

Rosebank College space planning options

The situation

Rosebank College is experiencing strong growth in student numbers. Changing expectations of education from employers, educators, parents, and students themselves, may require that Rosebank expands in ways that may require more than simply replicating existing facilities (i.e. building more classrooms similar to those already at Rosebank, and familiar to those with experience of school education in Australia).

Background

Demographic issues affecting the area around Rosebank

The paper *Demographic Trends for Rosebank College*, provided by the Catholic Education Commission NSW, shows:

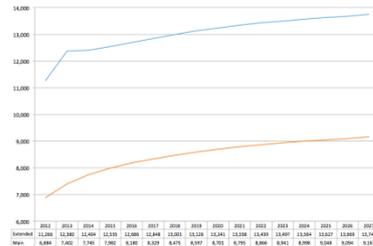
- The population(2) of the “main drawing area” for Rosebank is increasing, and
- School facilities within this area are not expanding at the rate necessary to meet demand.

Combining population data from the NSW State Government and the Australian Institute of Health and Welfare (AIHW), we can see that populations of school-age children in this area are expected to increase over the next 12 years:

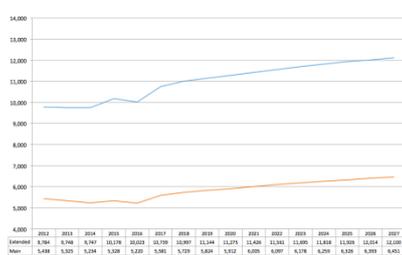
Graph 1: Total births in Main (red) and Extended (blue) catchment areas
Students enrolling in Year 7 in 2017 were born in 2005.



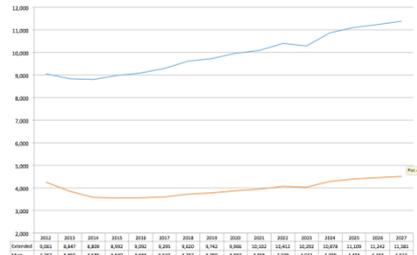
Graph 2: Australian Institute of Health and Welfare (AIHW) projections for births in Main (red) and Extended (blue) catchment areas



Graph 3: AIHW projections for 5 year olds (Kinder) in Main (red) and Extended (blue) catchment areas

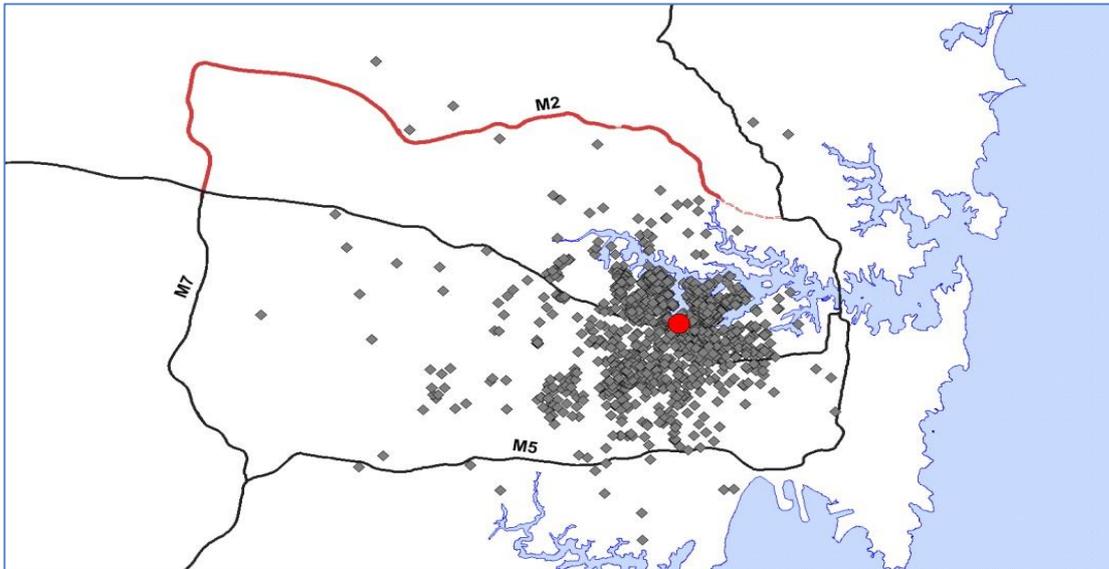


Graph 4: AIHW projections for 12 year olds (Year 7) in Main (red) and Extended (blue) catchment areas



Keep in mind that 12 year olds seeking entry to Year 7 in 2017 will have been born in 2005.

The following maps show the current school catchment (1):

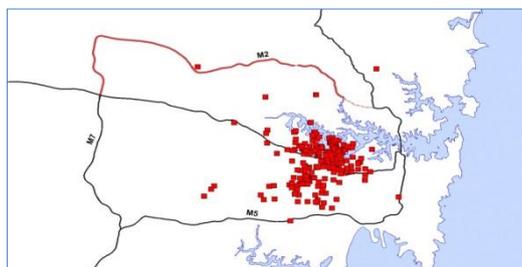
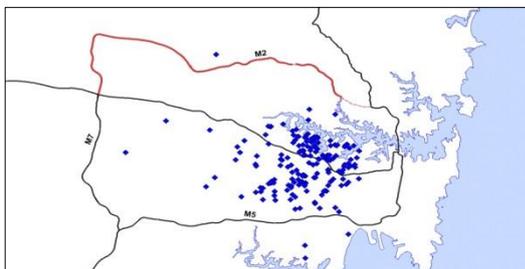


- 25% of students live within 2km of Rosebank College;
- 51% live 2-5km from Rosebank;
- 20% live 5-10km; and
- 4% live more than 10km from Rosebank.

The following two maps show that our student cohort will be drawn from closer to the College over time:

Year 12 2015

Year 7 2016



These demographics suggest Rosebank will need to maintain and grow its facilities in order to meet demand and compete with other schools.

Notes

1. Catchment area – Crichton Smith has used current enrolment data to create a more detailed catchment area for the school, while Urbis was asked to look at the Inner West area as a proxy. This will have an impact on the number of students, number of schools and population projection data.
2. Population projection data – Crichton Smith has used population projection data from Australian Institute of Health and Welfare while Urbis has used Department of Planning projections. AIHW is a top down approach which ignores local nuances such as future land availability. The Department of Planning projections take into account potential development drivers which we have found can really influence the figures, however they are limited as they don't provide single year age breakdowns.

Changing education needs

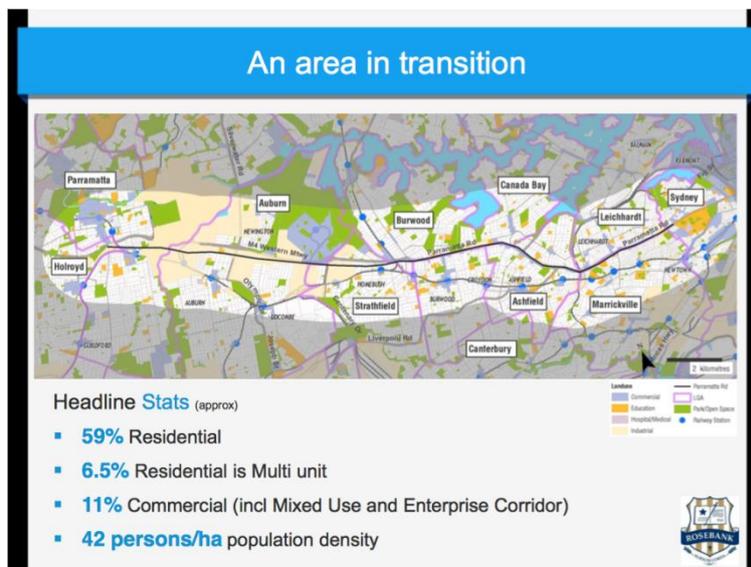
Changing learning and teaching approaches are likely to require additional, flexible spaces for students to meet the skills needs of the future.

The ability to acquire, develop and adapt new spaces presents an opportunity to think through those requirements and provide students and teachers with optimal spaces for the evolving education environment. This is particularly true if Rosebank chooses to expand its offering into primary or early childhood education, or into other areas which are not significant aspects of Rosebank's current offerings.

Land availability in the vicinity of Rosebank

There is relatively little land available in the vicinity of Rosebank at a scale necessary to support school activities.

State government plans for this area will increase population density, which may make the demographic projections earlier appear conservative:



Draft Parramatta Road Urban Transportation Strategy

- Draft Parramatta Road Urban Transformation Strategy (Sept. 15) establishes long term (30 year) vision for the 20km Parramatta Road component of the development.
- Vision for Parramatta Rd Corridor: *'A high quality multi use corridor with improved transport choices, better amenity and balanced growth of housing and jobs'*
- The strategy outlines the land that will be used, the public transport that will be required and the services, community facilities and the open space that will be delivered.
- The strategy will accommodate 40,000 new homes, 70,000 people, 50,000 new jobs and 8 newly identified precincts.
- Rosebank College falls within 'Kings Bay Precinct'. Projected growth for Kings Bay Precinct constitutes 8% of total growth in P/R corridor.
- The P/C corridor will facilitate 28 billion in development value over the next 20 years.



Source: Urbis

It is possible that another education provider – the State Government, the Catholic Education Commission, or some other entity – would establish a school near Rosebank to meet community needs.

Considerations for Rosebank

At the Formation Day on 7 November 2015 the Rosebank College Board and Leadership Team discussed the following opportunities and challenges associated with acquiring additional space:

Strengths/Opportunities	Internal/External Challenges
<ul style="list-style-type: none"> • Redesigning the learning spaces • More space for growth • Potential Boarding School space • Develop an accelerated learning arm/space of the school • Starting at primary enables better tracking of students throughout their education • Diversification of offerings • Opportunities for collaboration and learning • Learning partnerships / vocational • Cross subsidisation • More students in our secondary program 	<ul style="list-style-type: none"> • The world is changing. • Is this too hard? • What is the risk of doing nothing? • Can we afford to miss this opportunity? • Asset could always be sold off/transferred • Current parents expectation of the school? Would larger student population become unattractive to some parents or current parents? • There is an important educative communication job to be done to bring parents on board both in terms of new facilities and in terms of new forms of pedagogy

Strengths/Opportunities	Internal/External Challenges
<ul style="list-style-type: none"> • Satisfying community needs/ Catching Demand • Collaboration of learning between primary and secondary students • Maintenance of open space • Some community focused services that could be shared by the College with use and management. • Opportunity to integrate more broadly with local community • Additional recreational facilities • Performance spaces • Uniform/stationery/school needs school? • Cafe/restaurant - hospitality students • Business services facility • What is the compelling story for expanding (is that an opportunity or a risk? What is that narrative?). • What happens next door doesn't necessarily mean that our target is isolated to this area. Creating pockets of enrolment outside corridor zone as possible for future enrolments (sustained?) 	<ul style="list-style-type: none"> • Committing the school to more financial exposure • Operationally managing a larger school and need to recreate a management structure • Limited control within a strata structure • Site conditions risk of what is in the ground • Pressure of development and losing community support. Need to present ourselves as a neutral agent without a conflict of interest • Competition. The risk of another organisation taking up the opportunity • Exhibition of student works in the public eye • Could lose control of some shared services / facilities • Why would we do something different than what we are doing already. • Concern about larger schools not delivering outcomes (not just educational outcomes, holistic and cultural/familial outcomes as well) intended by expanding • What does growth do to all of the other spaces (consider housing parents and students in the auditorium currently versus with 300+ students) • What other infrastructure has to expand to make this work? Other school services (pastoral care, administration) • Would new residents want a Catholic education? • New, smaller homes could promote a transient population in the new improvement. Is this a risk?

Questions for the Rosebank Board

Each of the following questions requires considerations of:

- Financial costs involved of pursuing or not pursuing a growth strategy; and
- Estimated time required of the Board to consider matters arising from this issue, on top of existing workload; and
- Estimated time required of the Leadership team to consider matters arising from this issue, on top of existing workloads.

Key Questions

1. Does Rosebank College want to try and acquire more space?
 - a. Should Rosebank College offer primary (K-Yr6)
 - b. Early childhood (6 weeks – 5 years) offerings and/or
 - c. Grow 7-12 offering?
 - d. Should Rosebank College offer out-of-school-hours (OOSH) facilities to look after children to accommodate standard working hours for most parents?
2. What is the impact of doing nothing?
3. How does Rosebank support an Education precinct adjacent to the College?

Each option has implications for Rosebank College and significant stakeholders. The four options have been summarised in the following table 1 with a selection of implications and opportunity costs.

Importantly a business case which models the income and expenditure (Table 2 reflects K-6 option) for each model over the next five to ten years based on assumptions about government grants and GSE levies will need to be prepared (Table 3).

Further, consideration needs to be given to the staging options for Rosebank to enable the scaling of any agreed increase by using our current assets, that being the demountables. On current plans these will become redundant in 2017. It means however that we will need to delay a little in broadening the play area of more tennis/basketball courts which would still have to be delayed until we do something about the onsite parking (either wait for next door development or place under the courts or both).

The demountables offer a meeting space, number of offices, kitchenette and six GLAs. This will allow for the establishment of a primary division with little capital outlay (just a refurbishment and age specific equipment and resources). It would allow Rosebank to deal with the canonical and educational politics first and hence establish a well-defined need for an educational precinct as the rezoning and redevelopment agenda develops. This also allows us to build a capital base over three to five years for later expansion. Further, the K-3 classes would be an excellent 'in situ' resource for courses like Early Childhood, Community and Family Studies and Society and Culture.

Table 1 Summary of Options and Stakeholder implications

	Do Nothing	Education /Community precinct(including Early Childhood)	Rosebank K-6 School	Rosebank Expanded 7-12
Rosebank	Limits growth to existing levels. Demand for student growth will be met by DE or CSO	Establishes relationship to use community amenity. Amenity will need to be shared with other Education providers if Rosebank does not increase m ² in new development.	Meet Catholic Education demand Enrolment pipeline. Middle school and G&T program options. Structural adjustments for leadership and staffing needed.	Increased enrolments in catholic secondary school. Options in the post compulsory programs.
Archdiocese	CSO or DE may build a school.	Benefit to CSO if they build a school on site. Establishes relationship to use community amenity.	Meet Catholic Education demand. Impact on enrolments for local systemic schools.	Impact on enrolments in catholic systemic schools
Catholic Schools Office response (formally CEO Sydney)	CSO may build a K-6 school adjacent to Rosebank. Medium impact on future Rosebank enrolments.	Benefit to CSO if they build a school on site.	Meet Catholic Education demand. Impact on enrolments for local systemic schools.	Impact on enrolments in catholic systemic schools.
Good Samaritan Education	Limits growth to existing levels	Establishes relationship to use community amenity.	Primary schools are new to GSE. Increased enrolments for GSE.	Increased enrolments for GSE
Department of Education	D E may build a K-6 school adjacent to Rosebank. Medium impact on future Rosebank enrolments.	Benefit to DE if they build a school on site.	Meet student growth demands with affordable education.	Meet student growth demands with affordable education.

Table 2

Primary School Financial Forecast per year (based on 2014 "MySchool" data)	
Schools used in benchmark exercise: St Ambrose Concord West, St Hallows Five Dock, St Mark's Drummoyne.	
Annual recurrent	
Key Drivers	
School cohorts offered	Years K-6
Number of year groups	7
Number of streams	3
Number of students per class	27
Number of students	567
Number of staff FTE (Teachers)	30
Number of staff FTE (Other)	8
Government Funding per student	\$8,015
Tuition Fee per student	\$1,606 (1)
Other income per student	\$483
Average salary per teacher FTE	\$90,000
Average salary per non teacher FTE	\$60,000
Salaries per student(teacher)	\$4,758
Salaries per student (other)	\$851
Other expenditure per student	\$1,078
Capital expenditure per student	\$257
Revenue and Expenditure	
Income	
Tuition Fees	\$910,741
Grants	\$4,544,527
Other	\$273,613
Total	\$5,728,880
Expenditure	
Salaries Teachers	\$2,697,811
Salaries Other	\$482,482
Interest	\$0
Other	\$611,329
Total	\$3,791,621
Surplus	\$1,937,259
Capital Expenditure	\$145,719
Surplus after capital expenditure	\$1,791,540 (2)

Notes

1. For every \$100 increase in tuition fees the surplus increases by \$56,700
2. Primary schools generate high surpluses. System's Primary schools capital funding programs are driven by the profitability of their Primary schools.

Table 3. Capital Funding Models

	Model A Full cost (Interest and capital paid by the College)	Model B (3) Capital paid by the College, interest paid under NSW government scheme	Model C Capital paid by 2 x CBGA grants(2x \$3.5 million) plus balance paid by the College
Build cost (2)	\$18,000,000	\$18,000,000	\$18,000,000
Loan from CDF	\$18,000,000	\$18,000,000	\$11,000,000
CBGA grant (4)	N/A	N/A	\$7,000,000
Annual Interest (1)	\$887,788	\$0	\$542,537
Annual Debt	\$537,716	\$537,716	\$328,604

Notes

1. An interest rate of 5% in this analysis and a loan period of 20 years has been applied. This rate could be increased to 6.5% in line with our budget forecasts out to 2019.
2. For the purpose of this exercise a very simple approach regarding the financing of the construction of a primary school has been adopted. This analysis portrays a worst case scenario and shows that the cashflow generated from a primary schools operational activities can service an \$18 million loan. Rosebank may wish to consider alternate organisational structures for this venture (separate entity for the primary school or create a sub-entity / division of Rosebank). It would be very prudent to engage an external party such as Manser Tierney to provide an opinion on any venture of this magnitude.
3. In Scenario B any interest due on the loan would be paid for by the Government over the life of the loan. Many CEO schools are already enjoying the interest subsidy.
4. As with all grants Rosebank would need to go through the competitive application and review process to attain a grant. Given the demand projected for primary education in our area it would not be an unreasonable assumption to assume that grants will be provided to build additional space for primary education to meet demand.

Conclusion Decisions for the Board

Does Rosebank College continue to support an educational precinct and increased amenity for the College community in the new adjacent development?

Does Rosebank College negotiate land transfer to facilitate slip road for this development?

Does Rosebank College continue to pursue an increased 3000 m² in new adjacent development?

Does Rosebank extend the secondary enrolment or establish a primary school as part of this development?

What resource structure(Consultant(s) and working party) does Rosebank need to establish to facilitate the decision(s) above?