



**AUSTRALIAN
ISLAMIC COLLEGE**

NEEDS-BASED FUNDING ARRANGEMENT

***Pursuant to Section 78
Australian Education Act 2013 (Cth)***

Australian Islamic College (Perth) Inc.

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1. Introduction

Australian Islamic College (Perth) Inc (AIC) is a not-for-profit incorporated association registered with the Australian Charities and Not-for-profits Commission (ACNC). AIC operates a co-educational, faith-based school system grounded in academic excellence and Islamic values, supporting the holistic development of students for success in this life and the hereafter.

AIC provides primary and secondary school education and currently operates **six schools**: five schools in metropolitan Perth (Western Australia) and one school in Adelaide (South Australia).

AIC is the Approved System Authority (ASA) for the purposes of distributing Commonwealth recurrent funding in accordance with the *Australian Education Act 2013* (Cth) and the *Australian Education Regulation 2013* (Cth) in respect to the following schools:

Western Australia

- Australian Islamic College – Kewdale
- Australian Islamic College – Thornlie
- Australian Islamic College – Dianella
- Australian Islamic College – Forrestdale
- Australian Islamic College – Henley Brook

South Australia

- Australian Islamic College – Adelaide

Commonwealth recurrent funding is received centrally by AIC in a single funding pool and then administered and distributed in accordance with section 78(3) of the Act. Pursuant to section 78(5) of the Act, AIC has prepared this Needs-Based Funding Arrangement to explain how recurrent funding is distributed by AIC across its registered schools.

2. Distribution of Australian Government Recurrent Funding

2.1 Centralised System Operations

To ensure our schools are operated efficiently and cost-effectively, AIC provides a central Head Office located in Perth. The Head Office provides centralised delivery of certain educational and administrative functions necessary for the operation of the AIC registered schools which includes:

- payroll
- accounting services
- information and communications technology
- human resource management
- compliance support, governance, and regulatory reporting
- marketing
- professional learning and leadership development
- procurement and central treasury
- risk management and child safety compliance
- strategic and operational planning
- building maintenance and capital projects
- school fee collection
- resource management
- budgeting

- contract procurement
- other professional services

By centralising the delivery of these key services across all its schools, AIC can eliminate unnecessary duplication, benefit from economies of scale, and increase efficiencies, allowing the re-allocation of resources to improve educational outcomes.

2.2 Principles Governing Funding Distribution

When determining the distribution of Commonwealth recurrent funding to each school, AIC considers the individual needs of students and each school in a fair, transparent, and consistent manner. Funding decisions are guided by the objective of delivering the highest possible quality of education for each student enrolled at an AIC school.

This arrangement serves as an accountability mechanism to the Australian Government, school communities, and Australian taxpayers for decisions relating to the distribution of public funding.

The total amount of government recurrent funding received in any calendar year must be expended (or committed) entirely within that year on eligible school-related expenses and no amount may be used as capital expenditure or retained as a surplus. However, where funding allocated to a school is forecast to remain unspent, AIC may reallocate funds to another AIC school on a needs basis, ensuring optimal use of resources across the system.

2.3 Base Amount per Student

Each AIC school receives a base amount per student representing the recurrent resources required to support a student with minimal educational disadvantage to achieve expected educational outcomes.

In calculating base funding, AIC adopts the Australian Government's base amount methodology under Division 2 of Part 3 of the Act, which multiplies student enrolments by the applicable Schooling Resource Standard (SRS) for the relevant year and adjusts this amount to reflect each school's Capacity to Contribute (CTC) percentage.

The SRS-adjusted amount is further modified to:

- take account of funding required for central system services provided by the AIC Head Office (system allocation), determined annually;
- ensure sufficient funding is available to support additional needs loadings; and
- have regard to each school's total available income, including other government funding received.

3. Needs-Based Loadings

In addition to the base amount per student, AIC distributes needs-based loadings to its schools in a manner consistent with the Australian Government SRS methodology to support student achievement and having regard to:

- Students with disability
- Aboriginal and Torres Strait Islander students
- Students with socio-educational disadvantage
- Students with low English proficiency

- School size
- School location

These loadings are distributed to schools in line with student enrolment data and assessed needs, ensuring equity and alignment with Commonwealth funding intent.

4. Distribution of State Government Recurrent Funding

Recurrent funding received from State Governments is allocated and distributed directly to the school for which the funding is intended, in accordance with relevant State-based education legislation, funding agreements, and regulatory requirements. State funding is not redistributed across the AIC system unless expressly permitted.

5. Accessibility

This Needs-Based Funding Arrangement is publicly available on AIC's website, with a hard copy available upon request. The needs-based funding arrangement is reviewed annually by Executive Management and Board to ensure it remains current, relevant, and compliant.

Reviewed date: [October 2025]
Approved by: [Board]
Board Sign-off: [November 2025]
Next review: [March 2027]