

SUBMISSION TO THE SENATE SELECT COMMITTEE ON SCHOOL FUNDING
ON BEHALF OF
THE CATHOLIC SCHOOLS OFFICE, DIOCESE OF MAITLAND-NEWCASTLE
THE CATHOLIC SCHOOLS OFFICE, DIOCESE OF BROKEN BAY
THE CATHOLIC EDUCATION OFFICE, DIOCESE OF WOLLONGONG

1 MAY 2014

SUBMISSION CONTENTS

BACKGROUND.....	3
CURRENT CONTEXT.....	3
LEGISLATIVE CONSIDERATIONS	6
RECURRENT FUNDING.....	6
CAPITAL FUNDING	7
CONCLUDING REMARKS.....	9
APPENDIX 1: BENCHMARKING DATA	11

BACKGROUND

Across Australia, Catholic schools educate over 700,000 students. The NSW Catholic education system is the fourth largest education system in Australia, educating over 200,000 students. Catholic systemic schools operate with 90% of the resources available in government schools. Even when all sources of income are combined, we operate with overall lower government funding, and fewer teachers per full time equivalent (FTE) student. Our Catholic systemic schools are comprehensive, low fee schools that generally reflect the composition of the local community; we are more akin to government comprehensive schools than high-fee independent schools. Our rate of enrolling students with special needs, from low SES backgrounds, and Language Background Other than English (LBOTE) are comparable to average national levels, and these rates have been rising significantly in recent years. As Catholics, we pursue and promote a range of social justice, equity, cultural and environmental issues within our schools, which arise from our distinct Catholic worldview.

CURRENT CONTEXT

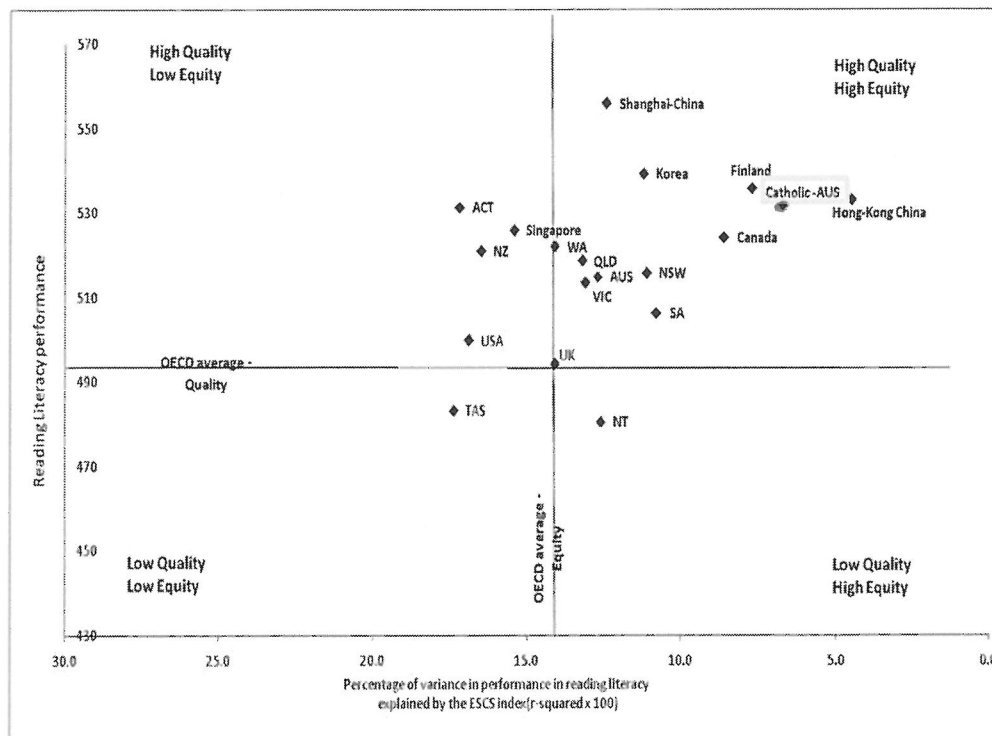
As a sector we are currently facing the same challenges as government schools: a broad range of student needs (inclusive of ESL, LBOTE, gifted, Aboriginal and special needs students), implementation of national curriculum, and a drive to further improve the quality of our teachers which research has indicated is the prime factor influencing educational success.

Catholic systemic schools are committed to improving educational outcomes through a range of measures including:

- improving teacher quality and promoting the status of the profession,
- ensuring all schools are adequately funded to meet the needs of their students, and
- building new schools to meet local growth and maintaining existing schools.

The evidence shows that the overall educational performance of the Catholic sector is strong. For example the reading literacy results in the 2009 Program for International Student Assessment (PISA) show the Australian Catholic school student cohort (after accounting for socio-economic status) achieved higher quality and equity outcomes than the total Australian student cohort.

Relationship between equity and mean of reading literacy in selected jurisdictions (2009)



Source: Australian Council for Educational Research

Devolved decision making and school improvement

Our actions are informed by research that identifies the key factors contributing to school improvement. Our schools already promote strong leadership that raises expectations and is highly devolved. Our schools and systems appreciate that effective teaching and improving teacher quality mean that our teachers learn from each other. Our school and educational decision makers use a range of data sources, not just NAPLAN, to inform teaching. We aim to develop positive school cultures (through a focus on student wellbeing, pathways, and extra curricula opportunities). Catholic systemic schools have a long history of working with and engaging parents and the community to ensure the best outcomes for our students.

Socio-economic status

Catholic systemic schools are non-selective, charge modest fees and have policies which provide that no student is denied access on the basis of low income. There is considerable range in the SES of our local communities from Windale in the Diocese

of Maitland-Newcastle to Northbridge in the Diocese of Broken Bay. Our schools generally reflect the local SES of their catchment population.

Special needs students

All Catholic systemic schools across NSW educate students with special needs. By way of example, students with a disability (NSW State Government census definition), account for 5.4% of Maitland-Newcastle's student population, 4.6% of Wollongong's and 4.5% of Broken Bay's, which is comparable with the national figure for all students of 5.3%. With the inclusion of students currently being counted in the Nationally Consistent Data Collection students with disabilities based on the sampling in 2013 in 12 schools will represent a significant increase in the reported rate of enrolments in our systems. Our commitment to, and support of, students with disabilities is, for example, represented by the growth in the number of students with disabilities enrolled in Broken Bay schools, which has seen the rate of students with special needs nearly double over the past decade.

Indigenous education

Enrolments of indigenous students in Catholic systemic schools have increased significantly in recent years. As at 2012, 4,416 indigenous students were being educated in Catholic systemic schools across NSW, representing 2.2 % of all enrolments. Rates of enrolment in Catholic systemic schools vary across NSW, reflecting the local community: from 2.0% in Broken Bay to 12% in Wilcannia Forbes. In Broken Bay for example, there are currently more than 300 students enrolled. In Catholic systemic schools across NSW increasing enrolments are attributable to two factors:

- increasing Aboriginal community engagement with Catholic schools, and
- increasing numbers of existing students identifying as indigenous people, as schools become more explicitly supportive of Aboriginal cultures, histories and spiritualities.

Across NSW Catholic schools have been achieving strong outcomes for Indigenous students and are, in terms of NAPLAN results, helping to 'close the gap'.

Rural and small schools

It should be noted that the Catholic systemic school systems of New South Wales are particularly conscious of the need to preserve and support regional and small schools as they are an integral component of the rural communities they serve. Catholic education in NSW has a long track record of supporting these communities, despite the high cost to the system. Our system is committed to continuing to do so. However, this is becoming increasingly challenging.

LEGISLATIVE CONSIDERATIONS

Any new funding model should not compromise the autonomy, identity and purpose of Catholic schools. Catholic schools appreciate the ongoing support of government. However, despite the much needed increase in the quantum of funding, in relation to the reform enacted by the Australian Education Act ('the Act') we consider it important to ensure continued support for Catholic systems' autonomy in managing their resources. Additionally, we remain concerned about the current legislative position pertaining to the possibility of the Education Minister directing educational planning and activities for Catholic systemic schools (Clause 105). As a sector we direct resources to where the needs are greatest. While the federal government has given assurances of flexibility and autonomy to be able to continue to allocate resources we remain concerned about the ability of the sector to direct funds to meet the needs of students.

RECURRENT FUNDING

The three dioceses which submit this report welcome the continuity and certainty of funding under the funding arrangements for all schools for 2014 to 2017. However, in order for Catholic systemic schools to continue to deliver a high quality, high efficiency and high equity system, a predictable funding regime is essential. Continued uncertainty is having an impact on medium to long-term planning. The importance of continuity and stability in funding cannot therefore be overstated. Schools and systems have large fixed costs, for example, staffing costs are a significant element (c. 85%) for every diocesan school system (and require predictable funding from year to year in order to operate coherently. Changing funding settings at short notice results in unpredictability, ultimately eroding and

undermining educational planning and provision and the achievement of good school outcomes.

CAPITAL FUNDING

The current state of play

A key omission from the Act and from the wider funding debate has been the issue of capital funding; the Gonski Review focussed on recurrent funding and largely ignored the capital needs of schools. Across Australia there is considerable demand for new schools, expanded capacity and the need to ensure that schools are adequately maintained. In recent years, Commonwealth Government capital funding has covered up to 30% of capital expenditure in Catholic schools with low SES levels. Local communities provide a contribution, normally directed through loans, to bridge the gap between the final cost of works and grants provided. This essentially means that government achieves significant cost savings and increases the capacity of Catholic schools to offer places, with the result that overall government recurrent funding for school education is reduced because fewer students are enrolled in government schools.

Infrastructure NSW in its report *First Things First*, (2011) identified the Hunter/Central Coast Region as having utilisation rates for permanent and total teaching spaces well above the target level of 80%. In the growth corridor of the Broken Bay / Maitland Newcastle dioceses, public primary schools are currently operating at utilisation rates of over 100% for permanent teaching spaces, and at approximately 90% for total teaching spaces. The situation is similar for Catholic systemic schools. Conversely in many inner city schools, the recent influx of younger families with children (Sydney Morning Herald, September 27 2012), has meant that existing school capital has been unable to meet that demand.

According to Department of Education projections and Australian Bureau of Statistics Schools Australia data, for the Catholic school sector to maintain its enrolment share, significant new capital funding needs to be allocated for new schools and new student places in existing schools. Projected enrolment increases in Catholic schools show a 20% increase in demand in the ten years to 2020. This equates to an increase of around 349 new Catholic schools needed by 2020. As noted in other

submissions to this Committee, the possibility of commissioning 35 Catholic schools each year over the next decade is highly ambitious especially in light of current funding arrangements. This issue is particularly notable in north-west Sydney for the Diocese of Parramatta and in south-west Sydney for the Archdiocese of Sydney and the Diocese of Wollongong.

Catholic systemic schools are currently unable to fully meet areas of high growth demand as a result of the following key impediments:

- the fixed nature of educational infrastructure,
- a lack of funding support for the development of new school sites, and
- a level of funding which makes it difficult for the system to run budget surpluses, thereby allowing for the accrual of funds for use in the development of new schools.

The challenge of capital funding is not limited to Catholic systemic schools based in the city and large regional centres. There are particular capital funding challenges in remote and small schools where the local community's resources are often strained to meet the significant maintenance and refurbishment demands of often century-old building stock.

School building standards

As the Gonski Review noted:

Many government schools, and some poorly resourced non-government schools, are suffering in terms of their facilities ... It is also clear that, on average, the facilities and infrastructure ... [are] impacting on the attitudes and morale of students and staff, as well as on school enrolments. (Gonski 2011: 97)

Like all Catholic systemic schools across NSW, the current capital stock in Catholic systemic schools in Broken Bay, Maitland-Newcastle and Wollongong is less than optimal. Many of our schools were constructed, or substantially expanded, in the early post-war period. Despite the much-appreciated injection of funds through the Commonwealth's Building the Education Revolution program many buildings remain less than optimal for the delivery of best practice 21st century education particularly in light of recent changes in technology and teaching and learning, and which would assist us in meeting the goals of the Melbourne Declaration.

Gonski observed that a transformation of building stock, the upkeep of facilities and planning for new schools is needed urgently. However, a current lack of data makes it difficult for school communities to understand their capital funding rights and needs, and for governments to understand and assess their funding objectives and priorities. As Gonski noted:

There is no national standard against which the adequacy of school facilities can be assessed...Improving accountability is a crucial step towards improving the quality of school infrastructure. (Gonski, 2011, p. 98)

Financial constraints

Catholic education systems supporting our local systemic schools often operate as 'break-even' enterprises. There is little excess financial capacity to cater either for the renewal of existing capital stock nor for the provision of new schools to meet areas of demand in growth areas. With limited capacity to generate even a small operating surplus, Catholic systemic schools are severely limited in the expansion of capital stock to meet demographic changes. A federal funding stream for all new schools would encourage cross-sectoral planning and enable the balanced development of new schools in fast-growing suburbs and towns.

CONCLUDING REMARKS

Catholic schools, students, staff and parents are appreciative of the ongoing, long-standing support for Catholic education in Australia. This funding has to a large degree been achieved with non-partisan support from governments of all persuasions. It is the sincere hope of our systemic school systems that we will be able to continue to work constructively with all political parties, and all educational sectors, to provide an efficient, effective and equitable education for students within our schools, both now and into the future. The three school systems which we represent today are supportive of the establishment of a schooling resource standard. We express in-principle support for the concept of loadings which are intended to ensure schools are appropriately funded to meet individual school circumstances and address individual student needs. Indeed, the Catholic Education Commission of NSW has for some time implemented the practice of ensuring global grants are distributed effectively to best meet local needs. We are concerned that

any future funding system will continue to support Catholic sector autonomy in this way, without undue reporting obligations, irrespective of the overarching funding model which is established.

On behalf of our staff, students and parents, we express our thanks for the opportunity to advise the Committee of our concerns and hopes for the future of our schools and the education of our students.

APPENDIX 1: BENCHMARKING DATA

Government expenditure (recurrent) per FTE student (primary)

National all schools	National non-government schools	NSW government schools*	NSW non-government schools*	NSW Catholic [^]	Broken Bay ^{^^}	Maitland Newcastle ^{^^}	Wollongong ^{^^}
\$14,149	nd	\$13,723	nd	\$9410	\$7,797	\$8,132	\$7,644

* Report on Government Services 2014 Chapter 4 Education 2012 data Table 4A.12 and Table 4A.15 (2010/11 data)

[^] NCEC Data submitted to Gonski Review 2011

^{^^} NSW census data 2013

Government expenditure (recurrent) per FTE student (secondary)

National all schools*	NSW non-government schools	NSW government schools*	NSW non-government schools*	NSW Catholic	Broken Bay ^{^^}	Maitland Newcastle ^{^^}	Wollongong ^{^^}
\$17,026	nd	\$16,099	nd	\$13,081	\$10,029	\$10,223	\$10,089

* Report on Government Services 2014 Chapter 4 Education 2012 data Table 4A.12 and Table 4A.15 (2011/12)

[^] NCEC Data submitted to Gonski Review 2011

^{^^} NSW census data 2013

Average students per FTE teacher (primary)

National all schools*	NSW all schools*	NSW government schools*	NSW non-government schools*	NSW Catholic	Broken Bay	Maitland Newcastle	Wollongong
15.5	15.8	15.5	16.5	nd	19.9 [^]	19.2	19.8

* Report on Government Services 2014 Chapter 4 Education 2012 data Table 4A.22 (2012 data)

[^] NSW census data 2014

Average students per FTE teacher (secondary)

National all schools*	NSW all schools*	NSW government schools*	NSW non-government schools*	NSW Catholic	Broken Bay	Maitland Newcastle	Wollongong
12.0	12.2	12.4	11.8	nd	14.2 [^]	13.0	14.7

* Report on Government Services 2014 Chapter 4 Education 2012 data Table 4A.22 (2012 data)

[^] NSW Census Data 2014

Indigenous students: enrolments

National all schools*	NSW all schools*	NSW government schools*	NSW non-government schools*	NSW Catholic [^]	Broken Bay [^]	Maitland Newcastle	Wollongong
4.9%	4.8%	6.3%	2.0%	2.2%	2.0%	4.2%	2.5%

* Source: Report on Government Services 2014, Chapter 4 Table 4A.29

[^] NSW CEC Census Data 2014

Students with Special Needs: enrolments

National all schools*	NSW all schools*	NSW government schools*	NSW non-government schools*	NSW Catholic	Broken Bay	Maitland Newcastle	Wollongong
5.1%	5.6%	6.3%	4.2%	4.7% [^]	4.2% [^]	5.4%	4.8%

* Report on Government Services 2014 Chapter 4 Education 2012 data Table 4A.31

[^] NSW CEC Data (NSW 2010 data; Broken Bay 2014 data)

Language Background other than English: enrolments [#]

National all schools*	NSW all schools*	NSW government schools*	NSW non-government schools*	NSW Catholic	Broken Bay	Maitland Newcastle	Wollongong
No data	26.3%	25.3%	28.2%	nd	14.0% [^]	6.7% [^]	17.2%

[#] Definitional issues may mean data is not comparable proviso noted in table 4A.30 in the 2014ROGS Report

* Report on Government Services 2014 Chapter 4 Education 2012 data

[^] NSW Census data 2014