



## **Analysis of Revenue Sources and Alternatives at Minaret College, Australia 2023–2024**

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### **Keywords**

educational revenue;  
government grants;  
financial diversification;  
financial governance;  
community  
philanthropy

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### **Abstract**

This article aims to analyze the structure and development of Minaret College's revenue in Australia, with a focus on the 2023–2024 financial report. The research method employs a qualitative approach using the 2023–2024 financial report text. Data analysis utilizes quantitative percentage analysis and qualitative descriptive interpretation. The results show that the institution's income is predominantly derived from government grants (federal and state), accounting for more than 85% of total revenue. In 2024, total income increased by 6.49%, with the main contributions coming from federal government grants (65.23%) and state grants (19.77%). Other income sources, including parental contributions and paid program revenues, exhibited slower growth but remain essential for financial diversification strategies. This article highlights the institution's need to develop more sustainable alternative income sources, such as endowment funds, paid programs, and community-based philanthropy. Financial management is conducted transparently through publication on the institution's website and the ACNC (The Australian Charities and Not-for-profits Commission). To enhance trust and partnership opportunities, the institution is audited by the independent auditor Bunnet & Bassal Pty Ltd. This study offers strategic policy recommendations to improve the financial independence of Minaret College and ensure its operational sustainability in the context of evolving global education policies.

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## INTRODUCTION

School income is defined as all funds received by the school from various sources, including the government, parents, donors, and the school's own enterprises. These funds are used to conduct learning activities, maintain and develop facilities, and support educational services. Each source contributes differently, collectively forming the school's budget [1]. This means that school income encompasses all funds obtained from various sources, such as the government, parents, community donors, and school enterprises, to finance operations, maintenance, facility development, and the improvement of learning quality.

Financial sustainability of educational institutions is a crucial factor in ensuring the quality of services and long-term operational stability. Academic institutions, particularly nonprofit Islamic schools in Australia, face challenges in maintaining financial independence amid rising operational costs and a growing reliance on public funds. Diversification of income sources has become a crucial strategy for strengthening financial resilience and reducing fiscal dependency on government grants [2].

Australia's education funding system has unique characteristics, involving significant contributions from both federal and state governments, as well as community support through tuition payments and donations. This model is designed to ensure equitable quality of education across sectors, including faith-based schools (Preston, 2025). However, several studies show that a high dependence on public funding can lead to fiscal vulnerability if there are changes in subsidy policies or shifts in education budget priorities [3,4].

Islamic schools such as Minaret College in Melbourne serve as examples of nonprofit Islamic educational institutions that have grown rapidly through a combination of public funding and community contributions. In 2024, the school had 2,892 students and 392 staff members, representing a significant increase from the previous year. This growth directly impacts funding needs for infrastructure, human resources, and learning programs. However, based on the Annual Report 2023–2024, more than 85% of the school's income still came from government grants, while parental contributions accounted for only about 11–12% of total income. This imbalance indicates that the financial self-sufficiency capacity of Islamic educational institutions in Australia remains weak [5,6].

In the context of educational financial management, several international studies emphasize the importance of income diversification strategies to strengthen the financial sustainability of nonprofit educational institutions. These strategies include optimizing the school's physical assets, developing paid educational programs, strengthening alumni networks and Islamic philanthropy, and engaging in long-term social investments [7–9]. Such efforts not only enhance financial independence but also reinforce the social legitimacy of Islamic educational institutions as part of the national education system [10].

Based on this background, this study aims to analyze the structure, growth trends, and dependency of Minaret College's income sources in Australia during 2023–2024, as well as to formulate alternative income diversification strategies that can strengthen the financial sustainability of Islamic educational institutions in Australia. This study is expected to contribute theoretically to the literature on Islamic education financial management, while also serving as a practical reference for policymakers and school administrators in developing transparent, adaptive, and sustainable funding strategies.

One of the main challenges faced by nonprofit Islamic educational institutions in Australia is the high dependency on government grants. Although these grants provide short-term stability, fluctuations in government policy can affect the income received by such schools. Therefore, it is important to develop more independent and sustainable funding mechanisms. In addition, funding through parental contributions and donations can be strengthened by enhancing paid programs relevant to community needs, such as extracurricular courses, holiday education programs, and exam preparation classes. Thus, Minaret College and other Islamic schools can reduce their dependence on public funds without neglecting their educational mission.

Revenue diversification through philanthropic strategies is a strategic step worth considering. Engaging alums in fundraising activities, such as charity events and donations for endowment funds, can help create sustainable financial resources. Community-based philanthropy, which includes participation from parents, local communities, and entrepreneurs, can also have a positive impact on strengthening financial independence.

Through this approach, Islamic schools can enhance community relations and broaden their social impact. Additionally, investing in physical assets, such as renting school facilities for public events, can also serve as an efficient source of income.

However, the development of sustainable funding strategies does not solely depend on finding new income sources. Transparent and accountable financial management is crucial for building trust among stakeholders, including donors, parents, and the government. Therefore, the implementation of performance indicator-based financial reporting systems and the reinforcement of strong internal audits are necessary. With such transparency, Minaret College can ensure that income is used efficiently and aligned with educational goals. Moreover, institutions must continue adapting to changes in educational and economic policies globally to ensure long-term operational continuity and the success of their socio-religious missions.

## **METHODS**

This study employs a literature review method with a descriptive-quantitative approach to analyze the revenue structure and growth trends of Minaret College, based on official documents, specifically the Annual Report and Financial Report for the years 2023–2024. The descriptive-quantitative approach was chosen because it enables numerical data to be processed into systematic and factual information [11]. Data were collected using documentation techniques, examining financial reports published by the institution, as well as scholarly literature on educational financial management and income diversification strategies. These data sources are highly reliable as they originate from annual audit reports authorized by Australian government financial institutions.

Data analysis was conducted using content analysis, as developed by Neuendorf (2019), which allows researchers to identify categories, calculate frequencies, and interpret patterns of meaning within documents. In this study, each revenue component was classified based on the type of funding source, then its contribution to the institution's total income was calculated. The data from 2023 and 2024 were compared to identify trends in change, followed by an evaluation of the institution's fiscal dependency on public funds.

The validity of the findings was strengthened through comparative document analysis by comparing previous research on the financial management of Islamic schools in Australia [10] and analyses of the Australian education funding system, highlighting issues of equity and dependency on government subsidies [3,4]. Furthermore, the findings were contextualized with international studies on education financing policies [1] and research on funding strategies for Islamic educational institutions, conducted through a SWOT analysis [9].

Through this approach, the study aims to provide a comprehensive overview of Minaret College's financial structure and produce data-driven recommendations to enhance the financial independence of Islamic educational institutions in Australia, enabling them to respond effectively to the dynamics of public policy and the global educational economy.

## **RESULTS AND DISCUSSION**

### **Revenue Structure Analysis**

An analysis of Minaret College's financial reports for 2023 and 2024 reveals that the institution derives its income from four primary sources: federal government grants, state government grants, parental contributions, and other miscellaneous revenue sources. Based on the institution's Annual Report and Financial Report, total revenue increased by 6.5%, from AUD 59,967,410 in 2023 to AUD 66,200,298 in 2024.

Table 1. Revenue Structure of Minaret College in 2023–2024

Source of Income	2023 (AUD)	2024 (AUD)	Growth (%)	2024 Proportion (%)
Federal Government Grants	34,354,599.38	38,836,655.47	+6.4	62.3
State Government Grants	18,189,951.03	19,510,789.13	+5.8	18.9
Parental Contributions	4,003,339.47	4,327,906.43	+7.3	11.5
Other Income	3,419,520.89	3,524,947.87	+10.4	2.8
Total Revenue	59,967,410.77	66,200,298.90	+6.5	100.0

Table 1 shows that the most significant revenue sources are federal and state government grants, with a total contribution of 81.2% of total income in 2024. The highest percentage increase in revenue came from the “other income” category (+10.4%), followed by parental contributions (+7.3%), although their nominal values remain relatively small compared to the total revenue.

A comparison of Minaret College’s revenue amounts in 2023 and 2024 can also be illustrated in the following chart:

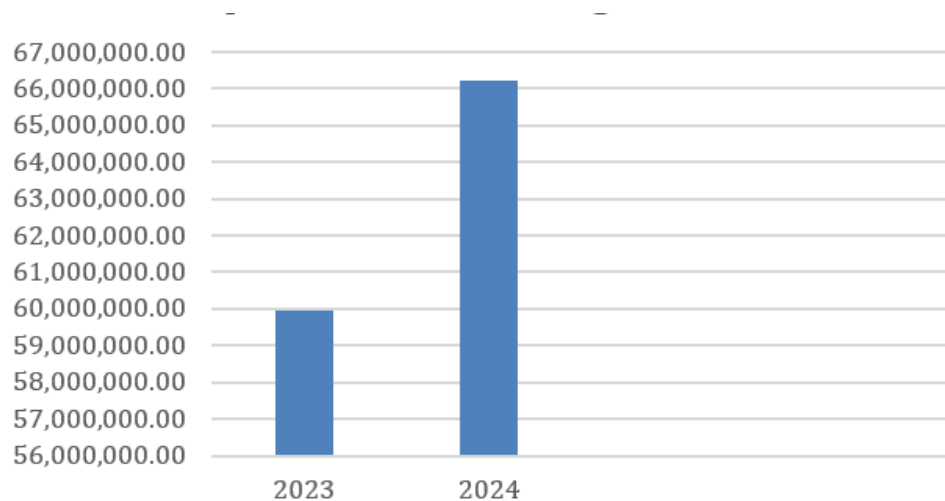


Figure 1. Minaret College Revenue Amounts

Figure 1 illustrates the revenue amounts of Minaret College in 2023 and 2024. The institution experienced a significant increase in total income. During the 2023–2024 period, each revenue category showed a change in its proportion to the total income for each year.

Thus, the results of this analysis indicate that although Minaret College has experienced an overall increase in revenue, the institution’s financial independence remains limited. A medium-term financial management strategy is needed, emphasizing internal efficiency, transparent reporting, and funding diversification through community-based innovations, to achieve greater financial stability and sustainability.

## Discussion

The analysis of Minaret College’s income sources reveals that the institution’s financial structure is dominated by three main components: grants from the Australian federal government, support from the Victorian state government, and parental contributions. This composition reflects the distinctive funding pattern of nonprofit Islamic educational institutions in Australia, which operate within an inclusive national education framework. Government grants serve as the financial backbone of the school, contributing up to 88.3% of total revenue in 2024. This proportion underscores the state’s significant role in ensuring access to and the sustainability of education for non-governmental institutions. As stated by Syakhrani et al (2022) Since the 1970s, Australia’s education system has been designed to support community-based private schools through sustained public subsidies.

From a policy perspective, this dominance of public funds reflects the Commonwealth of Australia's commitment to maintaining educational equity across sectors. However, excessive reliance on government funding also poses sustainability risks, particularly when fiscal policy shifts or budget tightening occurs. According to Perry, (2024) Notes that Australia's education subsidy system is dynamic and often influenced by political agendas and sectoral redistribution policies. Therefore, Minaret College needs to develop a more adaptable financial strategy to mitigate long-term dependence on state subsidies by building reserve funds and diversifying into more productive non-governmental income sources.

The second source of income, parental contributions, although relatively small, remains crucial in supporting school operations. The 5.79% increase in parental contributions in 2024 compared to the previous year indicates economic recovery following the COVID-19 pandemic. Principal Mohammed Takseem emphasized in the Annual Report 2024 that the end of social restrictions has enabled broader engagement between the school, parents, and the Muslim community. This aligns with Machfudz (2022) and Sulistyorini & Fitrianti (2023), who argue that community and parental involvement in education funding is a vital pillar in building collective awareness and a sense of ownership toward Islamic educational institutions.

Nevertheless, the relatively stagnant student enrollment in 2024 has contributed to the slowdown in parental financial contributions. With a total of 2,892 students, an increase of only about 10, compared to the previous year, the change was not substantial enough to alter the revenue composition. Iskandar et al (2023) Note that the rising cost of education in Australia has made middle- to lower-income families more cautious in choosing private schools. This suggests that Minaret College must consider inclusive financing strategies to remain competitive in an increasingly tight education market.

Another notable finding is the institution's financial vulnerability, characterized by high dependence on a single income source (government funding). Similar conditions were observed by Nugrahaningtyas (2024) at Muhammadiyah Australia College (MAC), which, despite increasing its revenue, continued to experience deficits due to high operating costs and dependency on subsidies. Hence, funding diversification strategies are urgent for Islamic educational institutions in Australia. Johnson (2022) emphasizes that nonprofit educational institutions that develop alternative funding sources, such as productive business units, alum fundraising, and social investment, exhibit stronger long-term financial resilience.

These findings affirm that Minaret College's funding system remains heavily dependent on public support. Abdalla et al (2022), It was also reported that most nonprofit Islamic institutions in Australia still face limitations in generating internal financial resources. Similarly, Perry (2024) Explained that Australia's education funding system tends to reinforce schools' fiscal dependency on state subsidies.

While year-to-year revenue growth indicates financial stability, it has not been followed by a proportional increase in self-generated income. Kenway et al (2024) Argue that the "accumulative economy" model in Australian private schools often perpetuates long-term dependence on subsidies due to high fixed-cost structures. This phenomenon is evident in Minaret College's revenue composition, which remains dominated by two key components: federal and state grants.

Such fiscal dependency has implications for institutional autonomy and sustainability. The OECD (2023) Asserts that educational institutions that are overly reliant on public funds tend to be vulnerable to fiscal policy reforms and subsidy restructuring. Therefore, income diversification becomes crucial for maintaining financial sustainability and institutional stability in private and Islamic schools in Australia.

In this context, the findings highlight opportunities to strengthen alternative funding sources by optimizing school physical assets, developing additional paid educational programs, and enhancing community and alumni engagement [9]. Emphasize the importance of community-based funding strategies and social partnerships in improving the financial independence of Islamic educational institutions. Additionally, Islamic social finance instruments such as waqf (endowment) and education-based endowment funds can serve as long-term solutions for strengthening non-public funding sources [8].

Diversifying income sources not only strengthens financial capacity but also enhances institutional autonomy in curriculum development, pedagogical innovation, and social services. Education Finance Watch [1]

Also emphasizes that public-private collaboration and community participation are practical approaches to achieving sustainable education financing.

Furthermore, Marlina et al (2025) demonstrate that a SWOT-based financial management approach can help Islamic educational institutions identify new income streams, such as waqf, productive zakat, or Islamic value-based social investments. This approach is highly relevant for Minaret College in balancing financial needs and its religious mission. Kenway et al. (2024) found that elite private schools in Australia have successfully strengthened their financial positions by combining public funding with private investments, including property assets and institutional donations.

Research by Mufid et al (2025) These findings are also supported, showing that income diversification enhances the resilience of Islamic educational institutions abroad through a combination of public grants, community donations, and income-generating programs. Mufid further notes that the key to success lies in financial innovation driven by community participation such as paid enrichment classes or digital learning programs. Minaret College can adopt these strategies to enhance financial independence without compromising its social mission.

Globally, studies by World Bank & UNESCO (2023) Affirm that private educational institutions with over 70% of their funding from public sources tend to experience high fiscal dependency and long-term sustainability risks. Therefore, income diversification through educational philanthropy, industry partnerships, and social investment has become a strategic trend in many developed countries. This strategy not only broadens funding sources but also strengthens the institution's social legitimacy in the eyes of communities and international donors.

[18] Note that transparent and accountable school financial management plays a crucial role in attracting external support, particularly from philanthropic organizations and alums. If Minaret College can establish an open financial reporting system supported by independent audits and outcome-oriented performance indicators, it will significantly increase opportunities for securing alternative funding. This aligns with best practices from Islamic educational institutions in the UK and Canada, which have successfully developed endowment funds for long-term financing.

In conclusion, this discussion underscores the necessity for Minaret College to undertake a comprehensive financial transformation. The recommended strategy comprises four pillars: (1) optimization of school physical assets through facility rentals for public events, (2) development of paid educational programs, such as holiday courses and VCE tutoring, (3) strengthening of alum networks and Islamic philanthropy to support building funds, and (4) management of long-term funds through term deposits and sharia-based social investments.

This approach not only enhances financial independence but also positions Minaret College as a competitive, modern, and sustainable Islamic educational institution within Australia's educational ecosystem.

## CONCLUSION

The increase in Minaret College's total revenue in 2024 (6.49% year-on-year) indicates fiscal stability; however, the revenue structure remains heavily dependent on government grants (approximately over 85% when combining federal and state funding). This composition implies potential policy risks should subsidy allocations change. Therefore, concrete and measurable diversification strategies are required to enhance financial independence without abandoning the institution's socio-religious mission.

Furthermore, a comparative analysis of revenue ratios shows that the growth in parental contributions (7.3%) and other income (10.4%) remains insignificant compared to the rise in government grants. This condition suggests that innovation in alternative funding sources still needs to be strengthened, particularly through community-based philanthropy and the development of productive school assets. Programs such as endowment funds, facility rentals, and paid courses represent strategic efforts to reduce reliance on public funding.

From a governance perspective, these findings also highlight the importance of transparency and accountability in financial reporting, as they enhance public trust and foster donor partnerships. By implementing a performance indicator-based reporting system and a strong internal audit mechanism, Minaret College can expand partnership opportunities and enhance its institutional reputation at both national and international levels.

Overall, an adaptive and innovative financial policy direction will determine the sustainability of Islamic educational institutions amid the dynamics of global policy and economic changes.

The research results indicate that the institution's revenue is primarily derived from government grants (federal and state), accounting for over 85% of its total income. In 2024, total revenue increased by 6.49%, with the main contributions coming from federal government grants (65.23%) and state government grants (19.77%). Other income sources, including parental contributions and paid programs, showed lower growth but remain crucial for financial diversification strategies. This article emphasizes the need for the institution to explore more sustainable income alternatives, including endowment funds, paid programs, and community-based philanthropy. Financial management is carried out transparently through publication on the institution's website and the ACNC (The Australian Charities and Not-for-profits Commission). To strengthen trust and partnership opportunities, the institution is audited by the independent auditor Bunnet & Bassal Pty Ltd. This study offers strategic policy recommendations to enhance Minaret College's financial independence and ensure its operational sustainability in the context of global educational policy dynamics.

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