1. The State Government provides annual recurrent funding to state and non-state schools in Queensland. The current model for allocating funds to non-state schools does not appropriately reflect the higher costs that are incurred by those non-state schools that deliver quality education to cohorts with more complex educational needs (e.g. geographically isolated; Indigenous students, students with disabilities etc).
2. It is therefore proposed to implement a change in the proportion of needs-based funding in the state recurrent grant to non-state schools from the current 22.5% to 40% of the total recurrent funds. This change will better recognise the costs of education for schools with higher relative need and more equitably distribute state recurrent funding.
3. The proposed implementation method is gradual and does not decrease the current funding per capita base rate for non-state school students. This permits additional funding, received from annual budget growth, to be directed to the needs-based component, thereby increasing needs-based funding incrementally over time.
4. Cabinet approved a change in the proportion of needs-based funding in the state recurrent grant to non-state schools from the current 22.5% to 40% of the total available recurrent grant funds for non-state schools.
5. Cabinet approved an implementation strategy as follows:

* to maintain the per capita base rate for non-state schools at the current 2008 level;
* to apply additional funds resulting from annual budgetary growth, net of increases related to enrolment growth, to the needs-based component of the annual non-state school recurrent grant.

1. *Attachments*

* Nil