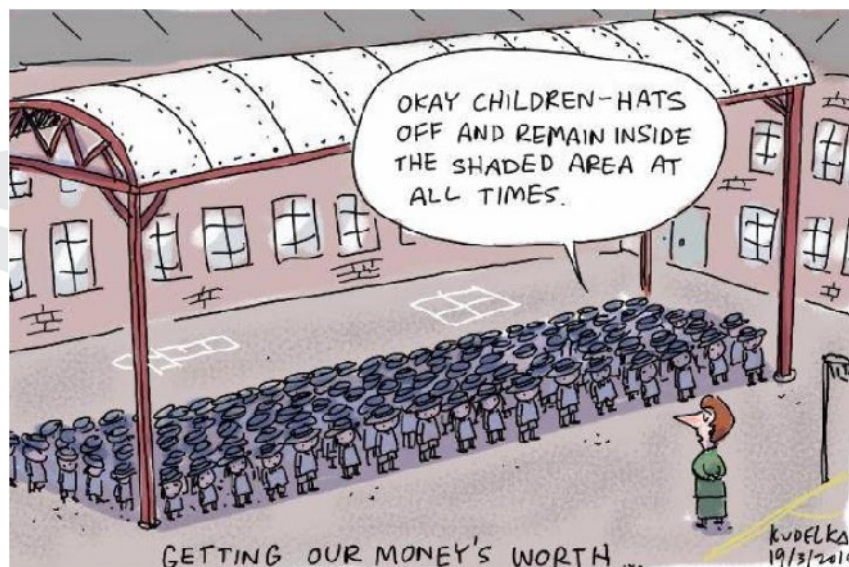


2010 CSA National Leaders Conference

CHALLENGES FACING CHRISTIAN SCHOOLS

Paul Campey
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Some FB Research



Schools will fail not through poor educational offerings, but through governance, management and financial problems

Issues Facing Schools

1. Keeping School fees down (not becoming too expensive) – 54%
2. Finding new enrolments – 48%
3. Salary costs getting higher – 42%
4. Increasing requests for fee assistance – 41%
5. Effective strategic planning – 34%



Issues Facing Schools

6. Collecting School Fees – 34%
7. Finding Quality Board Members – 33%
8. Attracting donations to the school – 33%
9. Managing/maintaining technology in the school – 31%
10. Coping with compliance issues (ATO, OH&S, DEEWR, etc) – 31%



CPI v Education Costs

Source: Australian Bureau of Statistics

Year	Annual CPI (@ March) % Increase	March Qtr Education Index % Increase		
		Primary	Secondary	Combined
1989	-			-
1990	8.6			14.1
1991	4.9			10.2
1992	1.7			7.8
1993	1.2			4.3
1994	1.7			3.6
1995	3.6			4.5
1996	3.7			5.7
1997	1.3			6.4
1998	-0.2			5.9
1999	1.2			4.4
2000	2.8			5.2
2001	6	4.8	6.3	5.55
2002	2.9	5.9	6.4	6.15
2003	2.7	7.2	6.9	7.05
2004	2	7.6	6.9	7.25
2005	2.4	7	7	7
2006	3	6.6	6.9	6.75
2007	2.4	7.9	7.1	7.5
2008	4.2	1.4	6.6	4
2009	2.5	4.3	7.6	5.95
20 Yr average:	2.9	-	-	6.5
10 yr average:	3.1	-	-	6.2
9 yr average:	3.1	5.9	6.9	5.7
5 yr average:	2.9	6.1	6.9	6.2

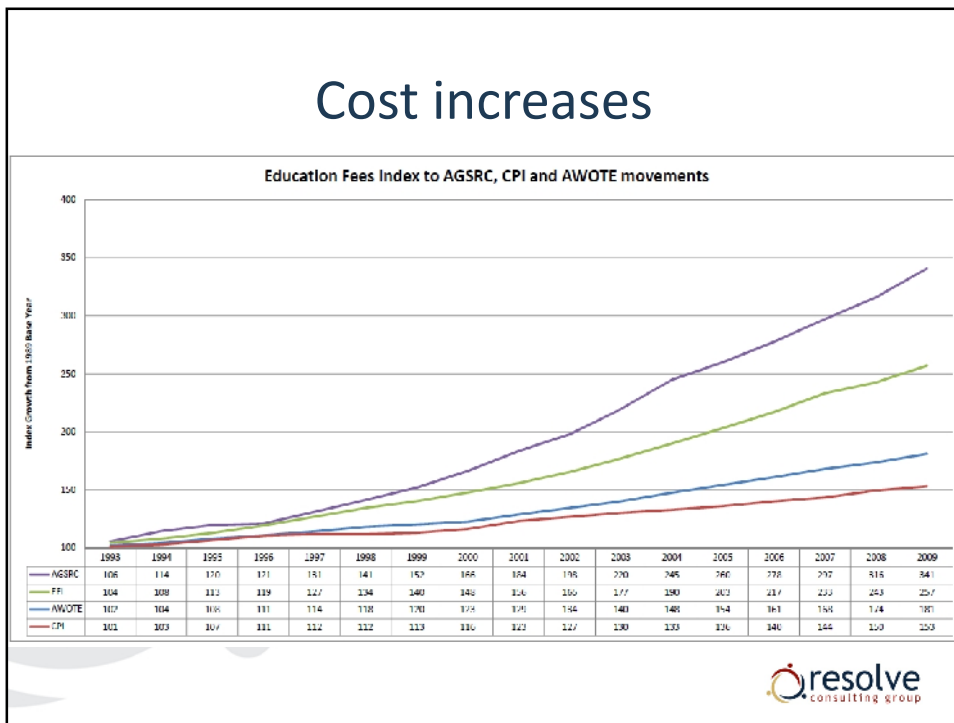


Commonwealth AGSRC

Year	Combined	
1993	3.60%	
1994	5.10%	
1995	2.00%	
1996	2.50%	
1997	7.40%	
1998	4.60%	
1999	5.50%	
2000	7.40%	
	Primary	Secondary
2001	6.40%	7.20%
2002	5.18%	5.18%
2003	7.10%	7.40%
2004	8.65%	7.15%
2005	3.15%	4.64%
2006	6.32%	3.61%
2007	5.51%	4.34%
2008	5.65%	3.47%
2009	4.18%	5.81%



Cost increases



Example – Salaries in NSW

- January 2000 – Step 13 – \$52,762
- January 2009 – Step 13 – \$78,390
- 48.6% increase over 9 years (avg 5.4% pa)
- New Graduate in 2000 - \$37,360
- Same teacher in 2009 - \$78,390
- 110% increase over 9 years (avg 12.2%pa)

Salary rates Source: Christian Schools Australia

A typical Christian School

- Student started Kindergarten in 2000 (average increase of 5.7%pa)
 - Total Fees K-12 - \$49,337
- Student started Kindergarten in 2010 (actual fees in 2010+ 5.7% pa)
 - Total Fees K-12 - \$97,139
- K, 2000 student will be Year 10, 2010
 - Original expected fees - \$5,065pa
 - Actual fees - \$5,784pa
 - Higher by 14%



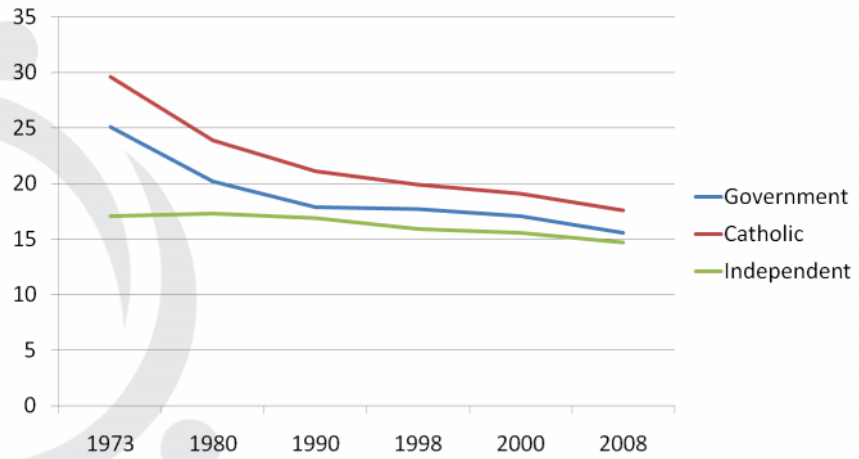
Student Teacher Ratios

Student-teacher ratios, 1973-2008

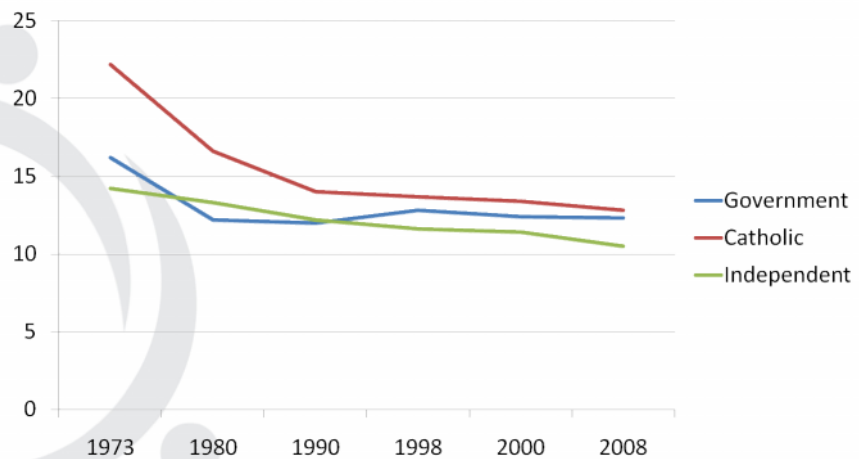
Year	Government		Non-government			
	Primary	Secondary	Catholic		Independent	
			Primary	Secondary	Primary	Secondary
1973	25.1	16.2	29.6	22.2	17.1	14.2
1980	20.2	12.2	23.9	16.6	17.3	13.3
1990	17.9	12.0	21.1	14.0	16.9	12.2
1998	17.7	12.8	19.9	13.7	15.9	11.6
2000	17.1	12.4	19.1	13.4	15.6	11.4
2008	15.6	12.3	17.6	12.8	14.7	10.5



Student Teacher Ratios - Primary



Student Teacher Ratios - Secondary





Case Studies



Funding alarm over school's \$2m fraud

Anna Patten
Education Editor

A PRIVATE school principal scolded for defrauding \$2 million in government funding in a failed attempt to save his school from closure says he is not alone in writing the controversial federal funding scheme.

"It does go on quite a lot," Lyn Mazey told the Herald yesterday a day after 120 students at the Lakeside Christian College secondary campus in Tweed Heads learnt it would close on April 11 because of unpaid debts of more than \$5.5 million.

Mr Mazey 59, was dismissed in December after he falsified the school's enrolments, claiming twice as many students to gain a greater share of government funding.

He admitted to "overselling" enrolments for at least three years in a row and said the Federal Government had not audited the school since it opened.

"In 16 years I was there, we never got audited," Mr Mazey said. "There needs to be a regular auditing process."

He said other principals had told him they had also fudged school data reported to the federal Education Department.

Mr Mazey stressed he had not benefited personally. "In hindsight, I wouldn't do it again, but the school wouldn't have survived," he said. "I think it is a tremendous pity after I put in 16 years to build the school from nothing, only to see it closing."

"I missed my career through doing it, and it is something I have to live with."

Stephen O'Doherty who heads Christian Schools Australia, of which Lakeside Christian College is a member said his accountant was the first to uncover financial irregularities at the school. The school board sacked Mr Mazey and the matter was referred to the NSW and federal education departments. Mr O'Doherty said he would ask government authorities to investigate whether charges should be laid. "This is not the fault of the Commonwealth," Mr O'Doherty said. "He has done the wrong thing and it has led to a bad outcome. He is responsible and accountable."

Stranded students and their parents too the Herald they were devastated to be told they would have to find a new school after the April break. Nicola Bannell, 17, is doing her HSC this year. "It is awful and so disruptive. All the students are really shocked and feel deserted. We will have to meet new teachers and work out what they want from us and work out whether we can do the subjects we have been doing for the last two years."

Mr O'Doherty said that after the school had first asked his organisation for financial advice, an audit revealed that the school had erroneously claimed \$1.8 million from the Commonwealth and \$34,000 from the NSW Department of Education. It also has a bank debt of \$3.1 million and owes at least \$1,000 to other unsecured creditors.

Mr O'Doherty said he was angry that the church that established the school, Lakeside Christian Centre, had not sold its land to pay the school debts.

"We recommended to the Lakeside Christian Centre the school might have a future if they sold their land. That would have involved losing the value of their church property, and they weren't prepared to do that. We believe the school could have been saved under different management and if the church was prepared to shoulder responsibility for the debt, what they did was morally reprehensible."

The pastor of Lakeside Christian Community Church, Bill Pryor, who is also head of the school board, issued a statement last night expressing regret for the "financial necessity" of the closure. "The college has investigated a number of options to keep the high school open, including the possible sale of the school as a going concern, but not our success."

Robyn Anderson, from Lakeside, who has twin sons in year 12, said: "It's going to be very difficult for the children to be

Lyn Mazey ... sacked principal.

"Awful" ... Nicola Bannell and Emma Leigh, in year 12. Photos: Paul Harris

Lyn Mazey ... sacked principal.

Lyn Mazey ... sacked principal.



Case Study 1 – When things go wrong – Facts

- K-12 School
- Northern NSW
- 300 students – census showed 420
- False Census returns for 3 years
- Staffing levels @ 420 student level
- Board not engaged
- Lack of Award compliance, Staff checks, contracts, proper financial reporting



Case Study 1 – When things go wrong – Outcomes

- Owed Commonwealth and State - \$1.9m+
- Insolvent
- “Nobody checked me”
- “Everyone does it”
- Principal – 3 years jail



Case Study 2 – When things go right – Facts

- P-12 School
- Adelaide, SA
- 850 students
- Clear Vision and Mission
- Engaged Board
- Strong Leadership Team
- Reasonable finances
- Good waiting list



Case Study 2 – When things go right – Facts

- Neighbouring property became available
- Replacement value of buildings \$66m
- Purchase price land and buildings - \$8m



Case Study 2 – When things go right – Outcomes

- Detailed Cashflow projections
- Long Range Financial Masterplan
- Bank finance
- Board and management willing to take calculated risk
- Enrolments grew to 1,250 in 2 years
- Acquired property and developed it
- Site doubled in size (spare buildings still!)



Key Ingredients for
School Governance,
Management and
Financials



Key Ingredients

- Core Purpose, Vision and Values
- Quality Board Governance
- Strong Management Team
- Strategic Plan
- Long Range Financial Masterplan
- Facilities Masterplan
 - Buildings / Property
 - ICT
- Quality Educational programs



Key Ingredients

- Effective and efficient resources management
- Good reporting systems
 - Key Performance Indicators / Dashboard
 - Financial
 - Management
 - Academic
 - Compliance



Thank you

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