

NSW funding through approved system authorities

Non-government schools may now choose to have their NSW funding paid through an ‘approved system authority’ recognised under the *Australian Education Act 2013*.

Harmonisation of government funding processes

In 2020, the *Education Act 1990* (‘NSW Act’) was amended to align NSW funding provisions for approved authorities of more than one non-government school with the Commonwealth.

Section 83B(6) of the NSW Act now provides an option for non-government schools to receive their NSW funding via an ‘approved system authority’ (‘ASA’), as defined in section 78(6) of the *Australian Education Act 2013* (‘Commonwealth Act’).

This is consistent with the commitment under the Bilateral Agreement on Quality Schools Reform (2018) to harmonise NSW and Commonwealth administrative arrangements for schools.

Previous limitations

Previously under the NSW Act, State funding could only be provided to:

- a non-government school directly, or
- a ‘system of non-government schools’¹ for the benefit of that school.

An ‘approved authority for a system of non-government schools’ under the NSW Act² is required to monitor and report to the NSW Education Standards Authority on the compliance with the requirements for registration of each school within its system³. An ASA does not have this particular obligation, although has other requirements in relation to monitoring its compliance with the Commonwealth Act⁴.

Streamlined funding process via ASAs

The NSW Act now enables non-government schools that are currently funded by the Commonwealth through an ASA to also receive their NSW funding on the same basis.

This will help to streamline the processes through which groups of non-government schools receive Commonwealth and State funding.

Needs-based funding arrangement and block allocation reporting

The Commonwealth Act requires an ASA to have in place a needs-based funding arrangement for the distribution of recurrent funding to its schools.

ASAs must also submit a block allocation report each year demonstrating that funding has been distributed in accordance with its needs-based funding arrangement.

For schools not currently funded by the Commonwealth through an ASA

A group of non-government schools that would like to be funded through an ASA should first contact the Australian Department of Education, Skills and Employment (DESE) at schools@dese.gov.au.

For schools currently receiving Commonwealth funding through an ASA

Non-government schools that wish to receive their NSW funding through their existing ASA should contact the NSW Department of Education at nqsfu@det.nsw.edu.au.

¹ ‘System of non-government schools’ is defined at section 3 of the *Education Act 1990* (NSW).

² See section 40 of the *Education Act 1990* (NSW).

³ See sections 41(2)(c) and 42(2) of the *Education Act 1990* (NSW).

⁴ See paragraph 78(2)(b) of the *Australian Education Act 2013* (Cth).