



TASMANIAN
CATHOLIC
education commission

TASMANIAN CATHOLIC EDUCATION COMMISSION

NEEDS BASED FUNDING ARRANGEMENTS

MARCH 2018

TABEL OF CONTENTS

1. Introduction
2. Context
 - 2.1. Australian Education Act 2013
 - 2.2. Tasmanian Catholic Education Commission Funding Principles
 - 2.3. Funding Components
3. Funding Allocation Models
 - 3.1. Funding Allocation Model for the Association of Catholic Colleges Tasmania
 - 3.2. Funding Allocation Model for Systemic Schools
 - 3.3. Funding Allocation Model for Student Loadings
 - 3.3.1. ATSI Funding
 - 3.3.2. ELP Funding
 - 3.3.3. SWD Funding

1. INTRODUCTION

The Church in Tasmania has no common law status and is not an incorporated entity. The Archbishop of Hobart is the public juridic person in terms of Canon Law and for common law purposes could be considered the relevant legal entity in any legal proceeding. In terms of holding property, the Roman Catholic Church Property Act 1932, an Act of State Parliament, constituted a body corporate known as the Roman Catholic Church Trust Corporation of the Archdiocese of Hobart (the Church Trust). The Church Trust can take on property and conduct commercial activities and is the relevant legal entity in any legal proceeding to do with commercial transactions.

The Tasmanian Catholic Education Commission (TCEC) is the funding recipient for all Commonwealth and State government education grant funds on behalf of all Catholic Schools and Colleges in Tasmania. The TCEC is the Approved Authority for funding purposes and conducts all negotiations with State and Commonwealth Governments in conjunction with the National Catholic Education Commission (NCEC). The TCEC exercises a financial governance role over the Tasmanian Catholic Education Office, approves the budget and oversees financial management and sustainability. The TCEC has provided delegated authority to the Tasmanian Catholic Education Office (TCEO) to administer funding on its behalf.

All Catholic Schools and Colleges in Tasmania are systemic, meaning they are all funded through the TCEC as the Approved Authority. There are 38 Catholic Schools and Colleges in Tasmania divided into three funding categories: the Association of Catholic Colleges in Tasmania comprises 10 Colleges funded under a direct allocation method; the System Schools Governing Council is made up of 27 schools (of which 24 are parish primary schools and 3 have a secondary component) funded under a shared budget model; and 1 special assistance school that receives all grant funds as they are attracted. A list of Catholic Schools and Colleges is provided in Appendix 1.

Catholic Education Tasmania (CET) is a term used to denote all Catholic Education agencies and committees and comprises the TCEC, TCEO and the 38 Catholic Schools and Colleges in Tasmania, together with a complex structure of governing councils, school boards and working groups that all serve the Catholic Church in Tasmania.

On behalf of the TCEC, all Catholic schools in Tasmania are regulated in many operational and managerial areas by the TCEO. Budgets are approved under specific governance arrangements and consolidated information on viability and resourcing indicators is gathered and reported. Schools and Colleges are also advised regarding resource planning and financial management.

2. CONTEXT

The TCEO, under its delegated authority from the TCEC, administers the receipt and distribution of all education funding provided by the Commonwealth and State governments for the 38 Catholic Schools and Colleges in Tasmania.

2.1. Australian Education Act 2013

Commonwealth Government *Quality Schools Funding* is provided in accordance with the *Australian Education Act 2013 (The Act)*. The requirement that the TCEO distributes funding to Schools and

Colleges under needs-based allocation models is specified in Section 78 (5) of the Act, which is shown below:

Section 78 Ongoing funding requirements for approved authorities

(5) A needs-based funding arrangement that complies with this subsection:

(a) provides an amount per student that:

- (i) represents the recurrent resources required to support a student with minimal educational disadvantage to achieve expected educational outcomes; and
- (ii) takes account of efficiencies that can be realised while improving educational outcomes; and

(b) in addition to the amount per student mentioned in paragraph (a), provides loadings to students and schools with additional needs in order to support student achievement, including loadings for the following:

- (i) students with disability;
- (ii) Aboriginal and Torres Strait Islander students;
- (iii) students with socio-educational disadvantage;
- (iv) students who have low English proficiency;
- (v) schools based on location;
- (vi) schools based on size; and

(c) is publicly available and transparent.

2.2. Tasmanian Catholic Education Commission Funding Principles (2017)

In order to ensure that funding is distributed in accordance with the provisions of Section 78 (5) of the Act, the TCEC has approved the following set of *Funding Principles* upon which funding allocation models are based:

The Tasmanian Catholic Education Commission advocates for sustainable and equitable funding arrangements that reflect the principles outlined below:

Principle 1: Funding Equity

Equity requires that

- a) *Catholic Education Tasmania has a funding model that guarantees equitable access to Commonwealth and State funding; recurrent, targeted and capital.*
- b) *Catholic Education Tasmania receives funding that meets the needs of students from all backgrounds, recognising the significant disadvantage in terms of the low socio-economic status of students, regional and remote communities and the ever increasing numbers of students with disability and from indigenous backgrounds.*
- c) *Catholic Education Tasmania transitions toward full funding, according to need*
- d) *The value of grants from Commonwealth and State Governments is at least maintained and reflects the real increase in the cost of education and the capital expenditure needed to ensure intergenerational equity.*
- e) *Catholic Education Tasmania has the capacity to allocate funding to schools according to assessed local need.*

Principle 2: Funding Certainty

Certainty requires that

- a) *The Catholic Education Tasmania system has secure, guaranteed funding that is stable and predictable in order to provide quality outcomes for students.*

b) Catholic Education Tasmania has funding certainty that is enshrined in legislation.

Principle 3: A Fair Allocative Mechanism

The school funding mechanism must guarantee that

- a) Funding allocations to schools and colleges are based on reliable and objective data and a transparent mechanism that reflects cost structures in schools and colleges.*
- b) Funding for students with additional need, including SES, location, and student learning needs, is fair and identifiable.*
- c) All schools and colleges are eligible, on a needs basis, for Commonwealth and State Government capital support that recognises their contribution to community.*

Principle 4: System Funding and System Autonomy

System autonomy means that

- a) Catholic Education Tasmania needs continued recognition of the benefits of systems in education from both Commonwealth and State Government.*
- b) Catholic Education Tasmania maintains system autonomy over funding distribution and expenditure in future funding models.*
- c) Catholic Education Tasmania supports appropriate and meaningful reporting around its internal allocative mechanisms for distributing funds to schools.*
- d) Some flexibility may be essential in the application of funding attracted to address locally identified needs.*

Principle 5: Accountability and Transparency

Accountability and transparency mean that

- a) Catholic Education Tasmania publicly accounts for the allocation and expenditure of government funds in a transparent, coherent and comparable manner.*
- b) Catholic Education Tasmania reports on agreed national measures, using comparable data.*
- c) Catholic Education Tasmania continues to meet agreed accountability requirements to governments, parents and carers, and the Church community.*

2.3. Funding Components

Commonwealth Government Quality Schools Funding is comprised of seven components: Base funding; three School Loadings (Location, Size and Low SES); and three Student Loadings (Aboriginal & Torres Strait Islander (ATSI), English Language Proficiency (ELP), and Students With Disability (SWD)).

State Government Recurrent Funding is provided on the same basis.

In accordance with TCEC policy, Base funding and the three School Loadings are allocated to the two funding models for Association Colleges and System Schools. The funding for the three Student Loadings is retained by the TCEO and administered as Allocated Per Student funds. Details of the funding allocation models are provided in the following section.

Funding received on behalf of the special assistance school (St Francis Flexible Learning Centre) is passed directly onto the school in full.

3. FUNDING ALLOCATION MODELS

3.1. Funding Allocation Model for the Association of Catholic Colleges in Tasmania

The College Funding Pool consists of all Commonwealth and State Base and School Loadings funding received on behalf of the 10 Association Colleges.

The College Funding Model is an ***Allocated Funding Model***, the underlying principle being that all Colleges are provided with the funding that they attract.

An additional principle is that all Colleges are currently guaranteed minimum annual funding increases of 3.56%, exclusive of the impact of enrolment movements.

From 2018 the Capacity to Contribute (CTC) for each College is based on its individual SES score rather than the System Weighted Average SES of 95. This has resulted in significant decreases in the funding attracted by several Colleges. In order to ensure that every College receives a funding increase of at least 3.56%, cushioning payments (funded by contributions from those Colleges with increases in excess of 3.56%) are provided to those Colleges who would otherwise have received reduced funding. Colleges with high need in terms of SES, location and size are receiving funding increases well in excess of 3.56%.

This model is in place for 2018 and a review will be undertaken during this year to determine any changes to allocations to Colleges for 2019 and beyond.

3.2. Funding Allocation Model for Systemic Schools

The System Funding Pool consists of all Commonwealth and State Base and School Loadings funding received on behalf of the 27 System Schools plus School Private Income.

The System Schools Funding Model is a ***Shared Funding Model*** under which funding is allocated to Schools in accordance with an approved internal needs-based model. The System Schools Funding Model is presented below.

Income

The System Schools Funding Pool is comprised of the following components:

Component	Approximate %
Commonwealth Base and School Loadings	62.0%
State Base and School Loadings	24.0%
School Private Income	14.0%
Total	100.0%

School Fee Bands

System Schools are divided into Fee Bands based on SES scores for the purpose of setting school fees. Each band has a fee level range within which Schools are expected to set their fees. There are five Fee Bands as follows:

Band	SES Range
Band 1	104 – 99
Band 2	98 – 92
Band 3	91 – 88
Band 4	87 – 83
Band 5	Below 83

Expenditure

The Funding Pool is divided into the following Expenditure Elements on a percentage basis:

Expenditure Element	Funding Pool %
Salaries & On-Costs	66.0%
General Resources	15.6%
Debt Servicing	5.0%
ICT Funding	2.5%
Major Maintenance Program	1.2%
Routine Maintenance	0.8%
Contingency Fund	0.3%
Centralised Salaries and Expenditure	<u>8.6%</u>
Total	100.0%

Allocation Calculation Methodologies for Expenditure Elements

The allocation calculations for the Expenditure Elements, where appropriate, take account of the needs of each School in relation to location, size, SES and student need. The calculation methodology for each Expenditure Element is outlined below:

Salaries & On Costs (*66.0% of the Funding Pool*)

Funding for Salaries and On Costs is allocated on an FTE basis.

The allocation of Professional Staff FTE is based on 1.0 FTE per primary and secondary class with additional allocations of FTE to reflect average class sizes above 25 students. An FTE is allocated to every School for SWD Coordinators on the basis of the number of streams. The SES of Schools is taken into account by an allocation of additional FTE for Schools whose SES score is between 80 and 89.

The allocation for School Support Employees provides FTE for Administration staff, Utility staff and General Teacher Aides. Administration FTE is divided between Finance and General Administration staff and is allocated on the basis of the number of streams for Primary Schools and specific allocations for the three System Colleges. Utility FTE is allocated as a base component plus a component determined by the physical size of the school. FTE for General Teacher Aides is allocated on the basis of the number of streams for Primary Schools and specific allocations for the three System Colleges.

General Resources (*15.6% of the Funding Pool*)

The General Resources Element is made up of the following components:

- Primary and Secondary Per Capita Funding Component
- Size Component – based on the *Quality Schools Funding* Size Loading
- Location Component - based on the *Quality Schools Funding* Location Loading
- Low SES Component - based on the *Quality Schools Funding* Low SES Loading

Debt Servicing *(5.0% of the Funding Pool and allocated from School Private Income)*

An amount equivalent to 5% of the Funding Pool is transferred directly to the Capital Debt Servicing Fund from which all the System School capital loans are serviced, thus removing the need for these Schools to cover loan repayments from within their own budgets.

ICT Funding *(2.5% of the Funding Pool and allocated from School Private Income)*

An amount equivalent to 2.5% of the Funding Pool is allocated for the purposes of providing for the ongoing upgrading and replacement of school classroom devices and ICT infrastructure. The recurrent costs for internet, email and software license fees are also met from this expense element.

Major Maintenance Program *(1.2% of the Funding Pool and allocated from School Private Income)*

An amount equivalent to 1.2% of the Funding Pool is allocated to the Maintenance and Repairs Schedule program administered on behalf of System Schools by the TCEO. Funding for major maintenance items such as roof repairs, replacement of floor coverings and repainting is provided to Schools from this program.

Routine Maintenance *(0.8% of the Funding Pool)*

An amount equivalent to 0.8% of the Funding Pool is allocated to System Schools for routine maintenance. Allocations from this expenditure element are based on enrolments and the physical size of the school with an addition allocation for isolated schools.

Contingency Fund *(0.3% of the Funding Pool)*

This expenditure element is set aside to provide funding for urgent and unforeseen costs incurred by System Schools.

Centralised Salaries and Expenditure *(8.6% of the Funding Pool and covered by contributions from Government funding and School Private Income)*

An amount equivalent to 8.6% of the Funding Pool is allocated to a range of System Costs and Initiatives including:

- Employment of Education Officers, ICT Technicians, and Centralised Payroll and Finance staff working in and on behalf of all System Schools
- TCEO General Levies
- Insurances, Copyright Fees, Maternity Leave and Sick Leave
- Staff Training and Scholarships

3.3. Funding Allocation Models for Students Loadings Funds

3.3.1. ATSI Funding

Funds provided by both the Commonwealth and State Governments under the ATSI Loading are quarantined for this purpose and allocated to and on behalf of Schools and Colleges as follows:

- Schools and Colleges are provided with per capita grants for every ATSI student
- Employment of Education Officers working in and on behalf of Schools and Colleges
- System-wide ATSI programs

3.3.2. ELP Funding

The minimal amount of ELP Loading funds provided by government are supplemented by a contribution from SWD Loading funds and are allocated to those Schools and Colleges running programs to support their migrant and refugee students.

3.3.3. SWD Funding

Funds provided by both the Commonwealth and State Governments under the SWD Loading are quarantined for this purpose and allocated to and on behalf of Schools and Colleges as follows:

- Grants are provided to Schools and Colleges on the basis of need associated with diagnosed disability
- Employment of Education Officers working in and on behalf of Schools and Colleges
- System-wide SWD programs and diagnostic assessments
- Pastoral Care & Wellbeing Program which provides psychological and other counselling services and support programs in Schools and Colleges

During 2018 a review of the SWD Loading allocation methodology will be conducted to ensure that it aligns with the NCCD based calculation criteria and the associated reduction in SWD funding.

APPENDIX 1

TASMANIAN CATHOLIC SCHOOLS AND COLLEGES

Allocated Funding Model

Dominic College
Guilford Young College
MacKillop Catholic College
Marist Regional College
Mount Carmel College
Sacred Heart College
St Brendan-Shaw College
St Mary's College
St Patrick's College
St Virgil's College

Shared Funding Model

Corpus Christi Catholic School
Holy Rosary Catholic School
Immaculate Heart of Mary School
John Paul II Catholic School
Larmenier Catholic School
Our Lady of Lourdes Catholic School
Our Lady of Mercy Catholic School
Sacred Heart Catholic School, Geeveston
Sacred Heart Catholic School, Launceston
Sacred Heart Catholic School, Ulverstone
St Aloysius Catholic College
St Anthony's Catholic School
St Brigid's Catholic School, New Norfolk
St Brigid's Catholic School, Wynyard
St Cuthbert's Catholic School
St Finn Barr's Catholic Primary School
St James' Catholic College
St John's Catholic School
St Joseph's Catholic School, Queenstown
St Joseph's Catholic School, Rosebery
St Patrick's Catholic School, Latrobe
St Paul's Catholic School
St Peter Chanel Catholic School
St Therese's Catholic School
St Thomas More's Catholic School
Star of the Sea Catholic College
Stella Maris Catholic School

Special Assistance School

St Francis Flexible Learning Centre