

# FREQUENTLY ASKED QUESTIONS

School funding can be difficult to understand and sometimes confusing. Understanding a few basic facts can help.

Here are some answers to commonly asked questions.



## 1 WHY DO GOVERNMENTS FUND NON-GOVERNMENT SCHOOLS?

Catholic schools have taught Australian children for almost 200 years. Today, they educate one in five students and are a vital partner with government and independent schools in delivering quality education to 3.9 million students nationally.

The true cost of schooling in Australia is much higher than most people realise; the Federal Government estimates the basic cost in 2019 at \$11,343 per primary student and \$14,254 per secondary student. Most families could not afford this cost, especially if they have two or more children.

State and federal governments recognise the importance of education and provide some funding to all not-for-profit schools so that most can be affordable and accessible to Australian families.

Because of this support, 93% of Catholic schools can provide families with a quality education while keeping fees below \$6,000 per student per year (73% charge less than \$3,000 per year).

Without government funding, Catholic schools would need to charge families the full cost of educating their children. Most would have little choice but to move their children to a government school - many of which are already stretched - where taxpayers fund the full cost.

## 2 HOW MUCH DO CATHOLIC SCHOOL COMMUNITIES CONTRIBUTE?

Australia's Catholic school communities contributed almost \$5 billion in school fees, capital and other private fundraising in 2017 (the latest data available).

This is made up of \$3.6 billion in school fees and other income for annual costs like teacher salaries and a further \$1.27 billion in capital contributions.

On average, state and federal governments fund approximately 70% of the cost of running Australia's Catholic schools each year while our school communities pay the remainder.

In 2017, Australia's Catholic school communities also funded almost 90% of the cost of expanding and upgrading their schools – a considerable saving to taxpayers annually.

## 3 WHAT ABOUT THE IDEA THAT ONLY PUBLIC SCHOOLS SHOULD RECEIVE PUBLIC FUNDING?

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

1. **AFFORDABLE CHOICE:** A strong, fairly funded non-government school sector means families can afford to choose a school that reflects their values and beliefs – an important feature of a pluralist society; otherwise, only wealthy families could afford to have a choice.

2. **IT'S FAIR:** All families pay taxes and therefore deserve some government funding support for their children's education
3. **SHARES THE LOAD:** Catholic and independent schools educate 1.3 million children, or one in three Australian students. Without affordable non-government schools, most of those students would need to be absorbed into the public schools sector, which is already stretched
4. **HEALTHY COMPETITION:** Given that schooling is compulsory, a network of accessible non-government schools provides healthy competition and improves all schools
5. **TAXPAYERS SAVE:** On average, Catholic school families pay almost 30% of the annual cost of their child's education (\$3.6 billion in 2017) and almost 90% of capital works (\$1.27 billion) – costs that taxpayers would otherwise have to meet
6. **NOT JUST SCHOOLS:** Governments fund many other private sector activities such as GP visits, medicines, hospitals, aged care, child care and private bus services

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

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.

The Catholic schools sector has always supported a strong, properly funded government schools sector because all students deserve a quality education.

All students in all school sectors are funded according to the same measure - 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; families are not required to fund any of the SRS.

In Catholic and other non-government schools, families are expected to pay 10-80% of the

base amount according to an assessment of their financial capacity. Governments only fund the balance (plus all disadvantage loadings). The more families can afford to pay, the less public funding a non-government school attracts.

#### **5 HOW MUCH GOVERNMENT FUNDING DOES EACH SCHOOL SECTOR RECEIVE?**

In 2017, government schools received almost \$2,000 per student (or 17.1%) more in government funding than Catholic schools received.

Government schools received \$13,411 per student in combined federal and state/territory government funding, compared with \$11,451 per Catholic school student and \$9,530 per independent school student.

#### **6 WHY DID NON-GOVERNMENT SCHOOLS RECENTLY RECEIVE \$4.6 BILLION EXTRA?**

This was necessary to create a fairer funding balance between low and high fee schools. It addressed a bias against low fee schools that was highlighted in two government reviews – the original 2011 Gonski Review (Recommendation 20) and the 2018 review by the National School Resourcing Board (aka, the Chaney Review, Recommendation 2).

Both reviews recommended a new, fairer measure to more accurately assess families' ability to pay school fees and therefore to calculate how much government funding each non-government school should attract.

The amount is spread over 10 years across some 1.3 million students in more than 2800 non-government schools nationally.

This new measure will apply from 2020. It means low fee schools will receive a fairer share of the non-government school funding pie. The net 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 to maintain affordability and viability – and therefore school choice - in areas where low fee schools have served their communities for decades.

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### WHAT IS THE CHOICE AND AFFORDABILITY FUND?

The purpose of the Choice & Affordability Fund is to keep long-standing, low fee primary schools viable without diverting funds from schools serving lower socio-economic status (SES) communities.

The fund is a way to ensure low fee primary schools – which have operated for decades – continue to provide an affordable choice alongside the local, free government school.

If some schools were forced to double or triple their fees (as a purely academic reading of the new funding model would suggest), most families would move their child to the local, free public school.

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### WHY DIDN'T PUBLIC SCHOOLS GET AN INCREASE?

The changes involved estimating the fees families could afford to pay in non-government schools. As fees are not compulsory in public schools, these changes did not affect them.

State governments, however, continue to campaign for the funding that would have been delivered under the model introduced in 2014 after the first Gonski Review.

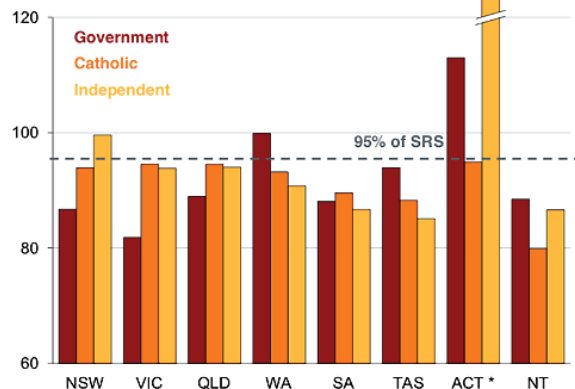
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### BUT MANY GOVERNMENT SCHOOLS DO NOT RECEIVE THEIR FULL SRS.

This is also true of Catholic systemic schools, which receive less than their SRS funding entitlement from government in all states and territories, as the following Grattan Institute table illustrates.

The SRS was introduced in 2014 and requires many state and territory governments to significantly increase their education spending, as they are the majority funders of public schools which educate two-thirds of all students. A phasing-in period has been allowed over several years, with Federal assistance.

Figure 2.1: Funding levels differ by state and sector but most systems are funded less than their targets  
Combined government funding as a per cent of SRS, by state, 2016



Notes: \* ACT Independent schools receive combined government funding at over 150 per cent of SRS.

Source: Grattan school funding model, based on analysis of data published by the Commonwealth Department of Education and Training.

Most non-government schools should reach their correct funding level before all government schools do because they attract less government funding per student and there are fewer non-government schools to fund.

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### DO NON-GOVERNMENT SCHOOLS REALLY USE GOVERNMENT FUNDING TO BUILD FACILITIES LIKE EQUESTRIAN CENTRES AND INDOOR SWIMMING POOLS?

Catholic Education can only speak for Catholic schools, but those types of facilities are normally built by high fee schools and are funded by the school communities themselves through loans paid off by parents over 10-20 years (through building levies, fundraisers, donations etc).

Catholic schools prioritise any capital funds from government to the neediest schools in each state and territory to build or upgrade learning facilities.

Australia's 1750 Catholic school communities raised \$1,268 million in capital funds in 2017 and received just \$152.2 million from Commonwealth, state and territory governments.

## 11 DO GOVERNMENT SCHOOLS EDUCATE THE MOST DISADVANTAGED STUDENTS?

Government schools educate twice as many students as non-government schools (2.6 million compared with 1.3 million) because there are far more government schools in Australia (6646) than non-government schools (2831).

Government schools therefore educate more students in all categories than non-government schools.

Catholic schools have a proud record of serving disadvantaged communities. More than 1,000 of Australia's 1750 Catholic schools have a socioeconomic status (SES) score of less than 100 (a scale from 60 to 140), indicating they mainly educate students from low to middle income families.

## 12 HOW MANY ABORIGINAL AND TORRES STRAIT ISLANDER STUDENTS ARE EDUCATED IN AUSTRALIAN CATHOLIC SCHOOLS?

There has been a significant increase in enrolments of Aboriginal and Torres Strait Islander students over the past decade in Catholic schools.

In 2017, there were almost 23,000 Aboriginal and Torres Strait Islander students in Australian Catholic schools, or 3% of total enrolments.

## 13 HOW MANY STUDENTS WITH A DISABILITY ARE EDUCATED IN CATHOLIC SCHOOLS?

The number of students with a disability in Catholic schools has also grown strongly.

According the latest Nationally Consistent Collection of Data (NCCD), there are 137,746 students with a disability in Australia's Catholic schools. This represents 18% of all enrolments in Catholic schools.

