

# **Tereora Parent Teacher Association (PTA) - Proposed 5 Year Budget 2022 - 2026**

The Tereora PTA welcomed, at the last School Community meeting held 26 August 2021, the Financial Secretary Mr Garth Henderson invitation for Tereora College to submit a sound proposal re: additional operational funding needs to be considered by the Ministry of Finance before the end of the year as part of government's budget processes.

The purpose of this background information paper is to provide some context to Tereora's financial predicament and to accentuate the material impact the lack of operating expenditure budget is having on the ability of the school to deliver a comprehensive, quality, secondary school education to the future leaders and people of this country.

As noted at the meeting, and captured in the school's financial reports, Tereora is materially reliant upon significant PTA fundraising to meet the absolute minimum costs of keeping the school afloat. This is far from a desirable model in which to fund the National College, mandated with delivery of the Year 9 to Year 13 academic curriculum and vocational subjects.

As the roll of the school has grown markedly over a number of years, unfathomably there has been zero corresponding increase in operating expenditure budget. Likewise, as new buildings have been constructed, attracting higher operational costs, zero extra expenditure provision has been extended to cover the day-to-day expenses of running these new classroom facilities. Further, equipment and materials necessary to ensure optimal delivery and uptake of an expanded NCEA curriculum has also not materialised.

The National College has operated on a shoe-string budget for many years, having been left with no option but to implement enforced savings measures - to cut costs - resulting in a direct negative impact on the students enrolled at Tereora College. To illustrate, the PTA and Tereora Management have had no option but to:

- Reduce school days from 6 classes, to 5 classes (a 16% reduction in learning time per day), to avoid overspending;
- Reduce the elective options available to students, meaning a pending shortage in some critical vocational areas attributable to lack of funding to resource the classes eg. Horticulture, Computer Science, Hospitality;
- Rely on the New Zealand Ministry of Education for resourcing, continuing professional development and an embarrassing high level of 'piggy-backing' to enable delivery of the minimum Secondary School curriculum;
- Turn to aid donors and external aid agencies to provide an alternative line of funding, given the inadequate operating budget funded by the Crown; and to
- Cease utilising the new buildings and infrastructure, due to no provision of operating costs associated with running the new facilities;
- Limit NCEA subject offering and or numbers or students in class for lack of operating budget to deliver effectively and stretched teaching resources

The above depicts an extremely unsatisfactory situation.

The school is at financial breaking point.

There are no further measures that can be taken to reduce costs, and in today's environment the fundraising levels – as achieved in the past – can simply no longer be sustained.

Furthermore, there are pending costs connected to the change in NCEA – effective from next school year (2022) that there is currently no mechanism to fund nor resource and recalibrate subject matter delivery and teachers re-orientation. In New Zealand, preparatory systems and teacher's recalibration have been underway for well over a year.

There is only one solution, the Crown Appropriation directed to Operating Expenditure at Tereora College must increase.

As per **Appendix A**, the PTA and School Management are seeking an increase of \$150,000 per annum, from 2022 to 2026, as outlined on the two page proposed 5-year budget. As illustrated on the Surplus/(Deficit) line the annual shortfall ranges from \$155k-\$185k in the immediate years, and while no inflation increases in costs has been factored the reality will be greater expenses in the later years. Meaning that even with a \$150,000 increase the College will remain constrained in some areas.

Crucially, to ensure that Tereora students remain abreast of technological advancements, this 5-year proposed budget does include the student laptop, and other key asset resource, replacement plan.

**Appendix B** provides a summary of the student roll over the past five years, as against the MoE budget, sadly highlighting that the operational funding per student has declined from \$212 in 2017/18 to \$201 in 2021/22.

As a consequence of COVID impact, current and future students of Tereora, where most of our children who progress to NCEA levels of study complete their secondary education, are going to inherit the highest levels of national debt this country has ever assumed. It is the respectful view of the PTA that responsible Government requires at a minimum allocation of an additional NZ\$150,000 for the forward 5 years towards Tereora's operating budget if Tereora management, teachers and community are to deliver critical education that will equip our children to survive in the future Cook Islands.

**Appendix C** provides details of the PTA Income and Expenditure for the last 6 years.

**TEREORA COLLEGE****Appendix A****Proposed Budget for the 5 years ended 31 December 2026****Joint MOE and PTA**

Year ended 31 December :	2022	2023	2024	2025	2026
<b>INCOME</b>					
MOE operational budget	144,000	144,000	144,000	144,000	144,000
MOE IT capex budget	22,000	22,000	22,000	22,000	22,000
Electricity funding	75,000	75,000	75,000	75,000	75,000
Fundraising	20,000	20,000	20,000	20,000	20,000
Course / Subject fees	40,000	40,000	40,000	40,000	40,000
Canteen rental	21,000	22,000	21,000	23,000	22,000
School fees	22,000	22,000	22,000	22,000	22,000
Mufti / Kia Orana days / Donations	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
<b>TOTAL INCOME</b>	<b>\$350,000</b>	<b>\$351,000</b>	<b>\$350,000</b>	<b>\$352,000</b>	<b>\$351,000</b>
<b>EXPENDITURE</b>					
<b><u>Administration</u></b>					
Administration	5,000	5,000	5,000	5,000	5,000
Advertising	800	800	800	800	800
Bank Fees	1,000	1,000	1,000	1,000	1,000
Communications	500	500	500	500	500
Consumables	9,000	9,000	9,000	9,000	9,000
Fuel	2,000	2,000	2,000	2,000	2,000
Freight, postage, courier	1,500	1,500	1,500	1,500	1,500
Other	2,500	2,500	2,500	2,500	2,500
Printing & toners	20,000	20,000	20,000	20,000	20,000
Professional services	1,000	1,000	1,000	1,000	1,000
School donations	2,000	2,000	2,000	2,000	2,000
School projects	10,000	10,000	10,000	10,000	10,000
Stationery	17,000	17,000	17,000	17,000	17,000
Subscriptions	11,000	11,000	11,000	11,000	11,000
<b><u>Occupancy</u></b>					
Cleaning products	5,000	5,000	5,000	5,000	5,000
Cleaning services	17,000	17,000	17,000	17,000	17,000
Depreciation	12,000	12,000	12,000	12,000	12,000
Electricity	100,000	100,000	100,000	100,000	100,000
General maintenance	5,000	5,000	5,000	5,000	5,000
<b><u>Staff Welfare</u></b>					
Professional development	5,000	5,000	5,000	5,000	5,000
Staff amenities	2,000	2,000	2,000	2,000	2,000
Staff gifts	1,000	1,000	1,000	1,000	1,000

**Student Welfare**

Buses		3,000	3,000	3,000	3,000	3,000
Course materials		90,000	90,000	90,000	90,000	90,000
NCEA		10,000	20,000	20,000	10,000	0
Safety equipment		300	300	300	300	300
School events		20,000	20,000	20,000	20,000	20,000
Student acknowledgements		5,000	5,000	5,000	5,000	5,000
Student projects		3,000	3,000	3,000	3,000	3,000
<b><u>Asset Replacement Plan</u></b>						
IT	Laptops	62,400	62,400	62,400	62,400	62,400
	Data projector	7,000	7,000	7,000	7,000	7,000
	I-pads	12,500	12,500	12,500	12,500	12,500
	Printers	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>
		<u>84,900</u>	<u>84,900</u>	<u>84,900</u>	<u>84,900</u>	<u>84,900</u>
Resources	Photocopier	26,000				
	Photocopier - staff		12,000			
	Photocopier - students			10,000		
	Hospitality equipment	12,534	12,534	12,534	12,534	12,534
	Building construction R21		12,000			
	Building construction T6		32,500	32,500		
	Horticulture equipment	4,000	4,000	4,000	4,000	4,000
	Musical equipment	2,500	2,500	2,500	2,500	2,500
	PE equipment	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>
		<u>46,234</u>	<u>76,734</u>	<u>62,734</u>	<u>20,234</u>	<u>20,234</u>
Property	Blower		600			600
	Fans		500			500
	Lawn mower		800			800
	Weedeater		<u>800</u>			<u>800</u>
		<u>0</u>	<u>2,700</u>	<u>0</u>	<u>0</u>	<u>2,700</u>
<b>TOTAL EXPENDITURE</b>		<u>\$492,734</u>	<u>\$535,934</u>	<u>\$519,234</u>	<u>\$466,734</u>	<u>\$459,434</u>
<b>SURPLUS / (DEFICIT)</b>		<u><b>(\$142,734)</b></u>	<u><b>(\$184,934)</b></u>	<u><b>(\$169,234)</b></u>	<u><b>(\$114,734)</b></u>	<u><b>(\$108,434)</b></u>

**Summary of Student Numbers**

Financial year :	2017/18	2018/19	2019/20	2020/21	2021/22
Breakdown by gender					
Female	338	343	370	381	372
Male	<u>326</u>	<u>341</u>	<u>378</u>	<u>346</u>	<u>343</u>
<b>Total number of students</b>	<b><u>664</u></b>	<b><u>684</u></b>	<b><u>748</u></b>	<b><u>727</u></b>	<b><u>715</u></b>
Breakdown by year group					
Year 9	142	139	159	142	132
Year 10	118	116	136	160	135
Year 11	142	149	162	130	159
Year 12	150	158	153	162	145
Year 13	<u>112</u>	<u>122</u>	<u>138</u>	<u>133</u>	<u>144</u>
<b>Total number of students</b>	<b><u>664</u></b>	<b><u>684</u></b>	<b><u>748</u></b>	<b><u>727</u></b>	<b><u>715</u></b>
<b>MOE operational budget</b>	<b><u>\$141,000</u></b>	<b><u>\$143,000</u></b>	<b><u>\$145,000</u></b>	<b><u>\$156,000</u></b>	<b><u>\$144,000</u></b>
<b>Operational funding per student</b>	<b><u>\$212</u></b>	<b><u>\$209</u></b>	<b><u>\$194</u></b>	<b><u>\$215</u></b>	<b><u>\$201</u></b>

**TEREORA COLLEGE****Appendix C****PTA Income and Expenditure for last 6 years**

Year ended 31 December :	2015	2016	2017	2018	2019	2020
<b>INCOME</b>						
MOE operational budget	72,967	103,541	100,615	109,364	26,399	21,215
Fundraising	6,588	2,134		76,330	69,052	18,143
Course fees				43,208	34,508	35,346
Canteen rental	25,684	18,633		18,180	20,025	7,905
NCEA fees	25,118	24,944		27,001	1,522	
School fees	22,857	22,782		25,311	22,914	18,763
Student fees	2,800	19,120				
Hall hire	4,150	2,150		3,100	2,770	560
Food & cultural festival	34,463	41,625				
Calculator fees	9,380	6,560		3,780	8,105	4,090
Mufti / Kia Orana days		6,425		2,174	4,177	4,486
Donations & sundry	<u>41,084</u>	<u>44,781</u>	<u>238,560</u>	<u>29,308</u>	<u>95,671</u>	<u>14,925</u>
<b>TOTAL INCOME</b>	<b>\$245,091</b>	<b>\$292,695</b>	<b>\$339,175</b>	<b>\$337,756</b>	<b>\$285,143</b>	<b>\$125,433</b>
<b>EXPENDITURE</b>						
<u>Administration</u>						
Administration	20,649	6,711	90,341	57,437	12,317	22,893
Advertising	2120	234	924	2,609	769	959
Bank Fees	831	287	314	288	601	401
Calculators		7,750		3,018		
Communications		8,700				
Fundraising activities		500		1,015	26,612	
Freight, postage, courier	2,201			235	2,583	170
ICT	36,762	2,592				
MOE expenses		117,052	38,263			
Other	42	1,040	4,034	2,264	3,484	275
Printing & toners	9,202	1,198				
School donations				500	787	2,500
School projects					3,108	21,597
Stationery	9,922	2,925		675	705	889
Van expenses	4,053	1,674				
<u>Occupancy</u>						
Cleaning services (wages)	12,671	10,283	9,442	18,168	19,870	17,766
Depreciation		6,205	7,666	9,925	12,311	16,152
General maintenance	23,954	10,534	3,418	24,173	8,920	13,997
<u>Staff Welfare</u>						
Staff amenities	5,584	4,047	2,901	4,515	3,103	3,764
Staff function			2,200			
Staff gifts	882	1,858	748	1,178	276	1,901
<u>Student Welfare</u>						
Course materials	24,537	16,523	20,635	55,256	56,365	47,864
First 15 expenses			125,338			
NCEA	25385	24,924		27,123	1,522	
School events	48,301	27,137	13,917	96,790	89,323	27,528
Student acknowledgements	4,713	5,162	6,805			
Student projects		2,234	7,661	18,345		
<u>Asset Replacements</u>	<u>1,380</u>	<u>4,101</u>	<u>2,616</u>	<u>9,652</u>	<u>12,727</u>	<u>2,239</u>
<b>TOTAL EXPENDITURE</b>	<b><u>\$233,189</u></b>	<b><u>\$263,671</u></b>	<b><u>\$337,223</u></b>	<b><u>\$333,166</u></b>	<b><u>\$255,383</u></b>	<b><u>\$180,895</u></b>
<b>SURPLUS / (DEFICIT)</b>	<b><u>\$11,902</u></b>	<b><u>\$29,024</u></b>	<b><u>\$1,952</u></b>	<b><u>\$4,590</u></b>	<b><u>\$29,760</u></b>	<b><u>(\$55,462)</u></b>