

PACIFIC GROUP OF CHRISTIAN SCHOOLS

NEEDS-BASED FUNDING ARRANGEMENT

February 2024

INTRODUCTION

The Pacific Group of Christian Schools Limited's Needs-Based Funding Arrangement is for the purpose of providing school primary and secondary education across all Pacific Schools, with a focus on effective teaching, learning and serving excellence. Our desire is to equip our community (students, teachers and parents) for acts of service so that they make a difference in our world.

In preparing our students for tomorrow's world, social problems may evolve that we cannot envisage. The Needs-Based Funding Arrangement will better meet the individual needs for all our students, unifying the group of Pacific Schools in their common purpose of glorifying God by pursuing the character of Christ and that the fruit of this relationship blesses the school and wider community.

The Pacific Group of Christian Schools Limited (Pacific Group) operates as an Approved System Authority ('System') operating 10 registered non-government schools located across NSW. These schools are:

- Pacific Hills Christian School
- New Hope Christian School
- Pacific Valley Christian School
- Valley Hope Christian School
- Pacific Coast Christian School
- Pacific Hope Christian School
- Pacific Gulgangali Jarjums Christian School
- Pacific Brook Christian School
- Pacific Berowra Christian School
- Pacific Online Christian School

(the 'Pacific Schools')

As a System, the Pacific Group will receive recurrent funding from both the Commonwealth and NSW State governments at a System level, for all the Pacific Schools. The Board of Directors of the Pacific Group has the delegated authority and responsibility of allocating recurrent funding to each of the Pacific Schools, for the benefit of students, in accordance with this Needs-Based Funding Arrangement.

The Pacific Group operates centralised services to manage and undertake educational activities for the Pacific Schools to provide executive management, improved efficiency, quality, and resources to these schools. These centralised services enable the Pacific Schools to benefit from increased quality, economies of scale, and alignment of resources for common educational outcomes. Central educational activities and services include Finance, Payroll expenses (including central office staff), Human Resources, Marketing, Information and Computer Technology systems, Wellbeing and Staff development, Curriculum, Office services and equipment, Office facility costs (including utilities, maintenance, etc) and Compliance costs (including legal, accounting and audits) incurred by the Pacific Group in its capacity as an Approved System Authority and/or on behalf of all Pacific Schools. The centralised delivery of these services is expected to eliminate duplication and increase efficiencies, so all Pacific Schools can benefit from economies of scale and reduced overheads. This is expected to improve educational outcomes for all Pacific School students.

PHILOSOPHY

In line with section 78(5) of the *Australian Education Act 2013* (Cth), the Pacific Group as a 'System' provides an amount per student for each school that:

1. will allow a student with minimal educational disadvantage to achieve expected educational outcomes; and
2. takes account of efficiencies that can be realised while improving educational outcomes.

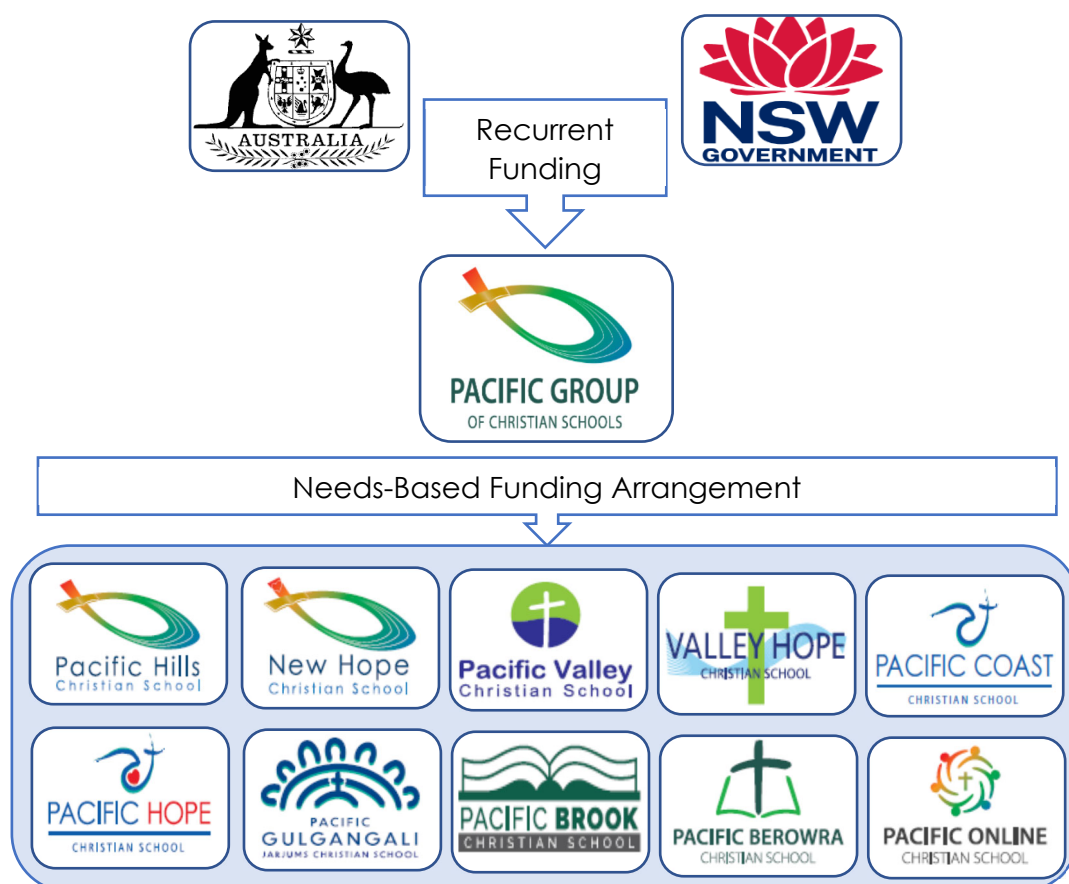
The System also provides the following six loadings to students and schools with additional needs to support student achievement:

- Students with disability;
- Aboriginal and Torres Strait Islander Students;
- Students with socio-educational disadvantage;
- Students who have low English proficiency;
- Schools based on location; and
- Schools based on size.

SCOPE

State and Commonwealth government recurrent funding is pooled to support the ongoing operating expenses of the Pacific Schools. Targeted grant income (for specific State or Commonwealth based programs) is paid directly to the Pacific Schools. This Needs-Based Funding Arrangement deals with all Australian Government general recurrent funding paid to the Pacific Group under the *Australian Education Act 2013* (Cth). This Needs-Based Funding Arrangement also includes all NSW Government general recurrent funding paid to the Pacific Group under the *Education Act 1990* (NSW).

The aim of this Needs-Based Funding Arrangement is to allocate funding to each Pacific School through the use of base funding and loadings while providing centralised services (with associated economies of scale) to all Pacific Schools), which will enable all Pacific Schools to deliver quality Christian education while being financially sustainable, to the benefit of all Pacific School students.



BASE AND LOADINGS METHODOLOGY

The Pacific Group takes the following approach to the Australian Government's (Department of Education) 'needs-based funding arrangements' in accordance with Section 78(5) of the *Australian Education Act 2013* (Cth).

The notional Student Resource Standard (SRS) amount per student per school, modified for each Pacific School's capacity to contribute (CTC) and as allocated by the Australian Government for each

Pacific School from time to time, is received and adjusted by the Pacific Group to ensure that there are sufficient funds available to pay for the key expenditure areas, including taking into account:

- 1) Centralised services (including any centralised programs) conducted by the Pacific Group required for the operation and administration of the Pacific Schools. The total SRS allocated to each Pacific School, as an estimate for how much funding a school needs to meet its students' educational needs, is adjusted downwards by a proportion determined annually by the Pacific Group to take into account the funding required for the central provision of the essential services for the administration of the Pacific Schools, such as finance, payroll expenses (including central office staff), human resources, marketing, Information and Computer Technology systems, wellbeing and staff development, curriculum, office services and equipment, office facility costs (including utilities, maintenance, etc) and compliance costs (including legal, accounting and audits) incurred by the Pacific Group in its capacity as an Approved System Authority and/or on behalf of all Pacific Schools. The proportion of the total SRS funding to be retained for centralised services is estimated for each Pacific School at the beginning of every year and adjusted once actual costs are realised. The estimate is in line with anticipated costs for the upcoming year, taking into account the cost and income drivers, private income, the financial need and capacity to contribute for each Pacific School.
- 2) The need to provide:
 - i) sufficient funds for staffing costs for all the Pacific Schools, which are funded directly by each Pacific School by the adjusted SRS; and
 - ii) school operating expenses (other than central services) and school based programs for each Pacific School, which are funded directly by each Pacific School by the adjusted SRS.

Any surplus funds of the Pacific Schools and the Pacific Group are retained solely from private income, including school fees and donations.

- 3) The amount allocated to each Pacific School by the Pacific Group for the year is determined to be the amount of the total SRS funding remaining for each Pacific School after the adjustment for centralised services (in accordance with the above methodology). At the end of the year, the adjusted SRS for each Pacific School will be expressed as and reported as an amount per student. . Recurrent funding as adjusted is paid to each Pacific School in instalments during the course of the year.
- 4) Other government funding received from time to time (other than recurrent funding received in accordance with Division 2 Part 3 of the *Australian Education Act 2013 (Cth)*) – being mainly that which is provided by the NSW Government (including under NERA6 arrangements) is passed directly to the relevant Pacific School.
- 5) The overall distribution of recurrent funding to the Pacific Schools equals the sum of the amounts calculated in respect of each individual school within the System – less the amount determined by the Pacific Group as required to fund the central provision of essential services and centralised programs for all Pacific Schools, including the corporate overhead costs incurred by the Pacific Group for the administration of the Pacific Schools and the centralised services.
- 6) Loadings for disadvantage received from the Australian Government for:

- a) students with a disability;
- b) Aboriginal and Torres Strait Islander students;
- c) students with socio-educational disadvantage;
- d) students with low English proficiency; and
- e) the size of a school; and
- f) the location of a school,

are set at an amount that is equal to the amount calculated in accordance with the *Australian Education Act 2013* (Cth) and are passed on directly to the relevant Pacific School. Therefore, the amounts and composition of the disadvantage loadings will differ for each Pacific School.

The Pacific Group is of the view that the above stated needs-based funding arrangement ensures that funding flows equitably to each school in the System, is for the benefit of all its students and meets student need in accordance with the requirements in the *Australian Education Act 2013*.

FINANCIAL REPORTING

The Pacific Group provides detailed financial information to the Australian Government annually for each of the Pacific Schools – by way of the Financial Questionnaire, and via the Block Allocations Report under the regular financial accountability and acquittal process, as well as supporting data including audited financial statements. This data is then used to create the dataset reported by the Australian Curriculum, Assessment and Reporting Authority on the publicly accessible MySchool website.

Separately, financial information about the Pacific Group is reported on the register (which is a publicly accessible website) of the Australian Charities and Not-for-Profits Commission.

To meet reporting requirements for the NSW Education Standards Authority and a number of Commonwealth reporting requirements, each Pacific School publishes an annual report on school performance, which includes financial information.

REVIEW

This Needs-Based Funding Arrangement will be reviewed annually to ensure it remains a valid and appropriate methodology for allocating government funding to all Pacific Schools within the System.