



PRE-BUDGET
SUBMISSION
2017–18

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About the NCEC

The National Catholic Education Commission (NCEC) is commissioned by and responsible to the Australian Catholic Bishops Conference for developing, enunciating and implementing policy at the national level for the Church's work in Catholic schools. The NCEC represents the interests of more than 1,730 systemic and non-systemic schools across Australia, educating more than 765,000, or one in five, Australian students.

More information can be found at www.ncec.catholic.edu.au

EXECUTIVE SUMMARY

The National Catholic Education Commission (NCEC) welcomes the opportunity to make a submission in the context of the Commonwealth Government's 2017–18 pre-Budget submission process. Catholic education acknowledges the longstanding commitment successive governments have made to support Catholic schools and recognises the need to ensure that government funding is used effectively and efficiently. In November 2015, the Bishops Commission for Catholic Education endorsed a set of Funding Principles for Catholic Schools (see Attachment A). Based on these principles, the NCEC seeks government funding for Catholic schools that:

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- is stable, predictable and sustainable
- enables local system autonomy over funding distribution based on need
- follows need—where greater need attracts higher funding—underpinned by robust data
- provides capital funding for Catholic education.

The NCEC submission canvasses these themes in the context of the discussion regarding a new Commonwealth school funding model for 2018.

The broader implications of Commonwealth school funding cannot be underestimated. Investment in schools and the dynamics of education reform policies are not only important for lifting student performance and improving student outcomes; their economic value for Australia is significant. As the *Universal Basic Skills: What Countries Stand to Gain* report has shown, the effect on Gross Domestic Product of lifting the average performance of students by 25 PISA points would be a long-term increase of 3.35%.¹ As the OECD Director for Education and Skills, Andreas Schleicher, has argued in the context of this report:

“...the quality of schooling in a country is a powerful predictor of the wealth that the country will produce in the long run. Or, put the other way around, the economic output that is lost because of poor education policies and practices leaves many countries in what amounts to a permanent state of economic recession—and one that can be larger and deeper than the one that resulted from the financial crisis at the beginning of the millennium, out of which many countries are still struggling to climb.”²

Commonwealth school funding post-2017

Catholic education publicly welcomed the Commonwealth Government's commitment to needs-based funding for all Australian schools under the *Australian Education Act 2013* until the end of 2017. These arrangements and the Budget have delivered additional funding to Catholic education to welcome students with additional needs, and to increase the quality of teaching and learning in Catholic schools. However, there is a sense of disappointment that the future of school funding post-2017 remains uncertain. Catholic education strongly supports a needs-based, sector-blind school funding model and believes that parental choice is a right worthy of government support. It is important that any proposed changes to the existing funding model be thoroughly examined for the consequences at sector, school and system level. As the largest non-government provider of school education in Australia, Catholic education expects consultation on any proposals for changes to the school funding arrangements.

¹ OECD (2015), *Universal Basic Skills: What Countries Stand to Gain*, OECD Publishing.
<http://dx.doi.org/10.1787/9789264234833-en>, p. 50. Retrieved on 19 December 2016.

² 'Education post-2015: A currency to invest in.' *OECD Observer*, No 303 (September 2015), p. 12.

Funding in 2018 and beyond should acknowledge the current funding realities in states and territories and sectors across Australia. The current parameters of the funding model need close scrutiny and refinement so that they can meet the needs of non-government schools.

Catholic system funding and autonomy

A significant feature of Australian schooling is that all government schools, most Catholic schools and some independent schools are members of systems. Indeed, the *Gonski Review of Funding for Schooling* (2011) regarded the benefits of school systems as a strength of the Catholic sector.

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The NCEC submission argues that Catholic school system autonomy over funding distributions is critical for Catholic education in advancing the objectives of equity and accessibility. The benefits of school systems—non-government and government systems—effectively and efficiently ameliorate any shortcomings that an abstract econometric model may display. School systems are best placed to respond to the specific needs of schools and their communities.

Needs-based funding

Catholic schools strive to meet the needs of all students but in many cases government funding has not been sufficient to realise this objective. Catholic education has concerns over the nature and reliability of information used to calculate funding loadings, including for low socio-economic status and students with disability. As an overarching principle, the funding model should guarantee equitable access to government funding, rather than moving funding between schools and/or sectors in aid of other policy objectives. When funding models change, there should be a transition to support the system or school to change.

Capital funding for Catholic education

Capital expenditure requirements in Catholic schools across Australia are set to increase considerably with the school-age population growing rapidly. Over the next decade, the Catholic sector will need to invest more in new schools and early childhood services than ever before. This is reflected in recent enrolment growth observed in Catholic schools.

Although Catholic school communities fund the vast majority of their capital expenditures, future investment requirements will greatly exceed the capacity of school communities to self-fund. This is exacerbated by the growing demand for quality early childhood education. Based on current projections, more than 70 new Catholic schools will be needed in the next five years to provide enrolments for families seeking a Catholic education. That will help to address additional demand for up to 180,000 new places in Catholic schools by 2025. Catholic school parents are currently paying more than 80 per cent of the cost of capital works in those schools, taking pressure off governments and the government schools.

Additional issues

The NCEC submission also addresses the following issues: investing in early childhood education; compliance costs and regulatory burden; the complexity of the Australian education legislation; the Students First Support Fund; the cost of the transition to online assessment. In particular, the NCEC argues there should be the potential for greater coherence between school funding and funding for preschool.

CATHOLIC SCHOOLS IN AUSTRALIA

Catholic schools educate more than 765,000 students in a diverse yet unified network of more than 1,730 systemic and non-systemic schools across Australia. Catholic school communities are geographically, economically and socially diverse: they are located in all states and territories, in metropolitan through to very remote communities, and they educate students from all socioeconomic backgrounds. Catholic schools also include a diverse range of school types, including special schools, majority Aboriginal and Torres Strait Islander schools and sole-provider schools. They have increasing numbers of Indigenous students and students with disability. Figure 1 shows the proliferation of Catholic schools across Australia, by density and type.

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Figure 1—Full-time equivalent students by Catholic school: Density and school type, 2015



The mission of Catholic education, since its inception, has been to serve students from a range of socioeconomic backgrounds, with a particular responsibility for the disadvantaged and marginalised. A cornerstone of Catholic education has been that all children have an inalienable right to education adapted to their ability. Catholic schools strive to ensure students are not prevented from achieving their potential because of background or family circumstances, or because of the location of their schools. This submission and the three main issues it addresses are consistent with this aspiration.

COMMONWEALTH SCHOOL FUNDING POST-2017

Catholic education seeks certainty on the allocation of adequate, stable and predictable funding for at least four years from 2018. A lack of funding certainty, as currently exists in relation to funding in 2018 and beyond, means schools and families are unable to adequately plan for their educational, administrative and financial needs. That uncertainty ultimately affects student learning and student outcomes. Funding certainty, along with support for system funding and autonomy, are immediate priorities for Catholic schools as they look to a new funding model for 2018 and subsequent years.

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Catholic education has a set of funding principles that will guide its discussions with the Commonwealth Government and frame its advocacy on behalf of Catholic schools and school education more broadly. Some of the issues that are key priority areas for Catholic education are outlined below.

Funding indexation

Catholic education welcomes the Australian Government's commitment to increase recurrent school funding by 3.56% per student annually between 2018 and 2020, with an allowance for changes in enrolment. That rate should be considered a minimum rate of indexation.

The objective of funding indexation is to enable recurrent grants to be adjusted annually in line with the actual costs of educating students. The NCEC believes that the indexation of school funding for Catholic schools needs to have a direct relationship to actual costs in government schools. This should reflect the cost profile of schools, in which about 75% of costs are salaries—especially teaching staff—and 25% are non-staffing costs, such as technology, maintenance and utilities.

The NCEC is concerned that if school funding declines in real terms—which will occur if funding indexation does not keep pace with real school costs, particularly teacher salaries—then Catholic schools would need to become more reliant on fee income. Fee increases are likely to drive many Catholic students from low-income families into government schools, where they would require additional government funding. Local experience would suggest that when some parents choose to leave Catholic schools, a primary reason is that they can no longer meet the school fees.

Catholic education would welcome dialogue with the Government on future funding arrangements to ensure sustainable and predictable school funding. Although the Commonwealth has promised to consult with the Catholic sector on future school funding, this consultation is yet to occur.

Student-weighted average

Catholic systems are currently "block funded", using student-weighted average system SES scores for the purpose of calculating the base funding per student according to the capacity to contribute relationship. That funding arrangement was supported by the Gonski Review because it enhances the capacity of Catholic systems via local needs-based funding distribution to address areas of school need that are possibly not adequately covered by the funding model.³ It is also an important element in ensuring the financial viability of constituent schools.

Catholic education believes a system-weighted average continues to be justified within a model that recognises system funding and is an important structural element in preserving the integrity of the Catholic system. The NCEC would welcome ongoing dialogue with the Commonwealth on how discrete elements of the student-weighted average might evolve.

³ *Review of Funding for Schooling*, Final Report (December 2011), 177, 181.

Primary school fees

Catholic primary school students account for 19% of all primary school enrolments in Australia and 62% of primary enrolments in the non-government sector.⁴ The average cost of annual Catholic primary school fees in Australia is \$1848. However, Catholic primary schools operate, on average, with 14% less total government recurrent income per student compared to government primary schools and, on average, 3% less net recurrent income per student compared to government primary schools and 24% less net recurrent income per student compared to independent primary schools.⁵

The future of low-fee, inclusive Catholic primary schools would be significantly compromised if the Commonwealth Government implemented major changes to the existing capacity to contribute model for primary schools. Tens of thousands of families would face fee increases, some of more than 200 per cent. Based on local experience, many families would instead seek enrolment in government schools since typical patterns of primary school enrolments suggest that students travel much shorter distances for primary schools than for secondary schools, which is a reflection of the strong community connection evident in primary schools. This would increase pressure on those government schools and increase government spending on education. The continuation of a capacity to contribute model that retains mechanisms to support low-fee Catholic primary schools would help to avoid those negative consequences.

Affordability for parents

Government funding should support Catholic school families to continue to pay a similar proportion of the current cost of their child's education. Many families would struggle to afford significant fee increases to compensate for shortfalls in funding or funding that fails to keep pace with school costs, eliminating their ability to choose a Catholic education for their child. Successive governments have demonstrated a commitment to parental choice of schooling—including schooling based on the Catholic religious and education tradition—as a right deserving of government support.

⁴ Based on Australian Bureau of Statistics data, 2015.

⁵ Based on *My School* financial data, 2014.

SYSTEM AUTONOMY

A significant feature of Australian schooling is that all government schools, most Catholic schools and some independent schools are members of systems. The *Australian Education Act 2013* (Part 6) provides for approved system arrangements that underpin system-based funding to Catholic systems. Catholic education believes that system funding is central to its capacity to operate effectively and efficiently.

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The *Gonski Review of Funding for Schooling* (2011) regarded the benefits of school systems as a strength of the Catholic sector. Catholic school systems use this autonomy to address student need in relation to particular school characteristics. An overall national allocation is limited in its interpretation of the extremely complex and multifaceted interactions between student and school characteristics. Catholic school systems are best placed to allocate resources in ways that are responsive to the specific needs of schools and their communities.

Other benefits of system arrangements include the ability of Catholic systems to ensure the financial viability of member schools or support developing schools and to redistribute and allocate funding to focus on particular issues, such as managing students with specific needs. Systems are also able to access economies of scale unavailable to individual schools, which enables them to achieve various efficiencies.

However, as the *Review of Funding for Schooling* acknowledged, the benefits and virtues of continuing to enable Catholic systems to make decisions around the redistribution and allocation of resources at the local level should not diminish the accountability of Catholic schools. System authorities play a crucial role in meeting the compliance and accountability demands on Catholic schools and partially mitigates the regulatory burden on individual schools.

Catholic education welcomes accountability for the funding it receives. All registered Catholic schools are subject to a high level of accountability through Commonwealth, state and territory funding arrangements and school registration requirements. This includes the provision of comprehensive school financial reporting, which is required through the Commonwealth Department of Education and Training's Financial Questionnaire and information provided for the *My School* website.

System autonomy also has implications for schools in rural and regional areas. Without the additional funding Catholic systems provide through a needs-based redistribution of government funding, Catholic schools in rural and regional areas would operate with substantially fewer resources. This would undermine the viability of these schools and the outcomes for rural and regional students. Catholic school systems are best placed to support the unique characteristics of each of their systemic schools and enrich the learning of students with special needs, thus enhancing the accessibility of their schools and improving the outcomes of their students.

The ability of Catholic school systems to determine funding distribution and expenditure on the basis of locally identified need is a fundamental funding principle. The NCEC maintains that the autonomy of Catholic systems to distribute funds according to locally identified needs enhances equity, guarantees school viability, provides reliable and substantial governance structures and also enables prompt and accurate accountability and reporting. Catholic education will therefore seek to maintain autonomy over funding distribution and expenditure under future iterations of the schooling resource standard model.

The Commonwealth Government should continue to recognise the virtues of systems in the Australian education system. Despite the conceptual appeal of a single national model, which is applied at a student or school level, a one-size-fits-all formulaic approach would undermine the benefits that currently arise from funding systems rather than individual students or schools.

The implementation of new funding arrangements therefore needs to take full account of existing education provision and system arrangements and build on this base. It should also consider the reality of current funding relativities.

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NEEDS-BASED FUNDING

Needs-based funding is a long-held principle of Catholic education. Catholic education strives to meet the needs of all the students in their school system. In many cases the total resources available can make the realisation of this objective challenging. Catholic education supports a needs-based funding model that includes appropriate recognition of the needs of all students.

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Funding for Catholic systems should ideally reflect the following parameters:

1. enrolments
2. the need profile of students
3. indexation that reflects schooling costs
4. existing funding relativities with government schools.

Catholic education sees the schooling resource standard (SRS) as an imperfect measure of the needs of schools and students, but it is the most comprehensive measure currently available and it is able to compare schools and students in all sectors. Deficiencies in the treatment of need, measurement and funding must be addressed. Those deficiencies include an over-reliance on NAPLAN data to measure schooling excellence and the selection of reference schools for the original calculation. Catholic education believes that equalisation, implying equal treatment of Catholic jurisdictions with respect to need as measured by the SRS, should remain a goal in the evolution of funding arrangements in the long term while current funding relativities are recognised.

Needs-based loadings and the base/loading relativity

Catholic education has concerns over the nature and reliability of information used to calculate funding loadings, including loadings for low socio-economic status and students with disability. Deficiencies in the measures that underpin the loadings need to be addressed. Given the various loadings are interrelated, Catholic education believes they need to be examined as part of a holistic review, rather than in a piecemeal fashion.

The degree of flexibility in application of funding attracted through the loadings should continue to reflect the role of systems in addressing identified needs in a flexible way. Data should be demonstrably valid, reliable, rigorous and fit for purpose. The NCEC believes that current evidence does not strongly support the precise loadings values.

Catholic education also has continuing concerns about the relationship between the SRS's base grant and the loadings – specifically that the proportion of funding accounted for by the base is set too low and the loadings relatively too high. The NCEC holds the view that the base grant should represent the common cost of educating students at any school.

Funding for students with disability and the Nationally Consistent Collection of Data (NCCD)

It has always been the Commonwealth Government's intention to work closely with school sectors to review and finalise a loading for students with disability. However, this has not occurred in a substantive way. The NCEC supports this happening as a priority. The number of students with disability in Catholic schools has doubled over the past decade. Continuing enrolment growth in this area must be accompanied by funding increases to ensure those students receive the best possible education. The use of an untested and potentially unreliable funding mechanism in the form of the NCCD would be unwise and risks undermining Catholic education's contribution to the education of students with a disability. As much as 50 per cent of the funding Catholic schools currently receive for the education of students with disability could be withdrawn under an NCCD model of funding. That equates to 4 per cent of total government funding for Catholic schools.

Future transition arrangements

Over time all systems and schools should move closer to being funded according to their need. Funding should not be moved between schools and/or sectors in aid of other policy objectives. The NCEC believes that existing funding levels and relativities between school types and jurisdictions in the current provision of school education should be considered by government in devising future funding and transition arrangements.

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If systems or independent schools are deemed to be receiving more funding than their entitlement as a result of changes to the funding model, a transition arrangement is essential to support change. It is important to acknowledge that existing funding levels reflect historic funding models. In the non-government sector these have been needs-based for decades. However, the definition of need has changed substantially over time. Dramatic changes in funding should not be imposed on schools and systems from one year to the next. Dramatic funding changes do not serve quality education provision as the prospect of such change has the potential to create other incentives for schools and systems, which can be counter to government policy objectives and may well compromise a school's ability to maintain educational standards.

CAPITAL FUNDING FOR CATHOLIC EDUCATION

Catholic education values Commonwealth Government support for capital works but this support will not meet the increasing capital needs of existing schools and the demand for new schools as overall school enrolments increase with population growth. There is also a growing demand for quality early childhood education services within the Catholic sector. More and more parents recognise the profound value of an excellent early education for their child and Catholic education is endeavouring to respond to this demand. However, the value of the Commonwealth Capital Grants Programme (CGP) has been declining per student. Without government assistance, the Catholic sector will not be able to keep pace with enrolment growth. This will place more reliance on government schools, at significant cost to Australia's governments and taxpayers. Page | 10

Catholic school parents have an expectation that Catholic schools will be able to provide the school facilities that students will need into the future. Over the next decade, the Catholic sector will need to invest more in new schools and early childhood services than ever before. Indeed, the school-age population is growing rapidly. This is reflected in recent enrolment growth observed in Catholic schools. Significant enrolment growth is occurring in inner-city areas, where both new schools and extensions of existing schools are very expensive. Economic restructuring and development patterns are also causing shifts in student populations within cities and placing pressure on school capacities.

The CGP is designed to assist non-government primary and secondary school communities to improve capital infrastructure where they otherwise may not have access to sufficient capital resources. It is the only ongoing Australian Government programme that supports Catholic schools to meet capital expenditure requirements. The CGP was valued at \$140 million in 2016 for all non-government schools. Its value is indexed by the annual movement in the Australian Bureau of Statistics' Producer Price Index—Non Residential Building Construction (the NRBC index) each year. Indexation of the CGP using the NRBC index means the actual funding per student under this programme is effectively stagnant and fails to recognise the increasing standards that school planning and facilities must meet, which are adding costs to capital works.

Despite its importance to Catholic schools, the CGP continues to decrease in value in per-student terms. As explained below, the current parameters of the programme result in a decline in the per-student value of the programme. The programme parameters mean that the CGP only grows with estimated price changes for school construction works. The limitations of the current policy settings of the CGP are that it does not grow with the number of students in non-government schools and does not grow with quality and regulatory standards or community expectations for schools, which are increasing the costs of capital works. A further issue with enrolment growth facing some Catholic systems is that this is occurring in built-up areas where capital works are most expensive.

The current system of capital funding for non-government schools needs to be updated to support long-term planning that will meet the needs of the tens of thousands of additional students that are forecast to enrol in Catholic schools. A new approach is needed that links capital funding of non-government schools to enrolment growth. The school recurrent funding model detailed in the *Australian Education Act 2013* might guide a new model for capital grants. This may include establishing a resource standard for capital expenditures in non-government schools. The resource standard would be determined on a per-student basis and should recognise the different capital requirements of an 'existing enrolment' and 'new enrolments' in a school or school system.

ADDITIONAL ISSUES

The NCEC also wishes to highlight the following issues as part of this submission.

Investing in early childhood education

As eminent economists such as Nobel laureate Professor James Heckman have argued, Commonwealth Government investment in early childhood education would be “a cost-effective strategy for promoting economic growth.”⁶ Early childhood services are a vital part of our education system that enhance children’s early development and promote children’s healthy development. For at-risk children, early childhood education is an effective strategy for reducing the social costs that may arise later in life. The cost of health services, the criminal justice system and welfare are an increasing economic burden.

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There should be the potential for greater coherence between school funding and funding for preschool. Many of the challenges a child will face in relation to her/his educational performance will have emerged well before that child has begun formal schooling. As the Effective Pre-School, Primary and Secondary Education project in the United Kingdom has shown, helping children begin primary school with an excellent early childhood education will stand them in good stead for future educational success.⁷

As important as school education and sustainable funding for schools is, a commitment to sustainable funding for early childhood education by the Australian Government is strongly supported. The NCEC believes that all preschools should be funded on an equal basis, irrespective of owner or operator, using objective data. Funding should be needs-based and sector-blind, as well as predictable and sustainable. Naturally, government funding for early childhood would also attract a sensible level of accountability, which Catholic education would welcome. However, accountability should not be in the form of an unnecessary and excessive regulatory impost.

Compliance costs and regulatory burden

The NCEC remains concerned about the reporting requirements arising from the unnecessary regulatory burden that the Australian Charities and Not-for-profits Commission (ACNC) imposes on non-government schools. Catholic schools devote considerable time and resources to meeting these reporting requirements and complying with regulations. All registered Catholic schools are already subject to a high level of accountability through Commonwealth, state and territory funding arrangements and school registration requirements. This includes the provision of comprehensive school financial reporting, which is required through the Commonwealth Department of Education and Training’s Financial Questionnaire and information provided for the *My School* website. Reducing the regulatory burden on Catholic schools means more time and resources can be devoted to enhancing schools and improving student outcomes.

The complexity of the Australian Education Act

The complexity of the current funding arrangements, particularly the level of detail of the legislation and regulations that underpins these arrangements, should be reviewed. It has been the consistent position of the NCEC since 2013 that there are aspects of the legislation that need to be reconsidered. These matters were canvassed in our submission to the Senate Education, Employment and Workplace Relations Committee during its inquiry into the *Australian Education*

⁶ James J. Heckman, *Invest in early childhood development: Reduce deficits, strengthen the economy*. Retrieved from www.heckmanequation.org on 19 December 2016.

⁷ <https://www.ucl.ac.uk/loe/research/featured-research/effective-pre-school-primary-secondary-education-project>. Retrieved on 19 December 2016.

Bill.⁸ The main points of the submission were that the legislation was overly complex and lacked transparency; too much detail was enshrined in the Act itself; and there was a policy incompatibility between the Act's endorsement of subsidiarity, system autonomy and devolution, and the powers of the Commonwealth Minister for Education and Training to intervene in decisions of schools and system authorities.

The NCEC acknowledges that recent government amendments to the *Australian Education Act* and its regulations have made some progress in addressing some of the issues previously raised. Nevertheless, the complexity of the legislation and problems with the funding formulae enshrined in the Act, as well as other issues, have not been resolved.

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Students First Support Fund

It is the position of the NCEC that the Australian Government should continue the Students First Support Fund. Catholic education has welcomed the funding, which improves the quality of teaching, supports school autonomy and improves education outcomes. The NCEC supports its continuation beyond 2016–17 on an equal basis for all students in non-government schools, without prejudice to the other funding priorities articulated in this submission.

Cost of the transition to online assessment

The move to NAPLAN online over the next few years has the potential to involve significant transitional costs for Catholic schools. The NCEC acknowledges there are benefits that will flow from the move to NAPLAN online. However, uncertainty remains around how much the transition to online assessment will cost, particularly during the implementation phase when costs may be inflated as two assessment methods and systems are maintained. The transition will also require significant investment in ICT infrastructure and may entail ongoing costs. The NCEC submission asks that the Government consider this impact on non-government schools as the project progresses.

⁸ <http://www.aph.gov.au/DocumentStore.ashx?id=bf239baa-e703-4793-ad98-9b25f15d108f>. NCEC submission made on 21 June 2013. Retrieved from Parliament of Australia website on 19 December 2016.

CONCLUDING REMARKS

The NCEC welcomes the opportunity to participate in the Commonwealth Government's 2017–18 pre-Budget process and would be pleased to further brief the Government on the contents of its submission. Funding certainty, system autonomy, needs-based funding and capital funding are all important areas of school funding policy that can have a profound effect on student outcomes and the contribution Catholic schools make to the Australian education landscape. Moreover, quality early childhood education is emerging as a vital component of a child's educational journey.

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Catholic education has welcomed the certainty provided by the Government's commitment to needs-based funding for all Australian schools under the *Australian Education Act* through to 2017. These arrangements have delivered additional funding to Catholic education to welcome students with additional needs, and to increase the quality of teaching and learning in Catholic schools. The NCEC looks forward to discussions with the Commonwealth to provide funding certainty beyond 2017 and address the policy issues identified here.

FUNDING PRINCIPLES

FOR CATHOLIC SCHOOLS

December 2015



ENDORSEMENT



The Australian Catholic Bishops Conference endorses these Funding Principles prepared by the National Catholic Education Commission. They are grounded in the School Funding Policy statement prepared by NCEC and endorsed by the Bishops Conference in 1987.

Catholic schools in Australia offer an essential contribution to the rich variety of options available to parents as they

determine how best to educate their children. The fact that 20% of all children in Australia are educated in Catholic schools testifies to this. A fair and equitable funding scheme for all schools, including Catholic schools, ensures that the possibility of meaningful choice continues to be open to all Australian families.

Archbishop Timothy Costelloe SDB
Chairman, Bishops Commission for Catholic Education

P R E A M B L E

Australia's Catholic schools, as an integral part of Australia's school education community, are a national asset. Over the past 200 years, a diverse, yet unified, network of 1,728 Catholic schools has developed and educates more than 750,000 students – one in every five students in schools – and employs almost 90,000 staff.¹

Catholic schools reflect and celebrate the diversity of contemporary Australia. They make a substantial contribution to Australian society and to the Catholic Church in Australia. They will continue to contribute to Australia's development, confident about their ongoing relationship with the contemporary Australian community.

The mission of Catholic schools is to be more than providers of high-quality education that advances the common good of Australian society. Their belief in the intrinsic value of each student is based on a distinctive educational vision inspired by the example and message of Jesus Christ.

Through their culture, ethos and mission, and through the commitment of their staff and their educational programs, Catholic schools demonstrate that there is no separation between learning and living the Christian life.

The 2008 *Melbourne Declaration on Educational Goals for Young Australians* recognises the importance for all young

Australians of developing spiritual goals. Catholic schools teach that a life lived in the love of God and in the Christian service of others has purpose and meaning.

Since the early 1970s, Australian Catholic schools have received significant funding support from Commonwealth, state and territory governments. This support has enabled Catholic schools to consolidate their collective position as partners in the national educational endeavour – partners with governments, families and Church communities in achieving shared educational goals for young Australians.

Commonwealth Government funding for Catholic schools enjoys bipartisan support. It has long been recognised by successive Australian governments that Catholic schools deliver value for the taxpayers' dollar, and that Catholic schools enhance social capital and community infrastructure. Recent years have seen Catholic schools across Australia efficiently deliver high-quality school facilities tailored to local needs. Catholic schools also continue to operate with government funding per student significantly below government schools.

Successive governments have demonstrated a commitment to:

- a. parental choice of schooling, including schooling based on the Catholic religious and education tradition, as a right deserving of government support;

- b. all children having the right to share equitably in public expenditure on education; and

- c. the equitable provision of adequate and appropriate resources to all schools.

Catholic schools provide a quality education option at reasonable cost for parents and families from a diverse range of religious, social, cultural and economic backgrounds across the nation. They are committed to supporting disadvantaged and vulnerable families, providing their children opportunity through education. Catholic schools respect the religious freedom of families who willingly enrol their children and thereby commit to the Catholic identity of the school.

To continue to provide quality education, Australian Catholic schools need appropriate funding from governments to ensure they remain an affordable option for families into the future. That funding should reflect the reality that the cost of Australian schooling increases annually as schools strive for higher standards and engage with a rapidly changing context.

Government and non-government schools are funded differentially in Australia's current federal and state/territory funding models. Inequities in school resources between states and territories remain a source of national debate and concern.

¹ Data sourced from NCEC 2014 Annual Report.

BASIC FUNDING PRINCIPLES

The National Catholic Education Commission advocates for sustainable and equitable funding arrangements that reflect the principles outlined below.



PRINCIPLE 1

Parental choice

Parental choice means that

- a) In accord with the Universal Declaration of Human Rights, all Australian parents and carers "have a prior right to choose the kind of education that shall be given to their children".
- b) The right of parents and carers to choice of schooling, including schooling based on the Catholic tradition, is a right deserving of government support.
- c) Future parents and carers must have the same capacity as current and earlier generations of parents and carers to exercise their freedom of choice in schooling.

PRINCIPLE 2

Religious freedom

Religious freedom for Catholic schools means that

- a) Parents and carers are free to entrust their children to Catholic schools that respect their beliefs while confidently celebrating the Catholic mission and identity of the school.
- b) Catholic schools, respecting the rights and freedoms of parents and carers to choose schooling for their children in the Catholic tradition, are free to form and instruct students in the Catholic faith and celebrate the Catholic faith as an integral and inseparable activity of the Catholic school.
- c) Australian governments acknowledge the distinctive contribution Catholic schools have made, and will continue to make, to the development of Australian society, economy and culture.
- d) Commonwealth and state government funding arrangements respect the identity, integrity and autonomy of the Catholic school and education systems.
- e) Funding, compliance and accountability requirements support, rather than hinder or compromise, the authenticity or autonomy of the Catholic school and education systems.

PRINCIPLE 3**Educational partnership**

Partnership means that

- a) Catholic schools work to deliver high-quality education that is open to all children whose parents and carers choose Catholic schools. This contribution to the community is on behalf of the Church in partnership with Australian governments, parents and carers.
- b) Parents and carers who choose Catholic schools for their children are genuine partners in the learning and formation of their children.
- c) As significant partners in the national educational endeavour, Catholic education authorities and stakeholders have a voice in key national policy and program decision-making forums.
- d) Catholic schools work to implement the Melbourne Declaration on Educational Goals for Young Australians.

PRINCIPLE 4**A fair allocative mechanism**

The school funding mechanism must guarantee that

- a) Funding allocations to Catholic schools are based on reliable and

objective data and a transparent mechanism that reflects cost pressures in schools.

- b) Funding for students with additional or special learning needs is fair and identifiable.
- c) All Catholic schools are eligible, on a needs basis, for Commonwealth and state government capital support that recognises their important contribution to community infrastructure.

PRINCIPLE 5**Funding equity**

Equity requires that

- a) Catholic schools have a funding model that guarantees equitable access to Commonwealth and state funding – recurrent, targeted and capital.
- b) Catholic schools receive funding that meets the needs of increasing numbers of Indigenous students, students with disability and refugee students, as well as rural, remote and disadvantaged communities.
- c) The value of grants is at least maintained and reflects the real increases in the cost of education and the capital expenditure needed to ensure intergenerational equity.
- d) The capacity for Catholic state and diocesan school systems to allocate funding to schools according to assessed local need is recognised.

PRINCIPLE 6**Funding certainty**

Certainty requires that

- a) Catholic schools and school systems have secure, guaranteed funding that is stable and predictable to provide quality outcomes for students.
- b) Catholic schools, as a large and genuinely national enterprise that educates one in five Australian children, have funding certainty enshrined in legislation.

PRINCIPLE 7**Accountability and transparency**

Accountability and transparency mean that

- a) Catholic schools account publicly for the allocation and expenditure of government funds in a transparent, coherent and comparable manner.
- b) Catholic schools report on agreed national measures, using comparable data.
- c) Catholic schools continue to meet agreed accountability requirements to governments, parents and carers, and the Church community.

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