



Supplementary Submission – Draft Recommendation 13

IPART Draft Report - Review of Local Government Rating System

Catholic Education Commission NSW (CECNSW) makes this supplementary submission on behalf of Catholic schools in NSW's remote and regional areas.

It is to be read in conjunction with CECNSW's May 2016 submission.

CECNSW represents the interests of the state's 588 Catholic schools, which educate 255,397 students or one in five NSW students.

Catholic schools have been part of the NSW education system since 1821. They are now an essential education provider and valuable economic generator within their local communities, employing some 27,000 staff in suburbs and towns across NSW.

As not-for-profit entities with charity status, Catholic schools provide valuable social benefits to their local communities in addition to delivering a compulsory, government-mandated activity.

They are inclusive schools that produce future empowered Australian adult citizens. They encourage all-round ability, social development and engagement in the community.

Catholic schools provide an affordable educational choice for all families and students who support the Catholic ethos, be they Catholic, non-Catholic, wealthy, poor, Aboriginal or have a disability.

Draft Recommendation 13

CECNSW notes that IPART's Draft Recommendation 13 calls for the removal of rate exemptions for several uses, including:

- land that is managed by the Teacher Housing Authority and on which a house is erected (*Local Government Act 1993 (NSW) section 556(p)*).

Although not specifically referenced in the Draft Report, IPART has advised CECNSW verbally that this recommendation also applies to Section 555 1(f)(ii) of the Act, which currently allows a rate exemption on:

“... land that belongs to and is occupied and used in connection with a school (being a government school or non-government school... including... (ii) a building occupied as a residence by a teacher, employee or caretaker of the school that belongs to and is used in connection with the school.”

CECNSW requests that IPART recommends the rate exemption be retained for teacher housing provided in remote and regional areas of NSW.

IPART states in its Draft Report that “(w)here an activity provides substantial public benefits to the community, it may be equitable and efficient to exempt it from paying rates. For example, schools and hospitals generate public benefits.”

It would be difficult to identify a more valuable or critical piece of social infrastructure in remote and regional communities than a local school.

Many of these schools serve low SES and disadvantaged communities. They educate the community's children and therefore develop their future citizens.

But schools can only perform this public benefit if they are able to attract qualified and experienced teachers and principals to work in remote areas.

Schools authorities often have great difficulty recruiting suitable teachers and principals to work in remote and regional communities because of factors such as distance and cultural adjustment.

Teacher housing is strongly linked to recruiting efforts in remote and regional areas. A subsidised or rent-free home is one of the few incentives a schools authority can offer to prospective teachers and principals.

But the provision of teacher housing is a costly endeavour for Catholic schools authorities in remote and regional areas, because:

- Catholic schools (statewide) attract less government funding per student than their nearby government school counterparts
- teacher housing must be funded from within a Catholic schools authority's overall budget, not through a separate teacher housing authority
- schools in remote and regional areas teach far fewer students than schools in other parts of NSW, and therefore attract much less overall government funding. This gives their Catholic schools authorities (who receive and distribute government funding to schools) far less budgetary 'room to move' than their counterparts in more compact, populous regional and suburban areas (whose larger funding envelopes enable more flexibility when allocating resources). Larger schools authorities also do not have the added expense of providing and maintaining housing to attract teachers and principals.
- parents in remote and regional areas are more likely to be from lower SES communities and therefore less able to contribute to schools through fees than their urban counterparts.

For these reasons, schools authorities in remote and regional areas need assistance to ensure more of their funding is directed into improving learning outcomes for their relatively more disadvantaged students.

Teacher housing in Catholic schools authorities

Most housing for Catholic school teachers in NSW is provided by schools authorities in two dioceses.

1. Wilcannia-Forbes Catholic Education Office

The Wilcannia-Forbes Catholic Education Office (CEO) operates 18 primary schools across half of New South Wales - from Brewarrina in the north to Deniliquin in the south, west to Broken Hill and east to Parkes and Peak Hill.

The CEO maintains 18 teacher housing properties across the Wilcannia-Forbes diocese:

- Bourke: 3
- Brewarrina: 2
- Cobar: 2
- Broken Hill: 1
- Forbes: 2
- Wilcannia: 8

All but three properties (those in Forbes and Broken Hill) are in areas classified as 'remote' or 'very remote'. The schools in these areas often have fewer than 100 students (St Patrick's at Brewarrina has 52 students. St Therese's at Wilcannia has just 27).

In spite of the exemption under Section 555, the CEO pays more than \$20,000 annually in council rates on 10 properties (no rates are levied on the Wilcannia homes as they are located within school grounds).

Prospective principals and teachers are offered these homes at a heavily discounted rental as an incentive to work in these towns (staff living in Wilcannia teacher housing pay no rent).

Due to the location of these properties, the CEO achieves very limited or no capital growth in their value. The CEO meets all maintenance & repairs costs, which total more than \$50,000 each year.

2. Armidale Catholic Schools Office

The Armidale Catholic Schools Office (CSO) operates 24 schools across the second largest Catholic diocese in NSW - from Walgett in the west to Tenterfield in the east, and from Mungindi in the north to Quirindi in the south.

The CSO maintains nine residential properties for teachers across its diocesan boundaries, including six in the troubled town of Walgett:

- Boggabri: 1
- Walgett: 6 (2 houses and 4 units)
- Wee Waa: 1
- Mungindi: 1

Despite the Section 555 exemption, the Armidale CSO has been paying some \$15,000 a year in council rates on these properties.

It has recently undertaken a program of renovation to many of the properties to minimise future repair and maintenance costs. Over the past four years, it has expended almost \$500,000. The properties are provided to staff rent-free or at a heavily subsidised rental.

Conclusion

Catholic schools authorities provide and maintain homes in remote and regional areas for principals and teachers because the local community benefits from having suitably qualified educators working in their local schools - and spending their income in local businesses.

A rate exemption for teacher housing should therefore be retained in remote and regional areas.

Because remote and regional schools enrol far fewer students than schools in other parts of NSW, these schools authorities attract much less government and parental funding. The cost of providing and maintaining teacher housing is therefore a considerable portion of their annual budgets – a cost other schools authorities do not have to bear.

Any financial relief that can be provided by local councils would ensure more funding can be directed into improving learning outcomes for some of the most disadvantaged students in the state.

School education is a highly valuable resource in each community – especially so in remote and disadvantaged communities. For this reason, schools are supported by State and Commonwealth funding.

Local governments' contribution to this valuable endeavour has been to provide a rate exemption to schools and housing for school teachers. This is an efficient, low cost arrangement that supports local communities by helping to keep down the cost of providing this important social infrastructure.

Continuing the rate exemption for teacher housing sends a supportive message to schools and local communities – that local government values local schools and their efforts to attract suitably qualified teachers and principals to serve the local community.

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