

## Seventh-day Adventist Schools (South Australia) Ltd

### – Commonwealth Recurrent Grant Implementation Policy

#### Purpose

To provide clear guidelines on the method of distributing the Commonwealth Recurrent Grants as we are an *approved system authority*. This is to comply with section 61 of the *Australian Education Regulation 2013*.

#### Background information

In April 2020 changes were made to the Australian Education Act 2013 to legislate the Direct Measure of Income (DMI) methodology and its use in calculating Capacity to Contribute scores.

In the current Australian Government schools funding model, base funding for students attending non-government schools is discounted by the 'capacity to contribute' (CTC) of a school's parents and community.

Prior to 2020, CTC scores were determined solely using an area-based measure of the school community's socio-economic status (SES) based on the ABS Census of Population and Housing.

From 2020 the DMI methodology has been implemented using the personal tax income data of parents and guardians to calculate the median income in a school to determine the 'capacity to contribute' score for that school.

The move to the new arrangements for calculating a CTC score was phased in from 2020. These phased arrangements mean that schools were be funded on the basis of 'best-of' CTC score using methodologies based on either the 2011 Census SES, 2016 Census SES or DMI in 2020. For Seventh-day Adventist Schools in South Australia the DMI method is the most beneficial CTC score.

- Schools transitioning up to 80% Commonwealth share of their Schooling Resource Standard (SRS) will complete their transition in 2023.
- Schools transitioning down to 80% Commonwealth share of their SRS will complete their transition in 2029.

The Seventh-day Adventist Schools in South Australia distribute the funding received to each of the three schools just the same as is advised by the Department. This applies to all the grant components.

- Base amount – this takes into account:
  - The number of students at the school
  - The SRS funding amount for the year for a student at the school
  - The capacity of a schools community to contribute financially to the school using the DMI method of calculation
- A loading for students with disability (SWD)
- A loading for Aboriginal and Torres Strait Islander students
- A loading for students with low socioeconomic status
- A loading for students who have low English proficiency
- A loading for schools that are not in major cities
- A loading for schools that are not large schools

#### Procedure

All loadings for schools shall be distributed to those schools as determined by the Commonwealth Recurrent Grant calculation. All loadings relate to specific circumstances and students at the individual schools and it is considered important that these schools have the funding that relates to these unique circumstances. These funds are readily identifiable and easily attributable to each school.