

Review of needs-based funding requirements 2019–public submission

Catholic Education Western Australia

Stakeholder type: Approved system authority

Jurisdiction: Western Australia

Summary

I look forward to our meeting in Perth in August and thank you for your consideration of our submission.

Submission

What are the desirable levels of flexibility for needs based funding requirements – are there different levels of flexibility that could be applied to the per student amount and loadings?

Catholic Education Western Australia (CEWA) supports the distribution of a needs based funding model in a base and loadings per student approach.

Flexibility is required at a system and school level to make local decisions to address need. Currently, for example, the Size Loading is increased within the CEWA funding distribution model to ensure a quality of education is maintained and these small schools remain open and have a low fee structure. This extra funding is taken from the other loadings in the model. Most of these schools are in country and rural Western Australia where they are the sole provider of education in that community or only non-government education provider providing parents with a choice.

CEWA would support a review of the Size Loading as soon as possible to address this issue and to ensure that all loadings are distributed more on a percentage generated basis (i.e. the loadings receive the percentage they generate).

CEWA would continue to support a portion of funding set aside for administrative purposes as the operation of centralised offices and software systems will save money at the school level through providing a service that achieves economies of scale.

What level of prescription by the Australian Government regards the needs-based funding arrangements may be reasonably required and is possible?

What additional guidance may be necessary and what form should it take?

What is the right balance of prescription and flexibility for assessing compliance with needs-based funding requirements and why?

CEWA has implemented a needs based funding model that replicates the Base and Loadings approach in the Australian Education Act. We believe this level of prescription is adequate to demonstrate that the system is implementing a needs based funding model. The ultimate aim would be for CEWA to distribute Base and Loadings as a system to schools, at the same percentage generated provided by the Australian Government less administrative costs and other system initiatives that improve the quality of education provided to all 162 schools in the system.

Flexibility should be given to the approved system authorities in transitioning their schools as to how educational disadvantage is distributed through a Base and Loadings approach. Many systems including CEWA are trying to undo funding generation from the Australian governments of the past and this will take time for

those overfunded systems and schools. If transition is not left to the system level, some overfunded schools will have to increase fees drastically leading to possible school closures.

Catholic education systems have always provided a Catholic education for those in need regardless of socio economic status, hence its fees are lower than its independent school counterparts and the Australian Education Act capacity to contribute curve. CEWA will continue to balance the increase to fees and fee increases against the capacity to contribute of its school communities. Hence flexibility is required at a system level to balance the Australian Government recurrent funding – predominantly the Base component to ensure funding is distributed to those school communities that need it the most.

- 1 Each CEWA school publishes its audited financial statements through the Australian Not for Profit Charities Commission (ACNC) on its website demonstrating how much total Australian Government funding it receives.
- 2 On the CEWA website, the funding distribution model of how Australian Government funding is explained in detail.

We believe this level of transparency is adequate.