Approved system authorities

Australian Government recurrent school funding is based on the [Schooling Resource Standard (SRS)](#). This funding is passed onto approved authorities who are responsible for the administration and operation of schools.

Who should read this fact sheet?

This fact sheet outlines the steps required to be recognised as an approved system authority under the *Australian Education Act 2013* (the Act). It provides important advice for approved authorities, and bodies who are considering becoming an approved system authority.

What is an approved system authority?

The Act recognises that approved authorities are best placed to understand the individual needs of their students and schools. Approved authorities for more than one school can distribute the Australian Government funding they receive among their schools in 2 ways:

- according to the Schooling Resource Standard (under subsection 78(4) of the Act), or
- according to their own needs-based funding arrangements (under subsection 78(5) of the Act).

Approved authorities that redistribute funding in accordance with subsection 78(5) of the Act are known as approved system authorities and are required to make their needs-based funding arrangements publicly available and transparent.

Visit the Department of Education website for more information on [approved system authorities](#).

Process for being recognised as an approved system authority

There are 4 steps for an approved authority for more than one school to become recognised as an approved system authority:

1. The state or territory government must recognise the proposed approved authority as the proprietor of all schools.
2. The Australian Government approves the same approved authority to receive recurrent funding on behalf of all schools.
3. The approved authority informs the Australian Government in writing of its intent to operate as an approved system authority (i.e. it will be redistributing funding using its own transparent needs-based funding arrangement).

4. The approved system authority meets ongoing legislated requirements when allocating funds under subsection 78(5) of the Act.

Step 1 – Approval from your state or territory government

Under the Act, the Australian Government can only provide funding to proprietors if they are approved to operate a school by the relevant state or territory government. If you do not have this recognition, prior to contacting the Australian Government Department of Education, you must:

- contact the non-government school accreditation body in your state or territory
- seek approval from your accreditation body for all schools to come under a single proprietor.

Why do I need approval from a state government?

The state or territory government has responsibility for registering schools and having oversight of school operations in their jurisdiction.

Step 2 – Australian Government approval for school funding

If you do not already have approval from the Australian Government to receive funding for all the schools in your organisation, contact us after you receive your registration certificate (or equivalent) using the details at the bottom of this fact sheet.

We will guide you through the application and assessment process to become an approved authority and steps on how to be recognised as an approved system authority.

Step 3 – Becoming an approved system authority

There is no application process to become an approved system authority. However, you must notify us in writing if you intend to redistribute funding among your schools, according to your own needs-based funding arrangement.

There is no formal approval process for new approved system authorities. However, the status as an approved system authority must be recorded to ensure accountability and transparency requirements are met (under subsection 78(5) of the Act).

Step 4 – You will need to meet ongoing requirements as an approved system authority

As with all approved authorities, approved system authorities are subject to ongoing requirements under the Act. This includes sections 77 and 78 of the Act and Part 5, Division 2 of the Australian Education Regulations 2023. This includes completing a financial questionnaire in respect of funding received for all schools under the approved system authority.

What should my transparent needs-based funding model look like?

A needs-based funding arrangement must include a base amount per student plus student and school loadings. It must be transparent and publicly available.

The base amount must represent the resources required to support a student with minimal educational disadvantage to achieve expected educational outcomes. It must also provide loadings to students and schools with additional needs to support student achievement, including loadings for the following:

- students with disability
- Aboriginal and Torres Strait Islander students
- students with socio-educational disadvantage
- students who have low English proficiency
- schools based on location and schools based on size.

What to consider before becoming an approved system authority

Operating schools in multiple states

Each state and territory have different requirements to recognise a school proprietor. For the Australian Government to recognise an approved authority for multiple schools, they must share the same proprietor.

Check with relevant state accreditation bodies to see if they allow proprietors from outside their state to operate a school.

Australian Government recurrent school funding will not change

Operating as an approved system authority will not change the Australian Government recurrent funding entitlements for each school.

While becoming an approved system authority will not change your recurrent school funding entitlements, it may allow for greater administrative efficiency.

More information

Visit the Department of Education website for more information on approved system authorities and Australian Government recurrent funding.

For further questions, contact us by:

- calling 1800 677 027 (select option 3)
- emailing schools@education.gov.au
- sending an enquiry through SchoolsHUB.