



Australian Government  
Department of Education,  
Skills and Employment

# Choice and Affordability Fund Guidelines

2020-2029





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The document must be attributed as the Choice and Affordability Fund Guidelines 2020-2029.

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# Choice and Affordability Fund Guidelines

## Part A – Overview

### Preamble

1. As part of the Australian Government’s commitment to providing choice to Australian families, the Government announced the Choice and Affordability Fund. The Choice and Affordability Fund will provide \$1.2 billion over ten years from 2020 to 2029 to address specific challenges in the non-government school sector.
2. Funding for the Choice and Affordability Fund is provided under section 70, Part 5, Division 4 of the *Australian Education Act 2013* (the Act), and in accordance with section 31, Part 5, Division 2 of the Australian Education Regulation 2013 (the Regulation).
3. Section 31 of the Regulation requires that funding received from the Choice and Affordability Fund must be used by non-government representative bodies (NGRBs) for the purpose of supporting school education, and in accordance with: the Choice and Affordability Fund Guidelines (the Guidelines); any written arrangement entered into between the Secretary and the NGRB (Choice and Affordability Fund Agreement 2020-2029); and any written directions of the Minister.
4. These Guidelines take effect from the date of approval by the Minister.
5. These Guidelines set out the Australian Government’s requirements in relation to the administration, use and reporting of the Choice and Affordability Fund.
6. These Guidelines only apply to funding received from the Choice and Affordability Fund.
7. Funding will be provided over the period 2020 to 2029 with payments expected to commence in July 2020.
8. A reference to the Minister for Education (the Minister) in the Guidelines includes a reference to a delegate of the Minister under the Act.

### Priorities

9. The national priorities of the Choice and Affordability Fund are:
  - a) **Choice and affordability of schools**

The Choice and Affordability Fund will provide 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**

The Choice and Affordability Fund incorporates the National Adjustment Assistance Fund which was established to provide transition funding support for non-systemic independent schools. This means NGRBs will make financial and other transition support available for schools that would have met the criteria to have access to support through the National Adjustment Assistance Fund; that is, non-systemic independent schools which are expected to experience reductions in per student funding due to changes in Commonwealth recurrent funding settings over 2020 to 2029. The Choice and Affordability Fund will also provide support for schools in general to transition to a new capacity to contribute model for recurrent funding.

**c) Special circumstances funding**

The Choice and Affordability Fund will support 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.

Special circumstances funding will be prioritised for schools requiring short term emergency assistance when unexpected circumstances or events cause severe and temporary financial difficulty. Assistance should be provided for schools in situations that satisfy all of the following criteria:

- **unexpected**
  - Could not have been reasonably foreseen.
- **causing severe financial difficulty**
  - Where a school faces a real prospect of having to cease a large part of its educational activities or significantly lower its educational services.
- **short term**
  - Schools should be able to overcome their financial difficulty and resume operations and must provide a five-year business and recovery plan.
- **a special need**
  - Schools have exhausted all other options to remedy the financial situation of the school.

**d) Strengthening outcomes for schools and educationally disadvantaged schools and students**

The Choice and Affordability Fund will support 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**

Student wellbeing is essential for both academic and social development. The Choice and Affordability Fund will support schools that require additional assistance to ensure safe, supportive and respectful learning environments.

**f) Other priorities** identified by the Minister from time to time, as specified in any written direction by the Minister to the NGRB under paragraph 31(1)(e) of the Regulation.

10. NGRBs are not required to address all priorities. However, priorities *b) Transition assistance* and *c) Special circumstances funding*, are compulsory inclusions for all NGRBs and, along with the regional transition assistance support outlined in paragraph 23 below, these priorities should be prioritised over the other national priorities.
11. A subset of priorities that each NGRB will address is detailed in written arrangements between the NGRB and the Secretary of the Department of Education, Skills and Employment (the department).
12. Where new priorities emerge, the Minister will consult with NGRBs on priorities to be progressed by the agreement of both parties in accordance with the NGRB's Choice and Affordability Fund Agreement (the Agreement). Accordingly, these Guidelines are subject to revision.

## Part B – Process

### Non-government representative bodies

13. Commonwealth Choice and Affordability funding may only be paid to a non-government school through an NGRB.
14. NGRBs are bodies approved by the Minister under section 91 the Act.
15. A list of NGRBs in each state and territory, and their contact numbers, is available on the [Department of Education, Skills and Employment](#) website.
16. NGRBs are expected to work collaboratively with non-government schools to support local priorities. NGRBs are expected to deliver on their Agreement and ensure that all non-government schools are afforded equity of access to appropriate initiatives and activities. Each NGRB will determine the equitable share of funding for its schools in accordance with the allocative mechanism applied by that NGRB and in accordance with its Agreement.

### Funding

17. Funding will be administered by the NGRB on behalf of non-government schools.
18. Prior to making a determination under section 70 of the Act, the Minister must be satisfied there is a current Agreement in place between the Secretary and the NGRB and that the NGRB is complying with that Agreement.

## Sector distribution

19. The estimated 2020 sector level and state and territory funding distribution is set out below.

Table 1. Estimated 2020 distribution of Choice and Affordability funding to the systemic Catholic and independent sector by state and territory (\$m)

	NSW	VIC	Qld	SA	WA	Tas.	ACT	NT	Total
Systemic Catholic sector	20.1	18.0	11.1	3.5	5.7	1.4	1.1	0.7	<b>61.5</b>
Independent sector	14.6	7.9	7.5	3.8	5.3	1.1	0.7	0.7	<b>41.5</b>

20. Funding to the systemic Catholic and independent sectors for future years from 2021 to 2029 will be indexed in accordance with the Schooling Resource Standard (SRS) indexation factor for a year as set out in paragraph 25B(2)(b) of the Regulation.

## NGRB distribution

21. NGRBs or the national representative body for a sector may advise the department of any proposed variations to the state and territory distribution of sector funding in Table 1 for 2020 or any subsequent year. This advice may be used to inform the Minister's determination of financial assistance for the year under section 70 of the Act. The final funding distribution will be made publicly available on the department's website.
22. Under Division 4 of Part 6 of the Act the Minister may approve a person as an NGRB for a non-government school. Independent sector schools reflected in Table 1 (i.e. the second row) may be represented either by an independent or Catholic sector NGRB. NGRB approvals will be reflected in the funding allocations set out in NGRB Agreements.

## School distribution

23. Further to paragraphs 10 and 28, to ensure support for regional and remote schools during transition to the Direct Measure of Income for capacity to contribute, which commences in 2020, at least a 9 per cent proportion of the national level sector allocations over the period 2020 to 2029 must be quarantined for regional transition assistance. The national representative body for a sector will provide the department with advice on proportion of funding quarantined at the national sector level and the distribution of the regional funding amount across states and territories. NGRBs must provide regional and remote schools with financial assistance that is at least equal to the regional funding distributed to the NGRB and must provide advice in Agreements and workplans on how assistance will be used to support regional and remote schools.
24. Agreements will also specify a process for identifying transition assistance for schools that would have received support through the former National Adjustment Assistance Fund. The department will advise NGRBs of their represented schools that would have met the criteria to have access to support through the former National Adjustment Assistance Fund. Advice will

incorporate the impact on schools of the latest changes to funding arrangements, including the Direct Measure of Income for capacity to contribute.

## Part C – Funding arrangements

### Use of funding

25. The funding will be used to provide financial assistance and support to non-government schools and must be spent in accordance with the requirements outlined in the Act, Regulation, these Guidelines and the NGRB's Agreement.
26. NGRBs must only spend, or commit to spend, Choice and Affordability funding for the benefit of schools that the NGRB is approved at that time to represent.
27. NGRBs, approved authorities and non-government schools must only spend, or commit to spend, Choice and Affordability funding for the purposes of supporting school education (refer to section 31 of the Regulation) and for:
  - a) implementing the activities specified in the NGRB's Agreement;
  - b) delivering activities directly for the benefit of or on behalf of non-government schools and in accordance with the NGRB's Agreement; and
  - c) administration costs of the NGRB directly associated with implementing the activities specified in the Agreement in accordance with the following requirements:
    - i. NGRBs can use up to two per cent of total funding provided over the ten years from 2020 to 2029 to meet the costs of administering the Choice and Affordability Fund, unless otherwise agreed by the Minister through a written direction issued under paragraph 31(1)(e) of the Regulation;
    - ii. In limited circumstances, where an NGRB incurs additional expenses that would not be able to be met by the limit of two per cent specified in paragraph 27(c)(i) above, the NGRB may apply to the Minister in writing for an increased proportion of funds to meet these expenses and increase its administration allowance for a calendar year. Any agreement given by the Minister will be notified through a written direction issued under paragraph 31(1)(e) of the Regulation.
28. Choice and Affordability funding from the Australian Government to NGRBs must be spent or be committed to be spent over the period 1 July 2020 to 31 December 2029. NGRBs have discretion to spend Choice and Affordability funding over the period 2020 to 2029 in order to best achieve the objectives of the Choice and Affordability Fund, through the agreed priorities, according to their own circumstances and subject to any conditions specified in Agreements. For avoidance of doubt, expenditure of some or all of the funds received may occur in later years, as long as the NGRB commits to the expenditure before 31 December 2029, in order to best achieve the objectives of the Choice and Affordability Fund.
29. The NGRB must spend, or commit to spend, all funding provided under the Act by 31 December 2029, unless a later date is approved by the Minister. This obligation survives



notwithstanding the expiry of the Guidelines or Agreement. Such approval must be requested by the NGRB, and the NGRB must provide any supporting information required by the Minister, prior to the end of the year in question. Such approval will generally only be considered in exceptional circumstances. Any agreement given by the Minister will be notified through a written direction issued under paragraph 31(1)(e) of the Regulation.

30. Choice and Affordability funding must not be used for:

- a) other operations of the NGRB not directly related to activities addressing national priorities under the Agreement
- b) study tours
- c) international travel of any kind
- d) capital expenditure as defined in the Act unless the expenditure is for providing equipment, such as information technology equipment
- e) security for any form of loan, credit, payment or other interest
- f) the preparation of, or in the course of, any litigation, except litigation by a state or territory to recover a debt from the NGRB arising under the operation of the Act.

## Other funding

31. The Choice and Affordability Fund is not intended as a replacement for other sources of Commonwealth funding.

## Part D – Reporting and accountability

32. The provisions in this part will reflect the ability to use funds flexibly over the period as per [paragraphs 27 and 28](#) of these Guidelines.

33. The approach to the delivery of activities and initiatives of the Choice and Affordability Fund will differ by state and by NGRB. Where a consistent approach to delivery of priorities *a) Choice and Affordability of Schools, b) Transition assistance or c) Special circumstances funding* is anticipated over the period of the Agreement, the Agreement will provide the mechanism for reporting and accountability and workplans will not be mandatory. Delivery approaches that are subject to change in activities over time, that are more complex in nature, or involve centralised program expenditure by the NGRB, will require workplans to support an adequate level of reporting and accountability.

34. Agreements, including workplans, will be made publicly available on the department's website.

## Workplans

35. Further to paragraph 33 of these Guidelines, and if required by the Agreement between the Secretary and NGRB, the NGRB must submit workplans, detailing actions to support local level priorities to the department for approval.

36. The workplan must be submitted and approved prior to provision of Choice and Affordability funding for the period covered by the workplan.

37. Local priorities must support and align with national priorities listed in the Agreement.
38. A two year workplan is required to cover the period 2020 to 2021. Four-year workplans are required to cover the periods 2022 to 2025 and 2026 to 2029.
39. Prior to the conclusion of each workplan, an updated workplan must be submitted to, and approved by, the Secretary in order to continue receiving Choice and Affordability funding for the following period. Payment is subject to a satisfactory workplan being received and approved.
40. Any delay by the NGRB in meeting these timeframes may affect payments and/or the timing of payments.
41. The workplan must focus on at least one of the national priorities listed in [paragraph 9](#) of these Guidelines and local priorities agreed by the Parties.
42. Any workplan must be in a template approved by the Secretary. A workplan template will be provided to NGRBs by the department as an attachment to the Agreement.
43. A workplan must include:
  - a) the activities the NGRB will undertake for the period of the workplan that support the national and local priorities
  - b) an indicative budget for each activity
  - c) the expected funding allocation from the NGRB to approved authorities as well as centrally expended support by priority
  - d) an outline of the intended outcomes of the activity and quantifiable measures of success, where possible
  - e) how the NGRB proposes to enable the approved authorities it supports for the purposes of the Choice and Affordability Fund to participate in activities as appropriate.
44. The Secretary will assess a workplan against the requirements in these Guidelines, and any written directions issued by the Minister under paragraph 31(1)(e) of the Regulation, and approve it once satisfied the workplan meets the requirements.
45. Once approved, the workplan forms an attachment to, and is part of, the Agreement between the Secretary and NGRB.
46. In accordance with the Agreement, any variations to an approved workplan that results in a significant redirection of resources or a significant impact on intended outcomes must be agreed by both the Secretary and the relevant NGRB in writing.

## Certificate, report and financial statements

47. Each NGRB must comply with the financial statement, reporting and acquittal requirements as specified in sections 34, 36 and 38 of the Regulation.
48. Acquittal reports must identify funding spent in each year as well as funding committed to be spent in a future year.
49. NGRBs must require non-government schools to certify that distributed funding has been used for the purposes it was provided.

## Annual reports

50. By 30 June each year the NGRB must provide the Secretary with a report, as provided for by section 36(6) of the Regulation, in relation to its activities for the previous year (annual report).
51. The annual report must be in the template approved by the Secretary, provided as an Attachment to the Agreement.
52. The annual report should outline progress in achieving the priority objectives and intended outcomes identified in the Agreement, including the workplan. At a minimum, the annual report must include:
  - a) a detailed activity report against each priority as set out in the NGRB Agreement including listing of schools targeted against each priority and description of outcomes
  - b) a report on distribution of funding including separate identification of total funding provided directly to schools by priority, as well as centrally expended support by priority
  - c) financial statements prepared in accordance with the Australian Accounting Standards, as outlined in section 38 of the Regulation.
53. The Minister's approval of an annual report is required as a condition of ongoing funding. In assessing annual reports, the Minister will consider:
  - a) consistency of the annual report with the Agreement priorities or workplan
  - b) the distribution of funding to the NGRB's represented schools.
    - i. Note: Representation is prescribed in accordance with section 89 of the Act and membership of a NGRB is not a prerequisite to representation
54. Following this, the department will publish a consolidated annual report on the expenditure of Choice and Affordability funding. This will be available on the department's website.

## Record keeping and information provision

55. In accordance with the NGRBs' obligations under section 39 of the Regulation, NGRBs must allow a person authorised by the Minister (or their delegate) to do either or both of the following:
  - a) have full and free access, at all reasonable times after giving reasonable notice to the NGRB, to the NGRB's accounts, records and other documents relating to the Choice and Affordability Fund the NGRB is required to provide to the department; and/or
  - b) take extracts from, or make copies of, the material referred to above.

56. Each NGRB must keep records as specified in section 37 of the Regulation.
57. Records relating to the body's compliance with the Act and its financial administration would include but are not limited to records:
- a) identifying all receipt and expenditure of funding provided under the Act;
  - b) demonstrating the NGRB is meeting its obligations under the Act, the Regulation, these Guidelines and the Agreement;
  - c) demonstrating NGRB decision-making in relation to its financial administration and governance;
  - d) meeting the department's expectations of consistency, equity and transparency and opportunity for schools to access funding.

*Note: records must be identifiably separate from other records that the NGRB may hold for the purposes of other undertakings the NGRB conducts or to which the NGRB is related, and records must be kept for 7 years.*

## Other requirements

### *Identifying Commonwealth funding*

58. When an NGRB undertakes an activity specified in its approved workplan, the Australian Government requires the NGRB to acknowledge, in all publicly available materials, Australian Government funding through the Choice and Affordability Fund as having provided partial or complete funding for the activity with the following words *"This project is [funded/partially funded] [NGRB to delete whichever is inapplicable] by the Australian Government through the Choice and Affordability Fund"*.

### *Access to premises and records, and the provision of information and records*

59. Each NGRB must provide an authorised person full and free access to premises and records of the NGRB, at all reasonable times and after the giving of reasonable notice to the NGRB, in accordance with section 39 of the Regulation.
60. An NGRB must also the authorised person to take extracts from, or make copies of, the records.
61. For example, from time to time, the department may undertake an audit of the financial and administrative procedures of a NGRB. Such audits may be undertaken by the department or by an independent auditor engaged by the department.
62. Matters to be audited will be determined by the department, but without limitation, may include:
- a) compliance by the NGRB with the Act and the Regulation, including these Guidelines and the Agreement.
  - b) the financial administration of the NGRB.

63. Each NGRB must also provide the Minister, or an authorised person, information and records in accordance with section 39A of the Regulation.

*Keeping the Minister informed*

64. Each NGRB must keep the Minister informed of changes to its operations as specified in section 40 of the Regulation, including but not limited to any change in the key individuals (as defined in section 4 of the Regulation) of the NGRB.

*Information to the public about financial assistance*

65. As set out in paragraphs 62(1)(b), (c), (d) of the Regulation, each NGRB must ensure that it makes the financial assistance it receives from the Australian Government, including the Choice and Affordability Fund, publicly available each year, including the application of that financial assistance, how a school applies for assistance and how decisions of the NGRB to allocate funding are reviewed.
66. Each NGRB must ensure that it makes its approved workplan, and annual reports publicly available.

*Criminal Code*

67. NGRBs should note that in providing any information to the department, giving false or misleading information is a serious offence under section 137.1 of the *Criminal Code Act 1995* (Cth).

**Consequences for not complying with the Act, the Regulation, these Guidelines or the Agreement**

68. If an NGRB does not comply with any of its requirements in the Act, the Regulation, these Guidelines or the Agreement, the Minister may consider taking one or more compliance actions against that NGRB, including but not limited to where there is evidence the NGRB may have misused Choice and Affordability funding (such as by not using it for the purposes it was provided).
69. These include imposing conditions on the approval of the NGRB under the Act (section 96 of the Act). Further, under section 110 of the Act, the Minister may make a determination to suspend, withhold or require the repayment of funds.

## Part E – Other information

### Other applicable legislation

70. NGRBs must comply with any relevant statutes, regulations, by-laws and requirements of any Commonwealth, state, territory or local authority, including, where applicable, relevant anti-discrimination laws and the:

- a) *Fair Work Act 2009* (Cth)
- b) *Privacy Act 1988* (Cth)
- c) *Criminal Code Act 1995* (Cth)

### Updates to these Guidelines

71. These Guidelines will be updated as priorities change or as required, after consultation with relevant parties. The current version will be published on the department's website.

### Information management

72. Information created or provided for the purposes of the Act, including information, plans, and reports provided by NGRBs in accordance with the Regulation, these Guidelines and the Agreement, is "school education information" under the Act. It can therefore be used, disclosed and published in accordance with section 125 of the Act and section 65 of the Regulation.

73. The department is subject to the *Freedom of Information Act 1982* (Cth) and any information held by the department, including information, plans, and reports provided by NGRBs in accordance with the Regulation, these Guidelines and the Agreement, may be subject to freedom of information applications.

### Department contact information

Contact details for the department are as follows:

Postal

Director, Schools Funding and Analytics Team  
GPO Box 9880 CANBERRA ACT 2601

Email

[SchoolsTransition@dese.gov.au](mailto:SchoolsTransition@dese.gov.au)

## Glossary

Term	Definition
Approved authority	<b>Approved authority</b> for school means the person that is approved by the Minister as the approved authority for the school under section 73 of the <i>Australian Education Act 2013</i> to receive financial assistance from the Australian Government for one or more schools. For a government school located in a state or territory, the approved authority is the state or territory government. For a non-government school, the approved authority is the body corporate that is approved by the Minister for the school.
SRS indexation factor	Each year the base amount per student of the <b>Schooling Resource Standard (SRS)</b> is indexed to at least keep up with the real cost of education. From 2018 to 2020, the SRS will be indexed at a fixed rate. From 2021 onwards, the SRS indexation rate will grow at whichever is higher of 3 per cent or a floating rate based on economy wide measures of 75 per cent Wage Price Index and 25 per cent Consumer Price Index.
Non-systemic independent school	A <b>non-systemic independent school</b> is a school which belongs to an approved authority which is not an approved system authority as defined under subsection 78(6) of the Act.

## Version history

Date	Changes from previous version
6 February 2020	Original version