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# **Choice and Affordability Fund Annual Report**

**2020**

**Independent Schools Queensland**

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## **Choice and Affordability Fund**

### **Independent Schools Queensland – Annual Report 2020**

#### **Executive Summary**

Funding from the Choice and Affordability Fund (CAF) provided direct financial assistance to independent schools which were adversely impacted by the new funding arrangements with the objective of assisting schools to transition to the new funding arrangements.

It enabled the provision of financial assistance to independent schools impacted by drought conditions, considering the financial circumstances of parents and the ability of schools to provide support to those families impacted by drought.

Activities under the Choice and Affordability of Schools priority enabled eligible schools to complete projects where:

- innovations adopted during the period of the COVID – 19 pandemic and which contribute to facilitating parental choice were continued and scaled-up;
- opportunities were identified for schools to learn from other project schools; and
- efficiencies were identified in school management which enabled schools to facilitate continued choice and affordability for parents.

#### **Progress against your agreement and/or work plan**

ISQ had three priorities in 2020 – Transition Assistance, Special Circumstances Funding – Drought Assistance, and Choice and Affordability of Schools.

Under those priorities, ISQ provided direct financial assistance to independent schools which are adversely impacted by the new funding arrangements, for schools to maintain their financial viability while they are transitioning to the new funding arrangements, including independent schools in regional areas.

ISQ provided direct financial assistance to independent schools which are adversely impacted by the new funding arrangements, and, under previous policy settings, would have been eligible for assistance under the former National Adjustment Assistance Fund.

The CAF funding provided to schools to support families impacted by the drought was predominantly for fee relief, debt forgiveness and counselling/pastoral care support.

The funding supported schools to maintain and improve choice in schooling for Queensland families. It also assisted in maintaining and improving opportunity and diversity in the schooling system through a vibrant independent schools' sector in Queensland.

The CAF funds also supported structural adjustments and planning for structural adjustments for schools which are adversely impacted by the new funding arrangements.

## The distribution of funding

The distribution of 2020 Choice and Affordability Fund allocations is outlined in Attachment A – CAF Distribution Report.

All 2020 Choice and Affordability funding was directly distributed to schools.

## NGRB Expenditure Profile

	2020 \$	2021 \$	2022 \$	2023 \$	2024 \$	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$
Estimated expenditure	2,930,739	4,035,000	11,589,517	11,843,643	12,034,529	12,231,142	12,378,535	12,755,578	13,360,760	13,985,626

Expenditure of CAF during the period 2020 to 2029 is in accordance with the needs of identified schools to assist with their transition to the new funding arrangements. For most schools requiring assistance, funding changes do not come into effect until 2022 (when the DMI is fully implemented).

## Interest earned

	2020 \$
Interest earned	16,010

### Transition Assistance

The granting of transition assistance in 2020 for Queensland independent schools was informed by the Independent Schools Queensland Choice and Affordability Fund Special Circumstances and Transition Assistance Reference Group. This Reference Group comprises six persons, appointed by the ISQ Board of Directors, who are independent of any individual independent school and who collectively possess a mix of skills, expertise and experience in financial assessment, program management and independent school governance and management.

Eight independent schools were identified as being eligible for transition assistance in 2020. Two of these schools would have been eligible for assistance under the former National Adjustment Assistance Fund, whilst the other six schools were systemic schools.

To determine the amount of transition assistance, the per student Commonwealth funding for each school in 2019 was compared to the per student Commonwealth funding in 2020. For systemic schools, the per student funding rates accounted for any redistribution of funding by the system. A maximum amount of transition assistance for systemic schools was set at \$100,000 for schools with more than 500 students and \$50,000 for schools with less than 50 students.

The amount of funding allocated to each of the eight schools is outlined in Attachment A.

The allocation of transition assistance for one school was provided from the regional transition assistance allocation (refer to Attachment A).

Transition assistance in 2020 was provided to two schools that would have met the criteria to have access to support through the former National Adjustment Assistance Fund (refer to Attachment A). This activity worked towards achievement against the objectives in ISQ's agreement by:

- Providing direct financial assistance to independent schools which are adversely impacted by the new funding arrangements for schools to maintain their financial viability while they are transitioning to the new funding arrangements.
- Providing direct financial assistance to independent schools in regional areas which are adversely impacted by the new funding arrangements so that they remain affordable and continue to provide choice to families in regional areas.
- Providing direct financial assistance to independent schools which are adversely impacted by the new funding arrangements, and, under previous policy settings, would have been eligible for assistance under the former National Adjustment Assistance Fund.

## **Special Circumstances Funding – Drought Assistance**

The granting of Special Circumstances Funding – Drought Assistance in 2020 for Queensland independent schools was informed by the Independent Schools Queensland Choice and Affordability Fund Special Circumstances and Transition Assistance Reference Group. This Reference Group comprises six persons, appointed by the ISQ Board of Directors, who are independent of any individual independent school and who collectively possess a mix of skills, expertise and experience in financial assessment, program management and independent school governance and management. Eligible independent schools were those that provided support in the 2020 calendar year to: day, boarding or distance education students and their families from drought affected areas as identified by the [Australian](#) Government.

Eligible independent schools providing drought support to students and their families were invited to submit an expression of interest for funding support.

In 2020, support was provided to 21 independent schools impacted by drought.

The CAF funding provided to schools was to assist with support to families impacted by the drought, predominantly fee relief: tuition and boarding; fee discounts and concessions; debt forgiveness; and counselling and represented a proportion of the support that schools had provided.

The \$1,000,000 funding pool notionally allocated for Drought Assistance was increased by a further \$1,000,000 by reallocating the unused 2020 notional allocations of \$500,000 for Special Circumstances Funding – Natural Disasters and \$500,000 for Special Circumstances Funding – Short Term Emergency, taking the total pool for Special Circumstances Funding – Drought Assistance to \$2,000,000 for 2020. This variation to the CAF Agreement was approved by DESE.

Eligible schools which had received funding directly from the Australian Government for drought assistance were only considered for a CAF allocation for that support provided to families during the period 1 July 2020 to 31 December 2020.

As Expressions of Interest were more than the \$2,000,000 funding available, funding was provided with reference to each school's DMI score.

The amount of funding allocated to each of the 21 schools is outlined in Attachment A.

The 21 independent schools receiving funding for drought assistance were financially supported to ensure:

- continuation of their educational activities
- the quality of their educational activities was maintained
- their continued operation.

The funding also ensured that drought affected families were able to keep their children in school to continue their education.

## **Choice and Affordability of Schools**

Under the priority of *Choice and Affordability of Schools*, grants were provided to eligible schools for initiatives that facilitate parental choice in the context of affordability. ISQ facilitated school projects which are expected to support schools to maintain their choice and affordability and projects which support the implementation of structural adjustments where such adjustments are required because of changes in funding arrangements. In the agreement, ISQ agreed to the following Priority Objectives for the *Choice and Affordability of Schools* priority:

- Maintain and improve choice in schooling for Queensland families driving the improvement of educational standards and competition across the schooling system.
- Maintaining and improving opportunity and diversity in the schooling system through a vibrant independent schools' sector in Queensland.
- To support structural adjustments and planning for structural adjustments for schools which are adversely impacted by the new funding arrangements.

Priority was given to applications for funding from schools which are eligible for Choice and Affordability Funding under regional transition assistance, transitional assistance or transitional assistance under the former National Adjustment Assistance Fund Guidelines.

Applications were assessed with priority given to projects which -

- Build on or scale up an innovation adopted during the period of the COVID – 19 pandemic and which contribute to facilitating parental choice;
- Build on new ways of working with technologies in delivering educational programs;
- Provide opportunities for schools to collaborate in sharing resources; and/or
- Identify efficiencies in school governance and management which enable schools to facilitate continued choice and affordability for parents.

Six school received grants in 2020 as outlined in Attachment A.

Activities undertaken through 2020 grants included:

- The purchase of video conference solution systems to provide a learning platform that promotes learning and provides flexibility and choice within the framework for the families of the students (Priority Objective 1)
- An ICT Strategic Review to assist in planning for and utilising technologies in delivering an enhanced educational program and to improve efficiencies in business operations (Priority Objective 3)
- A HR Review to determine efficiencies in the staffing and program delivery for the non-teaching domain of the School (Priority Objective 3)
- A School Improvement Review that will enable the School to seek quality independent feedback of performance against the Independent Schools Improvement Check (ISIC) (Priority Objective 2)
- Sophisticated statistical research and modelling regarding a School's current demographics. (Priority Objective 3)
- Conducting an organisational review of the School (Priority Objective 3)
- The introduction of a new Building Management System (Priority Objective 3)
- The undertaking of a review of a School's procurement processes (Priority Objective 3)
- Engage an engineering consultant to develop an Energy Master Planning Report (Priority Objective 3)
- Undertaking a strategic review of the ICT systems within the school (Priority Objective 3)
- Undertake a business planning activity which would identify population growth areas in the region (Priority Objective 3)

### **Intended Outcomes**

The intended outcomes through the Choice and Affordability Funds for Queensland independent schools are, under the priority area – ***Choice and Affordability of schools.***

- Independent schools ensure choice in schooling is maintained and improved for Queensland families by supporting existing and new schools to provide diverse and affordable education opportunities through innovative projects which improve educational delivery or address efficiencies in governance and management.
- Up to 30 independent schools which are adversely impacted by the new funding arrangements are supported through project grants to facilitate structural adjustments and planning for structural adjustments to assist transition to the new Direct Measure of Income funding arrangements by 2029.
- To make available to all independent schools, information on structural adjustments and planning for structural adjustments because of projects and initiatives undertaken at selected schools.

These outcomes were achieved through the completion of the activities outlined above.

Examples include:

- ICT Review report has been delivered and recommendations are being considered.
- HR plan for IT has been identified.
- School is investigating a new LMS because of the ICT review.
- HR Review report has been completed. Role descriptions review of Business Support, IT and Facilities have been finalised and provided to HR.
- A 15-year maintenance refurbishment programme has been developed.
- Feedback has been actioned to ensure greater efficiencies and to respond to trends identified.
- Energy Master Planning Report completed with recommendations for further action.
- Printing costs reduced by 32%

Information on structural adjustments and planning for structural adjustments because of projects and initiatives undertaken at selected schools will be made available through the following mechanisms:

- Presenting when requested at any events regarding strategic development, sustainability of schools, and future proofing of Independent Schools.
- Contributing to publications of ISQ.
- Hosting and discussing with individual schools regarding both the process of the activity and the outcomes of the activity.
- Presenting through networks including AHISA and ASBAQ.

## Summary of outcomes

Priority <sup>1</sup>	Activities/Initiatives	Budgeted <sup>2</sup>	Spent <sup>3</sup>	Description of outcome against targeted priority
<i>Transition Assistance</i>	Provided financial assistance to schools which are adversely impacted by the new funding arrangements.	Centralised \$0	Centralised \$0	Direct financial assistance was provided to independent schools which are adversely impacted by the new funding arrangements for schools to maintain their financial viability while they are transitioning to the new funding arrangements.
		Distributed \$300,000	Distributed \$279,00	
	Provided financial assistance to schools in <b>regional areas</b> which are adversely impacted by the new funding arrangements.	Centralised \$0	Centralised \$0	Direct financial assistance was provided to independent schools in regional areas which are adversely impacted by the new funding arrangements so that they remain affordable and continue to provide choice to families in regional areas.
		Distributed \$500,000	Distributed \$50,000	
	Financial assistance to independent schools which are adversely impacted by the new funding arrangements, and, under previous policy settings, would have been eligible for assistance under the former National Adjustment Assistance Fund.	Centralised \$0	Centralised \$0	Direct financial assistance was provided to independent schools which are adversely impacted by the new funding arrangements, and, under previous policy settings, would have been eligible for assistance under the former National Adjustment Assistance Fund, in order to maintain their financial viability while they are transitioning to the new funding arrangements.
		Distributed \$250,000	Distributed \$250,000	
<i>Special Circumstances Funding</i>	<b>Drought Assistance</b>	Centralised \$0	Centralised \$0	CAF funding was provided to schools to cover support to families impacted by the drought, predominantly fee relief: tuition and boarding; fee discounts and concessions; debt forgiveness; and counselling and represented a proportion of the support that schools had provided.
	Provided direct financial assistance to independent schools which were adversely impacted by the drought.	Distributed \$1,000,000	Distributed \$1,999,999	
	<b>Short Term Emergency Assistance and Natural Disasters</b>	Centralised \$0	Centralised \$0	Not applicable.



	No activities in 2020.	Distributed \$1,000,000	Distributed \$0	
<i>Choice and Affordability of Schools</i>	Direct grants were provided to schools for projects to support schools to maintain their choice and affordability and projects which support the implementation of structural adjustments where such adjustments are required because of changes in funding arrangements.	Centralised \$	Centralised \$	Across the projects: <ul style="list-style-type: none"><li>- innovations adopted during the period of the COVID-19 pandemic and which contribute to facilitating parental choice were continued and scaled up;</li><li>- opportunities were identified for schools to learn from project schools; and</li><li>- efficiencies were identified in school management which enabled schools to facilitate continued choice and affordability for parents.</li></ul>
		Distributed \$500,000	Distributed \$290,300	
Administrative costs <sup>4</sup>		\$61,000	\$61,000	
TOTAL		\$3,611,000	\$2,930,739	

Choice and Affordability Fund distribution report  
 Attachment A to the annual report  
 for the financial period 01 January 2020 to 31 Decvember 2020  
 Independent Schools Queensland Ltd

	Choice and Affordability Fund
CAF funds spent or committed to be spent during the reporting period	\$ 2,930,739.00
Amount allocated to administrative costs	\$ 61,000.00
Amount allocated to centralised expenditure	
Amount allocated to schools	\$ 2,869,739.00
TOTAL	\$ 2,930,739.00

		Priorities								total allocated amount
AGEID	School Name	Choice and Affordability	Transition assistance - other	Regional transition assistance	Transition assistance - former NAAF schools	Special circumstances	Strengthening outcomes for schools	Student wellbeing and support	Other priorities (Drought Relief)	Total (auto sum)
14252	Redeemer Lutheran College								14,438	14,438
14254	St Johns' Lutheran Primary School								5,386	5,386
14257	Peace Lutheran Primary School								37,918	37,918
734	Darling Downs Christian College								13,395	13,395
16723	All Souls St Gabriels' School								160,075	160,075
430	Anglican Church Grammar School								144,628	144,628
30220	Border Rivers Christian School								17,860	17,860
2548	Dalby Christian College								80,368	80,368
442	Fairholme College								106,352	106,352
4005	Highlands Christian College								18,760	18,760
2553	John Paul College								19,470	19,470
517	Rockhampton Girls' Grammar School								7,337	7,337
639	St Margaret's Anglican Girls College								212,119	212,119
534	The Cathedral School of St Anne and St James								193,691	193,691
16078	The Glennie School								226,639	226,639
518	The Rockhampton Grammar School								169,193	169,193
2549	The Schools of Total Educaiton								239,444	239,444
738	The Scots PGC College								128,143	128,143
733	Toowoomba Grammar School								39,907	39,907
736	Townsville Grammar School								87,579	87,579
26131	Warwick Christian College								77,297	77,297
3883	Hillbrook Anglican School	50,000								50,000
465	Ipswich Grammar School	47,800								47,800
534	The Cathedral School of St Anne and St James	50,000								50,000
518	The Rockhampton Grammar School	50,000								50,000
733	Toowoomba Grammar School	42,500								42,500
15943	Whitsunday Anglican School	50,000								50,000
14271	St Peters Lutheran College		18,708							18,708
27950	St Peters Lutheran College - Springfield		98,222							98,222
23693	Lutheran Ormeau Rivers District School		60,998							60,998
14257	Peace Lutheran Primary School		1,512							1,512
2144	Carlisle Adventist Christian College			50,000						50,000
417	Northpine Christian College		100,000							100,000
15328	Cannon Hill Anglican College				145,989					145,989
6883	Hillbrook Anglican College				104,011					104,011
	Total	290,300	279,440	50,000	250,000	0	0	0	1,999,999	2,869,739



Our reference: 21800

## Acquittal Certificate - 2020

### Independent Schools Queensland

This Certificate shows payments made by the Department of Education, Skills and Employment (the department) under the *Australian Education Act 2013* (the Act) during the 2020 calendar year to the nominated bank account of Independent Schools Queensland (the NGRB).

To complete the Certificate, enter a confirmed total amount for each payment type in the tables below. If you disagree with the amount confirmed in the Table below, please cross the confirmed amount out and write the amount you wish to confirm meets the terms of your assurance engagement.

**Table 1: Funding provided in 2020 under section 30 of the Act.**

Funding Provided	Amount
NGRSF funding (excl GST)	\$3,317,000.00
CAF funding under s30 of the Act (excl GST)	\$8,924,507.00
Total funding provided in 2020 (excl GST)	\$12,241,507.00
Total GST paid	\$1,224,150.70
Total funding provided in 2020 (incl GST)	\$13,465,657.70

**Table 2: Non-Government Reform Support Fund**

The amount of 2020 funding received and spent for the purpose of supporting school education in accordance with section 31 of the <i>Australian Education Regulation 2013</i>	Amount Ex GST
Funding received in 2020	\$3,317,000.00
Funding spent, or committed to be spent in 2021	\$3,319,506.00

**Table 3: Choice and Affordability Fund**

The amount of 2020 funding received and spent for the purpose of supporting school education in accordance with section 31 of the <i>Australian Education Regulation 2013</i>	Amount Ex GST
Funding received in 2020	\$8,924,507.00
Funding spent in 2020	\$2,930,739.00

Certificate prepared and certified by an independent qualified accountant as required by section 34 of the *Australian Education Regulation 2013* (the Regulations)

I, Mr Cameron Bradley  
(name of Independent Qualified Accountant)

of Level 6, 10 Eagle Street Brisbane Qld 4000  
(name of business of Independent Qualified Accountant)

Being a person who is: *(tick as appropriate)*

- ☒ a qualified accountant within the meaning of the *Corporations Act 2001*; or
- ☒ a person registered (or taken to be registered) as a company auditor under the *Corporations Act 2001*; or
- ☐ a person approved by the Minister as a qualified accountant when the Minister is satisfied that the person has relevant qualifications or experience.

**Membership level and Registration number:** Registered Company Auditor 311497 - ASIC

**Name of Professional body:** Registered Company Auditor  
*(eg CPA Australia, Registered Company auditor etc.)*

Preparation and certification of this Certificate by an independent qualified accountant will satisfy the financial reporting obligations of the NGRB under section 34 of the Regulations by certifying:

- the amount of financial assistance paid to the authority in accordance with the Act in 2020 that has been spent in accordance with section 31; and
- the amount of financial assistance paid to the authority in accordance with the Act in 2020 that has been committed to be spent in accordance with section 31; and
- the interest earned on financial assistance paid to the authority in accordance with the Act has been spent, or committed to be spent, in last year in accordance with section 31.

For the avoidance of doubt, the requirement for the Certificate to be 'certified' means that an independent qualified accountant has undertaken a reasonable assurance engagement on the authority's compliance on spending financial assistance in accordance with the Act.

#### **Qualified Person's certification**

I certify, as at 31 December 2020 that, to the best of my knowledge and after undertaking a reasonable assurance engagement on the authority's compliance on spending financial assistance in accordance with the Act:


- (a) the amounts of funding specified in the Table of this Certificate have been spent or committed to be spent in accordance with the Regulations; and
- (b) interest earned in 2020 on the funding specified in the Table, has been spent or committed to be spent in accordance with the same requirements under the Regulations that applies to the funding;
- (c) where the total amount received by the NGRB, under the Act includes an amount to take account of GST payable by the NGRB, on a Taxable Supply made to the Commonwealth under the agreements, the NGRB has paid to the Australian Taxation Office the relevant amount of GST.

I understand that the department may use and disclose any information contained in this Certificate, including any personal information, for the purposes of:

- assessing the NGRB's compliance with the Act and the Regulations;

- any departmental reporting on funding provided under the Act, including publically available reporting;
- assisting the NGRB for its work as an NGRB;
- any other purpose authorised or required by law (see for example, section 65 of the Regulations).

I understand that giving false or misleading information is a serious offence.

Signature of Qualified Accountant:.....

Date: .....