

I welcome the opportunity to make a submission to the Review of Section 83C of the Education Act 1990 (NSW). I would ask Mr Thomas Alegounarias to consider the matters which I raise in my submission.

It would be my hope that Ms Car, the Deputy Premier and Minister for Education , in setting up this important Review , has given Mr Alegounarias the required authority to track the flow of the \$1.5 billion in financial support to the organisations responsible for non-government schools to enable him to ascertain any breaches of the Act . Without this authority the Review will be a waste of time.

SUBMISSION

1. REGULATIONS GOVERNING THE PROVISION OF PRIMARY AND SECONDARY SCHOOLS IN NSW

An important part of this Review should be an investigation into the regulations governing the provision of primary and secondary schools in NSW. What are the regulations for the establishment of new schools and the continuation of established schools across NSW ?

Community, Environment , Education and Religious organisations conduct schools which compete with the NSW Government Schools for funding. In many instances across NSW the existence of these non-government schools has no demographic justification. Information from the 2021 Census shows small towns in NSW with populations less than 1000 and with Primary aged students less than 70 with two Primary Schools. The same census shows Regional cities with a large number of schools catering for small student numbers. The inefficiency caused by this lack of regulation is a significant waste of Government funds and one of the major causes of the Teacher shortage in NSW. A key question for this Review is whether PROFIT is a motive for these non-government providers.

2. THE ACCOUNTING TRAIL OF GOVERNMENT EDUCATION FUNDS TO NON GOVERNMENT EDUCATION AUTHORITY

An important part of this Review should be a forensic accounting of the trail of government funding from the government to the school. In many cases groups or systems of Non Government Schools are administered by a Non Government Authority. Some of these Non Government Authorities own their own Bank. In some instances the Authority compels the School or the School system to deposit Government Education Funding into the Authority's Bank. A key question for this Review is : Do the Banks in question make a PROFIT from the compulsory deposit of Government Education Funds ?

What powers will your Review have to investigate these kinds of practices ?

3. THE FINANCIAL RELATIONSHIP BETWEEN THE NON GOVERNMENT SCHOOL AND THE NON GOVERNMENT EDUCATION AUTHORITY

Section 83C(2) of the Act identifies (without limitation) a number of specific circumstances in which non-government schools will operate for profit. One of these circumstances is ".A school will also operate for profit if it makes a payment for property, goods or services, and that payment is at more than reasonable market value or is in any other way unreasonable in the circumstances, given the fact that financial assistance is provided to or for the benefit of the school."

This Review should conduct a forensic accounting of the circumstances where schools or school systems have been required to occupy and pay rent for buildings owned by the non-government authority. Questions which need to be examined are ; Did the school or school system spend government funds on refurbishment of the buildings they were required to occupy and, are the lease arrangements, including rent, fair and reasonable ?

What powers will your Review have to investigate these kinds of practices ?

4. WEALTHY NON-GOVERNMENT SCHOOLS

The Review needs to examine the financial records of wealthy non-government schools that receive government funding to ensure they are not operating for profit.

5. THE NON-GOVERNMENT SCHOOLS NOT-FOR PROFIT ADVISORY COMMITTEE

The Review needs to examine the function, powers and objectivity of this committee.

CONCLUSION

This is an important Review. I would welcome an opportunity to meet Mr Alegounarias.
Mr Richard Johnston