



Better and Fairer Schools (Funding and Reform) Bill 2024

The National Catholic Education Commission (NCEC) welcomes the opportunity to make this submission in response to the provisions of the *Better and Fairer Schools (Funding and Reform) Bill 2024* (the Bill).

About NCEC

NCEC is the peak body for Catholic education in Australia and is responsible for the national coordination and representation of Catholic schools and school authorities. Our role is to ensure the needs of Catholic schools are served through funding, legislation, and policy.

Working closely with state and territory Catholic Education Commissions, NCEC advocates at the national level on behalf of the Catholic sector and the hundreds of thousands of Australian families who entrust the education of their children to our schools.

Catholic education also continues to advocate for fair and inclusive funding that sustains both government and accessible faith-based schools across Australia.

Catholic schools are universal in reach and open to all families who seek a Catholic education. Australia's 1,756 mostly low-fee Catholic schools educate one in five, or 805,000, students and employ more than 109,000 staff. This makes Catholic schools the nation's largest provider of education outside of government.

Catholic schools make a significant contribution to the educational, moral, and social fabric of this nation. Over 200 years, Catholic schools have educated millions of Australian children. Catholic school alumni have gone on to make substantial contributions in civic life, in business, in the Church, in community leadership, in social outreach, and among other arenas of public and private life.

The mission of Catholic education, since its inception, has been to serve students from a range of socioeconomic backgrounds, particularly the disadvantaged and marginalised. Our schools welcome students from a range of backgrounds including an increase in Aboriginal and Torres Strait Islander students (up almost 63 per cent over ten years). Students with disability represent almost 21 per cent of Catholic school enrolment, and almost 45 per cent of students experience socio-educational disadvantage. Almost 40 per cent of Catholic schools are in regional and remote areas.

Catholic school families, many of whom have a long and multi-generational involvement in our communities, continue to choose a Catholic education because it aligns with their beliefs and values. The sustained growth of our school communities shows the great importance, and the

sacrifice Catholic school families continue to make to choose a school that meets the educational needs of their children and one that reflects their faith and values.

*The context of the **Better and Fairer Schools (Funding and Reform) Bill 2024***

As noted by the Minister for Education, the Hon Jason Clare, in his second reading speech, the Bill gives effect to the Better and Fairer Schools Agreement (the BFSA) which the Australian Government has developed together with the states and territories.

The BFSA reflects the long-standing practice of collaboration between all governments to deliver school education and replaces the current National School Reform Agreement, established in 2018, which set out eight national policy initiatives against three reform directions that all parties agreed to implement over 5 years to December 2023.

The BFSA ties Australian Government funding to reforms to help lift student outcomes, sets targets, and improves school funding transparency over the next 10 years.

As highlighted in the Explanatory Memorandum, the Bill gives effect to increased Australian Government funding provided for under the BFSA, including a formally agreed pathway for government schools to reach 100 per cent SRS funding, and strengthens the focus on transparency and accountability through amendments to the *Australian Education Act 2013* (the Act).

Funding for Government Schools Welcome

In keeping with Catholic education's commitment to advocate for fair and inclusive funding that sustains both government and accessible faith-based schools across Australia, NCEC strongly welcomes the Australian Government's plan to enact, through the Bill, a pathway for working together with states and territories to ensure government schools reach the recommended current standard of funding.

After incorporating the increasing parental contributions required by the Act, Catholic schools finally transitioned to the Schooling Resource Standard in 2023.

Improving Student Outcomes

NCEC strongly supports the emphasis in the BFSA of the shared responsibilities to improve and strengthen equity and excellence for all Australian schools and systems.

Catholic education agrees that high quality teaching and learning activities which support student outcomes, reduce, or eliminate differences in outcomes across students with different backgrounds, experiences, and needs, and help all students reach their full educational, economic, and social potential is the core business of Australia's schools.

In order to support and improve learning outcomes for all their students, Catholic systems and schools are focusing on implementing evidence-based teaching practices. These practices not only support the improvement of student learning outcomes but are also intended to have a benefit for teachers and school leaders by reducing workload.

Catholic education embraces the opportunity to continue making a significant contribution to sustaining and leading reforms which support student outcomes, school improvement, and system advancement.

Bilateral Agreements

Australia's education system is a complex area of public policy which requires national cooperation and requires evidence-informed policies, reforms, and classroom practices to meet the needs of students and communities.

The parties to the BFSA are the Commonwealth, states, and territories (reflected in s22(2)(a) of the Bill). Each state and territory government negotiates and signs a bilateral agreement with the Australian Government that sets out jurisdiction-specific actions to improve student outcomes and minimum required funding contributions as a condition of receiving Commonwealth funding.

NCEC recognises and appreciates the efforts made by governments to consult with Catholic education during the development of the BFSA and the Bill. However, it is important to highlight that Catholic systems and schools are bound by the bilateral agreement agreed by their state or territory without being a signatory to the agreement.

NCEC welcomes the inclusion of statements in the recently signed bilateral agreements between the Commonwealth and the governments of Western Australia and the Northern Territory which recognise the important contribution Catholic education makes to choice and diversity, learning approaches, and improving student and system outcomes. NCEC recommends that state or territory governments negotiate and sign an agreement such as a Memorandum of Understanding (MoU) with Catholic schools and systems to emphasise the need for cooperation and collaboration across education sectors.

The text of the [Better and Fairer Schools \(Funding and Reform\) Bill 2024](#) [Schedule 1 Part 1 Item 1: Paragraph 22\(2\)\(a\)](#)

As noted above, the Commonwealth, states, and territories are parties to the agreement identified in Paragraph 22(2)(a). While Catholic systems and schools are bound by the bilateral agreement agreed by their state or territory, they are not a signatory.

Schedule 1 Part 2 Item 3: Preamble

The wording of the current preamble of the Act acknowledges the importance of education, socially and economically, for individual Australians and for the nation as a whole. It emphasises, inter alia, the role of the Commonwealth as a national policy leader and investor in school education to help provide equity and excellence of education 'regardless of where they live and what school they attend ... transparently distributed and allocated according to need'.

The wording of the new paragraph in the preamble of the Act introduces new, sector specific language focused on government schools, and guarantees a 'funding floor of a minimum Commonwealth share' together with 'a mechanism to protect funding shares for government schools ... to make sure that Commonwealth funding shares cannot go backwards.'

As noted above, NCEC strongly welcomes the intent of the Bill to ensure the recommended current standard of funding for government schools.

While it may be appropriate that pertinent sections of the Act identify sector specific measures and actions, NCEC has reservations about introducing sector specific language into the preamble. Doing so modifies the existing unified understanding of the importance of a 'strong and sustainable schooling system' and 'a good education' in the current preamble of the Act. Under the provisions of the Bill this strong emphasis remains.

Furthermore, given the strong present unified understanding in the Act of the importance of all of Australia's schools and the system as a whole, any guarantees to protect the Commonwealth funding shares for government schools to maintain funding should be sector neutral and afforded to students in Australia's non-government schools.

Schedule 1 Part 2 Item 7: Section 35A(6) Commonwealth share

Sections 35A(1) – (3) of the Bill give effect to the commitment stated in the preamble which guarantees a 'funding floor of a minimum Commonwealth share' together with 'a mechanism to protect funding shares for government schools ... to make sure that Commonwealth funding shares cannot go backwards.'

New s35A(6) of the Bill provides that, other than for those schools which are in a transition year, the Commonwealth share for a non-government school is 80 per cent 'unless regulations made for the purpose of this subsection prescribe otherwise'. The wording of this proposed subsection is largely unchanged from the current s35A.

As highlighted above, NCEC underlines that non-government schools should be provided with protections to ensure funding is maintained and does not fall below an identified floor.

It is also worth noting that caution should be taken when attempting to make comparisons between sectors of the prescribed Commonwealth share. Actual school and system funding is an example of inherently complex public policy which involves a range of variable settings, inputs, and regulatory arrangements.

For example, the data collected from families to determine a Capacity to Contribute (CTC) score for students who choose a non-government education means that public policy has significantly more detailed information on the capacity of these families. The CTC score applies only to non-government school communities and reduces their share of public funding according to a method aligning to the CTC.

Adequate and accurate comparisons between sectors and schools are limited by the absence of similar equivalent data for families who choose to enrol students in government schools.

Schedule 1 Part 3 Items 13 & 14: State and Territory contributions

NCEC strongly welcomes these subsections which seek to enact a pathway for working together with states and territories to ensure government schools reach the recommended current standard of funding.

NCEC is firmly of the view that now is the time for state and territory governments to step up in order to ensure that they provide ongoing and sustainable funding for the students, schools, and systems for which they have responsibility.

Schedule 2 Item 1: At the end of section 3

NCEC strongly supports addition to the objects of the Act to make clear that a key purpose of the Act is ‘to support transparency and accountability in relation to funding arrangements for school education in Australia.’

This addition would reflect the preamble of the the Act, under which the Commonwealth provides financial assistance for schools, and that ‘transparency and accountability ensure public confidence in the education system and promote excellence in teaching and school leadership.’

Under the Act Catholic systems and schools, as Approved Authorities, have legally binding requirements and responsibilities in order to, and as a condition of, receiving public funding.

Authorities make their needs-based funding models publicly available and transparent. For Catholic systems, detailed information about funding models is typically published and easily accessible on their website. The principle of subsidiarity recognises that Approved Authorities have more detailed knowledge of the needs of their students and schools than is possible to obtain from simply looking at quantitative information from national data collections.

As with all non-government schools in receipt of Commonwealth funding, Catholic systems and schools have strict not-for-profit requirements and must provide reports to the Australian Charities and Not-for-profits Commission (ACNC) under the *Australian Charities and Not-for-profits Commission Act 2012* and the Australian Taxation Office. Many Catholic systems and schools also have organisational and business reporting obligations to the Australian Securities and Investments Commission (ASIC).

In addition to Commonwealth legislation, Catholic systems and schools must also comply with state or territory legislative, regulatory, and reporting requirements.

In supporting this addition to the objects of the Act, NCEC is of the view that requirements for transparency and accountability of public funding must be applied on a sector-neutral basis. The required transparency and accountability of government schools and systems for public funding should also meet the current high standard of regulations which exist for Catholic schools and systems.

Other matters

The intent of the Bill is to finally resolve long standing concerns regarding the recurrent funding of schools made by the *Review of Funding for Schooling – Final Report* (the Gonski Report) in 2011.

In addition to the recurrent funding of schools, the Gonski Report also made findings and recommendations related to the levels and sources of capital funding for both government and non-government schools.

The Bill does not address questions of capital funding and NCEC holds the view that further constructive work in this area can and should be undertaken by the Australian Government and state and territory governments in consultation with non-government school sectors.

Further information

Should you have any further questions in relation to this submission, please contact me via phone or via email

Yours sincerely

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