

Reporting of School Income

Under the Australian Government's *Schools Assistance Regulations 2009*, all schools are now required to provide specific information about the sources of income they receive.

This information will be published on the Australian Curriculum, Assessment and Reporting Authority (ACARA) *My School* website at www.myschool.com.au

Catholic school authorities have reported to government about income and expenditure for more than 30 years and this publication process is now an extension of these requirements.

The following questions and answers are designed to keep the Catholic education community informed about how this school resourcing information has been compiled and what it means.

A detailed explanation of this reporting requirement provided by ACARA can be found at: www.acara.edu.au

1. What information will be published?

Essentially, the information published will include the annual income per student received by non-government schools from Australian Government, State Government, school fees, charges and other private sources of income.

The website will also include capital expenditure by schools from funds received through Australian Government capital funding, State Government capital funding and school community contributions.

In more detail, the reporting of income for non-state schools is based on the following:

Annual Recurrent Income

Includes

- Australian Government recurrent funding (excludes capital grants)
- State Government recurrent funding (excludes capital grants)
- Fees, charges and parental contributions for tuition and capital purposes
- Other private income for tuition and capital purposes

Deducted are:

- Income from fees allocated to current capital projects
- Income from fees allocated to future capital projects and/or Diocesan capital/building funds
- Income from fees allocated to servicing debt

TOTAL: _____

Capital Expenditure

Includes

- Australian Government capital funding
- State Government capital funding
- New capital loans
- Fee income and other private source income allocated to current capital projects
- Retained earnings from prior years allocated to current capital projects

TOTAL: _____

NB These figures include an amount allocated to each school that is used for the cost of support services provided by Diocesan education offices and/or the Queensland Catholic Education Commission as applicable).

2. When will the information be published?

After initially planning publication in December 2010, the information is now expected to be published on the ACARA website from 4 March, 2011.

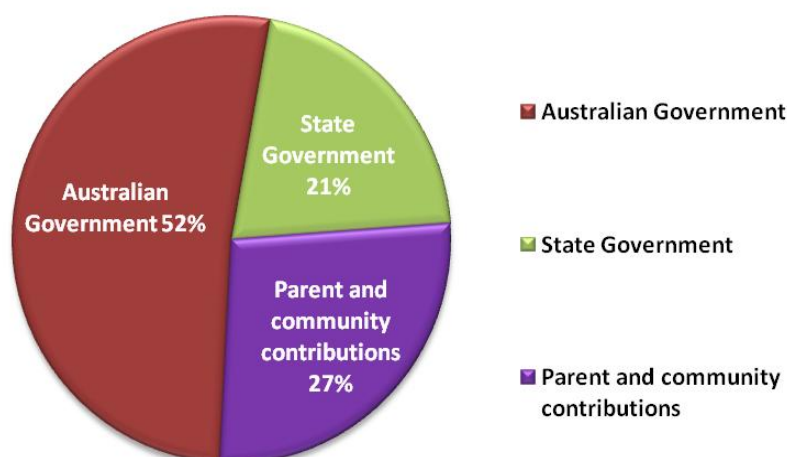
3. What are the sources of funding received by Catholic schools?

While particular school funding levels vary for a number of reasons, in essence, Catholic schools are funded through a combination of Australian Government grants, State Government grants and significant parent and community contributions.

Of the funding received by Queensland Catholic schools, on average, 52% of it comes from the Australian Government, 21% from the State Government and 27% of income is made up by contributions from parents and the community.

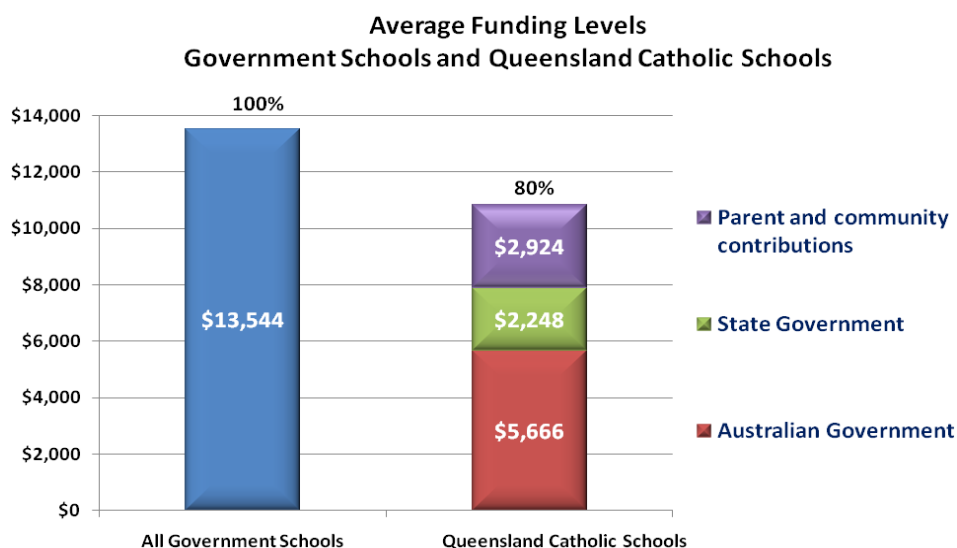
Resourcing of Queensland Catholic Schools

(National Report on Schooling 2008)



4. How much funding does the Queensland Catholic sector receive from the State and Australian governments?

According to the latest figures available from the *National Report on Schooling 2008*, the Catholic school sector in Queensland on average received \$5,666 per student from the Australian Government, \$2,248 from the State Government, and \$2,924 from parent and community contributions. This was a total of \$10,838 per student.

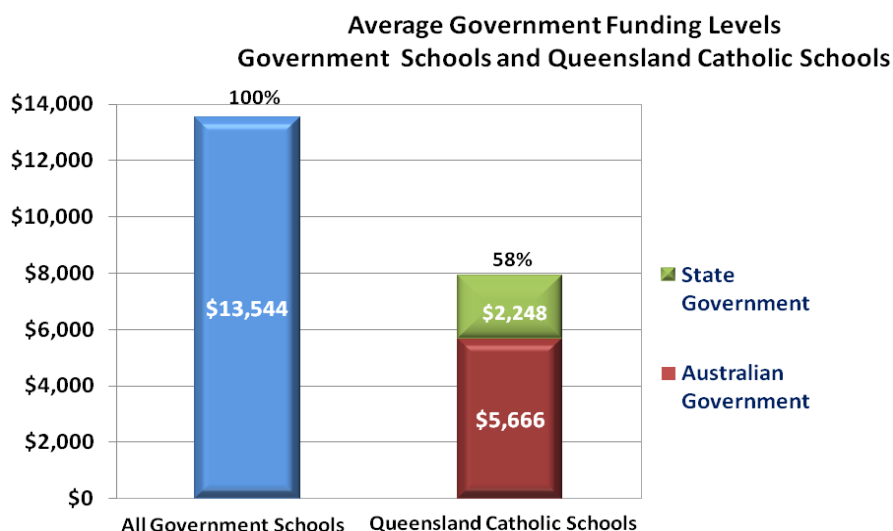


5. How does this compare with levels of government funding received by State schools?

In 2008/09 state schools nationally received on average \$13,544 per student in government funding. (*Productivity Commission Report*)

Therefore, Catholic schools receive only about 58% of the total government funding received by state schools.

Even when taking parent and community contributions into account, Catholic schools operate on average at about 80% of the recurrent resourcing levels of government schools.



6. What are the main reasons why there are variations in levels of income received by schools within the Catholic sector?

The levels of government funding and other income received by Catholic schools vary for a number of reasons. These include:

Australian Government SES Score (Socio-economic status score)

Australian Government funding is provided to the Catholic sector according to a socio-economic status (SES) score allocated to each school on the basis of Australian Bureau of Statistics family income level data. Catholic schools cater for families and communities from all socio-economic backgrounds. In 2010, 67% of Queensland Catholic schools serve communities with socio-economic scores (SES) equal to or below the national average.

Distribution of Australian Government funds within the Catholic sector according to needs criteria

Catholic schools in Queensland serve communities with a diverse range of needs and levels of disadvantage. The Catholic sector strives to most equitably meet these needs by operating a funding distribution system called *Group Funding*. This involves allocating the Australian Government funds attracted by all Catholic schools according to needs criteria. All Queensland Catholic schools participate in *Group Funding*, a testimony to the spirit of solidarity, stewardship and commitment to the common good. Under the system, the pool of funds is distributed based on criteria such as overall enrolments, numbers of students with disabilities, cost of staffing, location etc.

Once funds are paid to Diocesan education offices, they may also apply needs criteria to most effectively support and operate schools within their system.

State Government funding needs criteria

A significant and increasing proportion of the State Government component of funding (currently about 25%) is distributed according to needs criteria including students with disabilities, Indigenous students, students with English as a second language and isolation.

Size and location of schools

The Church is committed to providing opportunities for Catholic education to families wherever possible.

In particular, Catholic schools in remote locations require additional support to ensure students have equitable access to a quality education.

The size of schools is also a significant factor. Small schools still need to meet many of the same operating costs for facilities and staffing that larger schools do. While their overall operating budgets are still relatively small, these schools are often more costly on a per student basis.

It is important to recognise that the relatively high per student cost of operating some small, rural Catholic schools or other schools in disadvantaged circumstances is largely met by funds that are distributed from within the Catholic sector either through the needs-based group funding model or at Diocesan systemic level.

Targeted funding programs

Some special targeted funding programs such as the National Partnerships Program in literacy and numeracy can account for differences between income received by Catholic schools.

Secondary or primary level

It should be noted that secondary schools are generally more expensive to operate and attract a higher rate of government funding than primary schools.

Cost of resources and support services provided centrally

The income figures attributed to schools also include a nominal amount for the costs of various resources and support services provided by Diocesan education offices and the Queensland Catholic Education Commission.

Fees and levies charged

Fees and levies are set either by individual schools or diocesan school authorities. This is done taking into account the real costs of operating the school, within its particular circumstances, that cannot be met by the government grants received.

Schools strive to keep fees as low as possible to remain accessible to all who seek their values, however fees and levies play a major role in keeping schools viable and allowing them to provide a comparable quality of education.

The capacity of school communities to raise additional funds through fundraising activities also accounts for some variations in income levels.

On average, 27% of Catholic school income is made up by contributions from parents and the community.

8. Why are there large variations in capital expenditure figures recorded for schools?

This is mainly due simply to the timing of building projects and will usually vary greatly from year to year. For example, if significant building projects are underway at a school in a particular year, then the capital expenditure recorded for that year will clearly be much higher. The Building the Education Revolution (BER) program funding will be included in figures for many schools this year.

Further, in some cases, amounts of funds saved for special projects other than building and works are also included in this category.

9. Is it valid to compare the income information for different schools across sectors recorded on the website?

It is difficult to compare resourcing levels reported for different schools because they operate under such varied circumstances and serve communities with differing needs and costs.

Further, State schools are resourced through a centralised government system and therefore funds used to operate individual schools, along with the value of support services provided to schools by the central department, are not easily separated from the resources used to run the whole State system.

To some extent, Catholic diocesan school systems also provide centralised services and support to schools. These are usually related to learning support and administrative services and these costs are nominally included in the school income figures.

It should be noted that non-government schools are required to meet significant capital works and maintenance costs from their own funds, so they need to put aside some of their present income to build financial reserves for the future.

Costs of capital works and maintenance for state schools on the other hand, are primarily covered from government resources as required.

The production of schools income information is a complex task that has not been done before on a comparable basis across all jurisdictions and sectors. As a consequence, caution needs to be exercised in making any comparisons based on the information.

10. Why is it sometimes claimed in the media that Catholic and other non-government schools receive more government funding than State schools?

This misleading claim is sometimes made by interest groups who only take into account Australian government funding.

State schools receive virtually all of their funding from the State government, so when all sources of government funding, both State and Australian, are included, Catholic schools receive significantly less overall government funding than state schools.

It is hoped that the review of Australian Government funding currently underway will help close the gap between the amount of government funding received by Catholic schools and that received by government schools.