What is an annual budget?

An annual budget is a financial plan for the calendar year. It outlines how the school is going to provide funds so it can implement its strategic plan in that year. (http://www.education.vic.gov.au/management/governance/schoolcouncils/strategicplanning.htm).

The annual budget outlines:

- The total revenue available to the school for that year
- How the school is going to use the funds to support the strategic plan
- The plans for each particular program (for example literacy, maths, LOTE) operating in the school.

Does my school have to have an annual budget?

Yes, all Victorian government schools are required to develop an annual budget. It is one of the school’s key plans.

Schools have limited funds so it is important to use resources as efficiently as possible. The school council works to get the best results for revenue and expenditure through a carefully planned annual budget.

What should be in the annual budget?

- The total revenue available to the school for that year. This includes:
  - What the school gets from the Government in the Student Resource Package (SRP)
  - Funds held in all school bank accounts
  - Revenue raised from subject contributions, donations, bank interest, fundraising activities and other sources.
- How the school is going to use the funds to implement the strategic plan
- A description of the major plans for each particular program operating in the school, the funds to be spent in that program, and (usually) the person who will be in charge of that program.

What is school council’s role?

School council is responsible for approving the annual budget. Once it is in operation, council should regularly monitor the budget variances to make sure it is on track. A school’s Operating Statement is the key report school council should use to monitor the budget against the actual revenue and expenditure.
How is the annual budget usually developed?

1. All programs are reviewed and draft plans for the following year are created, together with a spending plan for each program.

2. While this is happening, the principal or business manager calculates the total funds that will be available for the coming year. This should consider not only new money the school will receive in the new year, but also funds brought forward from previous years, regardless of whether they are committed or uncommitted.

3. Once the school knows how much revenue is available, the finance sub-committee matches the funds available against all the cost estimates and spending plans to work out which programs can and cannot be funded.

4. The priorities for funding have already been worked out in the school’s strategic plan.

5. Once all the available funds have been allocated, the finance sub-committee should create a list of future priorities to fund when more money is available.

6. The annual budget should then be fully documented and when ready, submitted to school council for discussion and approval.

Where do I find out more?

For further information see:


Various DEECD websites