



Calculation of the student with disability loading in 2014

How the student with disability loading under the *Australian Education Act 2013* contributes to a school's 2014 Commonwealth funding entitlement

The Government has made a commitment to work with all states and territories to deliver stable and sustainable funding. To give funding certainty to all schools, the Commonwealth has committed that all jurisdictions will be funded over the next four years through a national needs-based model.

The student with disability loading for a school is calculated according to section 36 of the *Australian Education Act 2013* (the Act). This is the 'pure' loading calculated in order to determine a school's total schooling resource standard allocation.

However, transitional arrangements also apply for approved authorities, as set out under Division 5 of the Act. Funding entitlements depend on the type of transitional arrangements that apply to an approved authority.

The transition decisions are made at the level of an approved authority. An approved authority is either an individual school or a group of schools, depending on the approved authority. Most schools in the independent sector are their own approved authority.

For an approved authority that has more than one school, the transition decision is based on the total schooling resource standard allocation for all its schools. If an approved authority for more than one school is determined to be below the schooling resource standard, then every school in the approved authority has its funding calculated as though it is below the schooling resource standard.

Student with disability loading as articulated in the Act

The 'pure' student with disability (SWD) loading is calculated in order to determine a school's total schooling resource standard (SRS) allocation. According to the Act, this calculation is as follows:

- a) 223% of the respective SRS per student funding amounts applies for students attending a special school.
- b) 186% of the respective SRS per student funding amounts applies for students attending any other school.

For primary and secondary schools, the amounts in 2014 are outlined in the table below. Combined schools receive a weighted average of these amounts.

School type	Primary	Secondary
Regular school	\$17,244	\$22,678
Special school	\$20,674	\$27,190

Actual funding received for loadings

The actual funding received by a school for base and loadings depends on two key concepts:

- a) Transition to the schooling resource standard
- b) Apportioning funding based on need.

The amount of funding that a school receives for any loading in any given year is the proportion of the schooling resource standard that it is set to receive in that year. For example, a school receiving 60% of its schooling resource standard in 2014 will receive 60% of its student with disability loading in 2014. Likewise, a school receiving 120% of its SRS in 2014 will receive 120% of its student with disability loading in 2014.

Transition to full implementation

Schools that are 'above' or 'below' the schooling resource standard are transitioned towards the 'pure' student with disability loading. Year-on-year transition rates depend on the relative distance from the schooling resource standard and the transition pathways negotiated by each state and territory government that is a signatory to the National Education Reform Agreement.

Further information on the transition arrangements in 2014 is on the Department of Education website:
http://docs.education.gov.au/system/files/doc/other/explaining_australian_education_act_2013.pdf

Apportioning of funding based on need

A school's fully loaded schooling resource standard amount is expressed in proportional terms according to the contribution that the base and each loading make to the total schooling resource standard amount.

In providing payment advice to schools, these base and loading proportions are then applied to the Commonwealth share of the funding amount for any given year, and the actual dollars attributable to each component are also provided. Examples are given in the two scenarios below.

A school's disability loading in 2014, therefore, will depend on the final Commonwealth funding amount received by the school in 2014. Every school will receive a student with disability loading allocated in this manner, including schools that are funded above the schooling resource standard.

The allocation of a final amount of funding in respect of loadings represents the allocation according to the needs-based funding model. It assists schools in transitioning towards their full schooling resource standard.

The Commonwealth is not prescriptive about how schools spend their money.

SCENARIO 1: A school in NSW that is below the schooling resource standard (SRS)

Note: The following example is of a fictitious independent school in NSW that is currently below the schooling resource standard. This example should be taken as a guide only. It does not reflect the funding allocation, demographics or calculation of any school in particular.

Characteristics of the school used in the example

Characteristic of school	Amount
Primary students (FTE - full time equivalent)	50
Secondary students (FTE)	150
Total students (FTE)	200
SES score (SES - socioeconomic status)	100
ARIA index value (ARIA - Accessibility/Remoteness Index of Australia)	2
Disadvantaged students with a language background other than English (LBOTE) (%)	3%
Aboriginal and Torres Strait Islander (ATSI) students (FTE)	10
Students with disability (FTE)	5
SEA Quartile 1 (%) (SEA - Socio-educational advantage)	15%
SEA Quartile 2 (%) (SEA - Socio-educational advantage)	20%

The school's total SRS allocation is calculated as \$2,459,607 with a per-student 2014 SRS funding amount of \$11,463. After taking into consideration the transition to SRS funding, the Commonwealth contribution to total public funding is calculated as \$1,390,672, or 56.5%¹ of the school's total SRS allocation. This is apportioned in the same manner back into the base and loadings.

¹Note: The 56.5% proportion will increase year on year as the school approaches the SRS.

Funding component	SRS allocation			2014 entitlement		
	Amount \$	Proportion %	Per-student %	Amount \$	Proportion %	Per-student \$
Base ²	1,773,967	72.1		1,003,008	72.1	
Size loading	217,500	8.8		122,975	8.8	
Location loading	179,286	7.3		101,369	7.3	
Low English proficiency loading	6,878	0.3		3,889	0.3	
ATSI loading	28,656	1.2		16,202	1.2	
Low SES loading	146,720	6.0		82,956	6.0	
SWD loading (1.86 x p/student ² x 5)	106,601	4.3	21,320	60,273	4.3	12,055
Total public funding	2,459,607	100.0		1,390,672	100.0	

²The per-student 2014 SRS funding amount for this school is based on a weighted average of primary and secondary enrolments in accordance with the Australian Education Act 2013. This forms the base funding component, which is then discounted by the school's capacity to contribute.

Enrolling an additional secondary student with disability would affect the per-student 2014 funding amount (now \$11,512) for the school, and subsequently have a flow-on effect to the other loadings.

Funding component	SRS allocation			2014 entitlement		
	Amount \$	Proportion %	Per-student %	Amount \$	Proportion %	Per-student \$
Base ²	1,783,074	71.6		1,000,703	71.6	
Size loading	217,612	8.7		122,129	8.7	
Location loading	180,165	7.2		101,113	7.2	
Low English proficiency loading	6,914	0.3		3,880	0.3	
ATSI loading	28,637	1.1		16,072	1.1	
Low SES loading	147,500	5.9		82,781	5.9	
SWD loading (1.86 x p/student ² x 6)	127,962	5.1	21,327	71,815	5.1	11,969
Total public funding	2,491,864	100.0		1,398,492	100.0	

In this example, the student with disability loading allocation increases from \$60,273 to \$71,815, or by **\$11,542**.

SCENARIO 2: A school in NSW that is above the schooling resource standard (SRS)

The calculation of the student with disability loading for schools above the schooling resource standard is worked out in the same way. The example below uses a school with the same characteristics as in the previous scenario but with a 2014 Commonwealth funding entitlement of \$2,600,000 making the school 'above the SRS' and with a per-student 2014 funding amount of \$11,463.

Characteristics of the school used in the example

Characteristic of school		Amount
Primary students	(FTE - full time equivalent)	50
Secondary students	(FTE)	150
Total students	(FTE)	200
SES score	(SES - socioeconomic status)	100
ARIA index value	(ARIA - Accessibility/Remoteness Index of Australia)	2
Disadvantaged students with a language background other than English (LBOTE) (%)		3%
Aboriginal and Torres Strait Islander (ATSI) students (FTE)		10
Students with disability	(FTE)	5
SEA Quartile 1 (%)	(SEA - Socio-educational advantage)	15%
SEA Quartile 2 (%)	(SEA - Socio-educational advantage)	20%

The final funding entitlement breakdown is calculated by apportioning the school's final 2014 entitlement (\$2.6 million) back into the original base and loadings proportions.

Funding component	SRS allocation			2014 entitlement		
	Amount \$	Proportion %	Per-student %	Amount \$	Proportion %	Per-student \$
Base ²	1,773,967	72.1		1,875,223	72.1	
Size loading	217,500	8.8		229,915	8.8	
Location loading	179,286	7.3		189,519	7.3	
Low English proficiency loading	6,878	0.3		7,270	0.3	
ATSI loading	28,656	1.2		30,292	1.2	
Low SES loading	146,720	6.0		155,095	6.0	
SWD loading ($1.86 \times p/student^2 \times 5$)	106,601	4.3	21,320	112,686	4.3	22,537
Total public funding	2,459,607	100.0		2,600,000	100.0	

²The per-student 2014 SRS funding is based on a weighted average of primary and secondary enrolments in accordance with the Australian Education Act 2013. This forms the base funding component, which is then discounted by the school's capacity to contribute.

Enrolling an additional secondary student with disability would affect the per-student 2014 funding amount (now \$11,512) for the school and subsequently have a flow-on effect to the other loadings.

Funding component	SRS allocation			2014 entitlement		
	Amount \$	Proportion %	Per-student %	Amount \$	Proportion %	Per-student \$
Base ²	1,783,074	71.6		1,869,754	71.6	
Size loading	217,612	8.7		228,191	8.7	
Location loading	180,165	7.2		188,923	7.2	
Low English proficiency loading	6,914	0.3		7,250	0.3	
ATSI loading	28,637	1.1		30,029	1.1	
Low SES loading	147,500	5.9		154,671	5.9	
SWD loading ($1.86 \times p/student^2 \times 6$)	127,962	5.1	21,327	134,183	5.1	22,363
Total public funding	2,491,864	100.0		2,613,000	100.0	

In this example, the student with disability loading allocation increases from \$112,686 to \$134,183, or by **\$21,497**.