



# Sydney Catholic Schools

## **‘Gonski 2.0’: School Funding Explained**

### **What are Catholic school systems?**

Most Catholic primary and secondary schools are owned by a diocese and operated by a central schools office in each diocese.

These schools, defined as parish primary and regional secondary schools in a diocese, make a ‘system’ of schools.

Across Australia, there are 25 Catholic school systems. In NSW, there are 11 Catholic school systems responsible for 545 ‘systemic’ schools. Sydney Catholic Schools (SCS) is one of those dioceses, educating more than 70,000 students in 152 parish primary and regional secondary schools in the Archdiocese of Sydney.

Other faiths also have their own school systems including the Anglicans, Lutherans and Seventh-Day Adventists. State and territory governments also have their own systems of public schools.

### **Are there Catholic schools that don’t belong to a system?**

Yes. There are 46 NSW schools known as Congregational or independent Catholic schools. These schools are owned and operated by religious orders, rather than a diocesan-based schools office.

### **Why do systems exist?**

Systems exist to serve students, parents, teachers and principals by providing funding and a range of professional support services.

This is especially true of small, regional or remote schools and those serving communities in low SES suburbs and towns. Many of these schools would be unviable if they had to operate independently. The system guarantees the viability of these schools by internal redistributions from wealthier or larger schools. By doing so, school systems can ensure Catholic education remains affordable and accessible to students, in particular those from disadvantaged backgrounds.

Catholic schools put great energy and resources into creating a quality, values-based school system for all communities, regardless of their wealth or background. Catholic schools were founded on this premise and it is a mission which continues today in urban and remote areas.



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## **What support do systems provide to schools?**

Working collaboratively as a system delivers support to schools that would otherwise be too expensive or difficult for an individual school to provide on its own. This includes recurrent and capital funding support, curriculum support, IT & back-office services, compliance and other legal advice, staff training and representation to government, local councils and regulators such as the NSW Education Standards Authority.

Systems deliver economies of scale that ensure efficient delivery of these support services to all schools, also ensuring more funding is allocated to students for the teaching support they need.

School systems support small, remote and low SES schools – schools that would otherwise be unviable if they had to operate independently. They also pool resources together to plan and develop new diocesan schools in growth areas for families wanting a Catholic education.

## **How are schools funded?**

Governments fund all schools to some degree because (i) schooling is compulsory and (ii) few parents could afford the full cost, especially if they have more than one child.

As a principle, governments provide some level of funding to all schools because they must meet legal requirements relating to school registration, teacher registration, curriculum, assessment and other compliance measures.

The base cost of a school education in 2018 is estimated at \$10,953 per primary student and \$13,764 per secondary student. These are benchmarks called the Schooling Resource Standard (SRS). Extra funding is added for disadvantaged students

Governments fund 100% of the SRS for government schools and 20-90% for non-government schools, based on the capacity of parents to pay the difference. Government estimates this 'capacity' to pay using ABS household census data matched to the addresses of the school's parents to assess their relative socioeconomic status (SES). The SES data is averaged to give each non-government school an SES score from 64 to 140. The higher the score, the more its parents are presumed to be able to pay – and the less government funding the school receives. Funding falls as SES scores for schools climb from 94 to 125. All schools with an SES score of 125 or higher receive only 20% of the SRS in government funding.

## **How are Catholic school systems funded?**

Congregational schools receive their government funding directly from the government according to their SES score. They also set their own fees.

Systemic schools are funded differently.

The Federal Government averages the SES scores of all 545 NSW systemic schools, then makes one total payment on their behalf to Catholic Education Commission NSW. This money is then distributed to diocesan schools offices (Sydney Catholic Schools) to redistribute their funding share according to their own assessment of local school needs.

Under this approach, the Catholic systems can meet local student needs and keep fees affordable across all diocesan Catholic systemic schools in each state and territory. Most people regard this as a good outcome because they recognise school systems have a more detailed understanding of each school's needs than an SES-driven spreadsheet in Canberra.

### **Why is Catholic education at odds with the Federal Government over 'Gonski 2.0' school funding?**

Catholic education has serious concerns about the SES methodology the Federal Government is using to assess need in each school to allocate funding. It is a blunt instrument that does not always accurately measure what low to middle income families can afford to pay.

Although the 2011 Gonski report called for the current SES methodology to be reviewed, the Federal Government has still not acted on that recommendation. Catholic education is calling for an immediate review of the SES methodology.

Catholic education is also concerned by the Minister's decision to change the way the total funding for Catholic systemic schools is calculated. From 2018, the Federal Government will calculate the total NSW Catholic school system by adding the individual amounts for each school based on their individual SES score and publish the per school amount on a new website – notionally creating 'winners and losers'. This will potentially pit schools against each other and create unnecessary anxiety among principals and parents over school funding.

### **By how much would fees need to rise?**

It would depend on the Catholic system's distribution process, the school's SES score, the change in its base funding and the degree to which its diocesan schools office can redistribute funding.

For example, St Columba's primary school in Leichhardt North has an SES score of 119. It received total government income of \$12,048 per student in 2015 and collected \$2,449 per student from its parents (or 16.9% of the school's total income of \$14,497 per student).

In 2018 however, an SES score of 119 assumes its parents are capable of paying up to 58.54% of the school's SRS (\$10,953) - or \$6,412 per student. The school would therefore only attract to the Catholic school system 41.46% of the SRS - \$4,541 - in government base funding per student.

If St Columba's were to actually receive only 41.46% of the SRS it would need to raise \$6,412 per student from its parents or have it redistributed from other schools in the diocese (or a combination of both), in order to maintain its standard of education.

It is difficult for dioceses particularly for those with a wider range of SES scores to redistribute funding.

**If Catholic school parents can afford to pay more, why shouldn't they?**

The NSW Catholic system has already begun to charge higher fees in higher SES areas. In some areas, fees have increased by 25% in one year.

However, the potential fee increases implied in the government's funding changes – 50% or more in many cases – are simply unreasonable to expect of many parents.

Many parents already make sacrifices to afford a Catholic school education for their children. The Catholic schools sector is committed to keeping Catholic education affordable for all families.

**The Minister has said fees need not rise because Catholic systems will be receiving increased grants and will still be free to distribute funds as they wish.**

The Minister *has* said this, but at the same time he has taken unprecedented steps to interfere in the direct management of Catholic schools:

- He has removed the System Weighted Average, a calculation that equalises the SES scores of all Catholic systemic schools in a state or territory
- He has written to principals and P&F groups telling them how much Commonwealth funding their school has 'attracted' - adding that if they don't receive that amount, it's because their diocesan office has given them a different amount.
- He has also set up a website so that parents and journalists can find this information on any school, despite it ignoring state and private funding sources (rendering the website misleading and pointless).
- He has also provided selective funding data to media to suggest Catholic systems are improperly taking funding intended for low SES schools to fund high SES schools.

But the biggest concern is that the Minister has not yet released the regulations which will dictate how the Catholic system is to distribute Federal Government funding. While we support the Gonski Review, and support the public statements by local politicians and letters of reassurance by Education Minister Simon Birmingham affirming the ability of the Catholic sector to work as a system, Catholic education needs written 'guarantees' worded into the legislation.

### **What do we need to do to ensure that we have our say?**

All parents are encouraged to contact their local federal member and let them know Catholic systemic schools want a fair deal, not a special deal.

Parents are also invited to sign our [online petition](#) or why not join the conversation on social media using the hashtag **#Gonski2.0fairdeal**