



Redetermining recurrent school funding entitlements

About

This factsheet provides guidance on how a school's entitlements are recalculated and redetermined when the Department of Education (the department) becomes aware of new information or other issues that may affect those entitlements under the *Australian Education Act 2013*.

Background

The department provides needs-based recurrent school funding for government and non-government schools across Australia. The *Australian Education Act 2013* (the Act) and Australian Education Regulations 2023 (the Regulations) set out the calculation of funding entitlements and the requirements for approved authorities (the governing bodies for schools).

Recurrent funding entitlement calculations rely on input data covering:

- the number of enrolments
- student demographics
- school location and size
- the capacity of a school community to financially contribute to its operations.

The Minister for Education (or departmental delegate) is required to determine an amount that the Minister is satisfied is the total recurrent funding entitlement of a school for a year (subsection 26(4) of the Act). The department has data quality assurance processes in place to help ensure recurrent funding calculations are based on accurate reporting and calculations.

An approved authority for a school can seek internal review of the total entitlement determination within 30 days of the determination being made (section 120 of the Act).

The Minister (or delegate) may also remake a determination on their own initiative when information becomes available which means the original calculation and determination should be remade. This might be because an approved authority or the department subsequently becomes aware that input data used for the original determination was not correct.

This document outlines general principles for when entitlements would be recalculated and redetermined in circumstances where the department becomes aware of new information or other issues that have the potential to affect those entitlements. However, delegates are not inhibited by these guidelines and each case will be considered by the delegate on its own merits.

This document does not cover changes associated with fraud or non-compliance, or cases where an approved authority has lodged an application for review in accordance with section 120 of the Act.

The decision to recalculate and redetermine annual entitlements will generally be made by a departmental official with appropriate delegation from the Minister for Education. Approved authorities are obligated to maintain mechanisms which ensure true and correct data in initial submissions. Any errors identified by an approved authority should be reported to the department as soon as possible. Any decision to redetermine previous year funding does not diminish this requirement.

The department will consult with approved authorities where the delegate is considering recalculating and redetermining an entitlement where there is a material impact to the school.

General principle for redetermining entitlements within 3 years

In all cases, the delegate will consider each case of redetermination of recurrent funding for schools on its own merits.

To consistently manage consideration of redeterminations, it will generally be limited to 3 years prior to the current year, unless the delegate:

- has identified non-compliance or potential fraud
- has identified the department made error(s) where redetermining is expected to increase entitlement(s)
- considers the use of public resources needed to re-examine the entitlement(s) is justified (e.g. the funding impact or another matter outweighs the cost of administering the recalculation and redetermination), or
- considers that based on the evidence not redetermining the entitlement would result in significant disadvantage for the school.

Changes relating to a year more than 3 years prior to the current year will generally not result in a redetermination, on the basis that:

- departmental data shows 3 years is usually sufficient to identify the vast majority of errors
- the administrative costs associated with recalculating and redetermining entitlements increase the older the entitlements are.

Other considerations for whether to redetermine entitlements

An entitlement decision within 3 years of the current year will generally be redetermined. Entitlement decisions will not generally be redetermined for years that are more than 3 years before the current year. However, the delegate has flexibility to decide each case on its own merits, including a decision not to redetermine an entitlement within the 3-year period.



In considering each case on its own merits, the delegate will consider obligations under the *Public Governance, Performance and Accountability Act 2013* and may include the following considerations:

- **Funding implications** – the delegate may consider the likely funding impact for approved authorities or schools and the likelihood that the redetermination will support the educational needs of current students.
- **Number of approved authorities or schools impacted** – the delegate may consider how many schools or approved authorities would be impacted by the change. There may be a stronger case to redetermine with respect to systemic issues that are likely to affect a significant number of approved authorities or schools.
- **Cost of recalculation and redetermination** – the delegate may consider what resources would need to be applied to investigate the issue and rectify it. Where a redetermination is expected to reduce the existing determined entitlement, there may be a stronger case not to recalculate where the cost to recalculate and redetermine the entitlement is more than the funding implications for schools.
- **Cause of the change** – the delegate may consider what caused the error and, in the case of historical recalculations, why it was only recently identified. There may be a stronger case to redetermine where the change is not caused by an error of the approved authority. Note, the department may also take compliance action on the approved authority if the changes indicate significant or systemic failings by the approved authority in complying with legislated requirements.
- **Evidentiary support for the funding change** – the delegate may consider the strength of the evidence relating to the funding change. Such evidence may include records that an authorised officer of the Minister (or delegate) has obtained under s39 and/or s39A of the Regulations.
- **Debt recovery considerations** – in circumstances where redetermination may result in identification of overpayment of recurrent funding, the delegate will consider factors relevant to debt recovery.
- **Compliance activities and measures** – whether the redetermination of entitlement is occurring in the context of the approved authority's overall compliance with the Act and Regulations.

