



Australian Government
Department of Education

Choice and Affordability Fund

2022 Annual Report





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The document must be attributed as the Choice and Affordability Fund 2021 Annual Report.

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Executive summary

The 2022 Choice and Affordability Fund (CAF) Annual Report represents the third annual report publication for the CAF. This 2022 CAF Annual Report provides a summary about how the CAF has been used by Non-Government Representative Bodies (NGRBs) over the 2022 school year to achieve the priorities and activities agreed with the Australian Government.

NGRBs reported spending \$79.1 million of the total \$109.2 million CAF allocation for 2022, of which approximately \$66.9 million (or 84.6%) was distributed directly to schools. Funding has been used to progress the priorities of the CAF and enable non-government schools to continue to support students and families.

NGRBs reported deferring \$30.1 million of 2022 funding to use in later years. This reflects the greater need for transition support anticipated by schools from 2022 onwards.

COVID-19 had an impact on the delivery of CAF activities in 2022, mostly in Term 1 and Term 2 with the arrival of the Omicron variant. Similar to previous years, some NGRBs spent more than had been initially budgeted to meet emerging issues, and for student wellbeing activities. In other situations, changed delivery mechanisms such as the use of online platforms meant less funding was needed, and subsequently deferred additional funding to future years.

Collectively, NGRBs supported hundreds of schools, and thousands of students and families during 2022.



Introduction

The *Australian Education Regulations 2023* (the Regulations) requires Non-Government Representative Bodies (NGRBs) to provide an annual report by 30 June of each year to the Minister for Education in relation to their CAF activities for the previous year.

Each report outlines how CAF funds have been allocated to help schools and details progress in achieving the agreed priorities and intended outcomes identified in individual CAF agreements, and in CAF workplans where relevant.

The Australian Government Department of Education (the department) reviews each individual CAF annual report submitted by NGRBs to confirm funding has been used in accordance with the CAF Guidelines, agreements and workplans. Approval of each NGRBs CAF annual report is a condition of ongoing CAF funding.

This report provides a consolidated summary of NGRB activities and expenditure under the CAF program to support transparency in Commonwealth school funding arrangements.

More information on the CAF including Guidelines, CAF Funding Agreements and associated workplans is available on the [Department of Education](http://www.education.gov.au/)¹ website.

¹ <http://www.education.gov.au/>

CAF priorities

Under the CAF arrangements, NGRBs must address the two mandatory national priorities of **Transition assistance** (including transition assistance for regional schools) and **Special circumstances** funding. There are also four non-mandatory CAF priorities that NGRBs can address where these are relevant to the needs of the schools they represent.

CAF priorities are detailed below:

A - Choice and affordability of schools

This priority provides funding for initiatives that facilitate parental choice and opportunity giving parents the ability to choose an affordable school that will best suit their individual child.

B - Transition assistance

This priority provides funding for non-systemic independent schools transitioning to new Commonwealth recurrent funding settings over 2020 to 2029 and for schools transitioning to new capacity to contribute funding arrangements.

C - Special circumstances funding

This priority supports schools and students impacted by special circumstances or in priority areas such as rural, regional and remote locations and areas affected by drought or other natural disasters.

D - Strengthening outcomes for schools and educationally disadvantaged schools and students

This priority supports initiatives that strengthen outcomes for schools such as helping underperforming schools improve outcomes including through school industry partnerships, and supporting educationally disadvantaged schools and students.

E - Student wellbeing and support

This priority supports schools that require additional assistance to ensure safe, supportive and respectful learning environments.

F - Other priorities identified from time to time

There is scope within the CAF for other priorities to be identified by the Minister from time to time, as specified in any written direction by the Minister issued under the Regulations to the NGRB.



Measuring progress against CAF priorities

In 2022 all NGRBs addressed the mandatory priorities of **Transition Assistance** and **Special Circumstances funding** and many also included the non-mandatory priorities: choice and affordability of schools, strengthening outcomes for schools and educationally disadvantaged schools and students, and student wellbeing and support.

Summary of activity and progress delivered in 2022

All NGRBs reported strong progress including on activities delayed in 2020/21 due to the COVID-19 pandemic. This includes consulting and refining transition paths to the DMI funding arrangements, and support for student wellbeing and quality outcomes.

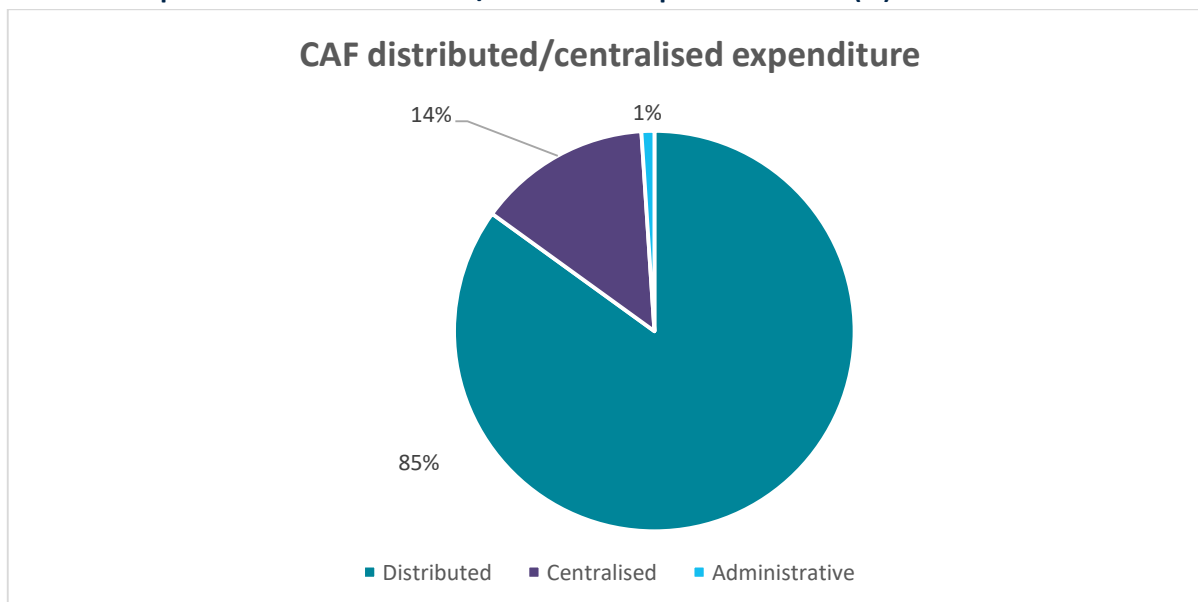
In 2022, NGRBs were provided \$109.2 million under the CAF and reported spending \$79.1 million.

NGRBs also reported on the use of funding as either 'distributed' directly to schools to support CAF priorities or expended by the NGRB itself on centralised CAF programs.

Of the total amount expended by NGRBs in 2022, \$67m (85%) was distributed directly to schools to support CAF priorities and \$11.3m (14%) used for centralised programs (see **Chart 1**).

NGRBs deferred \$30.1 million of the 2022 CAF allocation to support transition in future years, which aligns with NGRBs plans to manage school transition assistance, recognising the impact of the DMI is more likely to be felt by schools still transitioning to the new funding arrangements after 2022.

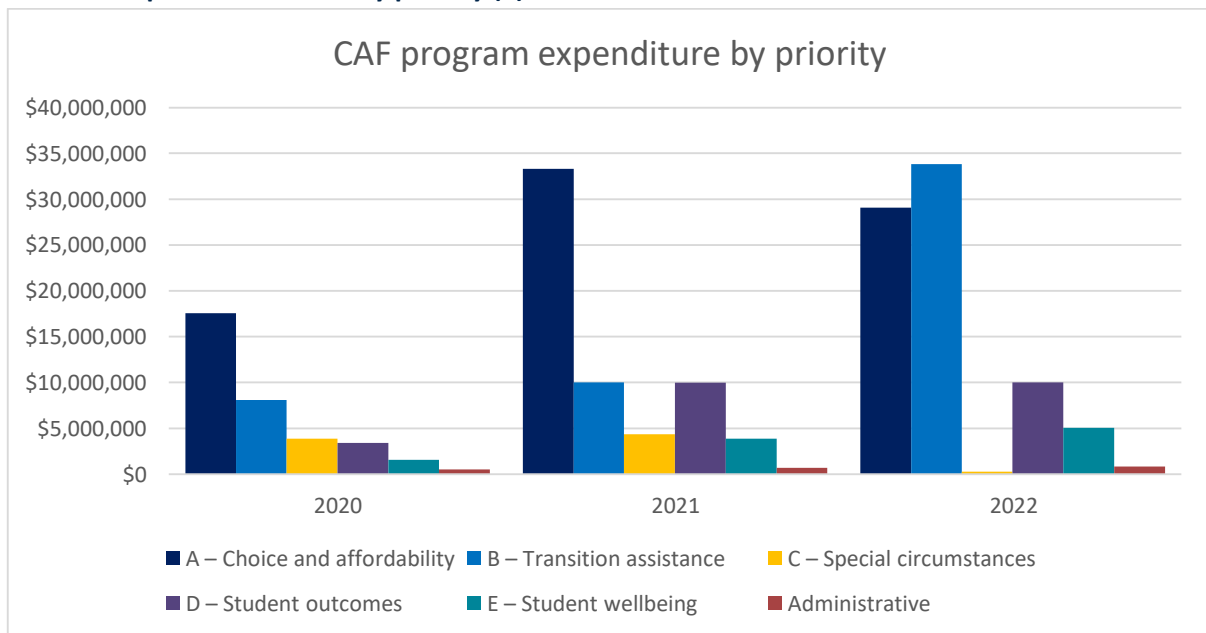
Chart 1 - Proportion of CAF distributed/centralised expenditure 2022 (%)



In 2022 NGRBs’ focus was on Priority B - Transition assistance, comprising 42.8% of total 2022 expenditure. This was followed by Priority A - Choice and affordability at 36.8% and Priority D – Strengthening outcomes at 12.7% (see **Chart 2**).

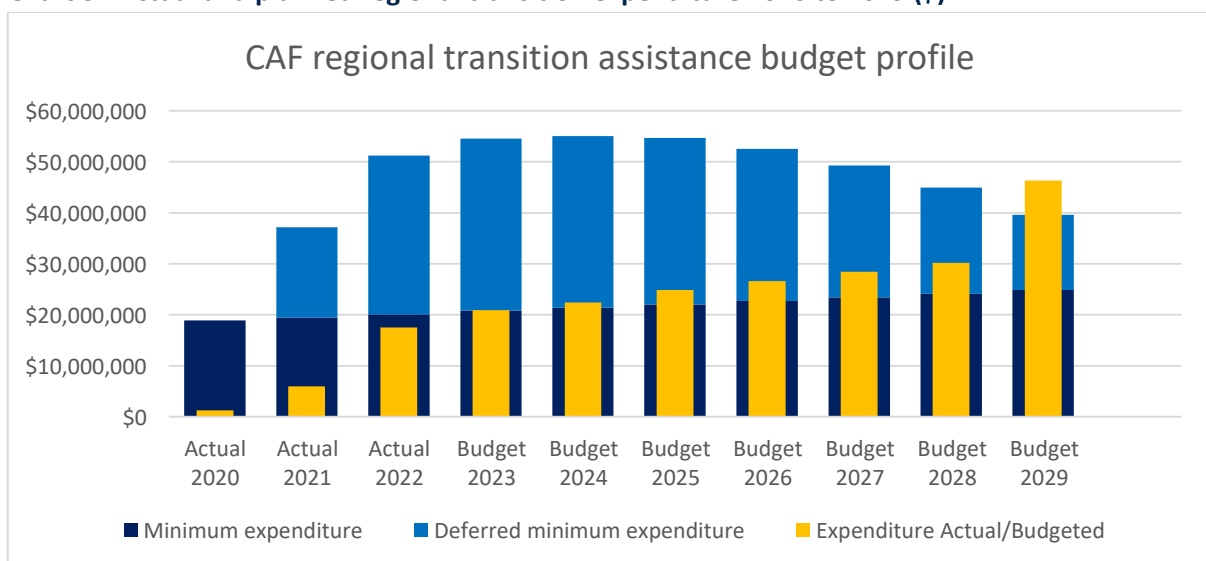
Expenditure in 2022 increased most notably in Priority B – Transition assistance by almost 250%. This is expected to become a trend with increased expenditure on Priority B – Transition assistance building on previous years’ efforts implementing structures to support distribution to schools.

Chart 2 - Expenditure of CAF by priority (\$)



For Priority B - Transition assistance, minimum funding has been committed over the life of the program to support regional schools. This support is forecast to grow each year with a significant increase in the final year, 2029 (see **Chart 3**). Funding expended on regional and remote schools increased by almost 200% from 2021.

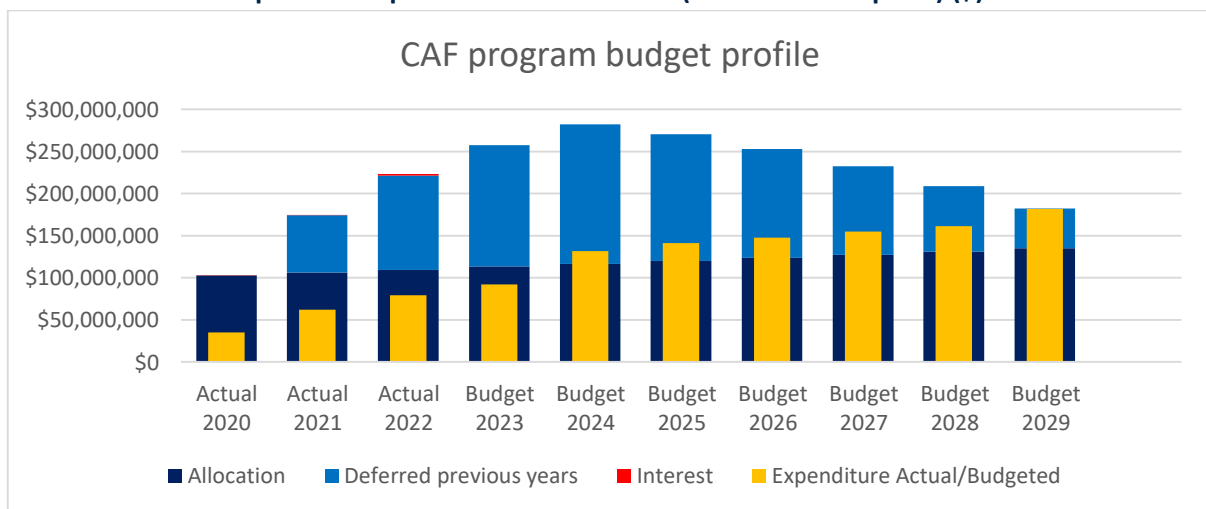
Chart 3 - Actual and planned regional transition expenditure 2020 to 2029 (\$)



CAF planned expenditure to 2029

NGRBs have expenditure profiles that guide their annual expenditure as well as their future spending plans up until to 2029. The profile includes any funding that they plan to hold to be expended in later years to meet future needs. This is called deferred expenditure. In 2022 NGRBs continued to refine their expenditure profiles. Current NGRB forecasts show that from 2024 expenditure on CAF priorities will exceed annual funding allocations, meaning that expenditure that had been deferred from earlier years will start to be expended along side the annual allocation. NGRBs longer-term forecasts show this trend continuing and the totality of CAF funding expended by the CAF’s final year of operation in 2029 (see **Chart 4**). This higher expenditure planned in later years reflects anticipated higher need for transition support for schools who are moving to consistent Commonwealth funding shares by 2029.

Chart 4 - Actual and planned expenditure 2020 to 2029 (2022 annual reports) (\$)



Activities delivered by CAF priority

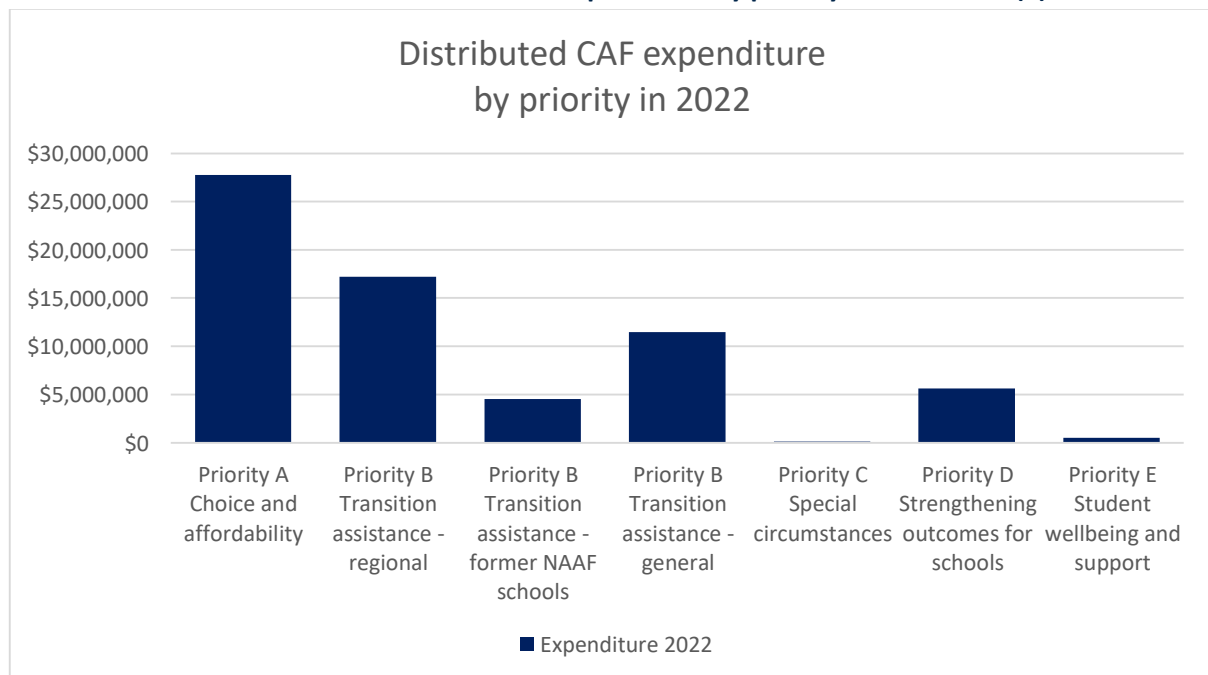
The below presents a summary of activities undertaken under each priority. Detailed reports on activities undertaken by each NGRB across 2022 can be found on their respective websites.

Table 1 and **Chart 5** show the funding directly provided to schools in support of CAF priorities.

Table 1 - Breakdown of 2022 CAF distributed expenditure by priority for all NGRBs

Priority	Expenditure 2022	Schools
A - Choice and affordability	\$27,740,143	569
B - Transition assistance - regional	\$17,211,429	210
B - Transition assistance - former NAAF schools	\$4,540,489	48
B - Transition assistance - general	\$11,482,646	114
C - Special circumstances	\$114,653	3
D - Strengthening outcomes for schools	\$5,620,313	191
E - Student wellbeing and support	\$527,004	40
All priorities	\$67,236,677	1175

Chart 5 - Breakdown of 2022 CAF distributed expenditure by priority for all NGRBs (\$)



A - Choice and affordability of schools

Summary of activities undertaken in 2022.

Activities under this priority have supported choice of affordable education for families, including through fee remission or financial hardship assistance, and other activities which placed downward pressure on school costs. These initiatives have assisted schools and families impacted by the COVID-19 pandemic, as well as communities affected by natural disaster events.

New and continued activities being delivered under the CAF national priority—*Choice and affordability* of schools, include:

- Initiatives to assist principals and business managers from schools with expected changes to their future funding entitlements to identify and implement strategies, policies, and plans to manage the change.
- Assessments of school's financial health, helping schools to understand how parents choose a school for their children, and strategies to increase and retain enrolments and to enable children from disadvantaged families to continue studying at their school of choice.
- Direct grants to special and special assistance schools to allow a greater choice for parents of children who would benefit.
- Direct grants for fee remission for disadvantaged schools or students and/or support for schools that provided fee concessions to families due of the impacts of COVID-19.
- Collecting information on new ways of working with technology adopted during the COVID-19 pandemic to deliver education and to meet parental expectations.

Progress and achievements

- Direct assistance in the form of distributed CAF funds provided by NGRBs to 569 schools nationally.



B - Transition assistance

Summary of activities undertaken in 2022.

NGRBs shifted their focus from planning and development of support for schools needing transition assistance, to the development of more formal arrangements for 2022 and onwards.

New and continued activities being delivered under the compulsory CAF national priority—*Transition assistance*, include:

- Continuation of professional assistance to help develop and implement transition plans at the school level, supporting schools during their transition to their 2029 recurrent funding levels. These activities have focused on:
 - Financial governance and management.
 - Supporting schools to continue to develop Transition Plans, assisting schools to consider their viability and business model into the future and outline clear transition paths to 2029.
 - Assisting schools with access to expert knowledge to analyse existing business models and financials to inform adaptations that may be needed to support transition and transition planning.
 - Establishment of project teams to lead these work programs.
- In consultation with schools, NGRBs have developed transparent processes and criteria for assessing school need.
 - This includes support for regional and remote schools with changing funding arrangements and schools that would have been eligible for funding under the former National Adjustment Assistance Fund (NAAF) funding.

Progress and achievements

- Direct assistance in the form of distributed CAF funds provided by NGRBs to 372 schools nationally. Includes:
 - 210 regional schools;
 - 48 schools that would have been eligible to receive NAAF; and
 - 114 other schools not in the above groups



C - Special circumstances funding

Summary of activities undertaken in 2022

Several NGRBs used 2022 to settle and formally communicate their mechanisms for schools to apply for special circumstances support. NGRBs also used CAF in 2022 to directly help schools respond to flooding, as well as persistent challenges from COVID-19, to ensure school education services continued to be delivered as school communities would expect.

New and continued activities being delivered under the compulsory CAF national priority—*Special circumstances*, include:

- NGRBs have settled methods for setting aside notional amounts per year, to be drawn down if short term emergency needs arise, or strategies to reallocate funding from other priorities to meet requirements.
 - Some NGRBs established programs and support mechanisms available to schools through either application process or identified as meeting specific criteria by an independent reference group.
- Direct grants to support schools with costs associated with repairs and recovery works following flood damage.

Progress and achievements

- Direct assistance in the form of distributed CAF funds provided by NGRBs to 3 schools nationally.



D - Strengthening outcomes for schools and educationally disadvantaged schools and students

Summary of activities undertaken in 2022

Initiatives delivered in 2022 continued work on developing partnerships between schools and industry to create real-world learning experiences for teachers and students, and projects facilitating professional learning along with access to tutors and a range of mentoring services.

New and continued activities being delivered under the CAF national priority— *Strengthening outcomes for schools and educationally disadvantaged schools and students*, include:

- Continuation of initiatives working with Curriculum and Re-Engagement (CARE) Schools to improve attendance and engagement of disengaged secondary students to improve educational outcomes, and practical interventions to improve student outcomes.
- Recruitment of Education Support Officers to provide support for teachers and their support staff by assisting with the identification of educationally disadvantaged students and developing plans to improve school and student outcomes.
- Programs to improve literacy, numeracy, and other academic outcomes of Indigenous students, including initiatives to support student wellbeing and strengthen relationships with families and communities. Projects included support for better outcomes for disadvantaged Aboriginal and Torres Strait Islander students from remote communities.
- Standardising IT hardware in remote schools to establish reliable network access, improve infrastructure and connectivity, and provide for technicians who can visit schools more regularly.

Progress and achievements

- Direct assistance in the form of distributed CAF funds provided by NGRBs to 191 schools nationally.



E - Student wellbeing and support

Summary of activities undertaken in 2022

Efforts in 2022 have delivered professional learning, preventative strategies, policies and processes to create safe, supportive, and respectful learning environments.

New and continued activities delivered under the CAF national priority—*Student wellbeing and support*, include:

- Continued development and delivery of policies and procedures to help schools provide safe, supportive learning environment and support student mental health.
 - Support for schools to improve knowledge about how educational, psychological, and neuroscientific principles can be used to improve the impact of teaching practices and strategies.
- Implementation of plans to improve school and student outcomes and programs that focus on wrap around services and additional in-school support, particularly for Indigenous students and students in remote areas.
- Resource repositories providing evidence-based wellbeing resources, and curated lists of useful external resources for schools.
- School Support Officers to improve learning opportunities for students from diverse backgrounds under the guidance of teachers.
- Strategies for school leaders to better understand student wellbeing and strategies to minimise bullying.
- Support for schools in relation to mandatory reporting processes and reporting procedures relating to Child Protection.
- Support for schools to embed inclusive practice and wellbeing initiatives, including developing and leading school-based professional learning.

Progress and achievements

- Direct assistance in the form of distributed CAF funds provided by NGRBs to 40 schools nationally.



Summary of the CAF financial position

In 2022, \$79.1 million (or 72.4%) of the total 2022 CAF allocation of \$109.3 million was spent. The remaining balance of \$30.15 million (or 27.6%) deferred to later years (see **Table 2** below).

Approximately \$67.2 million (or 85%) of the total expenditure in 2022 has been distributed directly to schools by NGRBs. Overall expenditure by CAF priority saw \$29.1 million expended for Priority A - Choice and affordability, \$33.8 million for Priority B - Transition assistance, \$0.3 million for Priority C - Special circumstances, \$10.0 million for Priority D – Strengthening outcomes, and \$5 million for Priority E – Student wellbeing.

Table 2 - Breakdown of 2022 CAF expenditure by category for all NGRBs

2022 financial summary	GST exclusive amount	Proportion of allocation
2022 allocation	\$109,272,694.00	
2022 expenditure	\$79,123,240.59	72.4%
2022 deferred allocation	\$30,149,453.41	27.6%
2022 interest earned	\$1,748,589.82	
2022 income deferred	\$31,898,043.23	

2022 expenditure by type	GST exclusive amount	Proportion of expenditure
Distributed	\$67,236,688.00	85.0%
Centralised	\$11,071,102.80	14.0%
Administrative	\$815,449.79	1.0%
2022 expenditure	\$79,123,240.59	

2022 expenditure by CAF priority	GST exclusive amount	Proportion of expenditure
A - Choice and affordability	\$29,094,126.00	36.8%
B – Transition assistance (regional)	\$17,541,061.00	22.2%
B – Transition assistance (NAAF)	\$4,706,390.00	5.9%
B – Transition assistance (other)	\$11,596,583.00	14.7%
C - Special circumstances	\$276,143.00	0.3%
D - Student outcomes	\$10,027,667.84	12.7%
E - Student wellbeing	\$5,065,819.96	6.4%
Administrative	\$815,449.79	1.0%
2022 expenditure	\$79,123,240.59	



Payments to NGRBs

The total funding allocated to the Catholic and independent sectors was fixed in 2020 based on the number of schools in each sector at that time, recognising that some non-systemic Catholic schools have nominated to be represented by their Catholic NGRB. The 2020 CAF funding allocations for Catholic and Independent schools are prescribed in the Regulations.

The CAF allocations are indexed annually using the SRS indexation factor, which is available in September of the relevant year. Annual allocations must also consider any change to a sector's CAF funding distribution (independent or Catholic) as advised to the Minister in accordance with administrative arrangements.

Total payments made to NGRBs in 2022 and payments to date are set out in **Table 3 and Table 4** below.

Table 3 - CAF payments to Catholic NGRBs 2022

Catholic NGRBs	Total CAF funding 2022	Total CAF funding 2020 to 2022
Catholic Schools New South Wales (CSNSW)	\$20,992,454	\$57,706,603
Catholic Education Commission of Victoria (CECV)	\$17,185,990	\$49,352,537
Queensland Catholic Education Commission (QCEC)	\$15,597,200	\$41,218,432
South Australian Commission for Catholic Schools (SACCS)	\$4,271,574	\$11,293,582
Catholic Education Western Australia (CEWA)	\$5,806,616	\$16,310,133
Tasmanian Catholic Education Office (TCEO)	\$1,591,186	\$4,332,541
Catholic Education, Archdiocese Canberra, and Goulburn (CECG)	\$1,029,862	\$13,425,488
Catholic Education Office Northern Territory (CEONT)	\$704,894	\$2,086,931
Total	\$67,179,776	\$195,726,247

Table 4 - CAF payments to Independent NGRBs 2022

Independent NGRBs	Total CAF funding 2022	Total CAF funding 2020 to 2022
Association of Independent Schools New South Wales (AISNSW)	\$13,352,422	\$38,901,880
Independent Schools Victoria (ISV)	\$9,013,738	\$26,261,253
Independent Schools Queensland (ISQ)	\$9,468,010	\$27,584,759
Association of Independent Schools South Australia (AISSA)	\$2,675,994	\$7,796,427
Association of Independent Schools Western Australia (AISWA)	\$4,585,608	\$13,360,032
Independent Schools Tasmania (IST)	\$1,133,280	\$3,301,777
Association of Independent Schools of the ACT (ACT)	\$438,490	\$1,277,527
Association of Independent Schools Northern Territory (AISNT)	\$1,425,376	\$4,152,790
Total	\$42,092,918	\$122,636,445



Estimated funding allocations for each NGRB are published on the Department's website in October each year and the latest estimates for 2023 onwards (as of October 2023) are set out in **Table 5 and Table 6**.

Table 5 - Estimated CAF allocations to Catholic NGRBs 2022-2029

Year	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget	Total Budget
CSNSW (NSW)	\$16,333,123	\$20,381,026	\$21,094,359	\$21,980,320	\$22,639,732	\$23,318,924	\$24,018,492	\$24,739,047	\$25,481,218	\$26,245,654	\$226,231,895
CECV (VIC)	\$15,481,119	\$16,685,428	\$17,269,417	\$17,994,736	\$18,534,576	\$19,090,613	\$19,663,332	\$20,253,232	\$20,860,829	\$21,486,653	\$187,319,935
QCEC (QLD)	\$10,478,318	\$15,142,914	\$15,672,915	\$16,331,175	\$16,821,112	\$17,325,746	\$17,845,518	\$18,380,883	\$18,932,310	\$19,500,279	\$166,431,170
SACCS (SA)	\$2,874,850	\$4,147,158	\$4,292,310	\$4,472,586	\$4,606,764	\$4,744,967	\$4,887,316	\$5,033,935	\$5,184,954	\$5,340,502	\$45,585,342
CEWA (WA)	\$4,866,025	\$5,637,492	\$5,834,803	\$6,079,870	\$6,262,263	\$6,450,131	\$6,643,635	\$6,842,944	\$7,048,232	\$7,259,679	\$62,925,074
TCEO (TAS)	\$1,196,513	\$1,544,842	\$1,598,910	\$1,666,065	\$1,716,047	\$1,767,528	\$1,820,554	\$1,875,171	\$1,931,426	\$1,989,369	\$17,106,425
CECG (ACT)	\$11,395,760	\$999,866	\$1,034,861	\$1,078,326	\$1,110,675	\$1,143,996	\$1,178,316	\$1,213,665	\$1,250,075	\$1,287,577	\$21,693,117
CEONT (NT)	\$697,675	\$684,362	\$708,316	\$738,062	\$760,206	\$783,012	\$806,502	\$830,697	\$855,618	\$881,287	\$7,745,737
Total	\$63,323,383	\$65,223,088	\$67,505,891	\$70,341,140	\$72,451,375	\$74,624,917	\$76,863,665	\$79,169,574	\$81,544,662	\$83,991,000	\$735,038,695

Table 6 - Estimated CAF allocations to Independent NGRBs 2022-2029

Year	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Budget	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget	Total Budget
AISNSW (NSW)	\$12,585,940	\$12,963,518	\$13,417,240	\$13,980,768	\$14,400,188	\$14,832,194	\$15,277,160	\$15,735,475	\$16,207,539	\$16,693,765	\$146,093,787
ISV (VIC)	\$8,496,313	\$8,751,202	\$9,057,494	\$9,437,909	\$9,721,047	\$10,012,678	\$10,313,058	\$10,622,450	\$10,941,123	\$11,269,357	\$98,622,631
ISQ (QLD)	\$8,924,507	\$9,192,242	\$9,513,971	\$9,913,558	\$10,210,964	\$10,517,293	\$10,832,812	\$11,157,797	\$11,492,530	\$11,837,306	\$103,592,980
AISSA (SA)	\$2,522,381	\$2,598,052	\$2,688,984	\$2,801,922	\$2,885,979	\$2,972,559	\$3,061,735	\$3,153,588	\$3,248,195	\$3,345,641	\$29,279,036
AISWA (WA)	\$4,322,376	\$4,452,048	\$4,607,868	\$4,801,402	\$4,945,442	\$5,093,805	\$5,246,619	\$5,404,018	\$5,566,138	\$5,733,123	\$50,172,839
IST (TAS)	\$1,068,225	\$1,100,272	\$1,138,781	\$1,186,610	\$1,222,208	\$1,258,875	\$1,296,641	\$1,335,540	\$1,375,606	\$1,416,874	\$12,399,632
AIS (ACT)	\$413,319	\$425,718	\$440,619	\$459,124	\$472,898	\$487,085	\$501,698	\$516,749	\$532,251	\$548,219	\$4,797,680
AISNT (NT)	\$1,343,554	\$1,383,860	\$1,432,295	\$1,492,458	\$1,537,227	\$1,583,344	\$1,630,844	\$1,679,769	\$1,730,162	\$1,782,067	\$15,595,580
Total	\$39,676,615	\$40,866,912	\$42,297,252	\$44,073,751	\$45,395,953	\$46,757,833	\$48,160,567	\$49,605,386	\$51,093,544	\$52,626,352	\$460,554,165

Note that the 2022 allocation is higher than the amount paid in 2022 as indexation above the minimum 3 per cent was applied as a top up payment in 2023.