
Choice and Affordability Fund Annual Report

2020

Independent Schools Queensland

Choice and Affordability Fund

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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.

Schools have certified that the distributed funding has been used for the purposes for which it was provided.

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	4,835,000	11,511,490	12,276,490	12,276,490	12,225,490	12,123,490	11,179,990	11,307,490	11,658,814

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).

The NGRB Expenditure Profile has been amended to reflect adjustments to indexation reflected in Attachment C of the agreement as at December 2020.

Substantial carry over of funds resulted from 2020 as expenditure is directly linked to actual funding impacts of CTC policy change in that year. Only regional schools that are part of a system were affected due to the rebasing of systemic transitions in 2019. A carryover over of funds is required to mitigate future impacts of non-systemic schools in future years as these schools’ transition to DMI based CTC.

Interest earned in 2020 has also be included in the profile.

Interest earned

Interest earned has been included in the above NGRB Expenditure Profile.

	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.

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. All six schools that applied for a grant were successful. The remainder of the funding will be deferred to subsequent years when it is expected that more schools will apply. It also allows for larger grants to be available for those most affected schools.

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 ¹	Activities/Initiatives	Budgeted ²	Spent ³	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	<p>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.</p> <p>As expenditure is directly linked to actual funding impacts in 2020, only regional schools that are part of a system were affected due to the rebasing of systemic transitions in 2019. A carryover over of funds is required to mitigate future impacts of non-systemic schools in future years as these schools' transition to DMI based CTC.</p>
		Distributed \$300,000	Distributed \$279,440	
	Provided financial assistance to schools in regional areas which are adversely impacted by the new funding arrangements.	Centralised \$0	Centralised \$0	
		Distributed \$500,000	Distributed \$50,000	
	Financial assistance to independent schools which are adversely impacted by the new funding arrangements, and,	Centralised \$0	Centralised \$0	
		Distributed \$250,000	Distributed \$250,000	

	under previous policy settings, would have been eligible for assistance under the former National Adjustment Assistance Fund.			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.
<i>Special Circumstances Funding</i>	Drought Assistance Provided direct financial assistance to independent schools which were adversely impacted by the drought.	Centralised \$0	Centralised \$0	CAF funding was provided to 21 schools (see distribution report) to cover support to more than 830 students whose families were impacted by the drought for fee relief: tuition and boarding; fee discounts and concessions; debt forgiveness; and counselling and represented a proportion of the support that schools had provided.
		Distributed \$1,000,000	Distributed \$1,999,999	
	Short Term Emergency Assistance and Natural Disasters No activities in 2020.	Centralised \$0	Centralised \$0	Not applicable.
		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"> - 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 project schools; and - efficiencies were identified in school management which enabled schools to facilitate continued choice and affordability for parents.
		Distributed \$500,000	Distributed \$290,300	
Administrative costs ⁴		\$61,000	\$61,000	
TOTAL		\$3,611,000	\$2,930,739	

