

NCEC SCHOOL FUNDING - FAQs – 3 May 2019

Some discussions and commentary about school funding make it confusing and contentious. Understanding a few basic facts can help make it much less controversial. Here are the answers to some commonly asked questions

1. Why do governments fund non-government schools?

Catholic schools have taught Australian children for almost 200 years. Today, they educate one in five students and are a vital partner with government and independent schools in the delivery of quality education to 3.9 million students nationally.

State and federal governments provide some funding support to all sectors so that most schools can be affordable and accessible to all families.

The Federal Government's funding formula estimates the basic cost of schooling at **\$11,343 per primary student and \$14,254 per secondary student each year**. Most families could not afford this cost on their own - especially if they have two or more children – so governments provide funding support.

Because of this support, 93% of Catholic schools can afford to provide a quality education while charging fees of less than \$6,000 per student per year (73% charge less than \$3,000 per year).

Without government funding support, Catholic schools would need to charge families the full cost to educate their children. Most would have little choice but to move their children to a nearby government school - many of which are already at or near capacity - where taxpayers would have to fund the full cost.

2. How much do Catholic school communities contribute?

Australia's Catholic school communities contributed almost \$5 billion in school fees, capital and other private fund-raising in 2017 (the latest data available).

This is made up of \$3.6 billion in school fees and other fund-raising for recurrent purposes and a further \$1.27 billion in capital contributions.

On average, state and federal governments fund approximately 70% of the cost of running Australia's Catholic schools sector each year while our school communities fund the remainder.

In 2017, Australia's Catholic school communities also funded almost 90% of the cost of expanding and upgrading their schools – a considerable saving to taxpayers annually.

3. What about the principle that only public schools should receive public funding?

There are many good reasons why not-for-profit, non-government schools also receive public funding:

1. **AFFORDABLE CHOICE:** A vibrant, fairly funded non-government school sector means families can afford to choose a school that reflects their values and beliefs – an important feature of a pluralist society; otherwise, only wealthy families could afford to have a choice.
2. **IT'S FAIR:** All families pay tax and therefore deserve some funding support towards their children's education

3. **SHARES THE LOAD:** Catholic and independent schools educate 1.3 million children, or one in three Australian students. Without affordable non-government schools, most of those students would have to be absorbed into the public schools sector, which is at or near capacity in most areas
4. **HEALTHY COMPETITION:** In a compulsory activity such as schooling, a parallel network of accessible non-government schools provides healthy competition and improves all schools
5. **TAXPAYERS SAVE:** On average, Catholic school families pay almost 30% of the annual cost of their child's education and almost 90% of capital works in schools – costs that taxpayers would otherwise have to meet
6. **NOT JUST SCHOOLS:** Governments subsidise many other private sector activities such as GP visits, medicines, hospitals, aged care, child care and bus services

4. But money going to private schools means less money for public schools, doesn't it?

Public school funding has increased every year - at least in line with enrolments and indexation - since public funding was extended to non-government schools. It has never been cut.

The Catholic sector has always supported a strong, properly funded government schools sector because it educates far more students in many more places; Australia has 6646 government schools and only 2831 non-government schools.¹ In thousands of towns and suburbs, government schools are the only option for all families (including Catholic families).

All students in all school sectors are funded according to the same measure - the Schooling Resource Standard (SRS), which is made up of a base amount (\$11,343 per primary student and \$14,254 per secondary student) plus loadings for six types of disadvantage.

In public schools, the SRS is solely funded by taxpayers; families are not required to fund any of the SRS.

In Catholic and other non-government schools, families *are* expected to pay 10-80% of the base amount according to a means test of their financial capacity. Governments only fund the balance (plus all disadvantage loadings). The more families can afford to pay, the less public funding a non-government school attracts.

Public school families are not means tested.

5. How much government funding does each school sector receive?

In 2017, government schools received almost \$2,000 per student more in public funding than Catholic schools did.

Government schools received \$13,411 per student in combined federal and state government funding, compared with \$11,451 per Catholic school student and \$9,530 per independent school student.

6. Why did non-government schools receive \$4.6 billion extra recently?

This is the estimated amount over 10 years for some 1.3 million students in 2831 non-government schools across Australia.

¹ <https://www.acara.edu.au/reporting/national-report-on-schooling-in-australia-data-portal/school-numbers#View1>

The new funding is largely due to recommendations in two government-commissioned reviews – the original 2011 Gonski Review (Recommendation 20) and the 2018 review by the National School Resourcing Board (aka, the Chaney Review, Recommendation 2).

Both recommended a new, fairer means test to more accurately measure families' ability to pay school fees and therefore to calculate how much government funding each non-government school should attract.

This new means test will apply from 2020. As a result, low-fee schools will receive a fairer share of the non-government school funding pie. The overall increase is due to there being hundreds more low fee schools than high fee schools.

Some funding was also to cover transition costs until 2020 and maintain low-fee schools' affordability and viability to provide choice in middle and high SES areas, where they have served local communities for decades.

7. Why didn't public schools get an increase?

The funding changes involved estimating the level of school fees families could afford to pay in non-government schools.

As public school families are not required to pay fees, the changes did not affect them.

State governments, however, continue to campaign for the return of the funding model introduced in 2014 after the original Gonski Review, which provided more funding to government schools.

8. But many government schools do not receive their full SRS.

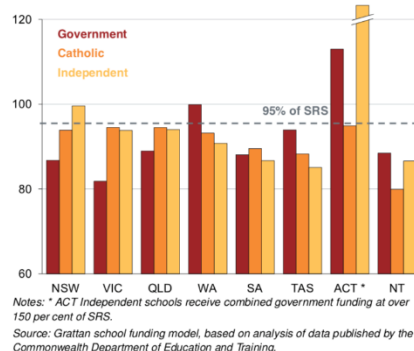
This is also true of Catholic systemic schools, which are receiving less than their SRS funding entitlement from government in all states and territories, as this Grattan Institute table illustrates.

The SRS is a relatively new funding target, introduced in 2014. It represents a huge jump in school funding commitments for many states and territories who are the majority funders of public schools, which educate two-thirds of all students. A phasing-in period has therefore been allowed for state governments, meaning it will be several years before all schools are funded at their correct SRS level.

Each jurisdiction (federal, state and territory) has historically funded government and non-government schools differently, with different starting points and indexation levels. Changes were legislated in 2017 to bring all underfunded schools to a minimum SRS level by 2023. The ultimate timing will depend on bilateral funding agreements between the Commonwealth and each state and territory government.

While it is true that most non-government schools are expected to reach the correct SRS level before all government schools do, this is due to the fact that they attract less government funding per student than public schools and there are fewer non-government schools to fund.

Figure 2.1: Funding levels differ by state and sector but most systems are funded less than their targets
Combined government funding as a per cent of SRS, by state, 2016



9. Do non-government schools use government funding to build facilities like equestrian centres, indoor swimming pools and orchestra pits?

Catholic Education can only speak for Catholic schools, but those types of facilities are normally built in high-fee schools and are funded by the school communities themselves through loans paid off by parents over 10-20 years (through building levies, fund-raisers, etc).

Australia's 1750 Catholic schools carried out capital works (new schools, upgrades and expansions) worth \$1.42 billion in 2017.

Almost 90% of this amount - \$1.27 billion – was funded by Catholic school communities themselves. Only \$152.2 million was from government and these funds were prioritised to the neediest Catholic schools in each state and territory to build or upgrade learning facilities.

10. Do government schools educate the most disadvantaged students?

It is unproductive to estimate which school sector educates the most advantaged or disadvantaged students because of the imbalance in the location and number of schools.

Australia has 6646 government schools and only 2831 non-government schools; in thousands of Australian towns and suburbs, a government school is the only option.

Nationally, government schools educate two-thirds of *all* students, so it is unsurprising that they educate more students in *all* categories than non-government schools.

While government schools enrol 82% of students in the bottom quartile, they also educate 52% of students in the top quartile. A highly advantaged suburb like Mosman in Sydney, for example, has four government schools (three primary and one high school) educating more than 2,700 students and only one Catholic school educating fewer than 400 students.

A majority of Australia's Catholic schools have a socioeconomic status (SES) score of less than 100, indicating they serve communities from predominantly low and middle income areas.

11. How many Aboriginal and Torres Strait Islander students are educated in Australian Catholic schools?

There has been a significant increase in enrolments of Aboriginal and Torres Strait Islander students over the past decade in Catholic schools.

In 2017, there were almost 23,000 Aboriginal and Torres Strait Islander students in Australian Catholic schools, or 3% of total enrolments.

12. How many students with a disability are educated in Catholic schools?

The number of students with a disability in Catholic schools has also grown strongly recently.

According to the latest Nationally Consistent Collection of Data (NCCD), there are 137,746 students with a disability in Australia's Catholic schools. This represents 18% of all enrolments in Catholic schools.