

Choice and Affordability Fund

2025 Annual Report – Independent Schools
Queensland



NGRB Ongoing Compliance Declaration

Section 92 of the *Australian Education Act 2013* (the Act) outlines the basic requirements for approval of a non-government representative body for a non-government school.

As such, the Department of Education is seeking confirmation that Independent Schools Queensland Commission complies with the legislative requirements in relation to monitoring the body's compliance with the Act.

Confirmation you continue to meet basic requirements for approval

Body corporate

Explain how you are meeting the relevant Commonwealth or State and Territory requirements to be a body corporate.

Independent Schools Queensland Ltd (ISQ) is a company limited by guarantee, registered with ASIC and the ACNC (ABN 88 662 995 577).

Not-for-profit (NFP)

Explain how you are meeting the relevant Commonwealth, State or Territory requirements to be an NFP.

Association incorporation legislation varies from state to state, further guidance can be found on the [Australian Securities & Investments Commission website](#).

ISQ is constituted on a not-for-profit basis, and maintains registration as a charity with the ACNC.

Financial viability

When completing this section NGRBs should consider their ongoing operation status, their organisations risk management plan and whether the current organisations income is sufficient to meet current and ongoing operating costs as outlined in section 27 of the Australian Education Regulations 2023.

ISQ manages its operations to ensure ongoing financial viability, with its income sufficient to meet operating costs. It is able to pay its debts as and when they fall due for payment, and its assets are greater than its liabilities.

Fit and proper person

When completing this section NGRBs should consider if the organisation has the relevant skills, knowledge and experience needed to support non-government schools, ongoing practices to ensure staff are of good character, law abiding and that conflicts of interest are managed correctly as outlined in sub section 28(2) of the Australian Education Regulations 2023.

ISQ maintains good governance arrangements including a Code of Conduct, Board Charter, Conflict of Interest Policy, and Whistleblower Policy, and ensures that its Board and staff have the appropriate skills, knowledge and experience to fulfil their duties.

Summary of 2025

ISQ delivered against three CAF priorities in 2025, being Transition Assistance, Special Circumstances Funding, and Choice and Affordability of Schools.

Under the Transition Assistance funding priority, ISQ provided direct financial assistance to Queensland independent schools which are adversely impacted by changes to funding arrangements, as well as those which, under previous policy settings, would have been eligible for assistance under the former National Adjustment Assistance Fund.

Within the Special Circumstances priority, ISQ provided direct financial assistance to Queensland independent schools which were adversely impacted by a range of special circumstances, including as a result of natural disasters. All schools represented by ISQ were provided with the opportunity to apply for this funding.

The granting of Transition Assistance and Special Circumstances funding for Queensland independent schools is informed by the ISQ Choice and Affordability Fund Reference Group. The Reference Group consists of individuals appointed by the ISQ Board, who are independent of any individual independent school, and who collectively possess a mix of skills, expertise and experience in financial assessment, program management and independent school governance and management.

Schools and independent auditors have certified that the distributed funding has been used for the purposes for which it was provided.

Under the priority of Choice and Affordability of schools, ISQ facilitated projects which support schools to maintain their choice and affordability, and projects which support the implementation of structural adjustments where such adjustments are required because of changes in funding arrangements.

In the Agreement, ISQ agreed to the following Priority Objectives for the Choice and Affordability of Schools priority:

- Maintain and improve choice in schooling for Queensland families driving the improvement of educational standards and competition across the schooling system.
- Maintain and improve opportunity and diversity in the schooling system through a vibrant independent schooling sector in Queensland.
- Plan for and support structural adjustments for schools which are adversely impacted by the new funding arrangements.

During 2025, ISQ progressed several centralised projects to support the objectives of the Choice and Affordability of Schools priority. These are projects to assist schools in managing their costs, and projects to assist schools in understanding their market. These initiatives intentionally focus on activities that can support a broad range of schools at scale, and all schools represented by ISQ are provided with the opportunity to be supported through these initiatives.

Risk Management

Risk	How the risk will be managed
Applications for direct financial assistance may be lower than expected	Funding applications are monitored and assessed against available funding. Where grant applications are substantially lower than available funds, subsequent application rounds can be undertaken
Carry-over of transition assistance funds into later years of the program, as expenditure is directly linked to actual funding impacts of CTC policy change	A carry-over of funds is required, to mitigate future impacts as impacted schools transition to DMI based CTC
Carry-over of Special Circumstances funding may occur, as some expenditure is directly linked to actual natural disasters occurring	A carry-over of funds may be required to mitigate the future impacts of future natural disasters and short-term emergencies
School utilisation of offered support may be less than expected	Stakeholder engagement will be utilised to identify key needs of school stakeholders and support services will be designed to meet those needs. Service utilisation will be monitored and assessed against expectations. Where demand for support is lower than expected despite awareness activities, targeted engagement of stakeholders will be undertaken to identify design changes that may improve the ability of schools to benefit from the support.
Deferred or unspent funding	ISQ's governance and financial management practices include regular monitoring of available funds, by the ISQ Board and management team, to ensure the appropriate and effective use of funds in connection with the CAF Agreement. This includes monitoring of any deferred or unspent funds. Applications from schools for direct financial assistance are monitored and assessed against available funding. Where grant applications are lower than the available funds, subsequent application rounds can be undertaken in order to utilise available funds effectively. ISQ is developing contingency plans to address the possible scenario that any deferred funds from the earlier years of the funding agreement are at risk of being under-utilised in the later years. These plans will include projects or programs that can be activated to advance the CAF funding priorities in the 2028/29 Workplan, in the event that deferred or unspent funds are available to be utilised for a relevant purpose.

Activity Report

Activity/Initiative	Projects to assist schools in managing their costs
Priority	A – Choice and Affordability

Activity Description

Queensland independent schools face economic challenges from a range of factors, including inflationary pressures on costs, and the limited capacity of many parents to absorb increases in tuition fees. This is particularly relevant for low-fee schools, where an increase in fees may place this schooling option out of reach for their community. The independent schooling sector has schools serving extremely disadvantaged communities that charge no fees, including high-needs students with disability attending special schools, Aboriginal and Torres Strait Islander students attending remote indigenous schools, and highly disadvantaged students who have disengaged from mainstream schools.

In response to these challenges, for the benefit of all communities, ISQ will deliver a program of works to assist schools in managing their costs. This activity will directly assist schools to maintain or improve their financial sustainability, and will maintain or improve the choice and affordability for parents.

All schools represented by ISQ are provided with the opportunity to be supported through these initiatives, and ISQ seeks to ensure that all schools are made aware of these opportunities. This utilises ISQ's existing direct communication channels to school stakeholders (e.g. Principals, Board Chairs, Business Managers), as well as standalone communications, forums and working groups, where appropriate.

Schools may choose to take up some or all of the offered support, as appropriate to their context and at their discretion. ISQ will regularly review the take-up rates of offered support, to monitor any underlying themes that may emerge, and will consider adjusting the approach taken, to ensure maximum impact of these initiatives and achievement of the CAF objectives.

Careful consideration has been given to project and initiative design, intentionally focusing on activities that can support a broad range of schools at scale. During 2025, centralised work was undertaken in the following areas that support this priority.

1. Group procurement arrangements

During 2025, Independent Schools Queensland (ISQ) continued to progress the development of group procurement arrangements, consistent with the CAF objectives. Building on foundational work undertaken in prior years, ISQ focused on strengthening group purchasing mechanisms that support schools to manage non-labour costs more effectively, reduce administrative burden, and improve access to competitive, fit-for-purpose suppliers. This work recognised that many independent schools, particularly smaller and low-fee schools, have limited individual purchasing power and benefit most from coordinated procurement approaches that deliver value at scale. All represented schools can access these arrangements on an opt-in basis, ensuring flexibility to respond to local context and school-level decision-making while maintaining alignment with CAF affordability objectives.

In 2025, ISQ advanced several group procurement initiatives that delivered tangible and measurable benefits for schools. These included the implementation of a group insurance program, which

achieved premium reductions across participating schools, as well as facilitating access to existing Queensland Government procurement arrangements, enabling schools to engage with pre-qualified suppliers and streamlined procurement processes. In parallel, ISQ progressed the development of a centralised buying platform to improve visibility of supplier options and reduce duplication of procurement effort at the school level. At the end of 2025, a platform vendor had been secured and the implementation of this platform had commenced.

Collectively, these initiatives strengthened the foundations for a sustainable, member-centred procurement service that supports cost containment, enhances financial sustainability, and reduces upward pressure on school fees. This contributes directly to the CAF objective of maintaining and improving choice and affordability for Queensland families.

2. School data dashboard

ISQ continued work to bring together relevant data for schools into a self-service data dashboard, to inform decision-making. ISQ is collecting relevant, detailed school data from a range of sources, and undertaking detailed analysis of this data to develop a range of measures, ratios, and time-series data. This data is then made available to represented schools through a self-service portal that includes easily digestible visualisations, providing schools with actionable insights and assisting them to make informed financial management decisions relating to their organisation, performance, and costs. This activity directly assists schools to maintain or improve their financial sustainability, and to maintain or improve the choice and affordability for parents.

Activity during 2025 included:

- Ongoing analysis to identify available datasets for inclusion in the dashboard.
- Release of a self-service dashboard to deliver universally accessible information regarding school funding, school characteristics and basic trend analysis, to support decision-making by schools.
- Promoting awareness of the new school funding dashboard to maximise take-up and benefits delivered through the tool.
- Ideation, design and development of a new dashboard module to enable schools to explore sector data and enrolment trends within a range of focus areas (e.g. general enrolment growth, boarding students, distance education).

3. Compliance management platform

During 2025, Independent Schools Queensland (ISQ) progressed with work to explore the implementation of a shared compliance management platform for Queensland independent schools, consistent with the CAF objectives. Following a market scan to identify suitable compliance management products, ISQ undertook a targeted tender process with potential software solution providers in the Australian market. Suitable products were identified through this process and ISQ negotiated a trial license arrangement to further test one of the preferred compliance management products.

During the software trial, both ISQ and various Queensland independent schools explored the system functionality to determine its suitability in the operational school environment without committing to long-term arrangements. The trial also included an assessment of the commercial aspects of a long-term partnership. The trial was considered the most appropriate approach to minimising financial commitments.

While the solution possessed some of the required compliance functionality, the commercial and partnership considerations were assessed to be unsustainable. Importantly, the learnings from the

trial provided greater insights into a 'fit for purpose' compliance management solution. Through this process, schools have reinforced the importance of a compliance management solution.

The next stage of the initiative is to trial another highly-rated compliance management solution identified through the tender process. ISQ will commence investigations with this provider in early 2026 and, if found suitable, incrementally implement the solution into independent schools in Queensland on an opt-in basis.

These activities will continue beyond 2025.

Outcomes Achieved

Outcomes	Indicators of success
Schools are supported to reduce costs, improve their long-term financial sustainability, and improve their affordability	All represented schools have access to the new procurement arrangements. 216 decision-makers from 124 Queensland independent schools have commenced using the self-service data dashboard, to support decision-making.

Activity Expenditure

	Centralised (Reporting Year Only)	Distributed (Reporting Year Only)
Expenditure	\$460,269	\$nil

Centralised funding was used for project staffing costs (\$413,353) and other costs (\$46,916).

Activity Description

Queensland independent schools operate in a fast-changing landscape, and must continue to stay abreast of the changing demographic, social and economic circumstances in their community. As the environment changes, schools must continually reassess their strategy and underlying business model, and make informed decisions about when to change direction. The ability of schools to respond to changes in their external environment is a key factor in whether a school can navigate these changes sustainably, and continue to provide the educational services that are needed by their community.

In response to these challenges, for the benefit of all communities and to meet the CAF objectives, ISQ is delivering a program of works to assist schools in understanding their markets. This activity will directly assist schools to maintain or improve their financial sustainability, and will maintain or improve the choice and affordability for parents.

All schools represented by ISQ are provided with the opportunity to be supported through these initiatives, and ISQ seeks to ensure that all schools are made aware of these opportunities. This utilises ISQ's existing direct communication channels to school stakeholders (e.g. Principals, Board Chairs, Business Managers), as well as standalone communications, forums and working groups, where appropriate.

Schools may choose to take up some or all of the offered support, as appropriate to their context and at their discretion. ISQ will regularly review the take-up rates of offered support, to monitor any underlying themes that may emerge, and will consider adjusting the approach taken, to ensure maximum impact of these initiatives and achievement of the CAF objectives.

Careful consideration has been given to project and initiative design, intentionally focusing on activities that can support a broad range of schools at scale. During 2025, centralised work was undertaken in two areas that support this priority.

1. Geographic data visualisation tool

A school's market has a necessarily geographic dimension. It is of critical importance to a school to understand the changing demographics of their target market and the geographic area they operate in, as well as the areas where their students come from. This includes factors such as:

- Age demographics and projections for each year level
- Family socio-economic circumstances, occupations and year levels
- Family backgrounds, including indigeneity and religious, cultural and linguistic diversity
- Student disability and other additional needs.

ISQ will collect relevant, detailed geographic data from a range of sources, and undertake detailed analysis of this data to develop a range of geographic data visualisations. This data will then be made available to represented schools through a self-service portal that provides actionable insights, and assists them to make informed strategic and tactical decisions that relate to their market and to the student cohorts that they cater for.

This tool may be used by a school to inform cohort planning, long-term financial projections, transport route planning and campus planning. Ultimately this knowledge will assist schools to

assess their strategic plans and their business model, supporting structural adjustments and long-term financial sustainability.

Project activity in 2025 includes:

- Analysis to identify available datasets for inclusion in this project.
- Research and engagement with specialist consultants in this field to identify appropriate tools to meet the needs of represented schools.
- Ongoing design and development of a new self-service dashboard tool to enable schools to explore socio-demographic data and trends relating to target catchment areas, to inform school strategic planning.

2. Standardised survey platform

Schools value feedback from all stakeholder groups, to understand different perspectives about how the school is operating, where it is succeeding, and where improvements can be made. Where possible, schools can seek to facilitate a formal feedback process, to ensure that stakeholders have an opportunity to be heard, and that management decisions can be made that respond to the feedback. This is frequently delivered through an online survey tool, which schools can choose to either develop in-house or to purchase as a service from an external supplier.

Through this initiative, ISQ will seek to provide represented schools with a standardised survey platform, with a pre-defined bank of survey questions, which schools can utilise to gauge community sentiment. This could be used for surveys of parents, staff, students, and the broader community, to better understand the perspectives of different stakeholder groups. Where schools use standard questions, this could over time build up a dataset that informs benchmarks, which can provide additional value to schools.

This initiative aims to reduce the administrative cost of surveys for individual schools, as well as to ensure that schools have access to a survey platform which is tailored for the needs of independent schools, and is simple to utilise. These insights will position schools to better serve the needs of their students and communities. Where schools utilise the standardised survey platform, ISQ expects that this will provide valuable insight to inform their strategic decision-making and assist them to adjust their business model, supporting structural adjustments and long-term sustainability.

Project activity in 2025 included research on existing software options that may be available to support schools in this area, and project planning to determine the most suitable pathway to progress with this initiative.

These activities will continue beyond 2025.

Outcomes Achieved

Outcomes	Indicators of success
Schools are supported to better understand their market, improve their long-term financial sustainability, and improve their affordability	Respondents to a feedback survey have all reported that the work done to date has assisted them in better understanding their school's market.

Activity Expenditure

	Centralised (Reporting Year Only)	Distributed (Reporting Year Only)
Expenditure	\$201,475	\$nil

Centralised funding was used for project staffing costs (\$131,475) and other costs (\$70,000).

Activity/Initiative	Transition Assistance for Schools that would have been eligible for the former National Adjustment Assistance Fund
Priority	B – Transition Assistance

Activity Description

In 2025, 8 Queensland independent schools were identified as eligible for transition assistance as a school that would have been eligible for the former National Adjustment Assistance Fund.

The amount of transition assistance for the former National Adjustment Assistance Fund was determined based on the following criteria.

Schools eligible for assistance were those that received a funding increase of less than 2.5% per student from 2021 to 2022.

The Annual Transition Amount was calculated by indexing the 2021 funding by 3% less the 2022 funding, and then annually indexing it. A discount was applied to the Annual Transition Amount based on the DMI, using the CTC percentage from the Gonski Model (the average of the primary and secondary rates).

This activity contributed to the achievement of ISQ's CAF objectives by:

- Providing direct financial assistance to independent schools adversely affected by the new funding arrangements, ensuring their financial viability during the transition period.
- Providing direct financial assistance to independent schools adversely affected by the new funding arrangements, who would have been eligible for assistance under the former National Adjustment Assistance Fund.

Outcomes Achieved

Outcomes	Indicators of success
Direct financial support is provided to independent schools that have been adversely impacted by the new DMI funding arrangements, to assist in their transition to the new arrangements.	8 independent schools which would have met the criteria under the former National Adjustment Assistance Fund have been financially supported to transition to the new DMI funding arrangements.

Activity Expenditure

	Centralised (Reporting Year Only)	Distributed (Reporting Year Only)
Expenditure	\$nil	\$874,302

Activity/Initiative**Transition Assistance for Regional Schools**

Priority

B – Transition Assistance

Activity Description

In 2025, 19 Queensland independent schools were identified as eligible for transition assistance as a specified Regional School.

The Regional Schools Transition Assistance provided a specific amount of transition assistance, which was determined based on the following methodology.

The calculation involved indexing the 2021 funding by 3% less the 2022 funding, and then annually indexing it. This approach ensures that the transition assistance adequately reflects the changing funding dynamics and accounted for annual adjustments. By applying this methodology, the Regional Schools Transition Assistance activity aims to provide appropriate financial support to independent schools in regional areas during their transition to the new funding arrangements.

Transition assistance payments include the distribution of all funding administered by ISQ within the priority of Transition Assistance for Regional Schools, allocated to schools proportional to the financial impact of the original funding policy change on each school.

This activity contributed to the achievement of ISQ's objectives by:

- Providing direct financial assistance to independent schools adversely affected by the new funding arrangements, ensuring their financial viability during the transition period.
- Providing direct financial assistance to independent schools in regional areas adversely impacted by the new funding arrangements, ensuring their affordability and continued availability of choice for families in those areas.

Outcomes Achieved

Outcomes	Indicators of success
Direct financial support is provided to independent schools that have been adversely impacted by the new DMI funding arrangements, to assist in their transition to the new arrangements.	19 regional independent schools have been financially supported to transition to the new DMI funding arrangements.

Activity Expenditure

	Centralised (Reporting Year Only)	Distributed (Reporting Year Only)
Expenditure	\$nil	\$5,656,691

Activity/Initiative	Transition Assistance for Other Schools
Priority	B – Transition Assistance

Activity Description

In 2025, 26 Queensland independent schools were identified as eligible for transition assistance as an 'Other' school.

The amount of transition assistance for other schools was determined based on the following criteria.

Schools eligible for assistance were those that received a funding increase of less than 2.5% per student from 2021 to 2022.

The Annual Transition Amount was calculated by indexing the 2021 funding by 3% less the 2022 funding, and then annually indexing it. A discount was applied to the Annual Transition Amount based on the DMI, using the CTC percentage from the Gonski Model (the average of the primary and secondary rates).

This activity contributed to the achievement of ISQ's objectives by:

- Providing direct financial assistance to independent schools adversely affected by the new funding arrangements, ensuring their financial viability during the transition period.

Outcomes Achieved

Outcomes	Indicators of success
Direct financial support is provided to independent schools that have been adversely impacted by the new DMI funding arrangements, to assist in their transition to the new arrangements.	26 other independent schools have been financially supported to transition to the new DMI funding arrangements.

Activity Expenditure

	Centralised (Reporting Year Only)	Distributed (Reporting Year Only)
Expenditure	\$nil	\$1,969,824

Activity Description

In 2025, 37 Queensland independent schools were identified as eligible for direct financial support within the Special Circumstances priority.

This activity supported schools and students impacted by special circumstances, including priority areas such as:

- Areas affected by drought or other natural disasters
- Rural, regional and remote locations.

Special Circumstances funding was prioritised for schools requiring short term emergency assistance when unexpected circumstances or events caused severe and temporary financial difficulty. These situations were assessed in accordance with the specific criteria set out by the Australian Government.

All represented schools were eligible to apply for one-off direct financial assistance, to support schools and students who have been impacted by drought or other natural disasters. These payments assisted schools to recover from the impacts of natural disasters including Tropical Cyclone Alfred, prolonged monsoonal rainfall, associated flooding and other extreme weather.

Payments were utilised by schools to support activities including:

- Repairing damage to school buildings and equipment that insurance did not cover, such as carpet, information technology equipment, electrical equipment, fences and shade sails.
- Water extraction and mould remediation.
- Cleaning and removal of debris to ensure safe access.
- Fee relief and other support to students who had been significantly impacted (e.g. families who had lost their homes).

Represented schools who are located in rural, regional and remote locations were also invited to apply for direct financial assistance, to support the continuation of their educational activities. These payments were utilised by schools to support sustainable service delivery in their specific context, including improving access to staff professional development, engagement of consultants to review school financial sustainability, provision of additional support services for students, and the update or improvement of systems and technology.

This activity contributed to the achievement of ISQ's objectives under the CAF Agreement by providing short term, direct financial assistance to independent schools impacted by special circumstances, including drought or other natural disaster, considering the financial circumstances of parents and the ability of schools to provide fee assistance to those impacted by the circumstances.

Outcomes Achieved

Outcomes	Indicators of success
Queensland independent schools impacted by special circumstances, including drought or other natural disasters, are financially supported to ensure the continuation of their educational activities, and to ensure that the quality of their educational activities is maintained.	37 Queensland independent schools have been financially supported to ensure the continuation of their educational activities, and to ensure that the quality of their educational activities is maintained.

Activity Expenditure

	Centralised (Reporting Year Only)	Distributed (Reporting Year Only)
Expenditure	\$nil	\$1,782,715

ISQ 2025 Financial Report

Financial summary 2025

CAF Funding	\$10,629,713
Expenditure	\$11,194,076
Interest earned	\$699,697
Deferred Funding	\$135,334

Financial summary 2020 to 2025

CAF Funding	\$58,484,091
Expenditure	\$44,692,841
Interest earned	\$2,511,540
Deferred Funding	\$16,302,790

Accounts 2025

Expenditure	Budgeted Centralised	Budgeted Distributed	Actual Centralised	Actual Distributed
A – Choice and affordability	\$1,079,000	\$0	\$661,744	\$0
B – Transition Assistance – Regional	\$0	\$5,656,692	\$0	\$5,656,691
B – Transition Assistance – Former NAAF schools	\$0	\$874,302	\$0	\$874,302
B – Transition Assistance – Other	\$0	\$1,969,823	\$0	\$1,969,824
C – Special circumstances	\$0	\$2,900,000	\$0	\$1,782,715
D – Student outcomes	\$0	\$0	\$0	\$0
E – Student wellbeing	\$0	\$0	\$0	\$0
Administrative	NA	NA	\$248,800	NA
All priorities	\$1,079,000	\$11,400,817	\$910,544	\$10,283,532

Summary of CAF funding budget

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual
ISQ CAF funding	\$8,924,507	\$9,192,242	\$9,513,971	\$9,913,558	\$10,310,100
Total expenditure	\$2,930,739	\$1,710,862	\$6,443,629	\$7,370,909	\$15,042,626

	2025 Actual	2026 Budget	2027 Budget	2028 Budget	2029 Budget
ISQ CAF funding	\$10,629,713	\$10,948,604	\$11,277,063	\$11,615,375	\$11,963,836
Total expenditure	\$11,194,076	\$13,296,052	\$18,769,181	\$14,752,627	\$15,289,808

Summary of CAF regional transition budget

	2020 Actual	2021 Actual	2022 Actual	2023 Actual	2024 Actual
Regional allocation	\$3,940,369	\$4,058,580	\$4,200,631	\$4,377,057	\$4,552,139
Regional expenditure	\$50,000	\$0	\$3,325,480	\$3,453,752	\$9,687,890

	2025 Actual	2026 Budget	2027 Budget	2028 Budget	2029 Budget
Regional allocation	\$4,693,256	\$4,834,053	\$4,979,075	\$5,128,447	\$5,282,301
Regional expenditure	\$5,656,691	\$5,778,759	\$5,898,381	\$6,029,668	\$6,165,287