

Media Response

Issued to the Daily Telegraph, Friday 19 May 2017

ENQUIRY:

1. Why are Catholic schools threatening to increase fees to parents if they are already generating large surpluses?

The Federal Government's funding changes will force primary school fees to rise in some parts of Sydney, by more than double. This due to the proposed removal of an approach called the 'system weighted average' which allows the Catholic sector to meet students' needs while providing a low fee education to all families, whether they live in low, middle or high SES areas.

2. What is done with the surplus? What are the "other expenses"?

Catholic Education takes its commitment to financial stewardship very seriously. All government and private funding is subject to strict conditions and is also publicly available on MySchool.edu.au All expenditure is accounted for annually to the NSW and Australian governments and their agencies.

It is standard accounting practice to maintain a prudent reserve of funds to pay teacher and administration salaries, maintain thousands of school buildings and properties, plan and fund capital works and meet other unexpected obligations (such as providing intensive English language tuition to refugee students and other new arrivals). Collectively, the four Catholic schools offices in Sydney operate 313 low fee schools and have a wages bill of almost \$30 million per week. The amounts you quoted are a snapshot in time and change daily, like a bank balance.

Funds remaining after meeting expenses are used to acquire property to build new schools. Land and building costs for one new Catholic secondary school are around \$40 million in western Sydney. Catholic Education Parramatta Diocese set aside funds to build two new schools in northwest Sydney and is planning to open a further schools in the next three years.

Sydney Catholic Schools has opened four new schools since 2015 and plans to expand or open more. Last year, it opened Sydney's first Catholic secondary school for students with moderate intellectual disabilities and complex learning needs, Eileen O'Connor Catholic College in Lewisham.

The amount for the Wollongong Catholic Education Office includes capital grants received in October but not yet spent, as well funds tied to planned strategic reserves for the development of new schools, including in the rapidly expanding south west growth corridor of Sydney.

3. Does the fact that Catholic schools are generating such big surpluses indicate that they do not need all their government funding?

Catholic schools rely on government funding to meet more than 70% of their annual recurrent expenditure. The rest comes from parents by way of fees.

All government funding provided is subject to strict conditions. All expenditure is accountable annually to the NSW and Australian governments and their agencies.