

2023 AGM Finance Notes

14.11.23

1. Welcome and introduction

Good evening...

I am making the presentation tonight on behalf of Rick Bryant - SAC Finance representative, who is unfortunately unable to attend the meeting.

The presentation provides a summary explanation of the school's finances for 2023, together with the 2024 fee schedule.

2. Recurrent Income

Made up of 5 primary sources, Recurrent income is used to finance the day to day operating expenses of the school.

- a. **Private income** from fees represents 23% of our annual recurrent income. The school received \$4.89M from recurrent Tuition and Compulsory Fees in 2023, after providing \$534,500 in discounts and fee concessions.
- b. **Other recurrent income** includes enrolment application fees, donations made to the school, commissions and various annual or short term grants such as music, sport and waterwise grants.
- c. **The State Government** provides Base Allocations to the college, funding the school on a per-capita basis. We were funded \$3.58M from the State Government in 2023.
- d. **Australian Govt Grants**
Representing our highest source of annual recurrent income, the Federal Government contributed \$11.4M to the college in 2023, to assist with operational costs.
- e. In addition to the per capita funding from the State and Federal Governments, extra grants were received to support Students with diagnosed Disabilities and Aboriginal & Torres Strait Islander students, and to assist with the set up of facilities for our first cohort of Year 12 students in 2023.
- f. CEWA Limited continue to provide Debt Servicing Assistance to the school, used to service the interest and principal payments on loans taken out to fund the buildings. The money paid to the school for Debt Servicing Assistance comes from the Co-Responsibility Fund, into which all schools, including MTCC, contribute funds each year as part of our annual budget expenditure. The amount of Debt Servicing Assistance we receive depends on our projected recurrent income and total cost of loans, so although it dropped slightly in 2023, it will increase again in 2024 to account for our Stage 6 & 7 loans.
- g. **Trading Income** includes OSH Club, 3YO Kindy and the Uniform Shop sales.
 - i. Uniform prices are kept to a minimum to limit the financial pressure on

parents. We have seen some increases coming through from manufacturers, but continue to source our uniforms from several suppliers to maintain competition and to keep the costs down, where possible

- ii. The uniform apparel industry appears to be recovering from the worldwide manufacturing and supply issues faced in 2022 following Covid 19. However, to avoid the risk of uniforms not arriving on time for our students, we continue to place early indent orders and are retaining higher stock levels. Families continue to place orders for multiple uniform items, which can put pressure on our stock levels, but this is being managed by shop staff where possible.

The school reported an 11% increase overall in recurrent income in 2023. This is primarily due to continued strong enrolment growth and annual indexation on fees and grants.

In addition to the funding sources identified above, the Friends of Mother Teresa have undertaken significant fundraising activities this year, raising funds for the purchase of student resources and amenities that the school could not otherwise obtain. It is a testament to our college community, and the hard work of the Friends of Mother Teresa, that we have had the benefit of receiving this income in 2023, which will be expended on student resources this financial year.

3. Recurrent Expenses

- a. The EBA negotiations continued throughout 2023, with the Teachers EBA recently resolving by vote. The agreed lump sum payment and back pay, which formed part of the negotiations, will be paid to teachers in 2023.
- b. Salaries and associated on-costs accounted for 73% of total operational costs in 2023, and were 79% of our recurrent income (excluding Debt Servicing income)
- c. The 2023 curriculum and departmental costs increased proportionally with higher student numbers and the new classes accommodating the extra third stream class in Year 3, and our first Year 12 cohort.
- d. Finance costs reflect the interest paid on existing loans this year. Our Low Interest Loans are at a fixed rate however the Catholic Development Fund (bank) loans are at market rates which continue to climb as the Reserve Bank cash rate increases.
- e. Operational costs captured in this line include services and utilities, insurances, levies, leases, subscriptions, staff professional development and training. Overall, our operating costs saw an increase in 2023, reflecting higher staff and student numbers, as well as the upward trend of inflation.
- f. Property and maintenance costs also increased in 2023, which was anticipated given the growth of the school, together with increased prices being charged by many of the service trades.
- g. The college will be holding approximately \$350K of uniform stock at the end of 2023, in preparation for increased student numbers in 2024. The college extended our contracts with OSH and Trailway (Canteen operations) in 2023 and beyond.

- h. Depreciation will continue to increase as we complete the capital development of the college.

4. Recurrent Expense per Student

- a. Overall recurrent expenditure per student increased by 5.5% between 2022 and 2023, which reflects higher enrolment numbers, more staff and new buildings and facilities and rising inflation.

5. Assets

- a. The College holds \$56M in depreciated assets, plus \$14M work in progress for stages 6 & 7 and planning costs for stage 8.]

6. Loans

- a. The College building projects continue to be funded through State Government Low Interest Loans, CDF Bank Loans and Capital Grants from the Australian Government.
- b. The school owed a total of \$47.6M at the commencement of 2023
- c. New loans for Stages 6 and stage 7 were drawn in 2023, adding \$10.6M to our loan balance in 2023. The school will owe a total of \$53M in buildings loans at 31 December 2023.

7. Enrolments

- a. The College continues to see strong enrolment growth, with a projected student base of 1482 students from K-Y12 in 2024.
- b. This will include three stream Kindy to Year 4 and higher numbers of students rolling through to the upper secondary years.

8. 2024 School Fees

- a. In accordance with CEWA recommendations, the school has increased fees 2% for 2024.
- b. As in previous years, there are some fees that are additional to the school fee schedule. These are specific to year groups/activities and include additional resources particular to a year group, sacramental programs, therapy costs, camps and excursions, booklists and iPad program costs, and
- c. Excursion and swimming costs, which continue to be heavily subsidised by the College in 2024.
- d. The College has endeavored to keep additional charges to parents to a minimum.
- e. Families with two or more siblings enrolled at MTCC in Pre-Primary to Year Twelve will continue to be entitled to Sibling Discounts. These will be automatically credited to school fee statements in 2024.

- f. Families holding eligible Pensioner or Health Care Cards are entitled to apply for a discount under the CECWA HCC Discount Scheme. The discount will apply to Tuition Fees, Amenities Levy, and Building Levy. Third-party charges, such as Booklist, Camps, Screening etc. are direct on-charges from external suppliers are not discounted under the HCC Discount Scheme.
- g. Families will be invited to submit their HCC application form and a copy of their card in January 2024.
- h. The Department of Education continues to offer the Secondary Assistance Scheme for holders of eligible cards. If a family holds a PPS or Health Care Card, they are asked to submit the Secondary Assistance Application. This provides parents with \$115 towards uniform costs. Information regarding the program will be issued electronically with school fee statements in 2024. Secondary Assistance Application forms are available at the office or by contacting the finance department
- i. Families facing financial hardship are invited to apply to the College for a School Based Discount or extension of time to pay fees. Please contact the College Finance staff to arrange a meeting to discuss, if required.
- j. The School operates under CEWA Ltd School Fees Policy. The College Fee Collection Procedure and 2024 Fee Schedule will be available on the College website in December 2023.
- k. Families withdrawing their children from the College are required to provide one term's notice in writing to the Principal. Parents are liable for a terms fees in lieu of notice if minimum notice is not received.
- l. Any queries regarding fees or fee-related matters should be directed to the Finance Office please.

9. Thank You and Conclusion

I would like to thank our families for their continued support of the College, and commitment to settle their fees within the terms of the Fee policies. This allows the school to meet our financial commitments and ensures the financial sustainability of the College.

I would also like to thank all staff at the College for their ability and willingness to work within, at times, very tight financial restraints, and for the work that goes into preparing and managing the annual classroom and departmental budgets. It is through the commitment and continued support of all staff that the College is able to provide the facilities and resources to our students, enabling their learning journey at MTCC.

Thank you, and good evening.