MEDIA RELEASE
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FEDERATION TAX REFORM NEEDS NON-GOVERNMENT VOICE

Two organisations representing the nation’s largest non-government providers of school education and public hospitals have backed moves to examine reforms to Commonwealth-state relations and national tax policy, but have proposed the Catholic Church’s unique service role in both schools and hospitals needs to be recognised in funding negotiations.

The National Catholic Education Commission (NCEC) and Catholic Health Australia (CHA) said changes announced in the 2014-15 Federal Budget will see funding programs for schools and hospitals wound back after 2017, as budgeted funding grows with the consumer price index.

NCEC Executive Director Ross Fox said “The Federal Budget has given schools certainty through to the end of the 2017 school year. After that, the Federal Government has committed only to a new consumer price index growth formula. If this lower funding growth is adopted, schools will face a funding shortfall that either state and territory governments or parents will need to cover. It is not clear if they will or can.”

Catholic Health Australia CEO Martin Laverty said “As with schools, the Federal Budget has flagged an end to additional funding programs to hospitals that were part of the Rudd-era health reforms. From July 2017, federal funding will revert to a consumer price index increase for public hospitals, with $2 billion pulled back over the next four years.”

Both Mr Fox and Mr Laverty said reform of Commonwealth-state funding arrangements needed attention. They said any reform should be tested against how it supports funding certainty and better outcomes for schools and hospitals. The vertical imbalance between government revenues and public services should be an area of attention to ensure the needs of the community in health and education are addressed.

“The Federal Government appears to want to achieve Commonwealth-state reform within the next two years. It’s appropriate for all governments to consider how they can make changes to most efficiently fund schools, but this will take time, and not be easy. Funding certainty is essential to support future school education planning,” Mr Fox said.

Said Mr Laverty: “It’s not clear what the removal of $200 million in federal funding for public hospitals will mean for possible service interruption in the next year. State governments approach hospital funding differently, and we’re keen to avoid service disruption as all governments work through tax and distribution funding agreements,” Mr Laverty said.

With Catholic schools educating one in five students each year and Catholic hospitals caring for one in 10 Australians admitted to a hospital bed, Mr Fox and Mr Laverty said there was a need for governments to consider the service roles of Catholic schools and hospitals as part of reform of Commonwealth-state relations.

“The current Federal Government, and the previous Federal Government, have both been inclusive of Catholic schools in determining recent education policy decisions. The unique role of Catholic education in the lives of 750,000 young Australians merits recognition in the reform process,” Mr Fox said.

“Australia has two main providers of public hospitals; state governments and Catholic health organisations,” Mr Laverty said. “Given Catholic organisations operate more public hospital beds than some state governments, federation reform should expand the already strong non-government hospital role in public health service delivery,” Mr Laverty concluded.

Mr Fox and Mr Laverty said they had commenced discussions with the Federal Government about how the federation and tax reform agendas would be progressed.

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