

Distribution of government recurrent funding in Anglican Schools Corporation

General

The recurrent funding received by Anglican Schools Corporation (ASC) from the Commonwealth and NSW governments is distributed by ASC to its schools – ASC being the owner and operator of each of ASC's schools.

The recurrent funding, along with any interest that might be earned on that funding, is used for the purpose of providing school education, that is, primary and secondary education.

The NSW Government currently directs recurrent funding to ASC schools on an individual school basis, while the Commonwealth Government directs recurrent funding to ASC on an aggregated basis – with ASC being the Approved System Authority (ASA) in respect of ASC's schools.

In respect of the Commonwealth's recurrent funding, the needs-based funding arrangement under which ASC, as the ASA for ASC's schools, distributes government recurrent funding is as follows:

- The overall distribution to schools is the sum of the amounts calculated for each individual school within the system – less the amount required to fund essential services provided for all schools, centrally by ASC, including corporate overhead costs.
- The loadings for disadvantage in respect of each school are the amounts estimated using the methodology set out in the Australian Education Act 2013 (AEA) and are as advised by the Commonwealth from time to time.
- The 'capacity to contribute' figure for each school (CTC) is that calculated according to the AEA and as advised by the Commonwealth from time to time.
- The notional student resource standard (SRS) amount per student per school (adjusted for CTC), as advised by the Commonwealth from time to time is adjusted, as necessary
 - to account for the funding of services provided for all schools, centrally by ASC, including corporate overhead costs, and
 - having regard to other government recurrent funding received – being mainly that provided by the NSW Government (including under NERA arrangements) which might otherwise not be allocated on a basis that accords with the SRS (less CTC) approach.
- An adjusted SRS is determined for each school, with the total amount for each school calculated by multiplying the relevant adjusted SRS amount per student by the number of students at the school.

Related matters

In general, the kinds of expenditure of recurrent funding in respect of each school are as follows:

- staff salaries including
 - principals and teaching staff
 - school support staff such as librarians, office staff and maintenance staff
 - management and administrative staff, IT, accounting, for services provided centrally
- school operations costs, such as office services, audit, etc
- facility and property costs, such as utilities, maintenance, etc
- debt servicing costs (interest and principal repayments)
- expenditure on equipment.

The staffing of each school is under the direct control of each school's principal (subject to ASC's budgetary requirements) and implicitly takes into account the Commonwealth's categories of disadvantage, which are as set out in the AEA:

- Students with Disabilities
- Aboriginal or Torres Strait Islander students
- Students with Low English Proficiency
- Low Index of Community Socio-Educational Advantage (ICSEA)
- Small schools
- Rural and Remote schools.

The total government recurrent funding in a calendar year is expended entirely within that year on eligible school-related expenses. No government recurrent funding is retained as a 'surplus'.

School fees and other income from private sources are spent or committed to be spent on school-related activities. In general, not all private income received is spent during the year in which it is received – because it is necessary to reserve some funds for future non-recurrent needs. These needs include:

- amounts used to cover depreciation and amortisation expenses, which are of a non-cash nature but are nonetheless necessary to cover future capital replacement and refurbishment costs
- funds for new and expanded school facilities to meet enrolment demand from population growth and other factors
- working capital reserves required to ensure financial viability in the event of delays in receipt of payments, or in respect of other risks, including unforeseen events.

Financial reporting

ASC provides detailed financial information to the Commonwealth annually for each of its schools – by way of the Financial Questionnaire (FQ), the Block Allocations under the Financial Accountability process and supporting data including audited financial statements.

This data is then used to create the dataset reported by the Australian Curriculum, Assessment and Reporting Authority (ACARA) on the publicly accessible *MySchool* website.

Separately, financial information about ASC is reported on the publicly accessible website of the Australian Charities and Not-for-Profits Commission (ACNC).

To meet reporting requirements for the NSW Education Standards Authority (NESA) and a number of Commonwealth reporting requirements, each ASC school publishes an annual report on school performance, which includes financial information.

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