



Australian Government
Department of Education

Guidelines for Approved Authorities

Capacity to Contribute (CTC) score review process



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Purpose

These Guidelines provide information about capacity to contribute (CTC) score reviews for approved authorities for schools.

These procedures are designed to minimise administrative burden on approved authorities and schools while fulfilling obligations under the *Public Governance, Performance and Accountability Act 2013*.¹

The Australian Bureau of Statistics (ABS)'s *Technical Framework for the Capacity to Contribute Review Process, Version 2*² (the Technical Framework) has informed the development of this document and provides valuable complementary information. Note: Where information in the Technical Framework differs from information set out in these Guidelines, the information in these Guidelines will take precedence.

Definitions of terms used in this document are provided at [Appendix B](#).

Background

What is a CTC score?

CTC is a measure of a non-government school community's capacity to contribute to the ongoing costs of running their school. It is a relative measure, ranking schools from the lowest capacity to highest capacity, so that base recurrent funding can be distributed according to need.

A school's CTC score determines the reduction the Commonwealth applies to the school's [Schooling Resource Standard \(SRS\)](#) base funding amount only. CTC does not affect loadings under the SRS, which provide additional funding for student priority cohorts and disadvantaged schools.

CTC does not apply to government schools, and non-government special schools, special assistance schools, Majority Aboriginal and Torres Strait Islander schools, and sole-provider schools.

How are CTC scores calculated?

CTC scores are calculated annually in accordance with section 52 of the *Australian Education Act 2013* (the Act) and Part 3, Division 3 of the *Australian Education Regulations 2023* (the Regulations).

¹ The *Public Governance, Performance and Accountability Act 2013* can be accessed at: www.legislation.gov.au/Details/C2017C00269. It applies to all officials of Commonwealth entities and establishes rules for financial management, governance, performance and accountability for the Commonwealth public sector.

² The *Technical Framework for the Capacity to Contribute Review Process, Version 2* can be accessed at: <https://www.education.gov.au/recurrent-funding-schools/resources/technical-framework-capacity-contribute-review-process>

Determinations are usually made by the Minister for Education's delegate, who is a senior officer at the Department of Education (the department).

The Regulations require all CTC scores to be calculated using the direct measure of income (DMI) methodology unless this methodology cannot be used for a reason specified in the Regulations.³ If the DMI methodology cannot be used, the Regulations require a Refined Area-Based (RAB) score to be used.

DMI methodology

Most CTC scores are the average of the school's previous 3 consecutive years of DMI scores. For example, a school's 2024 CTC score is the average of the school's 2021, 2022 and 2023 DMI scores.

A DMI score for a school is calculated each year by the department. DMI scores are based on the median income of parents and guardians of the students attending the school. The department collects the names and addresses of parents and guardians from a school's approved authority each year through the annual Student Residential Address and Other Information Collection (the Address Collection).

The DMI score calculation uses the Address Collection data to link parent and guardian names and addresses to de-identified income tax data and other data in the Centrelink Administrative Dataset through the Person Level Integrated Data Asset (PLIDA) dataset.

The PLIDA dataset includes Australian Government payment and earning amounts and concession card information. This means low-income parents on concession cards are likely to be included in their school's DMI score calculation. Where the exact income of these parents is not known, they are assigned a zero income and included in the income distribution for the school, improving coverage of the DMI.

The data used to work out DMI scores for schools is confidential and can only be accessed by authorised officers in the ABS Secure Research Environment (DataLab).

More information about the DMI methodology can be found at: www.education.gov.au/recurrent-funding-schools/resources/direct-measure-income-dmi-methodology.

RAB score

If the DMI methodology cannot be used for a reason specified in the Regulations, the Regulations require a RAB score to be used.⁴ A school's RAB score is based on family and household income information of the Statistical Area Level 1s (SA1s) where parents and guardians of the students at a school live. The data used is from the 2021 ABS Census of Population and Housing data combined with the latest available statement of addresses from the Address Collection completed by a school's approved authority each year. For example, a school's 2024 RAB-based CTC score is calculated using data from the school's 2023 Address Collection.

³ Subsection 21(3) of the Regulations.

⁴ Section 23 of the Regulations.

Other methodologies

If the Minister (or delegate) believes using a method included in the Regulations would result in an inaccurate CTC score, an alternative method can be used.⁵ A CTC score calculated using an alternative method is known as a 'deemed' score.

Applying for a CTC score review

When can I apply for a CTC score review?

CTC scores for schools are based on the most appropriate available data. They are an accurate measure of capacity to contribute for most schools.

If, however, an approved authority for a school believes its school's CTC score is not accurate, and has evidence to support its case, it can apply to the department for a review of that score.⁶

An approved authority can apply for a review of its school's CTC score at any time.

When deciding whether to apply for a CTC score review, an approved authority must consider the following:

- The CTC score review process operates to assist a small number of schools in highly exceptional circumstances.
- The CTC measure and the CTC score review process are not designed for the purpose of providing additional funding for a school to support a school's financial viability.
- A CTC score is a relative measure – it provides a measure of the relative anticipated financial capacity of the persons responsible for students at a non-government school to contribute to the operating costs of that school relative to the capacity at other non-government schools.

How do I apply for a CTC score review?

Only the approved authority for a school can apply for a CTC score review. The review application must include the reason for the review (why the approved authority believes its school's CTC score is not accurate) and supporting evidence.

Applications must be made using the [CTC score review application](#) form⁷ and submitted to the department, with all required supporting documentation, to: CTCReviews@education.gov.au or via post to: CTC Score Review Team, Department of Education, GPO Box 9880, Canberra ACT 2601.

⁵ Subsection 52(4) of the Act requires the Minister (or delegate) to determine a CTC score in accordance with the Regulations unless they are satisfied doing so would result in a CTC score that is not accurate.

⁶ Subsection 53(2) of the Act allows an approved authority to apply for a determination of a new CTC score for a school.

⁷ Section 115 of the Act requires an application be made in the approved form.

What reasons and evidence do I need?

The reasons for a CTC score review would generally fall under 5 broad categories. The following lists those categories and the types of CTC scores they apply to:

- a recent change in the school community's economic circumstances (DMI-based and RAB scores)
- a recent change in the school community's population (DMI-based and RAB scores)
- difference between linked and unlinked populations (DMI-based scores)
- the school's RAB score does not accurately reflect the school community's circumstances, or
- large average family size (DMI-based and RAB scores).

Information about these review scenarios, and examples of the types of evidence required to support a review application, are provided in [Appendix A](#) and also in the ABS's [Technical Framework](#).

When will a CTC score review proceed?

A CTC score review will proceed when there is a reasonable case and supporting evidence for the review.

When will a CTC score review not proceed?

In the absence of any compelling evidence showing the CTC score might not be accurate, a review will not proceed. For example, a CTC score review will **not** proceed:

- where the reason for the review is to question the agreed CTC score methodology alone, for example, for the use of RAB scores for new schools or the use of the 3-year rolling average for the calculation of DMI-based scores
- where a school anticipates a future reduction in the capacity of the school community to contribute – as the DMI methodology will account for this over time
- where another school in the same area has a lower CTC score – as the CTC methodology will not deliver the same results for schools in the same area unless the median family incomes of the schools are the same
- for a school with a DMI-based score, claiming that a high number of families are in receipt of health care or other concession cards, receive social security benefits, or are unemployed and therefore these families are not captured in the DMI score calculation – as these families are likely to be linked in PLIDA data which includes this information
- on the basis that the student population or a school is highly disadvantaged, noting the SRS already provides additional funding through the SRS loadings for student and school disadvantage – as the DMI methodology already accounts for lower income families
- for a school with a DMI-based score, claiming that families of students at the school only reside in the area to access the school and have lower incomes – as the DMI methodology accounts for this
- where the reason for the review is because a school has high levels of debt
- where the reason for the review is the financial viability of the school

- where the reason for the review is a school is experiencing financial hardship
- where a school's state or territory government recurrent funding has been reduced by that government, or
- where the reason for a review is based on the school's fee structure or policies, including the provision of high levels of fee relief to families.

How long does a CTC score review take?

The department aims to complete all reviews as quickly as possible. Because each review is unique, the department cannot complete every review within the same timeframe. In most cases the department will need to work with the ABS and apply for data to be released from the secure ABS DataLab. Timeframes for the ABS functions are outside the control of the department. The review team is committed to keeping approved authorities up to date on the progress of their review application.

Can I withdraw my application for a CTC score review?

Section 117 of the Act allows an approved authority to withdraw an application for a CTC score review at any time before the Minister (or delegate) has made a decision on the application.

IMPORTANT: After an application has been withdrawn, the Minister (or their delegate) may still determine a CTC score for a school on their own initiative. In making that decision, the Minister (or delegate) can consider any relevant information that was included in a withdrawn application. The school's approved authority will be notified of the proposed decision and the reasons for the proposed decision. If the proposed decision is for a higher CTC score, which would result in a reduction in funding, the approved authority will be provided with the opportunity to respond and any response will then be considered before the decision is made.

Outcomes of a CTC score review

When will the deemed CTC score apply to funding?

If the review results in a new, lower CTC score for the school (resulting in a smaller reduction to the SRS base amount than the score under review) the new score will be used to calculate the school's recurrent funding entitlement from the year to which the review application relates. If this year is in the past, or the October payment for the year has been finalised, a top up payment will be made to the school in the next available payment run.

A new, higher CTC score (resulting in a larger reduction to the SRS base amount) will not be applied retrospectively. This means, a higher CTC score will not be determined for a year if the October payment for that year has been finalised. Instead, the new, higher CTC score will be used to calculate the school's recurrent funding entitlements from the following year.

How long will deemed scores apply for?

The number of funding years a deemed CTC score will be applied to a school's funding will be considered on a case-by-case basis by the delegate determining the score.

When deciding the number of years to determine a deemed CTC score for, the delegate will consider the reasons for determining a deemed score and whether these reasons are likely to continue to apply to the school. The delegate will prioritise transition to a CTC score calculated in accordance with the Regulations where this will result in an accurate score for the school.

All deemed scores, including those determined for more than one funding year, will be reviewed annually and may result in changes to the previously deemed score. For more on annual reviews of deemed scores see the [Annual review of deemed CTC scores](#) section below.

Will my school's transition to 80% of the SRS be affected?

Where a new CTC score is deemed for a school for 2022, the department will make any relevant adjustments to the school's transition pathway to 80% of its SRS. Where adjustments are made to a school's transition pathway, the department will provide written advice to the school's approved authority, detailing anticipated future year funding entitlements.

From 2023, transition pathways will **not** be adjusted where a new CTC score is determined for a school.

Can I seek a review of a deemed CTC score?

Yes. An approved authority can seek a CTC score review at any time regardless of when or on what basis the CTC score was determined.

An approved authority can also seek an **internal review** of the decision to determine a CTC score within a specified time of the decision being made (usually 30 days). An internal review is not the same as a CTC score review. Internal reviews are allowed for certain administrative decisions made under the Act.⁸ They are conducted by a departmental officer who was not involved in the making of the decision, and who occupies a position that is at least the same level as the individual who made the decision. If an approved authority is not satisfied with the outcome of an internal review, they can apply to the Administrative Appeals Tribunal (AAT) to seek an **external review** of that decision.

⁸ Section 118 of the Act lists the administrative decisions made under the Act that are subject to internal review.

The CTC score review process

Stage 1: Initial review of application

The department considers whether the approved authority has a reasonable case for a CTC score review and whether enough evidence has been provided to support the application. The approved authority will be contacted if more information is required.

Step 2: Detailed assessment

Once there is enough supporting evidence for the application, the department will undertake a detailed assessment. Usually this assessment will follow one of the review processes described in the ABS's Technical Framework. The Technical Framework describes a suggested review process for several of the CTC [score review scenarios](#).

The detailed assessment will consider whether the existing CTC score is accurate or whether a new CTC score should be deemed.

If required, a parental survey could be suggested

The department could propose a parental survey be carried out. A parental survey would ask questions⁹ about each parent's personal income as reported in their tax return for a specified year. This information would be used by the department to calculate an [Adjusted Taxable Income](#) for each parent and, from that information, the median family income for the school. The median income would then be used to derive the school's CTC score.

The department would exhaust all other avenues before suggesting a parental survey. Parental surveys are resource-intensive for schools to undertake given the high response rate (100% of all parents) required. Also, the accuracy of information collected through a parental survey cannot be guaranteed in the same way the accuracy of administrative data contained in the PLIDA can.

Step 3: Approved authority provided with draft report

The approved authority is given an opportunity to respond to the department's draft assessment report before it is provided to the assessor. At this time the approved authority can provide further evidence or data to support their application.

Step 6: Independent oversight

An independent, internal assessment of the draft assessment report and review documentation is carried out by an independent officer in a separate area of the department who was not involved in the original CTC review process. The internal assessor's role is to ensure the CTC Score Reviews

⁹ To calculate each parent's Adjusted Taxable Income, the survey requires the following amounts: taxable income earned, adjusted fringe benefits, reportable employer superannuation contributions, deductible personal superannuation contributions, tax-free government pensions or benefits, target foreign income, net financial investment loss, net rental property loss, and child support payments the person provided to another person. Further information, for example about family size, could be required depending on the reason for review.

Team's assessment is reasonable, appropriate, and thorough in light of all evidence provided and gathered, and that it has followed correct procedures.

Step 7: Recommendation and decision

The department makes recommendations to the Delegate who is a senior departmental official. If a new score is recommended, the years to which that score will apply to the school's funding calculation are also provided to the Delegate for decision.

- If the Delegate is satisfied the CTC score under review is accurate, they will decide to redetermine that score.
- If the Delegate is satisfied the CTC score determined for the school is not accurate, they will determine a new CTC score.

Step 8: Notify approved authority of the decision

The department formally notifies the approved authority of the Delegate's decision¹⁰. The notice includes the determined CTC score, the years the new score will apply and the reasons for the decision. The notice also sets out the approved authority's right to internal review of the decision. For more information about internal reviews see [Can I seek a review of a deemed CTC score?](#).

Annual review of deemed CTC scores

Deemed CTC scores are reviewed annually by the CTC score reviews team.

If, following the annual review, the delegate is satisfied a CTC score calculated in accordance with the Regulations would be accurate, the school's CTC score for the next funding year will be determined in accordance with the Regulations and replace the deemed score. For small and very small schools, the move from a deemed CTC score to a score calculated in accordance with the Regulations will be subject to a 2 point cap to align the transition with the approach set out in the Regulations.¹¹

If the delegate is not satisfied a CTC score calculated in accordance with the Regulations would be accurate, the annual review will consider whether the methodology used to calculate the deemed score under review still provides an accurate CTC score. As part of this process, the CTC score reviews team will consider whether updated or new data is available that could be applied to calculate a new deemed score that more accurately reflects the school's circumstances.

¹⁰ In accordance with section 119 of the Act.

¹¹ Subsections 22(3) and 23(4) of the Regulations refer.

Publication of CTC scores following review

If a new CTC score determined for a school has not been calculated in accordance with the Regulations, section 24AAA of the Regulations requires the department to publish the CTC score, the years to which the score applies, and the reasons for determining the new score. For transparency, the department also publishes outcomes of CTC score reviews where the newly determined CTC score has been calculated in accordance with the Regulations. Outcomes of CTC score reviews are published on the department's website at: www.education.gov.au/recurrent-funding-schools/resources/outcome-ctc-score-reviews.

Information management and privacy

Information received by the department for a review of a school's CTC score is 'school education information' for the purposes of the Act and may be used and dealt with in accordance with section 125 of the Act and section 65 of the Regulations.

The department ensures that it adheres to the Australian Privacy Principles, contained in the *Privacy Act 1988*, when dealing with any personal information provided with an application.

The department requests that applicants do **not** provide personal information as part of their business case or supporting evidence, if possible. Personal information includes information or an opinion, whether true or not, and whether recorded in a material form or not, about an identified individual, or an individual who is reasonably identifiable. However, if a business case relies on the provision of personal information, the department requests that applicants obtain the consent of the individual/s to whom the information relates prior to providing it to the department.

Further information about the collection of personal information during the CTC score review process is provided in the CTC score review Privacy Statement which is available at: www.education.gov.au/recurrent-funding-schools/resources/application-form-review-capacity-contribute-score.

Further information about the department's privacy policy is available at www.education.gov.au/using-site/privacy-statement-department-education.

The department notes that any information provided in an application will be subject to the *Freedom of Information Act 1982*.

Criminal code

Approved authorities should note that giving false or misleading information as part of any application process is a serious offence and may lead to prosecution under the *Criminal Code 1995* and compliance action under the Act.

Further information

If you have any questions or would like further information about the CTC score review process or your application, please contact CTCReviews@education.gov.au.

Appendix A: Reasons for a CTC score review

A recent change in the school community's economic circumstances

(DMI-based and RAB scores)

Background	The DMI or RAB methods use the latest full income information available to calculate a CTC score. Because of the delay in the availability of income data, however, the data used to calculate a school's CTC score might not reflect the current incomes of the school community if there have been exceptional and localised economic impacts.
Examples	<p>For DMI-based CTC scores, a school's 2024 CTC score is determined based on the three-year (2021, 2022 and 2023) rolling average of the school's DMI scores. Each annual DMI score is calculated using the information supplied by the school from the latest annual Address Collection and is linked to the latest available personal taxation information of parents and guardians at the school. A 2024 CTC score might not be accurate if the taxable income/s of parents and guardians at the school have changed significantly since they lodged a tax return for the referenced years. This may be due to sudden localised economic changes.</p> <p>For RAB-based CTC scores, a school's 2024 CTC score is calculated using the 2021 Australian Bureau of Statistics' Census of Population and Housing. A 2024 RAB-based CTC score might not be accurate if the incomes of people living in the SA1s where parents reside have changed significantly since the 2021 Census.</p> <p>Note: Where a school community has experienced a recent economic change, but the change is similar to that experienced by school communities overall then a review would be unlikely to result in a change of score.</p>
Evidence to support an application for a review	<p>A review application needs to show evidence that recent changes in the local economy have affected the family incomes of students at the school, for example:</p> <ul style="list-style-type: none"> • media articles documenting the recent closure of a major industry in the area; • the proportion of school families directly employed or affected by recent closure of the major local industry and the estimated impact on family incomes; and/or • recent correspondence from the relevant employers or academic literature from labour market experts.

Note: where incomes have changed due to COVID-19, evidence is required that the change is greater than the nationwide economic downturn resulting from COVID-19 – e.g., evidence that clearly demonstrates the changes are due to a localised event and that the event directly impacts parents and guardians in the school community.

Schools experiencing immediate financial viability issues because of natural disasters or other widespread events such as COVID-19 should, in the first instance, approach their non-government representative body about funding support available under the Choice and Affordability Fund.

A recent change in the school community's population

(DMI-based and RAB scores)

Background	Recent, significant changes in the characteristics of the school community population, such as large, new student intake (for example, due to the closure of a nearby school or merger of multiple schools), or a reduction in total student numbers, may substantially change the economic demographics of a school community if they have a significantly different economic profile and are not included in the CTC score calculation.
Examples	<p>Where there is a recent change in student cohort, not included in the latest CTC score calculation, the school's CTC score might not be accurate if the new cohort is large enough and has a sufficiently different income profile to the existing cohort.</p> <p>For DMI-based CTC scores, a score might not be accurate if there is a significant increase or reduction in the number of families with students enrolled at the school since the latest address collection and the incomes of the families of the new student population is significantly lower incomes than those of the previous population.</p> <p>For RAB-based CTC scores, a school's RAB-based 2024 CTC score is calculated by linking Address Collection data from the previous year (2023) to SA1s. A 2024 CTC score might not be accurate if there has been a significant increase or reduction in the number of students enrolled at the school or if a significant number of students have moved to a new SA1 since the 2023 Address Collection and the economic circumstances of the new population is different.</p> <p><i>Note: Regular changes in a school's cohort associated with student's starting or finishing as well as mid-year intakes are unlikely to result in a change of score and will be reflected in the following years address collection and CTC score.</i></p>
Evidence	<p>A review application will need to show:</p> <ul style="list-style-type: none"> • For DMI-based CTC scores: <ul style="list-style-type: none"> ○ there has been a significant increase or reduction in the number of families with students enrolled at the school since the latest Address Collection. Evidence would include updated statements of enrolments, School Census information and/or evidence of school or campus merger, and ○ the current student population has a different family income profile to previous years' populations, e.g., where it previously didn't, the current student population now includes a large proportion of students from families with low-income concession cards. • For RAB-based CTC scores only, there has been a significant change in the SA1s where students live or the addition of or loss of enrolments since the previous year's Address Collection, e.g., data showing a change in the SA1s where students live or a change in the concentration of students living in the existing SA1s.

Difference between the linked and unlinked populations

(DMI-based scores)

Background	<p>It is unlikely a school's DMI score will have 100% coverage for a number of reasons. A proportion of the school's population could be missing from the DMI score calculation, including because parents do not reside in Australia or do not pay taxes in Australia, are not in receipt of an Australian Government support payment or reside in a multi-generational household, where a unique match to ABS PLIDA cannot be obtained. In some cases, there is a link in the PLIDA data however there is no taxation or other information available.</p> <p>Note: Low-income families within a school community are likely captured in the DMI score calculation as they are likely linked in the PLIDA data which includes Centrelink income support and concession card data together with the ATO data. It is more likely that higher-income families are missing from the DMI score calculation. Technical Information regarding the calculation of a school's CTC score can be requested by a school's approved authority at SchoolsCapacitytoContribute@education.gov.au.</p>
Examples	<p>For a DMI score to be affected by a school's missing population, the following conditions would need to apply:</p> <ul style="list-style-type: none"> the incomes of members of the missing population must be significantly different from those of the linked population, and the missing population must represent a sufficiently large proportion of the school community to affect the school's CTC score. <p>Note: An annual DMI score with a linked population equal to or less than 95% undergoes a lower bound sensitivity analysis which assumes all missing parents have low incomes. If the DMI score changes by more than 2 funded points, the score undergoes further evaluation to determine whether it is fit-for-purpose and can therefore be validated. This includes tests to identify if the unlinked population is likely to have a family income profile that is different to the linked population's profile. If the DMI score cannot be validated, a RAB score is used for the school's CTC score.</p>
Evidence	<p>A review application will need to provide new evidence showing there is a significant proportion of records missing from the DMI data, and that the distribution of family incomes of the missing population is significantly different to those of the linked population.</p> <p>Supporting documents must show:</p> <ul style="list-style-type: none"> the proportion of students that are likely to make up the missing population and why they may not have income data, e.g., a large proportion of parents residing overseas, enrolment records showing recent changes of addresses or other reasons they believe mean they are unlikely to link or have income data, and that the missing population has an income profile that is significantly different to the linked population's.

The school's RAB score does not accurately reflect the school community's circumstances

Background	<p>A school's RAB score is based on family and household income data of the SA1s where students live as recorded in Census 2021. They are calculated each year using the Address Collection data for students enrolled at the school in the previous year. For example, a school's 2024 RAB-based CTC score is calculated based on the students enrolled at the school from the 2023 Address Collection.</p> <p>RAB-based CTC scores are used for schools that do not have three consecutive annual DMI scores (e.g., new schools with fewer than three years of operation, established schools where one or more annual DMI-scores have failed the quality assurance process, including for privacy reasons).</p>
Example	<p>This could apply to a school if:</p> <ul style="list-style-type: none"> • a significant number of the incomes of the parents in the school community are significantly lower than the incomes of the other residents in their SA1s (also known as 'hidden disadvantage'), and/or • the quality of a significant number of addresses is poor and they cannot be geocoded with precision (and are therefore not included in the school's RAB score). If the incomes of the SA1s of these parents is significantly different to the incomes of SA1s in the RAB score, the score might not be accurate.
Evidence	<p>A review application will need to provide evidence that indicates the RAB-based CTC score might not be representative of the school community, for example:</p> <ul style="list-style-type: none"> • any evidence the school has of the incomes of the families at the school, such as the proportion with a low-income concession card (including income health care card, family tax benefit health care card, other health care card or pension card) and that these are likely to be different to the SA1 data, or • a description of any known quality issues with the addresses of a significant number of parents (if relevant).

Large average family size

(DMI-based and RAB scores)

Background	Significantly large family size is recognised by the department as a circumstance that is demonstrably unique to a small number of schools and not currently accounted for in the DMI methodology. If available administrative data for parents and guardians of students at a school with significantly large average family size is of a high enough quality, the department can equivalise incomes for the large families at the school and adjust the school's CTC score to account for larger than average family size.
Example	<p>If the average number of dependents for all families with students enrolled at the school is significantly larger than the national average family size in non-government schools, an approved authority can apply for a review of their school's CTC score. Analysis of average family size in non-government schools is available in the Technical Framework.</p> <p>For the purposes of CTC reviews, dependants are defined as children under 15 years old or members of the household under 24 years of age who are full-time students.</p>
Evidence	A review application will need to show that the school has a significantly larger average family size than most non-government schools. Evidence could include information from the most recent Address Collection, or information collected by the school through a survey of parents and guardians, showing the average number of dependent children per family enrolled at the school.

Appendix B: Definitions

The Act: Refers to the *Australian Education Act 2013* that sets out the Commonwealth's school funding arrangements.

Administrative data: Information that is maintained by government departments and other organisations that has been made available through PLIDA for research and statistical purposes.

Annual DMI score: a DMI score is calculated for a school each year. Three consecutive annual DMI scores are averaged to create a school's CTC score.

Approved authority: Each school has an approved authority, which is approved under the Act. The approved authority for a non-government school is the legal body approved for that school.

ATI: Adjusted Taxable Income as defined by the Australian Taxation Office. The ATI formula for 2022 can be found at: [https://www.ato.gov.au/Individuals/Tax-return/2022/Tax-return/Adjusted-taxable-income-\(ATI\)-for-you-and-your-dependants-2022/](https://www.ato.gov.au/Individuals/Tax-return/2022/Tax-return/Adjusted-taxable-income-(ATI)-for-you-and-your-dependants-2022/)

Capacity to Contribute (CTC) score: a measure of a non-government school community's capacity to contribute to the ongoing costs of running their school, relative to the capacity at other non-government schools. A school's CTC score determines the reduction the Commonwealth applies to funding the school. This reduction is applied to the [Schooling Resource Standard](#) (also known as an SRS) base funding amount only. CTC percentages are set out at subsection 54(3) of the Act.

Choice and Affordability Fund: An Australian Government established program to assist the non-government school sector to support schools to deliver choice and affordability and achieve government priorities, including to assist non-government schools during transition to the recurrent funding arrangements. More information is available at: <https://www.education.gov.au/other-commonwealth-funding-schools/what-choice-and-affordability-fund>.

Commonwealth recurrent funding entitlement: A school's Commonwealth recurrent funding entitlement for a year is its [Schooling Resource Standard](#) multiplied by its Commonwealth share for the year.

CTC score review: Refers to investigation, triggered by an application made by an approved authority for a school, into whether a school's CTC score is accurate.

DataLab: The Australian Bureau of Statistics' secure research environment.

Deemed CTC score: A CTC score that has been calculated using a method that is not set out in the *Australian Education Regulations 2023*. The Minister (or delegate) can determine a deemed score only when they believe a CTC score determined in accordance with the Regulations (that is a DMI-based CTC score or a RAB-based CTC score) would result in an inaccurate score.

Department: Refers to the Australian Government Department of Education.

DMI: Refers to the Direct Measure of Income methodology used for most CTC scores. A DMI score is calculated annually based on the median family income of parents or guardians of students enrolled

at a school for that year. Three consecutive annual DMI scores are averaged to create a school's CTC score.

DMI-based CTC score: the average of a school's 3 previous consecutive annual DMI scores usually used for a school's CTC score.

External review: Refers to a review conducted by the Administrative Appeals Tribunal. An applicant can request an external review if they are not satisfied with the outcome of an internal review.

Internal review: Refers to a review of a CTC score decision (determination) made under subsection 52(1) of the Act by the Minister's delegate, conducted within the department. Section 118 of the Act lists reviewable decisions that can be made under the Act.

Minister: Minister for Education.

Parental survey: A survey of all eligible parents and guardians of students at a school to collect income data to inform the calculation of a new CTC score.

PLIDA: Person Level Integrated Data Asset (formerly known as the Multi-Agency Data Integration Project (MADIP)) is a secure data asset combining information on health, education, government payments, income and taxation, employment and population demographics (including the Census of Population and Housing) over time. The Australian Bureau of Statistics is the accredited Integrating Authority for PLIDA. More information is available at: www.abs.gov.au/about/data-services/data-integration/integrated-data/person-level-integrated-data-asset-plida

Refined Area Based (RAB) score: a score worked out in accordance with subsection 23(2) of the Regulations using family and household incomes of the areas where parents and guardians of students enrolled at a school live. In accordance with the *Australian Education Regulations 2023*, a school's RAB score is used as a school's CTC score when there isn't DMI scores available for the 3 previous years.

The Regulations: Refers to the *Australian Education Regulations 2023*.

Reviewable decision: As defined under section 118 of the *Australian Education Act 2013*.

Review scenario: Review scenarios describe the reasons for a CTC score review application and the type of evidence needed to support an application.

School community: the parents and guardians responsible for the students attending a school.

Schooling Resource Standard (SRS): the sum of a school's base amount (as described at subsection 33(1) of the *Australian Education Act 2013* which is inclusive of any CTC reduction) and total loadings for a year.

Small and very small schools: as defined in section 43 of the Act.

Statistical Area Level 1 (SA1): SA1s are geographic areas with most having a population of between 200 and 800 persons, with an average of 400 persons. SA1s identify areas with different geographic characteristics within suburb and locality boundaries. Data from the Census of Population and Housing by SA1s is used for RAB-based CTC scores.

Student Residential Address and Other Information Collection: the annual Address Collection completed by approved authorities for non-government schools.

Technical Framework for the Capacity to Contribute Review Process, Version 2: Produced by the Australian Bureau of Statistics to provide statistical advice to the Department to guide assessment of CTC review applications. It was updated in 2023 to include new data and methods to assist in assessment. This can be accessed at: <https://www.education.gov.au/recurrent-funding-schools/resources/technical-framework-capacity-contribute-review-process>