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**TO: CHAIRS AND MEMBERS OF SCHOOL BOARDS OR COUNCILS
HEADS AND PRINCIPALS
BUSINESS MANAGERS**

5 September 2013

THE FOCUS ON EDUCATIONAL INNOVATION AND THE FUTURE FUNDING OF SCHOOLS

With all the attention over the past two years on the Gonski Review, now the Better Schools Plan, we could be forgiven for having focussed our attention on the many possible financial outcomes of Gonski and inadvertently missed the importance of educational improvement.

We are constantly reminded of our need to improve financial performance. This is important, but must not take precedence over the very thing that makes Independent Schools relevant today, that is, educational performance and pastoral care.

Parents today, and those that have aspirations for their children, look at what a school will provide for their child or children.

- They want a balanced but focused education, one with quality outcomes.
- They want an education that is relevant today and will provide opportunities for their children into the future.
- They want good pastoral care and measured discipline.

A school that provides these key elements will always be successful. It will create demand.

If you focus your attention only on the financial performance of your school you may be tempted to delay or fail to implement educational change, restructure or reform.

Senior Educational Administrators in schools should be prepared to challenge their Boards or Councils to find a way to continually improve the educational outcomes in their schools.

Certainly, the approach to improvement and reform must be responsible from a management perspective but it should drive your planning, not be subservient to conservative financial constraints.

Sound and innovative curriculum structure and reform must be the first priority in developing your budget and long term planning.

The challenge for Financial Administrators, School Boards and Councils should be to “find a way to make it happen”, rather than take the safe path of doing little or nothing.

Let me get back to Gonski and how that is influencing schools' approach to budgeting and planning.

The Gonski reforms are creating uncertainty and with uncertainty come hesitancy and delay.

The outcomes of the Better Schools Plan (I call it "Gonski lite") in Queensland are creating uncertainty in people's minds. It will be short-lived.

After the election we will know if, and in fact it must be when, Queensland will sign up to the plan. This will give more certainty to the funding you will receive over the next four years. I suggest you forget what is published for 2018 and 2019. It is too far out and may bring false hope.

We are guaranteed one certain outcome for 2014 and that is:

- Whatever you receive in 2013 from the State and Commonwealth governments for GRG (general recurrent grants) and needs grants (not including DER) is what you will receive in 2014 plus 3%. This is on a per student basis, not a total dollar basis. If you have more students you will get proportionately more or if you have less students then you will get proportionately less.

This should form the basis for your budgeted government revenue in 2014. Remember, there will only be one grant per student, not one from the State and one from the Commonwealth, unless Queensland does not sign up to the Better Schools Plan. We will know this soon.

In order to confirm your government funding for 2014 it is **very important** that you complete your Financial Questionnaire in 2014 (2013 financial data) accurately. In particular, make sure you record **all** recurrent grants, including all needs grants, in the correct section of the Financial Questionnaire. Do not be tempted to put any of these in the Trading Account as you may lose any benefit of additional funding by doing so. If you are uncertain of this please talk to me.

My advice to you as a former Financial Administrator in schools, a current Board Member of schools and a consultant to schools across Australia, is to get on the front foot.

- Plan for your school to be in the **leading pack** not following it.
- Look to ways of **making it happen** not to stagnation.
- Use sound business principles in your planning, but do not be afraid to plan beyond 2014 in order to make this happen.

Remember, we are very fortunate to receive government recurrent and capital funding and we have a society that is seeking good education and is prepared to pay for it. If your school provides the three key elements I referred to earlier it is likely to be a successful school.

The future is exciting. I look forward to being a part of it.

PETER J HOLLETT
DIRECTOR