**A Discussion of Issues and Challenges facing St. Andrew’s Greek Orthodox Grammar School**

**July 2017**

Prepared by Michael Megaw

Commissioned by Dr Con Berbatis

**Disclaimer**

In presenting this paper on issues at St. Andrew’s Grammar School I wish to stress the following points:

* Comments on financial matters at the school do not result from any audit of its finances.
* I have requested and received a wide range of data from responsible officers at the school. The data was provided in good faith and I have interpreted and used it in good faith to amplify and illustrate matters discussed.
* In writing this paper I consulted a range of people to seek information and opinions. Despite that, the opinions, inferences and suggested options outlined are mine alone.
* My report comments on some aspects of curriculum and teaching but I have not, nor was I requested to, conducted any detailed professional evaluation of the school and its staff.
* In describing current circumstances at the school, I concentrated on addressing problems and setting goals for the future. I have not sought to evaluate the merits of past decisions.
* No comment or suggestion in this paper should be construed as being legal advice

**Contents:**

Disclaimer 2

Introduction 4

Original Aims and Ethos of St Andrew’s Grammar School 5

School Registration 6

Responding to requirements for registration 6,7

Working with stakeholders 7,8,9

Understanding Enrolment Trends 9.10

* Impact of Curriculum and Facilities
* Impact on Finances

Financial Viability 10,11,12

* Staff Structure
* Accrued and contingent liabilities and operational risks
* Debt
* Key Recommendation on Financial Viability

Ways forward 13,14,15

* Arrest the financial Slide
* Work with your bank
* Develop models for growth
* Vision
* Curriculum and assessment as a key differentiator
* Test the market

Possible operational models for the future 15,16,17

Summary of Key Challenges 18

Appendix 1 Enrolments 2010 – 2017 19

Appendix 2 Students by Religion and Year level 20

Appendix 3 Ethnicity 21

**Introduction**

Earlier this year I was asked by a school benefactor, Dr Con Berbatis, to provide comments on a bid being made by the school to finance and build a facility for teaching STEM (Science, technologies, engineering and mathematics) subjects in the secondary school.

The proposal at that point had an indicative cost of around $3.2m, to be funded from borrowings, grants and donations in roughly equal proportions.

My preliminary investigation led me to conclude that the School’s balance sheet could not support any further borrowings. I also formed the opinion that there was a low prospect for success in seeking around a million dollars from the Commonwealth government Capital Grants Programme administered by the Association of Independent Schools (AISWA).

This matter is one of several critical issues being dealt with by school management and the Board.

After my preliminary investigation, I wrote a brief discussion paper that I presented to the SAGS Board on 6 June this year. I was then requested to prepare a wider presentation on issues to be dealt with at SAGS along with some possible future options to address its financial and academic sustainability.

The school is currently applying for re registration as required by the School Education Act (1999). WA Non- Government Schools Registration Standards have been substantially revised for this year. This process provides many challenges and opportunities in planning for the future.

Employees at SAGS are engaged under terms and conditions set out in an Enterprise Bargaining Agreement last registered in 2015. The negotiation of a new agreement is under way. Since salaries and wages are the dominant expense for the school, the Board needs to be fully informed of implications that flow from the existing and future agreements.

This paper will return to this and other issues, but it should be note that enrolment and re enrolment is a critical matter as SAGS moves towards 2018. The dominant concerns of both the financial and educational viability of the school spring principally from its low student numbers.

Any decisions directed to improving public perception of the school and the flow of new enrolments will be made in the context of limited funds.

Any restructuring of staff and consideration of staff numbers to address budget problems must be pursued in full understanding of constraints within the EBA.

**Original Aims and Ethos of St Andrew’s Grammar School**

The Hellenic Community set out to found a school for the children of those of Greek descent.

They wished to promote the maintenance of the Greek language as well as pass on the wider values of Hellenism and the Greek Orthodox faith

They did so at some time after significant migration from across the diaspora had substantially declined. The Community’s children were at other schools.

The average age of the Greek diaspora in Perth is significantly higher than the wider community, and so the pool of children yet to reach school age is small.

In 2017 only 20% of the SAGS enrolment is of Greek descent. There are others at the school claiming Orthodox faith, but only 10% identify as Greek Orthodox. (See Appendices 2 and 3)

There is no clear evidence that an enhancement of Modern Greek and Greek Studies at the school will raise school numbers.

High School students currently study Modern Greek for four hours per week. Primary School students take three hours of instruction, along with after school classes from Monday to Wednesday and on Saturday Mornings.

A more obvious result of this emphasis is that there are less hours in the school day to offer options at the same range and depth as competitor schools.

The Hellenic Community of WA must decide whether, and under what conditions they wish to stand behind SAGS and its debts. The school’s assets are the Community’s assets. They must make a conscious decision as to whether they wish to pursue their goals through continued support of the school as it exists today.

**School Registration**

It is not my intention in this report to comprehensively address matters to be addressed in the SAGS application for registration.

The structure and content of the application happens to coincide with issues that I was engaged to comment on.

All non -government Schools in WA must be registered under the School Education Act 1999.

St. Andrew’s is subject to a re registration process this year under new Registration Standards in place for this year.

Key matters that the Education Department will focus on include:

* Financial Viability: The projected cash deficit for SAGS reaches $1m in five years unless significant changes are made.
* Viable student numbers. New Standard 7 sets indicative minimum numbers at 40 per year group. SAGS numbers have not met this standard, and are projected to fall well short in the secondary school over the next five years.
* Safe and Adequate facilities
* Governance. The dominant issue in the new guidelines.
	+ The Hellenic Community of WA as the owner of the school and guarantor of its liabilities must ensure that a Board for the school is
		- Able to oversee the maintenance of the ethos and vision that the community embraced in establishing the school
		- Independent and competent and set up consistent with mandated requirements for continued registration
		- Constituted with fit and proper membership
		- Accountable. The Board is accountable through the Director General of Education for all matters subject to the School Education Act. The new standards make it clear that they are directly responsible for the lawful conduct of school matters under all other legislation
		- Maintaining a clear Separation of its governance responsibilities from the day to day management of the School

**Responding to requirements for Registration**

* Guiding Principles for Appointing a Board

A critical understanding is that a Board must be constituted with membership possessing the requisite complementary skill sets that allow it to competently oversee the school’s adherence to registration standards as they relate to finance, viability, prudent planning and adherence to an agreed ethos.

It is not easy to find qualified and willing candidates. The positions are unpaid

Members must be conscious of the legal and contractual context of their responsibility to HCWA, and their responsibilities under the Schools Education Act.

Unlike previous years, the Board is now directly responsible for the conduct of the school subject to the laws and regulations under Local, State and Commonwealth administration.

Their role is directly comparable to the Boards of corporations. They bear legal responsibility for their acts and omissions.

* + - The Board is not a parliamentary style collection of interests, but must recruit all essential skills and experience.
		- Consistent with contemporary best practice at least two Board members should be independent. This implies that they should be recruited from outside the HCWA.

The Board must review its performance annually, and report on this to the Board of HCWA.

All Board members should undergo such training as they require to understand their statutory responsibilities and effectively carry them out.

At this time, the SAGS Board must ensure that all its members are able to apply contemporary understanding and analysis to SAGS Budget papers and financial accounts.

**Working with all Stakeholders**

Who are the key stakeholders in St. Andrew’s Grammar School?

In describing such a list, it must be noted that many people operate within more than one group.

It would seem useful to modify the listing outlined in my paper earlier this year by including the Principal as a distinct entity in addition to the school staff. The list is therefore:

* The Hellenic Community and the Board of HCWA
* The Board of St Andrews
* Past and present Benefactors
* The staff at St Andrews
* The School Principal
* The Community of present parents and pupils
* St Andrews Alumni
* The Greek Orthodox Church and its Perth followers
* Statutory authorities responsible for the continued registration of St Andrews and for the allocation of State and Commonwealth funds for its recurring and Capital expenses
* Creditors

Unity of purpose and a clear understanding and respect for the differing perspectives of stakeholders are essential to dealing with issues confronting the school.

All stakeholder can have both positive or negative influences on the success, harmony and perception of SAGS.

In practice, the Board of SAGS is both a stakeholder and the principal guardian of processes to properly engage other stakeholders.

The Principal of the school must take significant day to day responsibility for managing relationships.

A key aspect of stakeholder issues at SAGS flows from connections to the school’s founders.

**The special status of some parents and staff**

Staff members and parents that have a strong connection to the Hellenic community can perceive themselves as having a unique set of rights and prerogatives in the life of the school.

This is both understandable and quite proper. They carry a special responsibility for maintaining the ethos and values underpinning the school.

However, in the case of parents, this fact amplifies the need to foster good connection with and welcome the input of the wider parent community who make up the majority of the client base.

It is also important that the special status and contribution of Hellenic community staff members is not managed in a way that reduces teaching effectiveness or staff harmony.

**Staff**

It is obvious to state that staff are essential to the wellbeing of the school, its pupils and its future.

Engaging them in any discussion of the school’s future is not just a good idea, it is a legal requirement.

Their Enterprise Bargaining Agreement is clear and prescriptive in outlining their right to consultation. The ten-week period of negotiations that must precede any proposal for staff redundancies is an important example.

**The Principal**

The Principal is appointed by and answers to the SAGS Board to offer leadership, management and the maintenance of educational standards in the school.

The challenges he faces this year are diverse, complex and substantial.

He must, of course, lead the staff team working for the education and wellbeing of SAGS students.

He must steer the school through the re registration process, guide the negotiation of a new Enterprise Bargaining Agreement, develop proposals to address the financial challenges and advise the Board on the current proposed capital works programme.

Parallel with EBA negotiations he may well have to develop and implement significant staff restructuring.

A strong and fully documented enrolment and reenrolment exercise under his direction is essential to having the best possible 2018 starting numbers.

**The School’s Bank**

Many of us don’t warm to Banks. However, the school’s bank is a key creditor stakeholder. An open relationship with a bank well informed with the school’s challenges can be a major benefit in working through some tough issues. If the relationship is poor, make it better. If it can’t be improved, then it may be time to find a new bank.

**Alumni**

Most successful private schools have an energetic and engaged alumni network. Motivating and informing past pupils to be ambassadors for the school delivers benefits all round.

Keeping past pupils engaged with the school is a significant part of the enrolment strategy at many schools. It also fosters a sense of “ownership” and pride in a group that grows in number every year and offers many possibilities for access to support and advice.

The groups are fostered by regular events, invitations to important school activities, newsletters and informal social gatherings w

The SAGS data bases cannot generate useful data such as the number of current students related to alumni, and may struggle to generate alumni lists.

Alumni Associations are not limited to non-government schools. The key role of past students from Perth Modern School in changing government plans for its future is a good example of the value of such associations.

**Key Challenges**

**Understanding Enrolment Trends**

Enrolments currently sit at 446. The highest total enrolment in the last eight years was 510.

The trend has been downwards over the last four years. (See Appendix 1)

Only one year group – Year 6 – with 42 students, sits above the Registration Standard for viability that is 40 students.

The great majority of our families are in Dianella, Morley and Mirrabooka. Dianella is a matured area with limited growth in school aged numbers.

The natural catchment axes are Alexander Drive (North/South), with East/West feeder roads concluding at Gnangara Road to the North of the School.

Enrolments fall to negligible numbers south of Dianella.

Growth in family sizes in areas at the fringe of our catchment delivered some new students, but those areas such as Darch, Landsdale and Ellenbrook now have many new schools to choose from.

**Impact of Curriculum and Facilities**

The current numbers at the school limit the possible range of curriculum offerings.

Students in the total SAGS catchment area have a choice of 68 Primary Schools, 11 PK to 12 Schools and 12 Year7 to 12 Schools.

The facilities for secondary education at SAGS lag behind most others.

The decision to extend to Year 12 in 2005 does not appear to have been matched with any market strategy to build numbers or a plan to develop appropriate facilities.

The notable exception is the recent construction of the Gymnasium.

 Years 7 to 12 students in the region have chosen other schools in the knowledge that facilities at SAGS were inadequate,

**Impact on Finances**

Low numbers in Years 11 and 12 have a particular impact.

In providing an adequate but limited choice to a total of 50 or so students across the two years the school incurs teaching costs of over $12,000 per student, compared to $8,200 per student in Years 7 to 10.

The EBA delivers a challenging outcome in the Primary School. The EBA sets class sizes from 26 to 28 in that part of the school. Small incremental growth has meant that management moves to split classes when the limit is met. Hence a small increase in fee income results in a large increase in teacher costs.

There is no option, with or without the EBA, to have over large classes. Educational standards must be maintained and SAGS will be judged against class sizes in the region.

Revenue is already unable to match expenses. Continued decline in enrolments is an immediate threat to the school’s viability.

In an area where there is a wide choice of free (State) education there is no prospect of being able to raise fees significantly.

Equally, lowering fees faces the same market dilemma- low fees still can’t compete with no fees.

The only obvious immediate opportunity to enhance revenue is through increasing the number of full fee paying overseas students.

Schools such as Aranmore College engage professional recruiters, and this option is open to SAGS.

This and any other major change option must be openly tested with existing stakeholders.

The character and operation of the school will change markedly with most options I have put forward

**Financial Viability**

It is plausible that the School faces a cash deficit of around $1m within five years if changes are not implemented.

In simple terms, recurrent costs are growing faster than recurrent income.

**Staff Structure**

The EBA with staff delivers them automatic salary progression and guaranteed non-teaching time. It also gives near automatic progression beyond the Scale for senior and Level Three Teachers. Wages and on costs increase at an increasing rate as individual staff serve more time. This is not a comment on the EBA, but simply an explanation why wage costs grow quicker than income.

The staff structure is “top heavy”. Very few staff earn at the lower end of salary scales, while 15 or more earn beyond the top of the scales due to progression to Senior Teacher status or having a range of duties allowances

The EBA is a key driver of discounts on fees. When combined with uncollected fees this reduces fee income by around $500,000 per year. Total fee income last year was $2.289m

**Accrued and Contingent liabilities and operational risks**

The school has **substantial accrued liabilities, contingent liabilities and operational risks** that have no funding set aside or Budget capacity to begin to provide for them. Key items include:

* **Long Service Leave**. The school’s exposure is at around $650,000 and rises automatically as staff are retained. Entitlement triggers after five years’ service, and 31 current staff have entitlements ranging from around $11,000 to $33,000.
* **Sick leave** and related entitlements amount to around 15.5 days per staffer per year. Unused leave accrues continuously across a staff member’s years of service. It is capped at 16 weeks. It is a contingent liability that may not necessarily crystallise, and is not an entitlement to be cashed out on leaving. However, the budget risk is in a senior staffer having to take extended sick leave where the cost is both that leave and the cost of a replacement.
* **Maintenance and Facilities**. In the absence of programmed and funded maintenance the school is exposed to an escalating risk where major electrical, plumbing or structural issues occur. Those with Health and safety implications must be rectified urgently. Many or most small schools cannot afford a full blown programmed maintenance budget. Indeed, it is no guarantee against catastrophic events. But the risk is real and it increases over time. The new Registration Standards may have an impact. Some issues include:
	+ The Occupational Safety and Health standards at the school have been expanded to include volunteers, visitors and contractors.
	+ The requirement to provide a maintenance schedule and a student focussed risk management and audit plan.

It is realistic that any audit conducted would look at the school’s adherence to contemporary standards for residual current devices, smoke alarms and so on. More significant problems may be discovered.

Any shortcomings uncovered in the re registration process would, at best, be listed for remediation over time as one of the conditions of registration. At worst, some remediation could be set down for immediate action as a prerequisite for registration.

Even without the requirements for registration, budget difficulties leading to a decline in the appearance and functionality of facilities will impact on teaching and on public perception of the school

* **Information Systems.** The school’s information, enrolment and financial data bases are an essential part of its operation. Equally, timetabling and accounting systems are at the heart of its business operation. Ageing or inferior software platforms and IT hardware are a critical risk that must be managed.

**Debt**

* **Borrowings** are high for a school of 445 students. Total borrowings sit at around $3m depending on definitions.

Low or negative income growth will attract the attention of the school’s bank, and the operators of the Low Interest Loans Scheme. If staff and other costs rise at a faster rate than fee and grant income, the school’s ability to service existing loans will be called into question.

* **Other Loan Issues**

Two specific matters should also be addressed:

* **Community Contribution for the Gymnasium**

A key specific issue relates to the amount more than $300,000, advanced from a trust controlled by the Hellenic Community of WA to assist with the Gymnasium project. Other lenders may be concerned on its documentation, and whether and when the apparent debt might be payable. Banks want clarity on the preference order of creditors.

If, as I understand, the community may be prepared to characterise the advance as a grant, then other creditors would receive comfort. This comfort will be reflected in things such as an ability to increase the school’s overdraft.

* **Loan from a Related Entity**

A Budget risk flows from any uncertainty as to when and on what terms an amount advanced to the school by Hellenic Aged Care.

Given that there may be doubt as to whether Hellenic Aged Care was authorised to advance those funds, repayment is an immediate issue for the 2018 budget.

It is not unheard of that small communities with separate related entities answerable to one owner (in this case, the Hellenic Community of WA) to cross subsidise one from the other.

However, when a transaction is inconsistent with grant conditions set by a government granting authority sanctions are possible.

Stagnant or declining student numbers mean that debts become harder to service. There is a clear consensus that additional large borrowings are neither prudent nor possible.

**Key recommendation on financial viability:**

Whilst increased revenue through conventional enrolments and attracting full fee paying overseas students will improve the balance sheet, the thing that the Board can directly address is expense growth

The Board must approve measures that reduce expenses next year and in successive years by around $450,000 pa to guarantee solvency and prudent provision.

This is a prerequisite for any approach to bankers to obtain short term borrowings to fund a restructure

**The Way Forward**

More of the same will deliver more of the same.

I have not considered the option of closing the doors

**Arrest the financial slide (Essential)**

If it does nothing else, The Board and the Principal must work closely and immediately to generate a healthy surplus for the new year.

The EBA drives expense increases greater than any credible projected revenue increases.

The Board will need to reduce and cap the budgeted salaries allocation. This should not be limited to teaching salaries.

It would then be mainly the Principal’s task to combine opportunities offered by attrition along with some redundancies or reduction in hours.

This is no easy task within the constraints of the EBA.

Any senior staff high up the scales and entitled to allowances would need to be replaced by less entitled candidates.

Some additional online delivery of teaching would play a part.

The school must pursue the best staff it can afford, not the best money can buy.

It is important to remember that any redundancies must be pursued in line with EBA provisions, which include ten weeks notice of commencement of the measure.

As mentioned elsewhere, the only obvious and immediate way to lift revenue is by enrolling full fee paying overseas students. A specific and aggressive campaign in cooperation with professional recruiters could be considered.

**Work with your bank**

Make sure that you have flexible borrowing arrangements with your bank.

The best way to deal with contingent or unfunded shocks is to pay down debt as far as possible in a loan facility that has appropriate redraw rights.

It makes no sense to squirrel away funds in a 2% savings account when you’re servicing a large loan at 4%.

Your overdraft is there to deal with cashflow problems, not to fund deficits. Make sure your overdraft limit matches your budget and operational needs.

The bank must be fully briefed on your challenges and strategies. They hate surprises.

**Develop Models for Growth**

Many non-government schools are under pressure now.

The only real source of large numbers of new students is in targeting those at other schools

Many schools are responding by radically changing their “Brand”.

Our basic school structures come from an era when the typical family was two parents and one income.

Most non-government schools are serving two income families, or one income one parent families.

Many are now setting out to capture students by offering a new product suited to today’s families.

MLC was the latest to announce a “total care package”. With many variations, these offerings hinge on students being delivered early to school and picked up late.

In between times the school provides education, recreation, study and leisure activities.

SAGS may have a brief window of opportunity to go to the market with a unique and attractive model that would allow it to grow, either across the board or in one or more of its school segments.

**Vision**

The school should seek to succeed, not just survive.

There must be a vision.

It is not sufficient to have ideas.

Some alternatives for reform must be quickly developed.

**Curriculum and Assessment as a Key Differentiator**

I said at the beginning that I was not asked to, and have not, evaluated curriculum at SAGS.

It is obvious that any review for the future will look at shaping curriculum to student needs.

Assessment in upper secondary schools is driven firstly by the aim of ranking students for university entrance. Assessment is not primarily geared to measure progress and remediate learning outcomes.

This reality sits at the heart of parent and Board frustration at the failure of Modern Greek to take off as a Year 11 and 12 choice.

If the end product is an integrated ATAR score, then an 85% score in Modern Greek must be directly comparable to 85% in subjects such as Physics and Chemistry.

There is a quite radical alternative.

Fifteen schools in WA, including Scotch College and Presbyterian Ladies College now offer a point of difference that targets curriculum and assessment.

It is called the International Baccalaureate.

It can operate at Primary, Middle School and Diploma (Years 11 and !2).

Schools can introduce it at any or all the three levels. The diploma course does not require that students have taken it at earlier stages.

It requires all Diploma students to take a language in addition to their first language

It targets excellence and real progress rather than just ranking students, and is recognised for admission by all Australian universities.

The IB would fit into any of the following structural options, but there is no time to settle such a major initiative as a part of the registration and financial viability measures to be addressed in 2017.

**Test the market**

The implications for SAGS’ future are such that data gathering and stakeholder engagement cannot be left to the random collection of anecdotal evidence

The school must find funds to have the market professionally researched. They need a reliable take on how SAGS is seen by past, present and potentially new families.

Should research deliver a preferred option then it must be vigorously, professionally marketed.

A marketing programme should be staged over several years and its results regularly monitored and responded to.

**Possible operational options for the future**

**Option A**

Using the plentiful space it has, SAGS might seek to engage a coventurer in a “Total Care” offering.

An Out of School provider could carry the risk of building and operating all aspects of a package other than the traditional elements that SAGS would continue to provide. (This is like the MLC venture).

Starting with younger students the school would develop and implement a programme that would see students arrive at around 7.15 am and depart at 6.15pm having participated in an integrated education, recreation and care package

**Option B**

With no funds or borrowing capacity to enhance facilities in the immediate future, SAGS may consider an option employed with some new and regional government schools.

It is a co provider model.

An existing or emerging school would co locate on the SAGS site. It would build new facilities within an integrated plan that would provide better facilities and more options for all students.

Two schools, with shared facilities and some common classes in lower demand subjects.

There are at least three schools in the region worth approaching on this.

**Option C**

Options in this category are less than attractive.

If measures to correct the balance sheet and substantially increase enrolments are unsuccessful functional restructure may be necessary.

 Collectively or selectively the Board could:

* Phase out Years 11 and 12 over 3 years and enter into an MoU with a school such as John Septimus Roe on enhancements to their curriculum suited to SAGS students.
* Phase out Years 7 to 10

JSR would interview and induct students on site at SAGS.

**Option D**

Many schools are presenting themselves as specialist or elite schools in the Arts and Sport.

The market is competitive.

One possibility I discussed with the Principal was to become an Olympic school.

Its theme is sympathetic to the Hellenic ethos.

Mr Midson suggested that serious but neglected Olympic sports such as various Martial Arts, Badminton and Table Tennis could be looked at. Such offerings are well suited to the increasingly Asian background to the SAGS intake.

The school would target young men and women already in elite training programmes run by the WA Institute of Sport or similar bodies

The academic programme would be shaped to support an elite training programme in the selected sports.

**Option E**

I commented earlier on the challenge of growing Primary school numbers.

Small incremental increases in numbers trigger the creation of new classes when EBA set limits on class size are reached. Simply put, small increases in fee income can trigger large wage costs.

However, the obvious way to organically grow the school is to focus initially on the Primary School.

I was not asked and I have not set out to evaluate the school, its teachers and its curriculum.

However, a clear fact emerges with even a passing observation by any experienced professional:

SAGS has a very good Primary School.

Nearby government schools such as North Morley Primary and Weld Square Primary with falling numbers will face pressure to amalgamate or close.

Any uncertainty for their parents creates an opportunity for SAGS.

With a good image and a publicly promoted improvement plan SAGS would be well placed to commence a growth drive.

This can’t be done without a clear plan, including a financial plan to grow quickly to two streams.

This plan could be an alternative focus for any proposal to benefactors.

**Option F**

This option can’t stand alone, but could enhance the viability of earlier options.

On line study has been available for a long time and has serviced many regional schools.

An obvious further and better step emerges from the availability of appropriate bandwidth at acceptable upload and download speeds.

Universities and some schools are already delivering lessons in real time to multiple sites.

This technical possibility opens the way to resource sharing that could see, for instance, Year 12 Physics being taught at several schools by one teacher.

Interactive media ensures that this is much more than a lesson on DVD. Students and teachers/lecturers interact in question and answer and student presentations.

It opens more possibilities than just servicing classes with low numbers.

A SAGS Modern Greek lesson might find takers at schools where it would never be offered otherwise.

Forming relationships with potential partner schools and commencing discussions with staff and their union would be important first steps.

**Summary of Key Challenges**

The immediate challenge is to achieve complete or conditional registration, and this may trigger Board changes, and immediate spending on facilities.

In parallel with this task, a new EBA must be negotiated. Staff and their representatives must be clear on the challenges facing the school. The Board and the Principal should explore changes to the agreement that will assist in reducing rather than adding to the school’s financial problems

SAGS has a fundamental financial viability problem.

With costs rising faster than revenue it has inadequate capacity to meet reasonably foreseeable accrued and contingent liabilities.

Far from having the capacity to take on further debt, as it planned to do this year, it is at risk of being unable to service existing debt and emerging liabilities.

Expenses must be capped, and resulting staff restructuring commenced.

The level of enrolments at SAGS is such that it cannot offer the range and depth of subject choices available at other schools in the region.

The community, stakeholders and the Board must urgently and courageously investigate options for the short-term survival and long-term success of the school.

A new model for the school should be developed in consultation with stakeholders and then professionally marketed.

Students currently at other schools must be given clear reasons to switch to SAGS.

## Appendix 1

## School Enrolment 2010 to 2017

A table of historic enrolment data is below. The enrolment figures are as at 1st December for the specified year.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Year | KG-PP | Y01-Y06 | Y07-Y12 | Total |
| 2010 | 70 | 202 | 207 | 479 |
| 2011 | 58 | 199 | 185 | 442 |
| 2012 | 71 | 189 | 188 | 448 |
| 2013 | 75 | 215 | 220 | 510 |
| 2014 | 72 | 212 | 206 | 490 |
| 2015 | 58 | 212 | 207 | 477 |
| 2016 | 62 | 199 | 197 | 458 |

In February 2017, the student enrolment numbers were:

K/PP: 72

Year 1-6: 188

Year 7-12: 186

Total February 2017 Enrolment: 446

Appendix 2

# 2017 -: St Andrew's Grammar School

**Number of Students by Religion & Year**

# From school year KG to Y12

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Religion | KG | pp | Y01 | Y02 | Y03 | Y04 | Y05 | Y06 | Y07 | *YOB* | Y09 | Y10 | Y11 | Y12 | Total |
| **Muslim** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | 2 | 2 |  |  | 5 |  | 4 |  | 6 | 6 | 2 | 32 |
|  | 3% | 3% |  | 6% | 6% | 3% | 3% | 16% | 3% | 13% |  | 19% | 19% | 6% | 100% |
| **Non-Religious** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 15 | 4 | 2 | 6 | 2 | 3 | 4 |  | 2 | 7 |  |  |  | 49 |
|  | 2% | 31% | 8% | 4% | 12% | 4% | 6% | 8% | 2% | 4% | 14% |  | 2% | 2% | 100% |
| **Not Stated** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  | 2 | 3 |  |  |  |  |  |  |  | 2 | 10 |
|  | 10% |  |  |  | 20% | 30% | 10% |  | 10% |  |  |  |  | 20% | 100% |
| **Orthodox** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 2 |  |  | 4 | 5 | 4 | 4 | 2 |  |  | 6 | 3 | 7 | 7 | 47 |
|  | 4% | 2% |  | 9% | 11% | 9% | 9% | 4% | 2% | 2% | 13% | 6% | 15% | 15% | 100% |
| **Protestant** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 3 |
|  |  |  |  |  |  | 33% |  |  | 33% |  |  | 33% |  |  | 100% |
| **Roman Catholic** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | 4 |
|  |  |  |  |  | 25% | 25% |  | 25% |  |  |  | 25% |  | 100% |
| **Serbian Orthodox** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | 6 | 3 |  | 3 |  | 5 |  | 2 | 2 |  |  |  |  | 24 |
|  | 25% | 13% | 4% | 13% | - | 21% |  | 8% | 8% | 4% |  |  | 4% | 100% |
| **Sikh** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | 3 |
|  | 33% |  |  |  |  |  | 33% |  | - | 33% |  |  |  | 100% |
| Totals 29 | 46 | 21 | 28 | 33 | 28 | 38 | 42 | 37 | 32 | 27 | 26 | 31 | 28 | 446 |
| 7% | 10% | 5% | 6% | 7% | 6% | 9% | 9% | 8% | 7% | 6% | 6% | 7% | 6% | 100% |

There are 69 students who have not been assigned a religion

Appendix 3

**Selected Aspects of School Population by Ethnicity**

Greek Background: 90 students total (56 Primary and 36 Secondary): 20% of total student population

Serbian Background: 65 students (43 Primary and 22 Secondary): 14.6% of total student population

Vietnamese: 56 students: 12.6% of the total student population

Indian: 43 students: 9.7% of the total student population

Chinese: 19 students: 4.2% of total student population