

National School Resourcing Board

Review of needs-based funding requirements 2019–public submission

Queensland Catholic Education Commission

Stakeholder type: Approved system authority

Jurisdiction: Queensland

Summary

The Queensland Catholic Education Commission (QCEC) as the approved system authority which distributes Australian Government recurrent funding on behalf of all Catholic School Authorities in Queensland employs a needs-based funding model. The model mirrors the Government funding methodology, where the base amount, and most of the loadings, are based on the schooling resource standard.

In Queensland some Catholic School Authorities that operate more than one school redistribute Australian Government funding to systemic schools in accordance with their own allocation methodologies. These methodologies reflect the characteristics of each system in terms of student needs, school types and school locations. For authorities to best meet the needs of their students and schools and therefore have a positive impact on the learning outcomes of all students within the system, QCEC calls for a high level of flexibility for the distribution of Government funding. These systemic funding arrangements allow authorities to best address the needs of students and schools and to realise economies of scale by centrally delivering services and being responsive to changes in local circumstances.

QCEC suggests that prescription should be limited to the requirement for authorities to have a robust and transparent framework, based on agreed principles, for the allocation of funding which reflects the needs of students and schools within their systems. An overly prescriptive model which might identify specific loadings and fixed loading adjustments would prevent authorities from allocating funding based on their contextual knowledge and school and student specific circumstances.

QCEC supports the current requirements for transparency to make distribution methodologies publicly available on the authorities' websites. Publication of these methodologies and the publication of financial data on MySchool provide a high level of transparency and remove the need for additional transparency requirements.

Submission

Introduction

The Queensland Catholic Education Commission (QCEC) welcomes the opportunity to make a submission to the National School Resourcing Board's review of needs-based funding requirements.

QCEC is the peak strategic body with state-wide responsibilities for Catholic schooling in Queensland. There are twenty-two Catholic school authorities in Queensland which between them operate a total of 306 Catholic schools that educate more than 149,000 students in Queensland. The five Diocesan Catholic School Authorities (Brisbane, Toowoomba, Rockhampton, Townsville and Cairns) and Edmund Rice Education Australia (EREA) run multiple schools while the other sixteen authorities are single school authorities that have no opportunity to redistribute Australian Government recurrent funding.

Since 2018, EREA has been distributing Australian Government recurrent funding to schools within their system based on the QCEC Group Funding arrangements (detailed below), with no further distribution methodology applied. QCEC, therefore, makes this submission on behalf of the five diocesan Catholic School Authorities that redistribute Government funding to schools in their systems based on their own distribution methodologies.

Approved authorities for Catholic schools in Queensland

QCEC is the approved system authority which distributes Australian Government recurrent funding on behalf of all Catholic School Authorities in Queensland pursuant to section 78(6) of the Act.

QCEC has employed a needs-based funding model to distribute Australian Government recurrent funding since 2001. The current [Group Funding Guidelines 2018-2023](#), which mirror the Australian Government funding methodology, are publicly available on QCEC's website. The main goal of the guidelines is to transition all Queensland Catholic schools from their actual 2017 Australian Government recurrent funding level to 80% of the Australian Government's schooling resource standard by 2023 for schools transitioning up and by 2029 for schools transitioning down.

Each of the five diocesan authorities has developed their own funding distribution methodology in accordance with needs-based funding arrangements under sections 78(4) and 78(5) of the Act. While the methodologies have their own nuances to reflect the context within which they operate, they all follow the same overarching guiding principle of equity to ensure every student enrolled in a school in the system has access to the highest standard of Catholic education regardless of enrolment profile, socio-economic status or the size and location of the school they attend.

Details of each diocese's distribution methodology have been separately provided to the Board.

Desired level of flexibility for the distribution of Government funding

In Queensland, diocesan authorities operate their schools within systemic funding arrangements. These arrangements allow authorities to take advantage of economies of scale by centrally delivering services (e.g. payroll and Workplace Health and Safety compliance) and by redistributing funding based on detailed local knowledge of student needs and the impact of size and location of schools.

Queensland Catholic schools are located across the state, with schools in metropolitan and regional cities as well as rural and very remote townships. Schools vary considerably in size and complexity, ranging from small regional primary schools to large metropolitan secondary colleges and P-12 schools.

These complexities can result in the student needs loadings provided for under the Act being inadequate to support student participation and achievement in certain situations. For example, the costs of running a small school in a very remote community, say St Patrick's Catholic school in Winton, far exceed the funding allocated under the Act. To be able to provide a low fee Catholic school alternative in these areas and to help overcome the disadvantage faced by students in these schools, authorities redistribute funding to these students and schools.

Without the redistribution of government funding, these schools would be less well resourced than other schools in the system and this would unfairly impact on the learning outcomes of their students. If inadequate funding was to force the closure of those schools, the ability of parents to choose a Catholic education for their children would be affected.

Queensland is currently experiencing strong population growth in low socio-economic areas, which puts pressure on systems to open new schools in those areas. In terms of recurrent funding from the Australian Government, new schools are treated like any other school. However, due to the significant capital outlays of new schools, they are typically built in stages and initially only operate at limited student and staffing numbers, making operational efficiencies impossible to achieve. The relatively lower amount of recurrent funding they receive makes it extremely difficult to offer the services the school community rightly expects without some support provided through funding redistribution.

For the reasons outlined above, QCEC believes that a high level of flexibility for needs-based funding requirements of authorities is vital to ensure the learning opportunities and outcomes for all students are maximised. Such flexibility also allows authorities to be responsive to sometimes rapid and unexpected changes in local circumstances and realise economies of scale at the system and school level.

While a high level of flexibility is sought, any distribution methodology would be consistent with the approved framework and underpinning principles and be publicly available.

Prescription for needs-based funding arrangements

The high level of flexibility sought by authorities for the redistribution of funding should be supported by the minimum level of prescription necessary to ensure the redistribution is consistent with the Australian Government's policy of needs-based funding.

QCEC suggests that prescription should be limited to the requirement for authorities to have a robust and transparent framework, based on clear parameters and principles, for the allocation of funding, which reflects the needs of students and schools within their systems. QCEC, therefore, supports the current structure of recurrent funding (base and approved loadings) and does not believe that further prescription is necessary to ensure student and school needs are adequately addressed.

An overly prescriptive model which might identify specific loadings and fixed loading adjustments would prevent authorities from allocating funding based on their contextual knowledge and school and student specific circumstances. It may also unnecessarily increase the compliance burden. Furthermore, an over prescription would limit the ability of authorities to vary the number and proportion of loadings to better reflect local circumstances. For example, given the increasing prevalence of mental health challenges among young people in Australia, a 'wellbeing' loading may be deemed essential by an authority in response to emergent needs in all or particular schools to provide additional support services.

While authorities are seeking maximum flexibility and minimum prescription of funding allocation requirements, they are acutely aware of their responsibility to be publicly accountable for their decisions about the allocation of funding. QCEC, therefore, supports prescribing that authorities must follow a transparent framework based on approved principles for the allocation of funding, and be accountable for final funding decisions.

Transparency and accountability measures

Transparency and accountability are best achieved by each system authority having clear parameters which guide and inform decisions about the distribution of funds to schools. QCEC supports the current requirements for transparency to make distribution methodologies publicly available on the Catholic Education Offices' websites. Transparency could be further improved by the provision of links to the relevant distribution methodology on individual school websites.

All Catholic School Authorities in Queensland have links to their distribution methodologies available on their websites:

- QCEC [Group Funding Guidelines 2018-2023](#)
- Brisbane Catholic Education [Needs Based Resourcing Arrangements](#) (July 2018)
- Toowoomba Catholic Schools Office [Sustainable funding distribution framework](#) (July 2018)
- Rockhampton Catholic Education Office [Funding distribution arrangements 2018](#)
- Townsville Catholic Education Office [Needs Based Funding Arrangement For the Townsville Catholic Education systemic schools in the Diocese of Townsville](#)
- Cairns 2019 [Needs based funding arrangements](#)

Financial data for schools is currently available publicly on the MySchool website (based on audited Financial Questionnaire data) and system authorities are also required to comply with the Australian Charities and Not-for-Profits Commission's reporting requirements.

QCEC believes these reporting and publication requirements, taken as a whole, are sufficient to ensure transparency. Any additional requirements, for example the publication of the breakdown of loadings funding to each systemic school, are likely to increase compliance costs for authorities and may lead to expectations that expenditure is recorded by loading. Furthermore, there is a risk that without detailed contextual

knowledge, this additional data could be misinterpreted. While authorities are willing to share the breakdown of loadings by school with the Board with the appropriately detailed explanatory notes, they argue against making this level of detail publicly available. However, as noted above, authorities are willing to include a link to their funding methodologies on each school website if the Board believes this would further improve transparency.

Conclusion

QCEC appreciates the opportunity to make a submission to the review panel and is looking forward to discussing the key issues outlined in this submission in more detail with the Board on Monday 29 July 2019.

Please contact Steven Jeffery, Chief Financial Officer on (07) 3316 5829 or stevenj@qcec.catholic.edu.au if you have any questions regarding this submission.