



CATHOLIC SCHOOL FUNDING INCREASES

New Funding Arrangements for Catholic Schools

On 1st March John Howard announced that Catholic systemic schools would be given an extra \$362 m over four years to persuade them to join the SES model.

It had been a great embarrassment to the government that the biggest private system was not part of the SES scheme.

However, there are number of facts which moderate the extent to which they will actually be part of the system even after the announcement:

- Only about 40% of Catholic schools, the ones which will be better off, will be funded at their SES rate. The other 60%, whose SES rate is below their old rate, will be “funding maintained” at the old rate.
- This means that a number of the wealthy Catholic schools will continue to get 56.2% of the Average Government School Recurrent Cost (AGSRC) even though they charge fees in the region of \$10 000.
- The money will not be paid to the schools themselves but to the Catholic systems for them to re-distribute as they see fit.
- Overall, including non- Catholic private schools only about 55% of all private schools will be funded by their actual SES score; the other 45% will be overfunded.

Are Catholic Schools “Needy”?

It is claimed that there are a number of Catholic schools which are “needy” and that current Catholic school funding is not enough.

The question that has not been asked is why after thirty years of funding designed to bring them up to the level of public schools, they still claim to have schools operating below the standard.

In 1972 Catholic schools were said to be operating at 80% of Government Schools. In 1990 Catholic schools were said to be operating at 87% of Government schools. Further they, along with all other schools operating below the Average Government School Recurrent Cost (AGSRC), were then given a “betterment factor”, an increase greater than the increase in the AGSRC, through to 2000, which it was calculated would bring all schools up to AGSRC. (In the case of the Catholics this was 1.8% per annum).

Forthcoming research¹ shows that:

- With only a couple of small exceptions, in all years since 1991 Commonwealth per capita grants to Primary and Secondary Catholic schools in Australia have increased by a higher proportion than the AGSRC index.
- Added to this has been the shift in 1998 of all Catholic systemic schools from Category 10 to 11. This has meant that Catholic primary school

¹ David Hayward and Alex Esposto, forthcoming.

grant increases were an extra 8.9 per cent while for secondary schools the increase was an extra 8.7 per cent.

Yet last year, the National Catholic Education Commission (NCEC) put out figures, calculated by DEST, which said Catholic schools were again operating at 80% of AGSRC. So, we are asked to believe that after thirty years of ever increasing funding, they are back where they started.

However, independent research (Cobbald²) for the AEU suggests that Catholic schools are already better funded than government schools, given their student characteristics.

How Can They Still Claim to be Needy?

There appear to be two problems.

First, the move to accrual accounting for public schools whilst Catholic schools still report based on cash accounting has distorted the figures.

Second, the Catholics appear to be skilled at both diverting the money to other school

² Cobbald, Trevor, 2003, Estimates of Future Funding of Non-Government and Government Schools available at <http://www.aefederal.org.au/Debates/estfundnongov.pdf>

expenditure and at producing calculations which show they are poor.

There is therefore a need for an inquiry into Catholic school funding.

The Real Need Is For More Accountability

The new agreement fails to address these basic problems. Any agreement should specify the outputs (e.g. in terms of student teacher ratios) which the agreement will produce. This is the only way to ensure that the money leads to the desired improvements. It is not rational for Catholic schools to be nearly fully publicly funded but for governments to have only loose control over the expenditure of those funds.

Catholic Hypocrisy

It was also reported by Kelly in The Australian (March 6th) that part of the Catholic deal is a review of the SES in 2008, and this will involve including school private income. How ethical is it to sign up to an agreement they believe is flawed and be prepared to wait four years for the problems to be addressed?

For more detailed information on these issues see the other Fact Sheets in this series at <http://www.aefederal.org.au/Debates/schoolscampaign.html>

Authorised and printed by P Byrne, Federal President, AEU, 120 Clarendon Street Southbank VIC 3006.