



## SCHOOL FUNDING AND REFORM PRINCIPLES

1. The Commonwealth and the states and territories are jointly:
  - a. responsible for developing, progressing and reviewing national objectives and outcomes for schooling
  - b. committed to ambitious long-term school improvement underpinned by quality reform plans, based on evidence of what works, to support progress towards achieving national and state and territory goals and targets
  - c. funding and regulating the Australian school sector.
2. Once agreed, these principles will:
  - a. operate until the commencement of any new national schools agreement, or the end of 2018, whichever is reached first
  - b. satisfy the requirements of subsection 22(2) of the Australian Education Act 2013 in respect of Commonwealth school funding for the period the agreement is in operation
  - c. inform negotiations to develop a future national education reform agreement and bilateral agreements with the aim of settling both in mid-2018
3. Agreement to these principles for the purpose of establishing an interim agreement does not indicate intention on the part of any state or territory to enter into a future national schools agreement.
4. Any such future agreement will be subject to further discussion and negotiation by all parties and will be provided to First Ministers for signature.

### **Consultation and collaboration**

5. The Commonwealth Government will seek agreement from Education Council, as the key body for making decisions, about national school funding processes and reforms, recognising the significant impact of new Commonwealth funding arrangements on State and Territory investment.
6. The Commonwealth provides funding for all eligible schools through the *Australian Education Act 2013* (the Act) which sets out Commonwealth funding for schools and conditions on states and territories for grants of financial assistance.
7. In the implementation of the new Commonwealth school funding arrangements from 2018, the Commonwealth will consult, collaborate and seek agreement of states, territories and the non-government sector. This will include bilateral consultations as well as through AESOC and Education Council.
8. The Commonwealth will consult, collaborate and seek agreement of Education Council. Consultations through Education Council will seek consensus where possible and will include consideration of:
  - a. amendments to the Australian Education Regulation 2013 (the Regulation) and policy guidelines that underpin the operation of the Regulation and Act



- b. the approach to state and territory funding contribution requirements under section 22A of the Act, including the methodology to calculate state and territory funding effort as a proportion of the Schooling Resource Standard (SRS) and considerations to be included in the bilateral negotiation of transition pathways that take account of a state's or territory's local context
  - c. operational arrangements for the new National School Resourcing Board established under section 128 of the Act and the terms of reference for any reviews
  - d. Education Council nominations for appointment to the National School Resourcing Board
  - e. any changes that impact the operation and calculation of the SRS
  - f. compliance responses, including sanctions for state and territory non-compliance with the Act.
9. The Commonwealth commits to ensuring that any future changes in the calculation of the SRS must not have any consequential financial impact on state and territory contributions in bilateral agreements, unless otherwise agreed.
10. The Commonwealth and all states and territories agree that no school should move further away from achieving the SRS.
11. States and territories will continue to collaborate in good faith with the Commonwealth on:
  - a. continuing the progress and implementation of existing national schooling reforms
  - b. national reforms arising from the Review to Achieve Educational Excellence in Australian Schools and the Independent Review into Regional, Rural and Remote Education
  - c. consideration and negotiation of new national reforms and bilateral actions
  - d. proposed amendments to the Regulation and policy guidelines that underpin the operation of the Regulation and Act, including those related to state and territory funding effort and responses to non-compliance
  - e. the establishment and operation of the National School Resourcing Board.
12. The Commonwealth commits to delay making any regulations and policies not required for the 2018 school year (including setting the SRS Starting Share for States and Territories), so they can be decided within broader national and bilateral negotiations taking place in 2018.

### **Reform Principles**

13. This agreement commits states and territories to continue to progress existing collaborative reform effort and to consider the terms of any future national and bilateral agreements.
14. Any future national reforms will be agreed through Education Council. As part of this work, Education Council will consider the findings of the Review to Achieve Educational Excellence in Australian Schools, due in March 2018 and the Independent Review into Regional, Rural and Remote Education, due in December 2017 and any other relevant reviews or initiatives, in recognition of the need to focus on enablers that drive improvement in educational outcomes.



15. Education Council will focus efforts on an agreed set of strategic national reform priorities and actions, recognising the significant national reforms already underway and that improvement occurs where effort has strategic focus. Reforms will:
  - a. be developed in consultation with the non-government sector
  - b. recognise and build on existing national reform and state and territory reform activities that are proven to be lifting outcomes for students
  - c. be based on national and international evidence and research on what will improve educational quality and outcomes
  - d. have a robust and evidence-based rationale for how actions will directly or indirectly improve outcomes
  - e. concentrate reform effort on the key enablers that drive improvement in educational outcomes
  - f. have a clear rationale for why a national approach will have the biggest impact on outcomes
  - g. allow for jurisdictional flexibility in implementation, including in resource allocation to ensure resources are not directed away from existing reform efforts
  - h. take into account jurisdictional and sectoral context, and the role of states and territories and relevant non-government systems, as system managers.
16. Bilateral reforms and actions will:
  - a. be developed in consultation with the non-government sector
  - b. acknowledge the specific contexts and starting points of individual jurisdictions
  - c. build on existing state and territory reform activities underway that seek to lift student achievement
  - d. go beyond business as usual to build on existing state and territory efforts
  - e. recognise state and territory responsibilities, including the management of the regulatory framework for all schools and as system managers for the operation of government schools
  - f. support a joint approach between states, territories and the Commonwealth to maximise benefits and outcomes of reform for education sectors as a whole.

#### **Performance reporting and transparency arrangements**

17. As part of a future national agreement on schools, a new national performance framework will be developed based on existing collections, where possible, and in consultation with the non-government sector and endorsed by Education Council, to measure progress towards agreed outcomes.



18. The performance framework in a future national agreement on schools should be the primary reference for reviewing and agreeing any national accountability requirements, to minimise the administrative burden on schools and systems.
19. Existing COAG agreed performance, reporting and transparency arrangements in the schools sector will remain in place until a new national performance framework is agreed.
  - a. Performance reporting and transparency arrangements agreed by Education Council should:
  - b. include robust indicators and targets, and clear reporting arrangements
  - c. allow enough flexibility to enable parties to adopt their own implementation approach, recognising different jurisdictional starting points and progress and growth against these starting points
  - d. minimise administrative burden, particularly on schools and teachers.
20. Reporting arrangements for bilateral reform implementation agreements will be determined as part of negotiations of those agreements.

#### **National Reforms**

21. During the term of this agreement, the Commonwealth and the states and territories will continue to progress and implement existing national reforms agreed by Education Council, including:
  - a. the National Aboriginal and Torres Strait Islander Education Strategy 2015
  - b. the National Science, Technology, Engineering and Mathematics School Education Strategy 2016–2026
  - c. implementation of key national reforms on initial teacher education
  - d. implementation of the Australian Professional Standards for Teachers and the Australian Professional Standard for Principals
  - e. implementation of the Australian Teacher and Performance Development Framework and access to ongoing professional development consistent with the Australian Charter for the Professional Learning of Teachers and School Leaders
  - f. implementation of the Foundation to Year 10 Australian Curriculum
  - g. implementation of the Nationally Consistent Collection of Data on School Students with Disability (NCCD)
  - h. National Assessment Program reform
  - i. data collection and reporting requirements
  - j. initiatives to improve access to early childhood education.

Signed by all state and territory Education Ministers in December 2017.