

Interpreting financial data

School financial data provides valuable information about a school's capacity to support educational outcomes for its students.

In April 2009 education ministers resolved that financial information for each Australian school would be included in the second version of the *My School* website.

ACARA established the Finance Data Working Group (FDWG) to develop a methodology to support a nationally consistent system for the reporting of school level financial data. The FDWG consists of a representative of each of the government education departments and a representative from the Catholic and Independent sectors as well as from ACARA. The methodology developed by the FDWG focused on providing comparable data across individual schools.

ACARA also appointed an independent accounting firm, Deloitte Touche Tohmatsu (Deloitte), to provide accounting expertise and advice regarding the collection and reporting of school financial data. Deloitte reviewed the methodology and the data collected and concluded that, with the exception of a small number of specific limitations (detailed in the Letter of Accounting Advice prepared by Deloitte), the methodology supports the education ministers' objective to disclose comparable recurrent income and capital expenditure information by school nationally.

What will be presented on the website

The *My School* website will report information on each school's recurrent income and capital expenditure for the 2009 calendar year.

Information on recurrent income will be presented as both a total amount and as income per student. The per student calculations use enrolment figures collected from the annual school census which provides a snapshot of student numbers on census day and supplemented with additional enrolment information, where appropriate, in respect of children below Year 1 minus 1 who have contributed income to the school. The per-student calculations presented to provide additional contextual information on the relative size of the school. It should not be assumed that each category of income reported on *My School* relates to every student at the school.

Understanding the financial data

The financial resources available to schools are directly influenced by the nature of the school (such as its location and student profile), its programs and operations. Caution should be taken in using this information to make direct funding comparisons between schools. The ACARA Financial Data Working Group *Financial Data Reporting Methodology* paper—available under *More Information* and on the finance page—provides detailed information on factors that should be taken into consideration when viewing this data.

NET RECURRENT INCOME

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 the State and Territory Government for recurrent purposes.

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 fund-raising activities.

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.

DEDUCTIONS

Some income is used to invest in capital infrastructure to improve school facilities and is not available to fund recurrent expenditure. It is deducted from total gross income to arrive at net recurrent income.

Income allocated to current capital projects

The amount of gross income received by the school that has been spent on a capital project in the current year.

Income allocated to future capital projects and diocesan capital funds

The amount of gross income received by the school that has been allocated to a future capital project.

Income allocated to debt servicing

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

Total net recurrent income

The amount of income received by a school from the Australian Government and State and Territory governments, from fees, charges, parent contributions and other private sources available for recurrent purposes.

CAPITAL EXPENDITURE

Capital Expenditure funded by Australian Government grants

The amount of capital expenditure funded by the Australian Government.

Capital Expenditure funded by State and Territory Government grants

The amount of capital expenditure funded by State and Territory Governments.

Capital Expenditure funded by New School Loans

The amount of capital expenditure funded by capital loan drawdowns in 2009.

Capital Expenditure funded by Income allocated to capital projects

The amount of capital expenditure funded through income received in 2009.

Capital Expenditure funded by other income

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