Mr Stephen Gniel
Chief Executive Officer
Australian Curriculum, Assessment and Reporting Authority (ACARA)
Level 13, Tower B, Centennial Plaza
280 Elizabeth Street
Sydney NSW 2000

3 December 2024

Dear Stephen,

Comparability Review of Key Principles and Methodology for reporting financial data on the *My School* website

In accordance with our Engagement letter dated 12 August 2024, we set out below our assessment regarding your agreed methodology, the *My School* Financial Reporting - Key Principles and Methodology 2023 v8.8 (the 'Methodology') for collecting school financial data ('the financial data') for the purpose of disclosing such data on the *My School* website.

1. Disclaimer

Scyne Advisory (Scyne) has prepared this report solely for the Australian Curriculum, Assessment and Reporting Authority's (ACARA's) use and benefit in accordance with and for the purpose set out in Scyne's engagement letter with ACARA dated 12 August 2024 under '*Our responsibilities, Section*' of the letter, and in accordance with our Contract in Relation to the Provision of Services for My School Financial Data signed on 12 April 2024. In doing so, Scyne has acted exclusively for ACARA and considered no-one else's interests.

Our assessment does not constitute an audit, review or assurance in accordance with Pronouncements or Standards issued by the Australian Auditing and Assurance Standards Board, and accordingly no such assurance will be provided in this report.

The respective State and Territory Departments of Education and the Commonwealth Department of Education (Cth DoE) are responsible for determining any accounting treatments to be applied to their financial information. Any observations that we made under the scope of services have been assessed by the ACARA Financial Data Working Group ("FDWG"), the respective State Departments of Education and the Cth DoE. The observations we provide do not preclude an auditor from assessing policies adopted in the context of their audit of Australian equivalents to the International Financial Reporting Standards (AIFRS) financial reports as a whole. In the context of the service we provided, under the terms of this engagement, we did not perform any verification procedures and therefore do not give any assurance on the underlying transactions or balances.

We make no comment on the commercial or other desirability of the transactions or accounting treatment addressed as above and did not reviewing any of the relevant documentation from a taxation or legal viewpoint as we consider that such a review would be more appropriately performed by your taxation and legal advisers.

We have been separately engaged by ACARA to perform assurance procedures to determine whether the financial data in 2023 My School submissions has been prepared in accordance with the My School Financial Reporting Methodology for each jurisdiction. We will issue an opinion letter in relation to that assurance engagement and make no reference to those procedures in this report.

The interpretation of Australian Accounting Standards involves the exercise of professional judgement. The facts, circumstances, assumptions and conclusions described in this report may be viewed differently by others. Due to the evolution of professional interpretation of Australian Accounting Standards, the facts, circumstances, assumptions and conclusions described in this report may subsequently be viewed differently by us and/or others. We are under no obligation to update our evaluation of the accounting treatment proposed by the ACARA FDWG for changes in our interpretation of Australian Accounting Standards.

Scyne accepts no responsibility, duty or liability:

- to anyone other than ACARA in connection with this report; and
- to ACARA for the consequences of using or relying on it for a purpose other than that referred to above.

Scyne makes no representation concerning the appropriateness of this report for anyone other than ACARA. If anyone other than ACARA chooses to use or rely on it, they do so at their own risk.

Scyne is not obliged to provide any additional information or update anything in this report, even if matters come to our attention which are inconsistent with its contents.

This disclaimer applies:

- to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute; and
- even if Scyne consents to anyone other than ACARA receiving or using this report.

2. Background

ACARA is responsible for the development of a rigorous, world-class national curriculum from Foundation to Year 12, beginning with the learning areas of English, Mathematics, Science and History; followed by Geography, Languages and the Arts; and then the other learning areas defined in the Melbourne Declaration.

To complement the development of a national curriculum, ACARA is also responsible for developing and administering a national assessment program, aligned to the national curriculum, which measures students' progress, and the provision of information, resources, support and guidance to the teaching profession. ACARA is also charged with the collection, management and analysis of data on a national scale, which relates to broader achievements in student assessment, resource allocation, and accountability and reporting on school performance.

The *My School* website provides profiles of around 9,650 Australian schools[1] that can be searched by school name, location, sector or type. The website provides statistical and contextual information about each school, as well as results from the National Assessment Program–Literacy and Numeracy (NAPLAN) that can be compared with results for students with a similar background across Australia. Information about the National Assessment Program can be found on the NAP website.

The following entities (the "Reporting Entities") are expected to report their 2023 financial data to ACARA in relation to Australian schools, for the purpose of disclosure on the *My School* website and are the entities in the scope of this engagement:

[1] In Australia in 2023, there were 9,629 schools – an increase of 15 schools since 2022. 69.7% of schools were government schools, 18.3% were Catholic and 12.0% independent.

Government Sector:

- NSW Department of Education
- VIC Department of Education and Training
- QLD Department of Education
- SA Department for Education
- WA Department of Education
- TAS Department for Education, Children and Young People
- NT Department of Education
- ACT Education Directorate

Non-Government Sector[2]:

- Australian Government Department of Education

The Methodology currently in place is publicly available via ACARA's website and is reviewed by the FDWG in order to align approaches between the various jurisdictions and to reduce the limitations in place (in order to enhance comparability of data).

The Methodology is set out in Appendix A.

3. Our responsibilities

We assessed the appropriateness of the Methodology, and its alignment to the accounting standards in relation to the 2023 calendar year, to identify in our report areas that may limit the comparability of the data reported by schools.

Specifically, we:

a. Obtained an understanding of any changes to the Methodology during the review period;
b. Obtained an understanding of ACARA FDWG's assessment of changes in Australian Accounting Standards under the review period, and their potential impact on the appropriateness of the methodology; and
c. Performed a comparison of data collection and reporting differences within government schools on a national basis.

This report is prepared for ACARA for its sole purpose in the context of assisting the respective state/territory education departments and the Cth DoE in formulating the accounting treatment for the purposes of disclosing the schools' financial data information on the *My School* website. It should not be used for any other purpose or without the express written permission of Scyne. We do not accept any responsibility to any party other than ACARA for our work.

4. Outcome of procedures

In response our responsibilities outlined in Section 3 above:

3a) We confirmed with ACARA FDWG that there were no changes made to the ACARA Methodology from the prior year 2022 to the current review period, calendar year 2023.

3b) We confirmed with ACARA FDWG their understanding of the changes to Australian Accounting Standards under the review period, which are disclosed in Appendix B, and confirmed with management no impacts on the appropriateness of the methodology were identified.

3c) We compared the data collection and reporting differences within Government schools[3] on a national basis and noted the differences in the "Comparability Limitations" section below.

[2] The scope of the assessment included Government school only. Non-Government schools were not in the scope of this 2023 Comparability assessment.

[3] The scope of the assessment included Government school only. Non-Government schools were not in the scope of this 2023 Comparability assessment.

5. Comparability Limitations

Listed below are comparability limitations i.e. data collection or reporting differences that still exist to achieve nationally comparable data on government schools. We have not assessed the reasonableness of ACARA FDWG comments, and these comments have carried over from the prior year recognising that there was no change the methodology as described above in item 3a, Section 4.

Item	Reporting component	Basis of exception	Implication	ACARA FDWG Comment
1.	Capital expenditure	QLD, WA, TAS, SA and ACT government jurisdictions will report capital expenditure based on a completed project basis. In these jurisdictions incomplete project costs have not been included in capital expenditure. Other jurisdictions including NSW, VIC, SA and NT have been able to identify the asset component of incomplete project costs and have reported these costs within capital expenditure. (Per Finance Methodology Matrix as of November 2023) For **QLD**, Capital expenditure reported for each school is based on completed asset registrations. However, this means that there will be a lag between the commencement of capital work in progress and subsequent My School reporting. Capital expenditure on the construction and acquisition of new schools where the expenditure was incurred in calendar years prior to the school becoming operational is not included in My School reporting. A school is considered operational when it has had its registration approved and is open with enrolled students and appointed school staff in attendance. For **WA** public schools, capital works expenditure for buildings only includes expenditure incurred in the reporting year and are only	Where there is an inconsistency in the level of incomplete projects at the beginning and end of a particular year, it is likely that a material inconsistency will exist within capital expenditure between jurisdictions that have reported on these different approaches.	**ACARA FDWG comment** The identification of the asset component of incomplete projects is only performed at the end of a financial year for certain jurisdictions. It was deemed by the jurisdictions affected to be impractical to perform such an analysis at this stage.

Item	Reporting component	Basis of exception	Implication	ACARA FDWG Comment
		reported in My School when the school is completed. Any capital expenditure (including land acquisitions) for the construction and acquisition of new schools incurred in the years prior to a school becoming operational are excluded. For NSW, some capital expenditure is reported based on budget allocation instead of actual spending due to the limited visibility of school level data from the financial system.		
2.	Net Recurrent Income & Capital expenditure	Government jurisdictions operate on a financial year basis and therefore at the time of preparing their working papers the audit of the financial data at department level for the year ended 30 June 2023 may not have been completed. (Per Finance Methodology Matrix as of November 2023)	Data will be subject to jurisdictions' routine systems checks and balances, however, there remains a risk that unaudited financial data may be misstated.	**ACARA FDWG comment:** Use of financial year data in the government sector to derive calendar year data is unavoidable given the time frame for initial reporting. Prior to the financial data being disclosed on the website, jurisdictions are able to revise their reported data subsequent to completion of department level financial year end audits. Government sector financial data accounts are audited on a financial year basis.
3.	Net Recurrent Income & Capital expenditure	Government jurisdictions will use actual monthly expenditure data where possible in order to derive data on a calendar year basis. Calendar year opening and closing positions will not have been subject to audit as government jurisdictions are subject to audit on a financial year basis, not a calendar year basis. (For all jurisdiction per	There is a risk that the opening and closing positions may not be as accurate as they would be had they been subject to audit.	**ACARA FDWG comment:** Government sectors do not consider this to be a significant risk due to the application of routine jurisdiction systems checks and balances.

Item	Reporting component	Basis of exception	Implication	ACARA FDWG Comment
		Finance Methodology Matrix as of November 2023)		
4.	Net Recurrent Income	In all government jurisdictions school systems, there will be an element of expenditure which cannot be sourced on an actual by school basis (e.g. indirect department overheads) and instead needs to be allocated to schools on a notional basis (e.g. using FTE enrolment numbers). The proportion of expenditure allocated on a notional basis will differ between jurisdictions due to the differing information available within each jurisdiction's ledger or source system. (As per Finance Methodology Matrix as of November 2023) Proportion (%) of expenditure allocated on a notional basis within your jurisdiction's ledger or source system: - **NSW** (approx. 10% for non-payroll and approx. 6% for payroll - **VIC** (16% of total government funding) - **QLD** (Central 13% and Regional 2% of total government funding) - **SA** (24.8%, however part of this notional cost we have direct line of sight to the school that it relates to) - **WA** (13%) - **TAS** (Approx. 20%) - **NT** (Approx. 2%) - **ACT** (Approximately 20% - noting, notional allocation	The existence of different accounting systems and allocation methodologies between jurisdictions will mean that there will be variability between jurisdictions in relation to the relative proportion of expenditure that will need to be allocated notionally. Notional allocation is inherently less accurate than being able to report actual expenditure maintained by school.	**ACARA FDWG comment:** Systems in certain jurisdictions do not easily enable reporting of financial data by school. Allocation of expenditure is the only viable option at this stage due to government systems having significant amounts of centrally incurred expenditure that is not accounted for on a by school basis within the system.

Item	Reporting component	Basis of exception	Implication	ACARA FDWG Comment
		for some costs will be very close to direct allocation)		
5.	Capital expenditure	Asset recognition thresholds (minimum capitalisation) differ between jurisdictions[4]. **Government Schools:** **ACT** - $5,000 (ACT DE Annual Report 22-23 and per Finance Methodology Matrix as of November 2023) **NSW** - $10,000 for property, plant and equipment (PPE) or assets forming part of a network costing more than $10,000 ($50,000 for intangibles) (NSW DE Interim Annual Report 2023 and per (QLD DE Annual Report 2023-24) **NT** Items of PPE with a cost or other value, equal to or greater than $10,000 (NT DE Annual Report 2023-24 and Finance Methodology Matrix as of November 2023). Classification is not dependent on whether the expenditure has been funded by a capital program (per NT CLS 2023 submission to ACARA). **QLD** $5,000 ($100,000 for major software developments, $10,000 for buildings) as per Finance Methodology Matrix as of November 2023. Items of PPE with a historical cost or other value equal to or in excess of the following	A limitation to full comparability may exist between/among jurisdictions.	**ACARA FDWG comment:** The ACARA FDWG concluded that, for practicality and consistency purposes, capital thresholds are to reflect current jurisdictional departmental policy for the purpose of annual capital expenditure determinations. Thresholds are shown in the Potential limitation column to the left.

[4] Reference to the Non-Government sector (including Catholic and Independent Schools) is included here for completeness only. Non-Government schools were not in the scope of this 2022 Comparability assessment.

Item	Reporting component	Basis of exception	Implication	ACARA FDWG Comment
		thresholds are recognised as PPE in the following classes: - Land $1 - Buildings $10,000 - Heritage buildings $10,000 - Heritage and cultural (cultural works of art) $5,000 - Plant and equipment $5,000 **SA** Property, plant and equipment owned by the department with a value equal to or in excess of $5 000 (SA Audited FS 2023-24 and per Finance Methodology Matrix as of November 2023) Per SA CLS 2023 submissions to ACARA, Capital expenditure is only recognised when assets exceed $5,000. All purchases under $5,000 are expensed and will be reflected in the recurrent income of the school. Capital purchases over $5,000 are included in the school's capital expenditure. **TAS** $10,000 for plant, equipment and vehicles, heritage and cultural assets and infrastructure and $150,000 for the combined land and building value. (TAS DECYP Annual report 2023-24 and per Finance Methodology Matrix as of November 2023) **VIC** Plant and equipment are capitalised when the individual asset value is $5,000 or greater (VIC DE Annual Report 2023-24 and (QLD DE Annual Report 2023-24) **WA** Items of property, equipment and plant costing $5,000 or more are measured initially at cost. Acquired and internally generated		

Item	Reporting component	Basis of exception	Implication	ACARA FDWG Comment
		intangible assets costing $5,000 or more that comply with the recognition criteria of AASB 138.57 Intangible Assets are capitalised. Software that is an integral part of the related hardware is recognised as part of the tangible asset. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than $5,000 is expensed in the year of acquisition. (WA DE Annual Report 2023-24. However, per WA CLS 2023 submission to ACARA and per Finance Methodology Matrix as of November 2023, it was noted that assets purchased in the reporting year by individual schools (i.e., goods above the value of $5,000 and software valued above $50,000) have been included as capital expenditure. Asset purchases are sourced from each public school's local finance system. **Catholic Schools:** ACT $1,000 to $5,000 NSW $5,000 for equipment, furniture and other non-construction related expenditure ($5,000 to $100,000 for building projects) NT $1,000 QLD $1,000 to $5,000 SA $1,000 TAS $1,000 to $5,000 VIC $5,000 (System intangibles such as software development $200,000) WA $1,000		

Item	Reporting component	Basis of exception	Implication	ACARA FDWG Comment
		Independent Schools: Determined by each school's Board/Council, in line with Australian Accounting Standards. Note: For Catholic and Independent Schools, ACARA confirmed on 29 Nov 2024 the above with ISA, AISs and NCEC that the thresholds did not changed from prior year.		
6.	Net Recurrent Income & Capital expenditure	VIC, TAS, SA, NT, QLD and ACT government jurisdictions partly self-insure for certain forms of insurance. However, among this, only VIC jurisdiction creates provisions for these costs. (Per Finance Methodology Matrix as of November 2023) Rather than incurring a policy cost, these jurisdictions choose to incur asset replacement costs and/or legal and associated costs in the event of claims. For example, the South Australian public education system partly self-insures for certain forms of insurance. As such the equivalent asset replacement or legal costs are included in the recurrent income of the school. These costs can vary significantly between schools and across years for the same school depending on the nature of the claims.	There may be a difference in the amount of expenditure allocated as recurrent income and capital expenditure between jurisdictions and systems that self-insure and those that do not. The potential difference has not been quantified.	**ACARA FDWG comment:** This limitation remains on the basis that not all jurisdictions have autonomy over whether they insure or self-insure, making this matter distinct from other management determined operating decisions which may differ between jurisdictions. Policy costs vary across sectors but are understood to be less than 2% of total costs.
7.	Net Recurrent Income & Capital expenditure	TAS and WA Government jurisdictions are permitted to include "Year 1 minus 2" (i.e. Preschool) costs. (refer definition section of the	To the extent that financial data is disclosed in total by school, data reported by schools affected in	**ACARA FDWG comment:** Year 1-2 cannot be separated from the

Item	Reporting component	Basis of exception	Implication	ACARA FDWG Comment
		Methodology for precise definition of Year 1 minus 2 which is referred to differently in each state and territory) - per Finance Methodology Matrix as of November 2023. The finance data includes income and expenditure for **WA** public-school students who are in kindergarten (the schooling two years prior to Year 1), pre-primary and Year 1 to Year 12. Kindergarten students attend part-time and are considered between 0.43 and 0.60 of a full time equivalent (depending on attendance at a 12- or 15 - hour program). For **TAS**, where a school incorporates a kindergarten (Year 1 minus 2) these costs have been reflected in school funds as the kindergartens are part of the school operations.	the aforementioned jurisdictions compared to other jurisdictions will not be fully comparable. The extent of the limitation in comparability will be impacted by the size of the school and enrolment levels.	financial data in a minority of jurisdictions.
8.	Net Recurrent Income	Methods of allocation of recurrent income to schools (where actuals are unavailable) will differ between jurisdictions/systems. This primarily affects government school systems. (As per Finance Methodology Matrix as of November 2023)	Methods of allocation (e.g. on FTE enrolment, floor area or other appropriate cost driver basis) appear to be appropriate given the nature of expenditure being allocated as recurrent income. The basis of allocation proposed is expected to approximate actual expenditure by school, however no verification has been performed.	**ACARA FDWG comment:** Systems in certain jurisdictions do not enable reporting of system recurrent income by school. Allocating recurrent income on an apportionment basis is the only viable option.
9.	Net Recurrent Income & Capital expenditure	Total School Sourced Income reported by schools in the following jurisdictions are required/permitted to “cash account”: • WA Government schools; and • NT Government Schools	A limitation to full comparability may exist between jurisdictions.	**ACARA FDWG comment**: Impracticable to adjust each school to ensure all are fully accrual accounting. Total school sourced income and capital expenditure generally represents <15% of total income

Item	Reporting component	Basis of exception	Implication	ACARA FDWG Comment
		(As per Finance Methodology Matrix as of November 2023) All other schools in jurisdictions apply accrual accounting.		and capital expenditure reported. The impact of this minority of schools applying cash accounting is unlikely to be material as the affected income and expenditure is a small subset of total income.
10.	Net Recurrent Income & Capital expenditure	In 2023, all government jurisdictions will **not** allocate actual costs by applying the 'points-based allocation model.' All government jurisdictions will source data by school from sub systems or the general ledger and allocate overhead costs on a notional basis. (As per Finance Methodology Matrix as of November 2023) In prior years, ACT Government applied the points based allocation model.	N./A	N/A
11.	Net Recurrent Income & Capital expenditure	Some government jurisdictions (i.e., NSW, VIC, QLD, TAS and ACT) do not have full visibility (i.e., partial only) as to how much locally generated income and/or surplus operational funding has been used to fund capital expenditure at the school level. In this case income reported would include an element of capital income. (As per Finance Methodology Matrix as of November 2023)	There may be a limitation in comparability of reported income before deductions to the extent that capital income is included in the data reported.	**ACARA FDWG comment**: A practical resolution to this limitation was not able to be found retrospectively. School level income is generally expected to represent less than 15% of total income and as such the impact of this limitation (which affects a subset of that school generated income) is unlikely to be material to the reported data.
12.	Net Recurrent Income	NSW government jurisdiction will, for a relatively small component of costs, use budgeted amounts instead of actual amounts to identify certain components of cost by school. (As per Finance	Budgeted amounts may differ from actual amounts.	**N/A**

Item	Reporting component	Basis of exception	Implication	ACARA FDWG Comment
		Methodology Matrix as of November 2023)		
13.	Capital Expenditure	The method of notional allocation of a portion of government sector and independent system level capital expenditure based on enrolment may not be an appropriate basis of allocation. (Relevant to CLS item 4 above)	Actual capital expenditure is not driven by enrolments, such expenditure may be driven by other factors that differ between schools.	**ACARA FDWG comment:** Where systems do not enable reporting by school, identification of a notional method that more accurately approximates actual expenditure was not possible given the range of factors that drive capital expenditure decisions.
14.	Net Recurrent Income	Certain Government jurisdictions (NSW, VIC, QLD, SA and ACT) include on costs in their *My School* data that have been calculated using a fixed percentage rather than the actual on costs included in the G/L, for workers compensation, Annual Leave, LSL and Super. (As per Finance Methodology Matrix as of November 2023)	Departures from using actual expenditure within the government jurisdictions may limit comparability with other systems, jurisdictions.	**ACARA FDWG comment:** This method of allocation was agreed in order to maximise comparability between government jurisdictions. Affected jurisdictions believe that the resulting notional income allocation would eliminate fluctuations in the year and better reflect the funds available to each school to deliver educational outcomes.
15.	Net Recurrent Income	Transport to and from school and allowances paid to parents are excluded from government departmental expenditure allocated as notional income to schools. (Excluded for all jurisdictions as per Finance Methodology Matrix as of November 2023, ref M2.1.1.2.C)	Some transport costs need to be funded by independent schools from recurrent income, no similar deduction from fee income is permitted under the Methodology. This may create a limitation in comparability for government schools.	**ACARA FDWG comment:** It was considered impracticable to adjust independent data for such components within the timeframe and the proportion of income affected is likely to be well below 5% of total income. Furthermore, the limitation only relates to privately funded transport.
16.	Net Recurrent Income & Capital expenditure	All government jurisdictions, except NSW school systems do not account for non-cash benefits received. Schools which account in accordance	Those schools that do not account for non-cash benefits will be reporting lower Net Recurrent Income	**ACARA FDWG comment:** Impact of this variation in treatment between

Item	Reporting component	Basis of exception	Implication	ACARA FDWG Comment
		with accounting standards are required to record benefits in kind at fair value. (As per Finance Methodology Matrix as of November 2023)	and/or capital expenditure compared to schools that do.	schools was considered unlikely to be material.
17.	Net Recurrent Income & Capital expenditure	Government departments (i.e., NSW, QLD, SA, WA, and TAS) may not have full visibility of Commonwealth sourced income paid directly to schools by departments other than the Department of Education and Training. (As per Finance Methodology Matrix as of November 2023)	An element of Commonwealth funding may not be identified as Commonwealth sourced funding.	**ACARA FDWG comment in 2022 for reference:** The impact of this is expected to be minimal given that school sourced income generally makes up no more than 15% of Net Recurrent Income and this limitation relates to a small subset of that percentage.
18.	Capital Expenditure	In 2023, all jurisdictions report capex in accrual basis as per the methodology. In the prior year, the NT government included capital expenditure on a cash basis.	N/A	**ACARA FDWG comment:** The impact year on year is unlikely to be material.
19.	Australian Government Capital Expenditure	The methodology permits two approaches to determining the Australian Government funded component of capital expenditure: (a) based on known targeted amounts only. (As per Finance Methodology Matrix as of November 2023, ref M2.1.3, not applicable for VIC, QLD, TAS and ACT) or (b) using autonomy to allocate funding between capital and recurrent as needed. (As per Finance Methodology Matrix as of November 2023, ref M2.1.3, not applicable for NSW and TAS) Under the National Education Agreement (NEA), the allocation of such funds is a matter for the jurisdiction.	Differences may arise, between jurisdictions, in relation to the Australian Government funded component of capital expenditure depending on which option is applied, therefore reducing comparability.	**ACARA FDWG comment:** Jurisdictions are permitted to use their discretion as to how much Australian Government funding is used for capital versus recurrent purposes.

Item	Reporting component	Basis of exception	Implication	ACARA FDWG Comment
20.	Net Recurrent Income	VIC government jurisdiction is not showing deductions to recurrent income separately but netting these in the recurrent income reporting items. The methodology requires that where possible, deductions from gross income should be shown separately under the deductions section and not netted off to recurrent income. However, it is also permissible if that is not possible, then the amount is netted off from gross income, and no amount should be shown in the deductions. (As noted in VIC CLS for 2023)	Inconsistent presentation of financial data preventing comparability. However, there is no implication on the net recurrent income.	**N/A**

6. Assessment of Apportionment methodologies

The apportionment methodologies used appear to represent a reasonable basis of apportionment, given the nature of the individual type of expenditure being allocated. These include among others:

- FTE enrolment numbers (most government jurisdictions);
- Floor space (NSW government: Cleaning & Maintenance);
- Actual Schools Salaries (VIC government); and
- Specialised schools/programs/types (aboriginal, agricultural, Indian Ocean Territories schools, Public Private Partnership schools) (WA government).

Please do not hesitate to contact us if you require any further assistance.

Yours sincerely

Scyne Advisory

Iara Morris

Managing Director

Appendix A - ACARA Methodology

Refer to ACARA Website link on the ACARA Financial Reporting Key Reporting Principles and Methodology: https://www.myschool.edu.au/media/1930/my-school-financial-reporting-key-principles-and-methodology-v88.pdf

Appendix B - Accounting Pronouncements

New Pronouncements	Effective Date	Affects	Description
A. Application from prior year			
Narrow scope amendments issued for AASB 116, AASB 137, AASB 3 and annual improvements made to AASB 1, AASB 9, AASB 16 and AASB 141 (AASB 2020-3)	1-Jan-22	All entities	The AASB has made • narrow scope amendments to: o AASB 116 Property, Plant and Equipment in relation to proceeds before intended use o AASB 137 Provisions, Contingent Liabilities and Contingent Assets in relation to onerous contracts and the cost of fulfilling a contract o AASB 3 Business combinations in relation to references to the Conceptual Framework, and • annual improvements to AASB 16, AASB 1, AASB 9 and AASB 141.
B. To be applied			
Deferred tax related to assets and liabilities arising from a single transaction (AASB 20215)	1-Jan-23	All entities	The AASB issued targeted amendments to AASB112 Income Taxes to specify how companies should account for deferred tax on transactions such as leases and decommissioning obligations
Disclosure of accounting policies and definition of accounting estimates (AASB 2021-2, AASB 2021-6)	1-Jan-23	All entities	AASB 2021-2 amends a number of accounting standards to improve accounting policy disclosures and clarify the distinction between changes in accounting policies and accounting estimates. AASB 2021-6 makes consequential amendments to a number of Australian-specific standards.
C. Available for early adoption			
Lease liability in a sale and lease back (AASB 2022-5)	1-Jan-24	All entities	AASB 2022-5 amends AASB 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction.

New Pronouncements	Effective Date	Affects	Description
Classification of liabilities as current or non-current (AASB 2020-1, AASB 2020-6)	1-Jan-24	All entities	The IASB made further amendments to IAS 1 Presentation of Financial Statements to clarify that covenants of loan arrangements will not affect the classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. Entities will need to make additional disclosures if they have a non-current liability that is subject to covenants which the entity must comply with within 12 months of the reporting date. We expect the AASB to make equivalent amendments shortly.
Deferral of effective date of amendments to AASB 10 and AASB 128 and editorial corrections (AASB 2021-7)	1-Jan-25	All entities	AASB 2021-7 again defers (to 1 January 2025) the amendments to AASB 10 and AASB 128 relating to the sale or contribution of assets between an investor and its associate or joint venture. The Standard also includes editorial corrections.