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Review of school spending laws welcome - and long overdue

The Association of Independent Schools NSW (AISNSW) said the review of laws governing non-government schools' spending must restore the scope of the original legislation and move responsibility for compliance to an independent regulator.

AISNSW Chief Executive Margery Evans said a review of Section 83C of the NSW *Education Act 1990* was due three years after its 2014 introduction to ensure it was working as intended.

“The lack of a review has allowed Section 83C audits and investigations by the NSW Department of Education to intrude into areas well beyond the legislation’s original scope.

“When introducing the Bill into Parliament, the then Minister said Section 83C would not be a licence for unnecessary interference in a non-government school’s operations and that as long as the requirements of the new Act were met, decisions on employment and other spending belonged solely to the school.

“Despite this, the NSW Department of Education is now defining spending decisions for non-government schools, including on longstanding practices fundamental to their purpose and the very reason parents choose a non-government school.”

Ms Evans said the Independent school sector supported the introduction of Section 83C to give the community confidence that non-government schools did not operate for profit and that their expenditure was reasonable and necessary for the operation of the school.

“Non-government schools are already highly accountable to their parents and are subject to financial regulation and scrutiny by multiple Federal and State Government agencies including NESA, ACARA, the ACNC, ASIC and the Federal and State Departments of Education.

“Despite this, many Section 83C investigations have extended well over 12 months - at considerable cost to schools as well as taxpayers, who fund the private sector auditors undertaking the work on behalf of the Department. Breaches have been largely inadvertent or technical, rather than deliberate or systemic.

“This review is an opportunity to reset the boundaries of audits so that they do not, in the words of the then-Minister, intrude on a school’s right to meet its community’s needs or disproportionately increase the regulatory burden for non-government schools.”

Ms Evans said an independent regulator is needed that understands and accepts the purpose and autonomy of non-government schools.

“Parents have a right to choose the school that meets their needs and expectations. They expect their non-government school to operate differently to government schools and provide a different educational offering.”

The review, announced today by the NSW Deputy Premier and Minister for Education and Early Learning Prue Car, will be led by former NESA Chairman, Tom Alegounarias.

“As Chair of NESA and its predecessor bodies, Mr Alegounarias understands the nature and purpose of non-government schools and is highly regarded by all school sectors.”

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