

Senate Committee: Education and Employment

**QUESTION ON NOTICE
Additional Estimates 2016 - 2017**

Outcome: Agency: ACARA

Department of Education and Training Question No. SQ17-000245

Senator Hanson-Young, Sarah provided in writing

ACARA - Data on My School and National Report on Schooling in Australia

Question

What are the reasons for the differences in the aggregate income/expenditure figures for public, Catholic and Independent schools derived from My School and those reported in the National Report on Schooling in Australia, both published by ACARA. Please provide details of the income/expenditure items used to compile the aggregate My School data and those used to compile the figures reported in the National Report on Schooling in Australia. Please provide the manuals/guides used to classify income/expenditure to compile the aggregate My School data and for the National Report on Schooling in Australia.

Answer

The Australian Curriculum Assessment & Reporting Authority (ACARA) has provided the following response:

The two primary types of data are the *My School* finance data and the National Schools Statistics Collection (NSSC) Finance data.

There are several reasons why the two collections are different with key scope comparisons tabled.

	<i>My School</i>	National Schools Statistics Collection (NSSC) Finance data
Type of data collected	Income data	Expenditure data
Timing and auditing	Calendar Year basis	Financial Year basis
Source	<ul style="list-style-type: none"> • State and Territory Education departments. • Non-Government Schools' Financial Questionnaire (FQ) collection • Block Grant Authority (BGA) administration costs 	<ul style="list-style-type: none"> • State and Territory Education departments.
Presentation format	School level	State/Territory level
Audience	Parents and the community	School Education Ministers
Purpose	<ul style="list-style-type: none"> • The <i>My School</i> website has been developed so that parents and the community have access to information about their child's school and other schools in Australia. • Reports financial information for each school, including recurrent income and capital expenditure broken down by funding source. • The purpose of this inclusion is to form part of the information provided about a school's capacity to support educational outcomes for students. 	<ul style="list-style-type: none"> • Initial purpose of the collection has been to inform School Education Ministers of Government expenditure on school education with and between States and Territories on a consistent basis. • The aim of the collection, historically, is to present financial data using a common format that provides the reviewer with an understanding of the education system. • It refers only to Government funded expenditure on government schools. • It provides a true audited perspective of Government systems.
Documentation	<i>My School</i> methodology	Notes, Instructions and Tables (NIT) document.

National Schools Statistics Collection (NSSC) Finance data – (In Scope)	<i>My School</i> Finance Collection	Reason
<p>User Cost of Capital A standardised notional user cost of capital rate based on 8% of total written down value of non-current physical capital assets is applied to all States and Territories.</p>	Out of scope	<p>Opportunity cost of funds tied up in the capital used to deliver government services, i.e. the opportunity cost foregone due to the tying up of funds in particular capital assets. Therefore not an income item for <i>My School</i>. Also, non government schools do not include this in reporting of their income.</p>
<p>Depreciation Depreciation accounts for 4.1% of total State/Territory government expenditure on schools.</p>	Out of scope	<p>Depreciation is a measure of the decline in asset value over time. For State/Territory government assets in schools, the amount of depreciation in a year is not part of the cost to the state/territory of delivering education in schools (i.e. each school's income). Therefore depreciation is out of scope.</p>
<p>Payroll Tax Each State/Territory education department pays payroll tax on behalf of schools except ACT and WA. A notional payroll tax amount is derived for WA and ACT to ensure comparability.</p>	Out of scope	<p>Excluded from <i>My School</i> as non government schools do not pay payroll tax.</p>
<p>Student Transport Costs Part of Other Operating Expenses and include conveyance allowance, school bus contracts, subsidy payments to bus companies to reduce student fares and also wages of bus drivers.</p>	Out of scope	<p>Not recognised in <i>My School</i> collection methodology as these costs are not part of school capital expenditure.</p>
<p>Long Service Leave Employee related expense for both teachers and administrative/support staff.</p>	Out of scope	<p>Not recognised in <i>My School</i> collection methodology.</p>
<p>Superannuation Employee related expense for both teachers and administrative/support staff.</p>	Out of scope	<p>Not recognised in <i>My School</i> collection methodology.</p>
<p>Umbrella Costs – Boards of Studies</p>	Out of scope	<p>Not recognised in <i>My School</i> collection methodology.</p>

The specific finance data collected for *My School* are:

My School data	Recurrent Income
	<p>Income received by a school, which is available for expenditure relating to the ongoing operating costs of schools (e.g. teaching and non-teaching staff salaries, school operating costs).</p> <p>Recurrent Income under My School reporting is classified under the following sources:</p> <p>Australian Government recurrent funding Income sourced from funding provided by the Australian Government for recurrent purposes.</p> <p>State Government recurrent funding Income sourced from funding provided by state and territory governments for recurrent purposes.</p> <p>Fees, charges and parental contributions Income received from parents for the delivery of education services to students.</p> <p>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.</p>
Inclusions	<p>Government</p> <p>A. Year level range for reporting - reflect school income for the preparatory year (year level prior to Year 1) to Year 12.</p> <p>B. Salary income items</p> <p>C. Operating (non-salary) income items</p> <p>D. Grant income items</p> <p>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</p> <p>F. Interest earned on school accounts in the accounting year</p> <p>G. Where gross recurrent income includes funding that is ultimately used to support capital works, this is deducted from net recurrent income and the funding transferred to capital works.</p> <p>H. School trust income 'in year'. Schools may receive funds from benefactors, parent bodies and school alumni associations for school activities.</p> <p>I. School-operated trading profits 'in year'.</p> <p>Non-government</p> <p>A. Commonwealth Government recurrent grants</p> <p>B. State/territory government recurrent grants</p> <p>C. State/territory government interest subsidy</p> <p>D. Private income – school fees (including from overseas students)</p> <p>E. Private income – other fee-related income such as levies and activity charges or income for excursions</p> <p>F. Private income – net proceeds (i.e. profit) from trading activities (bookshops, canteen)</p> <p>G. Private income – donations (community and building funds)</p> <p>H. Private income – gain from sale of assets (property, plant and equipment)</p>

Excluded	<p>Government</p> <p>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 current year.</p> <p>B. Salary balance sheet (accumulated) provisions for leave loading, superannuation and recreation leave – only annual income entitlements are included.</p> <p>C. School transport.</p> <p>D. Funds held outside the government school system and school</p> <p>E. School hostel income.</p> <p>F. Payroll tax.</p> <p>G. Income relating to closed schools for the purpose of My School reporting.</p> <p>H. Vocational Education and Tertiary (VET) income not designated as school related VET activity.</p> <p>I. Income relating to non-government school activities.</p> <p>J. Umbrella service costs undertaken by an organisation or unit for an education sector.</p> <p>K. Allowances paid directly to parents regarded as welfare payments.</p> <p>L. Money which the school receives from, or on behalf of, its students, and passes. on in full to a third party.</p> <p>M. Debt servicing from bank accounts.</p> <p>N. Depreciation.</p> <p>O. Income attributed to Year 1 minus 2 (and lower) students.</p> <p>Non-government</p> <p>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 current year.)</p> <p>B. School transport – to and from school/TAFE.</p> <p>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 alumni or religious organisation.</p> <p>D. School hostel income including residential boarding fees.</p> <p>E. Income relating to closed schools for the purpose of My School reporting.</p> <p>F. Vocational Education and Tertiary (VET) income not designated as school related VET activity.</p> <p>G. Income related to umbrella services undertaken by an organisation or unit for an education sector.</p> <p>H. Money which the school receives from, or on behalf of, its students, and passes. on in full to a third party.</p> <p>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.</p> <p>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.</p> <p>K. Income attributed to Year 1 minus 2 (and lower) students.</p>
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The specific finance data collected for NSSC finance data are:

Recurrent Income	Capital Expenditure
<ul style="list-style-type: none">• government school unit costs• employee-related expenses• redundancy payments• grants and subsidies• depreciation• other operating expenses• user cost of capital	<ul style="list-style-type: none">• capital/investing costs• value of capital assets for school education activities and related corporate entity.

The methodology and other associated material related to *My School* finance data classification can be obtained from the *My School* websiteⁱ.

Definitions and standardised terminology for the NSSC finance data are specified in the Notes Instructions Tables (NIT) document supplied to States/Territories by the GSFSG (Government Schools Finance Statistics Group).

ⁱ https://acaraweb.blob.core.windows.net/acaraweb/docs/default-source/resources/financial_data_reporting_methodology_2016.pdf