



## Capital Funding – Frequently Asked Questions

### **1. How many Catholic schools and students are there in NSW?**

At the end of 2014, there were 584 Catholic schools in NSW, educating almost 254,000 students. Catholic schools educate one in every five NSW students (21%).

### **2. How are NSW Catholic school buildings and facilities funded?**

Capital funding - which is used to build, expand or upgrade NSW's Catholic schools - comes from parents, governments (Federal and State) and the parish community.

The majority of capital funding comes from parents repaying loans.

### **3. How much capital funding does the NSW Government provide to all schools each year?**

On a per student basis, the NSW Government allocates \$524 per government school student in capital funding for new projects while Catholic schools are allocated \$30 per student.

In the 2014-15 Budget, the NSW Government provided:

- \$399.1 million for capital projects in the state's 2,196 government schools, and
- \$54.6 million for the state's 974 non-government schools.

Of the \$54.6 million allocated to non-government schools, \$43 million is needed to subsidise interest payments on loans taken out for projects commenced before 2006-07 under the now-closed Interest Subsidy Scheme (ISS).

This leaves just \$11.6 million to fund new capital projects in Catholic (\$7.6 million) and independent (\$4 million) school sectors.

### **4. What happened to the Interest Subsidy Scheme?**

The ISS was introduced in 1968 to help non-government schools borrow to finance capital projects. By 2006/07, it was costing the NSW Government \$67 million per annum.

It was closed to new loans that year and a new program - the Building Grants Assistance Scheme (BGAS) - was introduced to provide cash grants to non-government schools.

### **5. How is the BGAS funded?**

As schools loans expire and interest subsidies are no longer required, the money that becomes available is redirected into the BGAS to ensure that \$67 million continues to be available to non-government schools each year (either as interest subsidies or grants).

However, since 2012, that is no longer the case and only \$54.6 million is now available (2014-15).

## **6. What happened to the BGAS in 2012?**

In the 2012-13 Budget, the NSW Government capped capital funding to non-government schools by stopping any further money being redirected into the BGAS.

This has meant that the amount available as grants to Catholic and independent schools each year remains at around \$11 million, despite enrolments growing each year in both sectors.

Catholic school enrolments have grown by 10,000 in that time – the equivalent of 12 new secondary schools or 400 classrooms.

## **7. Where will the fastest growth in enrolments occur by 2031?**

In terms of the number of students, the local government areas predicted to have the fastest enrolment growth are Blacktown, Liverpool and Camden. These are geographically large council areas with space to expand.

The real pressure is in established areas such as Parramatta, the City of Sydney and Canada Bay where a boom in apartment living has increased the number of families living in areas where there are geographic limits to the number and size of schools.

## **8. Why do NSW Catholic schools need capital funding support from the NSW Government?**

By 2031, all NSW school sectors will need to accommodate an additional 267,000 students (according to the Government's figures).

NSW Catholic schools will need to create an additional 58,000 places to accommodate their share of this growth - the equivalent of more than 2300 new classrooms.

Most of this expansion will be funded by Catholic school parents, as has been the case for decades.

But the increasing cost of land, construction and education technology means parents will not be able to meet the costs of supporting enrolment growth to the same degree.

The next NSW Government must lift its capital funding support to Catholic schools to help them accommodate this additional growth – otherwise, the Government will be forced to build and staff more new government schools than it has currently planned for.

## **9. How does financial support to Catholic schools save NSW taxpayers money?**

It is financially more sensible for the NSW Government to help Catholic schools accommodate their share of enrolment growth.

This is because Catholic school parents meet most of the capital costs, thus easing the pressure on state taxpayers.

If Catholic schools do not have enough places to accommodate their current proportion of this growth in students, the Government will be forced to spend **more** taxpayer funds to build and staff more new government schools than currently planned.