

EDUCATION, SCIENCE AND TRAINING

SENATE LEGISLATION COMMITTEE - QUESTIONS ON NOTICE 2006-2007 ADDITIONAL ESTIMATES HEARING

Outcome: 1.1
Output Group: Schools Resourcing Group

DEST Question No. E995_07

Senator Carr asked on 14 February 2007, EWRE Hansard page 142-143.

Question:

Islamic Schools

Senator CARR— A newspaper report says that it paid \$900,000 a year rent to the Australian Federation of Islamic Councils, which owns the land on which the school stands. The Bankstown council valued the land at \$3 million. Unimproved land value there normally attracts rent of about \$240,000, yet they are being charged \$900,000. The school reported to charge fees for accounting fees, cleaning costs and other items and the total amount charged to the school amounted to two thirds of the annual \$2 million budget. The Australian reported—this was on 25 March; it is not exactly a secret—the school was likely to raise \$1.5 million. In your investigations of the acquittals for the use of Commonwealth moneys, are you able to have a look at the accounts to establish what rents are paid?

Ms Brain—I am not sure whether the financial questionnaire goes to rent. The information collected is to monitor ongoing incomes and expenditures. Certainly, we receive the detailed financial information from the school and we also received signed-off audited statements regarding the accuracy of the information provided in the financial questionnaire.

Senator CARR— Have you had an opportunity to check whether there are 1,750 students enrolled at the school?

Ms Paul— My feeling would be that we cannot answer that, so I think we will have to take it on notice.

Answer:

Islamic Schools

Non-government schools provide information from their independently audited financial statements via the Financial Questionnaire. The Financial Questionnaire includes details of school expenses, with rent expenses grouped with operating lease expenses. Schools also provide a copy of the auditor's report on the financial statements, which advises whether the financial statements properly record the entity's financial position.

A sample of schools have their Financial Questionnaires verified against their school financial records by a qualified accounting firm contracted to the Department. Malek Fahd Islamic School has been a part of a previous verification exercise.

Malek Fahd Islamic School declared a total of 1748 students as at the 2006 school census day.