There is no doubt that the global financial crisis has had its impact on our community. We have seen not only an increase amongst our student body whose parents receive various levels of financial support from the government, but also a period of decreased enquiries for admission. Thankfully, enrolment enquiries reached their nadir over the first term of 2013 and have since resumed their former levels. Over the course of last year (2012), it became evident that both projected student enrolments as well as existing outstanding fees would need to be addressed in order for the school to maintain its health. Heading into 2013 a number of pressure points were apparent and strategies put in place to mitigate these, not least of which included a more rigorous fee collection practice and revised policy, some reductions in expenditure and, where deemed feasible, re-organisation of some programming.

Following the structural review in 2011, 2012 saw the establishment of the new Management Group, with each appointee thereto taking his or her guidance from the insights arising within the College of Teachers. Each is entrusted with a portfolio of delegated responsibilities. The new structure will be reviewed by the Board of Directors before the end of 2013 in light of its efficacy across the delegated portfolios as well as how the school is faring in light of feedback, of its enrolments, and in meeting its obligations.

The school participated in a suite of LEAD surveys through Independent Schools Victoria, which was partly supported by the National Partnership Program. Parents were asked two questions about their overall satisfaction – whether they were happy to recommend the school to other parents and their overall satisfaction with their decision to send their children to Little Yarra. Students’ responses used the mean of 50 questions. The 2012 Report summary from those who elected to participate indicate that perceptions, and thus overall satisfaction, is between 15 and 20 points
below the average for all independent Victorian schools participating in the same range of surveys. We again expect to participate in the LEAD surveys in 2013 and encourage a broader participation from our parents.

During 2012 we also saw the progressive implementation in years 1-10 of the Australian Steiner Curriculum Framework in the four areas already approved by ACARA: English; Mathematics; History; and Science. It is expected that other areas, currently being worked, will be adopted and implemented once ACARA approves these as one of the alternative National Curricula. With the assistance of the National Partnership Program, the school also put resources into developing more standardised assessment tools appropriate to our educational setting. Tools developed in Waldorf Steiner schools overseas were modified for our local setting.

Our community has maintained its opposition to NAPLAN participation through the withdrawal by the majority of students by their parents. Results obtained by this method are therefore statistically insignificant with insufficient data to provide comparative value. Internal assessment tools, however, provides evidence of across the board slightly above average levels of literacy and numeracy, as well as providing diagnostic information for teachers. In 2012, overall student attendance stood at the following, presented class by class and by gender: Class 1: Boys 98.7%, Girls 97.8%; 2: Boys 80.6%, 84.7%; 3: Boys 86.8%, Girls 88.6%; 4: Boys 89.8%, Girls 88.2%; 5: Boys 90.4%, Girls 86%; 6: Boys 92.4%, Girls 92.5%; 7: Boys 93.1%, Girls 93.1%; 8: Boys 92%, Girls 88.7%; 9: Boys 89.7%, Girls 87.4%; 10: Boys 91%, Girls 88.7%; 11: Boys 91.6%, Girls 92.1%; 12: Boys 93.8%, Girls 94.3%. Having introduced SMS notification of student absences early in 2012 has certainly diminished the number of individual telephone calls needing to be made, and the regular prompt response from parents has been highly appreciated and more effective than in previous years.

In addition to successfully completing the VCE, the 17 students who undertook their final year of schooling also each individually opted to undertake a major Project. The completion rate for both VCE and their project was 100%. Little Yarra has provided the VCE for the best part of a decade, and though options were available for students to sit the VCE exams to obtain an ATAR score used to enter universities (this pathway being the most common for universities), no student, consistent with historical precedents, elected for this option. Having feedback on the increasing difficulties of direct university entrance without ATAR scores, Little Yarra is also ensuring that Class 9 and 10 students and their parents are aware of this option at the school. It was apparent through 2011 and 2012 that all too many members of our community were unaware that our Class 11 and 12 students successfully completed VCE: such is the (well deserved) importance placed on the individual Projects!

Of those 17 Class 12 students, two are currently at university and five undertaking
TAFE courses, nine are in paid employment (mainly part-time), of which three are intending to resume further study in the near future, and one is taking a ‘gap’ year. This represents a 41% participation in direct ongoing education and training and a 53% participation in the workforce. Little Yarra students have a ‘tradition’ of taking a gap year in which to experience the world of travel and work prior to entering further studies, and the percentages above reflects this.

By the close of 2012, it was also apparent that 2013 would have relatively low enrolment in VCE. With an anticipated total of 11 students, it would be an important year to manage. What was also evident is that projected Class 11 2014 VCE enrolments would resume or surpass pre-2012 figures. VCE subject offerings in 2012 were revisited in light of both the breadth expected from a Steiner school which, it should be noted, also provides a core that maximises further opportunities for future study and life paths, as well as ensuring that the core is manageable. The progressive dissipation across a wide range of subjects over the previous half decade potentially diminished the core-strength we could offer our students. The changes are consistent with some of the other programming changes that were decided to be made for 2013 in both the sport programme in the secondary years as well as in the provision of Eurythmy.

The overall enrolments in the school at the end of 2012 has also meant that decisions had to be made in order to reduce expenditure whilst retaining our core and high quality programmes. With the retirement of our then part-time Business Manager Jim Taylor, our long-standing CPA Finance Manager Mathew Simon was appointed Bursar at the end of 2012. Some support and administrative positions were reduced, and improvements made to some programmes has seen some shuffling of teaching positions within the school.

With the movement of staff at the end of 2012, we were able to attract and appoint Dean Wood for secondary Chemistry and Mathematics, Jessica Arlidge as our new Class 1 teacher and as her assistant Clare Tomlinson as well as Tammy Borg as assistant in the Kinder. John Houghton, who had replaced the sports teacher during the latter part of the year, was also inducted as a new teacher in the school along with two assistants in the revamped program. Dr André Marhaun, though appointed to teach German at the beginning of 2013, would not begin until Term 2. New staff at the beginning of 2013 represented 10.7% of total staff. In 2012 we had one staff member who self-identified as being of aboriginal or Torres Straight Island descent.

Qualifications held by staff at Little Yarra ranged from Certificates to PhDs, with the bulk of teachers having post-graduate educational qualifications, including two PhDs, three Masters, post-graduate Diplomas, supplementing a range of Bachelor degrees,
Advanced Diplomas and Certificates, in addition to various qualifications in Eurythmy and other Steiner-specific courses.

Overall we have been able to, with, in some cases, the assistance of the National Partnership Program, invest significantly more in staff training and professional development than previously the case, tripling our expenditure from the 2011 figures to over $21000.

A renewed contract for bus ferrying through the Dandenong Ranges was negotiated with an opt-out clause should total enrolments place us in a difficult financial situation. We have since implemented the option that will see the school save over $50 000 per year whilst maintaining the possibility for future post-primary enrolment growth from the Dandenong Ranges Steiner School as well as providing an option for other families in the region not currently attending our school.

In light of the overall financial considerations, the planned Term 1 2013 meeting informing our community of the situation as it then stood was a welcome opportunity for clarification, actions to date, and intended prospective developments. The overall trend in enrolments both in our own school as well as summary trends in independent schools in Victoria showed that we need to be more active in ensuring our broader community is aware of the gifts of Steiner education available in the Yarra Valley. Concurrently, a closer monitoring and follow-through with debt recovery and fees will continue to be ever more practiced.

Through 2012 we also looked at possibilities for renegotiating loans as our then current lender was intending to divest itself of this side of its business. Having entered phases of formal negotiation, we were pleased to be able to continue with our current financiers for the foreseeable future. There is no doubt that in light of decreased projected 2013 student numbers relative previous years, stagnant property valuation, and the closure of three independent schools in 2012 would have made final negotiations more difficult. Our debt level per student as of the end of 2012 rose by 19% on 2009 levels to $5508.

Illustrative details drawn from the audited accounts are outlined below:

- Total revenue from ordinary activities: $4 385 119
- Capital levy collected: $219 275
- Total expenses (Less provisions): $4 497 157
- Net cash profit: $107 237
- Depreciation, trade debtors, provision for long service leave: (minus) $592 170
- Net result after provision (deficit): $484 933
The percentage of the above revenue came from the Federal Government (44%), State Government (16%), Fees (35%), and sundry contributions (5%). Expenses were dominantly accounted for by wages and superannuation, representing 81%. The remaining 19% expenditure has the following breakdown:

Administration: $140650; Finance and banking: $123520; Advertising: $7530; Insurance: $100816; Computer expenses: $52986; Staff training and PD: $21758; Heat, lighting and power: $47338; Printing and stationary: $15026; Maintenance and cleaning: $87228; Education programmes: $212537; and Subscriptions, rates and taxes: $33108.

Unlike the previous two years of major building undertaking, 2012 saw capital revenue and expenditure at far lower levels and closer to historical levels. BER (towards the completion of the Gymnasium) income stood at $50320 and expenditure at $58716, whilst the DER income and expenditure were each $7800. BGA funding and building expenditure represented far our highest capital works on works begun in earlier years, with income at $215047 against the corresponding expenditure of $445025.

Recognising that some families may be facing unexpected financial hardship, whilst needing to simultaneously maintain sound financial practices, the finance committee has, in some cases, provided limited fee reductions and permitted payment plans. We are mindful that every such decision is effectively a burden carried by the bulk of parents who are able to promptly meet their financial responsibilities to the school.

As most parents are aware from reading the weekly Newsletter or attending the school community meeting held on Tuesday the 26th of March (2013), we are likely to continue to be in a somewhat financially vulnerable situation for the remainder of this year. Should any parent wish to discuss any aspects of this report to help clarify any points herein, please do not hesitate to contact Mathew Simon, Francis Klugman or myself.

I look forward to continue to work with everyone in making our school an increasingly vibrant independent Steiner school based on the pedagogical principles on which we are founded.

Jean-Michel David
education administrator