



Dear 

Thank you for your email of 21 February 2017 requesting the following information:

Could you please provide a list of Otago state and state-integrated schools that posted net operating deficits in the 2015 and 2016 financial years and what the deficits are (\$). It would also be great if the ministry could provide some comment around the figures.

Your request has been considered under the Official Information Act 1982 (the Act).

A school's operating balance (surplus or deficit) is just one measure of a school's financial health, and should be seen alongside other measures, such as working capital, retained earnings and cash reserves. We look at all these financial indicators in assessing a school's situation, as well as looking at the pattern over previous years.

An operating deficit may be short-term, or may be balanced by large cash reserves. Schools may also plan to run a deficit as part of a strategic plan to provide additional resources or particular programmes to students over a particular time frame. It would be misleading to suggest that an operating deficit, on its own, is indicative of financial issues at a school.

Approximately 40% of schools in the Otago region recorded net operating deficits in the 2015 financial year (1 January to 31 December). This is consistent with the national level figures that year with approximately 38% of schools recording a net operating deficit. The number of Otago schools reporting an operating deficit in 2015 was down slightly from 62 schools reporting an operating deficit the previous year.

I have attached, as **Appendix One**, a list detailing the Total Comprehensive income¹ of those schools in the Otago region which posted net operating deficits for the 2015 calendar year. To set these figures in the appropriate context, I have also included the retained earning balance² of each of those schools. As you will see, each of the schools had a positive retained earning balance over the period in question.

¹ Comprehensive income is school's total income from all sources, minus its total costs and expenses

² Operating surpluses from previous years which may be used, for example, to repay debt or be reinvested into the operations of the school at a future time.

Where schools have persistent financial difficulties, we offer Boards of Trustees additional support and advice. These measures can include:

- Discretionary funds which provide schools with support intended to resolve issues as quickly as possible, including meeting the cost of a statutory intervention where a school cannot meet this cost themselves. Statutory interventions provide independent expertise and a fresh perspective to issues that a school has been struggling to resolve.
- Where appropriate, we can provide a capital injection for schools with high debt levels.
- We may recommend the appointment of a Specialist Advisor, who assists the board with this particular aspect of their governance role.
- We can appoint a Limited Statutory Manager, or dissolve the school board and appoint a Commissioner.

You can find more information about school finances on the Ministry's website at:

<http://www.education.govt.nz/school/running-a-school/school-finances/>.

We do not hold operating deficits data for the 2016 year. As indicated above, the financial year for schools ends on 31 December and the annual reporting process is just commencing. Schools have until 31 March to submit their annual accounts to auditors for the annual audit and the statutory deadline is 31 May for audited financial statement to be submitted to the Ministry. For this reason, I am refusing this part of the request under section 18(e) of the Act as the requested information does not yet exist.

I trust the information provided is of assistance. Should you have any concerns with this response, I would encourage you to raise these with the Ministry. Alternatively, you are advised of your right to ask an Ombudsman to review this response. You can do this by writing to info@ombudsman.parliament.nz or Office of the Ombudsman, PO Box 10152, Wellington 6143.

Yours sincerely



Katrina Casey
Deputy Secretary
Sector Enablement and Support

APPENDIX A: Schools with net operating deficit, Otago Region, 2015

<u>INST NO</u>	<u>NAME</u>	<u>AMOUNT</u>	<u>Retained Earnings</u>
3839	Tahuna Normal Intermediate	-\$312,769	\$641,136
365	Waitaki Boys' High School	-\$297,301	\$2,212,471
6783	Remarkables Primary School	-\$218,181	\$559,076
382	Bayfield High School	-\$190,877	\$239,831
373	Cromwell College	-\$152,455	\$1,903,567
387	John McGlashan College	-\$123,784	\$634,935
390	Lawrence Area School	-\$119,213	\$177,612
4005	Queenstown School	-\$114,120	\$1,715,551
3795	Outram School	-\$107,013	\$554,460
372	Dunstan High School	-\$83,521	\$2,589,174
378	Otago Girls' High School	-\$75,582	\$3,374,120
381	Kaikorai Valley College	-\$66,680	\$235,654
3768	Maori Hill School	-\$60,439	\$325,954
536	Kavanagh College	-\$57,998	\$487,822
3743	Green Island School	-\$56,830	\$319,400
3703	Andersons Bay School	-\$50,591	\$310,755
3749	Heriot School	-\$49,618	\$238,239
394	The Catlins Area School	-\$47,048	\$476,927
3855	Waitahuna School	-\$45,217	\$105,469
3827	St Joseph's Cathedral School	-\$39,611	\$72,706
3858	Waiwera South School	-\$39,034	\$119,663
3790	Opoho School	-\$38,870	\$402,850
3844	The Terrace School (Alexandra)	-\$38,494	\$964,098
3803	Port Chalmers School	-\$36,278	\$420,013
3719	Brockville School	-\$36,132	\$104,912
3736	Fairfield School (Dunedin)	-\$33,369	\$755,798
3718	Broad Bay School	-\$28,991	\$139,511
3724	Clutha Valley School	-\$26,947	\$457,264
3826	St Joseph's School (Balclutha)	-\$24,104	\$94,162
3820	St Brigids School (Tainui)	-\$23,840	\$29,884
3762	Macandrew Bay School	-\$21,620	\$148,540
3829	St Leonard's School (Dunedin)	-\$20,356	\$52,658
3843	Tarras School	-\$20,006	\$117,755
3852	Waikouaiti School	-\$18,835	\$215,581
3716	Bradford School	-\$17,264	\$264,367
3845	Tokoiti School	-\$17,232	\$263,402
3836	Stirling School	-\$15,647	\$68,834
3756	Karitane School	-\$15,087	\$144,730
3723	Clinton School	-\$15,012	\$293,398
3828	St Joseph's School (Port Chalmers)	-\$14,981	\$34,991
607	Big Rock Primary School	-\$13,945	\$43,987
3801	Pine Hill School (Dunedin)	-\$13,774	\$114,681
3808	Ravensbourne School	-\$8,716	\$106,279
1192	Dunedin Rudolf Steiner School	-\$8,083	\$41,777
3727	Concord School	-\$7,649	\$113,882
3823	St Gerard's School (Alexandra)	-\$6,815	\$46,685
384	Queens High School	-\$6,112	\$456,958

3700 Abbotsford School	-\$5,903	\$280,864
3850 Waihola District School	-\$5,471	\$478,960
3837 Strath Taieri School	-\$4,900	\$359,753
3857 Waitati School	-\$4,714	\$144,629
3819 St Bernadette's School (Forbury)	-\$4,564	\$171,312
3807 Purakaunui School	-\$3,999	\$111,062
3805 Portobello School	-\$3,282	\$299,560
1657 Silverstream (South) Primary School	-\$3,257	\$922,061
3738 Five Forks School	-\$2,083	\$225,747
3862 Warrington School	-\$2,055	\$127,937
376 Logan Park High School	-\$1,729	\$329,224
3754 Kaitangata School	-\$1,410	\$201,598

Released under the OIA