



Choice and Affordability Fund

2023 Annual Report

Catholic Schools NSW Ltd
AB 46 619 593 369

NGRB Ongoing Compliance Declaration

Section 92 of the *Australian Education Act 2013* (the Act) outlines the basic requirements for approval of a Non-Government Representative Body (NGRB) for a Non-government school.

As such, the Department of Education is seeking confirmation that Catholic Schools NSW Limited (CSNSW) complies with the legislative requirements in relation to monitoring the body's compliance with the Act.

Confirmation you continue to meet basic requirements for approval

Body corporate

Catholic Schools NSW Limited (CSNSW) is a not-for-profit company limited by guarantee and domiciled in Australia. The registered address is Level 7, 123 Pitt Street, Sydney, NSW 2000. The ABN is 46 619 593 369. CSNSW is a registered charity with the Australian Charity and Not-for-profits Commission.

Not-for-profit (NFP)

CSNSW is the Approved System Authority for 547 Catholic schools in NSW under Commonwealth and NSW legislation and is responsible for distributing in excess of \$3.6 billion in recurrent funding to those schools in accordance with the requirements of the *Australian Education Act 2013 (Cth)* and the *Education Act 1990 (NSW)*. In doing so, CSNSW does all that is practically and reasonably possible to ensure that schools comply fully with the terms and conditions of funding grants and adhere to not-for-profit guidelines.

Financial viability

The ongoing operational status of CSNSW continues to be managed appropriately within the organisation's risk management plan and other financial policies that are in place. No matter as outlined under Section 27 of the *Australian Education Regulations 2023* have been identified as an issue for CSNSW.

Fit and proper person

The 2023 CSNSW Board had ten directors, including the Chair. The directors bring a wide range of skills to their positions and provide informed decision making. To assist in the execution of its role, the Board has five committees with regular schedules, one ad hoc committee and one panel. Each of these have their own charter. No matter as outlined under Section 28(2) of the *Australian Education Regulations 2023* have been identified as applying to persons employed by CSNSW.

NGRB Annual Report Sign Off

This annual report is submitted in fulfillment of the Annual Report requirements in sections 50, 51 and 52 of the CAF Guidelines.

**Name and Position of the person
signing off on behalf of the NGRB:**

Dallas J McInerney, CEO

A handwritten signature in blue ink, appearing to be 'D. J. McInerney', written in a cursive style.

Date:

19/viii/24

Summary of 2023

The Choice and Affordability Fund (“CAF”) is part of the Australian Government’s commitment to Australian families to providing choice on which school to send their child. The Catholic Schools NSW (“CSNSW”) funding distribution model and methodology supports this commitment by giving parents the opportunity to choose an affordable Catholic school that will best suit their individual child.

The CAF will provide CSNSW with approximately \$226 million over ten years from 2020 to 2029 to help address the challenges schools that are experiencing as a result of changes in per capita funding resulting from the implementation of the Direct Measure of Income (“DMI”) funding methodology introduced by the Australian Government in 2020.

In 2023, CSNSW distributed funding from the CAF for the following national priorities:

- a) *Choice and affordability of schools*
To provide funding for initiatives that facilitate parental choice and opportunity giving parents the ability to choose an affordable school that will best suit their individual child.
- b) *Transition assistance (including Regional Transition Assistance)*
To provide support for schools to transition to a new Capacity to Contribute model for recurrent funding. Funding was also provided to regional and remote Systemic schools in 2023 for the first time. Up until 2023, funding from the CAF had only been provided to Non-Systemic Catholic schools.
- c) *Special circumstances funding*
To support schools and students impacted by unforeseen events including in priority areas such as rural, regional and remote locations affected by drought or other natural disasters.

Brief summary of major achievements for 2023

Schools receiving CAF funding have been supported in moderating tuition fees, which in turn has given the best opportunity to families that are struggling financially in the current cost of living crisis to continue to send their child to a Catholic school of their choice. The continuity in the child’s education usually leads to better educational and social outcomes that might otherwise be impaired if the child was forced to move to a different school.

From the viewpoint of schools that received CAF funding, being able to retain students that might otherwise have had to leave the school ensures the financial viability of schools and the continued provision of the best possible quality of teaching and facilities by schools in receipt of CAF funding.

Another achievement of the CAF funding for 2023 is an increase in the number of schools have been able to support families with fee remission options. Parents can apply for fee help through the school’s website. Applications can be quickly assessed and processed. The fast-tracking of applications can put the least amount of stress on the child of the parents applying, ensuring the child can completely focus their attention on their studies, without the concern that they may be forced to change schools.

CAF funding was also extended to impacted schools under the Special Circumstances priority. This funding has allowed a school in Lismore that was severely impacted by the floods of 2022 to relocate to alternative location and undertake a refurbishment of facilities to meet the standards required to ensure continued registration as a school in NSW. Since the 2022 floods, enrolments at the school have continued to increase. Further funding from the CAF will be provided to the school in order for the school to continue to upgrade its facilities and ensure its continued financial viability.

The Regional Transition Funding component was utilised for the first time in 2023. Funding totalling \$331,552 was provided to thirty-six Systemic Catholic schools in regional and remote areas that have seen their annual funding growth under the DMI funding methodology lower than the former Socio Economic Status ("SES") funding methodology. Those schools utilised the funding in various ways:

- I. minimising the increase in tuition fees,
- II. providing tuition fee assistance through bursaries and related remission programs,
- III. provide transport options for students to travel to school, and
- IV. providing financial assistance to families impacted by reduced harvest in areas of flood during the summer of 2022/2023.

Risk Management

Risk	How the risk will be managed
<p>Non-Systemic Catholic schools use CAF funding for objectives other than what has been agreed in the Workplan between CSNSW and the school.</p>	<p>CSNSW corresponds with schools and provides a copy of the CAF Guidelines, highlighting those priorities that schools must follow. CSNSW also requests a report from each Non-Systemic school, requesting information on the use of CAF funds, the risks managed and minimised, plus the stakeholders involved. Oversight is ongoing.</p>
<p>Schools' inability to maintain financial viability, and the flow on affects to parents and students, during times of changing funding and other negative impacts, such as natural disasters and cost of living.</p>	<p>Each school and the Diocesan Schools Systems ("DSS") practice good financial management, including budgeting and cashflow forecasting. Detailed analysis also occurs to forecast funding and other possible scenarios. Conversation between schools, Systems and CSNSW is structured and ongoing.</p>

Activity Report

Activity/Initiative

Private Fee Increase minimisation – Non-Systemic Schools

Priority

A – Choice and Affordability

Activity Description

Non-Systemic Catholic schools utilised the funds received from the Choice and Affordability fund (“CAF”) to moderate increases in tuition fees, which has assisted in providing ongoing, affordable choice of school to families of existing and future students.

Funding from the CAF will allow schools to increase tuition fees at a more moderate rate and provide schools capacity for concessions and bursaries to families of students in financial distress. Alleviating financial pressure on families that were provided with fee concessions has allowed parents to provide a greater focus on supporting their child’s academic success.

At St Gabriel’s School in Castle Hill, fee relief was provided to families of students dealing with severe medical conditions and life-threatening illnesses. As a result of funding received from the CAF, these students were able to continue their education at their chosen school while their parents were able to afford the expensive medical treatment required by their child.

Another example of the use of CAF funds to assist in schools transition to the DMI methodology and provide choice and affordability is a school in the NSW town of Forbes, which has a large indigenous population and low SES background. During Covid lockdowns, students did not have the opportunity for supervised study in a home-life environment. The school opened a ‘Homework Centre’ that provides extended supervised study for years 7 -10 from 3.30pm to 4.30pm Monday to Thursday, with extended hours for years 11-12 to 7.30pm. The school also provides meals to students attending study after 6pm and transport back into town for all students after 4.30pm at no cost.

These actions and initiatives all serve to achieve the priority of providing a Catholic education for families and students requiring financial assistance.

In summary, the support from the Choice and Affordability Fund has allowed schools to assist families in their financial commitments as they choose non-government schools.

Outcomes Achieved

Outcomes	Indicators of success
Grant funding to provide families in financial distress to allow their children remain at their school of choice.	Schools were able to provide bursaries and fee concessions to those families needing financial assistance. Total Bursary programs provided many students and their families with significant assistance from the CAF.
Bursary assistance	Schools were able to provide bursaries and fee concessions to those families in need of financial assistance. Total Bursary programs provided many students and their families with assistance from the CAF, as challenges from rising cost of living and unforeseen medical expenses encountered by some families has put immense financial pressures on family budgets.
Partial offset of reduced recurrent grant funding under the new funding model	This assisted the school to offset further increase in school fees by the equivalent amount. This meant that schools were able to continue to provide a continuing level of quality teaching and facilities to all students.
Retention of enrolments	As CAF has been extended to school communities, enrolments in aggregate have been maintained or increased.
Enhanced sense of community support and solidarity within the school.	Increase in number of families who report feeling positive support by the school during times of financial difficulty.
Recipients proactively approaching the College to develop a fee payment action plan.	Percentage of recipients initiating and setting up regular payment plans with the school.
Set-up of after school hours study centre to assist students with further study especially required for students after Covid lockdowns.	Improved NAPLAN and HSC results achieved. Students more likely to complete their schooling to Year 12.

Activity Expenditure

	Centralised (Reporting Year Only)	Distributed (Reporting Year Only)
Expenditure	\$0	\$1,050,819

Activity Report

Activity/Initiative	Transition Assistance – Financial Hardship Assistance
Priority	B – Transition Assistance for Schools that would have been eligible for former <u>National Adjustment Assistance Fund</u>

Activity Description

Annual funding provided from the CAF to schools formerly eligible under the National Adjustment Assistance fund continues to provide financial assistance as schools transition to the DMI methodology. Funding is utilised to assist families under financial hardship.

Outcomes Achieved

Outcomes	Indicators of success
Bursary Assistance is publicly offered on schools' website for families experiencing financial hardship. Applications are made online. The school reviews the circumstances and awards bursaries according to need.	Funding from the CAF has enabled schools to extend assistance to families in financial hardship, maintaining student enrolment numbers.
Bursary Assistance	Schools were able to provide bursaries and fee concessions to those families in need of financial assistance. Total Bursary programs provided many students and their families with assistance from the CAF, as challenges from rising cost of living and unforeseen medical expenses encountered by some families has put immense financial pressures on family budgets.
Tuition Fee Increase Minimisation: Funding received from the CAF was applied as a partial offset against reduced recurrent grant funding resulting from the DMI methodology.	Schools were able to limit the tuition fee increase. The result being that families were able to keep their child enrolled in the school of their choice and the child's education did not suffer from disruption of being forced to change to a more affordable school or government school.
Supporting Boarders with lower fee increases (less than 4%) compared to local students' tuition fee increases (4%). Lower tuition fees charged as a result of CAF funding has supported overall enrolment growth.	The school has been able to maintain Boarding House numbers constant to 2022. Enrolments in the school continue to trend upwards from 2021.

Activity Expenditure

	Centralised (Reporting Year Only)	Distributed (Reporting Year Only)
Expenditure	\$0	\$423,116

Activity Report

Activity/Initiative	Financial Recovery from Natural Disasters
Priority	C – Special Circumstances Funding

Activity Description

In March and April of 2022, Lismore in NSW experienced the worst floods in its history. The unexpected weather event had a severe financial impact on all schools in the Lismore area. Trinity Catholic College is a Non-Systemic school that receives CAF funding from CSNSW under the CAF agreement. The CAF monies in 2023 were directed under Priority C – Special Circumstances Funding. The College relocated to the Southern Cross University campus located near Lismore. The CAF funding has been used to continue to refurbish the facilities and classrooms at the university being used by Trinity College to make it compliant with the NSW Education Standards Authority (NESA) requirements and to purchase replacement equipment.

Outcomes Achieved

Outcomes	Indicators of success
The funding provided is allowing the college to build additional classrooms and facilities for students to ensure NESA compliance standards are met. This has led to an increase in enrolment applications.	Enrolments have increased in 2024 over 2023 levels. Enrolments for 2023 were 815. In the current year, enrolments are 845 – an increase of 30 students or 3.6%.

Activity Expenditure

	Centralised (Reporting Year Only)	Distributed (Reporting Year Only)
Expenditure	\$0	\$41,901

Activity Report

Activity/Initiative	Upgrade of Computer Resources for Students
Priority	C – Special Circumstances Funding

Activity Description

For the Holy Saviour Primary School, Greenacre, the lockdowns during the Covid-19 period impacted negatively on the school as existing devices were sent home with students for remote learning, were returned either damaged or in need of repair. To be able to continue to provide students with the skills to work with the latest computing technology, the latest Chromebooks have been purchased for Years 3 – 6, with Years K – 2 to be issued in 2024.

Outcomes Achieved

Outcomes	Indicators of success
Funding received in 2023 are committed to be expended in 2024 for Years K – 2.	The school had spent \$23,367 in 2021 to transition to the use of Chromebooks for students in years 3 to 6. The funding received in 2022 and 2023 has been committed to be fully expended on providing Chromebooks for years K – 2 in 2024.

Activity Expenditure

	Centralised (Reporting Year Only)	Distributed (Reporting Year Only)
Expenditure	\$0	\$12,922

Activity Report

Activity/Initiative

Tuition Fee increase minimisation

Priority

B – Regional Transition Assistance for Systemic Catholic Schools

Activity Description

The funding specified for Regional Transition Assistance (“RTA”) provided by the CAF totals \$3 million from 2020 to 2029. Funding for this priority is to be quarantined for distribution to regional and remote Catholic Systemic schools that are significantly impacted by the implementation of the DMI funding arrangements. The distribution methodology must satisfy the following criteria:

- Funding will be provided to those schools in regional and remote areas which have an ARIA score of at least 1
- DMI Capacity to Contribute (“CtC”) score is higher than the 2011 or 2016 Socioeconomic status (SES) CtC score
- Annual recurrent funding growth is less than indexation

From the commencement of the CAF in 2020 until the end of 2022, Systemic Catholic Schools in NSW have experienced an increase in annual funding growth due to the transition share (where schools funding has been transitioning towards the proposed funding share of 80% Commonwealth, 20% State. This has meant that funding from the RTA component of the CAF has, up until 2023, not been required and has been quarantined for use in future years. The 2023 calendar year is the first time that funding from the RTA component has been distributed, in accordance with the criteria specified in the CAF Agreement.

The RTA funding has helped those regional and remote schools which are experiencing annual recurrent funding growth less than indexation and a higher DMI score under the DMI methodology and the previous 2011 or 2016 SES CtC score.

An amount totalling \$331,552 has been distributed to thirty-six schools in regional NSW, with amounts distributed based on student Full-Time Equivalent (“FTE”) count in those schools which satisfied the criteria for RTA funding. This funding has allowed schools to continue to maintain a high quality of education and facilities at schools, provide fee assistance or forgive outstanding fees to those families struggling to pay tuition fees or impacted by natural disasters such as flooding in their communities during the summer of 2022/23.

Outcomes Achieved

Outcomes	Indicators of success
School Fee increases passed on to families were limited to 2.5% - significantly below CPI (7.2% as at August 2022 and 5.2% as at August 2023)	No decrease in funding provided to schools for operating expenses. Schools were able to continue providing high quality resourcing despite receiving less government funding for specific schools due to the transition to a new 'Capacity to Contribute' model rather than the previous SES model.
Schools have been able to maintain existing enrolment numbers and increase this year on year.	Across the five schools in the Bathurst Diocese that attracted funding, student numbers increased by an average of 4.7% from the August 2023 Census to the February 2024 Census.
Provision of fee assistance to students from financially disadvantaged families or families impacted by floods.	<p>Students were able to continue to attend their school, continuing their education. Improved retention of students from disadvantaged families experiencing cost of living pressures which has led to enrolments increasing since Covid lockdowns. The school is a technical college teaching trade skills which is very important for future employment opportunities and to help address the current skills shortage.</p> <p>Families were able to continue sending their child to their chosen Catholic School despite challenges from loss of employment due to business closures or reduced harvest output due to floods experienced in the Wagga Wagga region over the summer of 2022/23.</p>
Provision of a bus service to take students from nearby rural towns to the Catholic high school of their choice	Students were able to continue their studies at their Catholic school of choice which showed in the retention and increased enrolments in the school.

Activity Expenditure

	Centralised (Reporting Year Only)	Distributed (Reporting Year Only)
Expenditure	\$0	\$236,451