



GUIDELINES SCHOOL FEE DEVELOPMENT

The following Guidelines are offered to assist schools in the development of their fee policies.

A. BELIEFS

We believe that:

1. "The Church should offer education service first to the poor or those deprived of family help or affection or those who are far from the faith" (*Declaration on Christian Education n.9*).
2. The family is the "...foundation of human society" and whenever possible the importance of this "...domestic sanctuary of the church" should be recognised in the fee structures set by schools (*Decree on the Apostolate of Lay People n.11*).
3. Fees in Catholic schools are an essential component of the total funding of Catholic education. Whilst Commonwealth and State Government grants provide the underlying financial support, schools will be able to achieve their vision and mission priorities only if Government funding is supplemented by fees and other private income raised by schools and parent organisations.

B. BACKGROUND

The Australian Government and Victorian State Government provide funding to Victorian Catholic schools to assist with the ongoing costs of school education. The main source of funding for Catholic schools in Victoria comprises of recurrent funding from the Federal and State governments. The Catholic Education Commission of Victoria Ltd (CECV) is the Approved System Authority responsible for establishing procedures for the distribution of government funding to Catholic schools and diocesan education offices in Victoria. The CECV Grants Allocation Committee (GAC) Primary determines the funding formula that distributes recurrent funding to each diocese and therefore to systemic primary schools.

The Australian Government determines General Recurrent Grants (GRG) to schools through the *Australian Education Act 2013*, while the State Government provides funding to Victorian Catholic schools as State Recurrent Grants (SRG) and in accordance with Funding and Service Agreements (FSA) signed between CECV and the Victorian Department of Education and Training (DET).

While the funding provided from both government sources is significant, Australian Government (65%) and State Government (20%), the gap between government funding and the cost of operating a Catholic primary school in Sandhurst is approximately 15%.

[The Guide to the Australian Education Act 2013](#) provides an interpretation of the *Australian Education Act 2013 (The Act)* and the *Australian Education Regulation 2013* and sets out the rights and responsibilities of authorities in order for them to receive Commonwealth funding for the purposes of school education. The notion of Capacity to Contribute (CtC) forms part of The Act, and reflects the idea that in non-government schools some parents and school communities are more able than others to contribute financially to their school's operating costs. The CtC percentage discounts the School Resource Standard (SRS) funding amount of per student funding for a school.

The Act uses socioeconomic status (SES) scores to determine capacity to contribute percentages. These [capacity to contribute percentages](#) are specified at section 54 of the Act.

There has always been the expectation that parents will pay fees and contribute to the cost of operating their school. The contribution (or gap) that makes up the term used by the Australian Government as Capacity to Contribute (CtC) may include items such as; school fees, levies (curriculum and excursion), fees from overseas students, hire receipts, rental income, interest from bank accounts, recurrent donations (including parish donations), fundraising (including parents & friends donations), and any other private (non-government) income.

The State Government also deducts an amount through their recurrent funding formula based on SES level of the school. With this in mind, and the fact that the Australian Government deducts an amount for CtC from a schools entitlement that makes up approximately 80% of a schools recurrent income, it is vitally important that a school has a fee structure in place that is able to cater to the needs of the school community while collecting adequate recurrent private income to assist in the operations of the school.

It is within this context that we aim:

1. To charge Fees at a level which balances the need to provide educational resources and the capacity of the community to contribute.
2. To provide fee remissions in circumstances where payment in full will cause undue hardship for parents/guardians.
3. To distribute Government funding on a needs basis with the capacity to contribute of schools as one of the variables which determines 'need'.

C. GUIDELINES

1. School Fees (Primary)

There are a number of factors to consider when developing a school fee structure -

- The school must distinguish between recurrent and capital income streams.
- Take into account the fee structures of other catholic schools in the region and be mindful of the possible effects of differential fee structures on enrolments.
- Consider those suffering financial hardship and ensure the Health Care Card (HCC) Factor that is provided to primary schools through their grants is utilised to assist families by providing fee remissions where appropriate (see section C.5).
- Consider the structure and level of fees charged which is a local school decision, bearing in mind the needs of the school and the capacity of the community to contribute. Primary schools in Sandhurst have adopted either a 'flat family fee' or a 'tiered fee' according to the number of students in each family.
- While the notion of a 'flat family fee' has been a long standing tenet of primary school fee policy across Victoria, in the last decade more schools have introduced a fee structure which varies according to the number of students enrolled per family (somewhat similar to the traditional secondary school structure). This may include a tiered fee based on;
 - 1 child,
 - 2 children, and
 - 3+ children.
- In these situations it is important that the notion of a 'family fee' is not lost altogether by setting too great a differential between fee levels. The practice of setting differential fee levels is a sensitive matter which should accord with sound Catholic social justice principles and should take account of the Church's mission to the poor.
- The discount for having more than one child enrolled at the school should be determined at the local level but may include a discount of 25%, 50%, 75% etc. Any change in fee levels should be phased in over a period of time to ensure any impact is minimised to families (e.g. 5-year period).
- **School authorities should consult the Catholic Education Office before changing fee structures. This will ensure all factors have been considered and any effect on overall recurrent income for the school is analysed. Please see Appendix 5 for an example of a Primary school fee structure.**

2. Levies

- A curriculum levy (also known as a school levy or education levy), exclusive of, the school fee may be charged to meet student classroom requisites and other curriculum costs. This may also include an Information and Communications Technology (ICT) charge. Generally this levy would be on a year level basis.
- An excursion levy should be determined during the schools budget process based on planned excursions for the year. The estimated levy income should match the budgeted expenditure. The levy can be billed at the beginning of the year to ensure ease of payment for families. Generally this levy would be on a year level basis.

3. Capital Fees

- Primary schools may charge a capital fee to cover, in particular, the provision and maintenance of buildings and for meeting the debt servicing needs of the school.
- School Building Funds may be utilised to support capital developments but please note that taxation deductions are allowed only for **voluntary** donations to Building or Library funds approved by the Taxation Office. Compulsory fees are not tax deductible. A Process for Setting Fees is included in Appendix 1.

4. Camps, Sports and Excursions Fund

- The Camps, Sports and Excursions Fund (CSEF) was introduced by the State Government in 2015 to replace the Education Maintenance Allowance that was discontinued in 2014.
- The CSEF will run over four years and provide payments for eligible students to attend camps, sports (including swimming) and excursions/incursions.
- Families holding a valid means-tested concession card or temporary foster parents are eligible to apply. \$125 per year will be paid for eligible primary school students, with \$225 per year paid for eligible secondary school students. Payments go directly to the school and are tied to the student.
- The [CSEF policy document](#) which provides more detail is available from the DET (State) website.

5. Health Care Card Factor

- Primary schools are provided additional recurrent funding (through the GAC(Primary) recurrent funding formula) to assist with providing fee remissions to eligible families. The Health Care Card (HCC) Factor replaced the previous Education Maintenance Allowance (EMA) Factor and is provided to schools based on the number of students that have been approved to receive the CSEF funding. For 2015 the funding was \$1,000 per EMA (2014) student. From 2017 the CSEF numbers will replace the EMA numbers to generate funding to schools.

- Schools are encouraged to monitor the total fee remissions they provide each year in line with the HCC Factor and to be consistent with their approach. This is an important part of the fee collection process and in line with our Church teachings and beliefs.

6. Full Fee Paying Overseas Students (FFPOS)

- As full fee paying overseas students do not attract government grants, schools do not receive recurrent funding for these students and must not be subsidised from the funds raised by the school for the education of other students.
- The Department of Education and Training [DET (State)] recommends the fee payable in respect of each FFPOS at government schools is equivalent to \$10,168 (2015) per pupil plus normal fees and charges for recurrent and capital purposes. This will vary according to each student's circumstances and the relative need of the school. Catholic schools should also set fees at this level in order to align with Government schools. For further information, please visit the DET (State) website by searching for: *2015 Victorian Government Schools: International Student Tuition and Other Fees*.
- The CECV GAC(Targeted Areas) also provides a grant allocation to schools with eligible newly-arrived, English as an Additional Language (EAL) and Refugee students to employ a teacher to work on a sessional basis with the students. For further information contact Mrs Margaret Nutbean, Education Officer (EAL–New Arrivals) on 03 9267 0228 or via email mnutbean@ceomelb.catholic.edu.au.

7. Annual Fee Increase

- The process for setting annual fee increases is a school based decision. Careful consideration needs to be made on the impact on both the school community and the recurrent income of the school. Several factors need to be considered including -
 - The Educational Consumer Price Index (CPI) movement in the previous 12 months. This can be located from the Australian Bureau of Statistics (ABS) website. Please be mindful that the Educational CPI includes all expenditure on primary, secondary and tertiary education along with preschool services, of which a breakdown is provided by the ABS each quarter when the figures are released.
 - Salary costs are the biggest school expenditure. The estimated percentage increase in school salaries should be taken into consideration. An average increase across CECV can be provided based on salary rates from the current Victorian Catholic Multi Enterprise Agreement (VCMEA).
 - Federal and State recurrent grant income can fluctuate each year depending on enrolments, school community profile and additional needs. Funding to the system is dependent on government policy and must be part of the decision making process which should form part of the annual school budget.
 - Any estimated fee income should take into consideration the collection rate of the school and not the amount billed.

D. FEE COLLECTION

Background

School Boards have a responsibility in providing advice in the areas of budgeting, monitoring expenditure and accountability. Fee income is a matter for annual review by the Board and schools should utilise the many commercial facilities now available to collect fees. Some of these include direct debits, and Electronic Funds Transfer (EFT) facilities including credit and debit cards.

During the enrolment process, schools should make families aware that fee remissions are available to those that qualify, to ensure that all children who wish to have a Catholic education are given the opportunity and do not miss out because of the inability of their parents/guardians to meet the fees and their unwillingness to seek such exemptions. A very clear policy must exist and be available to your school community for those pupils whose parents cannot afford to pay school fees and wish to seek an exemption.

The case of parents/guardians who are unwilling to pay fees poses greater difficulties. Such cases are likely to surface only after the student has commenced in the school and parents/guardians refuse to meet their financial commitments. Every effort must be made to help those parents/guardians to understand their obligations. It becomes a matter of justice to the other parents/guardians and students that they should meet their commitments. The recovery of unpaid fees must be approached respectfully and sensitively to protect the student as much as possible from the public embarrassment that could arise.

The judgment as to whether parents/guardians are unable to pay because of their financial situation must be based on truth, love and compassion and therefore may err on the side of leniency. The matter of parents who are, to all appearances, able to pay fees but who are unwilling to do so, is more difficult to handle.

The balance is in securing a reasonable justice for all parents/guardians by seeking to ensure that individual parent/guardians contribute their share. This must be placed in the context of the Church's mission to care for and educate the student as well as educating the community on the issues of justice and fairness in relation to parental financial responsibilities.

Please also see the [SSEB Enrolment Policy and Guidelines – November 2013](#) for further information on enrolment of students.

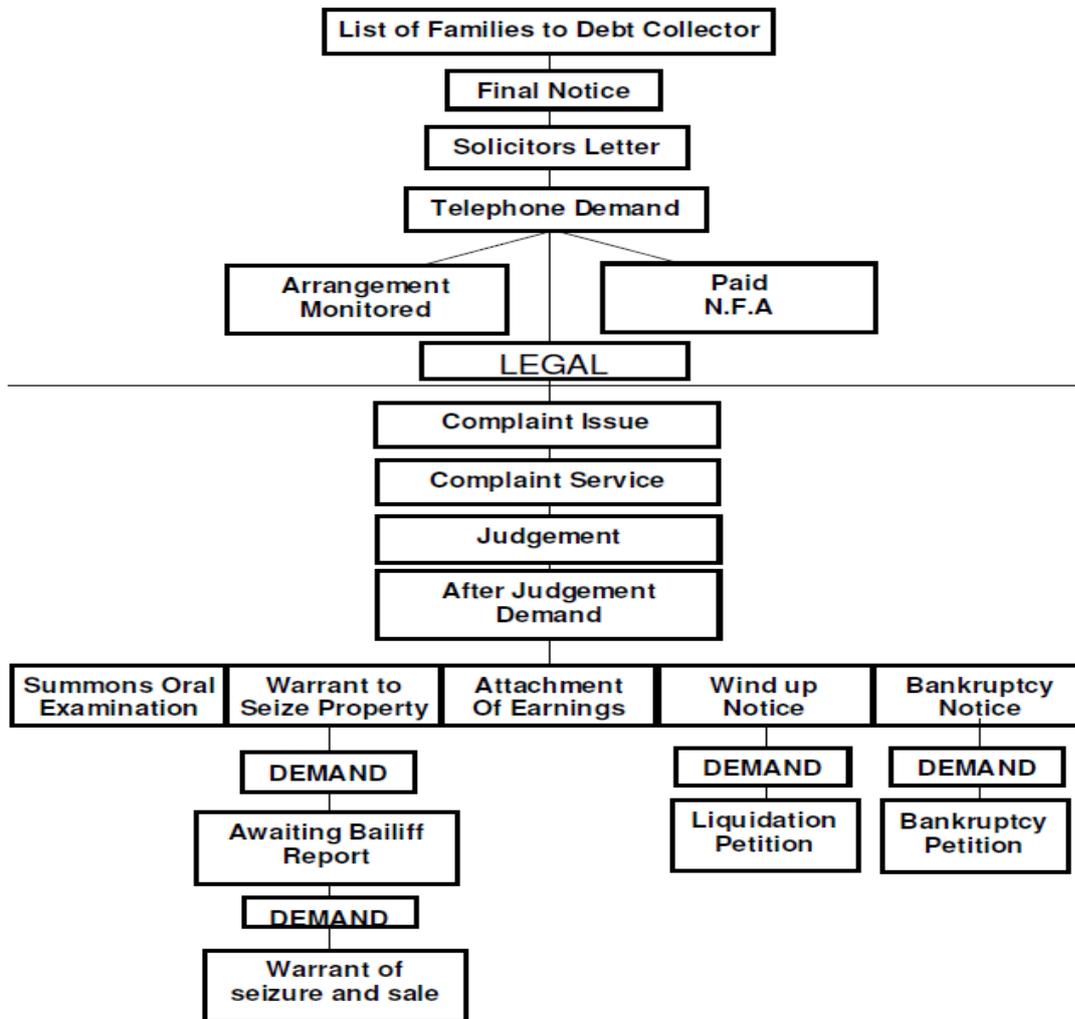
Guidelines

The guidelines on fee collection for Catholic schools in the Sandhurst Diocese are set out below:

- 1.** Fees and levies should be set by the appropriate school authority, taking into account the budgetary requirements of the school and the needs-based policies of the CECV.
- 2.** As is the current practice in many Catholic schools, parents should be offered a number of methods of paying fees to reduce their financial burden and to assist their financial planning. Schools may offer to accept the fees on weekly, fortnightly, monthly, per term or an annual basis. It would be an appropriate step for the school authority to provide, at the beginning of each school year, to each parent/guardian a full account of the fees for that school year. Periodic statements e.g. each term, would be issued indicating each individual's position regarding payments for the year.
- 3.** The school authorities should use a variety of methods to follow up non-payers. If parents commit themselves to a particular method of payment, such follow up should ensure that those who fail to meet their promises are made aware of this at an early occasion. The shared responsibility of all parents/guardians for the financial support of the school is an important point. Concessions should be offered where necessary. Follow up on a personal basis may be conducted by an appropriate person or persons in a sensitive, discreet and confidential fashion. Please note that phone calls and face-to-face meetings at the beginning of the year with non-payers is a very important part of the process.
- 4.** After personal and pastoral contact with non-payers, letters may be used to remind people of their obligations. As a last resort the school authority may decide to send an official letter, for example, from a solicitor, when clearly the parent/guardian is able to meet the charges but is unwilling to do so.
- 5.** Primary schools also need to be mindful of parents/guardians who have an outstanding school fee debt and have students that are leaving school at year 6 and attending a Catholic Secondary school. Principals are encouraged to communicate with the parent/guardian to ensure any primary school debt is repaid as a priority before the future secondary school fees are paid.
- 6.** The services of debt collectors should only be used, when the above process has proven to be unsuccessful, and after the Director of Catholic Education Sandhurst has been advised of the circumstances. If a debt collection agency is to be involved in fee collection, the agency should be briefed as to the expectations that Catholic schools have with regard to the dignity of persons and that the school will be consulted before each step in the process is undertaken. A process similar to the following flow chart supplied by Midstate Credit Management Services, is appropriate.

DEBT COLLECTION FLOWCHART

The following flowchart identifies the proposed collection and legal processes that would be undertaken for the recovery of accounts.



7. For overriding pastoral reasons, under no circumstances should debt proceedings be initiated to recover unpaid fees, including levies, before approval has been sought from the Director of Catholic Education Sandhurst.
8. For philosophical and pastoral reasons, no student should be excluded from re-enrolment as a consequence of his/her parents/guardians unwillingness to pay school fees. Points 6 and/or 7 may be appropriate to pursue after the student has left the school.

E. REVIEW/EVALUATION

Initial Policy ratified: November 2015

Review due: 2018

Appendix 1

A Process for Setting Fees

1. Establish the recurrent and capital expenditure needs of the school through your budget process.
2. Calculate Government Grants according to the recurrent grants formula.
3. The total needs less the grants represents the amount to be collected in school fees and other private income.
4. Determine the appropriate level of fundraising and other private income to obtain the total fee needed to balance the budget.
5. Capital fees should not be increased by Educational CPI and instead should be determined by the level of capital/maintenance costs for the following year including debt servicing.
6. Review your schools Federal government CtC rate per pupil and compare this to the estimate total other private recurrent income which is made up of the following items; school fees, levies (curriculum and excursion), fees from overseas students, hire receipts, rental income, interest from bank accounts, recurrent donations (including parish donations), fundraising (including parents & friends donations), and any other private (non-government) income, (excluding capital income).
7. Ensure the School Board has been advised and a letter is sent to families advising of the changes for the following year.
8. Update direct debit information and provide the direct debit consent form to families.
9. Ensure collection procedures are in place and review all fees in arrears regularly.



Appendix 2 - REMINDER LETTER NO. 1

Date

Address Block Here

Dear,

We write regarding your child/children's school fees which from our records indicate an overdue amount on your account of \$.....

If our information is correct it would be appreciated if you could attend to this matter by settling the account, or by making an appointment to discuss the situation.

A copy of the account is attached for your information.

Yours faithfully,

Principal

Parish Priest



Appendix 3 - SAMPLE FEES LETTER NO. 2

Date

Address Block Here

Dear,

Further to our earlier correspondence dated (insert LETTER 1 date here) regarding your account for school fees of \$....., we advise that the account is well overdue and your early attention to this matter is required.

Payment by pre-arranged regular instalments is quite acceptable.

Fee concessions may be granted in cases of financial hardship or where other special circumstances exist. If this is the case you should contact the Principal to arrange an interview to discuss this matter.

We have enclosed pamphlets on government assistance provided to eligible families.

It would be appreciated if you could please contact me within 7 days to arrange an interview to discuss this matter.

Failure to respond may result in the school referring this matter to solicitors/debt collectors.

If you have paid the account within the last few days, please disregard this letter.

Yours faithfully,

Principal

Parish Priest

Appendix 4

Sandhurst Primary Schools Capacity to Contribute (CtC) Levels

CtC - Private Income for Recurrent Purposes					
SES	Band	2015 CTC - Private Income for recurrent purposes	2016 CTC - Private Income for recurrent purposes	2017 CTC - Private Income for recurrent purposes	2018 CTC - Private Income for recurrent purposes
73	1	\$ 960	\$ 995	\$ 1,030	\$ 1,067
85	2	\$ 960	\$ 995	\$ 1,030	\$ 1,067
90	3	\$ 1,004	\$ 1,024	\$ 1,045	\$ 1,068
94	4	\$ 1,025	\$ 1,039	\$ 1,053	\$ 1,068
97	5	\$ 1,031	\$ 1,076	\$ 1,124	\$ 1,174
101+	6	\$ 1,045	\$ 1,163	\$ 1,295	\$ 1,441

Appendix 5

Sandhurst Primary School Fee Structure Example

(Tiered school fee plus capital fee and levies)

Fees	Enrolled February			
Excl. levies	(# of families)	Recurrent (\$)		Capital (\$)
1 child	110.0	\$ 12		\$ 3
2 children	40.0	\$ 18		\$ 3
3+ children	10.0	\$ 21		\$ 3
Total (A)	160.0			

Levies	Enrolled February (# of pupils)	Per student or pupil charge					Total (\$)
		Curriculum (\$)		Sports (incl. Swim (\$))	Camp (\$)	Excursion (\$)	
Prep	40.0	\$ 3		\$ 6	\$ -	\$ 9	\$ 15
Year 1	30.0	\$ 3		\$ 6	\$ -	\$ 9	\$ 15
Year 2	30.0	\$ 3		\$ 6	\$ -	\$ 9	\$ 15
Year 3	30.0	\$ 3		\$ 6	\$ 12	\$ 9	\$ 27
Year 4	30.0	\$ 4		\$ 6	\$ 12	\$ 9	\$ 27
Year 5	30.0	\$ 5		\$ 6	\$ 25	\$ 9	\$ 34
Year 6	30.0	\$ 5		\$ 6	\$ 30	\$ 9	\$ 45
Total	220.0						

*Please note the amounts listed above are an example only and should not be used as actual school fee and levy charges.