

It's not just the Catholic system: all schools face funding cuts from 2021

All Australian schools will face cuts in real funding of around \$250 million per annum from 2021 under the Turnbull government's new 10-year funding proposals, analysis by the Catholic Education Commission of Victoria indicates.

The cuts will kick in once the government begins to apply a new indexation rate for school funding after the sugar-coating of the 2018-2020 'bait rate' wears off.

'The new rate will be based on two economy-wide indices – the wage price index and the consumer price index – that have little relationship to school costs,' Executive Director Stephen Elder said.

'Historical and current data indicates this new rate will be significantly below the actual cost increases experienced by schools.'

Based on current data, CECV estimates the new indexation rate would be about 1.95 per cent.

Our school costs are increasing by between three and 3.5 per cent per annum.

This will create a funding gap of one and 1.5 per cent per annum.

With school costs set to increase by more than the government's proposed indexation rate, from 2021, all schools across Australia will either need to raise fees, increase class sizes or slash teacher salaries to make up the difference.

'This is an issue that will impact all schools across Australia,' Mr Elder said, 'and the impact will be stark and harsh.'

'We estimate the funding cut will be about \$250 million in real terms for all schools across Australia in the first year and increase by \$250 million each year after that.'

'That means \$250 million in 2021, then \$500 million in 2022, then \$750 million in 2023 and so on.'

'Families and school communities across the country will want to know what this will mean for them.'

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