

**AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT  
SCHOOLS**

**PRESS RELEASE 499#**

**VICTORIAN EDUCATION MINISTER MARTIN DIXON –  
MINISTER FOR SECTARIAN EDUCATION**



**The Hon Martin Dixon MLA**

Blatant favouritism shown to the private sector by successive governments hamstrung by the “Catholic” vote is now bearing bitter fruit.

Parents in both inner city and developing areas are waking up to find that they no longer have the choice of a public education for their child.

Sectarian schools and a divided society threaten our future.

**Expansion at Public Expense.**

The Victorian Government shaved more than \$250 million in additional funding from the public education budget and handed it to the private sector in the last State Education budget handed down on May 3, 2012.

There was not enough in the Treasury for badly needed new public primary and secondary schools in both inner city and developing areas but – surprise ! surprise!

The Catholic Education Office has announced a ‘school boom’ with thirteen new schools costing up to \$250 million in ‘a belt of suburbs packed with families, including Craigieburn, Doreen, Eynesbury, Point Cook, Tarneit Rise, Truganina South, Toolern and Wyndham Vale. Sunbury, Beveridge, Wallan and Armstrong will also receive new Catholic schools in the next decade. A school in Epping North will open next year. Their executive Director claims that a Catholic Education is what families prefer and the Murdoch Press accepts the hype. (Herald Sun, December 20, 2012.)

Families in these areas will have little or no choice. For them, free, secular and universal will no longer be an option.

## **Taxpayers Expected to Pay**

The Executive Director of Catholic Education, Stephen Elder, expects taxpayers, the majority of whom are not of Catholic belief, to pay for the capital as well as the running costs of these schools.

*'Mr Elder said the Catholic sector borrowed money to build schools. In the past about 30-40 per cent of the real costs were met but the Commonwealth but the Federal Government had not made a commitment post-2014.'* (Herald Sin, 20 December 2012, p. 4)

As DOGS predicted in the 1960s, the sectarian sector are never satisfied. State Aid for sectarian schools is a bottomless pit and bad public policy.

They have been lambasted for their trouble, but their worst fears are now being realised. The combination of sectarian interests and the new right ideology are eroding the cornerstone of our liberal democracy – the public education system.

**However, the DOGS are no longer alone. Questions are now being asked about the running of Catholic Education in Australia with impunity.**

## **Questioning of Billions of Dollars Poured into the Catholic Education System.**

The Fairfax Press, unlike the Murdoch Press, have published an article by Nicholas Reece (*Sydney Morning Herald* December 7, 2012) questioning Catholic school funding . See <http://www.smh.com.au/opinion/politics/going-for-the-full-gonski-20121206-2ay8z.html>

Nicholas Reece writes:

Catholic school funding arrangements lack transparency and are not based on need. It's time to change that.

PUBLIC funding for Catholic schools is one of the oldest and most contentious policy debates in Australia. It is also one of the most important.

After all, the Catholic education system educates 20 per cent of Australian students - that's 725,000 children in more than 1700 Catholic schools supported by a hefty \$5 billion per year in public funding.

The next chapter in this debate is about to be written with the government to shortly announce its response to the Gonski review on the future of school funding. If the government can maintain the courage of its convictions then significant reform will rightly follow to address two major shortcomings with the current Catholic school funding arrangements.

The first is the lack of transparency around the funding decisions of Catholic education authorities. The second is the 2005 funding deal that delivers many wealthy Catholic schools up to three times the funding of other equivalent private schools.

To follow this debate, a bit of background policy is needed. In very crude terms, state schools have a direct funding relationship with the state government. Private schools that operate independently of any particular school system (sometimes referred to as independent schools) have a direct funding relationship with the Commonwealth and state government. Most Catholic schools do not have a direct funding relationship with government. Instead, public funds are allocated to centralised state Catholic education authorities, which then distribute the funding to their member schools using their own methods and formulas.

The Gonski review finds the arrangements for funding private schools "complex, confusing, opaque and inconsistent among jurisdictions, and obscure educational goals and accountability". In the case of Catholic schools, the Commonwealth Auditor-General went even further in a 2009 report, saying there was a lack of information on the formulae used by Catholic education authorities to distribute funds. Worse still, he found that schools serving poorer communities received less funding from their local Catholic education authority than if they were funded directly by government.

The Catholic education authorities responded to these findings by highlighting the widely acknowledged shortcomings in the SES model used by government to distribute funds to private schools. This model takes into account the socio-economic status of students' parents. The Catholic education authorities prefer to use their own definition of "need" and include other factors for deciding a school's funding, such as its size and whether it is growing.

The problem is, these broad statements of intent cannot be tested because the detailed formulas and methodologies used have never been released publicly.

The second major issue with Catholic school funding stems from what is known as the "funding maintained" arrangement. As the name suggests, public funding for what are effectively elite Catholic schools is maintained even if a school would not be entitled to as much under the SES funding model that applies to other private schools. The Gonski review strongly criticises these arrangements.

The Catholic education authorities have responded to these concerns in the past by committing to redirect funds from their elite schools to disadvantaged schools.

But a recent review of these elite Catholic schools by former Productivity Commission economist and public education advocate Trevor Cobbold found the claims by the Catholic education authorities were "misleading and untrue". He compared the funding rates for elite Catholic schools obtained through Senate estimates with the figures for federal government funding reported on the My School website. His conclusion is that elite Catholic schools in New South Wales and the Australian Capital Territory appear to retain all their funding, while elite Catholic schools in Victoria, Queensland, South Australia and Western Australia appear to distribute about 40 per cent of their funding. As a result many elite Catholic schools receive and retain more than twice the public funding they would be entitled to if they were funded under the broader school funding model that takes account of the socio-economic status of students' parents.

The Catholic education authorities argue that on average Catholic students receive 20 per cent less public funding than government school students and when fees from parents are included, Catholic schools operate on about 90 per cent of the cost of a government school.

But this argument ignores the fact that Catholic schools are able to charge fees to help fund their operation. It is also the case that state school enrolments carry a much higher proportion of all disadvantaged students and these students cost more to educate.

The central recommendation of the Gonski review is that we need to improve the performance of disadvantaged schools. One way to achieve this could be to let the elite Catholic schools operate like other elite private schools - cut their public funding and let them charge higher fees.

The remaining Catholic schools could become part of the public system with the schools serving poorer communities to get a substantial funding increase.

Catholic schools are part of the public system in New Zealand, Canada and elsewhere and have successfully managed to retain their identity and autonomy. But the hard politics of school reform means this is simply not going to happen in Australia. So the best realistic option is to go for the "full Gonski".

This would mean school systems, run by state government and Catholic education authorities, would continue to play a valuable role in the detailed allocation of funding. But a condition of future public funding for the Catholic education authorities should be that they publish the formula they use to fund their member schools so they are publicly accountable in the same way other education authorities are.

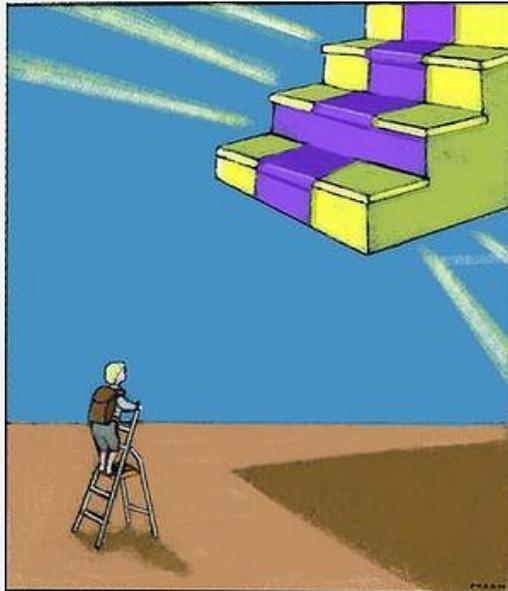
And all schools must be funded according to an agreed and consistent definition of need - with funding for disadvantaged schools, including Catholic schools in poor areas, to be substantially increased.

**Nicholas Reece is a public policy fellow at Melbourne University's Centre for Public Policy and a former senior adviser to Prime Minister Julia Gillard and premiers Steve Bracks and John Brumby.**

Read more: <http://www.theage.com.au/opinion/politics/going-for-the-full-gonski-20121206-2ay8z.html#ixzz2GC6fQTuv>

DOGS note that the State Aid debate has never and will never go away. The only way to solve the gross inequity that underpins a burgeoning class system in Australia is to take over the private sector, rationalize the ridiculous duplication and

**STOP STATE AID**



*Illustration: Andrew Dyson*

***THE DOGS RADIO PROGRAM***

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