# MERICI COLLEGE
# INFORMATION ABOUT FUNDING AND FEE INCREASES
# NOVEMBER 2023

### How are schools funded?

The Schooling Resource Standard (SRS) is an estimate of how much funding a school needs to meet its students' educational needs. Schools are funded on a per-student basis. In 2023, the primary base SRS amount is $13,048 per student and the secondary base SRS amount is $16,397 per student. School funding is also indexed every year to account for the increasing costs of schooling. In addition, there are further funds provided on top of the base funding to help meet the many extra costs associated, for example, with educating students from disadvantaged backgrounds and to take into account individual school circumstances.

For most non-government schools, the SRS amount is reduced by the school's capacity to contribute (CTC) to fees. The Gonski Review introduced changes to how a school's ability to financially support the education of students in its community is calculated. This aimed to ensure schools are funded in a manner that aligns with their specific circumstances and the resources they can reasonably provide.

### What is the Capacity to Contribute and how is it measured?

The Government measures a school's Capacity to Contribute (CTC) using the Direct Measure of Income (DMI) methodology, which represents a shift from previous methods that were based measures for small geographic areas, including household income and parent occupation. This new approach is designed to provide a more accurate and equitable assessment of a school's capacity to fund its educational programs.

Non-Government schools can receive up to 90% of their base funding (where their CTC scores is 93 or lower) or down to a minimum of 20% of their base funding (where their CTC scores is 125 or higher). The CTC measure reduces the base amount for most non-government schools.

Under the DMI methodology, the key data used to calculate a school's CTC scores is the median pre-tax income of families who have children enrolled at the non-government school in question. This information is collected annually by the Australian Taxation Office (ATO). The median family income is a central figure that represents the financial capacity of families to contribute to school fees. It provides a more direct and precise measure of the economic circumstances of the school's community. Importantly, a school's CTC score is calculated as the average of the DMI scores from the previous three years.

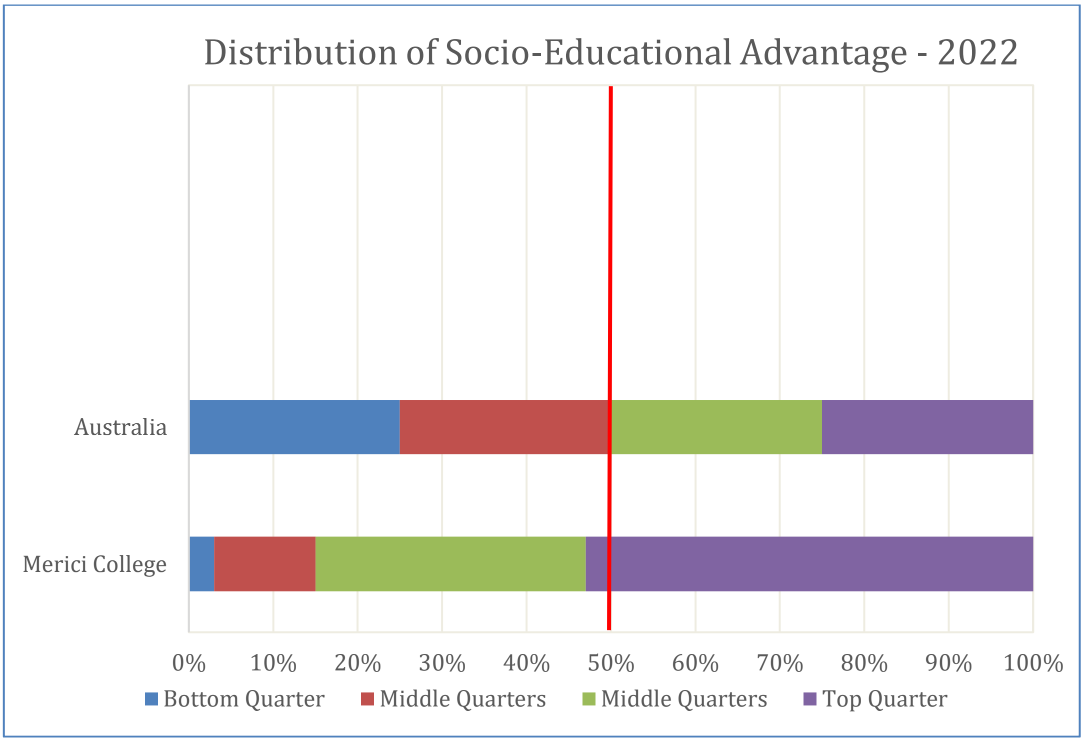
The shift to the DMI methodology is seen as a more equitable way to assess school funding, as it directly reflects the income levels of the families within a school's community. It aims to ensure that government funding is allocated in a manner that aligns with the actual financial circumstances of the school's population. While no funding model is perfect, the DMI-based assessment is generally regarded as a fairer and more accurate way to determine a school's Capacity to Contribute, contributing to a more equitable distribution of educational resources in Australia.

### What has happened at Merici College?

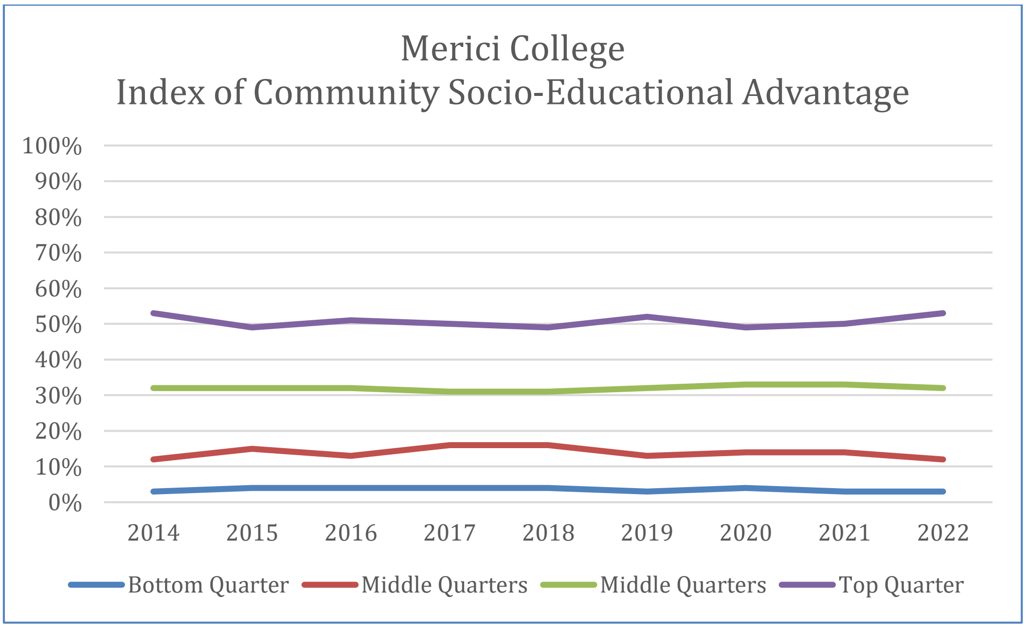
Since 2018, all non-government schools have been on a transition path towards the Gonski 2.0 funding model. Merici College was identified as an over funded school in 2017 based on our parents' capacity to pay (CTC). This has resulted in a cut in funding and the College being placed on a transition funding pathway to be completed in 2029.

Adding to the complexity of the situation, our family's capacity to contribute (CTC) to fees has surprisingly been further adjusted upwards, resulting in an additional loss in funding. This means the College is simultaneously managing the loss of funding due to the Gonski transition as well as the loss of funding due to an increase in our CTC measure.

The decision to adjust the CTC measure is supported by data indicating that approximately 90% of the College's families fall within the top two quartiles of the socio-educational advantage index, a distribution that has remained largely consistent over the past decade.




Source: myschool.edu.au




Source: myschool.edu.au

One challenge in this process is the volatility of Direct Measure of Income (DMI) scores, which can fluctuate from year to year. Even a small increase in the CTC score can place a significant financial burden on an individual school. Unfortunately, DMI and CTC scores are typically made available at the end of the year, usually in late November, for implementation in the following year. This means that schools have little to no warning regarding changes in their CTC score. In a school like Merici College, this has had a significant impact on our funding entitlement.

### What strategic initiatives has the school taken during the transition period?

To offset the reduction in government income which has been occurring over recent years, the College has grown student enrolments with benefits of economies of scale and reviewed operational expenditure. The reality is that the College is facing an income issue rather than an expenditure issue.

### Could our CTC score go up again?

Our 2024 budget has projected a further CTC score increase. It is possible our CTC score may continue to climb higher. You may be very surprised to see that many high fee-paying schools have the same CTC score or even lower than Merici College.

### What will happen over the next few years?

Based on anticipated CTC scores, increases are anticipated over the next few years as Government funding continues to fall.

### Why don't we stop investing in infrastructure?

Updating affordable and appropriate College infrastructure is an ongoing and necessary commitment. This has been an enduring focus for the College since its inception and current students are the beneficiaries of previous families whose fees and generosity has contributed to our wonderful facilities and grounds. Our current families carry forward this tradition of investing in the future of the College for generations to come. We have prioritised ongoing and continuous refurbishment of facilities to support excellence in teaching and learning, as well as future proofing the College through developing our new Masterplan. This plan will be launched in early 2024.

Ongoing collaboration between the College Executive and Catholic Education Canberra & Goulburn, with the support of the College Community Advisory Council (formerly known as the College Board), ensures we maintain the right balance between financial stewardship and future proofing the College's infrastructure.

### What other financial pressures exist?

Adding to our funding challenge is the anticipated increase in teacher salaries and work conditions. The new award for ACT government teachers resulted in significant improvements to their work conditions and salaries. Like many professions, we are in a very competitive market in regard to retaining and attracting talented teachers who play such a pivotal role in shaping your daughter's future. Our teacher salaries and work conditions need to be competitive with both government and other ACT schools.

### What happens if the College doesn't increase its fees?

Simply, we cannot afford not to for the sake of ensuring the College's financial security and sustainability.

### What do your fees include?

The fees cover:

1. The tuition fee, as recommended by the Catholic Education Commission.
2. The College Levy which includes a broad range of student costs including camps, retreats, bus hire, all excursions under $40, Year 12 Graduation Dinner, consumables (such as art supplies, food in hospitality, paper and stationery), textbooks, site licences and subscriptions.

It is charged to cover costs associated with student curriculum, technology and IT/Internet expenses, classroom equipment, administration services. It also includes site services and all utilities, as well as the ongoing improvements and maintenance of the college buildings and grounds to be functional, clean, safe, and compliant.

### Sibling Discounts

A reminder to families that, if you have more than one child at Merici College or another CE systemic primary school or secondary college, CE offers a discount on the Tuition Fee. Sibling discounts will be applied for the second and subsequent siblings at other CECG secondary colleges as follows:

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| Oldest Child | Full Fee |
| Second Child | 20% Discount |
| Third Child | 50% Discount |
| Fourth Child | 100% Discount |

For siblings at other CECG primaries, a discount is calculated separately.

### How can the school support families?

As we face these changes together, we are mindful there will be families who will struggle due to the additional financial commitment. To assist families facing financial challenges, we have taken steps to enhance our concession budget significantly. We want to ensure that every eligible family has access to the support they may need to continue their daughter's education at Merici College.

We understand that discussing financial matters can be sensitive, but we want to reassure you that your privacy and confidentiality are of utmost importance to us. If you are experiencing financial strain or anticipate needing assistance, we encourage you to reach out to me or our Business Manager. You can also contact our Finance Office on telephone 02-62434108 or via email at fees.office@merici.act.edu.au.

Please do not hesitate to get in touch with us. We are here to listen, assist, and work together to find solutions that ensure your daughter's education remains uninterrupted and your family's well-being is safeguarded.