

Due date: 24th August 2020

The Hon Josh Frydenberg MP
Treasurer
Parliament House
CANBERRA ACT 2601
LODGED ONLINE

Dear Treasurer,

**2020-21 Further Budget Submission
National Catholic Education Commission**

The National Catholic Education Commission (NCEC) is pleased to present a further budget submission to the Australian Government for the 2020-21 Federal Budget. This is to compliment, not replace, our original submission dated 20 December 2019.

Earlier this year, the NCEC negotiated a recurrent funding arrangement with the Federal Government, incorporating Direct Measure of Income and Choice Affordability Funding. The NCEC wishes to acknowledge this ten-year agreement, which will provide Catholic schools with a decade of much-needed funding certainty despite the current economic crisis facing our nation.

The original NCEC submission covered the need to ensure sufficient funding for at-risk Indigenous boarding schools particularly in the Northern Territory and Queensland. This funding need continues to be a priority for the NCEC.

This further submission provides an update on the support Catholic schools are providing to families suffering financial hardship as a result of the COVID-19 pandemic. Supporting students to continue attending their regular Catholic school not only delivers better educational outcomes for the students affected, it also supports the stability of the broader Australian school education system.

This submission also focuses on the further partnership NCEC can form with the Federal Government through a shared investment in capital works programs to stimulate local economies throughout Australia and support Australian jobs.

Further Recommendations

1. The NCEC recommends the Australian Government partner with Catholic schools to immediately inject much-needed stimulus funding into local economies through the investment in capital works, to enable shovel-ready projects to proceed without delay, including projects which will update ageing school infrastructure, enhance disability accessibility and stimulate local economies affected by COVID-19.

2. The NCEC recommends the Australian Government inject much-needed stimulus funding to build new schools in areas of increasing economic disadvantage – disadvantage which will be exacerbated by the current economic crisis.

Background

The NCEC is the national representative body of Australia's Catholic schools. Working closely with the state and territory Catholic Education Commissions, the NCEC advocates for and develops policy and strategy at the national level for Australia's Catholic schools.

The NCEC acknowledges the Federal Government's ongoing support for Australia's Catholic schools. Australia's 1,746 (mostly low fee) Catholic schools educate **one in five**, or **760,000 students** and directly employ **more than 90,000 Australians**. This makes Catholic schools the nation's largest provider of education outside government.

By providing an affordable, quality education to hundreds of thousands of Australian children, at a lower cost to the taxpayer than educating those same children in a Government school, Catholic schools also deliver significant budget savings to government, relieve pressure on government schools and provide families with a much valued choice when it comes to their children's education.

Supporting families suffering financial hardship

Australia has encountered an unprecedented health and economic crisis as a result of the COVID-19 pandemic. During this time, it is more important than ever to ensure that families have certainty and support.

Towards this aim, Catholic schools have made a commitment to ensure that no child currently enrolled in Catholic Education will lose their enrolment due to unforeseen economic circumstances which have arisen as a result of COVID-19. This will ensure continuity for students and support the stability of the broader school education system by saving public schools the financial stress and community disruption that an influx of new students would inevitably cause. This will come at significant cost to Catholic schools.

The NCEC estimates that an additional \$470 million in fee relief will be provided this year. Added to the fee relief already offered to low-income, including indigenous and migrant students and their families, the financial impact of this on our sector could be more than three-quarters of a billion dollars.

Catholic schools remained open for face-to-face learning for all students who needed to attend, throughout the pandemic, for example children of essential workers. Catholic schools also provided additional support to help at risk students participate in remote learning, for example by providing access to laptops and other information technology equipment.

Capital Works Co-Investment

As part of our commitment to help Australia recover from the once-in-a-lifetime economic crisis precipitated by COVID-19, the NCEC has identified that, with the support of the federal government, Catholic schools could deliver an immediate injection of over \$1 billion in additional economic stimulus through investing in capital works projects in communities across Australia.

Parents and families of students at Catholic schools have always contributed the vast bulk of capital expenditure on Australia's Catholic schools. For example, in 2018 alone families contributed almost 90 per cent of the costs of capital expenditure on Australian Catholic schools – or a sum of \$1.3 billion.

This capital expenditure directly benefits individual schools and the students that attend them. Catholic schools also seek to use their capital works budgets to stimulate the economies of the communities they serve and support local jobs. The self-reliance of Catholic school communities also alleviates pressure on Federal, State and Territory education budgets, generating real savings for the whole community.

Given the inevitable economic downturn from the COVID-19 pandemic, families with children at Catholic schools will have reduced capacity to support capital works at their schools or self-fund new school infrastructure. This pressure will be particularly felt by families in lower socio-economic areas, who have already suffered the worst of the financial fallout of the pandemic. The necessity for Catholic Education to redirect funding from capital works budgets and other reserves to meet the urgent need to provide financial support to families suffering hardship will compound this situation.

Catholic Education has identified additional projects that could be delivered in 2020 and 2021 with a total value of \$1.021 billion. This is in addition to those projects that we have agreed to advance in existing CGP rounds. Of this total:

- Catholic schools have the resources to fund \$412 million of this expenditure (or approximately 40 percent).
- We would seek the support of the Commonwealth to fund the remaining \$604 million (or approximately 60 percent).

While this is no doubt a significant additional investment by the Commonwealth, Catholic Education would match it, almost dollar-for-dollar on a national basis. Overall, the Commonwealth would secure over \$1 billion in immediate economic stimulus at a cost of just over \$600 million. In several jurisdictions most funding would come from Catholic schools, and in Victoria alone the additional funding could unlock over a half a billion dollars' worth of 'shovel ready' projects.

Further, the expenditure would be administered through trusted, existing methods. Catholic Education has a proven track record of working with the Commonwealth to deliver school infrastructure projects every year through the CGP, programs such as the National Solar Schools Program, and other economic stimulus focused programs.

The additional Commonwealth investment in Catholic schools would complement the investment by the States in Government schools. We note that some States and Territories do not provide any funding to support capital works at Catholic schools.

Conclusion

Catholic schools have many further capital projects in addition to those which have been brought forward as requested by the Government. These projects are both 'shovel ready' and 'job ready' and could proceed on short notice, creating an immediate boost to local economies and supporting Australian jobs.

Thank you once again for providing Catholic Education an opportunity to make a further budget submission.

Please do not hesitate to contact me should you wish to discuss this letter and the NCEC recommendations.

Yours sincerely,



Jacinta Collins
Executive Director
National Catholic Education Commission