

Explainer: how does funding work in the Catholic school system?

Written by Jessica Gerrard, Senior Lecturer in Education, Equity and Politics, University of Melbourne



Catholic schools haven't always received government funding. from shutterstock.com

Gonski 2.0 has provoked substantial debate about how much money schools get, who gets too much, and how the money will be distributed.

Catholic schools in particular have [expressed concern](#) about the impact of Gonski 2.0, with many Catholic schools [facing potential funding cuts](#).

In response, the Catholic Education Commission Victoria (CECV) [claims](#) some schools may have to increase their fees by as much as A\$5,000 per year.

The federal Education Minister [Simon Birmingham has hit back](#), accusing the Catholic sector of “exaggerating” claims of potential cuts and their impact. He has defended Gonski 2.0 stating that it will treat all schools - government and non-government - consistently.

Amid all of these debates is a lot of confusion about how and why the federal government funds Catholic schools. Catholic schools, like all non-government schools, receive their primary government funding from the federal government. However, there is not necessarily a direct funding flow from the government to schools.

Most Catholic schools are systemic schools, situated within the Catholic system across the states and territories, and these systems make their own decisions about school funding.

So how does government funding of Catholic schools actually work?

Government hasn't always funded Catholic schools

Explainer: how does funding work in the Catholic school system?

Written by Jessica Gerrard, Senior Lecturer in Education, Equity and Politics, University of Melbourne

In the current context, it's perhaps easy to take for granted that Catholic and other non-government schools receive government funds. However, this was not always the case. The market-based system we have today has been encouraged by a number of key policy decisions.

This all began in the late 1960s and 1970s when, in response to a struggling Catholic sector, the federal government decided to provide school funding.

Up until then, the federal government had little involvement in the funding of Australian schooling (with the exception of the Australian Capital Territory and Northern Territory).

[Constitutionally](#), it is the states and territories – not the Australian government – that have legislative authority to regulate, register, and deliver schooling. Therefore, it was really the states that funded schools. Indeed, it is still the state and territory governments that primarily fund government schools.

It started in earnest with capital funding for schools [introduced in the 1960s](#). The *States Grants (Science Laboratories and Technical Training) Act 1964* funded science laboratories in both government and non-government schools.

Federal funding for non-government schools was then cemented in 1970 with the *States Grants (Independent Schools) Act 1969*. This provided non-government schools with a flat rate of federal government money per student.

Yet, it wasn't until 1973 that an ongoing and systematic approach to federal funding of schools was enshrined. Then, the Whitlam-appointed [Karmel Report](#) introduced a “needs-based” school funding approach from the federal government.

The significance of the Karmel Report cannot be understated. Based on a “needs-based” formula, it provided [much needed funding for the struggling Catholic system](#), and in many ways cemented reliance on - and expectation of - federal funding across the non-government

Explainer: how does funding work in the Catholic school system?

Written by Jessica Gerrard, Senior Lecturer in Education, Equity and Politics, University of Melbourne

sector.

Since the Karmel Report, successive governments have retained federal funding, albeit with a range of policy changes to the funding formula over the years.

School funding has also become a lever for the federal government to intervene into schooling policy (while constitutional authority is retained with the states and territories). This includes, for instance, the buttressing of a market-based system premised on the existence of the three sectors – government, Catholic and independent.

For instance, non-government schools [fared particularly well under](#) the Howard government's SES model. At this time, federal education policy became pinned to the notions of marketisation and the rhetoric of “[school choice](#)”

Importantly, over the years the trend has been for a [higher increase](#) in federal funds for the non-government sector than the government sector.

Now, after over 40 years, it is taken for granted that in addition to state and territory funding (which is primarily targeted at government schools), the federal government funds schools and that it does so inequitably, funding non-government schools at a higher rate than government schools. This is despite the fact that it is government schools, far more than non-government schools, that cater for disadvantaged students (as noted in [Gonski 1.0](#)).



Catholic schools receive most of their government funding from the federal government.

Explainer: how does funding work in the Catholic school system?

Written by Jessica Gerrard, Senior Lecturer in Education, Equity and Politics, University of Melbourne

www.shutterstock.com

How does government funding for Catholic schools work now?

Catholic and other non-government schools receive the bulk of their government funding from the federal government.

Yet, they also receive funding from the state governments. This is because of the legislative authority that states and territories have in relation to schooling. Thus, each state and territory has its own arrangements for funding non-government (and government) schools.

In Victoria, for example, the state government in 2016 provided over [A\\$440 million funding](#) to Catholic schools.

This recurrent funding was calculated as a part of the [Education and Training Reform Amendment \(Funding of Non-Government Schools\) Act 2015](#), which sets out the arrangements for the Victorian state government to fund non-government schools at 25% the rate of government school funding per student.

State funding of non-government schools can also include targeted special grants, such as the Victorian government's [\\$32.8 million facilities funding announced in December 2016](#).

Gonski 2.0 represents another iteration of federal funding policies in schooling. In this model, the [Schooling Resource Standard](#), as set out in Gonski 1.0, is retained. This formula produces a base rate for the cost of schooling.

[Gonski 2.0](#) sets out that by 2027 the federal government will fund non-government schools 80% of the SRS, with government schools receiving 20%.

The bulk of funding for the Catholic system comes from the government. For example, the CECV [reported](#) that in 2015 it received:

Explainer: how does funding work in the Catholic school system?

Written by Jessica Gerrard, Senior Lecturer in Education, Equity and Politics, University of Melbourne

-

\$440 million recurrent and \$9.2 million targeted state government funding

-

\$1.6 billion recurrent and \$7.5 million targeted federal government funding

-

\$96 million in school levies and almost \$11 million from bank deposit interest and other income streams.

How does the Catholic system fund its schools?

When funding flows from the federal and state governments to the Catholic and independent sector it does not necessarily flow straight to the school.

For schools that exist within a system (such as most Catholic schools) government funding is managed and allocated by the system. This is different to the many schools within the independent sector that are not organised within a system.

Importantly, a [recent report](#) from the Victorian Auditor-General suggested there was a lack of transparency and accountability within the Catholic (and other non-government) system's allocation of government funds.

To continue with the Victorian example, Catholic schools in Victoria are managed through the CECV. Similar systems exist for Lutheran, Ecumenical and Seventh-Day Adventist schools. Independent non-government schools that do not belong to a system receive government funds directly.

The CECV manages all but two of the 493 Catholic schools in Victoria and the [combined \\$2.1](#)

Explainer: how does funding work in the Catholic school system?

Written by Jessica Gerrard, Senior Lecturer in Education, Equity and Politics, University of Melbourne

[billion in funds from both the federal and state government](#)

[According to the CECV](#), funding allocation is decided through a number of committees.

For primary schools, the CECV decides on the share of funding that each of the four Victorian diocese will receive (the Archdiocese of Melbourne, the Diocese of Ballarat, the Diocese of Sandhurst and the Diocese of Sale).

The CECV uses its own [funding model](#), which - among other things - takes into account each schools "capacity to contribute" based on the school's SES scores.

According to the CECV, once the funding flows to the diocese each diocese has their own funding model they use to decide funding allocation. For secondary and combined schools, funding decisions of the CECV flow straight to the school.

The question, therefore, of how particular Catholic schools will fare under Gonski 2.0 is a complex one. There are layers of decision making, within multiple funding models, which occur before funding reaches each school.

Nevertheless, as with the first Gonski report, Gonski 2.0 is supportive of our current market-based model.

Despite particular "winners" and "losers", [government funding of highly resourced and elite schools](#) remains intact. Arguably, then, it will also do little to address the rising inequalities that are entrenched within our market-based education system.

Jessica Gerrard does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations

Explainer: how does funding work in the Catholic school system?

Written by Jessica Gerrard, Senior Lecturer in Education, Equity and Politics, University of Melbourne

beyond the academic appointment above.

Authors: Jessica Gerrard, Senior Lecturer in Education, Equity and Politics, University of Melbourne

Read more <http://theconversation.com/explainer-how-does-funding-work-in-the-catholic-school-system-78469>