



Quality Schools

Ongoing requirements for approval as an Approved Authority

An approved authority for a school is the legal entity the Australian Government holds responsible for the administration of the school. To be eligible to receive funding, an approved authority has significant legal responsibilities under the *Australian Education Act 2013* (the Act) and the *Australian Education Regulation 2013* (the Regulation) —described briefly below— and must at all times ensure it has the personnel, expertise and relationships with its school(s) that allows it to discharge those responsibilities effectively. In dealing with issues arising in connection with a school, the Government looks to the approved authority for the school, not the school itself.

The information below provides a high-level overview of ongoing requirements and is not intended to provide legal advice.

Basic requirements for approved authorities (sections 75 and 78 of the Act)

Approved authorities must meet the basic requirements for approval set out in the Act and Regulation. Consistent with sections 75 and 78 of the Act, an approved authority must:

- be a body corporate: the approved authority must be incorporated under the *Corporations Act 2001*, or under other relevant legislation in their state or territory, such as that relating to associations, cooperatives, or religious and charitable institutions. Board members may also have responsibilities as company directors, depending on the authority's corporate structure
- not be conducting its schools for profit: broadly speaking, all revenue derived from or relating to the operation of the approved authority's school(s)—including for example, public funding, parent fees, donations and endowments—must be applied for the benefit of those schools, and not applied for the benefit of the owners of the approved authority or any third party
- be financially viable
- meet the 'fit and proper person' requirement: the approved authority and key individuals must have the necessary expertise, experience and arrangements in place to make informed decisions that benefit the schools. Key individuals include, for example, board members, principal, business manager, finance officer and anyone able to exercise significant influence over the operations of the approved authority, regardless of whether they have a formal or official role with the authority

- spend, or commit to spend, funding provided under the Act for the purpose of providing school education at a school or schools for which the authority is approved
- keep records regarding, amongst other things, the financial administration of the authority, school(s), and the authority's compliance with the Act and Regulation.

Ongoing policy and financial and census reporting requirements for approved authorities (sections 77 and 78 of the Act)

Approved authorities are required, in cooperation with relevant state and territory education authorities, to implement nationally agreed school reform policies.

Approved authorities are also required to implement policy requirements as set out in section 77 of the Act, including:

- implementing the Australian Curriculum, or a curriculum with comparable outcomes recognised by the Australian Curriculum, Assessment and Reporting Authority
- ensuring their schools participate in the National Assessment Program, including the National Assessment Program – Literacy and Numeracy (NAPLAN). National student assessments are the means by which governments, education authorities and schools can determine whether or not Australian students are reaching important educational goals
- ensuring their schools participate in the Nationally Consistent Collection of Data on School Students with Disability (NCCD).

As set out in sections 77 and 78 of the Act, approved authorities must also ensure the annual completion of:

- the financial accountability certificate, stating funding received under the Act was used appropriately
- the financial questionnaire, providing information on their schools' income, expenditure and balance sheet. From 2018, rent and management fees will be reported in the financial questionnaire to allow the department to better monitor these expenses
- the school Census, providing information on students from their schools to ensure the correct calculation of recurrent funding under the Act. The census date for most schools is Friday 3 August 2018.

Other matters

Approved authorities are also expected to complete a compliance certificate each year, stating certain policy requirements as set out in section 77 of the Act have been met. The certificate must be completed by 30 September 2018. Completion of this certificate provides crucial assurance to the Australian Government Department of Education and Training about the compliance of approved authorities with section 77 of the Act.

Needs-based funding arrangements for system authorities

Approved authorities for more than one school must distribute Commonwealth recurrent funding received under the Act in accordance with one of two methods.

First, an approved authority can distribute Commonwealth recurrent funding to each of its schools in the amounts paid for those schools worked out by the department (that is, each school receives the amount calculated for it under the Act).

Second, an approved authority can distribute Commonwealth recurrent funding to its schools in accordance with its own needs-based funding arrangement that complies with requirements as set out under subsection 78(5) of the Act.

Such a needs-based funding arrangement must be publicly available and transparent. At a minimum, it must:

- provide an amount per student that:
 - represents the recurrent resources required to support a student with minimal educational disadvantage to achieve expected educational outcomes
 - takes account of efficiencies that can be realised while improving educational outcomes
- in addition to the amount per student mentioned in paragraph (a), provide loadings to students and schools with additional needs in order 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
 - schools based on size.

An approved authority that distributes Commonwealth recurrent funding to its schools in accordance with its own compliant needs-based funding arrangement is known as an approved system authority for the purposes of the Act.

Notification Obligations

An approved authority, must notify the department, in writing, of any change of circumstances which may, or is likely to, impact on the approval.

This includes changes to key individuals and/or company details—such as the company name or Australian Business Number, or payment arrangements—such as bank details.

For changes which impact on the approval of the approved authority, you should notify the department six months before the changes take effect. These changes could include joining or leaving an education system, the closing of a school, entering into administration, changing the school's name or address, or an extension to year levels.

An approved authority should advise the department of changes in details of an existing approved authority by using the Approved Authority Application Form available from the School Entry Point (<https://schools.education.gov.au/SchoolEntryPoint/>).

Actions the Minister may take as a result of breaching the Act

The Government has a framework in place to monitor compliance with the assurance requirements under the Act, and works with state and territory education departments and regulatory authorities in identifying schools at risk of non-compliance.

When an approved authority for a school is found to be non-compliant, the Act provides options for the department to place conditions on the approved authority, or to vary or delay funding. In more serious cases of non-compliance, the decision to revoke the approval of the authority may be made.