

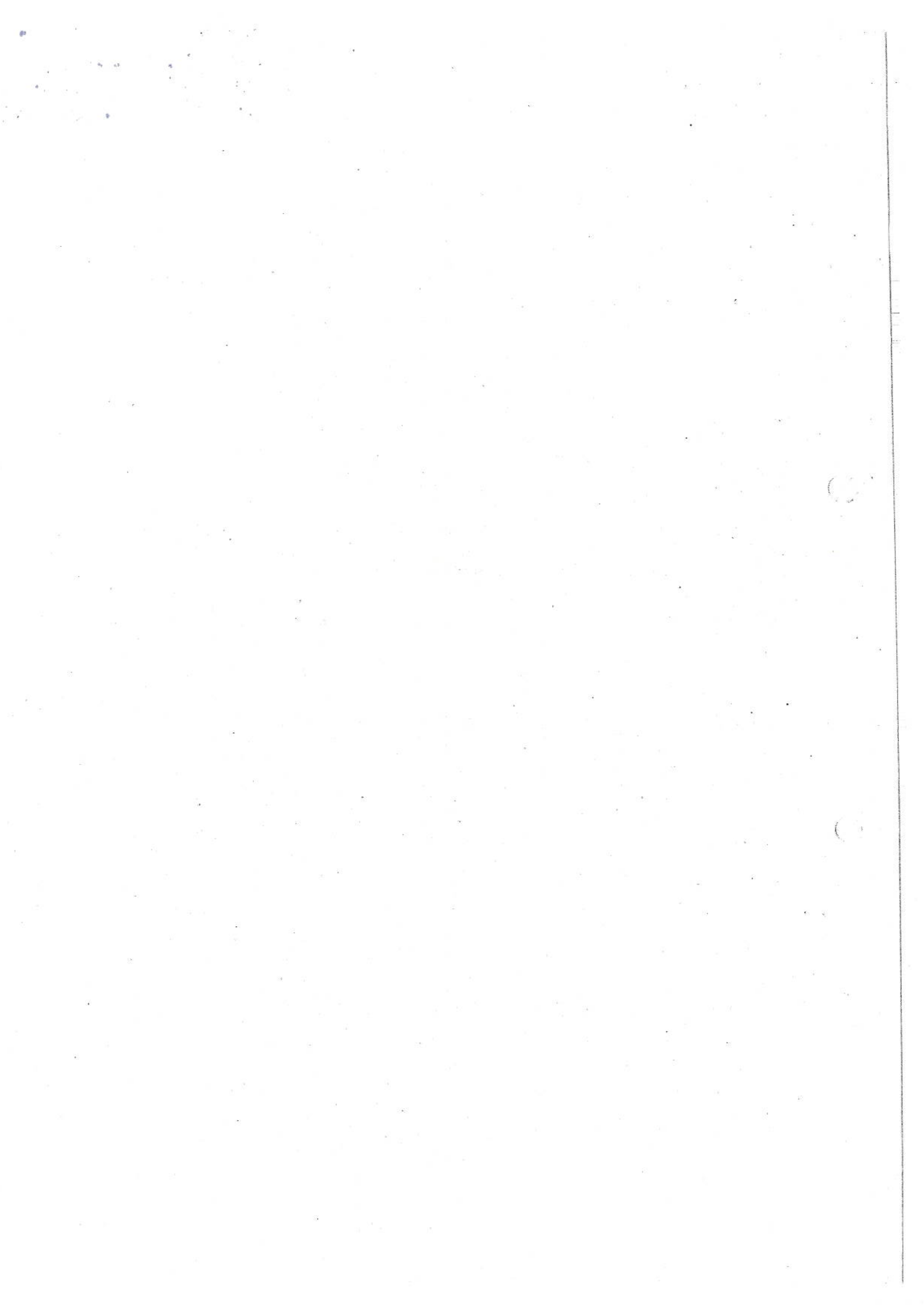
*Tabled - 16/05/14
Mr Tony Cook,
Secretary, Department
of Education (Cth)*

HEADS OF AGREEMENT BETWEEN THE COMMONWEALTH OF AUSTRALIA AND THE STATE OF TASMANIA ON

NATIONAL EDUCATION REFORM

Preliminaries

1. This historic agreement between the Commonwealth of Australia and the State of Tasmania (the Parties) establishes National Education Reform in Tasmania.
2. These reforms are to position Australia to be ranked, by 2025, as one of the top five highest performing countries based on the performance of Australian school students in reading, mathematics and science, and rated as a high quality and high equity schooling system.
3. This Heads of Agreement (HoA) between the Commonwealth and Tasmania details the funding arrangements and education reforms in Tasmania. It will be a schedule to the National Education Reform Agreement (NERA) and provides further details on specific arrangements additional to those set out in the NERA. It will become a Bilateral Agreement (BA) for the purposes of the NERA once clause 10 of this HoA is satisfied.
4. The NERA, which contains the National Plan for School Improvement (NPSI), sets out the broad evidence-based areas of action that Parties agree will make a significant contribution to the 2025 targets. The NERA also sets out the Commonwealth's implementation of the Schooling Resource Standard (SRS), based on the recommendations from the Review of Funding for Schooling (2011). All Parties to the NERA aspire to reach the level of public funding required under the SRS in recognition that this will minimise educational disadvantage and facilitate a high quality education for every student in every school. This HoA sets out how these elements will be implemented in Tasmania.
5. The Commonwealth and Tasmania will work together to introduce reforms that will contribute to the outcomes of the NERA by:
 - a. ensuring the continued prosperity and growth of Australia by improving the educational outcomes of all primary and secondary students in Tasmania;
 - b. ensuring the different educational needs of Tasmanian students are supported by taking a fairer, needs-based and equitable approach to education funding; and
 - c. providing a more sustainable funding model for the provision of education.
6. The reforms will:
 - a. implement the most ambitious reform program in Australia's history to improve the educational outcomes of students across five key areas: quality teaching; quality learning; meeting student need; empowered school leadership; and transparency and accountability (see Annexure A);



- b. allocate funding so that the students and schools with greater need get more resources; and
 - c. provide a sustainable funding model for the provision of education into the future.
7. Tasmania's needs-based distributional model for funding Tasmanian government schools, the Fairer Funding Model (FFM), has been assessed and, subject to clause 33(b), validated by the Commonwealth as being consistent with the SRS funding model.
 8. Through signing this HoA, Tasmania has indicated it will be a signatory to the NERA.
 9. The Parties agree that this HoA and subsequent bi-lateral agreement are "relevant arrangements" for the purposes of the *Australian Education Act 2013*.
 10. For the purposes of receiving funding from 1 January 2014, this HoA will be taken to be the foundation for the BA (for the purposes of provision 74 of the NERA), subject to the Commonwealth and Tasmanian Education Ministers finalising an implementation plan that satisfies the requirements of provisions 85 – 90 of the NERA and Part 7 of the *Australian Education Act 2013*, within 14 days of signing the Heads of Agreement, for inclusion in the BA.
 11. The implementation plan will:
 - a. recognise, support and build upon the education reforms and priorities that Tasmania is already undertaking and that the parties agree are relevant and appropriate to Tasmania's local context;
 - b. outline the implementation of reform priorities set out in the National Plan for School Improvement (NPSI), including planned activities, programs and initiatives, implementation milestones and timelines, and performance indicators to track progress through funding and policy implementation milestones;
 - c. take into account the current position of Tasmania in implementing the reforms in the NPSI;
 - d. include details on the consistency between Tasmania's FFM and the SRS funding model;
 - e. include details of Tasmania's use of the SRS funding model for distributing funding to non-government schools; and
 - f. ensure requirements on schools, school systems or school communities are not onerous or duplicative and are linked to improving education outcomes for Tasmanian students.
 12. The BA will commence on 1 January 2014 and outline reform directions for the life of the NERA, with an implementation period of six years to 31 December 2019.

Governance

13. The Tasmanian Premier and the Prime Minister will administer this HoA by written correspondence, if necessary, before the NERA comes into effect. Once the NERA comes into effect, governance of the BA will be consistent with the NERA.

Process for amending the agreement

14. Subject to clause 13 of the NERA, this HoA may be amended at any time through agreement in writing between the Prime Minister and the Tasmanian Premier.
15. To provide greater certainty and security, Tasmania and the Commonwealth commit to a process that the Parties must follow if either seeks to unilaterally terminate or make a financial or material

variation to this HoA and subsequent BA. The process will involve either party taking the following steps:

- a. providing three months' notice of the proposed variation prior to consideration by the other party, unless agreed otherwise; and
- b. discussions with the other party with the aim to seek its agreement to the variation.

A national approach to legislating the NERA

16. The Commonwealth will, subject to Parliament, enact legislation that is consistent with this HoA and the NERA to grant financial assistance for government and non-government primary and secondary education, and for related purposes by 1 July 2013 (*the Australian Education Act 2013*).
17. In addition to clause 130 (5) of the *Australian Education Act 2013*, the Commonwealth will consult with the Tasmanian Minister for Education on any proposed amendments to the *Australian Education Act 2013*, or regulations to be made under that Act. The Commonwealth will take into account the views of the Tasmanian Minister for Education prior to finalising any amendment or regulations.
18. If necessary, Tasmania will, subject to approval by the Tasmanian Parliament, use its best endeavours to enact appropriate enabling legislation before 1 January 2014, but no later than 1 July 2015, that is consistent with this HoA and the NERA to allow for the distribution of funds for non-government primary and secondary education consistent with clause 70 of the NERA and the application of its needs based funding model for the government sector.

A national approach to funding the NERA

19. The annual total and additional investments from Tasmania and the Commonwealth that are required to fund the needs-based funding approach, including the annual Net Recurrent Income Per Student (NRIPS) indexation rates, will be agreed between the Tasmanian Premier and the Prime Minister.
20. From 1 January 2014, Tasmania will contribute its existing funding for schools and schools systems. This equates to \$755 million in 2014. This contribution will be escalated by 3 per cent per annum from 2015 to 2016 and yearly thereafter.
21. In addition, Tasmania will also contribute \$134 million over six years (2014-2019) which includes 35 per cent of the additional investment required to transition schools and school systems under the SRS toward the SRS over this period.
22. From 1 January 2014, the Commonwealth will contribute its existing funding for education equating to \$316 million in 2014. This contribution will be escalated by 4.7 per cent per annum from 2014 to 2015 and yearly thereafter.
23. In addition, the Commonwealth will also contribute \$248 million over six years (2014-2019) which includes 65 per cent of the additional investment required to transition schools and school systems under the SRS toward the SRS over this period.
24. The funding amounts in clauses 20 to 23 will change if there are different enrolment growth rates and changes to student characteristics to those currently estimated in the SRS funding model, and are subject to the implementation of the outcomes of the indexation-review referred to at clause 41.
25. To ensure an equitable transition to new needs-based funding arrangements across all sectors, Tasmania will ensure that existing funding to the Tasmanian government schooling system, non-

government education systems and independent schools is escalated by the rates agreed between the Tasmanian Premier and the Prime Minister (clause 19 refers).

- a. This includes ensuring that schools that would have received funding under the Low Socioeconomic Status School Communities National Partnerships in 2014 and/or 2015 continue to receive at least an equivalent level of support.
26. Consistent with provisions 76 and 77 of the NERA, the Tasmanian contribution is provided on the basis that, for the purposes of the Commonwealth Grants Commission (CGC) determining Goods and Services Tax (GST):
- a. The Commonwealth Treasurer will ensure that the GST distribution process will not have the effect of unwinding the recognition of educational disadvantage embedded in the NERA funding arrangements; and
 - b. The Commonwealth Treasurer will instruct the CGC to ensure that no State or Territory will receive a windfall gain through the GST distribution from non-participation in NERA funding arrangements.

Tasmania assets

27. Nothing in this agreement affects the ownership of Tasmanian Government schools assets. Tasmania retains all policy and financial decision making with respect to schools assets.

Tasmania specific commitments

28. State and Territory roles and responsibilities will be specified in Part 3 of the NERA. Specific responsibilities for Tasmania under this HoA follow.
29. Tasmania commits to learning outcomes by 2020 which are designed to assist Australia, by 2025, to be in the top five countries in the world in reading, science, mathematics, and rated as high quality and high equity as assessed by international benchmark rankings (an overview of agreed outcomes is contained in Annexure B).
30. Tasmania will achieve these outcomes through existing and proposed reforms outlined in this HoA and detailed in the BA outlined at clause 10 of this HoA.
31. Specific mechanisms for measuring Tasmania's success in achieving these learning outcomes, building on those in the NERA, will be negotiated and determined through the implementation plan outlined at clause 10 of this HoA and will be subject to assessment by an agreed independent party, e.g. the COAG Reform Council.
32. Tasmania retains authority to set the directions, conditions and specific arrangements for all Tasmanian schools, acknowledging that it will be required to implement actions as agreed under this HoA and the NERA for the funding arrangements outlined in clauses 22 and 23 to apply.
33. Tasmania retains all responsibility as a system manager for Tasmanian government schools, and will distribute funds to government schools using its purpose built needs-based funding distribution model, the FFM, noting that Tasmania shall notify the Commonwealth of any substantive changes to the FFM.
- a. Any amendment to the FFM which has material funding implications as defined in the NERA and significantly impacts on consistency with the SRS funding model would require renegotiation of the terms of this HoA and subsequent NERA.

- b. Tasmania is committed to supporting educational outcomes for Aboriginal and Torres Strait Islander students as reflected in the support currently provided through the Aboriginal Educational Service. By 2016, the Tasmanian Government will introduce a specific loading for Aboriginal students as part of the FFM.
- 34. As part of this agreement, Tasmania commits to provide non-government schools and non-government schools systems with funding on the basis of the SRS funding model.
- 35. The Commonwealth and Tasmania will agree the details for implementing improved funding transparency as set out in provision 97(a) and (b) of the NERA, by 24 July 2013, and will work to ensure that relevant information is available for the 2014 My School update.
- 36. Tasmania commits to work with the Commonwealth and Tasmanian non-government sector to agree arrangements that reduce the administrative burden for managing accountability and reporting across all government and non-government schools, with details to be specified in the BA described at clause 10.
- 37. Tasmania and the Commonwealth will implement an agreed data collection and reporting framework for funding and accountability purposes from the commencement of new funding arrangements on 1 January 2014. The details of the arrangement will be agreed as part of the BA.

Commonwealth commitments specific to Tasmania

- 38. Commonwealth roles and responsibilities will be specified in Part 3 of the NERA. Specific responsibilities under this HoA follow.
- 39. The Commonwealth recognises the importance of school systems and will provide funding for systems where they exist.
- 40. The Commonwealth commits to working with Tasmania in areas of shared responsibility. These include, but are not limited to: facilitating the implementation of initial teacher training related reforms referred to in Annexure A. This includes working with the Tasmanian Government and the University of Tasmania to ensure the provision of pre-service education that meets best practice standards in partnership with teacher employers, noting that the Commonwealth is responsible for funding the University of Tasmania.

Review of funding arrangements, including indexation

- 41. Reviews will be commissioned as specified under Part 6 of the NERA.

Future work

- 42. The Commonwealth and Tasmania agree to ongoing collaboration on:
 - a. developing an improved measure and loading for students with disability, consistent with the terms outlined in the NERA from 2015; and
 - b. adopting a new approach and loadings for English Language Proficiency from 2015.
 - c. sustainable pre-schooling funding arrangements, recognising the importance of the early years of education; and
 - d. national capital funding arrangements.

Dispute resolution

43. Dispute resolution will be governed by terms set out in Part 1 of the NERA.

Conditions

44. The Parties agree that the NERA will be established irrespective of whether any other State or Territory does, or does not, sign up.
45. In the event that some States and Territories do not sign up to the NERA, the Commonwealth agrees that Tasmania will not be financially disadvantaged, in accordance with clause 26 and the NERA (that is, no State or Territory will receive a windfall gain through GST distribution from non-participation in NERA funding arrangements).
46. As a result of any subsequent agreement between the Commonwealth and any other State or Territory, the Commonwealth agrees that:
- a. Tasmania will not be any worse off financially. For the purposes of this HoA, this means that no State or Territory will receive a greater share of additional funding than Tasmania to bring schools up to the SRS, or more beneficial Commonwealth indexation of existing funding arrangements; and
 - b. it will negotiate with Tasmania to include similar rights or responsibilities in its HoA if these would benefit Tasmania.
47. No party is required to perform any obligation under this Instrument if, or to the extent that, the performance of that obligation by that party is or would be beyond its constitutional power.
48. For avoidance of doubt, the Parties acknowledge and agree that no party to this agreement is required to do anything (including performing an obligation in this instrument), or refrain from doing anything, that may interfere with the free exercise by any person of any duty or authority of any office held or occupied by any such person.
49. In the event of any inconsistency between the HoA and the NERA, the HoA shall prevail to the extent of that inconsistency in so far as it relates to Tasmania.

*Signed for and on behalf of the Commonwealth of
Australia by*

*Signed for and on behalf of the Tasmanian Government
by*

The Honourable Kevin Rudd MP
Prime Minister of the Commonwealth of
Australia

July 2013



Australian Government

The Honourable Lara Giddings MP
Premier of Tasmania

July 2013



**Tasmanian
Government**

ANNEXURES

Annexure A – Tasmanian reform directions under National Education Reform.

Annexure B – 2020 learning outcomes

ANNEXURE A – TASMANIAN REFORM DIRECTIONS UNDER NATIONAL EDUCATION REFORM

The Commonwealth's National Education Reform Agreement (NERA) Funding will support the important role of Tasmanian school systems and schools to lead and implement the following education reform directions.

The national education reform offers additional funding to improve Tasmanian schools, building on Tasmania's current reform agenda. This will be achieved through delivering on all reform directions set out in the National Plan for School Improvement. These include: quality teaching; quality learning; empowered school leadership; meeting student need; and transparency and accountability.

For each reform direction, the Commonwealth and Tasmania commit to reforms to raise student achievement through implementation of all existing and new signature reforms as specified in Part 4 of the NERA. Some of these key reforms, as they relate to government schools are detailed below.

Quality teaching

- Improve workforce flexibility and productivity in consultation with teachers, school leaders and unions, including:
 - investigating incentives to encourage staff to move to non-preferred schools, especially schools in isolated communities;
 - support for existing paraprofessionals and other school staff; and
 - offering professional development to support teachers to move into another area of specialisation in collaboration with the University of Tasmania.
- Design and deliver, through Tasmania's Professional Learning Institute, a mix of supports to meet the learning and development needs of school staff, teachers and leaders, and to cater for their diverse depth and breadth of experience.
- Improve the preparation of teacher graduates in collaboration with the University of Tasmania, noting that the Commonwealth is responsible for funding the University of Tasmania
- Ensure the quality of induction and support provided to beginning teachers.

Quality learning

- Continue to implement the Raising the Bar, Closing the Gap initiative to improve literacy and numeracy skills in both primary and secondary schools as part of Tasmania's broader Literacy and Numeracy Strategy.
- Expand Tasmania's Retention and Attainment Strategy by improving student tracking and providing additional support to improve student retention and the completion of Year 12.

Empowered school leadership

- Strengthen and support parental participation in children's learning, in collaboration with key stakeholders.
- Introduce an autonomy model to provide greater empowerment of schools to make local decisions within a policy and resourcing framework.

- Introduce a School Teaching and Learning Improvement Framework that supports self-reflection, planning and development.
- Enhance leadership development and performance management with the support of the Professional Learning Institute.
- Empower schools to develop innovative approaches to local issues and opportunities by establishing an advisory service that provides high quality advice to support schools to identify and appropriately manage legal and administrative impediments to their implementation.

Meeting student need

- Introduce a new school funding model for Government schools, the Fairer Funding Model (FFM), to ensure resources are targeted to where they are needed most.

Transparency and accountability

- As part of a new school improvement process, introduce a new external review process for each school that will drive future planning.
- Develop a School Improvement Reporting process to complement the existing Tasmanian Education Performance Reports.

ANNEXURE B – 2020 LEARNING OUTCOMES

- Increases in students performing at or above 'minimum', 'proficient' and 'high' standards in NAPLAN.
- Proportion of students from low SES and Aboriginal and Torres Strait Islander backgrounds at or above standards increasing.
- Increase Year 12 or Certificate III attainment (current national target is 90 per cent by 2020).
- Number of schools reaching higher levels of school improvement against targets set by schools in their school improvement plans.
- Increased number of students prepared for university level study (measured by Australian Tertiary Admission Rank eligibility and/or subject selection and attainment).