



Northern Australia

Seventh-day Adventist Schools (Northern Australia) Limited Needs-Based Funding Arrangement

Seventh-day Adventist Schools (Northern Australia) Ltd

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Introduction:

The Seventh-day Adventist Schools (Northern Australia) Limited Needs-Based Funding Arrangement is a major cornerstone in the delivery of the mission of Adventist education in Northern Australia. Adventist schools in Northern Australia seek to provide quality education to prepare students not only for this life but more importantly for eternity. The Needs-Based Funding Arrangement helps by bringing togetherness between sister schools through alignment and common purpose; and underwrites an organisational structure built upon unity, collegiality and good governance.

At the centre of the Needs-Based Funding Arrangement are the students themselves who are the reason our schools exist, their learning journey, their pursuit of purpose and their opportunity to be of service to their community. Adventist schools Northern Australia seeks to value add to community, one graduate at a time.

Scope:

This Needs-Based agreement has been developed pursuant to the requirements of the Australian Education Act 2013.

Purpose:

The aim of this Needs-Based Funding Arrangement is to allocate funding to each school using base funding and six loadings, which will enable schools to deliver quality Adventist education while being financially sustainable.

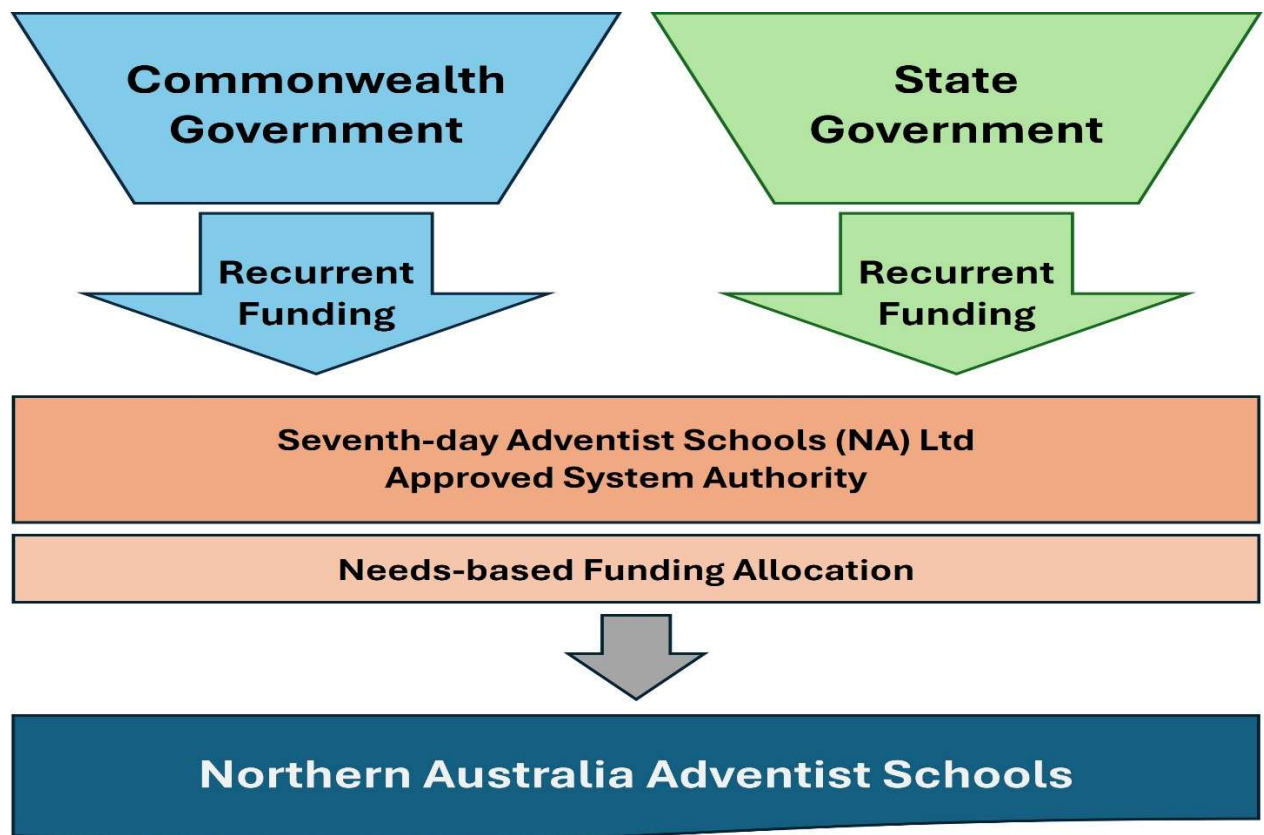
Operating Context:

System Profile:

Seventh-day Adventist Schools (Northern Australia) Limited (the System) is an Approved System Authority operating three Seventh-day Adventist Schools from Mackay in the south, to Cairns in the north. The three schools are:

- Cairns Adventist School (CAS)
- Riverside Adventist Christian School (Townsville) (RACS)
- Carlisle Adventist College (Mackay) (CAC)

As an Approved System Authority, the System receives funding from both the Commonwealth and Queensland State government at a System level. The Board of Directors then has the delegated authority and responsibility of allocating recurrent funding to schools on a needs-basis.



Key principles this allocation methodology is built upon are:

Transparency – clear, concise and plain language documentation and processes.

Accountability – to Government and all stakeholders.

Unity – a shared journey for all schools, for the benefit of all students.

Integrity – open lines of communication and methodology sharing between schools and the corporate school's office.

Centralised Efficiencies and Levies

1. To take advantage of efficiencies while improving educational outcomes, the System provides centralised support to the schools such as finance, marketing, ICT, human resources, workplace health and safety, diverse learning, governance, quality assurance and compliance on behalf of all schools in the System. The provision of these services is supported by an enrolment-based levy from each school and recorded as an operating expense in each individual school operating budget.

Governance Structures for Funding Distribution Decisions

2. The Director of Education after consulting with his senior management team, school Principals and Business Managers may adjust the Needs-Based Funding Arrangement. When this is done, a recommendation is made to the Board of Directors of Seventh-day Adventist Schools (Northern Australia) Limited for approval.

Base and Loadings Distribution Rationale and Methodology

Transition Considerations

3. From 2020 the Government recurrent funding calculation of the Schooling Resource Standard (SRS) percentage sees schools that are part of Approved System Authorities being funded at an individual SRS percentage rather than a systemic SRS percentage. This change to the calculation methodology sees significant variances in the SRS percentage of funding received by schools within the System.
4. The SRS percentage calculation impacts on both the base funding and the six loadings for each school.

Needs-Based Funding Allocation Philosophy:

5. In line with section 78(5) of the Australian Education Act 2013, the System provides an amount per student for each school that will allow all students to achieve the expected educational outcomes. The System also provides the following six Commonwealth prescribed loadings to support students and schools with additional needs:
 - Students with disability (SWD);
 - Aboriginal and Torres Strait Islander students (ATSI);
 - Students with socio-educational disadvantage (SED);
 - Students who have low English proficiency (LEP);
 - Schools based on location; and
 - Schools based on size.
6. Initially, no Commonwealth or State funding is withheld at the Approved System Authority level for administrative purposes, but rather the Approved System Authority levies contributions back from the individual schools towards the partial funding of actual administration costs initially incurred by the Approved Authority, that are direct and proportional to the operational support provided by the Approved System to each school as they deliver educational services and achieve educational outcomes for every student. The reason for this is that the individual school accounts then record the full allocation of funding from both the Commonwealth and State Governments rather than reflecting an offset amount. We believe this method is more transparent.

The Foundation for Base and the Education Act's Six Loadings Allocation:

7. The System considers the Commonwealth Government's Direct Measure of Income (DMI) methodology for calculating a school's Capacity to Contribute (CTC) score, to be an appropriate reflection of the capacity of households to contribute to school fees. For this reason, the DMI methodology forms the foundation of the internal allocation within the System.
8. The System uses the Commonwealth calculation of a base amount, and six loadings, as the starting allocation methodology to each school. The System currently does not adjust the underlying base and loadings calculation that has been made by the Commonwealth for each school.

Base Funding and Loadings Per Student Estimates

9. The paragraphs below explain how the base funding amounts and loadings of the funding allocations per student are determined and allocated to each school. A breakdown of the per student amounts are contained in annexure 1 below which will be update at the beginning of each school year and is based on the Commonwealth Department of Education funding estimates using the number of students enrolled at each school at the time of the latest Commonwealth Student Census.

Base Funding

10. The base funding amount per student is influenced by each schools CTC score. The calculated base rate per student is the estimated amount of funding divided by the total number of enrolled students. The amount is the average of the primary and secondary rate per student and varies due to the mix of primary and secondary students at each school. The Approved System Authority passes this funding in its entirety to the school.

Students with Disability (NCCD) Loading

11. Each school assesses their students who are identified as having a disability and assigns to them one of the four adjustment levels provided for in the Nationally Consistent Collection of Data on Schools Students with Disability (NCCD) guidelines. Each assessment level attracts a funding amount as determined annually by the Commonwealth Department of Education. The total NCCD loading allocated by the Department of Education to each school is determined the number of students with a disability, and their adjustment level, declared by the school in their annual census return. The rate per student is calculated by dividing the estimated funding per category by the total number of students per category. The rate per student is the average of the primary and secondary student rates per category and varies due to the mix of primary and secondary students per category enrolled at each school. The Approved System Authority passes this funding in its entirety to the school.

Aboriginal and Torres Strait Islander (ATSI) Loading

12. The amount per ATSI student is influenced by the ratio of primary and secondary students, as well as the ratio of ATSI students in a school cohort i.e. the more ATSI students that are enrolled at a school, the higher the funding amount per ATSI student. The rate per student is calculated by

dividing the estimated funding expected by the number of ATSI students enrolled at each school. The Approved System Authority passes this funding in its entirety to the school.

Socio-Educational Disadvantage (SED) Loading

13. The SED loading is influenced by a student background data collection that is conducted each year by the Australian Curriculum, Assessment and Reporting Authority (ACARA). The data that is collected contains information such as each student's year level, date of birth, gender, ATSI status, language spoken at home, and parent/guardian information such as level of education, occupation and language spoken at home. Using this information the Department of Education allocates an amount of funding to each school. The amount per student is calculated by dividing the estimated funding by the number of students enrolled at the school. The Approved System Authority passes this funding in its entirety to the school.

Low English Proficiency (LEP) Loading

14. The LEP loading is also influenced by the student background data collection as stated above in paragraph 13. Using this information the Department of Education allocates an amount of funding to each school. The amount per student is calculated by taking the estimated funding expected by the number of students enrolled at the school. The Approved System Authority passes this funding in its entirety to the school.

Location Loading

15. The location loading is influenced by an Accessibility/Remoteness Index of Australia (ARIA) value which is provided by the Australian Government. This is influenced by the location of the school. None of our schools fit the criteria to receive this loading.

Size Loading

16. The size loading is influenced by the number of students at a school and is generally provided to schools on a sliding scale based on parameters determined by the Department of Education. All Adventist schools in Northern Australia currently receive some form of size loading. As schools grow this funding amount diminishes until the threshold has been reached and then the funding pool ceases. The amount per student is calculated by dividing the estimated funding expected by the number of students enrolled at the school. The Approved System Authority passes this funding in its entirety to the school.

Review of Needs-Based Funding Arrangement

17. This Needs-Based Funding Arrangement will be reviewed annually to ensure it remains a valid and appropriate methodology for allocating Government funding to all schools within the System.

2026 FUNDING ESTIMATES BASED ON THE 2025 COMMONWEALTH CENSUS ANNEXURE 1

SCHOOL	CAS	RACS	CAC
CTC SCORE 2026	83	84	97
Base funding per student	\$11,483	\$11,681	\$10,934
Size loading per student	\$3,194	\$3,411	\$843
Location loading per student	\$2,127	\$2,185	\$1,203
Low English Proficiency per student	\$81	\$46	\$8
ATSI loading per student	\$6,181	\$1,038	\$683
Socio-economic loading per student	\$333	\$1,075	\$2,224
NCCD Loading per student			
- Supplementary	\$85	\$1,181	\$639
- Substantial	\$0	\$1,263	\$723
- Extensive	\$0	\$0	\$0