

Funding ALERT



A handy guide to the claims made about school funding

Education Minister Simon Birmingham has made a number of claims about his proposed funding model in recent weeks. Catholic education has prepared this handy guide to help you understand what's really behind the claims being made by the Minister.

MINISTERIAL CLAIM	REALITY
School funding will increase by \$18.6 billion from 2018 to 2027	These funding estimates look large but they have not been adjusted for student growth or cost growth. They also include optimistic assumptions over future indexation rates. The optimistic assumptions relate to wages growth and CPI growth (which will drive school indexation rates starting in 2021) – the Treasury has over-estimated what these figures will be each and every year since 2011. In real terms (after adjusting for costs) and adjusting for student growth, funding for schools will decrease from 2021 to 2027.
<p>'Funding for Catholic schools in Victoria will grow by 3.5% per annum per student from 2018 to 2027.'</p> <p>'The Catholic sector said they would be happy to receive 3.5% per student per annum.'</p>	<p>The Minister announced a 10-year funding proposal that includes major changes to school funding in Australia, especially for the Catholic sector. Funding for Catholic schools in Victoria will grow at 3.5% per student per annum in 2018, 2019 and 2020.</p> <p>From 2021, under the Minister's 10-year plan:</p> <ul style="list-style-type: none">• funding will grow at a slower rate than 3.5%• funding growth is unlikely to keep pace with cost growth• Catholic schools in Victoria will receive less of the total funding pool. <p>More details</p> <p>After 2021, funding will not grow at 3.5% per annum. It will grow at a new variable rate based on economy-wide indicators (75% wage price index and 25% consumer price index).</p> <p>It is highly likely that this new rate will not keep pace with cost growth in our schools. Over the past six years, the new indexation rate would have been 1% to 1.5% below actual increases in staff salary costs.</p> <p>Assuming this trend continues, the new indexation rate to apply from 2021 will cut funding to Catholic schools in Victoria, after adjusting for cost and student growth, by an additional \$25 million each and every year.</p>
'We have addressed the concerns of Catholic schools by including a minimum indexation rate of 3% from 2021.'	<p>This announcement has addressed only one of our concerns about the 10-year school funding proposal. The Minister has not addressed the proposed changes to the school funding model that will disadvantage Catholic schools by:</p> <ul style="list-style-type: none">• removing weighted-average calculations for Catholic systems – even though this was recommended in the Gonski review• using new data on students with disability – even though the Minister said in December 2016 that this data 'fails a basic credibility test'. <p>These changes reduce the share of funding to be received by Catholic schools in Victoria.</p>
'We are implementing the Gonski model recommendations.'	<p>The Government is proposing to change its funding model to remove a key recommendation of the Gonski panel. The Gonski panel recommended that school systems receive a weighted-average SES score in the funding model. However the Government has now announced that it will no longer include a weighted-average SES score in the funding model. This change in the funding model has reduced the estimated 'need' of Catholic schools in Victoria by about \$80 million per annum.</p> <p>The Gonski panel also recommended that school SES scores should be reviewed and replaced with a better measure. The Government has ignored this recommendation and, through the change above, has made SES scores even more important in school funding.</p>
There will be consistent funding for all schools in all states based on 'need'.	<p>The funding model does not measure school needs in a fair and accurate way. For example, the funding model estimates that several Catholic parish primary schools in Victoria should raise over \$7,000 per student each year in fees and charges – whereas the highest-fee Catholic primary school raises only \$3,400.</p> <p>We have provided compelling evidence to the Minister that a key aspect of the funding model – school SES scores – are highly flawed and biased against Catholic schools. This means Catholic schools are short-changed in the funding model.</p> <p>The Minister has not yet responded to our research paper and ignored the issue in the new funding proposal. He has instead drafted legislation that will make school SES scores even more important in school funding.</p>
The Government has consulted extensively with all of the school sectors.	The Minister met once, for less than an hour, with the CECV Executive Director (March 2017) with little meaningful discussion on the new funding model. The first time the CECV Executive Director was advised about the new funding proposals was when the Minister announced the changes in his press conference of Tuesday 2 May.
'Funding for students with disability will be better targeted to the needs of each student with disability.'	<p>The Government will begin to use the Nationally Consistent Collection of Data on School Students With Disability (NCCD) to allocate funding for students with a disability. This data is based on teacher judgments of student impairments and the 'adjustments' they require.</p> <p>This is despite the Minister stating late in 2016 that this data lacked credibility.</p> <p>With this new data, and the new proposed loadings, the extra funding allocated to Catholic schools in Victoria for students with disability by the federal government will decrease by about 17%.</p>
There should be no need for significant fee increases in Catholic schools.	<p>The Minister does not understand how our Catholic systems allocate government grants and the constraints our systems face in this process.</p> <p>When the funding model changes, our parish primary schools will only be able to avoid significant fee increases if there are major reallocations from secondary schools to primary schools, and from country schools (in Sale, Sandhurst and Ballarat) to Melbourne schools. We cannot do this.</p> <p>The Minister does not understand the practical and legal limits we face in allocating government grants, because he has not consulted with the Catholic sector about the impact of his funding proposals.</p>