent with the student growth rate provided by the Department of Education.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

## Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

The Australian Government Department of Education provided the Commonwealth School Recurrent Funding Model as at the 2025 PEFO, inclusive of the SRS indexation factor.

---

<sup>1</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Attachment A – Full funding of public schools – Financial implications

**Table A1: Full funding of public schools – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Expenses</b>													
<b>Administered</b>													
<i>Component 1: Increase funding contribution</i>	-	-2,800.0	-2,810.0	-2,750.0	-2,550.0	-2,360.0	-2,240.0	-2,190.0	-1,110.0	-	-	-8,360.0	-18,810.0
<i>Component 2: Indexation change</i>	-	-60.0	-150.0	-250.0	-380.0	-510.0	-650.0	-790.0	-950.0	-1,110.0	-1,290.0	-460.0	-6,140.0
<b>Total – expenses</b>	-	-2,860.0	-2,960.0	-3,000.0	-2,930.0	-2,870.0	-2,890.0	-2,980.0	-2,060.0	-1,110.0	-1,290.0	-8,820.0	-24,950.0
<b>Total (excluding PDI)</b>	-	-2,860.0	-2,960.0	-3,000.0	-2,930.0	-2,870.0	-2,890.0	-2,980.0	-2,060.0	-1,110.0	-1,290.0	-8,820.0	-24,950.0

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

**Table A2: Full funding of public schools – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Fiscal balance</b>	-	-60.0	-190.0	-340.0	-480.0	-630.0	-790.0	-960.0	-1,120.0	-1,240.0	-1,350.0	-590.0	-7,160.0
<b>Underlying cash balance</b>	-	-50.0	-160.0	-300.0	-450.0	-600.0	-750.0	-920.0	-1,080.0	-1,210.0	-1,320.0	-510.0	-6,840.0

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

<sup>2</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au/)