



Adventist® Education *in North New South Wales*

**Seventh-day Adventist Schools (North New South Wales) Limited**

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**Seventh-day Adventist Schools (North New South Wales)  
Limited  
Needs-Based Funding Arrangement**

## Introduction:

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The Seventh-day Adventist Schools (North New South Wales) Limited Needs-Based Funding (NBF) Arrangement is a major cornerstone in the delivery of the mission of Adventist education in Northern New South Wales (NNSW). Adventist schools in NNSW seek to be 'a bridge' in their communities: developing minds and connecting hearts. The NBF Arrangement helps 'bridge' the physical distance 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 NBF Arrangement are the students themselves, the reason our schools exist, their learning journey, their pursuit of purpose and their opportunity to be of service to their community. Adventist schools seek to value add to community: one graduate at a time.

## Revision Date and Scope:

1. This NBF Arrangement was updated in August 2023 and covers from 1 January 2022 onwards.
2. This arrangement includes all Commonwealth Government general recurrent funding paid to Seventh-day Adventist Schools (North New South Wales) Limited under the Australian Education Act 2013, as well as all NSW Government general recurrent funding paid to Seventh-day Adventist Schools (North New South Wales) Limited under the NSW Education Act 1990.

## Purpose:

3. The aim of this NBF Arrangement is to allocate funding to each school through the use of base funding and loadings, which will enable schools to deliver quality Adventist education while being financially sustainable.
4. The NBF Arrangement is available on our website at [www.nsw.adventist.edu.au/information](http://www.nsw.adventist.edu.au/information) and hard copies can be requested by calling our Corporate Office on 02 4911 7500 during office hours or sending an email to [finance@nsw.adventist.edu.au](mailto:finance@nsw.adventist.edu.au).

## Operating Context:

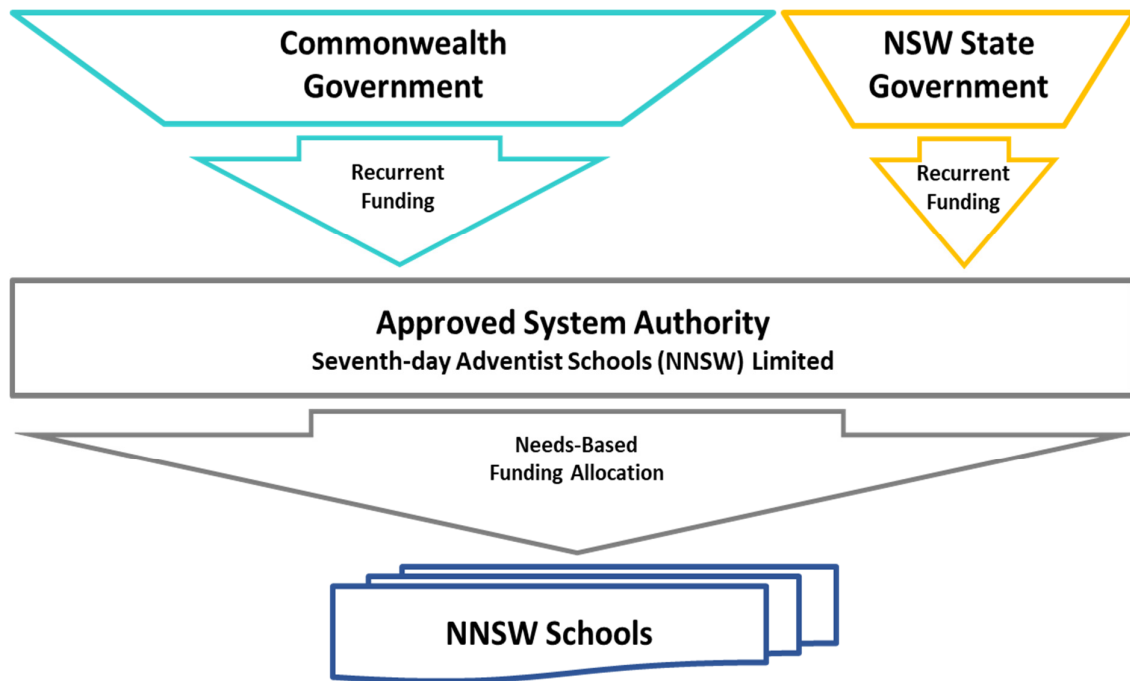
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### System Profile:

Seventh-day Adventist Schools (North New South Wales) Limited (the 'System') is an Approved System Authority operating nine Seventh-day Adventist Schools located north of the Hawkesbury River, through to the Queensland border in NNSW. The nine schools are:

- Avondale School (AS)
- Blue Hills College (BHC)
- Central Coast Adventist School (CCAS)
- Kempsey Adventist School (KAS)
- Macquarie College (MC)
- Manning Adventist Bush School (MABS)
- Port Macquarie Adventist School (PMAS)
- Toronto Adventist School (TAS)
- Tweed Valley Adventist College (TVAC)

As an Approved System Authority the 'System' receives funding from both the Commonwealth and NSW 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

5. To take advantage of efficiencies while improving educational outcomes, the ‘System’ operates a shared service centre which supports corporate functions such as finance, marketing, ICT, workplace health and safety, corporate applications, quality assurance and compliance on behalf of all schools in the ‘System’. The shared service function is supported by a per student levy from each school and recorded as an operating expense in each individual school operating budget. The per student levy has been set at \$772 (2023) currently indexed at the same as the Commonwealth Government recurrent grant indexation.

### Governance Structures for Funding Distribution Decisions

6. The Chief Executive Officer after consulting with his senior management team, school Principals and Business Managers develops or adjusts the NBF Arrangement. This is then recommended to the Board of Directors of Seventh-day Adventist Schools (North New South Wales) Limited for approval.

# Base and Loadings Distribution Rationale and Methodology

## Transition Considerations

7. 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'.
8. The SRS percentage calculation impacts on both the base funding and the six loadings for each school.

## Needs-Based Funding Allocation Philosophy:

9. In line with section 78(5) of the Australian Education Act 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.
10. From 2022 the 'System' also implemented an additional loading called the 'System Transition Loading'.
11. Initially no Federal or State funding is withheld at the Approved System Authority level for administrative purposes, but rather the Approved System Authority levies a contribution back from schools after funding is allocated. 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:

12. 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'.
13. The 'System' uses the Commonwealth calculation of a base amount, and six loadings, as the starting allocation methodology to each school. The 'System' does not adjust the underlying base and loadings calculation that has been made by the Commonwealth for each school. However, the 'System' does adjust the SRS percentage transition pathway for each school within the 'System'. This adjustment results in all schools within the 'System' receiving the same percentage of their total calculated SRS.

## Adjusted SRS Percentage Transition Methodology:

14. The 'System' aims to fund each school at 100% of their individual SRS by 2029. To transition each school to 2029, the 'System' calculated a 'System' SRS percentage trajectory in 2020 and set that as the standard trajectory to 2029 for all schools. The 'System' SRS percentage is the portion of total funding received compared to total theoretical SRS.

15. It is important to note that whilst the SRS percentage journey is experienced together, each school still attracts base funding and loadings that are a direct reflection of their CTC score, as derived from the DMI methodology of calculation. Funding levels are not standardised across schools via a single per student value attributed by the 'System'.

**Base Funding and the Education Act's Six Loadings Calculation Methodology**

16. To allocate the Base Funding and the Education Act's six Loadings under this NBF Arrangement, two steps are required:

**Step 1:**

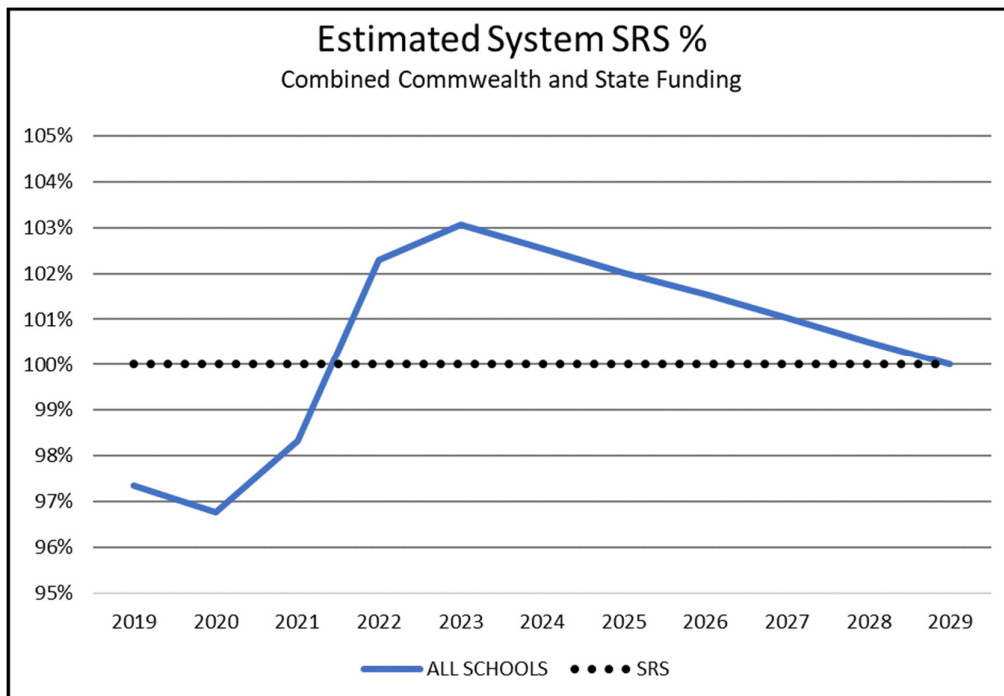
All individual school SRS percentages for 2020 were reset back to a 'System' SRS percentage for both Commonwealth and State funding. The formula for this reset is:

$$'System' SRS \% = \frac{Total\ Recurrent\ Funding\ Received}{Total\ Theoretical\ SRS}$$

**Step 2:**

Once the schools are all receiving the 'System' SRS percentage they will transition together to 2029. This means that during the transition towards 100% of SRS in 2029, all schools within the 'System' will receive the same SRS percentage each year. This SRS percentage covers the Base and the six Education Act Loadings.

Represented graphically this transition is forecasted to be:



### Extra “System Transition” (ST) Loading

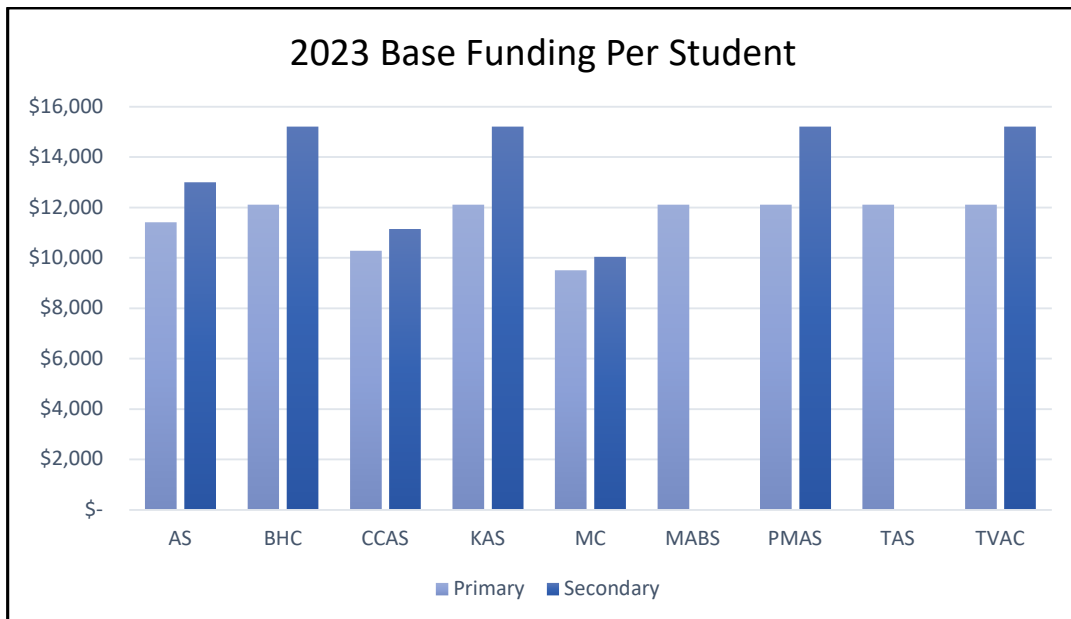
- 17. By setting the SRS percentage trajectory in 2020, in following years the ‘System’ will have remaining funds after funding allocations due to schools which have had increased CTC scores in 2022 compared to 2021. These surplus funds are allocated as a new loading to the schools which experienced an increase in their CTC scores. The new loading is called the “System Transition Loading”.
- 18. The surplus funds used for the new loading are generated from the Commonwealth’s recalculation of the individual schools SRS percentage when the CTC changed in 2022 compared to 2021.
- 19. The “System Transition Loading” is calculated by apportioning the surplus to the schools which increased in CTC score in 2022 compared to 2021. The apportionment is based on the proportion of which the schools with the increased CTC have theoretically contributed to the increased SRS percentage.

### Base Funding and Loadings Per Student Estimates

- 20. The following graphs provide both base funding and loadings of the funding allocations per student to each school in the ‘System’ for 2023. These amounts are calculated using the estimated parameters as advised by the Commonwealth and State Governments as at July 2023 of this NBF Arrangement and may be subject to change as the year progresses.

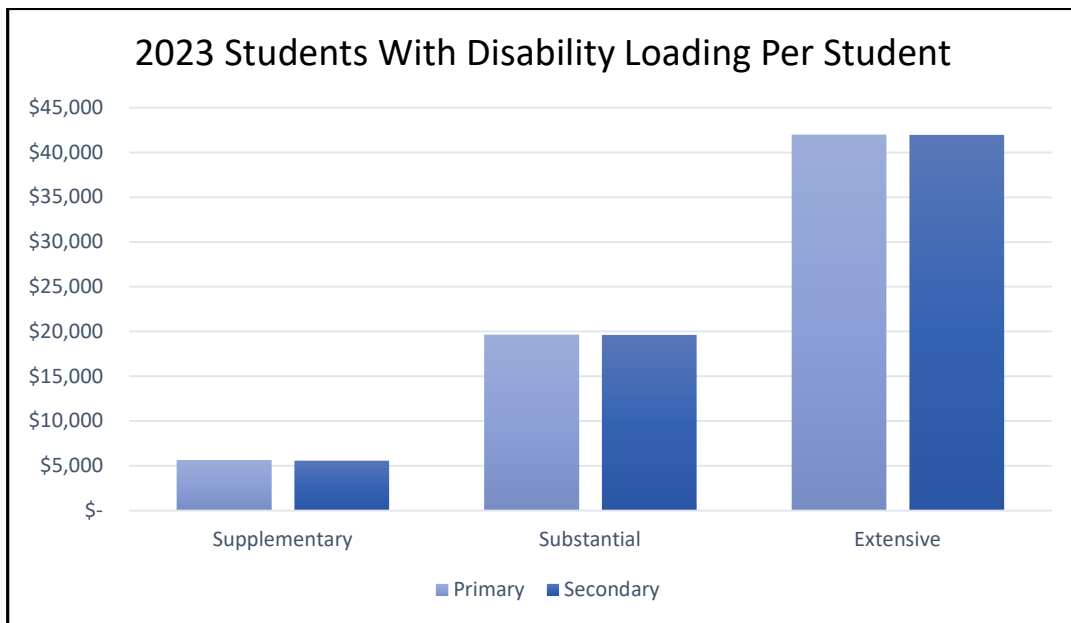
#### Base Funding

- 21. The base funding amount is influenced by each schools CTC score. Currently six of the nine schools in the ‘System’ are receiving the same funding amount per student depending on their enrolment i.e. primary or secondary except for Avondale School, Central Coast Adventist School and Macquarie College due to having a higher CTC score.



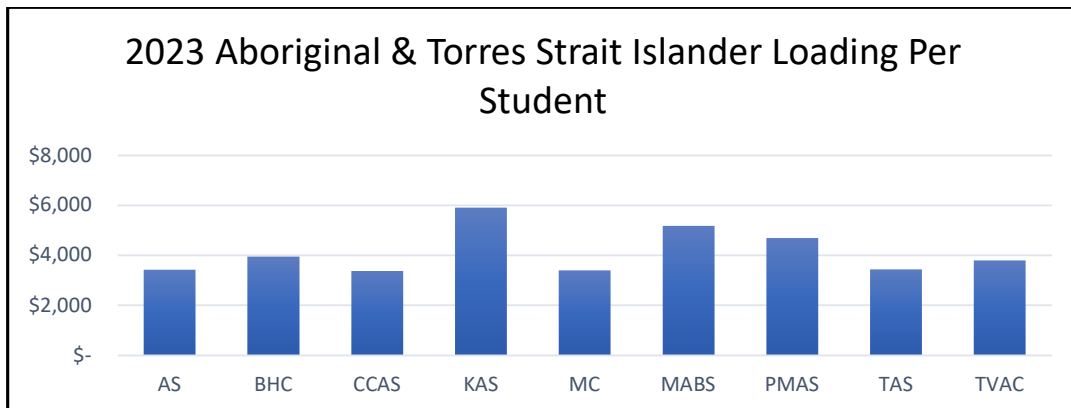
### Students with Disability (SWD) Loading

22. The SWD loading graph below does not provide an amount per school as the same amount is provided to each school regardless of their CTC score or any other unique parameters.



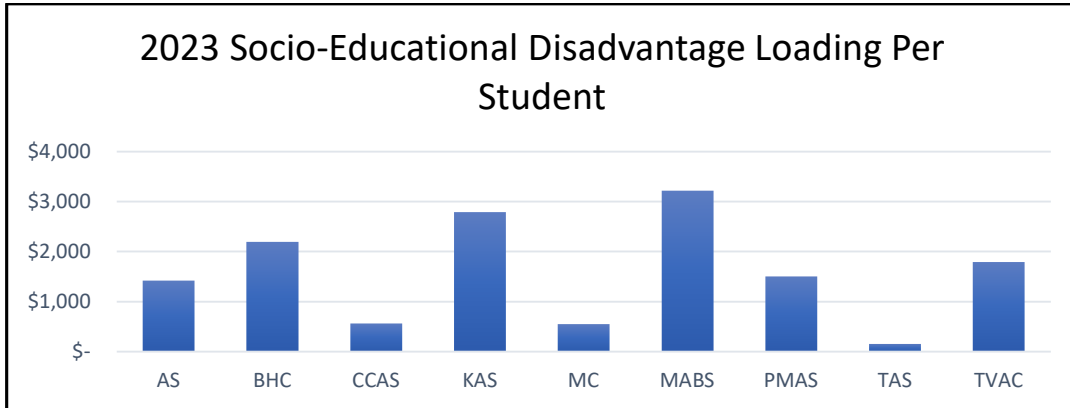
### Aboriginal and Torres Strait Islander (ATSI) Loading

23. 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.



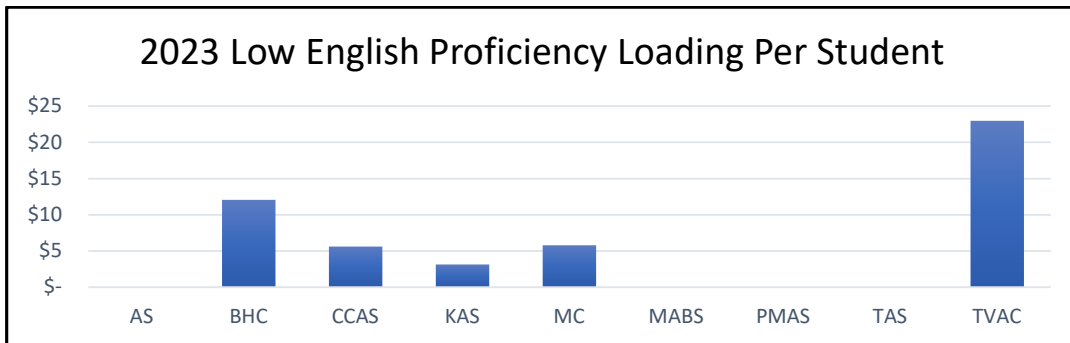
### Socio-Educational Disadvantage (SED) Loading

24. 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 students 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. At the time of calculating the loading per student, the collection conducted by ACARA for 2023 is still yet to be considered.



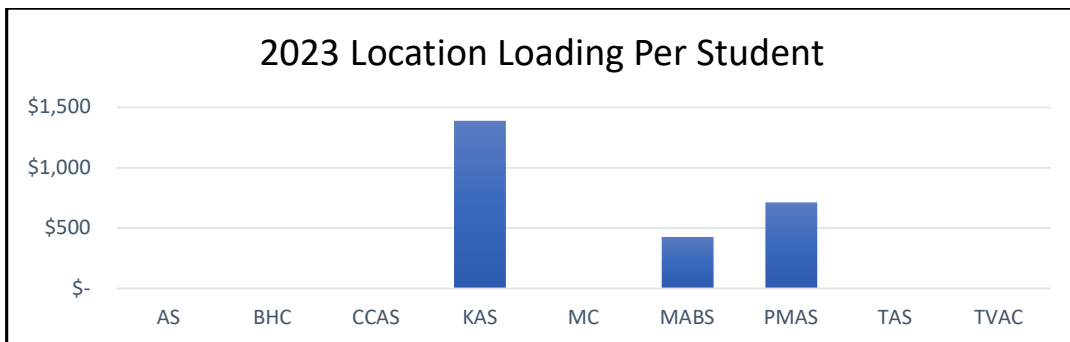
### Low English Proficiency (LEP) Loading

25. The LEP loading is also influenced by the student background data collection as stated above in paragraph 24. At the time of calculating the loading per student, the collection conducted by ACARA for 2023 is still yet to be considered.



### Location Loading

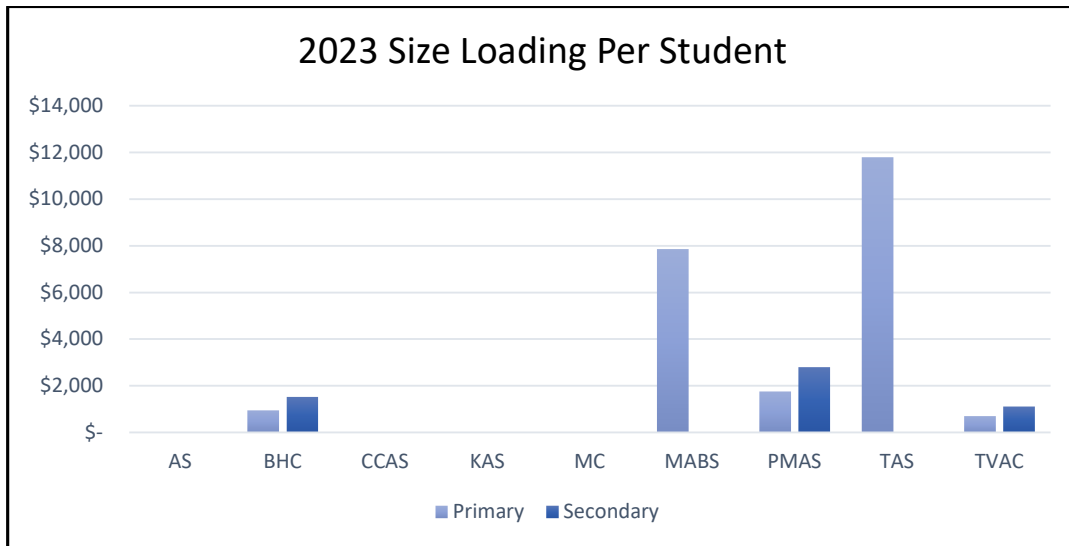
26. The location loading is influenced by an Accessibility/Remoteness Index of Australia (ARIA) value which is provided by the Australian Government. This is influenced by the location of the school.





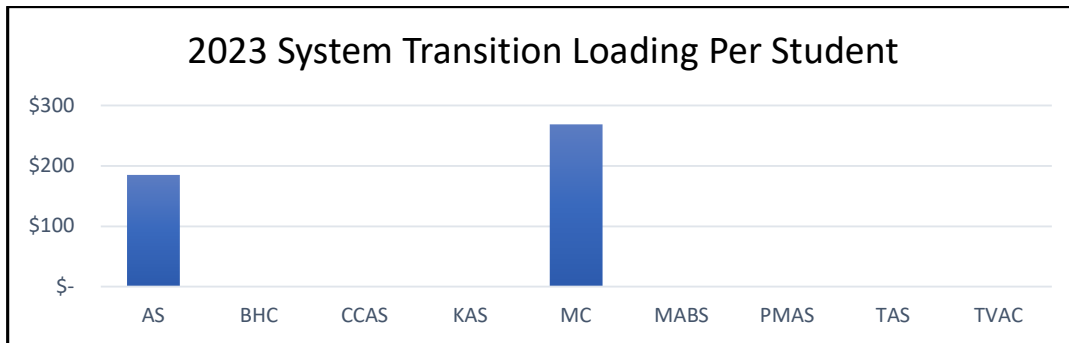
## Size Loading

27. The size loading is influenced by the number of students at a school and is generally provided to schools that are considered to be small.



## System Transition Loading

28. As discussed from paragraphs 17 to 19, the System Transition loading has been calculated to assist the schools where their CTC score has increased in 2021 and 2022. The schools in the 'System' that have been impacted by the increase are Avondale School and Macquarie College.



## New Schools

29. New schools that commence operation between 2020 and 2029 will be included in the 'System' SRS calculation and will receive the same SRS percentage of both Commonwealth and State funding as the other schools within the 'System'.

## Review of Needs-Based Funding Arrangement

30. This NBF Arrangement will be reviewed annually to ensure it remains a valid and appropriate methodology for allocating Government funding to all schools within the 'System'.