

**ST JOSEPH'S NORTHAM
SCHOOL ADVISORY COUNCIL (SAC)
2022 BUDGET REPORT**

1.0 Summary

Description	Amount
Recurrent income see 1.1	\$11,541,000
Recurrent costs see 1.2	\$11,281,000
Recurrent surplus/(deficit)	\$ 260,000
Capital income	\$ 0
Capital costs see 1.3	\$ 2,565,000
Capital surplus/(deficit)	(\$ 2,565,000)
Total surplus/(deficit)	(\$ 2,305,000)
Opening cash & FTD balance	\$ 4,500,000
Add back non-cash depreciation & doubtful debts	\$ 890,000
Closing cash & FTD balance	\$ 3,085,000
Allocated as follows:	
January 2022 salaries	\$ 650,000
Deferred IT 2022	\$ 100,000
Deferred maintenance 2022	\$ 100,000
Stage 13 Secondary	\$ 2,000,000
Other reserves	\$ 235,000

For the year ending 31 December 2022, we will have a small recurrent surplus of \$260,000. This has been impacted by the drop in the State Grant of 7.1% and increases in staffing costs. The SAC is also aware of the drop in the State grant of 3.2% in 2023 and the drop in the Commonwealth grant of 6% in 2024.

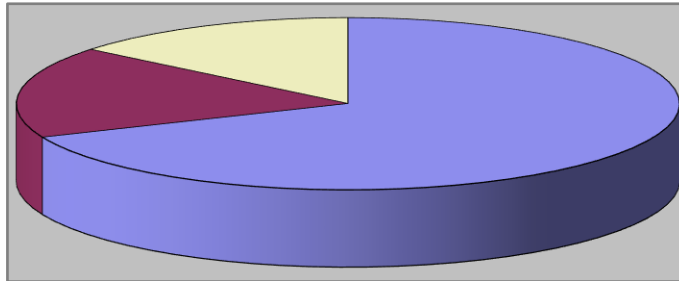
Our next Stage 12 building programme will start in 2022 and total costs of \$2,000,000. This is the major reason for the capital deficit of \$2,565,000.

We are using carry forward reserves of \$4,500,000 to cover this deficit and when you add back non-cash items of \$890,000, we have \$3,085,000 in reserve at the end of 2022.

Of this reserve, \$850,000 needs to be locked away for deferred salaries and maintenance per CEWA guidelines, leaving usable reserves of \$2,235,000. We are contemplating an additional build at Secondary for Stage 13, as they are running out of classrooms, with the potential of increased numbers at Secondary.

1.1 Recurrent Income - \$11,541,000

Percentage of Recurrent Income



Commonwealth Grants - 69%
State Grants - 17%
Fees & Other Income - 14%

Commonwealth grants (\$7,918,000 – 69%) have increased by the CEWA minimum guarantee of 1%. This minimum guarantee will remain in 2023, then the grant will reduce by around 6% in 2024, increasing by 2% from 2025.

State grants (\$1,991,000 – 17%) have reduced by 7.1%. In 2023, it will reduce by another 3.2%, then increase by 3% from 2025.

CEWA have recommended a fee increase of 3%, to compensate for the reduction in the State grant. The school has applied an increase of 2% to the tuition fees and building levy. The school has also included a new camp fee of \$100 for the Year 5's.

Fees (less discounts and adjustments) and other income (including canteen and uniform shop income) (\$1,632,000 – 14%) have gone up accordingly, with the increase in tuition fees and building levy.

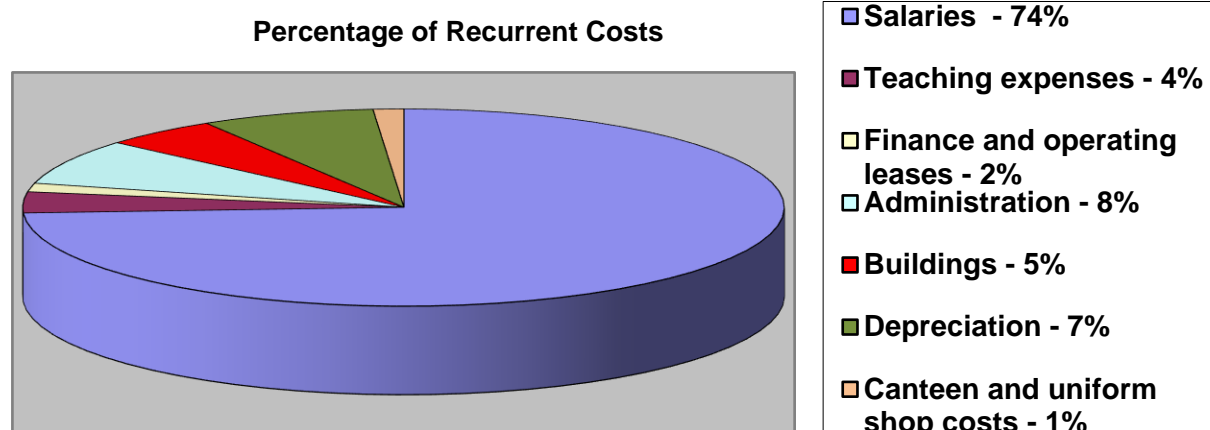
We are running two Pre-Kindy classes in 2022 and are double stream from Kindy to Yr 12. This involves a new Kindy class and a Pre-Kindy class from the start of the year. Student numbers are budgeted on 783 students, with the main increase in numbers coming from PP-Yr 10 (25 Pre-Kindy, 40 Kindy, 397 PP-Yr 6, 244 Yr 7-10 and 77 Yr 11-12) (752 in 2021, 679 in 2020, 673 in 2019)

Family levies are based on 458 families (408 in 2021, 409 in 2020, 400 in 2019) from Kindy to Yr 12.

The building levy covers around 80% of the principal and interest on long-term loans and leases taken out to finance facility development. The balance of the principal and interest is covered from recurrent income. The building levy is set at 20% of the Primary tuition, as per CEWA guidelines, so was increased by 3% as advised above.

The Capital improvement levy helps fund targeted projects, which the school is unable to fund from recurrent income. The levy will help in the costs of furnishing for the Stage 12 building programme.

1.2 Recurrent Costs - \$11,281,000



Salaries (\$8,357,000 – 74%) uses up 84% of the State and Government grants. CEWA advised salaries should represent no more than 75% of recurrent income. Our ratio is 72%.

The quantum of salaries has gone up from 2021. Apart from a general pay rise of 1%, salaries have increased to staff the extra classes in Primary. Salaries have also increased, as the school has decided to employ extra teachers at Secondary, to allow for the creation of Heads of Learning Areas (HOLA's). The school has also decided to employ more EA's, to support the increased number of students with disabilities.

Teaching expenses (\$389,000 – 4%) includes departmental costs, library costs and payments for excursions, incursions and camps.

Finance and operating leases (\$159,000 – 2%) are for interest and repayments on long-term loans and leases. This includes the following leases turned over every three years; 4 photocopiers, 220 Ipads, 50 desktops and 50 laptops.

Administration (\$843,000 - 8%) includes costs for items such as insurance, CEWA levies, catering and computer consumables.

Buildings (\$554,000 – 5%), represent costs incurred in the cleaning and upkeep of the buildings and grounds, vehicle costs and infrastructure costs such as water, electricity and rates.

Depreciation (\$833,000 - 7%).

Canteen and uniform shop costs (\$146,000 – 1%).

1.3 Capital Costs - \$2,565,000

We have the following capital allowances for asset replacements:

- General improvements - \$30,000
- General Primary and Secondary furniture - \$20,000
- General IT - \$20,000
- General plant - \$10,000

We have the following capital costs for targeted acquisitions:

- Secondary room 14 furniture - \$20,000
- Secondary room 14 IT - \$5,000
- Primary Stage 12 furniture - \$20,000
- Primary Stage 12 IT - \$25,000
- Secondary tutorial room furniture - \$5,000
- Secondary room 4 operable wall - \$20,000
- Secondary room 4 IT - \$5,000
- Primary and Secondary PA - \$65,000
- IT back-up hardware - \$5,000
- Internet cabling - \$10,000
- Primary iPad charging station - \$5,000
- Primary nature playground balance - \$45,000
- Primary music equipment - \$5,000
- Primary fence - \$100,000
- Principal car - \$35,000

We have Stage 7 Principal repayments of \$75,000 and lease repayments of \$40,000. This includes lease costs for the Primary and Secondary solar panels, and lease costs to change over the White bus.

We will start our Stage 12 building programme in 2022. This will cost \$2,000,000.