



CATHOLIC EDUCATION
WESTERN AUSTRALIA

**SENATE COMMITTEE ON
THE EFFECT OF RED TAPE ON PRIVATE EDUCATION
SUBMISSION FROM CATHOLIC EDUCATION WESTERN AUSTRALIA (CEWA)**

CONTEXT

This submission is provided by Catholic Education Western Australia (CEWA) on behalf of 163 schools spread over four dioceses in the State. The scope of the submission will cover all three tiers of government – Commonwealth, State, Local – and related agencies.

CEWA acknowledges the need for certain levels of due diligence and accountability in various agreements, especially those involving regulatory and financial compliance. Notwithstanding, where there is duplication and/or inefficiencies, comments will be made. This is a particular issue where more rigorous processes – and associated red tape – apply to CEWA and other private schools compared with government schools.

It is also important to recognise the governance arrangements which apply to CEWA schools in the context of how much red tape is appropriate to balance accountability against responsible independence. CEWA schools are part of a systemic approach and are ultimately responsible to the Catholic Education Commission of Western Australia (CECWA) with delegated authority to CEWA. A number of formal accountability processes exist including oversight of school budgets; requirements for an Annual School Improvement Plan; Principal Reviews; Cyclical Reviews of school performance; and regular school audits to assure compliance with the State Education Agreement and other legislative accountability requirements. Most of these arrangements have been made known to state and Australian government agencies.

Similar arrangements apply to Catholic schools in other states and territories. It is important to recognise that other private (independent) schools are not part of a systemic approach with associated centralised and consistently monitored accountabilities. In most cases these schools are self-regulating with responsibility to their Board of Governors and with assistance provided by their respective state and territory associations or religious affiliates. CEWA recognises that such arrangements work appropriately. Notwithstanding, CEWA proposes that the tight levels of central governance and accountability which apply to Catholic schools support a context where red tape can be reduced without reductions in proprietary or accountability.

OPPORTUNITIES FOR REDUCTIONS IN RED TAPE

1. Commonwealth Funding processes

Commonwealth funding is vital and most important for CEWAs ongoing financial sustainability. CEWA works closely with the AGDOE. Compliance with the 2013 Australian Education Act and the 2017 Amendment Bill are the main legislative requirements. The

annual financial acquittal for the System (i.e. CECWA as the Approved Authority and individual schools) is carried by schools and the CEO in accordance with the requirements of the AGDOE.

The annual (audited) financial statement (AFS) of each school is entered into a CEWA portal and summarised to comply with the AG DOE Financial Questionnaire (FQ).

The FQ must also show HO system allocations which is extremely cumbersome, time consuming and takes data from one audited entity (CECWA) and notionally allocates it over 163 individual school entities. This is required by the AG DOE in order to provide the data to ACARA which is used in the MYSCHOOL website for public disclosure.

Extensive reliance is placed on this FQ and the data contained therein, is used by government agencies for a variety of reasons. It is a questionnaire and therefore not comparable to published financial statements by school prepared in accordance with Australian Accounting Standards (AAS).

In parallel with the AG DOE compliance requirements, all CEWA schools (and CECWA as an entity) must also comply with the 2012 Australian Charities and not-for profit Commission (ACNC) Act.

Each school (all CEWA schools are classified as large charities under the Act) is required to prepare audited financial statements in accordance with AAS and upload them to ACNC website so that they are publically available.

The mantra of “report once” has caused multiple issues. AG DOE and ACNC should require the exact same information in exactly the same detail and format. What is happening is confusing and adding unnecessary monumental complexity for schools financial reporting.

Specifically, the effect of RED TAPE means we have had to:

1. migrate 162 schools to full accrual accounting;
2. commence a program of re-training school finance staff;
3. invest considerable funds (\$10M) in the development of software;
4. recruit an entire team of qualified System accountants (12 in all so far) to support our schools;
5. provide financial information in different formats to different agencies:
 - a. AGDOE / FQ (for WA schools, kindergarten activity excluded requiring an algorithm) and needs to include allocations of Head Office costs, as well expenditure incurred centrally on behalf of schools;
 - b. ACARA (for MYSCHOOL website);
 - c. ACNC
 - d. Audited Financial Statements prepared in accordance with Australian Accounting Standards (which do not agree to FQ or ACARA logic)

In addition, even though the CEWA system was given assurance of our ability to redistribute funding according to our own needs based model, there appears to be further reviews being undertaken.

2. State funding and regulatory processes

Funding

In general terms CECWA's state interactions are guided by (i) a funding agreement and (ii) a system agreement. These are comprehensive and clear documents that set out how our System of 162 schools are expected to operate. This aspect of our operations runs smoothly.

Establishing or changing enrolment scope of a school

In terms of approval for all private schools to establish a new school, open a new campus of an existing school or change the enrolment conditions such as a new kindergarten, out of school care facility, pre-school or extension to senior secondary, strict guidelines and processes apply. An application must be submitted to the Minister for Education through what was formerly the Department of Educational Services (DES) but is now administered through the Western Australian Department of Education. While CEWA acknowledges that there needs to be some form of accountability for new schools and enrolment extensions, the current process is a relatively extended one, particularly in terms of consultation and the effects of appeals by other nearby schools in terms of a possible detrimental effect. CEWA schools are guaranteed by the system in terms of financial viability and proprietary. As part of the decision making process to build or extend enrolment at a school, CEWA conducts a rigorous process of due diligence, especially in view of the considerable capital and recurrent expenditure.

The red tape and registration processes which apply to CEWA and other private schools in Western Australia do not apply to government schools. For example, an existing government school can – and have in the past – appeal against the building or enrolment extension of a private school on the grounds of detrimental effect but reciprocity does not apply.

Education Agreements

Each private school will have some form of State Education Agreement or equivalent which governs their registration. In the case of CEWA, this is currently administered by the Western Australian Department of Education (formerly run by an independent body, the Department of Educational Services). As an integrated system with a range of system led accountability processes, CEWA schools are nevertheless subjected to a considerable burden of red tape, far in excess of government schools.

3. Local Government Processes

CEWA, like all private school providers, has experienced various degrees of difficulty in dealing with local government in terms of local zoning and planning regulations. Each local government often has disparate regulations in terms of parking requirements, drop off zones, on street standing and parking, building regulations and plot size requirements, restrictions on multi-storey development, maximum enrolment numbers, approved after hours use, noise abatement, traffic control requirements etc. Government schools are not subject to many of these requirements.

While this red tape and cross-council inconsistency exists, it makes it extremely difficult for CEWA schools to plan for enrolment growth. The issue is most extreme in suburban infill

areas where gentrification and increased housing density are creating increased demand for schooling places.

While CEWA recognises this issue cannot be easily addressed by the Australian Government (if at all) it remains as a significant red tape issue that compromises the capacity of private school to operate efficiently and service emerging need. A similar issue also applies for approval for new schools and enrolment expansions through the Western Australian Department of Education (discussed earlier in this paper).

4. National initiatives

Teacher registration

Each state and territory has their own teacher registration board or equivalent which separately registers teachers to work in that jurisdiction and oversees their ongoing registration. When teachers move interstate, they are required to seek re-registration. This also requires a new Working With Children check or equivalent. Given that the qualifications from Australian universities are accepted nationally and that state and territory curriculums have a relatively common core, the need to seek jurisdictional approval seems unnecessary – or at least there could be a reduction in red tape. This issue applies to both government and private schools.