

**Catholic Education Office**  
Archdiocese of Melbourne

In reply please quote:           GE/08/0004 GE02/0045  
8 May 2008

**CIRCULAR TO PRINCIPALS OF CATHOLIC SCHOOLS OF THE ARCHDIOCESE OF  
MELBOURNE**

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Dear Principal

**Re: State Budget 2008/09**

The Victorian State Budget 2008/09 was handed down on Tuesday 6 May 2008. The Catholic Education Commission of Victoria Ltd (CECV) put in a detailed proposal for additional funding, but the budget outcome was extremely disappointing. There is no new education and early childhood development funding for Catholic schools in the 2008/09 State Budget, even though the total new expenditure announced for Government schools amounted to \$1.3 billion. Catholic education has been ignored in this Budget.

As you are aware the CECV has been calling for additional funding over a number of years. Our sector works cooperatively on a number of key Victorian Government education initiatives, including the Victorian Essential Learning Standards (VELS), A to E Reporting for students, and the newly established Victorian Registration and Qualifications Authority (VRQA) dealing with school registration and review requirements. The need for extra funding for Catholic schools has never been more urgent.

In the CECV submission to the Victorian Cabinet's Expenditure Review Committee (ERC) for the 2008/09 State Budget, five key areas were highlighted:

- 1) We asked that the State Government commit to the full indexation of all State recurrent and targeted grants to the Catholic sector on the basis of the increase in the cost of education in Victoria. Inadequate indexation means that the real value of our State grants is continually diminishing. All that we were asking for in this request was that our grants maintain their actual value.
- 2) We asked that the base Victorian State grant to the Catholic sector be increased to 25 per cent of the cost of educating a student in a government school, in alignment with the average state/territory contribution across Australia. State Government funding in Victoria continues to languish at the bottom of the table compared with all other states. Catholic schools in Victoria receive about \$578 less per child each year than children being educated in Catholic schools in NSW. This means that Victorian Catholic schools receive \$104 million less than their NSW counterparts, despite the relief provided by the increases announced in the 2005/06 budget.
- 3) We asked that the State Government allocates to the Catholic sector an additional \$25.5 million per annum to ensure funding equity to Catholic disadvantaged students and communities. A student with a disability in a Catholic school receives just \$5,000, two thirds of which is funded by recurrent grants. The same student in a government school receives \$15,000. There are 5,500 students with disabilities in Catholic schools.

- 4) We asked for additional capital investment in existing and new schools. The Catholic sector is receiving just \$20 million over four years, compared to \$1.9 billion over four years that the Government earmarked for its schools. In Queensland, Catholic schools will receive more than \$62.5 million from their State Government over an equivalent period.
- 5) We asked that Internet provision be increased from \$1.95 million to \$5.9 million per annum to enable needy Catholic schools have the same bandwidth connection as government schools. The budget showed, however, that the Government had decided not to renew the \$1.95 million previously provided, meaning that the overall State contribution will decline from 30 June 2008.

The State Budget announcement came a day after government school teachers won a significant wage increase from the Victorian Government. While few would argue against a wage rise for teachers, this decision will place more strain on Catholic education, as the CECV is committed to wage parity with government teachers. Minister Pike on 6 May 2008 in reply to a question in parliament about whether the Government would be providing funding for matching pay rises for Catholic teachers, indicated that the Catholic sector would be engaged in enterprise bargaining with its own teacher representatives and that that was "entirely a matter for them".

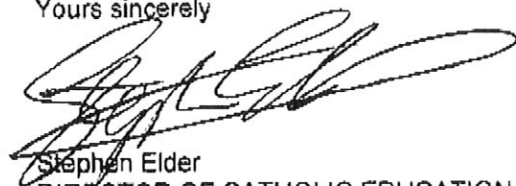
While the CECV has yet to receive the details of the agreement between the Australian Education Union (AEU) and the State Government, our initial estimates show that Catholic education will have serious difficulty in providing for these salary increases. Without adequate indexation and a real increase in State recurrent funding, schools will be forced to make two difficult choices: reduce resources or increase school fees. The CECV may also be forced to review the projects that were enabled by the new State funds announced in the 2005/06 budget in order to honour its teacher salary parity commitment. This would include initiatives in the areas of student wellbeing, students with disabilities, new arrivals, refugees, Indigenous students and support of low income families.

The Catholic sector plays a significant role in the delivery of a quality education for families in Victoria, educating over 186,000 students, that is, more than one in five. The Catholic education community has the right to ask the Victorian Government to further assist in providing a quality education to achieve the best educational outcomes for their children. Increased funding will greatly assist the work of our principals and teachers to give Catholic students the best chance for the future.

I am sure you would agree that this is an issue of the utmost importance as we are talking about the future of students in Catholic schools. I would strongly encourage you to send the attached proforma letter for parents and the local Catholic community. Copies of the State Government Budget media releases relating to government schools are also attached for your information. I would also ask that you contact your local State Member of Parliament to invite them to your school to explain the impact of inequitable State funding at the local level.

The four Victorian dioceses will reconvene the Cross Diocesan State Funding Working Party, including school representation, to embark on a more focused campaign to increase State funding for Catholic schools. I will keep you updated on any developments arising out of this action.

Yours sincerely



Stephen Elder  
DIRECTOR OF CATHOLIC EDUCATION

Encl.