

# *My School* Financial Reporting

Key Principles and  
Methodology

***My School* Financial Reporting: Key Principles and Methodology**

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## 1. EXECUTIVE SUMMARY

### 1.1. Agreements underpinning *My School* financial reporting

The Australian Curriculum, Assessment and Reporting Authority (ACARA) was established under the *Australian Curriculum, Assessment and Reporting Authority Act 2008* (ACARA Act) and is subject to the *Commonwealth Authorities and Companies Act 1997* (CAC Act).

ACARA is a cooperative enterprise between state and federal jurisdictions and its activities are jointly funded by Commonwealth, state and territory governments. ACARA performs its functions in line with the charter set by the Education Council (formerly the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA)). ACARA reports to the Education Council and to the federal Minister for Education.

The ACARA Board comprises members nominated by Commonwealth, state and territory education ministers, as well as the National Catholic Education Commission and Independent Schools Council of Australia. As part of its data collection and reporting function, ACARA administers the *My School* website, [www.myschool.edu.au](http://www.myschool.edu.au), which provides contextual and performance information for each of approximately 9,500 Australian schools.

The then MCEECDYA determined that information about each school's reporting year recurrent income and capital expenditure be included in the *My School* website as part of the information to be provided about a school's capacity to produce educational outcomes.

The site enables users to quickly locate statistical and contextual information about schools in the community and compare them with statistically similar schools across the country.

The *My School* website has two main purposes:

- It provides parents and students with information on each school – its view of itself and its mission, its staffing, its resources and its students' characteristics and their performances.
- It provides schools and their communities with comparisons of their students' performances in national tests (NAPLAN) with those of other schools, most importantly those with statistically similar student populations. These comparisons provide information to support improvements in schools. Among schools with statistically similar students, those achieving higher student performances can stimulate others to lift expectations of what they and their students can achieve. The schools with higher performing students can be a source of information for others on the policies and practices that produce those higher performances.

Features of *My School* include:

- school profile pages with key facts and figures.
- financial information for each school.
- an indication of students' literacy and numeracy achievement as they progress through school.
- students' average NAPLAN performance over a number of years.

ACARA established the Finance Data Working Group (ACARA FDWG) in 2009 to assist it in the collection and management of financial information on each school and to provide expert advice on financial matters in reporting these data. The group reports to the National Assessment, Data, Analysis and Reporting Reference Group (NADAR) of ACARA.

The major task of the ACARA FDWG was to establish a nationally consistent system for the reporting of school-level financial data. Such financial data were published on the *My School* website for the first time in March 2011 in relation to the 2009 reporting year.

## 1.2. Key principles of *My School* financial reporting

*My School* financial reporting is designed to provide parents, teachers and governments with a clear picture of the resources provided to schools to support the education of their students.

This information provides further detail about a school's capacity to support educational outcomes for students. School financial data provide valuable information about the context of a school and the resources it has available to deliver educational outcomes to students.

*My School* finance data were developed to show the income available to a school, over a reporting year (not financial year), to deliver education services to students.

The key financial measure reported on *My School* is school Net Recurrent Income and Net Recurrent Income per Student (NRIPS). Government and non-government schools and systems that allocate some of their gross income to capital purposes have these amounts shown and deducted from their gross income.

Gross income that is allocated to capital expenses in the reporting year is deducted from recurrent income in arriving at a school's net recurrent income. These income deductions, to be spent on capital works, will be included in the school's capital expenditure reports, in either current or future years, depending on when capital expenditure is incurred.

*My School* income data includes both government and private funding that supports a school but exclude distinct income and/or expenditure items treated differently across all sectors such as user cost of capital (a notional opportunity cost), payroll tax, depreciation and the cost of transporting students to and from school. These deductions and inclusions are the main factors that differentiate this reporting to the reporting of expenditure within the National Schools Statistics Collection (NSSC) (Finance) and other finance data reported.

To obtain nationally comparable data, ACARA requires school authorities to use a common methodology for the collection of financial data. The methodology and other associated material related to *My School* finance data classification can be obtained from the *My School* website.

## 1.3. Reporting process and key dates

Financial data are reported by reporting year to align with the general school operating year.

Financial data are reported with a one-year lag relative to non-financial data on *My School*. All financial data submitted must relate to the 12 calendar months of the year being reported (1 January to 31 December); that is, a normal school year. This also aligns with enrolment reporting and outcome reporting.

This requires government school systems to assess individual school income that relates to specific reporting years from their audited financial year accounting and reporting processes. To achieve this, government system authorities use endorsed notional income assessments.

Non-government schools report their reporting year funding through the Australian Government Department of Education, Skills and Employment (AGDESE) once it has been quality assured through school auditors.

Government system's notional income assessments methodology and Non-government data methodology is also quality assured by ACARA's independent quality assurance

processes.

The above requirements mean there is a one-year lag in financial reporting.

### 1.3.1. Government schools

For government schools, state and territory education departments are responsible for collecting financial data for their schools and providing these data directly to ACARA. Many government school systems equate income with expenditure over time and where income data is not directly available at the school level systems use expenditure characteristics as a proxy for income (i.e. notional income).

Notional income determinations are used to describe a system's funding assessment, at the individual school level, of services provided to or on behalf of its schools. These can include centrally incurred costs such as payroll, cleaning, maintenance, corporate costs and grant funding transfers from the system to a school. For these centrally managed services government school systems apportion the system-level expenditure to or on behalf of a school.

### 1.3.2. Non-government schools

For independent schools and Catholic systemic schools, finance data for *My School* are sourced in the following ways:

- The AGDESE requires non-government schools to complete and submit the AGDESE Financial Questionnaire (FQ). This FQ has been revised to incorporate data fields specifically to support *My School* website reporting within a broader set of questions used for other purposes. The information for *My School* is provided to ACARA by the AGDESE.
- The AGDESE allocates Block Grant Authority (BGA) administration costs to independent schools that applied for Commonwealth grants and to those that applied for state grants. Further information on the methods used to allocate these costs can be found in the Block Grant Authority (BGA) section.
- To support *My School* finance reporting, each System Office (and Catholic Diocese in NSW and QLD) must allocate its own (and any related entity's) income and expenditure to each member school within their system. Certain income is normally retained and spent by the system head entity for the benefit of its member schools and such income should therefore be allocated to each school in the system in order to maximise comparability of the *My School* finance reports across school sectors.

### 1.3.3. Submission of finance

Financial data for all schools are submitted and uploaded electronically to ACARA via a secure file transfer portal (FTP), generally by the end of August each year.

These data are then reviewed, and quality assured by ACARA and the approved independent quality assurance practitioner. School principals are emailed a preview of their finance data in around November and December so that schools and school systems can check their data in the ACARA *My School* format.

Data are then published on the ACARA *My School* website early in the following year (late February to early March).

Figure 1: ACARA FDWG Governance and Advisory Structure

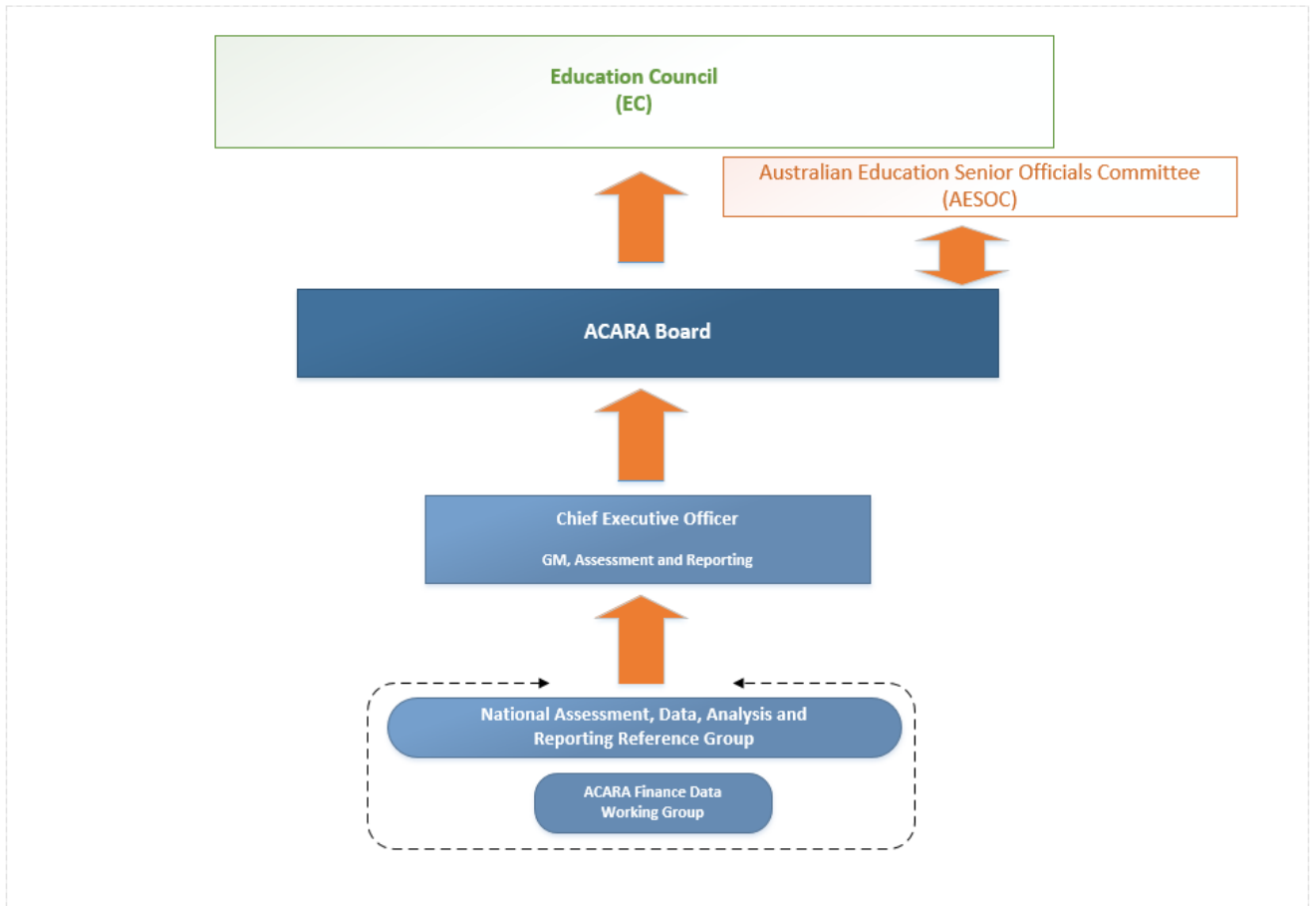
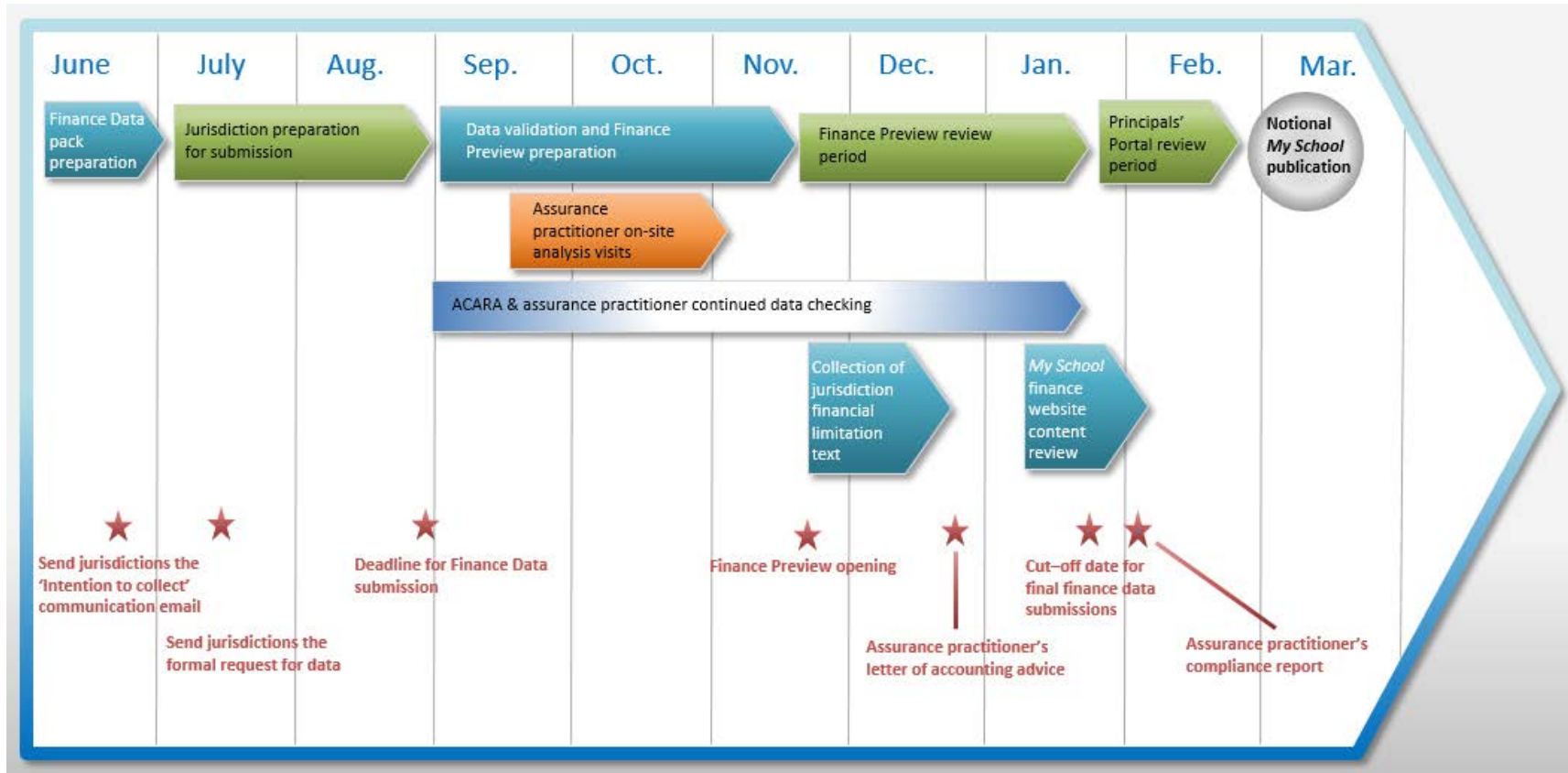


Figure 2: ACARA *My School* Finance Data Release Timeline





## 2. MY SCHOOL FINANCE DATA REPORTING GUIDELINES

### 2.1. Government schools

#### 2.1.1. Recurrent income

Recurrent Income under *My School* reporting is classified under the following sources:

- Australian Government recurrent funding – income sourced from funding provided by the Australian Government for recurrent purposes.
- State/territory government recurrent funding – income sourced from funding provided by state and territory governments for recurrent purpose.
- Fees, charges and parent contributions – income received from parents for the delivery of education services to students.
- Other private sources – income received from other sources – donations, interest on bank accounts, profits on trading activities and profits from sale of assets. It includes some private income received for capital purposes, and from school and community fundraising activities.

##### 2.1.1.1. Accounting inclusions

#### A. Year level range for reporting

*My School* income is to reflect school income for the preparatory year (year level prior to Year 1) to Year 12.

The preparatory or foundation year of schooling (first year of full-time schooling), has different names in the various states and territories. For convenience, this year level is referred to as 'Year 1 minus 1' in this publication.

Using this terminology, the year level range for *My School* income reporting is Year 1 minus 1 to Year 12.

Some schools also conduct part-time programs for younger children before the first year of full-time schooling, referred to in this publication as 'Year 1 minus 2'. These are generally designated as preschool programs. School income designated as Year 1 minus 2 (preschool) is to be excluded together with any funded full-time equivalent enrolments (FTE) relating to Year 1 minus 2 that some schools may incorporate in their income.

Note: Tasmanian and Western Australian government schools and a small number of independent schools currently include Year 1 minus 2 student enrolment and costs in *My School* financial reporting. Western Australian catholic systemic schools exclude the relevant income and expenses related to any funded full-time equivalent enrolments (FTE) relating to Year 1 minus 2. Any surplus income relating to Year 1 minus 2 is reported in with the "Other private sources".

See Appendix 4 for further information relating to identified limitations of the comparability of the data reported for *My School*.

#### B. Salary income items

*Note: In the items below, notional income is based on direct expenditure, as for government systems this is generally deemed equivalent to income.*

- B.1 Direct salaries funding for school operations met directly from school income/notional income and/or from regional or state office central income/notional income
- B.2 Annual superannuation, workers compensation and leave entitlements funding may be calculated using a notional percentage for on-costs for the year. This reflects the in-year entitlements that relate to the staff at a school in that year irrespective of when entitlements are taken from accumulated balances.
- B.3 Salary allowances funding, including government housing and rental subsidies
- B.4 Overtime
  
- C. Operating (non-salary) income items
  - C.1 Income or Notional income (expenditure) for school operations funded from school income at school level
  - C.2 Notional income (expenditure) for school operations funded from departmental income held at regional or state/territory level
  
- D. Grant income items
  - D.1 Grant funding not included above which is provided directly to a school system or school for school-level activity
  - D.2 Vocational Education and Training (VET) grant income and other income provided to tertiary institutions including TAFE for that part of a school student's curriculum that is undertaken through those organisations
  - D.3 Special needs funding provided to a school to support a special unit or centre (e.g. distance education, EAL/D, special education, or welfare centre or unit) at a school that sees students move from another school is to be included in the recipient school's funding, as are the additional students funded (FTE funded students). Funded students are to align with the additional targeted income received. Where practicable, the school that loses the student should reduce their funded FTE numbers except where the school funding (that is not transferred) still reflects a fully funded FTE student. (This would effectively reflect the case where special needs funding leads to a student being funded and counted as greater than a 1 FTE student.) For example, this may occur where a student moves from a non-government school to a government school for some of their studies.
  - D.4 In some government systems, students transition in and out of Hospital Schools and visit Centres (such as Environmental Education Centres (NSW)) on a short term basis. Enrolments are therefore retained and published at the host school where students are enrolled on a full time basis. Accordingly, on the *My School* website Hospital Schools and some Centres do not record FTE funded enrolments and cost per student data.
  
- E. Funds paid to a school (received as income 'in year') on behalf of a parent, parent body or private organisation for the direct purpose of providing school curriculum-related services and activities, e.g. fees, charges, contributions, donations, sponsorships

- F. Interest earned on school accounts in the accounting year
- G. Where gross recurrent income includes funding that has been used to support capital works in the current year, or is expected to be used in future years, this is deducted from gross recurrent income. Amounts used in the current year for capital works are disclosed in the current year within Capital Expenditure as a separate source of funds.
- The above treatment tends to impact non-government schools more significantly than government schools because income generated from sources other than government funding (e.g. parent fees) is used for recurrent and capital purposes.*
- H. School trust income 'in year'. Schools may receive funds from benefactors, parent bodies and school alumni associations for school activities. Where such funds are received into school accounts 'in year', or interest earned on these funds in school accounts 'in year', they form part of a school's gross income in that year. Where parent bodies, school alumni or foundations hold funds outside of the school's accounts, these funds are external to the school and do not form part of the school's income. These organisations are not controlled by the school or a state or territory school authority and are deemed external to the school. Generally, these organisations are separate legal entities and operate separate accounts to a school. It is only when funds transfer to the school's accounts that they can be treated as school income. Where a school holds trust funds within its accounts, any income received or earned 'in year' on these funds is to be treated as income for *My School* purposes.
- I. School-operated trading profits 'in year'
- I.1 *My School* reporting policy for 'Other income sources' and trading activities
- I.1.1 Private recurrent income components
- Fees, charges and parent contributions
- This covers income received from parents for the delivery of education services to students relating to fees and charges and includes fees for overseas students where applicable.
- This item also includes income received for excursions. Excursion funding includes all travel, accommodation, meals and entry fees uniquely associated with school excursions/trips that are considered activities for students during the normal school term and for any trips during school holidays which relate directly to subjects offered at the school.
- This item also includes other receipts from students (including extra subject fees/charges/levies) including:
- compulsory charges, e.g. magazine levy, library fee, standard sports levy
  - activities, e.g. extracurricular activities such as sport and music, personal development, subject materials (other than through the bookshop), formal graduation ceremonies, revenue received to reimburse itinerant tutors engaged by the school for subject tutoring.

### Other private sources

This covers income received from other sources: donations, sponsorship, interest on bank accounts, profits on trading activities and certain profits from sale of assets. Net profits from sale of assets at school level are included in *My School* income. Net losses from sale of assets included in departmental expenditure used to estimate notional income are excluded.

'Other private sources' income includes some private income received for capital purposes, and from school and community fundraising activities. Under ACARA recurrent income methodology funds received for capital purposes are to be deducted from gross income in arriving at a school's net income. Funds received by a school to be passed on to a third party for community fund raising activities are excluded from a school's income determinations and are out of scope.

Other private sources income can include income from telephone calls, income from photocopiers, non-refundable enrolment and application fees, revenue from supporting groups, rents for school facilities, interest/dividends, donations for recurrent purposes (including income from fundraising), liabilities forgiven, bad debts recovered and other income.

Under *My School* methodology, where trading activities are separately identified the expenses incurred on these items are to be offset against income earned. Only the profit component is required to be displayed for these activities in the 'Other private sources' section of *My School* income reporting. Trading losses are not included and are net off against profits in *My School* reporting. Trading losses are out of scope are not to be offset against other in scope revenue reported under "Other Revenue"

#### **2.1.1.2. Accounting exclusions and deductions**

##### Accounting exclusions

- A. School bank account balances – only the income/notional income received 'in year' is counted. School bank balances reflect both the income obtained in previous years as well as income and expenditure movements in the reporting year.
- B. Salary balance sheet (accumulated) provisions for leave loading, superannuation and recreation leave – only annual income entitlements are included
- C. School transport – to and from school/TAFE
- D. Funds held outside the government school system and school; that is, held by an external organisation such as a parent body or a separate legal entity such as an alumnus or religious organisation
- E. School hostel income including residential boarding fees and associated running costs
- F. Payroll tax is a state tax and needs to be excluded from all recurrent income apportioned to schools for states/territories in which payroll tax is levied in order to ensure national consistency of reporting on the *My School* site.
- G. Income relating to closed schools for the purpose of *My School* reporting
- H. Vocational Education and Tertiary (VET) income not designated as school- related VET activity

- I. Income relating to non-government school activities. In some government jurisdictions there are specific units that manage and oversee state education operations and grant funding to non-government schools. These funds should be identified and excluded from government school income determinations. Where there are significant service costs or income received by a government school system on behalf of the non-government sector, which are not covered under the umbrella costs, these should be apportioned/distributed to the non- government sector for comparability purposes. (There is a higher impact of these services within the NT compared with other government jurisdictions.)
- J. Umbrella service costs undertaken by an organisation or unit for an education sector; for example, costs associated with school registration (establishment) through the ACACA agency/Board of Studies, national curriculum testing, state curriculum testing, and teacher qualification and registration authority funding. These costs generally reflect costs associated with a school's registration (school's establishment), teacher registration and continuing registration and the delivery of national tests. These funds have been deemed to be outside schools' recurrent operations.
- K. Allowances paid directly to parents (these are regarded as welfare payments). Note a payment to a parent is not to be regarded as a welfare payment if it does not leave the school system and is spent on school services supporting student learning - such payments are in scope'.
- L. Money which the school receives from, or on behalf of, its students, and passes on in full to a third party (i.e. where the school acts as an agent), or funds that are for the benefit of a third party, e.g. flood and bushfire relief, 40 Hour Famine
- M. Debt servicing from bank accounts is an exclusion while if this is funded from income it is a gross income deduction.
- N. Depreciation

### 2.1.2. Deductions from gross income

*Note: Deductions should not be double counted (i.e. by netting it to recurrent income and still showing the itemised deductions under the deductions section).*

*Where possible, deductions from gross income should be shown separately under the deductions section and not netted off to recurrent income. If that is not possible, then the amount is netted off from gross income, and no amount should be shown in the deductions.*

- A. Income allocated to capital debt servicing (including principal repayments and interest on loans)
- B. Income allocated to future capital projects and diocesan capital funds
- C. Income allocated to current capital projects

### 2.1.3. Capital expenditure

Capital expenditure under *My School* reporting is classified under the following sources:

- Australian Government capital funding – the amount of capital expenditure funded by the Australian Government.
- State government capital funding – the amount of capital expenditure funded by state and territory governments.

- New school loans – the amount of capital expenditure funded by capital loan drawdowns in the reporting year.
- Income allocated to current capital projects – the amount of gross income received by the school that has been spent on capital projects in the reporting year.
- Other (capital expenditure) – the amount of capital expenditure funded through other private sources including retained earnings from previous years.

*My School* capital expenditure reporting is designed to provide a measure of ongoing capital investment in school facilities. All capital expenditure incurred at department/region/system level is to be included, except for:

- Land acquisitions for future schools (until a school is registered and the title of the land is recognised at the school level).
- Year 1 minus 2 capital expenditure components (except for those jurisdictions where specific limitations still apply).

Where system-level capital expenditure is incurred, this is required to be split by school on the basis of recognised apportionment or actual expenditure records from departmental or other source ledgers (where the source ledger reconciles to the general ledger).

Recognised apportionment methodologies can involve floor space, enrolments, teacher numbers or invoices from a capital works database to allocate capital expenditure, which are not allocated to individual schools in the ledger.

*Jurisdictions may choose from one of the two following approaches to determine the Australian Government funded component of capital expenditure: (a) based on known targeted capital expenditure funding amounts only or (b) using autonomy to allocate Australian Government funds between capital expenditure and net recurrent income as needed. Under the National Education Agreement (NEA) the allocation of such funds towards recurrent or capital purposes is a matter for the jurisdiction.*

## 2.2. Non-government schools

### 2.2.1. Recurrent income

Recurrent Income under *My School* reporting is classified under the following sources:

- Australian Government recurrent funding – Income sourced from funding provided by the Australian Government for recurrent purposes.
- State/territory government recurrent funding – Income sourced from funding provided by state and territory governments for recurrent purpose.
- Fees, charges and parent contributions – Income received from parents for the delivery of education services to students.
- Other private sources – Income received from other sources – donations, interest on bank accounts, profits on trading activities and profits from sale of assets. It includes some private income received for capital purposes, and from school and community fundraising activities.

#### 2.2.1.1. Inclusions

- A. Commonwealth Government recurrent grants
- B. State/territory government recurrent grants

- C. State/territory government interest subsidy
- D. Private income – school fees (including from overseas students)
- E. Private income – other fee-related income such as levies and activity charges or income for excursions

- F. Private income – net proceeds (i.e. profit) from trading activities (bookshops, canteen)
- G. Private income – donations (community and building funds)
- H. Private income – gain from sale of assets (property, plant and equipment)

### **2.2.1.2. Accounting Exclusions and Deductions**

#### Exclusions from income<sup>1</sup>

- A. School bank account balances – only the income/notional income received ‘in year’ is counted. (School bank balances reflect both the income obtained in previous years as well as income and expenditure movements in the reporting year.)
- B. School transport – to and from school/TAFE
- C. Funds held outside the school, i.e. held by an external organisation such as a parent body or a separate legal entity such as an alumnus or religious organisation
- D. School hostel income including residential boarding fees
- E. Income relating to closed schools for the purpose of *My School* reporting
- F. Vocational Education and Tertiary (VET) income not designated as school- related VET activity
- G. Income related to umbrella services undertaken by an organisation or unit for an education sector; for example, school registration (establishment) through the ACACA agency/Board of Studies, national curriculum testing, and teacher qualification and registration authority funding.
- H. Money which the school receives from, or on behalf of, its students, and passes on in full to a third party (i.e. where the school acts as an agent) for the provision of goods or services which **are not** related to activities defined for in-scope educational purposes or are for the benefit of the third party. (This may include banking for students, school photos, book clubs, students’ insurance premiums, collections for missions or other recognised charitable organisations and donations to P&Fs, school building funds and foundations).
- I. Money the school receives from organisations, including government agencies, which the school passes on in full to third parties and does not benefit the school or fund its operations. (For example, paid parental leave funds from the Family Assistance Office which are passed on in full to staff where the school is acting only as an agent.)
- J. Money held by the school on behalf of the parents of boarding students to cover costs incurred by the school in acting as the students’ guardian (i.e. in loco parentis), including to cover the cost of recreational activities organised by the boarding house solely for boarders.
- K. Income attributed to Year 1 minus 2 (and lower) students

Deductions should not be double counted (i.e. by netting it to recurrent income and still showing the itemised deductions under the deductions section).

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<sup>1</sup> Payroll tax: Non-government schools do not pay payroll tax; with some minor exclusions they are classed as a charity for tax purposes as they are not-for-profit institutions.



Where possible, deductions from gross income should be shown separately under the deductions section and not netted off to recurrent income. If that is not possible, then the amount is netted off from gross income, and no amount should be shown in the deductions.

- A. Income allocated to capital debt servicing (including principal repayments and interest on loans)
- B. Income allocated to future capital projects and diocesan capital funds
- C. Income allocated to current capital projects

### **2.2.2. Capital expenditure**

Capital expenditure under *My School* reporting is classified under the following sources:

- Australian Government capital funding – the amount of capital expenditure funded by the Australian Government.
- State government capital funding – the amount of capital expenditure funded by state and territory governments.
- New school loans – the amount of capital expenditure funded by capital loan drawdowns in the reporting year.
- Income allocated to current capital projects – the amount of gross income received by the school that has been spent on capital projects in the reporting year.
- Other (capital expenditure) – the amount of capital expenditure funded through other private sources including retained earnings from previous years.

*My School* capital expenditure reporting is designed to provide a measure of ongoing capital investment in school facilities. All capital expenditure incurred at department/region/system level is to be included, except for:

- Land acquisitions for future schools (until a school is registered and the title of the land is recognised at the school level).
- Year 1 minus 2 capital expenditure components (except for those jurisdictions where specific limitations still apply).

#### **2.2.1.3. Accounting inclusions**

- A. Commonwealth Government capital grants
- B. State government capital grants
- C. Income allocated to (expenditure on) reporting year capital projects
- D. New school loans drawn down in reporting year
- E. Income allocated to debt servicing (including interest and principal payments)

### **2.2.3. Block Grant Authority (BGA) administration costs attributable to non-government schools**

The spread of BGA administration costs reflects the administrative and project support services that BGAs provide to their member schools.

BGA administration costs for independent schools are allocated by the AGDESE, whereas BGA administration costs for Catholic schools are allocated by individual state and territory

Catholic offices. Both allocation processes are under the endorsed approach agreed by Catholic and independent authorities through the ACARA FDWG.

From the 2020 reporting year, the entire amounts are included as recurrent income, whereas in previous reporting years 50 percent was included in recurrent income and 50 percent in capital expenditure.

In addition, costs in respect of administering both Commonwealth and state/territory capital funding programs are now allocated only to those BGA member schools that applied for capital funding or had active projects during the reporting year, according to the formulae below. In previous years, the AGDESE did not have visibility of which schools applied for state/territory grants and were not able to apportion costs to schools that applied. For these years, a smaller amount was applied to all BGA member schools.

BGA administration funding in respect of Commonwealth and state/territory capital funding programs is apportioned out equally on a flat fee basis to:

- a. BGA member schools which applied for project/s in the applicable year (both successful and unsuccessful); and
- b. BGA member schools with active project/s (during the year).

Under this methodology, if a BGA member school had no active projects or did not apply for projects during the reporting year, then their respective amount will be zero.

### Components of BGA data collected

Total BGA administration costs incurred from administering Commonwealth capital programs (AG1)

Total number of active Commonwealth projects and project applications for the school (AGP1)

Total number of active Commonwealth projects and project applications for all BGA member schools (AGP2)

Total BGA administration costs incurred from administering state/territory capital programs (ST1)

Total number of active state/territory projects and project applications for the school (STP1)

Total number of active state/territory projects and project applications for all BGA member schools (STP2)

### Formulae for each school's finance report

$$\text{Australian Government BGA amount per school} = AG1 \times AGP1 \div AGP2$$

$$\text{State/territory government BGA amount per school} = ST1 \times STP1 \div STP2$$

These amounts are added to each member school's Australian Government recurrent funding and state/territory government recurrent funding, respectively.

#### 2.2.4. FQ items mapped to My School finance reports

Excerpt from: AGDESE and Training, SchoolsHub Portal, Financial Questionnaire, Preliminary My School Finance report.

The table next page maps individual FQ items that relate to each My School reporting category as shown in the preliminary My School report.

Recurrent Income

<b><i>My School reporting categories</i></b>	<b>FQ Items included in calculations for the reporting year</b>
Commonwealth Government recurrent funding (R1)	<ul style="list-style-type: none"> <li>• +RI.100 (Commonwealth recurrent funding for schools. Grants made under the <i>Australian Education Act 2013</i>)</li> <li>• +RI.110 (Indigenous Education Grants from other Commonwealth Agencies)</li> <li>• +RI.120 (All other Commonwealth Government Recurrent Grants)</li> </ul>
State/Territory Government recurrent funding (R2)	<ul style="list-style-type: none"> <li>• +RI.070 (State/Territory Government recurrent grants)</li> <li>• +RI.080 (State/Territory Government Education Allowances)</li> <li>• +RI.090 (State/Territory Government Interest subsidy)</li> </ul>
Fees, charges and parent contributions (R3)	<ul style="list-style-type: none"> <li>• +RI.010 (Fees and Charges (excluding Overseas Students))</li> <li>• +RI.020 (Income from excursions/trips)</li> <li>• +RI.030 (Other receipts from students)</li> <li>• +RI.040 (ABSTUDY Allowances Paid Direct to School)</li> <li>• +RI.050 (Total income from overseas students)</li> <li>• +CI.030 (Fees/levies allocated for capital purposes)</li> <li>• +CI.040 (Capital funds received from overseas students)</li> </ul>
Other private sources (R4)	<ul style="list-style-type: none"> <li>• +TA.010 (Income on trading activities)</li> <li>• -TA.020 (Expenditure on trading activities)</li> <li>• = If less than 0, use 0. If greater than or equal to 0, use the result</li> <li>• +RI.060 (Private income)</li> <li>• +RI.061 (Investment income)</li> <li>• +RI.065 (Donations)</li> <li>• +CI.050 (Other capital income)</li> <li>• +CI.055 (Donations for capital purposes)</li> </ul> <p>As described in the above calculation, only the profit component of 'Trading activities' is added to 'Private income' and 'Other capital income' for the calculation of the My School reporting category 'Other private sources'.</p>
Total gross income (excluding income from government capital grants) (RG)	<ul style="list-style-type: none"> <li>• <math>RG = (R1+R2+R3+R4)</math></li> </ul>

Deductions

<b><i>My School</i> reporting categories</b>	<b>FQ Items included in calculations for the reporting year</b>
Income allocated to current capital projects (D1)	<ul style="list-style-type: none"> <li>+ MS.050 (Amount of private capital income (a component of the sum of CI.030, CI.040, CI.050 and CI.055) spent on capital expenditure in the current year and reported at CE.030)</li> </ul>
Income allocated to future capital projects and diocesan capital funds (D2)	<ul style="list-style-type: none"> <li>+MS.060 (Amount of private capital income (a component of the sum of CI.030, CI.040, CI.050 and CI.055) allocated to capital expenditure in future years)</li> </ul>
Income allocated to capital debt servicing (including principal repayments and interest on loans) (D3)	<ul style="list-style-type: none"> <li>+RE.110 (Interest – Capital and bridging loans and finance leases)</li> <li>+LN.060 (Principal repayments on capital loans)</li> <li>-MS.100 (Amount of principal and interest repayments for capital purposes (identified at LN.060, RE.110) funded from gains on sale of assets, loan refinancing, cash reserves and/or government capital grants)</li> </ul>
Total net recurrent income (RN)	<ul style="list-style-type: none"> <li>RN = RG-D1-D2-D3</li> </ul>

Capital Expenditure

<b><i>My School</i> reporting categories</b>	<b>FQ Items included in calculations for the reporting year</b>
Australian Government capital expenditure (C1)	<ul style="list-style-type: none"> <li>+MS.010 (Commonwealth government capital grants received in the reporting year (identified at CI.010) that were spent and recorded as capital expenditure in the reporting year)</li> <li>+MS.020 (Commonwealth government capital grants spent and recorded as capital expenditure in the reporting year where the grant was received in a year other than the reporting year)</li> </ul>
State/Territory Government capital expenditure (C2)	<ul style="list-style-type: none"> <li>+MS.030 (State/Territory government capital grants received in the reporting year (identified at CI.020) that were spent and recorded as capital expenditure in the reporting year)</li> <li>+MS.040 (State/Territory government capital grants spent and recorded as capital expenditure in the reporting year where the grant was received in a year other than the reporting year)</li> </ul>
New school loans (C3)	<ul style="list-style-type: none"> <li>+MS.090 (Amount of capital expenditure in the reporting year that was funded by drawdowns (identified at LN.070) from capital loans)</li> </ul>
Income allocation to current capital projects (C4)	<ul style="list-style-type: none"> <li>As per D1</li> </ul>
Other (C5)	<ul style="list-style-type: none"> <li>C5 = CE.030-C1-C2-C3-C4</li> </ul>
Total capital expenditure (CE)	<ul style="list-style-type: none"> <li>CE.030 (Total Capital Expenditure)</li> </ul>

*Note: Two additional questions (MS.070 and MS.080) are also included in the FQ to provide a data quality control to ensure the accuracy of amounts reported at MS.050 and MS.060.*

For individual FQ item definitions, please download the FQ Data reporting guide from the AGDESE and Training's [SchoolsHub Portal website](#), where you will find other useful information and downloads.

### **3. GLOSSARY OF MY SCHOOL FINANCE PAGE**

#### **3.1. Recurrent income**

Income received by the school that is available for expenditure relating to the ongoing operating costs of schools (e.g. teaching and non-teaching staff salaries, school operating costs).

##### **3.1.1 Australian Government recurrent funding**

Income sourced from funding provided by the Australian Government for recurrent purposes.

##### **3.1.2 State/territory government recurrent funding**

Income sourced from funding provided by state and territory governments for recurrent purposes.

##### **3.1.3 Fees, charges and parental contributions**

Income received from parents for the delivery of education services to students.

##### **3.1.4 Other private sources**

Income received from other sources – donations, interest on bank accounts, profits on trading activities and profits from sale of assets. It includes some private income received for capital purposes, and from school and community fundraising activities.

##### **3.1.5 Total gross income (excluding income from government capital grants)**

The amount of recurrent income received by a school from the Australian Government and state and territory governments, gross income from fees, charges, parent contributions and other private sources.

#### **3.2. Deductions**

##### **3.2.1 Income allocated to current capital projects**

The amount of gross income received by the school in the year that has been spent on capital projects in the year being reported.

**3.2.2 Income allocated to future capital projects and diocesan capital funds**

The amount of gross income received by the school in the year that has been allocated to future capital projects.

**3.2.3 Income allocated to debt servicing (including principal repayments and interest on loans)**

The amount of gross income that has been allocated to service capital loans.

**3.2.4 Net recurrent income**

The amount of income received by a school from the Australian Government and state and territory governments, plus fees, charges, parent contributions and other private sources, which is available for expenditure relating to the ongoing costs of schools.

**3.3. Capital expenditure**

Expenditure incurred by the school, or on behalf of a school by the school system (where appropriate), to buy or improve assets such as equipment and property.

**3.3.1 Australian Government capital expenditure**

The amount of capital expenditure funded by the Australian Government.

**3.3.2 State and territory government capital expenditure**

The amount of capital expenditure funded by state and territory governments.

**3.3.3 New school loans**

The amount of capital expenditure funded by capital loan drawdowns in the year being reported.

**3.3.4 Income allocated to current capital projects**

The amount of gross income received by the school in the year that has been spent on capital projects in the year being reported.

**3.3.5 Other**

The amount of capital expenditure funded through other private sources including retained earnings from previous years.

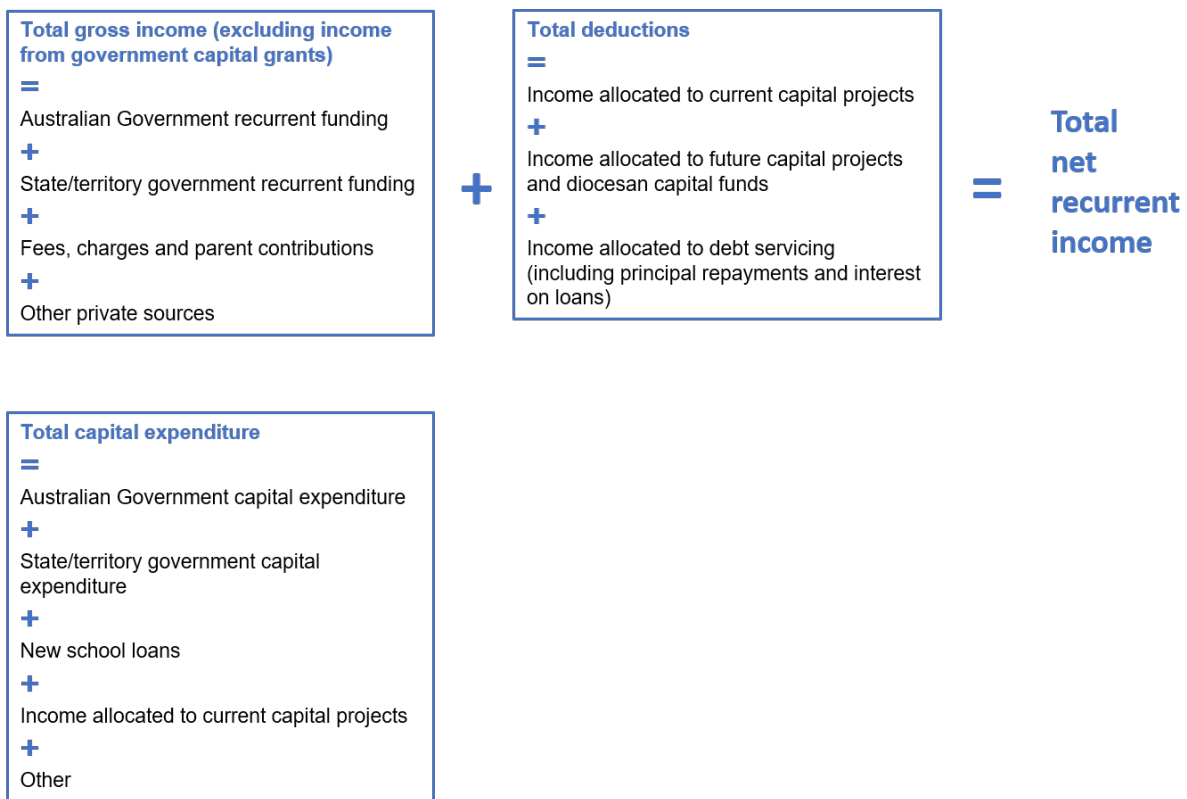
**3.3.6 Total capital expenditure**

Total expenditure incurred on capital works and services in the year being reported.

### 3.4. Full-time equivalent (FTE) enrolments relating to recurrent income and capital expenditure

The number of full-time equivalent (FTE) enrolments reported in the financial data, usually measured at the date of School Census (first week in August). This number may be different to the number of FTE enrolments shown on the school profile page for some schools where, for example, the financial data include funding for preschool students who are not included in the student enrolment number. The number of full-time equivalent enrolments relating to recurrent income and capital expenditure includes FTE of Year 1 minus 2 (and lower) students for schools which cannot separate accounts for Year 1 minus 2 (and lower).

### 3.5. Calculation of *My School* reporting





APPENDIX 1: PRESENTATION OF MY SCHOOL FINANCE PAGE



Find a school About More information Glossary Contact ACARA

School ABC

School profile NAPLAN Attendance Finances VET in schools Senior secondary Schools map

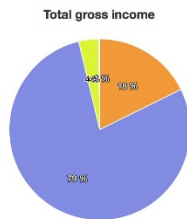
The following table and charts summarise the recurrent and other income of the selected school together with its capital expenditure for the calendar year. Further information on the methods used and on the comparability of the data is available in the Further financial information.

2010	2011	2012	2013	2014	2015	2016	2017
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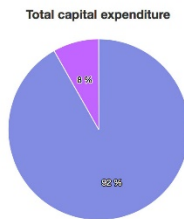
Full-time equivalent enrolments relating to recurrent income and capital expenditure: 623

Net recurrent income	\$ Total	\$ per student
Australian government recurrent funding	1,595,883	2,558
State / territory government recurring funding	7,076,908	11,345
Fees, charges and parent contribution	317,773	509
Other private sources	17,992	29
<b>Total gross income</b>	<b>9,008,557</b>	<b>14,441</b>
Less deductions	22,915	37
<b>Total net recurrent income</b>	<b>8,985,641</b>	<b>14,405</b>

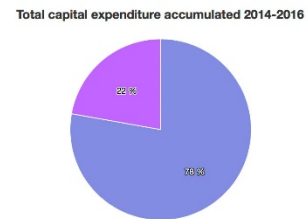
Capital expenditure	\$ Total	\$ Accumulated
Australian government capital expenditure	0	0
State / territory government capital expenditure	256,281	531,497
New school loans	0	0
Income allocated to current capital projects	22,915	151,528
Other	0	0
<b>Total capital expenditure</b>	<b>279,197</b>	<b>683,025</b>



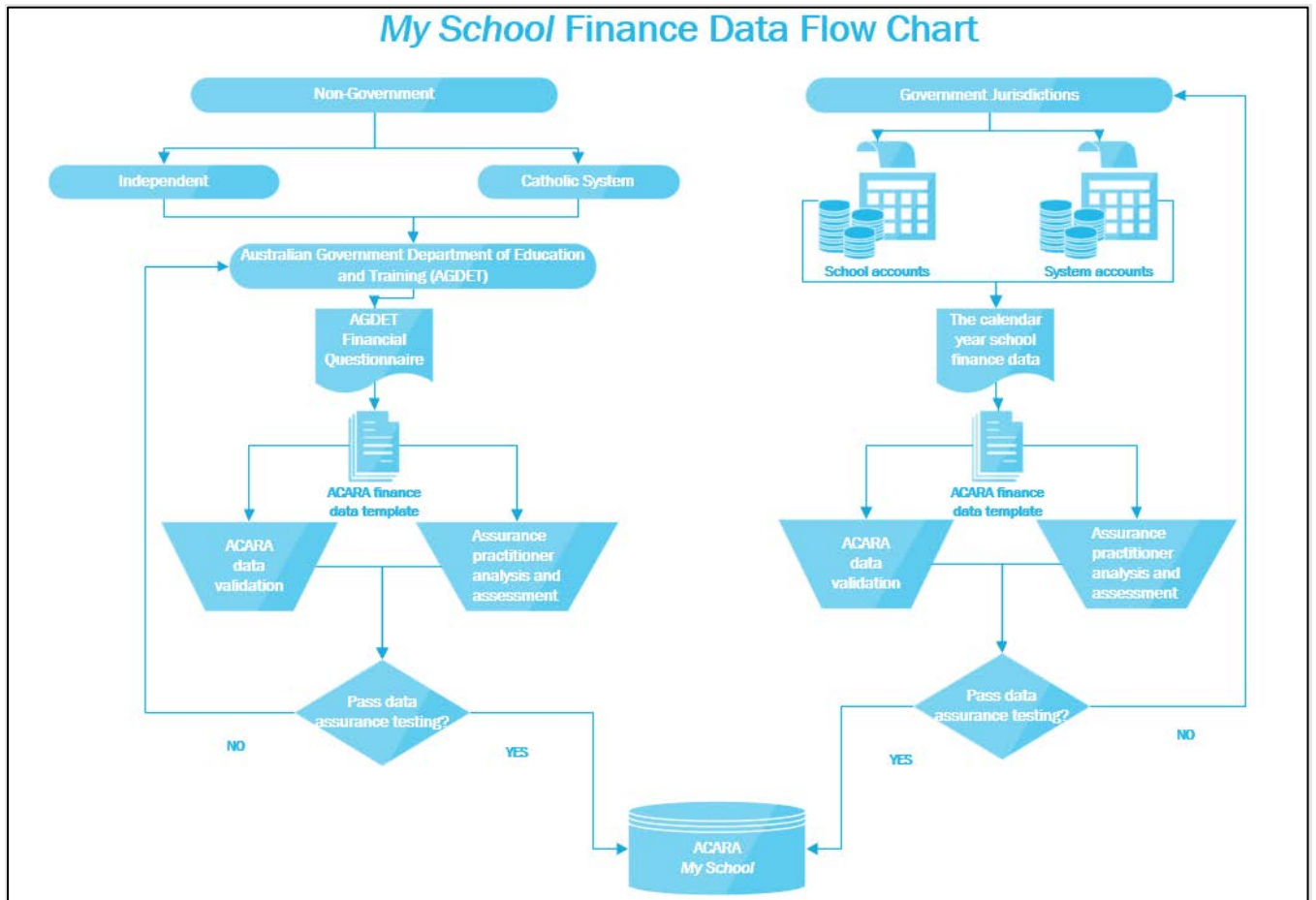
(excluding income from government capital grants)



Percentages are rounded and may not add to 100%



APPENDIX 2: MY SCHOOL FINANCE DATA FLOW CHART



### **APPENDIX 3: SPLIT OF COMMONWEALTH AND STATE/TERRITORY FUNDING (FOR RECURRENT INCOME)**

*Source: Australian Government Department of Education, Skills and Employment*

#### **Recurrent Income**

AGDESE's proposal is included in Section 1 below.

#### **Concept**

Under the NEA Agreement the allocation by a jurisdiction of the amount provided by the Commonwealth for recurrent grants for schools is a matter for the jurisdiction. Historical patterns of expenditure are no longer relevant.

As such the suggestion is that it is reasonable to assume that the ratio of Commonwealth recurrent grants expended on schools to state/territory recurrent expenditure on schools is the same for all schools (i.e. both state and Commonwealth funding is pooled, and expenditure from that pool is taken out in equal proportions).

It is acknowledged that there are certain targeted grants outside of the NEA Agreement (e.g. National Partnership Funds). These targeted grants to specific schools can be added to each of the Commonwealth and state/territory amounts, depending on whether they are considered to be state or Commonwealth sourced funds.

To the extent that jurisdictions cannot easily identify which schools have received benefit from these targeted funds, an appropriate allocation method could be used.

Section 1

PROCESS FOR CALCULATING COMMONWEALTH AND STATE / TERRITORY SHARE OF SCHOOL FUNDING FOR GOVERNMENT SCHOOL LEVEL REPORTING TO DETERMINE RECURRENT INCOME

Step 1: Determine Commonwealth recurrent school funding under the National Education Agreement (not targeted to specific schools) as a proportion of total recurrent expenditure on schooling for the jurisdiction.

Note: the total of recurrent grant funding provided from the Commonwealth to States / Territories under the National Education Agreement and the amount of that funding spent on schooling within State and Territory education budgets are amounts known to State / Territory Treasuries, who are required to report these figures annually. See Annex 1.

Total recurrent expenditure on schooling (combined Commonwealth and State / Territory funding)	\$95
Total Commonwealth (non-targeted) education funding	\$11
Proportion of Commonwealth Funding of total recurrent expenditure	11.6%

Step 2: Determine total recurrent school income using the FDWG agreed items of expenditure for School X and apply ratio (identified above) to determine Commonwealth vs. State / Territory share of recurrent funding.

Government (Non-Targeted) Expenditure (School A)	\$
Teacher salaries	6
Insurance	0.2
VET activity in schools	0.8
Maintenance	1
...	1.2
...	0.3
<hr/>	
Total	9.5
[apply Commonwealth ratio]	[11.6%]
<b>Commonwealth Share of Total</b>	<b>1.1</b>
[the remainder of the total equals the State / Territory share]	8.4
<b>State / Territory Share of Total</b>	<b>8.4</b>

Step 3: Add targeted funding provided to the school (for each level of government) to determine the total funding provided by each level of government.

	Recurrent	Targeted	Total
Commonwealth Funding	1.1	0.6	1.7
State / Territory Funding	8.4	0.6	9

Step 4: Incorporate the results in the table of information available to be published on *My School*.

SCHOOL A

Income

Commonwealth funding (excl capital income)	1.7
State / Territory funding (excl capital income)	9
Fees (gross amount)	
Other private sources (e.g. donations etc.)	

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Total gross income

Reporting year fee income allocated to current and future capital projects

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Total recurrent reporting year income

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Capital Expenditure (including source of funding)

Government capital funding

Reporting year fee income allocated to capital projects

Loans

Carried forward retained earnings previously allocated to capital projects

Capital Donations/Capital Income specifically billed as such

---

Total capital expenditure for the year

**APPENDIX 4: ACARA FDWG – COMPARABILITY LIMITATIONS SCHEDULE**

Please refer to page 5 of the most current [Deloitte Letter of Accounting Advice](#) from the *My School* website.