



**National Catholic  
Education Commission**

## **NCEC Position Paper**

**Reform of the Federation White Paper  
Education Issues Paper**

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### **About the National Catholic Education Commission**

The National Catholic Education Commission (NCEC) is established by the Australian Catholic Bishops Conference through the Bishops Commission for Catholic Education to maintain effective liaison with the Commonwealth Government and other key national education bodies. The NCEC complements and supports at the national level the work of the State and Territory Catholic Education Commissions.

**Learn more at: [www.ncec.catholic.edu.au](http://www.ncec.catholic.edu.au)**

### Summary of the NCEC position

- The NCEC is concerned that any proposed change to school education funding as part of reforming the federation may unravel the funding arrangements for non-government schools.
- Assigning full responsibility for schooling to the States and Territories would end the longstanding direct funding relationship between the Commonwealth Government and Catholic schools.
- Direct Commonwealth funding is valued by Catholic schools—Commonwealth funding has provided funding certainty for Catholic schools.
- Catholic school systems are currently in the process of undertaking significant reforms as part of the implementation of funding arrangements under the *Australian Education Act 2013*.
- Current education funding arrangements are a testament to how good Commonwealth-state relations can give effect to the principles of diversity and subsidiarity; supporting a vibrant non-government school sector alongside a strong government school sector.

### Introduction

The great strengths of Australia's federation far outweigh the criticism it has received. The economic prosperity and political stability arising from a diffusion of power between the Commonwealth, State and Territory governments is a remarkable accomplishment.

- Federalism not only divides and balances power, thereby upholding democracy, it allows local decisions to be made in the spirit of subsidiarity.
- If each level of government delivers services in a way best suited to their constituents, decisions are made as close as possible to the people affected by them.
- Therefore, instead of dismantling the structure that has served this nation well for over a century, the focus should be on how to achieve more effective intergovernmental collaboration.

### Recent example of collaboration between levels of government

One example of collaboration between levels of government is the Intergovernmental Agreement on Federal Financial Relations (IGA FFR), which came into effect in January 2009. The IGA FFR was an attempt to mitigate the Vertical Fiscal Imbalance (the mismatch between revenues raised and expenditure commitments).

- It enunciated national objectives while giving the States and Territories freedom to implement these national objectives within their own contexts.
- It clarified the roles and responsibilities of each level of government and sought to give the States and Territories greater flexibility to determine how they would implement the COAG reform agenda.

Although the NCEC believes this reform agenda had positive elements:

- it was marred by a proliferation of National Partnerships that imposed onerous controls and constraints on the States and Territories (and non-government school authorities in the case of education), and
- it blurred the focus on the six overarching National Agreements (health, education, skills and workforce, disability, affordable housing and Indigenous reform).<sup>1</sup>

### Cooperative federalism

Cooperative federalism does not require a multitude of national partnerships and the imposition of an array of burdensome conditions that go well beyond reasonable accountability.

- Collaboration is arguably at its most effective when the Commonwealth works together with the States and Territories, harnessing the great strengths of Australia's federation to achieve reform.

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<sup>1</sup> There were 145 agreements at 1 July 2013 (compared to 81 at 1 July 2009).

- Diversity and flexibility can thrive within the unity of a federation—the parallel success of the government and non-government school sectors in Australia illustrate this well.
- Under current school funding arrangements, Commonwealth funding supports parent, student and family choice in schooling.

#### **Questions for discussion**

The Education Issues Paper posits questions that are grouped around six principles and criteria to be applied when allocating roles and responsibilities between different levels of government:

1. accountability for performance in delivering outcomes, but without imposing unnecessary reporting burdens and overly prescriptive controls;
2. subsidiarity, whereby responsibility lies with the lowest level of government possible, allowing flexible approaches to improving outcomes;
3. 'national interest' considerations, so that where it is appropriate, a national approach is adopted in preference to diversity across jurisdictions;
4. equity, efficiency and effectiveness of service delivery, including a specific focus on service delivery in the regions;
5. durability (that is, the allocation of roles and responsibilities should be appropriate for the long-term);
6. fiscal sustainability at both Commonwealth and State levels.

These principles also form part of the terms of reference for the White Paper process.

### **Issues Paper questions on accountability**

1. *Does the current split of roles and responsibilities result in uncertainty about which level of government is accountable for schooling outcomes? If so, can this be remedied?*
2. *What measures are needed to ensure the public can assess delivery of school education and hold the appropriate level of government accountable?*

Education is an issue of national importance, socially and economically. It should not be left solely to the States and Territories. Indeed, the Issues Paper underplays the longstanding involvement of the Commonwealth in the education space.

This does not mean that a diversity of approaches to schooling cannot harmoniously co-exist within Australia's federation. Provided the principle of subsidiarity is upheld, the Commonwealth Government's leadership on education:

- engenders national aspirations and coordinates responses to emerging issues;
- brings a national and international perspective;
- ensures equality of opportunity, especially in smaller jurisdictions; and
- as the dominant funder of non-government schools, supports school choice by parents, student and families.

The Commonwealth's superior financial resources and greater taxation powers are also an important consideration.

The local knowledge and proximity, community engagement and flexibility of the States and Territories in delivering schooling is valuable. However the broader context of education goes well beyond operating classrooms from kindergarten to Year 12 and benefits from national involvement.

Assigning sole responsibility and accountability for schooling outcomes to a single level of government is arguably not in the national interest.

Australian schools operate in a sophisticated accountability framework to their parents, communities and government as significant funders. Current accountability arrangements support the public to hold the appropriate level of government to account.

### Issues Paper questions on subsidiarity

1. *What benefits, or costs, would arise from assigning full responsibility for school education to the States and Territories?*
2. *If responsibility for school education continues to be shared, what roles should be assigned to which level of government? What roles are truly national and assigned to the Commonwealth?*
3. *In the areas where there is a national approach, is there sufficient flexibility to allow for States and Territories and the non-government sectors to adapt to local conditions and develop innovative approaches.*

The NCEC does not support assigning full responsibility for school education to the States and Territories.

- Commonwealth Government funding is critical to Catholic schools—and the entire education system—furthering the objectives of equity and accessibility.
- Catholic schools look to governments to ensure that, through an equitable funding system, Catholic schools are able to serve the broad socioeconomic spectrum of Australian families.
- Catholic schools need the support of governments to continue providing a quality education option at reasonable cost for the communities they serve.

Funding from the Commonwealth Government is particularly important to the Catholic sector for two further reasons.

- First, the Commonwealth provides Catholic schools with the majority of their recurrent government grants.
- Second, Commonwealth Government funding of Catholic schools helps mitigate the issues caused by the inherent conflict of interest that state and territory governments have in relation to non-government schools as ‘competing’ education service providers, education regulators and part-funders of non-government schools.

There may be appeal in streamlining school funding arrangements to have only one level of government determining the distribution of funding between schools and sectors. It is the longstanding view of Catholic education, however, that it is not desirable for state and territory governments to be the sole funders of school education and particularly of non-government schools. State and territory governments face an inherent conflict of interest towards the non-government sector arising from their status as funders, regulators and government school operators.

Moreover, if states and territories were solely responsible for education, the inevitable reduction in government funding for non-government schools, for a variety of reasons, would put the viability of the Catholic education sector at risk. If government funding for Catholic schools is reduced, schools would be forced to raise their fees. This will inevitably put more pressure on government school systems.

Catholic school systems are characterised by a devolution of decisions to the lowest, most appropriate level, under the principle of subsidiarity. This means that school-level decisions are made by principals and staff, in consultation with school boards. Boards bring together a diverse range of governance and community expertise including priests, members of religious orders, principals, parents and members of the wider community in a spirit of collaboration to realise the school’s vision and achieve its educational aims.

Commonwealth–state relations that are based on the principle of subsidiarity, such as direct funding to non-government schools can reduce duplication and make it easier to achieve far-reaching reform.

#### **Issues Paper questions on national interest**

1. *Is there a national interest for Commonwealth involvement in school education? In which roles?*
2. *How can the national interest be pursued without undermining the role of State and Territory governments, or non-government systems or independent schools, in delivering schooling?*
3. *What type of national architecture and processes would best support the delivery of national priorities and objectives? Does the Commonwealth have a role in sustaining these or could States and Territories take these on?*

The NCEC believes that ensuring all young people have the best possible education is pivotal in shaping Australia’s future prosperity and social cohesion. Student outcomes have implications for the well-being of families, communities and the nation as a whole. They also help shape a strong economy. Therefore, the delivery of high quality schooling supported by passionate community engagement should not be an objective that rests solely with the States and Territories and outside the sphere of the Commonwealth. It is a challenge that the Commonwealth, State and Territory governments must embrace in a collaborative manner.

There is undoubtedly a national interest in Commonwealth involvement in school education.

The Commonwealth can pursue these educational objectives with the States and Territories through the forum of the Council of Australian Governments (COAG). Indeed, the *Melbourne Declaration on Educational Goals for Young Australians* (2008) – a declaration by all Australian governments—reaffirmed the profound importance of national collaboration and promoting high quality schooling for all Australian students.

The current national educational institutions, as jointly owned and governed companies, have made a valuable contribution to the evolution of education policy and delivery. While not perfect, these institutions will evolve and adapt in the future. The important attribute of these institutions is that they engage all schools, including non-government schools, in decision making and policy setting.

## **Issues paper questions on equity, efficiency and effectiveness of service delivery**

- 1. Which level of government is best placed to address equity issues?*
- 2. To what extent, if any, do shared roles enhance or detract from the effective achievement of school education outcomes? If shared roles continue, what mechanisms are needed to ensure collaboration is efficient?*

The NCEC believes that the Commonwealth Government is uniquely placed to address the issue of equity in education on a macro level. The education sphere inevitably intersects with other national issues such as Indigenous reform, students with disability, and immigration.

On the matter of reducing inefficiency and removing layers of bureaucracy, this question inevitably demands a trade-off between national uniformity and local policy innovation. This is an unavoidable tension of any federal system and striking a balance is likely to be a continuing dynamic project.

On the issue of equity, Catholic schools seek to ensure that students are not prevented from achieving their potential because of background or family circumstances, or because of the location of their school. The commitment of Catholic education to making a quality education accessible to all students is demonstrated in many ways.

- Its presence throughout Australia shows Catholic education has a strong commitment to rural and remote education, even where this results in disproportionately high costs.
- Enrolment practices are inclusive. While Catholic schools prioritise Catholic student enrolments, they also accept non-Catholic students. In 2013, 30% of students in Catholic schools were not Catholic.
- System funding arrangements: Catholic systems administer system funding arrangements to direct funding to the greatest need of schools and students. This includes, the effective redistribution of school-level fee income.
- Funding distribution processes of Catholic systems favour remote schools and schools with low SES families, refugees, Indigenous students, students with a disability and students with special learning needs. These serve to increase accessibility to Catholic schools for these cohorts.
- Fee policies consider the socioeconomic status (SES) of the school community and the circumstances of individual families. Other policies (e.g. hardship concessions and sibling discounts) are also applied to assist affordability. The intention of these measures is to ensure that no child is excluded from a Catholic education because of the financial situation of their family. This approach is illustrated in My School data. Fees, charges and parental contributions in schools tend to be closely correlated to school SES scores (as one measure of the school community's capacity to afford fees).

### **Issues paper question on durability**

1. *What configuration of roles and responsibilities between the Commonwealth and the States and Territories and non-government sector would be most likely provide funding and policy certainty in the long term?*

On the responsibility for schooling, the NCEC believes that the role should be shared between Commonwealth, State and Territory governments.

- The current education funding arrangements, where education is a shared responsibility, are a testament to how good Commonwealth-state relations can give effect to the principles of diversity and subsidiarity.
- Direct Commonwealth funding to non-government schools supports parent choice, particularly in relation to non-government schools.
- The current configuration of responsibilities supports a vibrant non-government school sector alongside a strong government school sector.
- The current arrangements have provided funding certainty for Catholic schools and support the important contribution they make to the wider community.

The durability of intergovernmental collaboration on education will depend on strong political leadership and a bipartisan approach. Education is too important an issue to be made a political football. It also requires an agreement that the division of power between the Commonwealth and the States and Territories is characterised by comity. Just as there is nothing to be gained by the Commonwealth controlling every aspect of the education continuum, the States and Territories have much to gain through fruitful intergovernmental relations.



### **Issues paper questions on fiscal sustainability**

- 1. How can roles and responsibilities be aligned to ensure the fiscal sustainability of the school education system while maintaining high quality student outcomes?*
- 2. What responsibilities should families have in contributing to the costs of their child's schooling in addition to contributions made through the tax system?*

The NCEC supports a collaborative approach from the Commonwealth, State and Territory governments to funding for Catholic schools. This approach should have as its foundation three overarching principles.

1. Stable, predictable and sustainable funding for Catholic schools.
2. Needs-based funding, based on robust data, where greater need attracts higher funding.
3. Local system autonomy over funding distribution based on need.

The Commonwealth, State and Territory governments should continue to work as partners with Catholic school communities in the funding of the Catholic education sector. Catholic schools make a strong contribution to education in Australia and provide governments and the community with value for money.

The characteristics of Catholic schools include accessibility to students from all social backgrounds, high performance, efficiency and accountability.

Government funding is critical to Catholic schools and their objectives of equity and accessibility.

- Catholic schools look to governments to ensure that, through equitable funding arrangements, schools have the capacity to serve the broad socioeconomic spectrum of Australian families.
- Catholic schools need government funding to continue providing a quality education option at reasonable cost for the many communities they serve.

Any freeze or reduction in government funding would put this at risk. If government funding for Catholic schools is frozen or reduced, schools would be forced to raise their fees. This will inevitably put more pressure on government school systems.