

Dear Interparents,

With reference to your letter of 25 February in response to the Working Group document on CAT III pupil fees (Draft Proposal of the 'School Fees' Working Group concerning the revision of category III school fees), the parents associations of Brussels II and Brussels III wish to draw your attention to the views we have previously expressed on this subject, which are not reflected in your document.

CAT III pupils, we believe, bring significant benefits to the European School system. As CAT III parents have a choice of where to school their children, the European schools that are competing for their business, (and the revenues that they get as a result), have a major incentive to ensure they offer a standard of education sufficient to attract these parents. This raises standards for everyone, and is quite possibly the explanation for the superior academic performance of schools that rely on a large CAT III sector – because they need to show good results in order to attract fee-paying parents. We would welcome the further expansion of CAT III schooling and hope that through the opening of hybrid schools, it can provide a mechanism for addressing the chronic shortage of European curriculum schools in Brussels.

However we must honestly acknowledge to ourselves that the business of providing CAT III education is private sector schooling. CAT III parents do not have a contractual right to educate their children in the European school system. They are therefore buying an education, much as other parents buy their children's education at any of the very many private and international schools that serve this market place. They have no entitlement to receive this education at a discount to the cost of provision, because that entails them receiving a subsidy from the European taxpayer for private education – and takes money out of the European schools budget. The average CAT III pupil pays €3,686, which compares to a cost per pupil that reaches as high as €16,173. The difference comes from the overall schools budget, and therefore the pocket of the European taxpayer. For the total of 4,774 CAT III pupils in the school system in 2011, this gives a total subsidy to these parents of €42.3m or 15% of the entire European schools system budget.

Secondly it disadvantages other private education providers who must charge the full economic cost in order to stay in business. European schools cannot out-compete them on price through the advantage of this tax payer subsidy. Our view then is that CAT III pupils should pay a price for their education that reflects the full economic cost and does not distort competition in the local markets.

We do not subscribe to the notion that the full economic cost for CAT III pupils is just the marginal cost, however that is calculated. In many schools CAT III pupils make up the vast majority of the school population so they are not marginally increasing costs, on the contrary they are the main cost driver. It is not logical to separate two segments of the school population and load most of the costs on to one segment in order to make the other segment appear cheaper. Such cost mis-allocation games are at odds with principles of value based management, financial transparency and good governance that are surely the order of the day as we emerge from a financial crisis caused in large parts by financial slights of hand and mis-allocation of risk. Furthermore, as the cost of the school infrastructure is met by the hosting Member state, most of each school's costs are in fact teachers' salaries. As the number of

teaching hours is directly proportional to the number of pupils, the more CAT III pupils, the higher the costs, so there is no argument for excluding CAT III from their full share of costs.

For existing pupils we support a gradual process of bringing fees into line with the economic cost of providing their education, as proposed by the working group. The goal should be to achieve a situation of revenues equalling costs for CAT III pupils, including sibling discounts, within a defined number of years. We also support each school having full autonomy in setting its CAT III fee levels, though taking as a floor the average cost per pupil at that school. For new pupils however we believe that fees should be at a level that reflects the full cost of provision.

In an environment where there are insufficient funds being made available for the provision of standard CAT I pupil's education, and seeing that the European schools are part of the package offered for recruiting staff for the European institutions, we do not see any arguments for using up large amounts of this budget to subsidise private education for parents who do not have any contractual right to attend the European Schools, who have other private sector choices available to them, and who can request from their employer to subsidise it as it is the case in the expat market.

We are surprised to see that our views, which are the views of the majority of parents of the pupils of the European schools, are not reflected in the official Interparents perspective on this topic, or the IP position communicated to the Working Group, as we have made them clear on more than one occasion to Interparents and only as recently as last week by José. We therefore ask that you include our views in all written and oral submissions to the Board of Governors on this topic, either ideally in a consensual text or expressing the position of a minority of schools but a majority of parents, as IP does not vote usually its public positions. This is a core point for us in order to respect the value of a proper governance of the European Schools system.