



28 June 2019

Mr Michael Chaney AO
Chair
National School Resourcing Board

**National Catholic Education Commission
Submission to the National School Resourcing Board
Review of the needs-based funding requirements for approved system authorities**

Thank you for the opportunity to provide input into the National School Resourcing Board (NSRB) review of the needs-based funding requirements for approved system authorities (the review).

The National Catholic Education Commission (NCEC) is the representative body of Australia's Catholic schools. Working closely with the state and territory Catholic education commissions, the NCEC advocates for and influences policy at the national level on behalf of Australia's Catholic schools.

Australia's network of 1,746 Catholic schools educate one in five students and employ over 96,000 teaching and non-teaching staff. Australia's Catholic schools are diverse and universal in their reach, offering an education to all students, including students from disadvantaged backgrounds, growing proportions of Aboriginal and Torres Strait Islander students and students with disabilities. Catholic schools are situated across Australia with almost 40 per cent outside major metropolitan areas. In some remote communities, a Catholic school is the only school available.

To assist with this review, the NCEC offers the following general comments. These comments supplement any submissions by state and territory Catholic education commissions lodged with the NSRB. As the NSRB is aware, these commissions individually perform the role of approved system authorities through which most Catholic schools are funded and operated in accordance with the *Australian Education Act 2013* (the Act). In this submission, the NCEC provides some general points in relation to the funding of schools and, as requested by the NSRB, offers recommendations for the development of a shared understanding of the requirements of section 78(5).

General comments

1. The NCEC advocates for sustainable and equitable funding arrangements that reflect the following seven principles:

- i. **Parental choice** – Parents and carers, regardless of their socio-economic status and their place of residence, are entitled to choose the education that best meets the needs of their children.
 - ii. **Religious freedom** – Catholic schools seek to provide an education that reflects their mission and identity.
 - iii. **Educational partnership** - Catholic schools, with state and territory governments and independent schools and systems, should work together with families for the benefit of all students
 - iv. **A fair allocative mechanism** – Funding allocations to Catholic schools must be based on reliable and objective data and a transparent mechanism that reflects the needs of students, families and school communities.
 - v. **Funding equity** – Funding models must enable equitable access to Commonwealth and state funding for catholic schools and recognise that school systems are best placed to assess local need.
 - vi. **Funding certainty** – Must be enshrined in legislation
 - vii. **Accountability and transparency** – Catholic schools must account publicly for their use of government funding to achieve educational outcomes.¹
2. The NCEC agrees in principle with a school funding formula that includes a component for both base and loadings, but the current structure of the model suffers from major shortcomings which can and should be overcome. In particular, the capacity to contribute settings do not support the current provision model of systemic education and will likely erode parent choice over time given this concept does not apply to all schools. Those who recommended the SRS model, intended shortcomings to be addressed *'as expectations evolve and data improves to measure them over time.'*²
 3. A significant feature of Australian schooling is that all government schools, most Catholic schools and some non-Catholic schools are members of systems. The NCEC welcomes the support of and flexibility available to school systems under the Act to allocate funding to schools in accordance with the specific needs of schools and their communities. The *Review of Funding for Schooling* (2011) regarded the benefits of flexible school systems as a strength of the Catholic sector.³
 4. The NCEC does not believe that further prescription under the Act in relation to funding is necessary to ensure student and school needs are adequately addressed.
 5. In relation to the potential for further prescription of loadings or funding distribution the NCEC notes:
 - i. If loadings were to be further prescribed in their distribution, this should apply equally to all sectors. If prescription were not applied equally, any additional scrutiny that may be applied to non-government schools only, would be unfair and discriminatory.
 - ii. As currently applied, base funding is not applied equally to all sectors but is reduced for non-government schools by up to 80% due to the capacity to contribute expectations.

¹ Further information: Funding Principles for Catholic Schools December 2015. Available at:

<https://www.ncec.catholic.edu.au/resources/publications/388-funding-principles-for-catholic-schools-2016/file>

² See: The *Review of Funding for Schooling* (2011) at page 155. Available at:

<https://docs.education.gov.au/system/files/doc/other/review-of-funding-for-schooling-final-report-dec-2011.pdf>

³ibid

- Considerable flexibility is required to enable Catholic schools with high capacity to contribute expectations to operate.
- iii. The evidence base for the amounts behind each loading is low. The loadings and their construction was largely a political exercise rather than a deeply evidence informed one. This is particularly true in relation to achieving any specified outcome for a student or student cohort for a given loading amount. This commends significant flexibility and allowing diversity in needs approaches.
 - iv. The schooling resource model should remain a wholesale model not a retail model. The model should determine the amount of funding for systems rather than the funding to individual schools. We have expanded on this in point 7 below.
6. In relation to capacity to contribute, the NCEC believes that the capacity to contribute percentages listed in sections 54(2) and (3) of the Act, would be more appropriately included in regulations. Capacity to contribute percentages are not fixed and will change over time.

Comments about section 78(5) of the Act

The NCEC supports the work of this review in seeking to develop a shared understanding of the requirements of section 78(5) of the Act and welcomes the opportunity to work with the NSRB. In response to the review questions, the NCEC provides the following comments:

7. The NCEC believes that section 78(5) of the Act enables a high level of flexibility for system authorities to allocate funding to Catholic schools based on local knowledge about individual student needs, school characteristics such as size and school locations including population projections. Section 78(5) also enables school systems to achieve economies of scale by centrally delivering administrative services. Some examples of system funding allocations enabled by the flexibility available under the Act are:
 - i. Catholic Education Western Australia increases the size loading provided under the Act to ensure that some sole provider Catholic schools in country and rural WA remain open.
 - ii. In Queensland, the cost of operating a small school in a very remote Indigenous community (such as Our Lady of the Sacred Heart School on Thursday Island), far exceeds the funding allocated under the Act. To ensure such schools remain open and students' learning outcomes are not disadvantaged, Queensland Catholic Education Commission enables Catholic School Authorities to redistribute government funding.
 - iii. Similarly, in Tasmania, the cost of operating schools on the west coast of Tasmania (such as St Joseph's Queenstown and St Joseph's Rosebery) approaches three times the funding allocated under the Act. Catholic Education Commission Tasmania (CECT) has approved the reallocation of funds to support schools in remote locations. A full explanation of CECT's funding distribution can be found at <https://catholic.tas.edu.au/catholic-education-commission-tasmania>.
 - iv. Catholic Education South Australia's current funding methodology reflects an SES cap of 105. This cap enables the allocation of funding so that schools can continue to offer Catholic education to those who wish to access it.
8. The NCEC does not believe that any additional level of prescription is required under the Act. The flexible funding allocation models applied by Catholic school systems would be placed at

risk if the government were to prescribe funding allocations under the Act. An overly prescriptive definition of need which might fix base or loadings adjustments would undermine the capacity of approved authorities to allocate funding based on their knowledge of local need and student specific circumstances.

9. The NCEC supports transparency from all school sectors. Catholic school systems ensure that their funding methodologies are publicly available on websites and required information is provided to the government and other stakeholders. The NCEC believes that current transparency requirements are adequate to enable public accountability from Catholic schools and systems. Financial questionnaires and statements provided to government agencies (such as the Department of Education and the Australian Charities and Not-for-profit Commission), school annual performance reports and *My School* ensure that Catholic school systems are open and transparent about the funding allocations distributed. The NCEC cautions against any additional compliance requirements which will overly burden schools and systems.

Please contact the NCEC on the details below should you wish to discuss this submission.



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