



2025 financial questionnaire

Treatment of approved system authority levies

Purpose

This fact sheet clarifies reporting arrangements in the financial questionnaire (FQ) data collection for levies charged by approved system authorities (ASAs) to their member schools.

It is designed to ensure the income and expenses associated with levies self-reported by ASAs in the FQ are not double counted or excluded by the Department of Education when it prepares data for public reporting by the Australian Charities and Not-for-profits Commission (ACNC) and Australian Curriculum And Reporting Authority (ACARA). This public reporting includes:

- Annual Information Statement (if the ASA opts into ACNC's streamlined reporting)
- My School finance reports
- National report on schooling.

What are approved system authority levies?

An ASA charges levies to contribute to the expense of providing a benefit or service to one or more of its member schools. Examples can include (but are not necessarily limited to) the administration of a payroll services, accounting and/or delivery of staff training.

ACARA My School reporting requirements

In accordance with ACARA's [My School Financial Reporting Key Principles and Methodology](#), ASAs and Catholic Diocese in New South Wales and Queensland must allocate their own and any related entity's **income and expenditure** to each member school within their system.

ASAs may retain and spend government recurrent funding (Commonwealth and state) for the benefit of their member schools. ACARA offers guidance that such income should therefore be allocated to each school in the system in order to maximise comparability of the My School finance reports across school sectors.

Clarification – FQ reporting of levies

The [FQ 2025 Data Reporting Guide](#) offers direction on the treatment of levies:

Recurrent Expenditure (internal system transactions) – Page 12

'Systems/Diocese office must report recurrent expenditure related to their operations (excluding internal systemic transactions). System authorities normally retain certain income to be spent for the benefit of its member schools. To maximise comparability of the



My School finance reports across school sectors, recurrent expenditure funded by this income is to be allocated to each school in the system.'

Levies paid to their approved authorities by schools – Page 16

'Approved system authorities (who do not retain recurrent income) and approved authorities, for more than one school that charge levies for the benefit provided to their member schools, should report the levies in the tuition column of the appropriate recurrent expenditure data item (or items) for each of its member schools.

Approved system authorities (who retain recurrent income) and spend it for the benefit of its member schools should allocate these expenses to its schools by reporting it in the system or diocese column of the appropriate recurrent expenditure data item (or items).

The levy expense should be reported under RE.080 if you are unable to attribute it to an appropriate recurrent expenditure data item (or items).'

Clarification: Under current FQ reporting arrangements, ASAs are required to complete separate FQ submissions for their system office, each of their member schools and all related Catholic Diocese in New South Wales and Queensland.

ASAs should not report any school-related expenditure on their own FQ submission or those of a related Catholic Diocese in New South Wales and Queensland¹. This includes expenses incurred by approved system authorities and their related entities who charge a levy to their member schools for providing a benefit or service.

Where an ASA conducts non-school activities, this expenditure can be reported on their own FQ submission or those of a related Catholic Diocese in New South Wales and Queensland. Examples of non-school activities include, but are not limited to:

- early learning and childcare centres
- registered training organisations
- adult and community education
- aged care or disability support services.

ASAs should report all income they receive from government recurrent funding on the FQ submissions of their member schools in accordance with ACARA's reporting requirements. This includes any portion of government recurrent funding retained by ASAs for centralised services or administration costs.

This income must be allocated by including it in the FQ submissions of its member schools under RI.070 to RI.120. Do not report this income in the FQ submissions of the ASA or related Catholic Diocese in New South Wales and Queensland.

For FQ reporting, where the ASA or related Catholic Diocese in New South Wales and Queensland charges a levy to its member schools, the levy should be eliminated from:

- the income of the ASA and the related Catholic Diocese in New South Wales and Queensland, and

¹ ASAs can report expenditure for a brand-new school, that opens after the end of the reporting period, in its own FQ submission or those of a related Catholic Diocese in New South Wales and Queensland. After the school begins operating, any associated expenditure must then be reported on the school's FQ.

- the expenditure of its member schools.

This is to avoid double counting since:

- income of the ASA is allocated to its member schools in the System/Diocese column, but the source of levy income has already been accounted for in the schools' FQ, and
- expenditure of the ASA is allocated to its member schools in the System/Diocese column, but the school has already recognised the levy as expenditure in their FQ.

The ASA or related Catholic Diocese in New South Wales and Queensland should allocate income and expenditure to the appropriate recurrent expenditure data item (or items) in its member schools' FQ submission. Where the levy expense cannot be attributed to an appropriate recurrent expenditure data item then the department will accept it being reported under RE.080.

By adopting this approach to FQ reporting, ASAs and all related Catholic Diocese in New South Wales and Queensland can be confident they are allocating their income and expenditure to each member school within their system as required by ACARA. It also ensures that, where applicable, their data is not double counted for the purposes of populating their Annual Information Statement for the ACNC.

Case Study

An ASA operates 2 schools. It receives \$10,000 in recurrent assistance from the Australian Government in respect of each school. It passes this funding to both schools in full, then charges a levy of \$8,500 per school to cover expenses incurred by the ASA in providing centralised payroll services to those schools.

On the ASA's FQ submission:

- *do not report:*
 - *\$20,000 of total recurrent assistance income (\$10,000 x 2 schools)*
 - *\$17,000 of levy income charged to schools (\$8,500 x 2 schools)*
 - *\$17,000 of payroll expenses incurred on the school's behalf (\$8,500 x 2 schools).*

On the individual school FQ submissions:

- *report:*
 - *\$10,000 of recurrent assistance income received from the ASA under the system/diocese column of RI.100 (Commonwealth Recurrent Funding).*
 - *\$8,500 of payroll expenses incurred by the ASA on behalf of the school under the system/diocese column of the appropriate recurrent expenditure data items:*
 - *RE.030 – Salaries & Wages – Principal, General Teaching Staff*
 - *RE.040 – Salaries & Wages – All Other Staff.*
- *do not report:*
 - *\$8,500 of payroll expenses charged by the ASA through the levy.*

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- calling 1800 677 027 (select option 4, then option 1)
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