

SCHOOL FUNDING

FAQS



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

01 WHY SHOULD PRIVATE SCHOOLS RECEIVE GOVERNMENT FUNDING?

School choice has been a mainstay of public policy in Australia for decades, and receives bipartisan support. However, it costs more than \$13,000 a year on average to educate a child. Most Australian families could not afford that cost, especially if they have two or more children.

This is why state and federal governments provide some funding support to all sectors so that most schools are accessible.

Government funding support means that 82% of NSW non-government schools can keep school fees below \$6,000 a year per student; almost 60% charge under \$3,000 per year (*MySchool, 2016*).

Without government funding support, Catholic schools would have to charge parents the full cost. This would be beyond the means of most families, who would simply move their children to the public school sector (which is already at capacity) and taxpayers would have to fund the full cost.

This would end up costing taxpayers billions more each year because state & federal governments would not only need fund the entire cost of teaching more than 400,000 additional students currently in NSW non-government schools – they would also need to fully fund the building or expansion of hundreds more schools (currently, non-government school parents pay 80-90% of these costs).

02 DO CATHOLIC SCHOOLS SAVE TAXPAYERS MONEY?

In 2016, NSW Catholic school parents contributed almost \$1.5 billion to their children's education in school fees and capital contributions.

On average, state and federal governments fund 70% of the cost of running the NSW Catholic schools sector each year while parents and the school community fund the remainder.

In 2016, Catholic school parents in NSW parents paid \$1.17 billion in school fees and other fund-raising in addition to \$2.76 billion in recurrent funding provided by the federal and state governments.

Catholic schools parents also fund 90% of capital works in their children's schools, providing \$316.5 million in 2016, while state and federal governments contributed just \$34.3 million in capital grants. Without these schools and contributions, the full cost of education would fall entirely to the government.

03 WHAT ABOUT THE PRINCIPLE THAT ONLY PUBLIC SCHOOLS SHOULD RECEIVE PUBLIC FUNDING?

This is settled policy by all major parties. Governments already fund many other non-government (and profit-making) services with widespread public acceptance. For example, taxpayers heavily subsidise:

- GP visits
- specialists' services (x-rays, blood tests)
- prescription medicines
- aged care
- child care
- private bus services

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

1. Affordable choice

A school education in Australia costs more than \$13,000 per student per year, regardless of sector. There is no real choice if only wealthy families can afford to choose. A vibrant, fairly funded non-government schools sector ensures parents can afford a school that reflects their values and beliefs – an important feature of a pluralist society

2. It's fair

All parents are taxpayers and therefore deserve some funding support towards their children's education

3. Shares the load

Catholic schools have operated in Australia for almost 200 years, sharing the load with public schools by educating one in five students. The public schools sector is at capacity in most areas; without an affordable Catholic schools sector, it would not be able to cope

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, NSW Catholic school parents pay 30% of the annual cost of a child's education in Catholic schools and 90% of capital works in schools. In 2016, our parents paid \$1.5 billion in fees and capital costs towards their children's education – a huge saving to taxpayers

04 BUT MONEY GOING TO PRIVATE SCHOOLS MEANS LESS MONEY FOR PUBLIC SCHOOLS, DOESN'T IT?

That's not true. 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 to fund non-government schools.

All students in all school sectors are funded according to the same benchmark or target - 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; parents are not required to fund any part of the SRS.

In Catholic and other non-government schools, taxpayers only fund 20-90% of the base amount according to a means test of the school's parents, who are expected to make up the shortfall. The more these parents can afford to pay, the less public funding their non-government school attracts. Public school parents are not means tested.

The Catholic sector has always supported a strong, properly funded government sector. NSW has more than 2200 government schools and less than 600 Catholic schools. One in six public school students come from a Catholic family; our care extends to them and all students, not just those wearing our uniforms.

05 HOW MUCH GOVERNMENT FUNDING DOES EACH SCHOOL SECTOR RECEIVE?

In 2016, the NSW government schools sector received almost 18% more public funding on average than the Catholic schools sector on a per student basis.

Government schools received an average \$12,802 per student in combined federal and state government funding, compared with \$10,807 per Catholic school student and \$8,836 per independent school student.

06 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 2800 non-government schools across Australia (not just Catholic schools).

The new funding is largely due to recommendations in two independent reviews – the original 2011 Gonski Review (Recommendation 20) and the 2018 review by the National School Resourcing Board (aka, the Chaney Review, Recommendation 2). The reviews found that non-government school funding needed to be distributed more fairly.

Both reviews recommended a new, fairer means test to more accurately measure parents' 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 in middle and high SES areas, where they have served local communities for decades.

07 WHY DIDN'T PUBLIC SCHOOLS GET AN INCREASE?

The funding changes were due to a new, more accurate means test to determine how much non-government school parents could afford to pay.

It did not apply to public school parents because they are not means-tested, as they are not required to pay part of the SRS for their children's school; only non-government school parents are required to pay some of the SRS.

08 BUT MANY GOVERNMENT SCHOOLS DO NOT RECEIVE THEIR FULL SRS.

This is also true of many low-fee non-government schools. NSW Catholic system schools were only receiving 93% of their SRS funding entitlement from government in 2016 (the latest published data).

The SRS funding target was only 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, 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.

There are fewer non-government schools and their public funding entitlement is lower than that of government schools. For these reasons, most non-government schools are expected to reach the correct SRS level before all government schools do.

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DO NON-GOVERNMENT SCHOOLS USE GOVERNMENT FUNDING TO BUILD FACILITIES LIKE EQUESTRIAN CENTRES, INDOOR SWIMMING POOLS AND ORCHESTRA PITS?

CSNSW can only speak for Catholic schools, but these types of facilities are funded by school communities themselves through loans paid off by parents over 10-20 years (through building levies, fund-raisers, etc).

NSW Catholic schools received only \$34.3 million in government capital grants in 2016 - not enough to build one secondary school. It distributed this funding among 38 schools, with priority going to the lowest SES schools and those in fast growing areas. The maximum grant provided to any school in a single year is \$3.5 million. All grant funding goes to improve learning facilities or building more students places.

NSW Catholic school communities fund 90% of capital works in their schools. In 2016, they raised \$316.5 million for capital works. All school income is accounted for annually to government agencies and is subject to audit.