



DIOCESAN SCHOOLS BUILDING FUND

January - December 2016





CONTENTS

A Message from Bishop Bill Wright	4
A Message from the Director of Schools, Ray Collins	5
Introduction to the Diocesan Schools Building Fund	6
School Planning and Development	6
Building Projects and Land Acquisition	7
Financial Highlights	8
Capital Projects Summary	10



MESSAGE FROM BISHOP BILL WRIGHT

An aspect of current education philosophy that interests me is the growing recognition of the fact that the environment in which a child learns – and not only, of course, the school environment – has a significant impact on the quality of teaching and learning.

For a long time, it seems to me, the fun police frowned on any activity that involved risk of falls, splinters, scuffles and getting wet. This is in marked contrast to the days of my childhood, which involved plenty of independence, especially in summer, and my share of scratches, sunburn and scrapes.

Now, however, there is encouragement to let children explore, wander, imagine and roam (within sensible boundaries of course). In short, we're letting children be children.

And my point is? As I observe the constant improvements to our existing schools – some quite historic sites – and the development of new schools – it's obvious that the environment plays a significant role in the learning process. Children

who move from early education in places where the setting is key to primary schools with plenty of light and colour can increasingly look forward to secondary campuses where learning is enhanced by the environment.

All these developments are made possible by a combination of contributions by parents, the NSW and Commonwealth Governments and the Catholic Development Fund. While I can say, with Pope Francis, "how much good has been done by Catholic schools around the world!" (Evangelii Gaudium 65), I think it is important for the diocese to be looking to do better, always, and to acknowledge the gifts that make it all possible.

This report provides evidence of the former and the latter and I commend it to you.

Most Reverend William Wright,
Bishop of Maitland-Newcastle



MESSAGE FROM THE DIRECTOR OF SCHOOLS

2016 saw the continuation of the planning and development of new and refurbished school buildings across the Diocese of Maitland-Newcastle. The Diocesan Schools Building Fund has, again, provided the bulk of the funds required to ensure that our schools have the facilities required for a quality Catholic education. The Fund continues to be supported by the capital programs offered by the NSW and Commonwealth Governments and in 2016 the projects put forward to the Catholic Block Grant Authority were successful in attracting much needed funding from both governments, ensuring that the ongoing planning undertaken by the Schools Planning and Development Committee can be maintained.

Parents with children enrolled in Catholic Schools contribute to this fund through the Diocesan Family and School Building Levy

and their continued support of this fund is greatly appreciated. Similarly, the support of the Catholic Development Fund in the administration of the related loans is also appreciated.

I particularly want to thank Bishop Bill for his ongoing interest and vision for the development of Catholic Schools, the members of the Schools Planning and Development Committee, Paul Murray and Geoff Whitnall, the CSO's Finance and Facilities Teams and the Principals for all that is undertaken to ensure our schools have such quality facilities.


Ray Collins,
Director of Schools



SCHOOL PLANNING AND DEVELOPMENT

INTRODUCTION TO THE DIOCESAN SCHOOLS BUILDING FUND

The Diocesan Schools Building Fund (DSBF) is a reporting structure for all income and expenditure related to building capital works and land acquisition for diocesan school purposes. A levy is collected from families of students attending Catholic schools in the Diocese of Maitland-Newcastle called the Diocesan Family & Schools Building Levy (DF&SBL). This levy contributes to the total income of the DSBF and therefore towards the cost of buildings, facilities and land. Other sources of income for the DSBF include government capital grants, the NSW State Government Interest Subsidy Scheme, the Catholic Schools Office (CSO), individual schools, parishes, school communities and Catholic Development Fund (CDF) loans.

The DSBF, which is managed and administered by the CSO (commenced January 2013), exists to ensure the diocese is able to meet past, present and future commitments. The CSO provides financial reports and proposes school facilities, plans and budgets to the Diocesan Finance Council and the Catholic Schools Council, which are advisory councils to Bishop Bill Wright.

This report accounts for, and communicates, the projects, activities and financial reporting for the DSBF from January to December 2016.

The School Planning and Development Committee (SPDC) charter is to propose strategic plans to Bishop Bill Wright and oversee associated project planning for the development and sustainability of existing and new school facilities. In addition to the capital projects reported, the SPDC continues to work on a program to renew and improve school facilities, considering demographic data and key indicators for future provisioning of schools in the diocese.

The demographic studies forecast strong enrolment growth in the Maitland, Newcastle and Port Stephens regions. In response to the studies, due diligence and subsequent recommendations, the diocese has constructed and opened in 2015 a new primary school at Chisholm.

In 2013 the CSO, on behalf of Bishop Bill Wright, commissioned a Study into the Provision of Secondary Education in the Diocese of Maitland-Newcastle. The reasons for this study are many but include capacity issues and demographic pressures identified in the studies mentioned previously. The approved recommendations from this study were communicated in 2015, which included the construction of two new secondary schools at Chisholm and Medowie, to open in 2018 and 2020 respectively. In addition, St Joseph's College, Lochinvar and St Mary's Catholic College, Gateshead, will be extended to Years 7 to 12 (previously Years 7 to 10 only), to commence in 2018.

BUILDING PROJECTS AND LAND ACQUISITION

The momentum of school development continued during 2016 with an architect being appointed for the new secondary school at Medowie, planned for opening in 2020. The architect was selected through a limited design competition and is currently preparing an overall design and development application for the high school, a primary school and a place of worship. Capital grants were also received late in 2016 for major stages of development at St Clare's High School, Taree, San Clemente High School, Mayfield, St Joseph's High School, Aberdeen and the first major stage of construction at St Bede's Catholic College, Chisholm. As well as several projects under construction during 2016, the following were completed.

ALL SAINTS COLLEGE, ST MARY'S CAMPUS, MAITLAND

After its third consecutive year of seeking a capital grant to construct the final stage of the Trade Training Hospitality Centre, the school received the very welcome news from the Minister that its new multi-purpose gathering space was approved. The project delivered a 600sq. metre multi-purpose space which had been previously designed to connect to the hospitality and café teaching facilities. The large air-conditioned and carpeted gathering space finally provides an opportunity for full school gatherings and a range of functions supported by the adjacent hospitality kitchen areas. The space overlooks the school playing fields and opens to a raised terrace area that can be used for informal gatherings or overflow seating for larger gatherings.

ROSARY PARK CATHOLIC SCHOOL, BRANXTON

A long awaited covered shelter and new school canteen and toilets were completed at Rosary Park Catholic School in Branxton during 2016. The project was designed as part of the original new school development, which commenced in 2011 with government funding provided by the Building Education Revolution (BER) funding. As enrolments in the school continue to grow, we are hopeful of receiving further grant funding to continue the development of new classrooms and other facilities on the site.

ST FRANCIS XAVIER'S COLLEGE, HAMILTON

Another stage of major classroom refurbishment was completed at St Francis Xavier's College with a significant upgrade of the school's oldest remaining science laboratories. These original 1970s classrooms have been completely stripped and revitalised with the latest equipment, including new fume cupboards, safety showers and eye wash, chemical resistant benches and improved lighting and ventilation. This recent project completes significant refurbishment at St Francis Xavier's over several years.

ST JOHN THE BAPTIST PRIMARY SCHOOL, MAITLAND

A small yet important refurbishment project was undertaken at St John the Baptist Primary School in Maitland during 2016. A lift was installed to provide accessibility to upper levels of the school and two older classrooms were given a major facelift to accommodate the school's growing enrolments. This also provides a new and exciting contemporary learning space. Other classrooms will continue to be refurbished as enrolments slowly increase.

LAND PURCHASES

During 2016 various parcels of land were purchased by the diocese and funded through the Diocesan Schools Building Fund (DSBF). The school site of St Joseph's Lochinvar was purchased from the Sisters of St Joseph and a greenfield site was purchased in the Cessnock region for possible future educational development. An adjoining residential property was also purchased next to Corpus Christi Primary School, Waratah, to provide much needed additional playground space.



Newly installed lift at St John the Baptist Primary School, Maitland

FINANCIAL HIGHLIGHTS

For the year ending 31 December 2016

INCOME SOURCED FROM:	\$	NOTE
DF&SBL	5,249,674	1
Government Grants	3,704,343	
NSW Interest Subsidy	731,273	
Other Income	173,060	
Total Income	9,858,350	

EXPENSES INCURRED FOR:	\$	NOTE
Depreciation	6,084,321	2
Interest Expenses	2,503,112	
Other Expenses	319,116	
Total Expenses	8,906,549	

LOAN PORTFOLIO:	\$	NOTE
Land Loans - non-subsidised	7,649,603	3
School Building Loans - subsidised	11,575,912	
School Building Loans - non-subsidised	25,771,627	
Total Loans Unpaid 31.12.16	44,997,142	

LOANS FINANCED FOR/FROM:	\$	NOTE
Loans Advanced for Projects	553,305	4
Interest for Loan Portfolio	2,503,112	
Sub Total - Financed for	3,056,417	
Less:		
Loan repayments	6,846,724	
Total Loan Decrease for 2016	3,810,307	

DIOCESAN FAMILY & SCHOOL BUILDING LEVY	\$	NOTE
<i>Sourced from:</i>		
DF&SBL collected from families in current year	6,967,357	
<i>Applied to:</i>		
Loan Servicing for Principal and Interest	4,426,890	
Capital Expenditure not financed by loans	822,784	
Monies provided to Diocese for Pastoral Care	1,000,000	
Current Year Surplus *	717,683	

* Remaining surplus \$4,320,443 will be carried forward for use in future years.

NOTES:

1. Income is sourced predominantly from:

- ▶ Diocesan Family & School Building Levy (DF&SBL)
- ▶ Capital Grants from both State and Commonwealth Governments
- ▶ Interest Subsidy from NSW Government

This income is allocated to repay loans and/or attached to specific building projects.

2. Expenditure is incurred for interest on loan repayments, depreciation of school buildings and associated infrastructure.

- ▶ School buildings are depreciated over a 50 year life with shorter useful life for temporary buildings and fixture assets.
- ▶ Income attributable from the NSW Government Interest Subsidy scheme assists in the repayment of interest incurred on a significant portion of building loans.

3. The loan portfolio consists of three categories. All loans are contracted with the CDF for a term of 20 years. As the NSW Interest Subsidy scheme has ceased to fund additional loans, all future loans will be classified as non-subsidised.

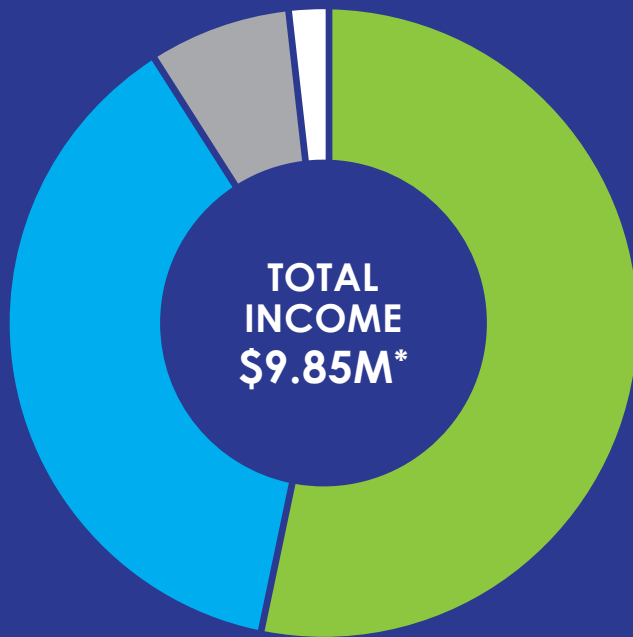
4. This item indicates that during 2016 the loan portfolio decreased by \$3,810,307 predominantly as a result of the Catholic Schools Office funding works in progress while construction proceeds prior to commissioning of projects.

5. The DF&SBL is collected from families of students attending diocesan Catholic schools. It contributes to the income of the DSBF and to funding diocesan pastoral activities.

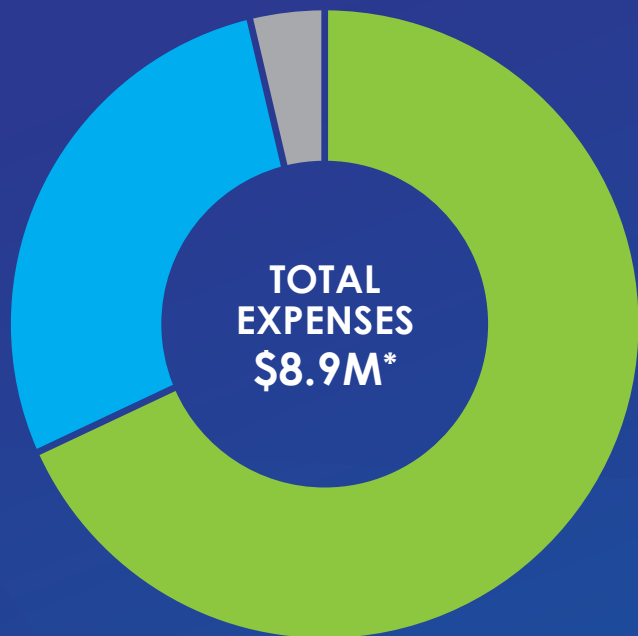
The DF&SBL is collected, accumulated and applied to building and land projects that vary in frequency and duration. Accordingly it is applied annually on a needs basis.

SPECIAL NOTE:

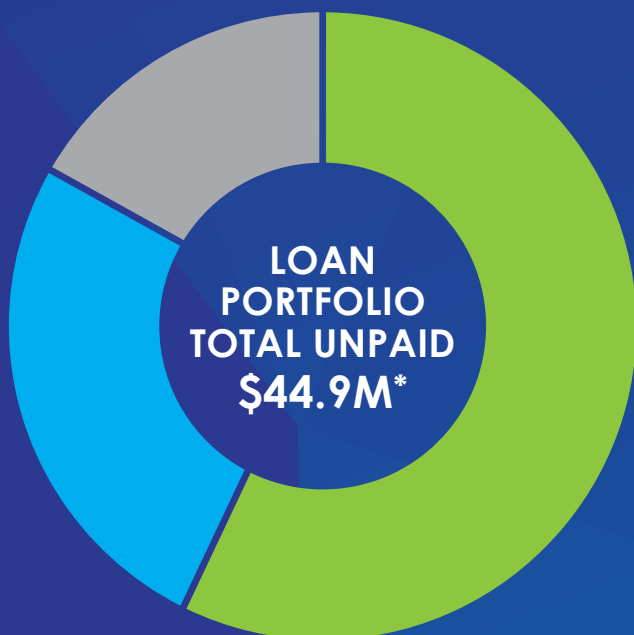
Financial Highlights for 2016 is a correct summary based on the financial statements for the Diocesan Schools Building Fund, Diocese of Maitland-Newcastle for the year ended 31 December 2016 to which an unqualified audit report was issued.



- ▶ DF&SBL
- ▶ Government Grants
- ▶ NSW Interest Subsidy
- ▶ Other Income



- ◀ Depreciation
- ◀ Interest Expenses
- ◀ Other Expenses



- ▶ School Building Loans - non-subsidised
- ▶ School Building Loans - subsidised
- ▶ Land Loans - non-subsidised

**for the year ended 31 December 2016*



CAPITAL PROJECTS SUMMARY

COMPLETED PROJECTS AS AT THE YEAR ENDED 31 DECEMBER 2016

SCHOOL	PROJECT	CONSTRUCTION STAGE/FORECAST COMPLETION	GOVERNMENT GRANT	LOCAL CONTRIBUTION	PROJECT COST
BRANXTON, Rosary Park Catholic School	Construction of covered outdoor learning area, canteen and amenities	Completed in 2016	\$-	\$564,389	\$564,389
BRANXTON, Rosary Park Catholic School	Demountables	Completed in 2016	\$-	\$139,578	\$139,578
CESSNOCK, St Patrick's Primary School	Convent Demolition	Completed in 2016	\$-	\$98,588	\$98,588
CESSNOCK, 16 Dover Street	Land Acquisition	Completed in 2016	\$-	\$600,000	\$600,000
CESSNOCK, 6 Wine Country Drive	Land Acquisition	Completed in 2016	\$-	\$4,253,865	\$4,253,865
HAMILTON, St Francis Xavier's College	Refurbishment of science laboratories and music area	Completed in 2016	\$-	\$1,494,164	\$1,494,164
LOCHINVAR, Sisters of St Joseph Convent Precinct	Building Acquisition	Completed in 2016	\$-	\$2,848,250	\$2,848,250
LOCHINVAR, Sisters of St Joseph Convent Precinct	Land Acquisition	Completed in 2016	\$-	\$2,151,750	\$2,151,750
MAITLAND, St John the Baptist Primary School	Installation of lift	Completed in 2016	\$-	\$110,775	\$110,775
MAITLAND, All Saints College, St Mary's Campus	Construction of hall and walkways	Completed in 2016	\$1,131,372	\$761,708	\$1,893,080
NULKABA, Lot 10 & 16 Wine Country Drive	Land Acquisition	Completed in 2016	\$-	\$315,320	\$315,320
WARATAH, 24 Alfred Street	Land Acquisition	Completed in 2016	\$-	\$410,000	\$410,000
				TOTAL	\$14,879,759

CAPITAL PROJECTS SUMMARY

COMMITTED PROJECTS AS AT THE YEAR ENDED DECEMBER 2016

SCHOOL	PROJECT	CONSTRUCTION STAGE/ FORECAST COMPLETION	APPROVED GOVERNMENT & * FORECAST GRANT	LOCAL CONTRIBUTION	PROJECT COST/ BUDGET
ABERDEEN, St Joseph's High School	Stage 2 - Refurbishment of administration, Technical and Applied Studies (TAS), amenities and classrooms	In Design	\$3,346,041	\$2,653,959	\$6,000,000
ABERMAIN, Holy Spirit Infants School	Construction of classrooms	Under Construction	\$-	\$100,000	\$100,000
ADAMSTOWN, St Pius X High School	Stage 3 - Construction of new library learning centre	In Design	\$1,460,370	\$1,839,630	\$3,300,000
ADAMSTOWN, St Pius X High School	Relocation of staff amenities to North end of Block E	Under Construction	\$-	\$1,235,490	\$1,235,490
BOORAGUL, St Paul's High School	Stage 2 - Construction of general learning areas, administration, staff facilities and associated buildings	Under Construction	\$2,317,595	\$2,392,505	\$4,710,100
CHISHOLM, St Aloysius Catholic Primary School	Stage 2 - Construction of administration, staff and classrooms areas	Under Construction	\$2,038,911	\$5,230,384	\$7,269,295
CHISHOLM, St Bede's Catholic College	Stage 1 - Construction of secondary school	Early Works Under Construction	\$3,500,000	\$8,500,000	\$12,000,000
CHISHOLM, St Bede's Catholic College	Construction of Chapel	In Design	\$-	\$1,000,000	\$1,000,000
GATESHEAD, St Mary's Catholic College	Stage 1 - Upgrade of school facilities to accommodate Year 11 and 12 commencement	In Design	\$500,000*	\$2,500,000	\$3,000,000
GATESHEAD, St Mary's Catholic College	Stage 2 - Upgrade of school facilities to accommodate Year 11 and 12 commencement	In Design	\$2,500,000*	\$2,500,000	\$5,000,000
LOCHINVAR, St Patrick's Primary School	Stage 1 - Construction of new classrooms, administration and staff areas	Under Construction	\$1,801,203	\$2,020,872	\$3,822,075
LOCHINVAR, St Joseph's College	Stage 3 - Construction of multi-purpose hall and Food Technology and Hospitality classrooms	Under Construction	\$2,432,896	\$4,144,149	\$6,577,045
LOCHINVAR, St Joseph's College	Upgrade of school facilities to accommodate Year 11 and 12 commencement	In Design	\$-	\$1,000,000	\$1,000,000
MAITLAND, All Saints College, St Peter's Campus	Construction of multi-purpose hall and associated hospitality learning space	In Concept Design	\$3,000,000 *	\$3,355,065	\$6,355,065
MAITLAND, All Saints College, St Peter's Campus	Refurbishment classrooms in The Manse	Under Construction	\$-	\$458,100	\$458,100
MAYFIELD, San Clemente High School	Construction of hall, Technical Applied Studies (TAS) and amenities	In Design	\$3,256,973	\$3,243,027	\$6,500,000
MEDOWIE, Catherine McAuley Catholic College	Stage 1 - Construction of secondary school	In Concept Design	\$3,500,000*	\$8,500,000	\$12,000,000
NELSON BAY, St Michael's Primary School	Construction of administration and staff facilities, and refurbishment of classrooms	In Design	\$1,675,000*	\$1,525,000	\$3,200,000
SINGLETON, St Catherine's Catholic College	Installation of lift to provide more accessibility between buildings	Under Construction	\$-	\$711,650	\$711,650
SINGLETON, St Catherine's Catholic College	Stage 4 - Construction of multi-purpose hall and refurbishment of classrooms	In Concept Design	\$3,000,000 *	\$2,000,000	\$5,000,000
STOCKTON, St Peter's Primary School	Refurbishment of hall to create an additional classroom	Under Construction		\$120,000	\$120,000
TAREE, St Clare's High School	Construction of open plan learning centre attached to the library	In Design	\$3,423,587	\$2,426,413	\$5,850,000
WINGHAM, St Joseph's Primary School	Construction of a classroom	Under Construction	\$-	\$250,000	\$250,000
Various	Land acquisitions subject to due diligence	Progressing	\$-	\$5,410,000	\$5,410,000
Temporary Buildings	Demountable classrooms - various locations	Ongoing	\$-	\$500,000	\$500,000



(02) 4979 1200
841 Hunter Street
Newcastle West 2302
NSW Australia
www.mn.catholic.edu.au