

# Needs Based Funding

## Arrangement Methodology

Version 2

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**Brisbane  
Catholic  
Education**

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# Background

All education systems, including Brisbane Catholic Education (BCE), are required under the Australian Education Act 2013 to publish a needs-based funding arrangement that reflects their current funding distribution methodology.

Box 1 outlines the requirements for the needs-based funding arrangement as defined under the Australian Education Act.

## Box 1: Requirements for a needs-based funding arrangement, as defined under subsection 78(5) of the Act

78 (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.

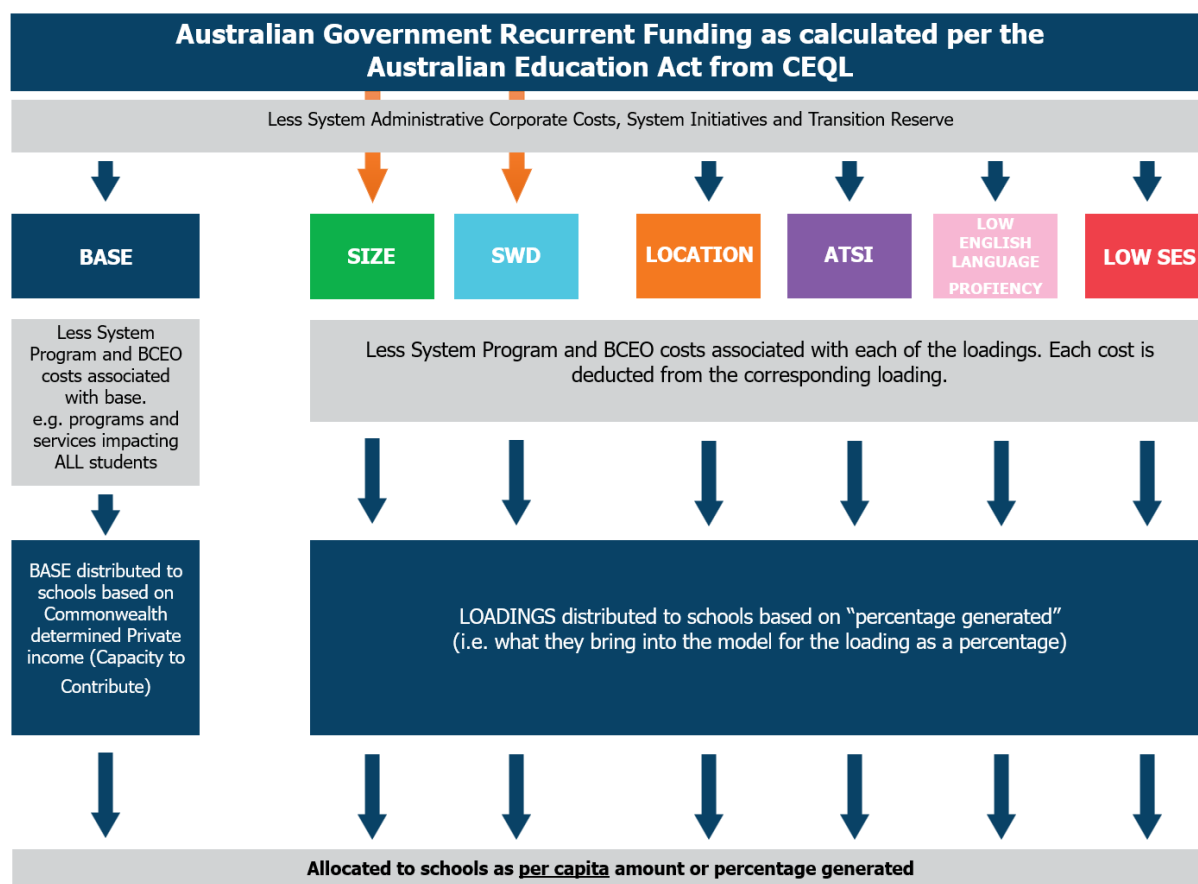
## Needs Based Funding Model Overview

The flow of funding to schools for Australian Government Recurrent Funding (AGRF) is shown diagrammatically below. All AGRF distributed to BCE from Catholic Education Queensland Limited (CEQL) is received as a single amount.

In summary:

- AGRF is received as a single amount.
- BCE deducts agreed system and office (BCEO) costs (such as system administrative/corporate costs, levies, system initiatives and other agreed set-asides).
- The remaining AGRF is allocated through both **Base** funding and **Loadings** (including Students with Disability (SWD), Size, Location, ATSI, Low English Proficiency, and Low SES).
- Where BCE has system programs and services that relate to a specific component (Base or a Loading), those associated costs are deducted from that component before it is distributed to schools.

Loadings are distributed to schools based on each school's share under the relevant loading, consistent with the way the loading is generated for schools under the Australian Government Funding Framework settings.



## BCE System Corporate Administration Costs and Additional School Support

BCE corporate and administration costs are deducted directly from the AGRF amount received from CEQL. These costs pertain to office costs and contingencies, and programs that provide support for all schools at a system level.

The amounts are calculated through the BCE master budget process, which is recommended by the Catholic Education Council (CEC) for approval by the Archdiocesan Finance Committee (AFC) through the Archdiocesan Audit and Risk Committee. Additional funding is also set aside for new and small schools where the Size Loading is inadequate.

## Allocation to and deductions from the overall Base and Loadings

After the deduction of BCE central program and administration costs, AGRF is distributed through Base Funding and Loadings on a 'percentage generated' basis. These percentages are calculated based on how the overall funding was received from CEQL, broken down into the percentage of Base and Loadings components.

Further BCE program costs are deducted from the Base and Loadings where they are directly related to the Base or a specific loading. For example, costs for BCE-initiated programs that affect all

students would be deducted from the Base component, whereas costs relating directly to students with disability would come from the SWD loading.

The model recognises that some costs can be delivered more efficiently at system scale (for example, shared type services and central programs), while other costs require school-level resourcing. Deductions for system programs are applied where they support outcomes across all schools or specific cohorts, and remaining funds are distributed to schools through the Base and relevant loadings.

## Distribution of Base Funding (amount per student allocation)

The Base component represents an amount distributed to schools to support a student with minimal educational disadvantage to achieve an expected educational outcome. The Base per-student amount is set in the Australian Education Act as the Schooling Resource Standard (SRS).

For 2026 the SRS is:

- \$14,467 per primary student; and
- \$18,180 per secondary student.

Link to latest information - [Australian Government's Schooling Resource Standard guidance](#)

The distribution of the Australian Government Recurrent Funding Base component is dependent upon the levels derived from three sources:

- Australian Government recurrent funding
- State Government per capita funding
- Private income based on the school community's Capacity to Contribute (CTC)

## Capacity to Contribute (CTC)

The concept of Capacity to Contribute is a measure of the non-government school community's capacity to contribute to the ongoing costs of running the school.

The Base funding allocated to each school is predominantly determined by the school community's capacity to contribute. This is based on the school's Direct Measure of Income (DMI) score.

The CTC is set in the Australian Education Act as a percentage of the SRS. The lower the DMI, the less the percentage of SRS the school community needs to contribute and vice versa. A school's CTC percentage affects the amount of base Australian Government recurrent funding the school attracts.

There are schools where recurrent private income (school fees) is above or below the CTC line. For those schools above the CTC line, fee increases are transitioned through recommended fee increases.

Further information on CTC calculations and the setting of fees and levies can be found in the [BCE School Fees FAQs](#)

## Distribution of the Loadings

Loadings provide additional funding above the Base to recognise different school and student needs, as defined in the Australian Education Act.

### Size Loading

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

The Size loading reflects the amounts as outlined in the Australian Education Act amendment (2017). It should be noted the Size loading for small schools under 150 students does not reflect the true costs of operation. There is an extra amount provided to these schools from the BCE needs-based funding model.

Additional support for very small schools is set through the master budget process and targeted to maintain viable delivery of schooling.

## Location Loading

The Act allows for a loading for schools in regional and remote locations. The Location Loading is based on a school's Accessibility/Remoteness Index of Australia (ARIA) score and applied as a percentage of the SRS per student funding amounts for a school, plus the school's Size Loading.

Before distribution to schools, the system cost of the Remote Area Incentive Scheme is deducted from the Location Loading.

As there was no other substitute for the ARIA score calculation, the Location Loading funding is distributed to schools on the 'percentage generated' by each school.

## Low Socio-Educational Disadvantage (Low SES) Loading

The Low Socio Educational Disadvantage Loading aims to give schools with students from low socio-educational backgrounds the same opportunity to achieve educational outcomes as schools that would not attract the loading.

The loading amount is based on the percentage of students in the lowest two quartiles of socio-educational advantage (SEA) developed by the Australian Curriculum, Assessment and Reporting Authority (ACARA). The SEA measures the occupational and educational status of students' parents by looking at factors like occupation, completed school education and highest level of post-school education.

As there is already a formula, through the Act, on how the Low Socio Educational Disadvantage Loading is calculated for each school, the loading is distributed on 'percentage generated' basis.

## Students with Disability Loading (SWD)

This loading provides extra funding on top of the base amount for each student with disability.

From 2018, the loading is based on the Nationally Consistent Collection of Data on School Students with Disability (NCCD), which collects information on students with disability by the level of additional support they are provided to access and participate in learning. Under the NCCD, teachers and schools use their professional, evidence-based judgement to capture information on the level of additional support a student is provided in the classroom.

Students with disability counted in the top three levels of the NCCD (extensive, substantial and supplementary levels) attract a loading. The amount reflects the level of support they need to participate fully in school, with higher funding for those who need higher levels of support.

The collection has a fourth level of support defined as 'support provided within quality differentiated teaching practice'. These students are supported within the classroom as part of standard teaching practice delivered without the need for additional funding.

Before the loading is distributed to schools, BCE system staffing costs directly relating to the loading (such as the inclusive education team and its related programs) are deducted from the loading. System deductions from SWD are limited to costs that directly support SWD delivery and assurance and are reviewed annually through budget governance.

As there is already a formula, through the Act, on how the SWD loading is calculated for each school, the loading is distributed on 'percentage generated' basis.

## Aboriginal and Torres Strait Islander Loading

This loading provides extra funding on top of the base amount for each Aboriginal and Torres Strait Islander student. The amount of extra funding for each student depends on the proportion of Indigenous students in the school.

Before the loading is distributed to schools, BCE system staffing costs directly relating to the loading (such as the ATSI education team and the costs of Ngutana-Lui Aboriginal and Torres Strait Islander Cultural Studies Centre and its related programs) are deducted from the loading.

Reallocation of priority support and related programs may also occur during the year if funds are underutilised.

## Low English Language Proficiency (LELP) Loading

This loading provides extra funding on top of the base amount for a student that comes from a language background other than English and where at least one of the student's parents completed school education only to Year 9 (or equivalent) or below. This may include recently settled migrants and refugees.

Salary and office costs relating to BCE staff who support schools in operating LELP programs are deducted from this loading.

LELP support is provided to eligible schools using a consistent needs-based approach aligned to the Commonwealth definition, reviewed annually.

## Transitioning the Needs-Based Funding Model

When BCE compares school outcomes under the needs-based funding model to the amounts schools are receiving under the previous funding approach, it shows that some schools sit above their modelled position and some sit below it.

To avoid sudden movements in funding in impacted schools, Government recommended a transition pathway to 2029 be implemented. BCE applies a transition approach that gradually moves schools toward their modelled position across the transition period (with a transition horizon through to 2032, allowing for a more gradual transition). This helps manage the practical impact of funding movements on school planning.

In practice, this means some schools will experience lower growth in Commonwealth funding than they would otherwise expect (for example, receiving less than indexation in a given year), while others may be supported to move upward toward their modelled position. Where Commonwealth funding growth is lower, some schools may need to manage affordability and budgeting impacts over time, including considering fee movements in line with their capacity to contribute.

An additional funding component is set aside within the recurrent grant framework to support transition management.

## Publication and transparency

This methodology is published on BCE's public website on the [BCE Policies](#) page. It is reviewed annually as part of the BCE master budget process. Key inputs include SRS rates, enrolments, DMI/CTC settings, SEA, NCCD counts, LELP eligibility, and ARIA. Where system costs are deducted from the Base or a Loading, deductions are limited to costs directly related to that component and are governed through BCE budget approval processes.

