

Terms of reference

Review of Regional Schooling Resource Standard Loadings

The Australian Government through its Quality Schools reforms is committed to Commonwealth schools funding that is needs-based, transparent and equitable so students with the same need in the same sector will attract the same level of support from the Commonwealth.

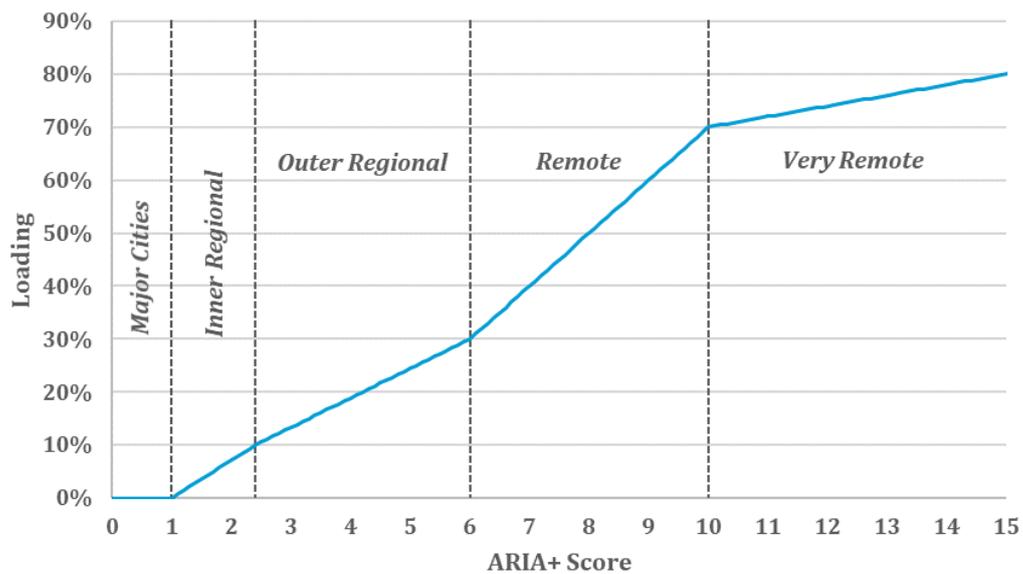
School funding under the *Australian Education Act 2013* (the Act) is calculated using the Schooling Resource Standard (SRS), which is an estimate of the total public funding required by each school to meet the educational needs of its students. The SRS provides a base amount for every primary and secondary student, along with six loadings that provide extra funding for students and schools with educational disadvantage. For non-government schools, the base amount is discounted by the anticipated capacity of the school community to financially contribute to the school's operating costs.

This targeted funding was recommended in the *2011 Review of Funding for Schooling*, led by Mr David Gonski AC. The loadings provided under the Act are intended to support students experiencing a range of different types of educational disadvantage. This includes a location loading to recognise that it generally costs more to educate students attending a school in regional and remote areas compared to metropolitan schools, and a school size loading to recognise that small schools cannot achieve the same efficiencies of scale as a large school.

The current school location loading is based on a school's Accessibility/Remoteness Index of Australia Plus (ARIA+) score. The ARIA+ score is a measure of remoteness or accessibility, which determines whether a school is classified as being in a major city, inner regional, outer regional, remote, or very remote area. The current [ARIA+ index values](#) were calculated in 2013 by the University of Adelaide based on the 2011 Census.

Through the school location loading, additional resourcing is provided for students attending a school with an ARIA+ score of above one. The amount of the loading rises from 0 to 80 per cent of the base per student amount as the ARIA+ score increases from 1 to 15.

Figure 1: Loading for school location as a percentage of the base per student amount

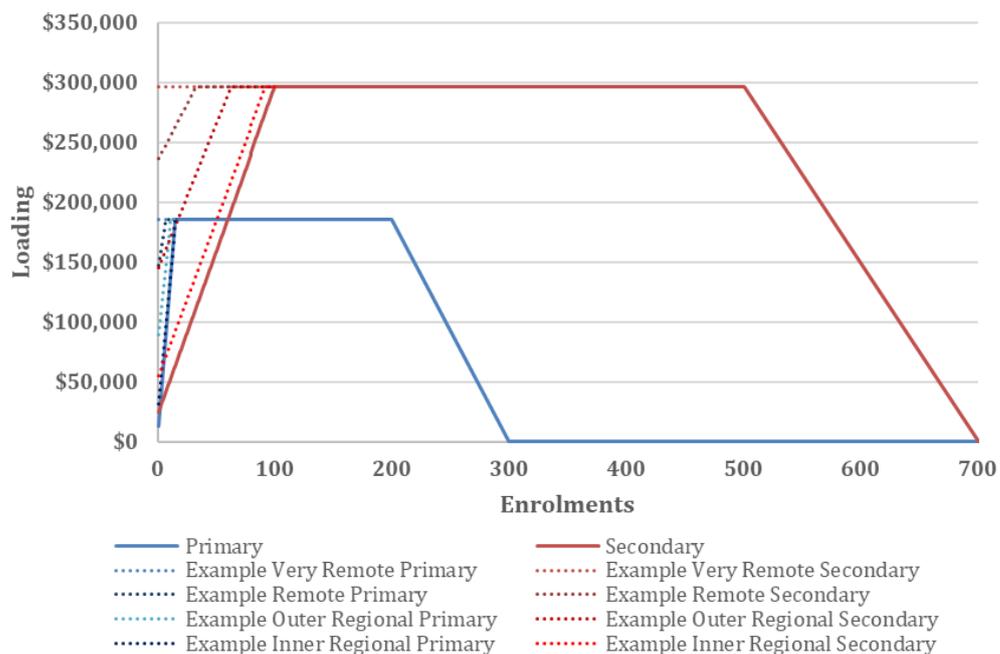


The location loading is applied as a percentage to both the SRS funding amount per student for a school and its size loading.

The size loading provides extra funding for medium, small and very small schools in recognition that they cannot achieve the same economies of scale as a large school. This is the only loading that is calculated as a set dollar amount (rather than as a proportion of the base amount) depending on the size of a school.

The maximum size loading is \$185,245 for primary schools and \$296,392 for secondary schools in 2020, with the amounts indexed each year. Combined schools receive an amount based upon the proportions of primary and secondary students.

Figure 2: Loading for school size as a dollar amount (2020 amounts)



- Primary
- Example Very Remote Primary
- Example Remote Primary
- Example Outer Regional Primary
- Example Inner Regional Primary
- Secondary
- Example Very Remote Secondary
- Example Remote Secondary
- Example Outer Regional Secondary
- Example Inner Regional Secondary

For very small schools, the school size loading also takes into consideration the location (ARIA+ score) of the school. Inner regional, outer regional and remote schools are funded on a slope that is determined by their location, with very remote schools receiving the maximum size loading.

Together, the base and loadings determine levels of funding which are provided as a single funding entitlement for the purposes of education. Approved authorities and schools are expected to use their total resources in flexible ways to meet the educational needs of all their students.

The Australian Government has commissioned the National School Resourcing Board (the Board) to conduct a review of the school location loading and the school size loading under the Commonwealth's recurrent school funding arrangements.

Scope

The Board will consider funding provided to regional and remote schools, provide findings and make recommendations relating to the current settings for the school location and school size loadings and the data informing the loadings. The Board will take into consideration:

- previous research on funding for schools in regional or remote areas
- the level of resources used to support schools in regional and remote areas from other loadings as well as from other programs and government agencies
- the level of funding provided by approved system authorities to member schools for students attending a regional or remote school under each system's needs-based funding arrangements; and
- any significant variations related to school setting or context, including in-school delivery of education for boarding students.

The review will not consider the capacity to contribute arrangements for non-government schools.

Allocations by approved system authorities to regional areas will only be used to inform the analysis of Commonwealth settings for the purpose of the review. To the extent possible, the Board will use existing reporting and data sources to minimise the reporting burden on approved system authorities.

In providing recommendations to the Australian Government, the Board will consider the financial impact on Commonwealth, state and territory governments of its recommendation and provide at least one budget neutral option for any changes to loading settings.

Consultation

In undertaking its review, the Board will consult with stakeholders from both the government and non-government sector, and invite submissions from relevant parties.

The Board will provide states and territories the opportunity to provide feedback on draft findings of the review.

Timing

The Board will provide its final report to the Australian Government Minister for Education by 1 May 2021.

The Minister will invite the Chair of the Board to present the final report to Education Council.