

In response to the call for feedback on exposure drafts of the Regulatory Framework and NFP Guidelines the following questions have arisen:

- Why regulate all of an Independent School's funds when they receive only a very small percentage of approximately 2-7% in government grant funding?
- Would it be more appropriate for the Department of Education to request costs (limited to the maximum value of grants received) to support the value of funds that the Department has provided to a school and not to seek any costs over and above the amount provided to a school?
- Given Independent Schools already have onerous compliance obligations (see below for examples) reporting to a broad range of bodies, why does an Independent School need to provide the Department of Education with all of its financials? Our individual school alone has the following compliance obligations:
 - Submitting the school's financial questionnaire to the Department of Education via Schools Hub
 - Lodge annual financial statements with ACNC
 - Undertake a yearly external audit of its financial accounts
 - Meet internal governance requirements via reports to School Council and Hold an annual AGM to present the accounts
 - Keep a Responsible Persons register and meet all obligations
 - Finance Committee
 - Report to ASIC
 - Meet NESAs requirements and accreditation reviews
 - CRICOS registration review (for schools that accept international students)
 - Annual Student Census
 - NCCD data
 - STATS student attendance
 - WGEA survey
 - Annual Fire Safety statement completion
 - Mechanical certification for lifts
 - Student background data collection for ACARA
- The changes to the draft Guidelines and content of the proposed Regulatory Framework do not go far enough to address the confusion about the application of the legislation.
- How will the Department of Education take into consideration the ethos, purpose and mission of the school into account? This could be a

challenging exercise for the department and unclear how this could be assessed?

- How is the Department of Education equipped to make a reasonable assessment of the resources required to deliver programs such as the International Baccalaureate which is not offered within the public school system.
- Given Independent Schools require most of their staff to work a longer workday, starting earlier and finishing later and undertaking additional duties such as clubs, debating and Saturday sport, how will this be factored into any comparative analysis of salaries and assessing market value?
- Salaries in independent schools for leadership positions act in a competitive market where the qualifications and experience to oversee the complexity of running large schools, the human resources, fiscal resource and physical resources cannot be easily compared. How in such a diverse range of schools will what is deemed 'reasonable' be assessed. Aren't the governing authorities who are accountable to the constitution and stakeholders best placed to determine what is reasonable?
- How would the Department of Education take into consideration the competitive environment in which independent schools operate when assessing reasonable expenditure on school operations and facilities?
- Professional development related to innovative teaching practices often requires travel as they are not offered locally. How will this be factored into an assessment undertaken by the Department of Education when considering travel costs necessary for the school. Critically, some accreditation and renewal courses are required to be undertaken overseas.
- When outlining the proposed assessment of reasonable market value for a property the paper solely references auction and independent market evaluation. Would it not be important to include here the alternative opportunities such as private treaty, tender, etc.
- Property owners close to school properties will often hold onto their property as leverage to sell their property at an amount well above market rates because they are aware of the advantages to a school. How will this be taken into account in an assessment of fair market value?
- With the rigorous compliance and reporting obligations that need to be met by the ACNC, why should schools in the Independent Sector provide the Department with details of donations received from parents towards scholarships and building projects?
- Independent schools have to employ their own finance, facilities and HR teams in order to manage normal operations such as paying staff, paying suppliers, billing parents, managing staff, maintaining school grounds and dealing with the administrative and compliance burden of the various registrations and regulatory requirements. Each independent school is different. Questions about materiality and reasonableness are not clearly unpacked in the draft regarding how this is to be assessed.
- Why do the loans which a School may have needed to obtain to support a capital program need to be regulated when the cost of meeting the loan is not an obligation to be made by the Department of Education nor has the school received funding from the government to support a major project build or warrant any oversight of the loans or associated project? In line with this, why is there interest in relation to fee concessions offered to students

and their families when the Department of Education is not involved in the decision making?

- Why do the details of any consultancy services offered to the School need to be regulated when Independent Schools are required to obtain appropriate authority, quotes and tenders for different levels of contracts and seek approval from Finance Committee's and the Board for large financial amounts?
- Is there not a greater opportunity for the Department of Education to assess the sufficiency of governance structures in a School before choosing to conduct an investigation or audit and where sufficient no further assessment is undertaken?
- Many Independent Schools have capital expenditure projects to upgrade their existing facilities or to build new facilities. If a school makes improvements to classrooms and meeting spaces, will this be considered reasonable capital expenditure?

While the purpose of the guidelines specifically says that they are not intended to impose additional requirements on schools, the fact remains that the guidelines impose a significant compliance burden on an industry that is already highly regulated and where just a small proportion of the school's funds are received from the government. The revised guidelines do not in any way ease that burden.

The Guidelines and regulatory approach should be further refined to reflect the right of Independent schools to operate in accordance with their mission, purpose and ethos/educational philosophy to meet the expectations of their school communities. This will also require legislative change.

Kind regards
Jane

Jane Danvers
Principal

Kambala acknowledges the Gadigal people of the Eora nation, the traditional custodians of the land upon which our School now stands. We recognise their continuing cultural and spiritual connections to the land, waters and sea and pay our respects to Elders past, present and emerging.



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