
BUDGET DELIVERS SHORT-TERM GAINS, LONG-TERM QUESTIONS REMAIN

All schools will benefit from the Australian Government's announcement that it will increase per student funding by 7.2 per cent in 2015-16, but the National Catholic Education Commission remains concerned over the funding of schools beyond 2017.

In tonight's Federal Budget, the Australian Government made no change to their existing funding policy beyond 2017, at which point school funding per student would increase at the rate of CPI.

"Schools across Australia will welcome the Government's commitment to education in the 2015-16 Budget at levels that are expected to meet the real cost of education next year," NCEC executive director Ross Fox said.

In the Budget, funding for non-government schools is forecast to increase at 5.6 per cent per student in 2015-16, which is similar to recent increases in real school costs. Government schools will see per student funding increase by 9.55 per cent in 2015-16.

But Mr Fox said the positive one-year funding boost in a tight fiscal environment for the Budget does not allay long-term fears on sustainable funding policy.

"The Budget assumptions have further entrenched the Government's policy to increase school funding at the rate of CPI beyond 2017, which would see schools face real and significant cost pressures over time if recent experience is repeated and the cost of education continues to outstrip increases in CPI," Mr Fox said.

Over the past decade, CPI has increased at an average of 2.8 per cent annually, while real school costs have increased at an average of 5.4 per cent annually.

Last month, the latest figures from the Australian Bureau of Statistics showed that inflation for the year to March was 1.3 per cent, while school education costs rose by 5.4 per cent – continuing the recent trend.

"Minister Christopher Pyne has stated his intention to work closely with non-government schools to create a sustainable funding policy beyond 2017 and the NCEC looks forward to constructive discussion in the near future," Mr Fox said.

"As the reality of funding that doesn't keep pace with real costs becomes more imminent, school leaders want to see a long-term solution found as soon as possible.

"The Budget tonight confirmed the Government's plan to reverse its policy of indexing the pension at CPI. Like pensions, school education is far too important to Australia's future for its funding to be determined based on fruit and vegetable prices and the international oil price. The Government has set a precedent it can follow."

Mr Fox said the NCEC's concerns about an unintended consequence for funding for students with disability in Catholic schools was not explicitly addressed in the Budget. However, it remains optimistic that this issue can be addressed with further refinements to the funding loading for students with disability in the future.

"We know that there is a strong commitment for equitable funding for students with disability and we will continue to work with the Government to see that commitment delivered," Mr Fox said.

The Budget confirmed that capital funding for non-government schools will continue to be supported over the forward estimates at a time when ABS projections suggest the demand for school places in the coming decade will increase at rates not seen since the 1950s. Those projections anticipate 30 new Catholic schools will need to be built each year until 2020 to meet that demand.

“The Federal Government will need to consider how it supports non-government schools’ ability to welcome those new students and allow the non-government sector to continue to play its part in school education,” Mr Fox said.

“All levels of government will need to examine how they can support this period of historically high demand for new schools across all sectors.”

