

APPENDIX 7: BILATERAL AGREEMENT BETWEEN QUEENSLAND AND THE COMMONWEALTH ON IMPLEMENTATION OF SCHOOL EDUCATION REFORM

Preliminaries

1. This agreement satisfies the conditions of subsection 22(2)(b) of the *Australian Education Act 2013* (the Act) requiring each State and Territory to be party to an agreement with the Commonwealth relating to the implementation of school education reform.
2. This bilateral agreement will inform the priorities for the work plans for non-government representative bodies in Queensland under the Australian Government's Non-Government Reform Support Fund.
3. This bilateral agreement sets out:
 - a. the state-specific actions that Queensland will implement in line with the three reform directions outlined in the National School Reform Agreement (the National Agreement);
 - b. Queensland's financial contribution obligations and reporting requirements associated with these obligations; and
 - c. cooperative arrangements between the Commonwealth and Queensland and the Queensland Government and the non-government schooling sector.
4. This bilateral agreement between the Commonwealth and Queensland (the Parties) will commence on 1 January 2019 and expire on 31 December 2023. Although these agreements commence on 1 January 2019, a state-territory share stipulated in this agreement for 2018 will apply to the 2018 calendar year.
5. In the event the Commonwealth offers terms to the agreement that are more favourable in bilateral agreements with other jurisdictions, including but not limited to:
 - a. an adjustment to the measurement of state funding contribution included in another state's bilateral agreement; or
 - b. any subsequent agreement the Commonwealth makes with any other state or territory which favourably impacts on that state's financial contributions or risk sharing arrangements under the agreement,then these terms will also be made available to Queensland and this agreement will be updated to take into account the adjustment or material change to circumstance. The agreement may also be updated through agreement with the Commonwealth if there is a material change in the state's circumstances, beyond its reasonable control, which will affect Queensland's fiscal position or the recognition of the state's funding contribution.
6. Consistent with clause 22 of the National Agreement, Queensland may initiate re-negotiation of the state-specific actions set out in this agreement at any time should its education priorities change.

7. The Commonwealth will work with Queensland and other jurisdictions through Education Council processes to clearly specify the reporting, compliance, governance and review arrangements related to the requirements of the Act, National Agreement and associated bilateral reform agreements.

Reform context

8. Since amendments were passed by the Commonwealth in 2017, the Act requires Queensland to be party to an agreement on school education reform in order to receive federal financial assistance for Queensland schools. Queensland's agreement to the National Agreement and this agreement is in this context, and noting the state's limited revenue capacity and constitutional responsibility for school education as well as the majority of other frontline services in this state.
9. Queensland is a large state with a geographically dispersed student population spread across the government and non-government (Catholic and independent) school sectors.
10. Around 58 percent of Queensland schools operate outside the Metropolitan region and approximately 24 percent of all Queensland schools have fewer than 100 students. Queensland schools have the second largest Indigenous student cohort in the country. From 2014 to 2017, Indigenous student enrolments (full and part-time) in Queensland schools grew by 13.1 percent compared to 4.3 percent for all students in Queensland.
11. The Queensland Government has fostered a strong government education system in the state, specifically suited to its student cohorts. The Queensland Government's overarching plan for government school education is set out in *Advancing Education* and supported by the following:
 - a. *Every student succeeding State Schools Strategy 2018-2022*, which will lift the performance of each government school student, teacher and principal.
 - b. *Advancing Aboriginal and Torres Strait Islander education action plan*, which will improve early childhood and school education outcomes for Aboriginal and Torres Strait Islander children and students [pending].
 - c. *Inclusive Education Policy* which will ensure that students from all backgrounds, of all identities and all abilities are able to access and participate in education and achieve.
 - d. *Advancing Rural and Remote Education in Queensland state schools action plan* which will recognise unique challenges of teaching in rural and remote schools and address the particular needs of students living in geographically isolated areas.
12. Non-government schools pursue their own reform and improvement agendas to meet the diverse and specific needs of their school students and communities.
13. Consistent with clauses 67 and 68 of the National Agreement and section 77(2A) of the Act, non-government representative bodies (NGRBs) – the Queensland Catholic Education Commission (QCEC) and Independent Schools Queensland (ISQ) – and non-government approved authorities are required to cooperate with the Queensland Government in the implementation of this agreement.
14. Queensland is already implementing an ambitious education reform agenda designed to improve educational outcomes for all students. Existing reforms build on major changes introduced over the past decade for all school sectors to improve teaching and learning in Queensland, including introduction of the Prep Year in 2007, and the move of Year 7 to high school in 2015.

15. Queensland has a significant and well-established school improvement agenda and is one of the most improved states since the introduction of NAPLAN in 2008. In 2017, 96.4 percent of all Year 12 students were awarded either a Queensland Certificate of Education (QCE) or a Queensland Certificate of Individual Achievement (QCIA). A key success for Queensland government schools is that the gap in certification (QCE or QCIA) for Indigenous students continues to be less than 1 percentage point.
16. The activities listed above are provided for context and are not considered part of the Agreement for the purposes of subsections 22(2)(b) and (c) of the Act.

Part 1 — REFORMS

State specific actions

17. Building on existing reform activities, this bilateral agreement sets out state-specific actions to be undertaken during the term of this agreement, in line with Queensland's education priorities across government and non-government sectors and the reform directions identified in the National Agreement:
 - a. Supporting students, student learning and student achievement;
 - b. Supporting teaching, school leadership and school improvement; and
 - c. Enhancing the national evidence base.
18. Bilateral actions will include activity to support improved outcomes for specific cohorts of students as appropriate, including Aboriginal and Torres Strait Islander students.
19. Selected state specific actions aim to build on Queensland's existing successful education reform agenda by:
 - a. continuing the state's longstanding improvement trajectory, adopting a 'sharp and narrow' focus on actions that have the greatest impact across the system;
 - b. adopting strength-based narratives, discourses and programs;
 - c. pursuing learning gain alongside social and emotional well-being for students and teachers;
 - d. enabling schools to lead their own improvement journey – with strong regional and system support and within frameworks for quality assurance;
 - e. continuing a focus on building an evidence base and using it to determine next steps at the micro and macro levels;
 - f. engaging with stakeholders to co-design strategies so they have the support of those who will implement and be affected by them;
 - g. maintaining high standards across a range of learning options to ensure students can participate in a rapidly changing economy and society; and
 - h. working effectively across schooling sectors to improve student learning outcomes.

Non-government sector

20. Consistent with clause 64(c) of the National Agreement and section 77(2A) of the Act, Queensland undertakes to work with the non-government schooling sector in this state as set

out in clause 21. Clause 21 has been agreed with Queensland's NGRBs.

21. Queensland has valuable and productive working relationships between schooling sectors. Queensland will:
 - a. work with NGRBs as required under Queensland legislation, to accredit and fund non-government schools;
 - b. engage NGRBs as critical stakeholders in education reviews, boards and bodies;
 - c. maintain a consultative and cooperative working relationship by regularly engaging and consulting with NGRBs at an operational and strategic level;
 - d. recognise the role of the non-government sectors in providing educational choices, by acknowledging that NGRBs should pursue their own actions and improvement agendas to meet the diverse and specific needs of school students and communities;
 - e. respect and preserve the existing direct funding and reporting relationship NGRBs have with the Commonwealth;
 - f. to the extent possible, endeavour to avoid duplicative monitoring or reporting processes for any obligations imposed on NGRBs (or their schools) by this agreement, the National Agreement or the Act or Regulation; and
 - g. recognise that NGRBs are required to report to and negotiate with the Commonwealth directly in relation to the requirements and administration of the Non-Government Reform Support Fund.
22. The Commonwealth will not impose financial or other sanctions on states or territories for a failure by the non-government school sector to cooperate with bilateral agreements, as per clause 50 of the National Agreement. Nor will the Commonwealth impose sanctions on the non-government school sector for a failure of Queensland to cooperate with them in the implementation of this agreement.

State-specific actions to be delivered by Queensland

23. The following state-specific actions will be progressed and delivered by Queensland schooling sectors during the life of this agreement as per the table below.

Reform Direction	Actions	Sector	Timing
Reform Direction A - Support students and student learning			
Literacy and numeracy in the early years	<i>Review and extend use of the Early Start screening tool to all government primary schools</i>	Government	From 2019
	<i>Review and extend early years screening tools in Queensland Catholic schools</i>	QCEC	From 2019
	<i>Support schools to utilise the Early Start screening tool or like-measures</i>	ISQ	2019-2021
Senior assessment and tertiary entrance reform	<i>Implement Queensland's new senior assessment and tertiary entrance system</i>	All sectors	Life of Agreement
Indigenous education	<i>Expand the Transition Support Service for Aboriginal and Torres Strait Islander students transitioning to and from boarding schools</i>	All sectors	Life of Agreement
Reform Direction B – Support teaching, school leadership and school improvement			
Governance and finance	<i>Embed structural and professional autonomy in Queensland government schools, within a framework of system accountability and collaboration and in partnership with the broader school community.</i>	Government	From mid-2019
	<i>Support school leadership and school improvement through initiatives aimed at enhancing school governance and financial management</i>	QCEC	From 2019

Reform Direction	Actions	Sector	Timing
	<i>Provide support and services to schools through activities for governors, Business Managers and school leaders</i>	ISQ	Life of Agreement
School leadership	<i>Implement a comprehensive leadership capability program for government school leaders.</i>	Government	From 2019
	<i>Support school leadership and school improvement through initiatives aimed at enhancing strategic leadership for existing and aspiring school leaders and for school boards</i>	QCEC	From 2019
	<i>Provide high-quality leadership development and support through:</i> <ul style="list-style-type: none"> • <i>New Principals Program - for Principals in their first two years of school leadership</i> • <i>Aspiring Principals Program - developing future school leaders.</i> • <i>Middle Leaders Program</i> 	ISQ	Life of Agreement
School improvement	<i>Expand the scope of the School Improvement Unit to ensure line of sight between schools, education regions and the education system</i>	Government	From mid-2019
	<i>Enhance school improvement processes and planning with Catholic schools</i>	QCEC	From 2019
	<i>Deliver the Self-Improving Schools Program to support schools to assess their effectiveness, plan for continuous improvement and embed new processes</i>	ISQ	Life of Agreement
Highly accomplished and lead teachers	<i>Recognise the explicit value of teaching experience and proven ability in the classroom by rewarding highly accomplished and lead teachers</i>	All sectors	Life of Agreement
Rural and remote wellbeing	<i>Establish a network of learning and wellbeing centres in key locations to take into account the additional challenges for rural and remote schools</i>	Government	From 2019
	<i>Facilitate support to school communities in rural and remote areas to enhance student wellbeing</i>	QCEC	From 2020

Reform Direction	Actions	Sector	Timing
	<i>Prioritise support for rural and remote schools to access professional learning opportunities offered in student wellbeing</i>	ISQ	2019-2021
Parent, community and industry engagement	<i>Roll out a suite of new resources and professional development opportunities to support parent and industry engagement, including tailored resources for specific cohorts</i>	Government	From 2020
	<i>Provide professional learning opportunities and resources to enhance parent, community and industry engagement with Catholic schools</i>	QCEC	From 2020
	<i>Increase support for schools through resources and professional development to sustain and improve parent engagement strategies</i>	ISQ	2019-2021
Reform Direction C – Enhancing the national evidence base			
Nationally Consistent Collection of Data on Students with Disability	<i>Conduct moderation of Nationally Consistent Collection of Data on Students with Disability across Queensland schooling sectors</i>	All sectors	Life of Agreement
Data literacy and development	<i>Develop a data literacy framework for government school leaders and teachers</i>	Government	From mid-2019
	<i>Develop strategies to enhance data literacy among Catholic school leaders and teachers, support development of data tools and frameworks to inform planning and development of education policy and practices in Catholic schools, and support roll out of NAPLAN Online to Catholic schools</i>	QCEC	From 2019
	<i>Utilise educational data for school improvement through the increased provision of support and online learning opportunities for teachers</i>	ISQ	Life of Agreement

Part 2 — STATE AND TERRITORY FUNDING CONTRIBUTIONS

Required state funding contributions

24. Under section 22A of the Act, the state must meet its funding contributions for the government and non-government sectors as a condition of receiving Commonwealth funding.
25. The funding contributions for the government and non-government sectors agreed in this agreement are outlined in the table below for each year from 2018 to 2023. The minimum funding contributions are expressed as a percentage of the Schooling Resource Standard (SRS) as defined in Part 3 of the Act.
26. The transition path set out below requires significant investment by the state each year for the period of the agreement with steady growth towards 75% of the SRS by 2032.

Sector	2018	2019	2020	2021	2022	2023
Government	69.26%	69.26%	69.26%	69.26%	69.26%	69.26%
Non-government	23.18%	22.70%	22.45%	21.84%	21.23%	20.61%

As shares are set as a percentage of the SRS any changes to enrolment and student characteristics will be factored into the final dollar value of funding contributions each year.

27. The funding contributions outlined above for non-government schools are based on the rationale that Queensland has in place a long-standing history of providing fair and consistent funding to non-government schools. The Queensland Government's relationship to and funding of non-government schools within the state above the minimum outlined in clause 26 is a matter for the Queensland Government as provider and administrator of this funding.
28. Funding contributions for government schools have been agreed based on the rationale that Queensland's share of the SRS for government schools will reach 75% by 2032 and that:

- a. Queensland's contribution to government schools is made on the basis of current Queensland Government policy settings;
 - b. Queensland provides significant funding for all aspects of school education and has already been increasing its per-student funding for government schools year on year;
 - c. Queensland has a limited revenue raising capacity but retains constitutional responsibility for funding and delivering education for the government schooling system which educates the majority of students in the state;
 - d. Queensland's existing needs-based funding arrangements and resource allocation methodologies are efficient and effective, and have helped to deliver strong education outcomes for the state;
 - e. the proposed transition path represents an increase to Queensland's school education budget that is financially sustainable and will not compromise other areas of service delivery;
 - f. Queensland's cost drivers are unique to the state and are not accurately reflected in the rate of national indexation legislated in the Act - the proposed transition path maintains and increases purchasing power at the state level; and
 - g. in the absence of an agreement Queensland government and non-government schools would not be able to receive critical federal funding.
29. Consistent with clause 61 of the National Agreement and in the event of a change to the SRS that has a consequential impact on state contribution requirements, such as changes to the SES score methodology or accounting standards, the Parties can agree to amend the contribution shares set out in clause 26 above, to ensure that the state contribution amount is not impacted. The amended amount should represent the funding calculated as if the SRS settings are applied that were in operation at the time the agreement commenced. The Commonwealth will facilitate this process by continuing to provide data required to enable the state to calculate the amount of its contribution on an unchanged basis.

Measurement of contributions

30. For the purpose of this Schedule, Parties have agreed the costs that are measured towards Queensland's funding contribution requirements at the sector level, for the government and non-government sectors.
31. Consistent with the calculation of the SRS, the state funding contributions will be measured according to Queensland funding consistent with the Australian Curriculum, Assessment and Reporting Authority (ACARA) financial data reporting methodology for state Net Recurrent Income Per Student (NRIPS) for school years Year 1 minus 1 to Year 12, excluding funding for full fee paying overseas students, along with the following additional funding types:

- a. 4 per cent of the total SRS for the government sector each year (in partial recognition of the state's critical investment in education) for capital depreciation and direct school transport.
- b. all regulatory funding provided by the government for the purpose of:
 - i. Queensland Curriculum and Assessment Authority
- c. All funding for the reform measures outlined in Part 1 of this bilateral reform agreement (with the exception of any capital funding) and the national policy initiatives outlined in the National Agreement;

with the acknowledgement from both parties that this approach does not take into account an additional \$1.5 billion in operating expenditure committed in the state education budget over the term of this agreement and Queensland's vital capital investment in education, which is estimated to reach approximately \$2.9 billion over the period of the agreement.

- 32. It is Queensland's position that Queensland's full investment in education reflects the unique nature of the state of Queensland. Queensland is a highly decentralised state and with this comes additional costs particularly relating to capital investment to ensure essential education services to our cities and towns. Approximately one-quarter of Queensland schools have few than 100 students and almost half – over 600 – of all Queensland government schools are in rural and remote locations.
- 33. Queensland has the second largest Indigenous student cohort in the country, with Aboriginal and Torres Strait Islander students making up 45 per cent of remote government school enrolments. Data collected in 2017 through the Nationally Consistent Collection of Data on School Students with Disability (NCCD) indicates that 16.8 per cent of Queensland school age students have been identified as having disability which requires adjustment to participate in education at the same basis as other students.
- 34. If the reported contribution for a state or territory for a year falls short of meeting the required contribution for a sector by an immaterial amount, this will not be considered non-compliant with section 22A of the Act. An immaterial amount is less than or equal to 0.6 per cent of the total SRS for the sector, or another immaterial amount agreed by the Commonwealth Minister for Education for a year, which accounts for the timing constraint of state budget processes being finalised in advance of the year and the required contribution for the year being finalised at the end of the year following the annual School Census. Queensland budgets and accounts for education expenditure on a financial year basis, which is the basis for Queensland's financial commitment pursuant to this agreement.
- 35. In assessing compliance with this agreement, the National School Resourcing Board (the Board) will take into account mitigating factors that have contributed to non-compliance. This may include, but is not limited to, fluctuations from year-to-year in funding which could be assessed through, for example, the application of a three year rolling average if funding has fallen below the required amount, unintended and unforeseeable budget pressures in the state budget process, financial accounting impacts (e.g. actuarial assessments and timing of expenditures due to reporting dates), and other unforeseeable circumstances (e.g. such as natural disasters).

Requirements for annual reporting to the Commonwealth

- 36. The following clauses set out the annual reporting arrangements for Queensland for a year (Year T).

37. The Commonwealth will provide all states and territories with a Funding Estimation Tool in January Year T+1 prior to the state or territory's annual report with the final SRS data for Year T for the purpose of the Board's review of section 22A of the Act.
38. The Director-General or equivalent of the education portfolio for the state or territory must provide an annual report to the Secretary of the Department of Education and Training for each year of the agreement.
39. The annual report must be provided no later than 31 October Year T+1 (i.e. 31 October of the following year).
40. The annual report must set out the following:
 - a. the total amount of funding provided by the state or territory for government schools in the state or territory for Year T as measured in line with clause 31 above;
 - b. the total amount of funding provided by the state or territory for non-government schools in the state or territory for Year T as measured in line with clause 31 above; and
 - c. total full time equivalent enrolments for Year T relating to the funding amounts above.
41. The annual report must also specify the amount for each funding type set out in clause 31 of this bilateral agreement, as well as the amount of funding consistent with the specified NRIPS methodology.
42. Each amount included in the report must have been:
 - a. spent by the state or territory government for schools (including centralised funds expended by the department for schools and funds allocated for schools that are not spent within Year T but are spent within remainder of the financial year or subsequent years by schools) or approved authorities; or
 - b. spent by schools or approved authorities for Year T; and
 - c. not counted towards another reporting year for the purposes of this agreement.

Note this does not prevent a state or territory also including budgeted amounts in its report.

43. Each amount included in the report for a sector must have been allocated or provided for that sector. Note this means a state or territory cannot count funding provided for one sector towards the contribution requirement for another sector.
44. Each amount included in the report must be net of any Australian Government funding.
45. For each amount, except items listed in clause 46 below, the report must include evidence that the amount has been certified and is consistent with the agreed methodology in clause 31 of this bilateral agreement by one of the following:

- a. the Auditor-General of the state or territory; or
 - b. an independent qualified accountant; or
 - c. an independent qualified accountant engaged by ACARA for NRIPS funding; or
 - d. the Director General or equivalent of the education portfolio for the state or territory, but only up to 0.1 per cent of the SRS for the state or territory for all reported funding.
46. For the items listed below, the amounts must be certified in accordance with clause 45 above however it is agreed that evidence of certification will be provided after the annual report but no later than 31 January Year T+2:
- a. This clause relates to items where the state or territory has provided evidence the amount does not typically have a material change once audited – i.e. NRIPS data and will be enacted as required.
47. The annual report may also provide an explanation and supporting evidence for the Board’s consideration of any material shortfall between the total amount reported for Year T and the agreed funding contributions for Year T in clause 26 of this bilateral agreement.
48. The Commonwealth will provide the state or territory’s annual report to the Board for assessment of the state or territory’s compliance for Year T with section 22A of the Act, including any funding requirements specified in this bilateral agreement.
49. The Commonwealth may request additional information from the state or territory on behalf of the Board, to be provided within 21 days. If the state or territory does not provide information or advice in this timeframe, the Board will make an assessment based on the information and evidence available.
50. The state or territory will have an opportunity to provide further information for the Board’s consideration following their receipt of the Board’s draft findings.

SIGNATURES

Signed for and on behalf of the Commonwealth of Australia by

The Honourable Dan Tehan MP
Minister for Education

Date

13 DEC 2018

Signed for and on behalf of the State of Queensland by

The Honourable Grace Grace MP
Minister for Education

Date 13/12/18