



Australian Government
Department of Education

Choice and Affordability Fund

2023 Consolidated 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 2023 Choice and Affordability Fund (CAF) Annual Report represents the fourth annual report publication for the CAF. This 2023 CAF Annual Report provides a summary about how the CAF has been used by Non-Government Representative Bodies (NGRBs) over the 2023 school year to achieve the priorities and activities agreed with the Australian Government.

NGRBs reported spending \$85.7 million of the total \$114.4 million CAF allocation for 2023, of which approximately \$71.9 million (or 83.9%) 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 \$28.7 million or 25% of 2023 funding to use in later years. The amount of deferred funding is down 3% from 2022 with no deferred funding expected in future years. 46.1% of expenditure was on transition assistance in 2023 up from 42.8% in 2022 and this is expected to continue growing in coming years.

Expenditure on student outcomes is also growing with school leaders investing in best practice and practical solutions to improve student outcomes. This includes indigenous and remote school programs promoting engagement and improved IT access.

Collectively, NGRBs supported hundreds of schools, and thousands of students and families during 2023.

Introduction

The *Australian Education Regulations 2023* (the Regulations) requires 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 CAF annual reports 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 2023 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 2023

All NGRBs reported strong progress including on activities includes consulting and refining transition paths to the DMI funding arrangements, and support for student wellbeing and quality outcomes.

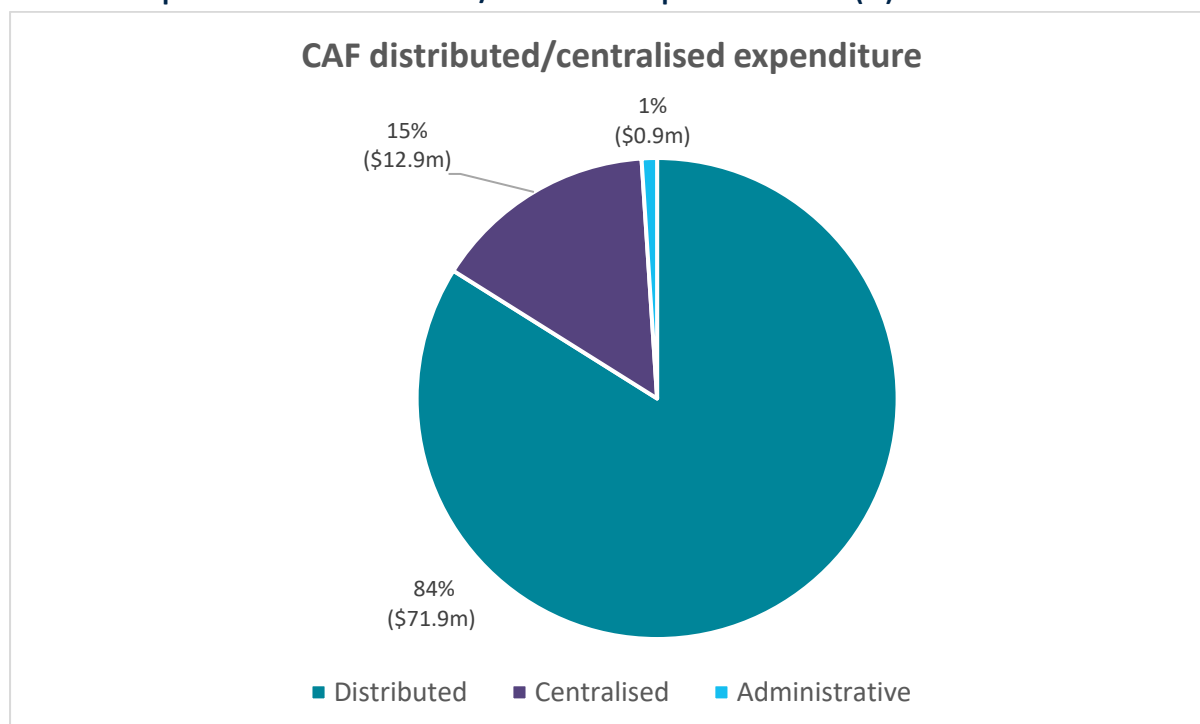
In 2023, NGRBs were provided \$114.4 million under the CAF and reported spending \$85.7 million.

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 2023, \$71.9 million (84%) was distributed directly to schools to support CAF priorities and \$12.9 million (15%) used for centralised programs (see **Chart 1**). The remaining \$0.9 million (1%) was expended on the NGRBs administration of the CAF.

NGRBs deferred \$28.7 million of the 2023 CAF allocation to support transition in future years.

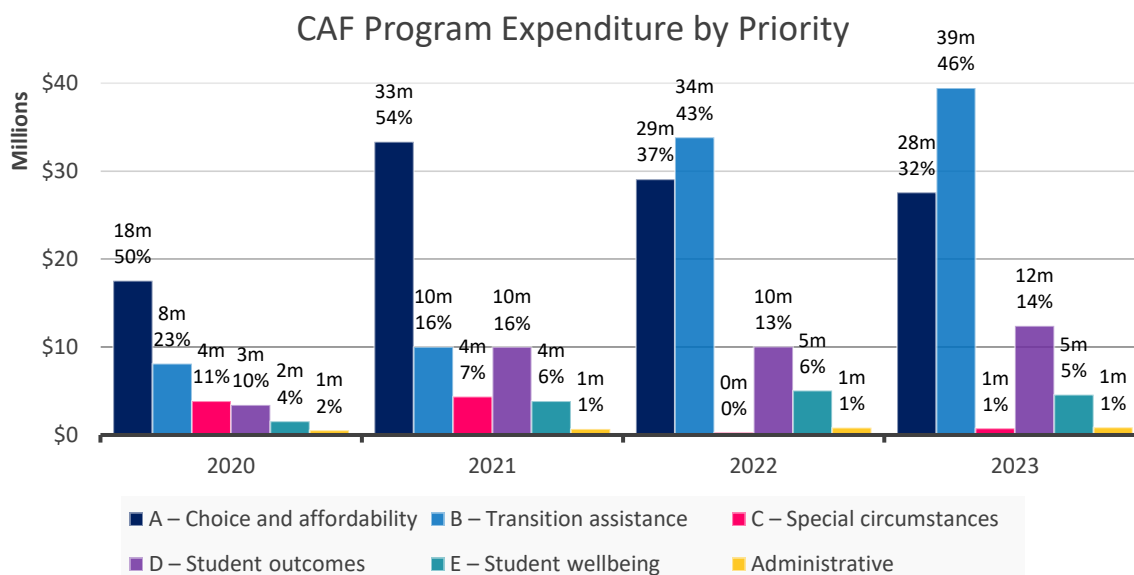
Chart 1 - Proportion of CAF distributed/centralised expenditure 2023 (%)



In 2023 NGRBs' focus was on Priority B - Transition assistance, comprising 46.1% of total 2023 expenditure. This was followed by Priority A - Choice and affordability at 32.2% and Priority D – Strengthening outcomes at 14.5% (see **Chart 2**).

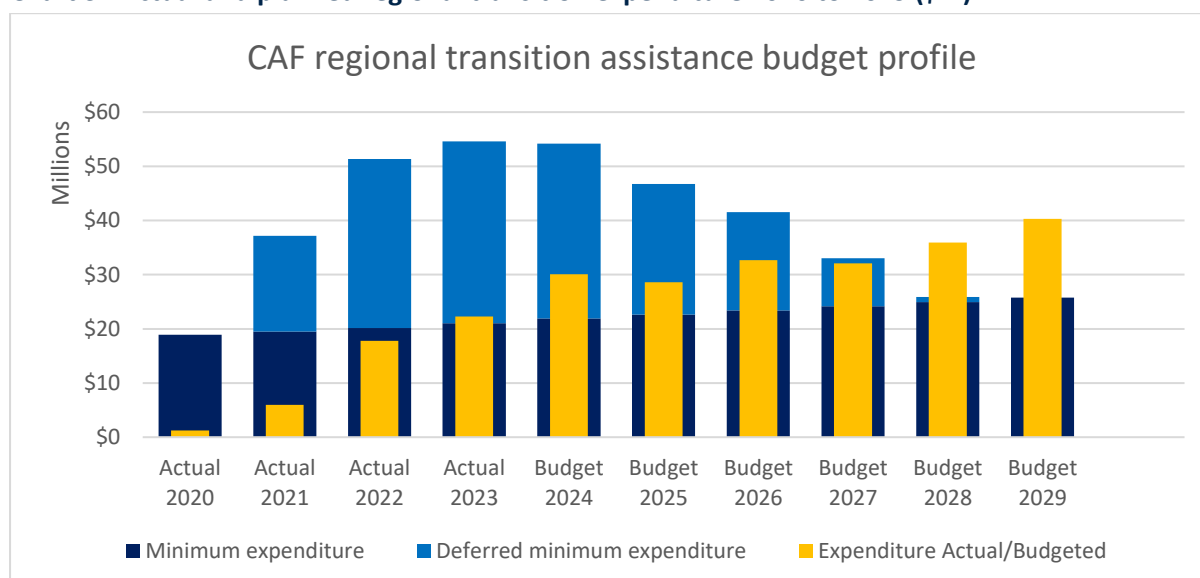
Expenditure in 2023 continued to grow from previous years with a 17 percent increase in Priority B – Transition assistance spending and 24 percent increase in Priority D – Student Outcomes spending. This trend is expected to continue with an increased spending on transition assistance.

Chart 2 - Expenditure of CAF by priority (\$m and % annual allocation)



For Priority B - Transition assistance, there is a minimum funding commitment of 9 percent over the life of the program that must be allocated to supporting regional schools. This support is forecast to grow annually peaking at 44% more than the minimum in the final year, 2029 (see **Chart 3**). Funding expended on regional and remote schools increased by 25% from 2022.

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

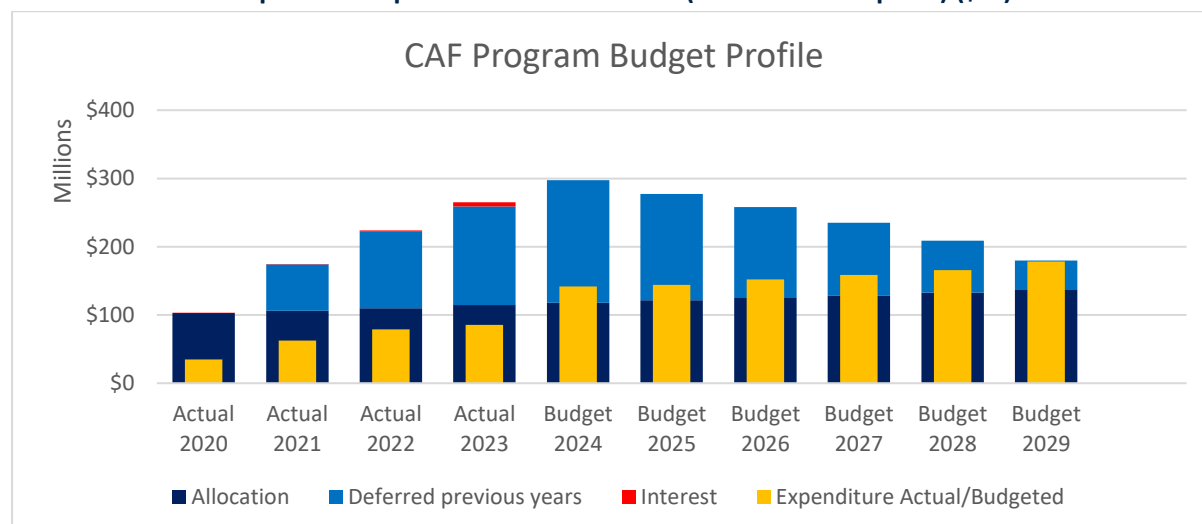


CAF planned expenditure to 2029

NGRBs set their own expenditure profiles to 2029 that guide their annual expenditure as well as their future spending plans up until to 2029. The profile includes deferred expenditure which is any

funding that they plan to hold to be expended in later years to meet future needs. In 2023 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**).

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



Activities delivered by CAF priority

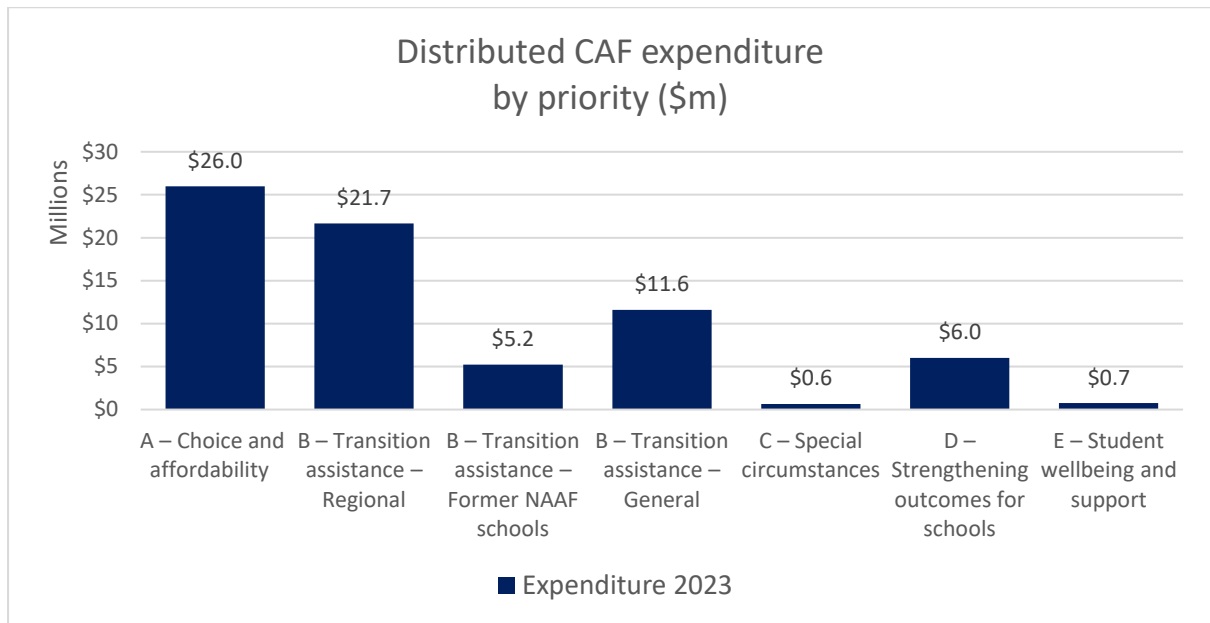
The below presents a summary of activities undertaken under each priority. Detailed reports on activities undertaken by each NGRB across 2023 can be found on their respective websites.

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

Table 1 - 2023 CAF distributed expenditure by priority for all NGRBs

Priority	Expenditure 2023	Schools
A – Choice and affordability	\$25,987,196	534
B – Transition assistance – Regional	\$21,666,019	233
B – Transition assistance – Former NAAF schools	\$5,213,212	53
B – Transition assistance – General	\$11,619,353	108
C – Special circumstances	\$649,823	10
D – Strengthening outcomes for schools	\$6,010,683	181
E – Student wellbeing and support	\$748,500	48
All priorities	\$71,894,787	1,167

Chart 5 - 2023 CAF distributed expenditure by priority for all NGRBs



A - Choice and affordability of schools

Summary of activities undertaken in 2023.

2023 Priority A activities 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.

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 and streamline business practices.
- 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 for fee remission for disadvantaged schools or students and/or support for schools that provided fee concessions to families.
- Professional learning on financial management and financial literacy, strategic planning for school capital assets, negotiating and understanding contracts and cash flow modelling.
- Supporting financial governance and understanding of strategic planning processes for running efficient and effective schools.
- Project grants for structural upgrades to ICT services to facilitate and improve decision making.

Progress and achievements

\$27.6 million in assistance was provided to 534 schools nationally.

B - Transition assistance

Summary of activities undertaken in 2023.

2023 Priority B activities focused on direct financial assistance while providing financial governance and planning support.

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.
 - Assisting schools with access to expert knowledge in analysing existing business models and financials to support transition planning.
 - Continuing support for schools developing transition plans, modelling business practice to ensure viability into the future with clear transition paths to 2029 and beyond.
 - Additional staff and training including administrative support for schools in remote areas.
- In consultation with schools, NGRBs have developed transparent processes and criteria for assessing school need for funding assistance.
 - 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

\$39.5 million in assistance was provided to 394 schools, comprising:

- 233 regional schools;
- 53 schools that would have been eligible to receive NAAF; and
- 108 other schools not in the above groups.

C - Special circumstances funding

Summary of activities undertaken in 2023

2023 Priority C was used to implement and formally communicate mechanisms for schools to apply for special circumstances support. NGRBs also provided funding to directly help schools respond to flooding.

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.
 - NGRBs established programs and support mechanisms available to schools through application and assessment processes.
- Direct grants to support schools with costs associated with repairs and recovery works following flood and cyclone damage.
- Direct grants to replace ICT equipment that was damaged as a result of flooding and lockdown events.

Progress and achievements

\$0.75 million in assistance was provided to 10 schools nationally.

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

Summary of activities undertaken in 2023

2023 Priority D initiatives involved developing partnerships between schools and industry, projects facilitating professional learning supported through access to tutors and mentoring services.

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

- Continuing initiatives to improve student attendance and engagement.
- Programs to improve literacy, numeracy, and other academic outcomes of Indigenous students, including initiatives to support student wellbeing, strengthening relationships with families and community.
- Coaching in school leadership, excellence and innovation supporting quality conversations and relationships.
- Coaching in application of effective pedagogical practices through staffing and specialist support.

Progress and achievements

\$12.4 million in assistance was provided to 181 schools nationally.

E - Student wellbeing and support

Summary of activities undertaken in 2023

2023 Priority E efforts 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 a safe, supportive learning environment and support student mental health. Policies and procedures focused on:
 - Student planning support;
 - Classroom management; and
 - School wide support.
- Creation of resource repositories that provide evidence-based wellbeing resources, and curated lists of useful external resources for schools.
- Projects that contribute to the skills growth of educationally disadvantaged students, improve school retention and educational attainment levels, and provides young people the tools and abilities to navigate the future.
- Refugee student support including school psychologists, behaviour support and child safety support.

Progress and achievements

\$4.6 million in assistance was provided to 48 schools nationally.

Summary of the CAF financial position

In 2023, \$85.7 million (or 74.9%) of the total 2023 CAF allocation of \$114.4 million was spent. The remaining balance of \$28.7 million (or 27.6%) deferred to later years (see **Table 2** below).

Approximately \$71.9 million (or 62.8%) of the total expenditure in 2023 has been distributed directly to schools by NGRBs. Overall expenditure by CAF priority saw \$27.5 million expended for Priority A - Choice and affordability, \$39.4 million for Priority B - Transition assistance, \$748,943 for Priority C - Special circumstances, \$12.4 million for Priority D – Strengthening outcomes, and \$4.5 million for Priority E – Student wellbeing.

Table 2 - Breakdown of 2023 CAF expenditure by category for all NGRBs

2023 Financial Summary	GST Exclusive Amount	Proportion of Allocation
2023 Allocation	\$114,414,891.00	
2023 Expenditure	\$85,676,809.74	74.9%
2023 Deferred Allocation	\$28,738,081.26	25.1%
2023 Interest Earned	\$6,261,727.80	
2023 Income Deferred	\$34,999,809.06	

2023 Expenditure by Type	GST Exclusive Amount	Proportion of Allocation
Distributed	\$71,894,788.14	83.9%
Centralised	\$12,895,317.49	15.1%
Administrative	\$886,704.11	1.0%
2023 Expenditure	\$85,676,809.74	

2023 Expenditure by CAF Priority	GST Exclusive Amount	Proportion of Allocation
A – Choice and affordability	\$27,589,602.20	32.2%
B – Transition assistance – Regional	\$22,272,750.83	26.0%
B – Transition assistance – Former NAAF schools	\$5,404,489.09	6.3%
B – Transition assistance – General	\$11,784,112.42	13.8%
C – Special circumstances	\$748,943.50	0.9%
D – Strengthening outcomes for schools	\$12,405,745.70	14.5%
E – Student wellbeing and support	\$4,584,461.90	5.4%
Administrative	\$886,704.11	1.0%
2023 Expenditure	\$85,676,809.74	

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 2023 and payments to date are set out in **Table 3 and Table 4** below.

Table 3 - CAF payments to Catholic NGRBs 2023

Catholic NGRB	Total CAF Funding 2023	Total CAF Funding 2020 to 2023
Catholic Schools New South Wales (CSNSW)	\$21,980,320	\$79,788,828
Catholic Education Commission of Victoria (CECV)	\$17,994,736	\$67,430,700
Queensland Catholic Education Commission (QCEC)	\$16,331,175	\$57,625,322
South Australian Commission for Catholic Schools (SACCS)	\$4,472,586	\$15,786,904
Catholic Education Western Australia (CEWA)	\$6,079,870	\$22,418,190
Tasmanian Catholic Education Office (TCEO)	\$1,666,065	\$6,006,330
Catholic Education, Archdiocese Canberra, and Goulburn (CECG)	\$1,078,326	\$14,508,813
Catholic Education Office Northern Territory (CEONT)	\$738,062	\$2,828,415
Total	\$70,341,140	\$266,393,502

Table 4 - CAF payments to Independent NGRBs 2023

Independent NGRB	Total CAF Funding 2023	Total CAF Funding 2020 to 2023
Association of Independent Schools New South Wales (AISNSW)	\$13,980,768	\$52,947,466
Independent Schools Victoria (ISV)	\$9,437,909	\$35,742,918
Independent Schools Queensland (ISQ)	\$9,913,558	\$37,544,278
Association of Independent Schools South Australia (AISSA)	\$2,801,922	\$10,611,339
Association of Independent Schools Western Australia (AISWA)	\$4,801,402	\$18,183,694
Independent Schools Tasmania (IST)	\$1,186,610	\$4,493,888
Association of Independent Schools of the ACT (ACT)	\$459,124	\$1,738,780
Association of Independent Schools Northern Territory (AISNT)	\$1,492,458	\$5,652,167
Total	\$44,073,751	\$166,914,530

Estimated funding allocations for each NGRB are published on the Department's website in October each year and the latest estimates for 2024 onwards (as of October 2024) 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	\$22,859,535	\$23,545,321	\$24,251,681	\$24,979,231	\$25,728,608	\$26,500,467	\$227,653,671
CECV (VIC)	\$15,481,119	\$16,685,428	\$17,269,417	\$17,994,736	\$18,714,523	\$19,275,959	\$19,854,238	\$20,449,865	\$21,063,361	\$21,695,262	\$188,483,908
QCEC (QLD)	\$10,478,318	\$15,142,914	\$15,672,915	\$16,331,175	\$16,984,424	\$17,493,957	\$18,018,775	\$18,559,339	\$19,116,119	\$19,689,602	\$167,487,538
SACCS (SA)	\$2,874,850	\$4,147,158	\$4,292,310	\$4,472,586	\$4,651,490	\$4,791,035	\$4,934,766	\$5,082,809	\$5,235,293	\$5,392,352	\$45,874,649
CEWA (WA)	\$4,866,025	\$5,637,492	\$5,834,803	\$6,079,870	\$6,323,061	\$6,512,753	\$6,708,136	\$6,909,380	\$7,116,661	\$7,330,161	\$63,318,342
TCEO (TAS)	\$1,196,513	\$1,544,842	\$1,598,910	\$1,666,065	\$1,732,707	\$1,784,689	\$1,838,229	\$1,893,376	\$1,950,178	\$2,008,683	\$17,214,192
CECG (ACT)	\$11,395,760	\$999,866	\$1,034,861	\$1,078,326	\$1,121,459	\$1,155,102	\$1,189,755	\$1,225,448	\$1,262,212	\$1,300,078	\$21,762,867
CEONT (NT)	\$697,675	\$684,362	\$708,316	\$738,062	\$767,586	\$790,614	\$814,332	\$838,762	\$863,925	\$889,843	\$7,793,477
Total	\$63,323,383	\$65,223,088	\$67,505,891	\$70,341,140	\$73,154,785	\$75,349,430	\$77,609,912	\$79,938,210	\$82,336,357	\$84,806,448	\$739,588,644

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	\$14,539,996	\$14,976,196	\$15,425,482	\$15,888,246	\$16,364,894	\$16,855,841	\$146,998,121
ISV (VIC)	\$8,496,313	\$8,751,202	\$9,057,494	\$9,437,909	\$9,815,426	\$10,109,888	\$10,413,185	\$10,725,581	\$11,047,348	\$11,378,768	\$99,233,114
ISQ (QLD)	\$8,924,507	\$9,192,242	\$9,513,971	\$9,913,558	\$10,310,100	\$10,619,403	\$10,937,985	\$11,266,125	\$11,604,108	\$11,952,232	\$104,234,231
AISSA (SA)	\$2,522,381	\$2,598,052	\$2,688,984	\$2,801,922	\$2,913,999	\$3,001,419	\$3,091,461	\$3,184,205	\$3,279,731	\$3,378,123	\$29,460,277
AISWA (WA)	\$4,322,376	\$4,452,048	\$4,607,868	\$4,801,402	\$4,993,456	\$5,143,260	\$5,297,557	\$5,456,484	\$5,620,179	\$5,788,784	\$50,483,414
IST (TAS)	\$1,068,225	\$1,100,272	\$1,138,781	\$1,186,610	\$1,234,074	\$1,271,097	\$1,309,230	\$1,348,506	\$1,388,962	\$1,430,630	\$12,476,387
AIS (ACT)	\$413,319	\$425,718	\$440,619	\$459,124	\$477,489	\$491,814	\$506,569	\$521,766	\$537,419	\$553,541	\$4,827,378
AISNT (NT)	\$1,343,554	\$1,383,860	\$1,432,295	\$1,492,458	\$1,552,151	\$1,598,716	\$1,646,677	\$1,696,078	\$1,746,960	\$1,799,369	\$15,692,118
Total	\$39,676,615	\$40,866,912	\$42,297,252	\$44,073,751	\$45,836,691	\$47,211,793	\$48,628,146	\$50,086,991	\$51,589,601	\$53,137,288	\$463,405,040

Note that allocations include top up payments that for 2022 and 2023 were made early in the subsequent year.