

INDEPENDENT REVIEW OF PARENT PAYMENT POLICIES IN VICTORIAN GOVERNMENT SCHOOLS

PTR Consulting

***December
2015***

Peter Cole
John McCarthy
Dahle Suggett
Chris Wardlaw

Contents

Executive Summary	2
1. Context for review	7
Parent Payments: Overview of issues and context	10
2. Our findings: What stakeholders told us	14
Areas of consistency	14
Areas of tension	16
Stakeholder perspectives	22
3. Proposed Directions	23
The strategic direction: Guiding ideas to shape actions	24
Proposed actions: Three part package	26
Summary of proposed actions	32
4. What are the key implementation steps?	34
5. Conclusion	36
Appendix 1: Outline of the Policy	38
School-level policies	38
School-level processes	39
Appendix 2: Consultation List	42
Appendix 3: School Policies and Payment Documents Reviewed	43
Appendix 4: Parent Payments Funding Data Analysis	44
Appendix 5: Sample Low Income Awareness Checklist for Schools	47

Executive Summary

The Department of Education and Training (DET) commissioned PTR Consulting to conduct the *Independent Review of Parent Payment Policies in Victorian Government Schools* in response to the Victorian Auditor-General's Office performance audit on *Additional School Costs for Families*¹. The purpose of the review is to inform DET of stakeholder concerns about the current parent payment arrangements and provide suggestions for updating policies and procedures. The review addresses recommendations 6 and 7 of the Auditor-General's report. The intent is to advise DET on ways to give school councils, parents and schools greater clarity about parent payments and their purposes. Changes to existing funding settings or to the *Education and Training Reform Act 2006* are not being considered in this review.

The *focus areas for the review are*

- improving existing DET policy and supporting effective practice in government schools
- enhancing DET oversight and monitoring of parent costs
- improving the inclusion of children and young people where government school affordability is an issue.

Key issues or problems with parent payments identified by the Auditor-General

- Lack of clarity - need for clearer guidance
- Insufficient transparency
- Inadequate compliance monitoring
- Costs for parents can be inflated
- Arrangements for addressing disadvantage need improving

The methodology for the review was based on three consultation phases conducted June-August 2015 with representatives of school principals and school councillors, departmental and regional officers, DET stakeholder groups and welfare and service groups. The three phases were designed to establish a co-operative and interactive analysis and discussion around the project's key questions and to generate feasible and balanced answers to serve as the foundation for an improved approach in this area.

Current policy

The *Education and Training Reform Act 2006* permits school councils to charge parents fees to cover costs for goods, services or other things provided to a student that are not directly related to the provision of free instruction.

Key elements of the policy are:

- all students have access to the standard curriculum program
- cost is kept to a minimum
- students are not treated differently on the basis of payments not being made for education items, services or 'Voluntary Financial Contributions'
- the status and details of any payments or non-payments are confidential

To enable parent payments to be specified, the policy outlines three broad categories:

- *Essential Education Items* - items that are essential to support instruction in the standard curriculum program
- *Optional Extras* - items provided in addition to the standard curriculum program, and are offered to all students. They are provided on a user-pays basis and if

¹ Victorian Auditor-General's Report, (2015), *Additional School Costs for Families*, February http://www.audit.vic.gov.au/reports_and_publications/latest_reports/2014-15/20150211-school-costs.aspx (This review addresses recommendations 6 and 7.)

parents/guardians choose to access them for students, they will be required to pay for them

- *Voluntary Financial Contributions* - to cover the areas where parents/guardians, or anyone else, can be invited to make a donation to the school

Refer to Appendix 1 for the full policy.

Our key findings: What stakeholders told us

There are historical tension points around the perceived legitimacy and role of parent² payments in a government school system – although provision for parent payments is explicit in the Education and Training Reform Act 2006. The existing tensions are added to by the further calls on school and families' resources to better meet the challenges arising from the rapidly changing contemporary schooling environment.

Changes in the use and costs of technology are one crucial aspect but there are other pressures. Schooling is becoming more diverse, individualised and focused on 21st century skills as in independent learning, collaborative skills and problem solving capabilities. Schools are changing their daily work accordingly and activities are moving out of classrooms and beyond the conventional school day.

Consultations with stakeholders explored both the historical tensions and the new challenges. There are areas where there is a broad consensus and areas where there are significant differences of opinion. The conclusions drawn were that parent payments can be a legitimate part of the contributions families make to a school community but that schools need to bring greater transparency, consistency and a clearer rationale for parent payments, a proactive response to family hardship and offer a correspondingly diverse and rich school program for all.

Four key areas of stakeholder consistency

- Parent payments make an important contribution to the resources available and for some schools parent payments are critical to a diverse curriculum.
- There is general support among stakeholders for the broad intent and shape of the policy including its three payment categories: schools say they work within its limits. The main concerns with the framework for those stakeholders not in schools arise from the variety of implementation practices and the way some schools blur the boundaries between categories.
- There is wide support for the notion that parent payments should be seen as part of a range of valued parent contributions and that they span more than money contributions and include sharing time and skills. There is a sense that this should be articulated more widely and that parents would welcome the opportunities to contribute to supporting their child's school.
- Equity concerns are a priority for resolution by all stakeholders. Schools have a range of equity practices that ensure most children have access to all programs but few have a 'hardship policy' for systematically exempting payments. Welfare service groups engage deeply with those in need of support but are seeking to engage more directly with schools. All agree stronger guidance on equity strategies that ensure access to all educational opportunities would be valued.

Four key areas of stakeholder tension

- Implementation at the school level varies unnecessarily and according to some stakeholders produces a range of negative consequences. These revolve mostly around practices such as inconsistencies in how the payments are costed and explained and schools' payment requests. Some groups call for greater accountability for schools to apply the policy correctly.
- Successfully managing the funds collected for enriching the whole-school curriculum and communicating with parents accordingly is generally seen as good financial management. However, some stakeholders object to the idea that the payment structure also involves using some of the funds from those who

² Throughout this report the term 'parent' has been used to also include carers, guardians and those fulfilling the function of parents.

can pay to support the children of those who cannot pay. What degree of 'transparency' and specificity is required when cross subsidy occurs; or can school principals and councils adequately explain that the interests of all are served if all can participate?

- Costs for parents are rising alongside pressure on schools to respond to their community. 'Aspirational' schools and their councils are setting higher 'standards' for uniforms, equipment, technology and the like. Organisations like State Schools Relief are monitoring costs for parents and have embarked on trials to advise schools of ways to be more efficient in managing costs and for families to keep costs to a minimum.
- Differences across stages of schooling can present parent payment dilemmas. A uniform payment policy for all schooling stages runs counter to the reality of the changing learning conditions and opportunities students experience as they progress from Prep to Year 11 and 12. It may be that the costs and impacts of different curriculum pathways in the senior years require distinct parent payment consideration.

Directions for improving parent payments

The suggested directions and actions arising from the review confirm the importance of parent payments whilst addressing ways to improve the policy and how it is implemented.

Strategic direction

Four guiding ideas are proposed to indicate the strategic direction of the specific actions.

- Sustain commitment to parent payments
- Make changes that combine tight/loose policy requirements
- Avoid further specification or codification of categories
- Reframe the funding categories to show their purpose

The strategic direction: four guiding ideas

<i>Sustain commitment to parent payments</i>	<i>Make changes that combine tight/loose policy requirements</i>
It is important that proposed changes to the parent payment policy do not have the unintended consequence of reducing the willingness of parents to contribute.	To avoid policy inconsistencies, once the parent payment policy is revised it should be adopted by schools as their policy. Schools should not need to reinterpret the policy but to ensure they apply the policy according to their own context within guidelines.
<i>Avoid further specification and codification of categories</i>	<i>Reframe the funding categories to show their purpose</i>
Increasing the codification of items in the three categories to meet changing circumstances (i.e. increasing the lists and varying the words) is not a sustainable solution. The ever evolving expectations of schooling make it increasingly difficult to categorise items and to reach the right level of precision.	All three payment categories are in effect voluntary but this is somewhat obfuscated in the 'Essential' category by the expression 'schools can require payment for' and in the Optional category by 'schools can request payment for'. And these categories are applied very differently across the stages of schooling. A solution needs to ensure clarity and be constructive for families and schools.

Proposed actions: 3 part package

There is a three part approach to improvement under the themes of an explicit rationale, improving practice and ensuring clarity and fairness.

1. Principles and rationale Improved understanding and 'ground rules' for setting parent payments revolves around establishing principles to underpin policy and practice and the development of a clear parent payment rationale.

2. Improving practices at the school level Significant gains could be achieved by improving the capacity of schools to manage parent payments efficiently and fairly and by schools sharing effective parent payment practices. Improvement also requires improvement in DET monitoring and feedback systems.

3. Ensuring clarity and fairness The category 'Voluntary Financial Contributions' would be retained but the payment categories of 'Essential' and 'Optional' should be replaced by categories that describe the *purpose* of the category rather than the payment status. The relabeled categories would be 'Student Learning Materials and Activities' and 'Learning Enrichment', which would have two subcategories – 'Co-curricular' and 'Partnerships'. Co-curricular activities cover extensions or activities that are complementary to the standard curriculum; 'Partnerships' would cover learning enrichment services or activities facilitated by the school that are costly and participation is a matter of choice for families, like student international travel.

Further work (e.g. the development of parent payment case studies at the different stages of schooling and consultations with stakeholders) will need to be undertaken to clarify how these categories can best be applied at the different stages of schooling. Other actions to inform the way parent payments are categorised include the introduction of designated consultative processes at the school level; the use of a 'Test of Transparency' tool; and for schools to have a hardship policy.

The specific actions are summarised below. (See Box 9 in the full report for a detailed list of possible actions and the problems or issues they address and see Box 10 for what would change for parents, schools and the department).

<i>Three action areas</i>	<i>Specific actions</i>
1. Statement of principles and an explicit rationale	<p>Develop and adopt a set of principles to guide policy and practice</p> <p>Develop a clear parent payment rationale to support parents and schools and one that provides the basis for parent contributions in all its forms to support and enrich the teaching and learning program of the school.</p>
2. Improving practices at the school level	<p>Promote best practice in relation to parent payments including the development and transparency of payment levels; costs and procedures for payment; supporting aspiration and dealing with families with financial difficulty</p> <p>Refresh school knowledge of procurement rules and reinforce the imperative to keep costs low.</p> <p>Support the development and adoption of a set of tools and services to support parents and schools.</p> <p>Improve DET monitoring and feedback systems and processes to better identify, track and resolve issues around parent payments, including the building of expertise in this area within DET.</p>

<p>3. Ensuring clarity and fairness</p>	<p>Clarify the parent payment categories by adopting a three way classification - ('Student Learning Materials and Activities' and 'Learning Enrichment', which would have two subcategories 'Co-curricular' and 'Partnerships') and 'Voluntary Financial Contributions'</p> <p>Develop a transparency framework for schools to ensure the development of parent payment approaches that are transparent and engage the school community in their development</p> <p>Provide support and guidelines for a hardship policy to be implemented at school level including consideration of a default position that uses a definition of disadvantage (e.g. a means-tested concession card - health care or pension card – or temporary foster parents) to determine how and if parents are approached for payments</p>
-----------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

These actions build on existing policy, can be introduced over time with little disruption and address widely held concerns about aspects of the current parent payment policy and the way it is implemented. A suggested implementation timeline sorts actions into short, medium and longer term steps.

1. Context for review

About the Independent Review of Parent Payments

The Department of Education and Training (DET) has commissioned PTR Consulting to conduct the *Independent Review of Parent Payment Policies in Victorian Government Schools*. This is in response to the Victorian Auditor-General's Office (VAGO) performance audit on *Additional School Costs for Families*.³ The review will aid the department in updating its policies and procedures to give school councils, parents and schools greater clarity about payments and their purposes. Changes to existing funding settings or to the *Education and Training Reform Act 2006* are not being considered in this review.

The *focus areas for the review* are:

- improving existing DET policy and supporting effective practice in government schools
- enhancing DET oversight and monitoring of parent costs
- improving the inclusion of children and young people where government school affordability is an issue

Key considerations in these focus areas are:

- the effectiveness of DET policy in supporting government school affordability
- the extent to which relevant DET policies are applied by government schools and school councils
- identification of best practice and associated gaps and issues

Summary of VAGO Findings

The Victorian Auditor-General's Office performance audit on *Additional School Costs for Families* was tabled in February 2015. A number of its findings and recommendations are directly relevant to this Review:

On School funding for free instruction

- Parts of DET's parent payment policy are vague and guidance is insufficient to resolve this. There is no shared understanding between DET and schools on the definition of free instruction in the standard curriculum or on the main elements of the three parent payment categories – 'Essential Education Items', 'Optional Extras' and 'Voluntary Financial Contributions'
- The delivery of instruction in the eight key learning areas increasingly relies on parent contributions. Parent payments no longer just support free instruction; they have become essential to its provision with local interpretation of the parent payments policy determining the level of parent payments

On Accountability for school spending

- DET's oversight of school financial practices should be improved to provide the government with assurance that its schools are complying with their legislative duty to provide free instruction

On Parent payment policies and practices

- The DET Parent Payment Policy "is unclear and is not well understood"
- DET should clarify its policy and guidance and define how it will verify school compliance with its policy
- DET does not know how much money parents are being asked to pay to its schools, for what items, and whether this complies with requirements under the Act

³ Victorian Auditor-General's Report, (2015), *Additional School Costs for Families*, February http://www.audit.vic.gov.au/reports_and_publications/latest_reports/2014-15/20150211-school-costs.aspx

Relevant recommendations

That the Department of Education and Training:

- enhances the capabilities of CASES21 and requires schools to collect and report the data needed for it to better understand school revenue and costs (rec. 2)
- regularly and comprehensively consults school principals and school council (rec. 3)
- updates its parent payment policy and guidance material to provide clear guidance on acceptable parent payment practices (rec. 6)
- regularly reviews school parent payment policies and practices, and intervenes where those practices are identified as breaching legislation or policy requirements (rec. 7)

Departmental Policy

The *Education and Training Reform Act 2006* ensures the provision of free instruction in the standard curriculum program (i.e. eight key learning areas), and empowers school councils to charge parents fees to cover costs for goods, services or other things provided to a student that are not directly related to the provision of free instruction.

DET provides funding to schools through the Student Resource Package (SRP) and various programs. This includes funding for the standard curriculum program and associated education items, equipment and operational costs.

Free instruction includes learning and teaching, instructional supports, materials and resources, administration and facilities required to provide the standard curriculum program. The standard curriculum program includes core learning and teaching activities associated with the Victorian Essential Learning Standards (VELS) and senior secondary certificates (VCE, VCAL and VET programs).

Key elements of the policy are:

- all students have access to the standard curriculum program
- cost is kept to a minimum
- students are not treated differently on the basis of payments not being made for education items, services or 'Voluntary Financial Contributions'
- the status and details of any payments or non-payments are confidential

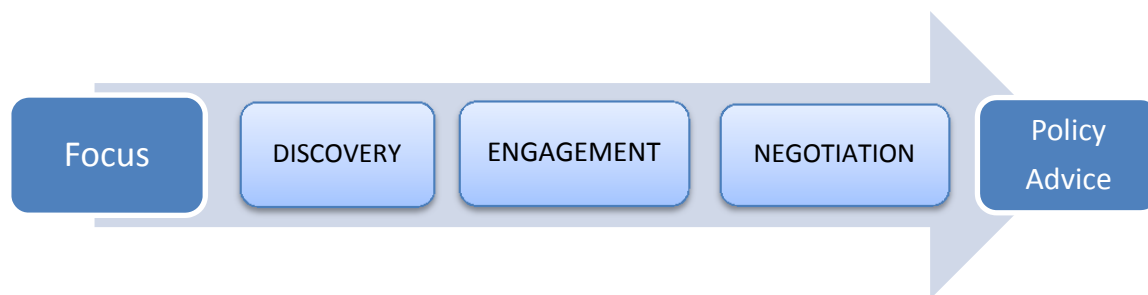
To enable parent payments to be specified, the policy outlines three broad categories:

- *Essential Education Items* - items that are essential to support instruction in the standard curriculum program
- *Optional Extras* – items provided in addition to the standard curriculum program, and are offered to all students. They are provided on a user-pays basis and if parents/guardians choose to access them for students, they will be required to pay for them
- *Voluntary Financial Contributions* - to cover the areas where parents/guardians, or anyone else, can be invited to make a donation to the school

Refer to Appendix 1 for a fuller account of the current policy, including details on the categories and requirements of schools and school councils.

Methodology

PTR's approach was structured as three consultation phases. The three phases are underpinned by a commitment to meaningful consultation and are designed to establish a co-operative and interactive climate around this project that fosters deep analysis, engagement and commitment to negotiation and helps to build a consensus around feasible and balanced answers to the project questions.



Box 1: Stakeholder engagement process

Phase	Purpose	Output
Discovery	To establish the current state of play in DET and schools. To identify the key issues.	An issues paper: stating problems and challenges as seen by stakeholders; poses questions to be considered in wider consultation.
Engagement	To provide tangible opportunities for engagement in discussion of the issues; to build understanding of all perspectives and generate common purpose and possible ways forward.	An options paper/presentation: focuses on possible solutions, strengths and challenges that can be used to focus on the best ways forward.
Negotiation	To establish a tight set of options for consideration by the main stakeholder groups and DET officials.	A report: stakeholder priority issues; areas of consensus; contested areas; best/promising practices; strategic direction for change and recommended actions.

During the three phases PTR has:

- reviewed the VAGO report and a range of DET documents associated with the VAGO audit
- reviewed current DET policy and advice on parent payments in schools
- prepared a background paper that provided a succinct account of the policy and introductory questions to support the initial set of consultations during the discovery phase
- conducted consultations with a broad range of stakeholders including, principal, teacher, parent, school council and social welfare organisations (for full list see Appendix 2)
- received and reviewed school based policies and documents from 54 schools
- conducted an analysis of SRP and locally raised funds for Victorian schools in 2014;
- developed an Issues Paper as the basis of consultation in the engagement phase and further consulted with the Department and stakeholders on options as a basis for developing proposals for future action
- reviewed DET data on parent complaints re parent payments
- received written submissions and responses from a range of stakeholders including:
 - Parents Victoria
 - Victorian Council of Social Service (VCOSS) (2)
 - Special Schools Principal's Association(2)
 - Smith Family
 - Community Information & Support Victoria (CISVic)
 - DET Divisions (e.g. Wellbeing, Health and Engagement and School Resource Allocation)
 - Victorian Principals Association (VPA)

Parent Payments: Overview of issues and context

Policy Context

As identified by the Auditor-General there are tensions in the current policy and its application, largely because of the definitional problem in determining what is 'standard instruction' and therefore 'free' which is compounded by the three parent payment categories of 'Essential', 'Optional' and 'Voluntary' (see Findings in Ch2). This is exemplified by the different ways schools interpret and implement the policy. A review of 54 examples of school level policies and payment processes identified considerable variation across schools in:

- the levels of engagement with their community over the payments they set
- the categorisation and language used in payment advice to parents – some schools roll items up into a single charge (including anticipated excursions, incursions, class materials etc.) whilst others adopt an item-by-item approach either up front or at the point of expenditure
- the approaches to providing payment options and supporting disadvantage within their communities

Below is a sample of the wide variation in how school policies are expressed.

Box 2: School policies

Wide Variation: School Policy Examples

- Essential items are those where parents "are required to pay the school to provide for their child" (Secondary College)
- School reserves the right to deem items compulsory (Secondary College)
- Many schools provide discounts for timely payment, others do not
- School level payments are set to "meet the community's expectations" (Primary School)
- "However, at ABC SC we prefer to adopt a positive and constructive approach by considering ABC as a large family where we all look after one another." (Secondary College)
- A subsidy of \$200 per child is available for those having difficulties – health care or pension card required (Primary School)
- Fees that provide "excellent value for money" (Primary School)

Not surprisingly this variation in policy and approach results in different amounts of revenue being raised by schools. The chart below shows that there is significant variation across primary and secondary schools in the level of Locally Raised Funds per student. This variation is present across most of the SFO range but narrows towards the high end of SFO (i.e. the most disadvantaged).

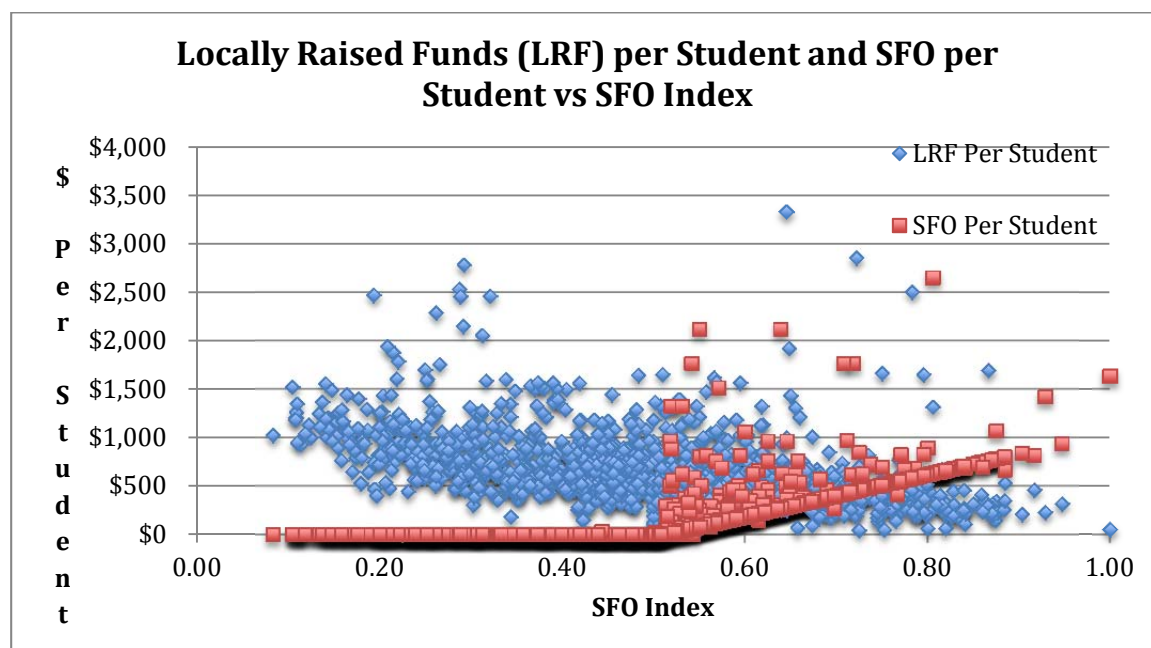
Factors that contribute to these variations include:

- school size – per student income and expenditure are generally higher for smaller schools
- revenue from facilities hire - some schools will receive funds from the hire of school facilities to the community. This is not directly dependent on the socio-economic status of the community but on whether or not a school has a facility suitable for hire

However, the variation across schools of similar SFO also reflects the differences in school policy and the practice referred to above and suggests there would be value in the

Department identifying best practice and promoting case studies exemplifying this practice.

The data for the Locally Raised Funds is drawn from the CASES reports for 2014 and would be expected to change over time. It includes subject contributions, donations, camps and excursions but not international student funding. The Student Family Occupation (SFO) Index is a measure of disadvantage used by the Department to allocate funding through the SRP. (Appendix 4 provides further financial analysis.)



Not surprisingly the variation in policy interpretation and the level of parent payments have caused concern to some parents. Whilst the level of formal complaints is quite small, many issues associated with payments are raised and addressed (either satisfactorily or not) at the school level. Additionally, welfare agencies and parent organisations have identified that some parents are often reluctant to raise these issues with the school and that some families will prioritise school payments over other expenses as providing their children with education opportunities is their prime concern.

Issues Raised by Parents

The Department's Complaint Management System has tracked 20 formal complaints related to Parent Payments in the 12 months to August 2015. A number of contacts outside this 20 have been handled by referral to the Department's policy unit or to the school or region.

The Department has also introduced a Contact Management System for recording and tracking contacts raised with it (STaR). Over the period (September 2014 to mid-May 2015) over 9,500 contacts have been recorded. Of these 270 were directly classified as relating to School Charges/payments. Across all categories 705 records have been identified as referring in some way to parent payments. This represents around 7 percent of the contacts recorded by the STaR system.⁴ Examples of the contacts raised are

- concern with the level of payments requested

⁴ These examples arise from a free text search of the STaR records for words that relate to the general topic of parent payments.

- students not allowed to participate in extra curricular activities (camps, excursions, formals) if the 'Essential' payment has not been made
- payment plans for purchase of IT equipment only available through a nominated supplier
- books and devices are purchased at a lower cost if the parent does not go through the school but the school insists on parent using their arrangements
- students being singled out publicly (in varying ways) for parents not paying amounts required
- cost of fees set for VET courses

It is also clear that in choosing a school for their child some parents seek out and compare parent payment approaches. Even in cases where schools have worked with their communities to establish an agreed approach to parent payments there are parents who have the means to pay but do not pay.

The Department has made gains in assisting schools to understand how parent payment processes might be applied at school level - largely through memoranda and the policy on its website. The Parent Payment Flow Chart (See Appendix 1) is well received by parents and parent organisations.

The Department is also preparing to implement the recommendations of the VAGO report by making changes to the CASES administrative systems to enable better tracking of parent payments in line with the current policy structure. This initiative will take into account this review and the Department's response.

The Department is also establishing how best to provide policy guidance for schools and parents in relation to the supply of ICT devices for use in schools.

Changing educational context and expectations

The contemporary schooling environment goes beyond what might previously have been seen as 'standard'. This has occurred as schools have responded to the increasing expectations and aspirations of school communities and of governments. This is exemplified by the increasing use of technologies to support teaching and learning; expanded co-curricular activities; broader subject experiences beyond the school gate; and extra services in the schools for well-being and the like.

Expectations also change throughout a student's schooling. As students progress through primary to senior secondary schooling, educational choices are made between programs of varying cost. Some of that cost is a clearly visible cash component whilst some is in salary and existing infrastructure costs.

The Government has also changed the context by recently introducing new equity funding initiatives. In 2015 a Camps, Sports and Excursions Fund to provide payments for eligible students to attend camps, sports and excursions was introduced. Families holding a valid means-tested concession card or temporary foster parents are eligible for the fund.

Also in 2015 it was announced that increased funding would be provided for the State Schools Relief Fund to assist students with the purchase of school uniforms.

Also the Education Maintenance Allowance (EMA) payment was discontinued with these funds being reallocated through the Student Resource Package (SRP) equity component which does not flow to all schools. The previous EMA payments were often used by schools and parents to pay for or offset parent payment requests from schools.

It is early in the implementation of these initiatives and any changes as a result of this report will need to take into account both the policy intent and the impact of these changes as they bed down.

2. Our findings: What stakeholders told us

Extensive consultation has yielded a range of views that are broadly consistent with the findings of the Auditor-General, but have also provided additional perspectives on key issues and possible solutions. The discussion below groups stakeholder observations into those areas where there is consistency and where there are differences of views and tensions in the analysis of factors at play.

Areas of consistency

There are a number of key areas where stakeholders expressed broadly consistent points of view concerned with the nature of problems and possible solutions.

Parent payments are material to Victorian government schools

Most stakeholders agree with the conclusion of the VAGO Report (2015) that parent payments have become very important, if not essential, for schools. As VAGO found (and as discussed in the prior section) while the composition of Locally Raised Funds (LRF) is very difficult to discern with current monitoring arrangements, the amount recorded in the CASES administrative system for primary and secondary schools was approximately \$350m in 2014. This is a substantial amount, additional to the SRP and equity funds, to be allocated at the school level. Local decision making on the breadth and depth of schools' programs now incorporates the application of these funds.

However, agreement that schools need these funds to operate effectively does not necessarily mean that this should be the case. As stated by Parents Victoria Executive team:

'We agree that parent payments are essential to schools as they cannot run effectively without them but cannot agree that these funds should be essential.'

Numerous school principals in disadvantaged locations also value the critical resources that are provided through parent payments (usually small amounts) but argue that it just supplements their equity funds and that their equity needs should be met through government funding mechanisms.

Other principals in more wealthy schools argue that if parents want to contribute to support greater diversity and enrichment of their child's education then that should be enabled by the schools.

Parent payments are now seen as material to schools and any adjustment to the policy will likely have a material effect.

General support for the shape of policy – implementation is the challenge

There is general support for the broad shape of the policy (as outlined in Appendix 1). The three categories appear to most stakeholders to be broadly adequate in explaining where payments can be applied – in other words the notion of 'Essential Education Items', 'Optional Extras' and 'Voluntary Financial Contributions' has an acceptable logic. Numerous groups regard the explanatory Parent Payment Flow Chart Schools as adequate and principals explain that they 'manage' to work within the three categories.

But, most also acknowledge that significant problems arise with differences in interpretation, communication and implementation at the school level and are fully aware of the wide variation of assignment of items to the three categories.

In particular the distinctions between the 'standard' curriculum program and required 'Essential' items to support its implementation, 'Essential' and 'Optional' payments; and 'Optional' and 'Voluntary' are seen to be tenuous. There is wide recognition that there

are substantial variations in the ways schools apply the policy, in the classification of items in the categories, the variation across the stages of schooling and how payments are structured and when the information is supplied to parents. (These issues are discussed later in this section.)

The questions posed therefore concern the degree to which the categories warrant change and whether clarification and minor adjustment would be adequate or whether the main attention should be on significantly clarifying implementation requirements so that variation is due to local priorities rather than a misreading of the requirements for implementation.

Parent contributions are valued and they span more than money

There has been consistent support for the notion that parent payments should be nested in the concept of parent contribution. According to stakeholders, in most metropolitan, regional and rural communities there is a general willingness of parents to contribute additional resources, including time and skills as well as money, to support a school in offering a wide set of experiences for their children and young people. This level of purposeful engagement in the life of the school may not be fully functioning as yet in all locations but most saw it as a prospective pathway to building the resources and capacity of the school to engage in depth with its community.

Some school payment practices are already couched in terms of contributions that support their school to offer a breadth of opportunities and extend the notion of contribution to parents' skills and time. This approach is advocated by a number of stakeholder groups and was seen in a favourable light by others. Some schools develop a strong rationale along these lines with their community.

For example, one school explains the benefits to the whole school of maximising a range of contributions.

'If all pay or contribute in the way that best suits them then costs for all are kept low', Principal

A corollary of this is that the rules for parent payment practices need to be broad enough to allow for local differences in how schools respond to their different contexts and aspirations. Local decision making is a strongly held attribute of Victorian government schools and clarification of the policy for parent payments needs to take account of the variation that will occur as well as ensure fair and high quality practices. As one school stakeholder commented,

'Aspirations never stop, so the policy should not dictate the limits.'

Equity concerns are a priority for resolution – Stronger guidance on policy options would be valued

Equity concerns are front of mind with stakeholders at the school level, in professional organisations and third sector/welfare groups and there is strong consensus on the fundamental actions that are needed.

All stakeholders agree that systematic identification of need is essential and that an approach to hardship should be developed. The EMA in the past indicated those families who were not in a position to pay and many now seek other mechanisms (e.g. Health Card) so that families do not have to specifically request exemption.

All stakeholders agree that the best approach is to have a system that does not require families having to seek exemptions on an ad hoc basis – although only a few appear to do this currently. Consultations with principals and school councillors revealed that in only

a few locations do current communications to parents on the payments for the year directly reflect any hardship approach by the school, although many will outline payment options or a payment plan option. Hardship is generally handled through well-being staff, although the initial point of contact is often the principal or business manager.

Welfare and parent groups also point out that need often sits outside the standard indicators and a supplementary case-by-case approach to identifying need is also required. They also provide examples of lack of clarity around the voluntary nature of payments and of pressure for payments being exerted. This lack of clarity seems to apply particularly to new arrival families and arises because of their lack of familiarity with the structure of schooling in Victoria. As one agency explained,

'We want more transparent and default options so that those who are in genuine hardship are not forced to ask.'

There is broad agreement with the policy requirement that students should have access to the curriculum and most co-curricular activities irrespective of whether their families make financial contributions. However, this becomes more complicated as a child progresses through the stages of schooling and choice and electives often with materials and service costs, become a more significant part of the curriculum.

All stakeholders agree that it is now time to consolidate approaches to equity issues. Variation in policy and approaches across schools can be seen as an integral part of the Victorian local decision making school ethos and allowing communities to differ in how they express preferences. However, equity issues emerge where those differences lead to significantly different resource outcomes for schools or payment burdens on parents and a perception that some students 'miss out' on curriculum choice and co-curricular opportunities because of variable application of hardship approaches.

All stakeholders understood that this Independent Review has been conducted in parallel to the Bracks Review of School Funding. However, they were insistent on the intersection of reviews around the capacity of parents to contribute and equity provisions in the funding settings of the SRP.

Areas of tension

The following are those areas where stakeholders expressed varying points of view, contest assumptions and evidence held by others and where a harmonised approach to solutions will be needed.

Implementation at school level varies unnecessarily – What should be done to rectify negative consequences?

There is wide variation at all levels of this policy. The amounts collected by schools from parents vary, schools' use of the categories varies as does the proportion of parents who make payments and how the school manages or responds to that. The Auditor-General identified many of these aspects.

While the categories in the policy are seen as sensible and the Parent Payment Flow Chart is acceptable, there is ongoing concern, particularly by Parents Victoria and welfare groups that some schools operate outside the categories and guidelines and unnecessarily pressure parents to pay what is essentially a voluntary or discretionary payment.

Box 3: Variation in school policies and practices

Necessary or unnecessary variations?

Stakeholders have identified the following variations among schools

- How parent payments are structured and the information supplied to parents including the classification of items
- The cost associated with such items
- The wide variation in fees charged for similar courses e.g. hospitality or outdoor education
- How the process of payment is managed (item-by-item or a package)
- How disadvantage or hardship is assessed (case-by-case or systematically); how transparent the arrangements are; and decisions as to what is universally available versus selective access
- The amounts collected by schools from parents and the proportion of parents who make payments and how the school manages or responds to that
- More broadly, different approaches to how students are supplied with/ supply themselves with the materials needed for their education – laptops, uniforms, class notes, texts, materials, access to distance education, excursions etc.

The Department's guidance in this area has not been that visible to schools and others. It appears to be largely restricted to information on the Department website. Access to other support for schools (say through regions) and guidance for school councils and parents appears to be limited and, according to stakeholders, has reduced over time. There have also been reports of inconsistent advice being provided. Other professional organisations also provide support and templates in this area (e.g. VPA) but support is directed at principals rather than parents. Informal networks are an important source of guidance for school leaders.

Despite changes in the policy formulation in response to previous Department reviews the concept of the 'standard' curriculum is open to interpretation by schools, parents and students. While the Auditor-General has identified the lack of prescription in the Department's policy to be an issue, some stakeholders believe additional prescription or codification would be counterproductive – a new 'list' could be out-of-date in a short period of time because of the rapidly changing contemporary environment for schools and have unintended consequences. The changing context of schooling – such as the increased use of technology, increased out of classroom learning and co-curricular activities continues to stimulate questions about the categorisation of parent payments.

The key question concerns the extent to which variation in implementation is legitimate and whether and how the Department should respond when schools contravene the policy requirements. There is a strong constituency that believes that schools should be held accountable particularly for contravening the requirements that

- cost is kept to a minimum, and
- students are not treated differently, on the basis of payments not being made for education items, services or voluntary financial contributions.

For example,

'Schools need to be audited regularly and extensively on their parent payment requests; there need to be consequences for those who don't comply.' Parents Victoria

A further question raised by stakeholders and those internal to the Department is: Should there be a different application of the policy in highly disadvantaged schools? Funds collected are very small and the confusion for parents and children may be counterproductive to building an engaged community.

'My school has one of the highest SFO profiles with new arrivals, intergenerational unemployed families and a mobile population – what sense does a parent payment policy make to me?: I shouldn't have to consider it at all.' Principal

Cross subsidies: good financial management or unfair

Cross subsidisation is inherent as schools manage a whole-school teaching and learning program which is as engaging as possible. Parent payments are now an important contribution to the total resources available to the school over time. For example, future students might gain from voluntary contributions made to buildings by current parents of the school; or students who represent the school in arts and sports might absorb more of the budget at certain times to access the opportunities accorded them by the school's wider curriculum.

A financial structure for parent payments that includes cross subsidies to allow for a whole school program to operate is mostly seen by principals and school councilors as good strategic financial management. It anticipates the equity needs of their school but facilitates access for all to the best the school can offer. Some schools do this very well, particularly primary schools.

But, if this financial structure is fully transparent it might also reveal arrangements that are unacceptable to some families. Some expect a fully itemised and transparent account of exactly what the payments will be purchasing so that parents will be clear about the costing and categorisation of requested payments and how they relate to the Department's policy and more particularly their child's education program. The focus of payments on the particular learning options and materials 'owned' by individual students has meant that schools tend to be silent on the importance of the total program and explaining how students as a whole benefit is underplayed by most schools.

In practice, some schools have indicated they will marginally inflate the payment regime to allow for the hardship needs of some students and on the basis of historical proportions of parents making the payment. But because the rationale about parent contribution has been weak and narrowly defined, most schools find themselves less transparent than should be the case.

A range of both wealthy and poorer schools seem to succeed in having policies that deliver the quantum of payments to ensure access to participation by all in what the school has to offer. They generally present a more holistic view of the contribution the parents make to the schools and demonstrate the overall educational value of such contributions. For example,

'I explain that our annual payments are intended to include all children and cover all the activities children will be undertaking.' Primary School Principal

'In our region reported payment responses can be as low as 18 per cent while others are around 90 percent- do we understand why there is this variation; is it in how schools structure and communicate their policies?' School Councillor

'Schools seem to strike a fee rate based on what they think their parents can afford and then ensure wide access to the program.' Principals Group

Stakeholders generally agree that a new transparent approach and rationale is needed to support schools to explain parent payments as a contribution to the enrichment of the

whole teaching and learning program, as well as access for their student to their chosen program.

At a more technical level the senior secondary years present cross-subsidisation issues. Some principals have pointed out the interaction of the credit and cash components of the SRP. Schools will provide a program of choices in senior secondary taking into account student demand, teacher expertise, and access to the study. Effectively all students choose from the same program, but the real costs of study are managed at a program level through the credit and cash components of the SRP in the main, and at the margins at the student level where 'levies' are struck.

For example, a student undertakes specialist mathematics with a low payment applied but the real cost of providing this study may be quite high as this subject generally has a small enrolment. Its real cost is through the SRP credit and teacher allotment. Another student takes outdoor education or VET at an outside provider. A higher levy is struck to meet the additional cash costs of providing this study. But it is possible the credit and overall cost per student to the school of this study is much lower than for specialist mathematics.

Schools are cross subsidising as a matter of course to provide a teaching and learning program to engage all students. However only the budgeting of the cash elements of studies is being set for a levy and results in highly differential parent payments for a student's chosen program.

Rising cost pressures

Cost pressures are apparent throughout schools for a range of reasons, including increasing community expectations/ standards and costs for uniforms, technology devices and other equipment.

Box 4: Rising costs and hardship

Rising costs and hardship – a school review

One school reported their analysis of the cost to parents of the Year 7 program which has several start-up costs, including uniforms.

- The analysis estimated \$1800 as the cost
- These payments are distributed over the school year and unlikely to be signaled in any detail at the outset
- All parents face these costs and have limited information to plan for them
- Parents experiencing hardship face the problem regularly throughout the course of secondary school

Most schools seek to identify a range of opportunities to address cost pressures through commercial arrangements in procurement of goods and services that may favour one supplier over another for a combination of reasons. The benefits might include a longer term relationship, a perceived cost effective offer and possibly a financial or in-kind return for the school such as a 'free' teacher professional support kit.

There is a view held by some stakeholders that approaches to procurement at the local level may not be sufficiently supported by DET guidance to ensure costs of services are efficiently and cost effectively delivered to school communities.

State Schools Relief has embarked on some trials which indicate at this early stage that, particularly in the case of school uniforms, costs may be unreasonable and inefficient in part due to procurement approaches which rely on a single provider.

Many schools report that locally raised funds are reducing due to more parents who are not able (and some not willing) to pay the amounts set. But others report that they have increased proportions paying with improved payment arrangements.

Some schools succeed in increasing overall revenue by understanding the interaction of the payment 'price' and the level of response, in effect by knowing a little about what the parents see as manageable and understanding the contribution the payment makes to the school learning program.

Differences across stages of schooling

Considerable variation in attitudes to parent payments and practices at the school level partly arises from the different needs and characteristics of the stages of learning. A uniform policy for all stages runs counter to the reality of the changing nature of learning and the curriculum that is offered as the years of schooling progress. Variations are due to curriculum but also due to differences in learning patterns such as moving to independent learning and incorporating out-of-classroom or co-curricular experiences.

It is instructive to provide a brief account of principals' analysis of these variations from preparation for schooling through the stages up to senior secondary. Parents' and students' expectations for rich and varied options are constantly evolving.

Kindergarten to Prep and the Early Years

Many parents (except those with a Health card) will have paid significant Kindergarten fees (as high as \$3000) and arrive at Prep where payments tend to be far lower.

- Prep parent payments are typically around \$100-\$200 with most payments categorised as 'Essential' with 'Optional' covering swimming and instrumental music. 'Voluntary' contributions are also likely to be requested.
- In Prep –Year 2 in many instances the 'Essential Prep Pack' is held in the classroom under the control of the teacher as students learn to look after the items and to guarantee the materials to be used are available for learning in the class.

Years 3-6

It is more likely schools will request payment as 'Essential' for learning materials for which the student takes responsibility. It is also more likely other items will be included to reflect the wider learning upper primary students may engage in at school and beyond school.

- As arts and sport become part of the student's program many schools will include these in the 'Essential' category. Schools explain that the payments are for individual students to access those areas of the learning program for which they show interest and/or aptitude. 'Optional' payments may also become more prominent, especially for camps and excursions.
- Often primary schools will have an omnibus approach to payments, by including arrangements for stationary, uniform suppliers, and in some instances levies or arrangements for ICT/technologies on the same communication to parents for the ensuing year.
- Other items will be supplied by parents, such as art smock and PE uniform.

Box 5: Typical 'Essential' items

Typical items that make up an 'Essential' parent payment in primary years

- Classroom materials for teaching and learning
- Consumable mathematics resources and packages
- Physical education
- Health education initiatives
- School-parent learning platform
- Technology supplies
- Integrated curriculum activities
- Visual art and music materials
- ICT levy to keep students at the forefront of technology
- School diary

Junior Secondary: Years 7-9

Principals indicate that a higher proportion of parents make payments in junior secondary than in the senior years; parents possibly have a surge of interest as their child progresses to secondary school.

- Separate subject payments become the norm. Many schools will have a levy sheet to reflect a common curriculum in the main, though some electives might require an extra payment. As elective models take hold in Years 9 and 10 where students might follow a different curriculum path, including VET, differential payments might be requested of parents.
- The payment sheet will generally be integrated with a text and stationary supplier for the school. In a few cases nearly all payments are incorporated in 'Essential' and are similar to the primary school practice.
- It is likely 'Optional' payments will become more prominent, especially for camps, excursions, sports and arts. In most instances these will be signaled at the start of the year or earlier in the case of camps and require payments as the year progresses.
- Numerous schools are instituting an out-of-school activity or inquiry-based curriculum in Year 9 where excursions and camps are 'Essential'.

Senior secondary: Years 10/11-12

Schools increasingly move away from the 'Essential' category to emphasise 'Optional' payments for the chosen curriculum of a student. The experience of schools is that parents are more likely to pay for an option as students persuade parents to support their chosen program. This has resulted in differentiated payments for students and parents depending on the program of studies chosen. The levy for specialist mathematics will be minimal, the levy for outdoor education, art folio studies and VCAL/VET relatively high. But, in reality, the optional course is core learning for the student's senior program and certification.

- VET is a particular issue. VET is integral to VCAL and counts towards Year 12 attainment. Stakeholders from various groups report that parents are making up the difference as demand from students continues. Low SES students find it harder to pay the costs, including transport, materials etc.
- Consultations revealed that some secondary schools strike a payment which guarantees the student any course s/he wishes to study among those offered by the school, to match the interests and aptitude of students.

- Parents are also asked by students to pay for more sophisticated subject camp/trip options, school formals and graduation year books. These payments are generally one-off and required over the year.
- There is also an increasing expectation from parents that as students get older they can and will be exposed to learning experiences beyond the school and neighbourhood. A few schools will have signalled these well in advance.

Stakeholder perspectives

A snapshot of the different perspectives held by stakeholders is provided below.

4	
Snapshot: Stakeholder Perspectives	
Principals/ school councils	<ul style="list-style-type: none"> • Parent payments needed to supplement inadequate funding • Policy settings are about right and should retain flexibility and not over specify • Recognise that some communities cannot pay – near to no payments in high SFO locations • Should be seen as part of overall financial management of school • Would welcome more advice and support on 'best practice'
Parents	<ul style="list-style-type: none"> • Policy settings ok- it is the different interpretations of what is 'free' and where payments are required that is not working- need to be held to account • Policy should specify what can be requested by schools • Should not have to pay different amounts for delivery of standard curriculum • No student should miss out on educational activity as a result of non payment of fees
Welfare sector	<ul style="list-style-type: none"> • Far better communication to parents of the voluntary status of payments is needed; uninformed parents sacrifice unnecessarily for these fees • Hardship policies must be developed but recognise variable indicators of need- not simplistic formula • School need to better engage with supports in their communities
Students	<ul style="list-style-type: none"> • Can readily list all the items that they are charged for – sometimes for items not subsequently well-used (specialist texts and digital devices can be in this category) • Concern at cost of some curriculum pathways- esp. applied studies • Cost in rural areas for access to curriculum options an issue • Recognise sensitivity of cross subsidy

3. Proposed Directions

This chapter discusses the guiding ideas for the development of a parent payment strategy and the actions that could be taken to address concerns identified by VAGO and this review.

The guiding ideas and proposed actions steer a middle pathway between calls for greater consistency in the interpretation of policy and calls for substantial local flexibility so that practices can respond to the different needs, expectations and contexts of schools and their communities. Underpinning this discussion is the need for schools and their communities to engage in agreeing what constitutes their whole-school program.

The four guiding ideas are that the actions should:

1. sustain the commitment to parent payments
2. make changes that combine tight /loose policy requirements
3. avoid further specification and codification of categories
4. reframe the funding categories to show their purpose

The proposed actions for improving parent payment policy, practice and monitoring are based on the benefits that are likely to flow from:

- developing an explicit rationale for and value statement about the place of parent parents in government schools
- improving school level practices
- ensuring clarity, transparency and fairness.

The diagram below indicates the proposed actions associated with each of the improvement areas.



The strategic direction: Guiding ideas to shape actions

Sustain commitment to parental payments

It is important that proposed changes to the parent payment policy do not have the unintended consequence of reducing the willingness of parents to pay and contribute and thereby reduce the quantum of parent payments. Whilst the importance and benefits of parental payments is widely recognised there is also a general conception in society that government education is, or should be, free.

The importance of communities investing in education needs to be communicated and understood. Community understanding will be built by a clear and improved rationale to support school leaders and school councils as to why parent payments are requested, the benefits this has not only for the individual but also the community and how improved practices can be systematised, fair and transparent.

Make changes that combine loose/tight policy requirements

Schools' versions of policy can differ from the actual state-wide policy and schools do not always have a current version of the state-wide policy as their policy review schedule, which could be a three or four year cycle, has not caught up with recent policy changes.

To avoid policy inconsistencies it is proposed that once the parent payment policy is revised it should be adopted by schools as their policy. Schools will not need to reinterpret the policy. This will achieve policy consistency and avoid the need for schools to develop afresh their own policy.

Guidelines will need to be developed to help schools interpret the new policy and understand the processes that they will be expected to undertake in order to ensure that their community is clear about the way that parent payments are structured and the processes for making payment contributions.

Flexibility will be achieved through schools explaining/consulting with their community on their local 'approach' to payments consistent with government policy. These consultations will contribute to greater transparency whilst allowing for the different expectations and capacities of communities to be met through discussion and negotiation.

'We talk to our community and explain how we have arrived at proposed parent payments and get their input into how to package up different payment arrangements.' School Councilor

'We tell our community what it will cost, how we arrived at those costs, what their payments cover and ask 'How much are you willing to pay?' Principal

Avoid further codification of categories

The Auditor General has also identified the lack of prescription in the Department's policy to be an issue. One school of thought is that a tighter prescription of what is free and what parents could reasonably expect to contribute to would go a long way to ensuring greater consistency and transparency of parent payment practice. Another is that the current level of codification provides an adequate guide as to those items where parent payments could be invited. A third is that additional prescription would be counterproductive and have unintended consequences.

'Schools adopt different interpretations as to whether an item belongs in the "Essential" or "Optional" category. Indeed, an item may be categorised as optional even though ninety percent of the students are involved in the activity.' Parent

The changing context of schooling, from increased use of technology to new community partnerships and out of classroom learning will continue to impact on where costs arise

and funds are channelled. Consequently increasing the codification of items in the three categories to meet changing circumstances (i.e. increasing the lists and varying the words) is not a sustainable solution because the ever evolving expectations of schooling make it increasingly difficult to categorise items and to reach the right level of precision about these items. This is compounded when there is different understanding of what is 'free' in contemporary schooling.

Reframe the funding categories to show their purpose

The three payment categories – 'Essential', 'Optional' and 'Voluntary' – are subject to significant differences in interpretation and implementation at the school level. (For example, in some communities, items such as instrumental music tuition would be viewed as 'Essential' and not 'Optional'.) In particular the distinction between 'Essential' and 'Voluntary' and between the 'standard' curriculum program and 'Essential' items to support its implementation is seen to be tenuous.

All three payment categories are in effect voluntary but this is somewhat obfuscated in the 'Essential' category by the expression 'schools can require payment for' and in the 'Optional' category by 'schools can request payment for'. Some community stakeholders had a strong objection to the use of 'Essential' as this terminology sends a strong message that parents must pay, when in fact payment is expected but in the end optional and parents have the option of providing the appropriate material themselves.

'Whatever we put in as "Essential" if a parent doesn't pay the school is obliged to pay, so it may be wiser to say a payment is "Optional" as parents appear more willing to pay for "Optional" items such as camps, music lessons and sports events. Principal

'Essential' and 'Optional' categories are also applied in very different ways across the stages of schooling. Instructional provision is fairly similar in schools up to Year 9, but then starts to diversify with Year 10 electives and become highly diversified at Years 11 and 12. Increased course diversification in the senior years is often accompanied by increased costs for courses, and in particular for VET and other applied learning units delivered by or in partnership with an external provider. Because of the high cost of these programs some schools are transferring costs across to parents; some are curtailing VET options; and some are cross-subsidising by redirecting parent payments to help meet the cost of VET instruction.

The lack of recognition in the current policy of the impact of the stages of schooling; of the differences in what communities value and expect of schools; of the nature of the school (e.g. size, teacher profile, enrolment trends); and of the nature of the community being served by the school contributes to the categories being interpreted differently and the payment requests and the payment quantum received by the school differing substantially.

Whilst monitoring of practice will help with parent payment policy compliance, compliance might also be assisted by renaming the categories so that they reflect the purpose of the items in each category rather than their payment status. Clearer categories will also enable greater engagement between a school and its community on the role of payments in the design of the whole-school program.

'Most of what are labelled as "Optional extras" is not seen as optional in middle class communities. They expect schooling to provide enrichment activities, life broadening experiences, exposure to the authentic, etc.' Teacher

Proposed actions: Three part package

The following 3 sets of actions address policy, practice and monitoring of parent payments. They describe actions that DET can take to support schools and parents make the process of parent payments transparent, fair and efficient.

1. DET to develop a statement of principles and an explicit rationale for parent payments

1.1 Principles to guide practices

The concept of the payment policy and practices being informed by an agreed set of principles has strong support. The draft principles could be used by schools and their communities to reflect on their parent payment processes and practices.

The draft principles outlined below were developed to guide DET policy and school level parent payment policy and practice. Consultations to refine the principles were undertaken but further work will need to be undertaken to finalise the principles in consultation with key stakeholder groups. The agreed principles would become a part of the DET narrative about parent payments.

Box 6: Principles to guide practice

Department Policy	<ul style="list-style-type: none">• The Department will resource and support schools so that all students in government schools have access to the highest quality education• Parent contributions to the education of their children in all its forms are valued• All students should have access to the standard curriculum program• Educational considerations are paramount when schools determine their parent payment practices• Department systems, monitoring and accountability will be directed towards ensuring fairness across and within schools
School Level Practice	<ul style="list-style-type: none">• All students should have access to the standard curriculum program• School level implementation of the State parent payment policy should encompass and value all forms of parent contribution• Cost to parents should be kept to a minimum, and in the context of well discussed aspirations in the school community• School implementation of policy should facilitate the participation of students in all aspects of the school's program• Student learning programs should primarily be influenced by aspiration, aptitude and interest and not financial costs• Parent payment regimes should be transparent and timely and recognise the role of cross subsidies in meeting program and student needs• School Council will be accountable for the monitoring the impact of parent payment policies on student programs and families

1.2 Develop a clear parent payment rationale

There is no well understood rationale for the place of parent payments in government schools. A new for parents is needed to support schools to position parent payments as a contribution to the enrichment of the whole teaching and learning program, as well as providing their child access to their chosen program.

This rationale would need to:

- explain the principles underpinning parent payments
- stress the importance of parent contribution in all of its forms to the child, school and community
- acknowledge that students access education in different ways and undertake programs with different costs

- explain that parent payments enrich the learning experienced by individual students and the class as a whole
- explain that cross-subsidisation is already a feature of schooling and that for equity and enrichment purposes needs to continue to be a feature of school budgeting;
- explain that the more parents that contribute financially to their child's schooling the greater the flexibility the school has to enrich the learning of all, students
- explain that schools and their communities have different aspirations and characteristics and that these tend to be reflected in their financing and funding decisions
- explain that schools will be consulting with their communities to determine their local 'approach' to parent payments and that these consultations will provide parents with a greater understanding of funding arrangements and make funding decisions more transparent
- explain the new approach to providing for parents with hardship (Hardship policy)

2. Improving practices at the school level

2.1 Promote best practice in relation to parent payments

Schools generally strike a payment rate based on what they think their parents can afford. Most schools get the balance right so that the payment levied and rate of response optimises the payment quantum; others have really low response rates because they have misjudged the capacity and willingness of parents to pay.

A significant factor contributing to decisions about parent payments is the capacity of school leadership and council to accurately estimate what money is actually needed to meet program expectations, and the capacity of the school leadership to manage parental expectations, be responsive to their circumstances and resolve local issues.

Best practice in relation to these matters could be promoted by providing school leaders and school council members with training in topics such as program costing, conducting consultations, negotiating and resolving conflict, and developing and implementing a fundraising strategy.

'We try to get parents to buy into paying but our communication tends to be reactive rather than proactive. We don't sell the benefits for all of paying or illustrate what the payments will allow the school to do to enrich students' learning experiences.' School Councillor

There is significant variation in the levels of funds sought from parents; in the proportion of parents who fully pay the required amount; in the quantum raised through parent payments and in payment patterns over time. Some schools are experiencing substantial declines in parent payments and others are increasing compliance rates. Some schools have developed processes to identify the funding level that optimises the payment quantum.

While there is informal sharing among school leaders many schools have little awareness of the level of payments set by other schools and of the positive ways other schools use to encourage parent payment.

Schools were keen to learn about the range of practices that schools are adopting to encourage and assist parents to contribute financially to support the school – both through the parent payment arrangements and the school's strategies for fundraising from the local community. Particular practices that schools referred to include:

- flexible parent payment plans that enable payments to be made progressively and if necessary payment periods and amounts to be renegotiated and varied

- payment incentives (e.g. discounts and possible prizes for parents making early payments)
- expanding payment options to online systems
- bundling items and services (e.g. for this payment amount you receive X; for this additional amount you receive X plus Y) so parents can select the package that they can afford

It is proposed that DET could support the adoption of effective practices through developing a guide that describes various strategies schools have found to be effective for increasing/optimising parent payments.

Critically, best practice also includes ensuring that student inclusion is a guiding principle of school practices. The guiding principle of inclusion needs to be implemented diligently so that no student is disadvantaged because of their individual circumstances. (See Section 3.3 Hardship.)

2.2 Procurement rules

There are well developed procurement approaches across schools. Most of these appear to have been developed iteratively. Some schools have become quite adept in managing this and effective supplier arrangements, based on a long term relationship, are commonplace. What is unknown is whether these procurement arrangements are delivering the most cost efficient result for schools.

The extent and timing of competitive tendering by schools is not systematically known to DET, nor is there active guidance to build knowledge across the system and ensure costs of services are efficiently delivered to school communities. While it is acknowledged the DET procurement guidelines are clear and unambiguous, and school level audits keep protocols in the forefront of financial management, it is less likely that any evaluation of practice has been taken up by DET to consider the effectiveness and efficiency of school supplier arrangements.

Whenever these arrangements are in place they need to be transparent and discussed with the community in the context of disclosing partnerships in which the school is engaged.

2.3 Tools and services to be developed

The changes in society which are increasing the numbers of time-poor parents has had implications for the traditional ways in which schools have drawn in volunteers to run the school uniform shop or textbook exchange. Schools have tended to mitigate this by their arrangements with suppliers in various ways. The opportunity to build peer-to-peer mechanisms is already influencing some schools, but a set of tools and examples prompted by DET could be leveraged quickly.

The State Schools Relief (SSR) Uniform App is an excellent example of the possibilities in this area. DET could work in partnership with SSR to support this in all schools. Other websites perform similar functions. These tools and services can contribute to lowering the overall costs to parents and build community engagement in the school. This strategy can be undertaken quickly while a longer term project to examine the effectiveness and efficiency of school supplier arrangements may have a more fundamental impact.

The tools and services listed below provide various means for assisting schools to reduce the costs of parent payments and provide greater transparency about parent payments. They should be considered and where deemed appropriate become an element of DET's parent payment strategy.

Tools

- A cost guide or cost benchmarks for key items to help parents become more informed about costs and whether they are getting value for money
- Smart apps to assist schools make decisions about costing options for excursions, camps and other enrichment activities. (State Schools' Relief smart apps facilitate peer-to-peer exchanges for high cost items such as uniforms and textbooks).
- Tools to assess levels of disadvantage
- Online templates and resources to support school councillors, including advice about the questions they should ask their school community in regards to parent payments

Services

- Better financial systems for schools
- Providing financial literacy training for school councillors
- Having key documents available in a range of languages so families can access important parent payment information

Tools to assist schools with transparency and inclusion are discussed in relevant sections.

2.4 DET Monitoring and feedback

DET does not have a comprehensive knowledge or understanding of how the parent payment policy is being implemented. Proposals for monitoring policy implementation include conducting sample audits of practice, using the school level auditing framework as the vehicle, and implementing appropriate actions to address audit findings. Monitoring would also need to cover how schools are implementing their hardship policy.

An evaluation to provide feedback to DET and schools of the impact of any changes could be scheduled and signaled to school communities.

DET will respond to the VAGO recommendation to change the Chart of Accounts to better capture the level, composition and use of parent payments. This work will necessarily have to follow any changes implemented as a result of the DET response to this Review.

Complaints and parent payment interpretation issues have to date been handled as an operational responsibility at the regional level. However, it is arguable whether DET regions have the capacity or expertise to assist with policy clarification or resolve disputes. A more effective solution would be to develop this expertise and establish a central parent payment complaints desk, nested in a broader complaints function to fulfil this need. Community and parent stakeholders expressed the need for such an arrangement. However, even with an expert central support function, there is always likely to be referral to regions to take up intractable concerns. A more powerful rationale, and clearer and consistent policy and guidance would be expected to result in fewer issues having to be resolved.

DET should continue to develop its Contact Management Project to facilitate and support better identification, tracking and resolution of issues related to parent payments.

3. Ensuring clarity and fairness

3.1 Clarity of categories

It is proposed that the 'Voluntary Financial Contributions' category be retained; that the 'Essential Education Items' and 'Optional' categories be replaced by 'Student Learning Materials and Activities' (to support instruction in the standard curriculum) and 'Learning Enrichment'. 'Learning Enrichment' would have two subcategories – 'Co-curricular and 'Partnerships'.

Co-curricular activities cover extensions to the standard curriculum; ‘Partnerships’ refer to those arrangements that would be established for learning enrichment services or activities facilitated or arranged by the school that are costly and participation is a matter of choice for families (e.g. student international travel).

Schools may require parents to supply or pay the school for items in the Student Learning Materials and Activities category. Parent payments for items in the Learning Enrichment category may be requested but are not compulsory.

The intention of any clarification of the categories is for the school and school council to work more closely with its parent community on the whole-school program that students will access either as individuals or as a class.

The new payment categories are intended to describe the *purpose* of the payment category rather than the payment status. They also allow for decision making at the local level to facilitate different ways of packaging and describing the payment options.

Further work to develop parent payment case studies at the different stages of schooling and consultations with stakeholders would provide a way of identifying the categories that items typically fit within at various stages of schooling.

Other actions to inform the way parent payments are categorized include the introduction of designated consultative processes at the school level; the use of a ‘Test of Transparency’ tool; and for schools to have a hardship policy.

This reframing of the categories to more explicitly describe the nature or intent of the items in each category rather than their payment status could help with the narrative, provide greater clarity about the categories and make it easier to give due recognition to the different parent payment practices that are being adopted at different stages of schooling to meet the varied ways that student learning programs are designed.

Box 7: Reframed categories

Reframed payment categories

- Student Learning Materials and Activities
- Learning Enrichment
 - Co-curricular
 - Partnerships
- Voluntary financial contributions

3.2 A transparency framework for schools

Greater transparency would be achieved if schools were required to consult with their community when developing their parent payment position. Schools would need to advise parents of the proposed costs of the program; provide the rationale and guidelines for their decision; provide opportunities for a diverse range of parents to express their viewpoints; and address any concerns before a final decision is made.

The consultation requirements and processes could be documented as a transparency framework and a ‘Test of Transparency’ tool could be developed as part of DET guidance.

3.3 Hardship policy

Many schools are unclear about the definition of or the benchmark for a disadvantaged family. A contributing difficulty is that schools in the country are increasingly dealing with families who may be asset rich (e.g. farmers) but income poor.

Previously EMA was used to identify disadvantaged families. While this indicator is no longer available, the recent Camps Sports and Excursions payment is determined on the same basis as the previous EMA and schools could apply this indicator in determining their approach. Nevertheless, schools would welcome further advice not only on the best indicators of disadvantage and poverty but also how to identify need on a case-by-case basis, perhaps in conjunction with local welfare groups.

There are a range of actions that could be taken to support schools to be more aware of disadvantage. Schools could be encouraged to use the Low Income Awareness Checklist for Schools developed by the Good Shepherd Foundation which assists schools to consider disadvantage when developing policies and practices and engaging with parents. (Appendix 5 contains the Good Shepherd Foundation checklist.)

It is suggested that all schools should have a hardship policy.

Research by VCOSS reveals that practices around student hardship vary between schools; schools generally do not have a written hardship policy; families facing hardship tend to be dealt with on a case-by-case basis; and DET does not provide guidance in this area. Consequently, it is difficult to determine whether families facing hardships are being treated fairly and with dignity.

For parents who have difficulties funding the payments throughout schooling, often for more than one child, in nearly all instances their hardship is handled on a case by case basis. While school leaders in nearly all cases will support these students to engage in the full learning program these parents generally have to find a way to have their difficulties recognized, rather than being supported by an effective out-reach and clearly communicated approach of inclusion.

A hardship policy would assist schools to develop internal policies and processes to support families and individuals who are experiencing difficulty in contributing financially to the school as a result of financial hardship. Local government, financial institutions and energy retailers are required to develop, maintain and implement customer hardship policies.

(A guide to developing a hardship policy in the finance sector can be downloaded from: http://www.commsalliance.com.au/__data/assets/pdf_file/0010/1018/GUIDE-FOR-A-FINANCIAL-HARDSHIP-POLICY1.pdf.)

The elements of such a policy could include eligibility criteria, processes to be followed and principles to be adhered to. The policy would also provide guidance on managing non-compliance through supportive and proactive processes that aim to strengthen parent capacity to meet their financial obligations as opposed to one of compliance.

A tool for schools to assess the ways in which they promote and realise an inclusive environment could be developed/supported by DET as part of its guidance. The following structure could be used to develop an inclusion tool for testing the accessibility and quality of payment support services.

Box 8: A tool for inclusion

Inclusion and Access	Questions to assist school policy and practice
Awareness	Are those for whom support is provided aware of the service and its value to them?
Empowerment	Do those for whom the service is provided know what services they are entitled to and have a right to demand?
Convenience	Can those for whom the service is provided access the service easily and in a timely way?

Availability	Are all the services needed by students and parents', including specialised services, available at/through the school? Are alternative services offered and do parents have a choice of services?
Affordability	Are those for whom the service is provided able to afford the service? Are the costs of services reasonable and the best available? What support is available for those who cannot afford the service?
Cultural Safety	Are the cultural needs of those for whom the service is provided understood? Are the services delivered in a manner that meets the needs of particular cultural groups within the school community?
Respect	Are all the services provided in a respectful way for parents and students?

Schools should take these factors into account not only when dealing with individual students but also when setting student requirements. For example, a school uniform policy can have a generic alternative that is acceptable alongside a highly branded standard uniform or a school might purchase a class set of school blazers for occasions when students are representing their school.

Summary of proposed actions

Box 9 below provides a summary of the total of proposed actions and indicates the problem or issue that they could assist in addressing. A discussion of how these proposed actions might be implemented is provided in the following chapter.

Box 9: Summary: Problems and corresponding actions

Problem or issue	Proposed actions
Lack of clarity/clearer guidance	<ul style="list-style-type: none"> • A rationale for parent payments informed by Principles • Engage key stakeholders in the development of the Policy and a Parent Payment Guide for schools • Rename the funding categories to better reflect their purpose rather than the funding status • Revise Parent Payment Flow Chart • Recognition of different interpretations in P-3, 3-6, 7-9/10 and 11-12 - Develop case studies of parent payment models at the different stages of schooling for inclusion in the Guide as some items in the categories legitimately change categories at a different stage of schooling • Consolidate policy and guidance on parent payment website
Lack of transparency	<ul style="list-style-type: none"> • Establish a transparency framework that describes a process for building transparency through requiring schools to have greater engagement with their community when determining the school's approach to parent payments • Develop a Test of Transparency tool for inclusion in the Guide
Lack of compliance monitoring	<ul style="list-style-type: none"> • Conduct sample audits to check compliance and implement relevant practices to address non-compliance • Establish a parent payments complaints desk nested in the broader Contact Management System • Use the Contact Management System for monitoring and tracking parent payment complaints
Lack of parent payment monitoring	<ul style="list-style-type: none"> • Change the Chart of accounts to better capture the level, composition and use of parent payments
Costs for parents inflated	<ul style="list-style-type: none"> • State Schools Relief Procurement Apps (for purchasing uniforms and second-hand books) to be supported and promoted • Evaluate schools' procurement practices – Case Studies • Best practice training – provide school leaders and school councillors with training in topics such as procurement, program costing, conducting consultations, negotiating, resolving conflict and developing and implementing a fundraising strategy- • DET develop a cost guide or cost benchmarks for key items • Describe how to implement various payment plan options and other actions taken by schools to increase parent payment rates

<p>Arrangements for disadvantaged need improving</p>	<ul style="list-style-type: none"> • Develop a DET Hardship Policy to be adopted and implemented at school level – consider the default position being that disadvantaged families are not to be asked for payment but are invited to contribute what they can afford; and schools servicing highly disadvantaged communities should feel they are under no obligation to collect parent payments • Confirm disadvantage definition (e.g. a means-tested concession card - health care or pension card – or temporary foster parents) • Incorporate guidance on camps, sports and excursions funding for disadvantaged families • Encourage parental contribution in all forms and trade-offs between financial contribution and other contributions to the schools (parent time and talent) • Encourage cross-subsidisation – and explain that it already exists. Some classes cost more than others to run because of varying class sizes and the range of teacher salaries, and the students in these classes are receiving an ‘above average’ proportion of the schools’ available resources. Explode the myth that cross-subsidisation based only on cash components is unfair • Develop an Inclusion tool for schools to test the accessibility and quality of their payment support services (example - p. 28 of report) • Audit how Hardship Policy is being applied • Provide schools with a Low Income Awareness Checklist
------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

4. What are the key implementation steps?

Propositions arising from this review have different characteristics and purposes. Some have state-wide implications and require significant stakeholder engagement to bring them to realisation: these propositions will take some time to implement. Others can be implemented in the short term as their purpose is already supported by stakeholders and there are pre-existing models that can be readily adapted to fit a school situation. There is also the question of the appropriate sequencing of work. Some tasks need to be completed before other tasks can be done. Consequently each proposed action needs to have its own implementation path.

The suggested implementation tasks arising from the proposals discussed in this report are arranged on a timescale from 'short-term' (now until the end of 2015), 'medium term' (mid 2016) and 'medium to long term' (2017 and beyond).

Short term

1. Include in Education State and/or DET communiqués a wider narrative about parent contribution; support for student learning, time, skills and financial.
2. Gather best practice examples (e.g. payment plans, online payment) where there is strong articulation of the benefits of contribution including payments, transparency, hardship and payment processes.
3. Consolidate current policy directions, flow charts and relevant DET advice on issues such as technologies in one place and communicate its whereabouts
4. Establish the 'one point of contact' in DET as soon as possible to handle enquiries and complaints.
5. Assist State Schools Relief to develop and promulgate its App for uniform and textbook exchange so each school can have a parent-parent virtual shop; Provide schools with a Low Income Awareness Checklist

Medium term (Next 9 months)

6. DET to engage key stakeholders in the development of one Parent Payment Policy and Parent Payment Guidance for schools to adopt for the 2017 year.

This process will include confirming **Parent Payment Principles** upon which to base the policy, development of a mandatory **Hardship Policy**, development of an **Inclusion tool** to assist schools practices, development of a **Test of Transparency tool** for school leadership and school councils to assess their approach and, if agreed, **a reframing of the categories** as 'Student Learning Materials and Activities' (replacing 'Essential Education Items'), 'Learning Enrichment' (replacing 'Optional Extras'), and 'Voluntary Financial Contributions' (unchanged). Partnerships describe arrangements between the school and parents for the payment of high cost, non-compulsory services or activities facilitated by the school.

7. Once settled a socialisation and engagement strategy will be needed for school leaders and school councilors.

Schools need advice no later than June 2016 to be able to effectively make changes. Even then it might require a two year implementation to allow schools to adjust.

Audit might take up payments as a focus in 2017/8 to **assess the level of compliance** with renewed guidelines, which would satisfy a key concern of VAGO and some stakeholder groups.

8. Make **Chart of Accounts** changes after (6) is completed.
9. Inclusion of parent contribution/payment framework in Bastow leadership courses and School Council induction and capacity training, Term 3 2016 and ongoing. Training could

focus on topics such as procurement, program costing, conducting consultations, negotiating, resolving conflict and developing and implementing a fundraising strategy.

Medium to Long Term

10. Establish a project to assess the efficiency and effectiveness of school procurement practices which interface with parent payments. This project would focus on the costs for all parents by considering the competitiveness and diversity of supply arrangements undertaken by schools. The trials underway by the State School Relief would be a useful starting point.

11. Consider providing feedback from monitoring to schools to inform best practice, including possible benchmarks

Parallel and complementary work

VET in schools reform will need to proceed in parallel with any support for a whole school senior levy as a model for schools to adopt. Schools with large VET enrolments relative to VCE studies would find it difficult to have a whole senior secondary levy with the current funding model and escalation of VET costs. This would be compounded by the likely lower SES profile of students undertaking VET/VCAL and other applied learning and the need to meet costs of parents facing hardship.

What would be gained; what are the risks?

In summary the suggested implementation timeline provides for the following characteristics.

- Builds on existing good practice
- Provides continuity for schools with gradual change over time
- Allows time for new funding initiatives to bed down
- Allows this issue to be addressed in the context of the Bracks Review and Education State processes.

5. Conclusion

The table below summarises 'what will have changed' for parents, schools and the Department following the introduction of the actions proposed in this review.

Box 10: Summary: Policy and practice changes

For whom?	What will have changed?
For parents	<ul style="list-style-type: none"> • Parent contributions to their school (payment or otherwise) will be acknowledged and valued • Parent payment requests will be classified into three more easily understood categories • Parent payment requests will be couched in a broad rationale of the community's directions for the school and the whole-school program • School practices around parent payments will be transparent and payments clearly linked to the provision of materials and activities • Parents will have a point of contact within the Department which has expertise and the ability to resolve issues in this area • Parents who are experiencing financial hardship will be treated with respect and procedures at school level will not identify those parents or students who haven't made the payments • No student will miss out on an educational program that is part of the standard instruction or enrichment activities if they have not made the payments • Parents will have access to tools and services to support them in obtaining class materials and school uniforms
For schools	<ul style="list-style-type: none"> • Schools will no longer be required to have their own parent payment policy but operate within the statewide policy and guidelines • Parent payment requests will be organised in three categories that are explicitly based on the purposes for the payments • Schools will develop a parent payment approach that reflects the aspirations and need of their school community • Schools will address hardship cases in a proactive, non-discriminatory and supportive manner and have access to tools to support their approaches. • Principals and school councillors will be supported by training and best practice materials to effectively manage this area of school business
For the Department	<ul style="list-style-type: none"> • The Department will develop and refine a set of principles to support the Parent Payment policy • The Parent Payment policy will be revised to reflect the three categories and guidelines will be developed for schools to embrace the differences apparent in the structure of payments according stages of schooling • The Department will develop a centre of expertise in parent payment policy for schools and parents • The Department will identify best practice and promote cases studies exemplifying this practice • The Department will develop an inclusion tool for schools to test the accessibility and quality of their payment support services • The Department's contact management system will identify and track issues related to parent payments • The Department's will audit school parent payment practices regularly

Links to other processes

All consultations have connected this review of parent payments with the Bracks Review. While funding settings are out of scope for this independent review of parent payments there are links to be made. Two contextual matters have arisen for this independent review and have been noted in our report.

Equity

- The connection between capacity to raise Locally Raised Funds (LRF) and the relative advantage of school communities is strong. This is moderated by the evidence that better practice might improve contributions across all communities regardless of context. Charts appended to the report show that there is significant variation across primary and secondary schools in the level of per student funds and variation is evident across most of the SFO range but narrows towards the high end of SFO (i.e. the most disadvantaged).
- Schools with relatively high SES also have pockets of disadvantage. Chapter 1 of this report and Appendix 4 illustrate that there is a significant number of schools with EMA populations above 35 percent who receive limited funding through the SFO Index – mainly primary schools.

Senior secondary years 10/11-12

- The stages of schooling per student funding in the senior years (10-12) and equity funding combine to fund student senior education certificate programs. But there appear to be complex implications of funding Senior Secondary years at uniform rate for Years 7-12 when costs and parent payments vary across course types and would be expected to influence student choice.
 - Uniform rates across year 7-12 have applied since 2004. Prior to this per student funding had a premium for the senior secondary years. But subject costs are higher in the senior years of schooling and there is greater variety between course costs.
 - Stakeholders report that this has resulted in differentiated payments for students and parents depending on the program of studies chosen (e.g. the levy for specialist mathematics will be minimal, the levy for outdoor education, art folio studies and VCAL/VET relatively high).
 - Year 12 completion rates in Victoria have remained relatively high compared with other states and territories, but have stagnated over recent years. VET is integral to VCAL and counts towards Year 12 attainment. Many courses need to be sourced from private providers that charge high fees. Stakeholders from various groups report that parents are increasingly making up the difference as demand from students continues. Low SES students find it harder to pay the costs, including transport, materials etc.
 - Schools always face trade-offs in the studies they can provide within their budget. However, a student's chosen program from the courses the school offers should be guided by aspiration, aptitude and interest, not by the cost to undertake the study.

A change in the policy framework for parent payments and compliance with its intentions to ensure equity of access to the curriculum, including the whole senior curriculum would ultimately need to be complemented by consideration of the funding settings for government schools.

Appendix 1: Outline of the Policy

The *Education and Training Reform Act 2006* ensures the provision of free instruction in the standard curriculum program (i.e. eight key learning areas), and empowers school councils to charge for goods and services used in the course of instruction and to raise funds.

The Department provides funding to schools through the Student Resource Package (SRP) and various programs. This includes funding for the standard curriculum program and associated education items, equipment and operational costs.

Free instruction includes learning and teaching, instructional supports, materials and resources, administration and facilities required to provide the standard curriculum program. The standard curriculum program includes core learning and teaching activities associated with the Victorian Essential Learning Standards (VELS) and senior secondary certificates (VCE, VCAL and VET programs).

School-level policies

School councils are responsible for developing and approving a school-level parent payment policy to ensure school-level parent payment policies and processes are compliant with the Department's policy requirements. School policies need to ensure:

- all students have access to the standard curriculum program
- coverage of the three parent payment categories i.e. 'Essential Education Items', 'Optional Extras' or 'Voluntary Financial Contributions'
- the school does not withhold access to enrolment or advancement to the next year level as a condition of payment for any of the three categories
- items that students consume or take possession of are accurately costed
- cost is kept to a minimum
- payment requests must be clearly itemised within each category
- parents/guardians are given the option of purchasing equivalent 'Essential Education Items' themselves, in consultation with the school
- students are not treated differently, denied access to the standard curriculum program, refused instruction or disadvantaged on the basis of payments not being made for education items, services or voluntary financial contributions. For example if parents/guardians choose for their children not to attend a compulsory excursion/camp an alternative option needs to be provided
- the status and details of any payments or non-payments are confidential
- parents are provided with early notice of payment requests (e.g. a minimum of six weeks' notice prior to the end of the previous school year)
- payment may be requested but not required prior to the commencement of the year in which the materials and services are to be used
- it meets the community's expectations and is provided to parents.

Principals, as executive officers of school councils, must ensure that the school-level policy complies with the Department's policy and that all staff are familiar with and adhere to it.

Important:

It is not acceptable to use coercion or harass parents/guardians to obtain payment.

Principals must ensure any payment records are kept confidential. The public identification of students or their parents/guardians who have or have not made a payment or financial contribution is unacceptable and must not occur in any circumstance.

Under no circumstances can collectors of any type, including debt collectors, be used by schools to obtain any funds from parents/guardians.

Categories

This table describes the three parent payment categories that school councils can request payments from parents.

Category	Description
Essential education items	<p><i>These are items which parents/guardians pay the school to provide or may provide themselves, if appropriate. These items are essential to support instruction in the standard curriculum program and include:</i></p> <ul style="list-style-type: none"> materials that the individual student takes possession of, such as text books and student stationery materials for learning and teaching where the student consumes or takes possession of the finished articles (e.g. home economics, photography, catering) school uniform (where applicable) activities associated with, but not part of instruction in the standard curriculum program, such as costs associated with camps and excursions which all students are expected to attend (e.g. transport and entrance costs). <p>Note: If parents/guardians choose to provide equivalent materials themselves, this should be done in consultation with the school, and items should meet the specifications provided by the school. However, there are some items (e.g. food provisions for home economics) which, due to their nature, can only be provided by the school.</p>
Optional extras	<p><i>These are items provided in addition to the standard curriculum program, and are offered to all students. They are provided on a user-pays basis and if parents/guardians choose to access them for students, they will be required to pay for them. These items include:</i></p> <ul style="list-style-type: none"> instructional support material, resources and administration in addition to the standard curriculum program (e.g. student computer printing for personal use) extra-curricular programs or activities offered in addition to the standard curriculum program (e.g. instrumental music), school-based performances, productions and events materials for subjects where the payment sought is the difference between the basic materials/services required for access to the standard curriculum program and higher cost alternatives which may be more desirable (e.g. the use of more expensive materials) materials and services offered in addition to the standard curriculum program (e.g. school magazines) school facilities and equipment not associated with providing the standard curriculum program, and not otherwise provided for through the SRP (e.g. student accident insurance, and hire or lease of equipment such as musical instruments).
Voluntary financial contributions	<p><i>Parents/guardians, or anyone else, can be invited to make a donation to the school for the following purposes:</i></p> <ul style="list-style-type: none"> contributions to a building trust fund or contributions to a library trust fund (these trust funds are approved by the Australian Taxation Office and are tax deductible) contributions for a specific purpose identified by the school (e.g. equipment, materials or services) in addition to those funded through the SRP. This may include additional computers or student-related services general voluntary financial contributions or donations to the school.

School-level processes

Communication with parents

The school-level policy should ensure that all communication with parents/guardians, including payment requests, is fair and reasonable.

Payment requests, letters or CASES21 invoices for student materials and services charges must be accompanied by the following information:

- a description of each of the three parent payment categories
- details of what parents are being asked to pay for
- that parents are required to provide 'Essential Education Items' for their children, and have the option of purchasing these through the school or through a local supplier, where appropriate
- the availability of alternative payment options and an invitation to contact the principal if the parent wishes to discuss these
- a copy of the school-level policy.

Administrative and payment processes

The school-level policy should ensure that:

- administrative and financial processes are compliant with Departmental requirements such as CASES 21 financial reporting.
- invoices for unpaid 'Essential Education Items' or 'Optional Extra' items accepted by parents are generated and distributed on a regular basis, but not more than once a month.
- only the initial invitation for voluntary financial contributions and one reminder notice per year is sent to all parents/guardians.
- receipts are issued to parents immediately upon payment and receipted on CASES 21.

Support Options

There is a range of support options available for parents experiencing difficulty in paying for essential items including:

- the Schoolkids Bonus which is provided by Centrelink to help with education costs and is automatically paid in January and July to eligible families and students
- access to State Schools Relief Committee support via the principal to assist with clothing/uniforms
- welfare and support agencies that have established partnership arrangements with schools to provide further assistance to students and their families.

Principals must exercise sensitivity to the differing financial circumstances of individual students and their families. Principals are encouraged to make decisions about how to manage non-payment of 'Essential Education Items' or 'Optional Extras' on a case-by-case basis.

Where families have difficulty making payments, principals are expected to discuss with them the range of support options available, and to negotiate an appropriate alternative arrangement, such as payment by instalments.

Principals are encouraged to explore ways to make quality second-hand books and uniforms available to parents in need.

Parents/guardians who experience difficulties providing or paying the school to provide 'Essential Education Items', should be encouraged to make an appointment with the principal or other nominated senior staff member to discuss alternative payment methods.

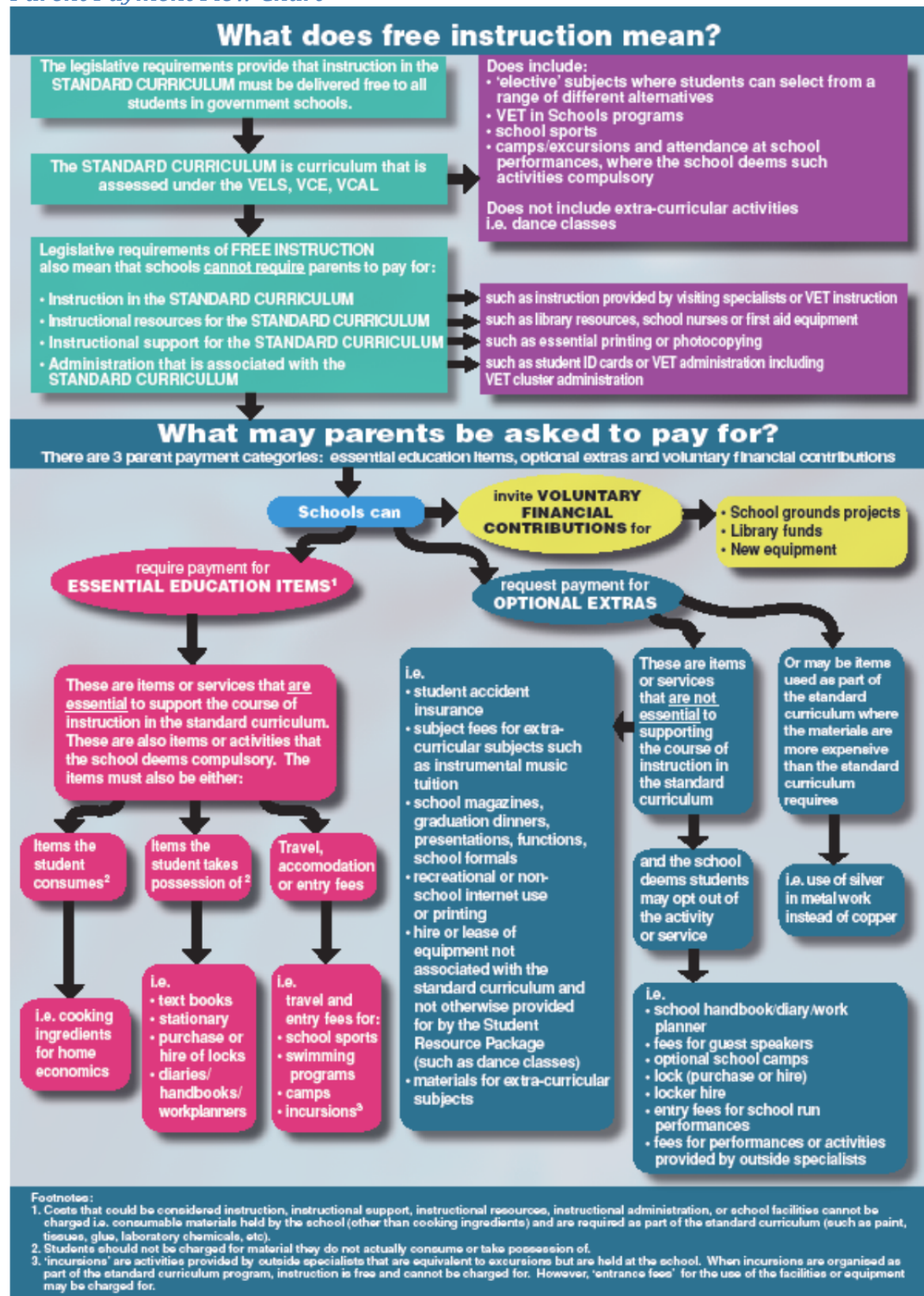
Support materials for school use

There is a range of templates for school use to support communicating with families about parent payments

Schools have also identified a range of good practice processes including:

- using the Department's samples as the basis to develop school-level policies and processes
- having strong relationships with local communities and organisations to source supplies at competitive prices
- purchasing second-hand text books from former students to be used as class sets.

Parent Payment Flow Chart



Footnotes:

1. Costs that could be considered instruction, instructional support, instructional resources, instructional administration, or school facilities cannot be charged i.e. consumable materials held by the school (other than cooking ingredients) and are required as part of the standard curriculum (such as paint, tissues, glue, laboratory chemicals, etc).
2. Students should not be charged for material they do not actually consume or take possession of.
3. 'incursions' are activities provided by outside specialists that are equivalent to excursions but are held at the school. When incursions are organised as part of the standard curriculum program, instruction is free and cannot be charged for. However, 'entrance fees' for the use of the facilities or equipment may be charged for.

Appendix 2: Consultation List

	Who	When
Discovery	DET Regional Services Group Executive	28 May 2015
	DET stakeholder Groups: <ul style="list-style-type: none"> School Governance Australia (SGA) Parent's Federation Victoria, Vic. Council of School Organisations (VICCSO) Special Schools Principal's Association 	3 June
	Victorian Association of Secondary School Principals (VASSP) and Victorian Principals Association (VPA) presidents	9 June
	AEU executive	11 June
	Business Managers Association	15 June
	VPA Board	18 June
	VCOSS executives	2 July
	State Schools Relief executive	2 July
	Country Education Project (CEP)	10 July
Engagement and negotiation	DET Expert Principals Advisory Group (EPAG)	16 July
	Rural Youth Ambassadors and CEP	17 July
	State Schools Relief Board	20 July
	AEU Principal Class Association	21 July
	South East Region – PRG	21 July
	South East Region – School Councillors	21 July
	DET SRP Consultative Committee	24 July
	North Western Region Principals Advisory Group	24 July
	North Western – School Council Presidents	24 July
	North Eastern Region – Principals and School Council Presidents	27 July
	VASSP Executive Committee	27 July
	DET Workshop – division representatives	28 July
	South Western Region Principals and Council Presidents	29 July
	Equity Alliance - the Brotherhood of St Laurence, Esther's Voice, Good Shepherd Youth and Family Service, Wesley Mission Victoria, Berry Street Victoria, Hanover, Melbourne City Mission, Ardoch Youth Foundation and the Council of Single Mothers and their Children, plus Students Representative Council	4 August
	DET stakeholder groups – Victorian Aboriginal Education Association (VAEAI), SGA, PV, VICCSO, and CEP	6 August
	VASSP and VPA Presidents	20 th and 31 st August
	Victorian Auditor-Generals Office (VAGO)	31 st August
	DET Deputy Secretaries and Executive Directors	Various

Appendix 3: School Policies and Payment Documents Reviewed

No of Schools Reviewed	Total	Below SFO Threshold	Above SFO Threshold
Primary	28	20	8
Secondary	20	8	12
P-12	6	1	5
Total	54	29	25

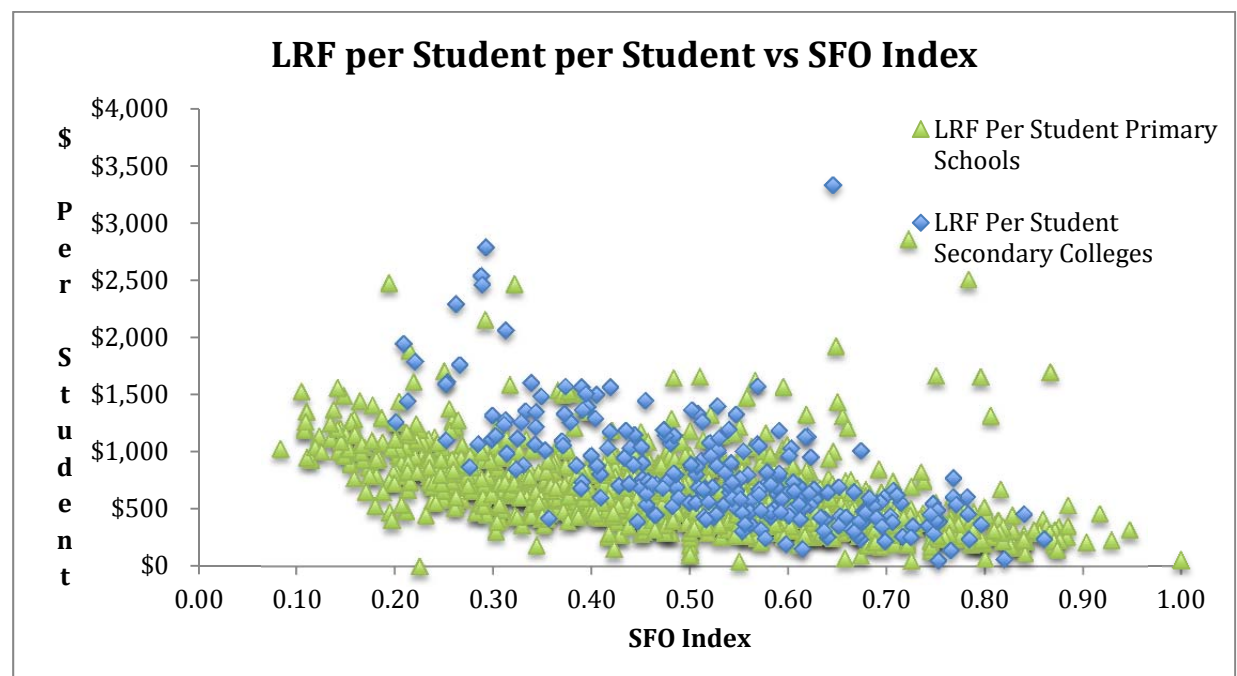
Appendix 4: Parent Payments Funding Data Analysis

Notes on Methodology

All analysis is based on 2014 school funding data provided by DET for primary and secondary schools only.

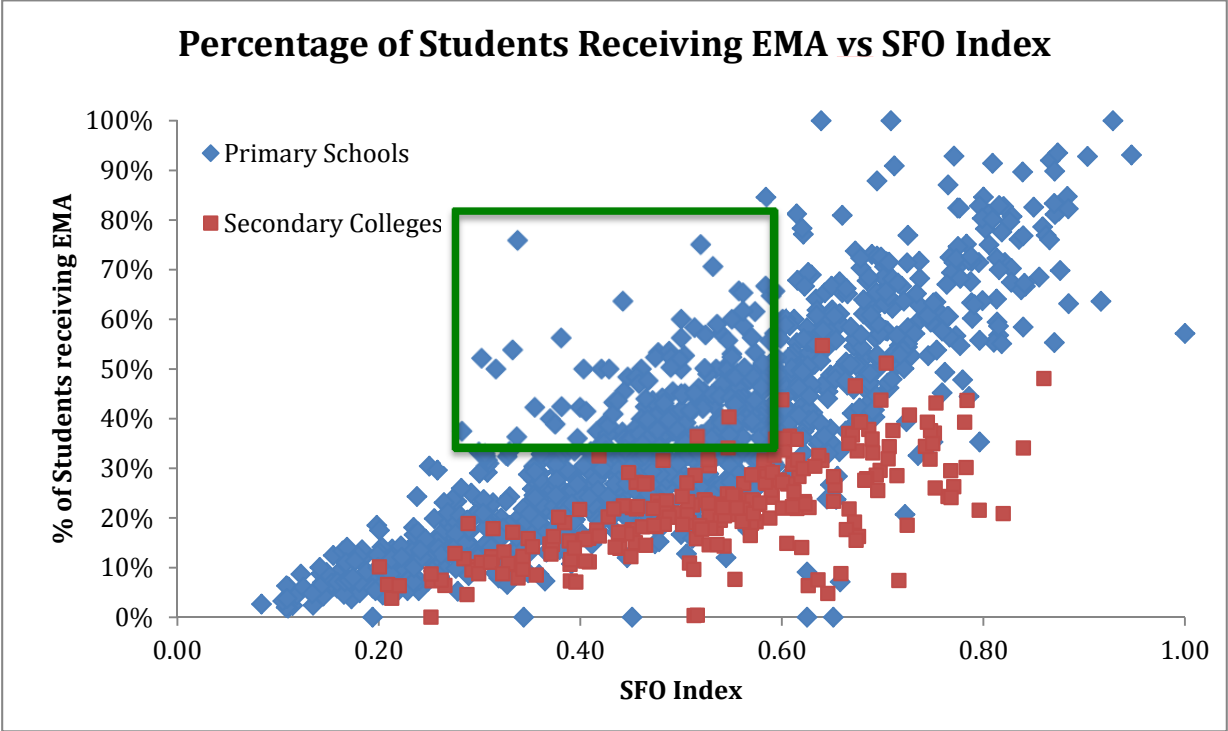
Term	Detail
SFO Index	Student Family Occupation – used primarily to differentiate schools on a scale of disadvantage
SFO Funding	Funding provided to schools as a result of their SFO Index score
Locally Raised Funds (LRF)	Data file includes locally raised school funds in 5 categories: Subject Contributions; Sale of Class Materials; Fundraising Activities; Donations; Camps/Excursions/Activities. Total LRF sums these categories for each school. Data is reliant on school level categorisation of the funds initially and then subsequent accurate data entry. Does not include International Student funds
SFO Ranges	Three SFO ranges have been examined in more detail to inform the analysis. One is below the SFO threshold (0.2845 to 0.3125). The second range (0.5280 to 0.5460) is just above the SFO threshold (0.5135). In the other (0.7475 and 0.7890) schools will receive significant funding through the SFO Index.

Figure 1: Locally raised Funds Per Student vs SFO Index



The chart shows significant variation in the level of LRF per student across most of the SFO range. This variation narrows towards the high end.

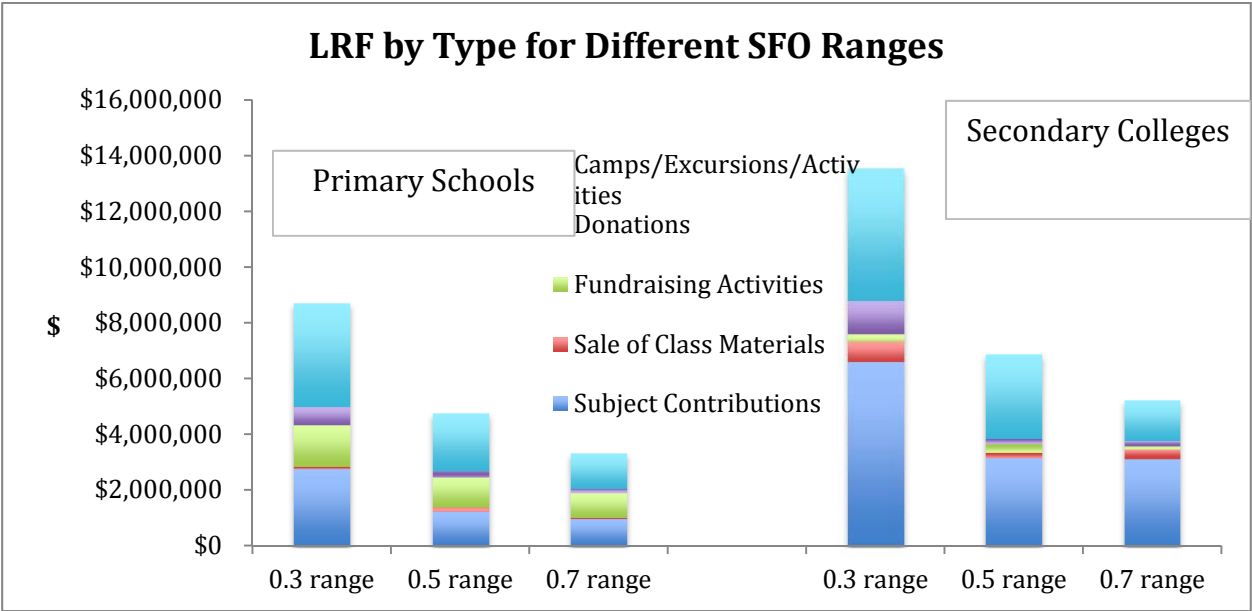
Figure 2 Percentage of Student’s Receiving EMA vs SFO Index



Indicates there a significant number of schools with EMA populations above 35% who receive limited funding through the SFO Index – mainly primary schools.

Review of Data for Selected SFO Ranges

Figure 3 Total Locally raised Funds by Classification for different SFO Ranges



Note: Enrolments not equal across all ranges. See tables below.

Table 1 Data for Primary and Secondary Schools in Selected SFO Ranges

	0.3 range	0.5 range	0.7 range
No of Schools	49	59	48
No of PS	40	49	36
No of SC	9	10	12
Prim Enrol	12,257.2	9,275.8	8,432.5
Sec Enrol	8,647.0	8,222.9	11,701.5
Tot Enrol	20,904.2	17,498.7	20,134.0
LRF Per St Prim	\$749.47	\$564.69	\$463.60
LRF Per St Sec	\$1,657.81	\$825.07	\$414.43

Locally raised funds per student decline across the three ranges. Fundraising activities are more significant for primary schools in all three ranges compared with secondary colleges.

Appendix 5: Sample Low Income Awareness Checklist for Schools

Below are listed a series of statements which are indicators of areas where schools may need heightened awareness of the needs of low-income families and students.

Source: http://www.goodshepvic.org.au/Assets/Files/Low_Income_Awareness_Checklist.pdf

1. Special Provision/Advocacy/Internal Policy Development

- 1) Has developed special funds which are available to support the needs of low-income students.
- 2) Has developed special provision for students who are homeless.
- 3) Has developed special fee policies/concessions for students who are self-supporting and for families in crisis.
- 4) Has developed a special grocery-necessities supply procedure for students and families who are on a low income or homeless.
- 5) Has approached local traders and businesses to make arrangements for discounts for low-income students on school-related purchases (e.g. shoes, stationery, etc.).
- 6) Provides active support and advocacy on behalf of students who have received transit or other fines.
- 7) Has developed links with agencies and organizations in the local area so that specialist support and assistance can be provided for students and families in financial crisis.
- 8) Has developed mechanisms (e.g. via school council, etc.) for researching and monitoring the impact of government social policies on low-income families and students, or has developed links with community agencies that are able to carry out such monitoring, leading to possible submissions to government for changes in policies.
- 9) Has developed a policy regarding fundraising within the school, ensuring that low-income families are not pressured or embarrassed in any way.
- 10) Has developed practices to ensure that staff members are regularly reminded of the needs of low-income families and students.
- 11) Has policies available in languages evident in the community.
- 12) Has access to or provides interpreters.

2. Accessing Eligible Services

- 1) Makes every effort to ensure that low-income families are aware of their social security and government concession entitlements, including publicizing the closing dates for Education Maintenance Allowance applications. This could include: information sessions, regular bulletins about updates and changes; input at parents & friends meetings, display of appropriate information in school foyers, etc.
- 2) Has taken special initiatives or developed specific support roles so that students and families can receive advice and support in the event of over-payment situations involving Youth Allowance (a not uncommon occurrence) or is able to direct students to agencies who can provide such support.

3. School Fees

- 1) Has clear and fair arrangements for people to pay fees by instalments, on a basis which conforms to their capacity to pay.
- 2) Has policies which ensure that students are not penalized or humiliated by their family's non-payment of school fees or levies (e.g., there are NO practices such as non-delivery of annual student magazine, report cover, food products for home economics classes, resulting from fee defaults).

4. Booklists/Equipment

- 1) Monitors booklists to ensure that unnecessary items are not added as “compulsory” purchase items.
- 2) Monitors booklists to ensure that expensive items are not included without sound educational reasons being provided in a structured school forum.
- 3) Monitors booklists to ensure that textbooks are not changed from year to year without sound reasons being explored in an appropriate forum.
- 4) Has developed procedures to ensure that second-hand textbooks can be purchased by students.
- 5) Has developed provision for access to graphic calculators for students on low income (e.g., school-owned class sets; sale of second-hand calculators).

5. Uniforms

- a. Has a low-cost uniform and has defined what is meant by “low cost”.
- b. Has a policy regarding maintaining a low-cost uniform.
- c. Has a second-hand uniform shop/supply available for all parents.
- d. Provides uniforms through more than one supplier to keep costs down.
- e. Ensures that as many uniform items as possible, such as socks, sports gear, etc., can be sourced at low-cost clothing stores.
- f. Provides patterns and access to material so that families can make their own uniform items.
- g. Will provide uniform at no cost, when necessary, via a dignified and discreet process.
- h. Has eliminated unnecessary compulsory uniform items such as special monogrammed school bags and sports bags.

6. Excursions/Socials

- a. Has policies to monitor excursion costs to ensure that costs are kept to a minimum at each year level.
- b. Makes dignified and discreet provision for families who cannot afford even low-cost excursions for students to participate at no cost.
- c. Ensures that students who miss excursions are followed up discreetly; did they ring in “sick” because the family could not afford the excursion, etc.?
- d. Ensure that excursions do not include lunch stop-overs at fast food “restaurants” where students on low income could be embarrassed.
- e. Has a policy regarding trips, camps and large-scale excursions to ensure that costs are kept as low as possible and that provision is made to subsidise or totally cover costs of low income students if necessary.
- f. Has policies regarding end of term and end of year “socials” to ensure that venues are accessible in terms of cost, and that dress codes involved do not require students to purchase expensive clothing as a matter of course.

7. Homework

- a. Has developed approaches for the use of computer and other information technology which does not assume students have access to one in their own homes (e.g., a special computer lab set aside for non-teaching, student use).
- b. Has developed an approach to the setting of homework that does not assume that every student has a quiet, dedicated space to study at home, or has made provision for a homework space/program at school for students.

8. Nutrition

- a. Has developed a canteen policy which enables the dignified provision of nutritious food supply to needy students when necessary.
- b. Has developed a ‘breakfast club’ providing basic breakfast food for students at nominal cost on a daily basis.