



# POLICY

## School Fees

April 2021

### 1. Vision

The vision for Catholic Education Sandhurst Limited (CES Ltd) is to provide, in partnership with our families, stimulating, enriching, liberating and nurturing learning environments in each of the Catholic school communities within the Diocese. At the heart of this vision is our commitment to the ongoing duty of care that we have for the safety, wellbeing, and inclusion of all children and young people.

We believe:

- that the values of the Gospel are central to who we are, what we do, and how we act
- in leadership encompassing vision, innovation and empowerment.

### 2. Background

The Catholic Church's preferential option for the poor obligates Catholic schools to ensure that no baptised Catholic student is denied a Catholic education because of a family's inability to pay school fees.

"Each individual Christian and every community is called to be an instrument of God for the liberation and promotion of the poor, and for enabling them to be fully a part of society." Pope Francis, *Evangelii Gaudium*, Encyclical Letter, 187.

In recognition of the differential capacity of families to contribute to the costs of education, both the Australian and State Governments incorporate needs-based elements into their recurrent funding of the Catholic school system.

The Catholic Education Commission of Victoria Ltd. (CECV) Policy for allocating funding to Catholic schools also accounts for need in that, all other factors being equal, schools in lower socio-economic areas receive more funding than those in higher socio-economic areas. The Federal government uses a factor known as Direct Measure of Income (DMI) to calculate the school communities that are of greatest need. Also, schools are provided with additional financial assistance for each student of a family who holds an eligible, means-tested Health Care Card (HCC) which assists in enabling schools to offer fee concessions.

This School Fees Policy of Catholic Education Sandhurst Limited (CES Ltd) acknowledges the significant contribution that individual schools make to the costs of education, through the generation of private income that includes the payment of fees by families. In recognising the role of schools in this area and in supporting the principle of accessibility of Catholic schools through its needs-based funding formula, CES Ltd requires school communities to establish fee setting, collection, concession, debt recovery and write off practices that are consistent with access and equity priorities.

### 3. Purpose

This Policy outlines the process by which schools will set and collect fees, provide concessions to families experiencing financial hardship, pursue recovery of unpaid fees and write off fees.

It will provide a consistent approach for CES Ltd schools to school fee setting, fee collection, fee concessions and fee debt recovery.

This Policy acknowledges the need for schools to charge and collect fees and for families to meet their fee obligations with regard to their capacity to pay.

### 4. Principles

This Policy is embedded in the principles of Catholic Social Teaching and, in particular, 'The Dignity of the Human Person', 'Preferential Option for the Poor' and 'The Common Good'.

- **Dignity of the Human Person:** Processes for the collection of school fees, granting of fee concessions and recovery of unpaid school fees need to be transparent, fair and just.
- **Preferential Option for the Poor:** Catholic schools should be accessible to all Catholic families irrespective of capacity to pay.
- **The Common Good:** Each Catholic school is responsible for setting its own fees taking into consideration both the private income (i.e. school fees and charges, interest earned, donations, etc.) needing to be raised and the capacity of their families to pay.

### 5. Scope

This Policy has been prepared for all CES Ltd Primary and Secondary Schools and Specialist schools.

The Policy should be read in conjunction with the *CES Ltd Guidelines for School Fee Development*.

## 6. Procedures

### 6.1 Policy Development

- Primary schools, Secondary schools and Specialist settings are to use this policy and the associated CES Ltd Guidelines for School Fee Development for fee setting, collection, concession, debt recovery and write offs as the policy and procedures for each school.

### 6.2 Fee Setting

- Catholic schools are obliged to set fees according to criteria that represent a thorough and transparent assessment of the internal and external factors influencing costs and the ability of families to pay.
- The operation of a school is subject to complex legislative regulation, charitable status and government funding eligibility. These, amongst other things, impose important restrictions on how the school applies income generated from its conduct, including school fees.
- Fees and their payment should be discussed with parents at the time of enrolment. Relevant fee policies and procedures should be made available to prospective families at that time.
- Approval of school fee setting must be in accordance with the CES Ltd Delegation Framework.
- The fee structure must not include any charges or collection of money on behalf of a parish. If a parish wishes to charge a levy it must be invoiced directly by the parish from the parish office, collected separately from the school and not pass through the school's accounts. Moreover, the school enrolment or the level of school fees which parents pay must not in any way be made conditional on, or otherwise affected by, a parish levy contribution. A parish levy contribution must be voluntary.
- Full Fee Pay Overseas Students (FFPOS) are required to be charged at the full cost of educating a student as they do not attract government funding.
- For primary schools, the fee structure may be in the form of either a single-family fee or a tiered family fee i.e., 1 child, 2 children, 3+ children.
- The fee structure must not provide a discount conditional on providing financial support to the parish. Schools must not adopt a structure of school fees whereby a discounted rate is available to school parents who contribute a prescribed minimum amount to the parish, through the Thanksgiving Program or otherwise, known as a 'two-tiered school fee'. These fee structures are a reduction in school income and could arguably be seen as redirecting school income to be applied for non-school or non-educational purposes.
- Where a School Building Fund exists, schools may encourage contributions to the School Building Fund. It is important, however, that donations to the School Building Fund be a 'gift' in that they are freely given and do not provide any benefit to the donor.
- If a school imposes a mandatory contribution to a School Building Fund, or payment of the same, that entitles the parent to a discount to the school fees, it

will not be a donation or a gift, and the school must make it clear to parents that the contribution to the School Building Fund levy will not be tax deductible.

### **6.3 Fee Collection**

- Catholic schools are required to develop procedures for fee collection that are consistent with good financial practices and the principles of Catholic Social Teaching.
- To ensure a steady income stream and to make fee payments more manageable for families, schools should offer weekly, fortnightly and monthly fee instalments via direct debit or Centrepay.

### **6.4 Fee Concessions (Remissions/Exemptions)**

- Catholic schools are expected to provide fee concessions to families experiencing genuine financial hardship.
- Any family facing financial hardship is strongly encouraged to apply for a fee concession.
- Any family who holds a HCC eligible for CSEF is strongly encouraged to apply for a school fee concession.
- Schools must ensure that funding provided to the school for the specific purpose of providing fee concessions for eligible families is appropriately allocated.
- An application for a fee concession should be made to the school and all information provided must be treated in the strictest of confidence.
- Authority for approval of school fee concessions is as per the CES Limited Delegation Framework.
- A school fee concession must not be provided for a FFPOS as they are considered ineligible.

### **6.5 Recovery of Unpaid Fees**

- All families are expected to meet their school fee obligations.
- Where parents who have the financial means, refuse to pay school fees, every effort must be made to help them understand their obligations and the impact that non-payment has on the school's ability to provide a quality education for all students.
- Schools should make every effort to monitor and manage the collection of school fee payments to avoid school fee debt accumulating.
- It is a matter of justice to all families that all available steps are taken to ensure that school fees are paid.

- The recovery of unpaid fees must be approached pastorally, compassionately and sensitively, to protect the student as much as possible from the public embarrassment that could arise.
- The judgment as to whether parents are unable to pay because of their financial situation must err on the side of leniency.
- After all other measures to recover unpaid fees have been exhausted, the use of a debt collector and legal action may be considered.
- Authority for approval of legal action to recover fees is as per the CES Ltd Delegation Framework.

## 6.6 Write Offs

- Once the services of a debt collector have been utilised, the school can decide whether to continue to pursue the debt or proceed to write off the debt.
- A decision to write off the debt should only be made if the debt is believed to be uncollectable.
- If the school believe the debt is collectable and would like to pursue legal action, this should not proceed before written approval has been sought from the Executive Director of CES Ltd. In most cases legal action should only be initiated once the student has left the school. Please see the CES Limited Guidelines for school Fee Development for more detail.
- Schools are required to include a Provision for Doubtful Debts in their financial accounts to allow for any debts that are deemed to be uncollectable. The provision must be based on an assessment of the collectability of each individual outstanding fee balance on a per debtor basis and the provision adjusted as necessary. 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.

## 6.7 Communication with the School and Wider Community

School fee policies and related documentation should be accessible in a variety of ways and from a variety of sources including the school website.

## 7. Expected Outcomes

- 7.1** CES Ltd Catholic schools will develop policy and procedures for the timely collection and remission of school fees in line with the Catholic Church's preferential option for the poor.
- 7.2** All Catholic families desiring a Catholic education for their children will be encouraged and supported in accessing the educational opportunities provided by their local Catholic Primary and Secondary school and Specialist setting.

**7.3** All CES Ltd Catholic schools will have a consistent approach to the setting and collection of school fees, the provision of fee concessions, the recovery of unpaid school fees and write offs.

## 8. Roles and Responsibilities

### 8.1 Approval Authority

CES Ltd is responsible for the development and review of the Policy. Any recommended changes must be approved through the CES Ltd Child Safety, Audit & Risk Committee.

### 8.2 Responsible Officer

The appropriate member of the Executive Leadership Team of CES Ltd.

## 9. Review

This Policy should be reviewed every 3 years or upon changes to government funding, legislation or school registration requirements that would warrant earlier Policy review.

## 10. Revisions made to this document

| Date           | Description of Revision(s)                   |
|----------------|--|
| 1 January 2021 | CES Ltd Child Safety, Audit & Risk Committee |
| 1 July 2023    | To be reviewed                               |

## 11. Further Assistance

- Compendium of the Social Doctrine of the Church; Pontifical Council for Justice and
- CES Ltd Guidelines for School Fee Development
- CES Ltd Delegation Framework

## 12. Definitions

**Camps, Sports and Excursions Fund (CSEF)** - Victorian Government funding for the students of families who are eligible, means-tested Health Care Card (HCC) holders which is used to offset school fees related to camps, sports and excursions.

**Catholic Education Commission of Victoria Ltd. (CECV)** - The CECV is a company established by the Archbishop of Melbourne and the Bishops of Sandhurst, Sale and Ballarat to allocate, distribute and expend Grants to Catholic schools in Victoria as provided by Government.

**Health Care Card (CCC)** - Cardholders receive Australian Government financial and other assistance.

**Centrepay** - a free and voluntary service to pay bills and expenses as regular deductions from a client's Centrelink payments.

**Fee Concession** - a remission or exemption from school fees payable as a result of financial hardship.

**Full Fee-Paying Overseas Students (FFPOS)** - Overseas/International students on a number of visa sub-classes are ineligible to receive government funding towards their education.

**Private Income** - the portion of a school's income which is raised locally, primarily through school fees.

**School Fees** - the fees and levies the school charges families for the education of their children. These include:

- (a) Recurrent fees and levies** - to assist in meeting the day-to-day operating costs of the school e.g. family fees, student/curriculum/tuition levies, camps, sport and excursion levies, and technology levies.
- (b) Capital and maintenance levies** - to assist in the maintenance of school buildings and grounds, the purchase of capital items, capital building projects and servicing capital debt through borrowings.