

Chapter 5

Rudd/Gillard Governments' school funding reforms

5.1 The recommendations of the Gonski Report were the basis for the Rudd/Gillard Governments' National Plan for School Improvement (NPSI). With the enactment of the *Australian Education Act 2013*, NPSI funding commenced on 1 January 2014. This chapter outlines the elements of NPSI, its planned implementation, and the transition from the previous funding model to arrangements under NPSI.

5.2 The purpose of this chapter is to provide an outline of the changes to school funding arrangements which were initiated by the Gonski Report findings. The following chapter mirrors this in providing a similar outline of the current Abbott Government's Students First policy as a continuation of reforms to school funding arrangements.

The National Plan for School Improvement

5.3 The NPSI was developed by the previous government in consultation with state and territory education ministers. It sought to establish a new national needs-based, sector-blind school funding model linked to reforms with the aim of moving Australian schools into the top five in the world by 2025.¹

5.4 The reforms proposed under NPSI focused on five main areas:

- quality teaching;
- quality learning;
- empowered school leadership;
- meeting student need; and
- greater transparency and accountability.²

Quality teaching

5.5 In relation to the 'quality teaching' reform area, under the NPSI it was proposed that:

- All teacher education courses would need to meet new national requirements and be accredited against new national standards for initial teacher education courses by 2015;
- All new teachers would need to be in the top 30 per cent of the population for literacy and numeracy before they could graduate;
- Student teachers would have more practical classroom experience before they could graduate;

1 Commonwealth of Australia, *National Plan for School Improvement*, May 2013, p. 3.

2 Australian Government, *Better Schools: A National Plan for School Improvement*, p. 1.

- There would be extra support for new teachers during their first two years of teaching;
- There would be a new national approach for admission into teaching courses that would recognise the personal qualities needed for teaching as well as academic achievement;
- Every teacher would have an annual performance assessment from 2014 as a new Australian Teacher Performance and Development Framework was implemented; and
- All teachers would have access to ongoing training throughout their career.³

Quality learning

5.6 In the 'quality learning' reform area it was proposed that:

- By 2016 all school would have implemented that Australian Curriculum in all learning areas from Foundation to Year 10, and by 2018 for Years 11 and 12;
- There would be a three-year 'national reading blitz' focussing on improving literacy skills for students between Foundation and Year 3;
- Students would have greater access to vocational learning;
- Students would have more opportunities to learn about our region, including its languages and cultures; and
- Students in Years 3, 5, 7 and 9 would take part in an annual science test as part of the NAPLAN tests.⁴

Empowered school leadership

5.7 In the 'empowered school leadership' reform area it was proposed that:

- Principals be given more power to make decisions over the way they run their schools;
- Principals would be responsible for leading the development of an annual School Improvement Plan; and
- There would be a new Principals' Performance and Development Framework to help support principal selection and development.⁵

Meeting student need

5.8 In the 'meeting student need' reform area it was proposed that:

- The new school funding system would be based on the needs of individual students;

3 Australian Government, *Better Schools: A National Plan for School Improvement*, pp 1–2.

4 Australian Government, *Better Schools: A National Plan for School Improvement*, p. 3.

5 Australian Government, *Better Schools: A National Plan for School Improvement*, p. 4.

- Schools would need to provide more information to parents and families to help them support their child's education;
- Schools would focus on improving support for indigenous students;
- Schools would have a greater focus on high performing students; and
- Every school would have a Safe School Plan to prevent bullying.⁶

Greater transparency and accountability

5.9 In the 'greater transparency and accountability' reform area it was proposed that:

- The 'My School' website would provide parents with more information about their child's school;
- An Australian School Performance Institute would be established to collect better data about school performance and provide expert help to schools and school systems to help them improve results; and
- A comprehensive national education data programme would be developed to improve national data quality, consistency and collection.⁷

Implementing the new funding model

5.10 The NPSI was designed to create a national approach to school funding by adopting a needs-based Schooling Resource Standard (SRS) that would apply to all students, irrespective of whether they attend government or non-government schools. The Australian Education Bill 2013 underpinned the provision of Australian Government funding to states and territories, as well as non-government schools. Gaining Royal Assent on 27 June 2013, the *Australian Education Act 2013* provided for states and territories to receive recurrent funding provided that they were party to the National Education Reform Agreement (NERA) and had signed a bilateral agreement with the Australian Government.⁸

Summary of arrangements under the NPSI

5.11 A summary of the intergovernmental arrangements with participating, non-participating and non-government schools is provided at Figure 6 below.

Government schools

5.12 For government schools, the NPSI was to be established by an agreement—the National Education Reform Agreement (NERA)—signed by the Prime Minister and Premiers and Chief Ministers in participating states.⁹ In addition to this overarching agreement (signed by all participating State and Territory Governments)

6 Australian Government, *Better Schools: A National Plan for School Improvement*, p. 5.

7 Australian Government, *Better Schools: A National Plan for School Improvement*, p. 13.

8 *Australian Education Bill 2013*, Revised Explanatory Memorandum, p. 2.

9 A copy of the Council of Australian Governments, *National Education Reform Agreement* (NERA) is included at Appendix 5.

there would be bilateral agreements between the Commonwealth and each individual State and Territory Government.¹⁰ Each State and Territory would also be required to develop an implementation plan to outline how the national reforms will be supported across all government schools in their system.¹¹

5.13 Government schools in States and Territories that did not enter into the NERA ('non-participating states') would continue to be funded by the Australian Government under a modified version of the existing system of funding. Non-participating states would still be expected to engage in key national reforms and have school improvements plans.

5.14 Further detail about the status of agreements between the Commonwealth and the States and Territories is provided below.

Non-government schools

5.15 Non-government schools are not party to the National Education Reform Agreement. Non-government school systems (like the Catholic school system in each jurisdiction) were asked to commit to the NPSI through memorandums of understanding setting out their implementation plans. In the case of individual (non-systemic) independent schools, the school improvement plan for each school would outline the schools planned activities and/or reforms under the NPSI.¹²

5.16 There was no option for non-government schools to continue to receive funding under previous arrangements.¹³

School improvement plans

5.17 Under these arrangements all schools (government and non-government) would be required to have an annual school improvement plan, developed in consultation with parents and the community. These plans would outline the steps a school would take to improve student results under the national reforms and would be publicly available, thus working towards the goal of transparency and accountability under NPSI.¹⁴

10 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, p. 2.

11 Ms Louise Hanlon, Group Manager, Commonwealth Department of Education, Employment and Workplace Relations, *National Plan for School Improvement and school funding reform*, Presentation to Parents Forum, 17 June 2013, p. 35.

12 Ms Louise Hanlon, Group Manager, Commonwealth Department of Education, Employment and Workplace Relations, *National Plan for School Improvement and school funding reform*, Presentation to Parents Forum, 17 June 2013, p. 35.

13 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, p. 2.

14 Ms Louise Hanlon, Group Manager, Commonwealth Department of Education, Employment and Workplace Relations, *National Plan for School Improvement and school funding reform*, Presentation to Parents Forum, 17 June 2013, p. 36.

Figure 6—Summary of arrangements under the National Plan for School Improvement¹⁵

15 Ms Louise Hanlon, Group Manager, former Commonwealth Department of Education, Employment and Workplace Relations, *National Plan for School Improvement and school funding reform*, Presentation to Parents Forum, 17 June 2013, p. 34.

The Schooling Resource Standard

5.18 The Schooling Resource Standard (SRS) is the central component of the NPSI's needs-based school funding model. The Gonski Review argued that:

Australia needs effective arrangements for funding schools across all levels of government—arrangements that ensure resources are being provided where they are needed. The funding arrangements should be aimed at achieving an internationally competitive high standard of schooling, where outcomes are not determined by socioeconomic status or the type of school the child attends, and where the Australian Government and state and territory governments work in partnership to meet the schooling needs of all Australian children.¹⁶

5.19 To further this funding aim, the Gonski Panel recommended that all recurrent school funding whether from the state/territory governments or the Australian Government, be based on an SRS. The SRS would:

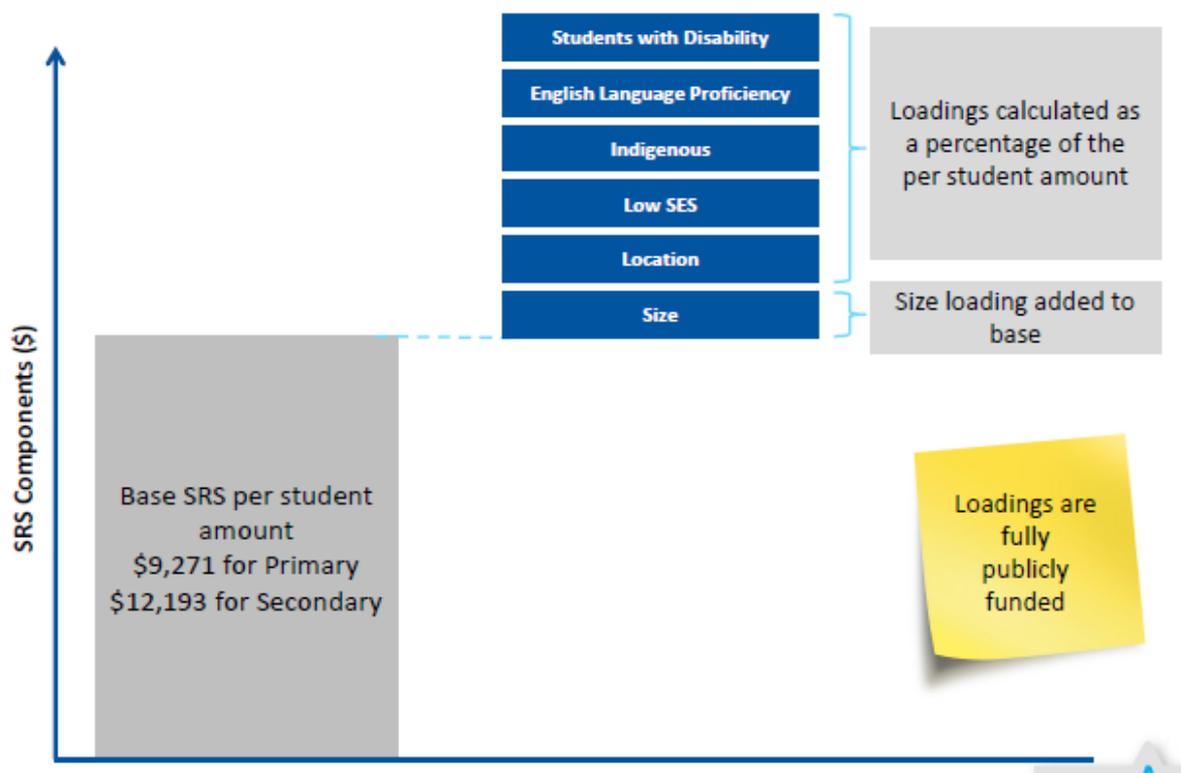
- form the basis for general recurrent funding for all students in all schooling sectors
- consist of separate per student amounts for primary school students and secondary school students
- provide loadings for the additional costs of meeting certain educational needs. These loadings would take into account socioeconomic background, disability, English language proficiency, the particular needs of Indigenous students, school size, and school location
- be based on actual resources used by schools already achieving high educational outcomes for their students over a sustained period of time
- recognise that schools with similar student populations require the same level of resources regardless of whether they are located in the government, Catholic or independent school sectors
- be periodically reviewed every four years so that it continues to reflect community aspirations and, in between reviews, be indexed using a simple measure that is based on the actual increase in costs in schools already achieving the relevant high educational outcomes over a sustained period of time.¹⁷

5.20 Figure 7 below provides a graphical representation of the SRS.

16 *Review of Funding for Schooling Final Report* (Gonski Review Report), December 2011, p. xiv.

17 *Review of Funding for Schooling Final Report* (Gonski Review Report), December 2011, p. xvi.

Figure 7—Schooling Resource Standard (SRS)¹⁸



5.21 The base SRS per student amount referred to in Figure 7 above is, as stated in the NERA, the per student funding amount represents the recurrent resources required to support a student with minimal educational disadvantage. The system will deliver a per-student level of funding based on current funding levels for high-achieving, efficient schools. The Gonski Review defined these schools as 'those where at least 80 per cent of students are achieving above the national minimum standard, for their year level, in both reading and numeracy, across each of the three years 2008 to 2010'.¹⁹ Recommendation 9 of the Gonski Review, used '...across each of the three most recent years of NAPLAN results'.²⁰

5.22 For 2014, the per student funding amounts are \$9271 per primary school student and \$12 193 per secondary school student.²¹

18 Ms Louise Hanlon, Group Manager, former Commonwealth Department of Education, Employment and Workplace Relations, *National Plan for School Improvement and school funding reform*, Presentation to Parents Forum, 17 June 2013, p. 6.

19 *Review of Funding for Schooling Final Report* (Gonski Review Report), December 2011, p. 157.

20 *Review of Funding for Schooling Final Report* (Gonski Review Report), December 2011, p. xxii.

21 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, p. 3.

5.23 School funding payments to states and territories under the *Australian Education Act 2013* began in 2014. The Department of Education explained in the workings of the Act and the SRS in its submission:

The model uses a range of student characteristic and school data to calculate a school's funding entitlement. This data includes enrolment numbers, school location, the number of students from low SES backgrounds, the number of Aboriginal and Torres Strait Islander students, the number of students who have limited ELP and the number of students with disability. It also involves consideration of each school's capacity to contribute. The capacity to contribute percentage for government, special, special assistance, majority Aboriginal and Torres Strait Islander and sole provider schools is set at zero, which means that those schools are fully funded by government. Non-government schools attract a capacity to contribute percentage reflecting their school community's capacity to support the operation of their school measured by SES score, which determines the ratio of public to private funding.²²

5.24 The first payments to states and territories under the Act were made on 7 January 2014:

...representing approximately \$4.7 billion to 837 approved authorities representing 9,435 schools:

- \$398 million for the first of 12 monthly payments for 6,708 government schools
- \$2.6 billion for 50 per cent upfront payments to 1,655 Catholic schools
- \$1.7 billion for 50 per cent upfront payments to 1072 independent schools.

Further payments to non-government schools are generally made in July (25 per cent) and October (25 per cent plus any enrolment adjustments). Funding for government schools will be provided to states and territories monthly.²³

5.25 Under the NPSI, the SRS benchmark was to be indexed by 3.6 per cent annually with an independent review of indexation arrangements to be completed by March 2015, as set out in the NERA.²⁴ In evidence at the committee's public hearing on 13 March, Mr Cook advised that the planned reviews on loadings and indexation would be conducted, and that the Abbott Government would use the reviews to work with states and territories on arrangements post 2017.²⁵ Further discussion on indexation rates post-2017 and the consultation with participating states and territories is in Chapters 6-8.

22 Department of Education, *Submission 43*, p. 6

23 Department of Education, *Submission 43*, p. 7

24 *Australian Education Act 2013*, s. 32 and Council of Australian Governments, *National Education Reform Agreement*, provisions 10 and 105 (Appendix 5).

25 Mr Tony Cook, Associate Secretary Early Childhood, Schools and Youth, Department of Education, *Committee Hansard*, 13 March 2014, p. 2.

Per student funding amount

Government schools

5.26 The per student funding amounts for government school students will be fully government funded.²⁶

Non-government schools

5.27 The government contribution to the per student funding amounts for most non-government schools is adjusted according to a school's 'capacity to contribute'. The measure is based on a school's socioeconomic status (SES) score that takes into account parent contributions and other sources of private income.²⁷

5.28 As outlined in Figure 8 below, a non-government school's SES score determines its capacity to contribute as a percentage of the per student funding amount:

- those non-government schools with the lowest SES scores (93 or less) will be deemed to contribute 10 per cent of the per student funding amounts for primary and secondary students;
- those non-government schools with the highest SES scores (125 or greater) will be deemed to contribute 80 per cent of the per student funding amounts; and
- for those non-government schools with an SES score between 93 and 125, the capacity to contribute will range along a continuum between 10 per cent and 80 per cent of the per student amount. The percentage amounts in between the two end points, however, will be different for primary and secondary schools with the same SES score.²⁸

26 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, p. 3.

27 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, p. 2.

28 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, pp 3–4.

Figure 8—Capacity to contribute arrangements for non-government schools²⁹*Non-government schools exempt from the 'capacity to contribute' requirement*

5.29 Certain categories of non-government schools will be exempt from the 'capacity to contribute' requirement. As a result their per student funding amounts will be fully government-funded. These schools are:

- special schools—schools that cater for students with disabilities;
- Special Assistance Schools—schools that cater for students with social, emotional or behavioural difficulties;
- majority Aboriginal and Torres Strait Islander (ATSI) schools—schools with 80 per cent or more ATSI student enrolments or, for very remote schools or schools with students from very remote areas, 50 per cent or more ATSI enrolments; and
- sole-provider schools—schools in remote or very remote areas or with students from these areas that are located more than 25 kilometres from another school that provides the same level of education.³⁰

29 Ms Louise Hanlon, Group Manager, former Commonwealth Department of Education, Employment and Workplace Relations, *National Plan for School Improvement and school funding reform*, Presentation to Parents Forum, 17 June 2013, p. 6.

30 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, p. 4.

Loadings for disadvantage

5.30 There are six loadings which will be added to the base per student SRS amount to meet the additional needs of disadvantaged students and schools:

- low socio-economic status students;
- Aboriginal and Torres Strait Islander students;
- students with low English language proficiency;
- students with disability;
- school size; and
- school location.

5.31 Each of these loadings has a particular funding formula and the loadings will be fully government-funded.³¹ The continued development of the loadings under the Students First policy is discussed further in Chapter 6.

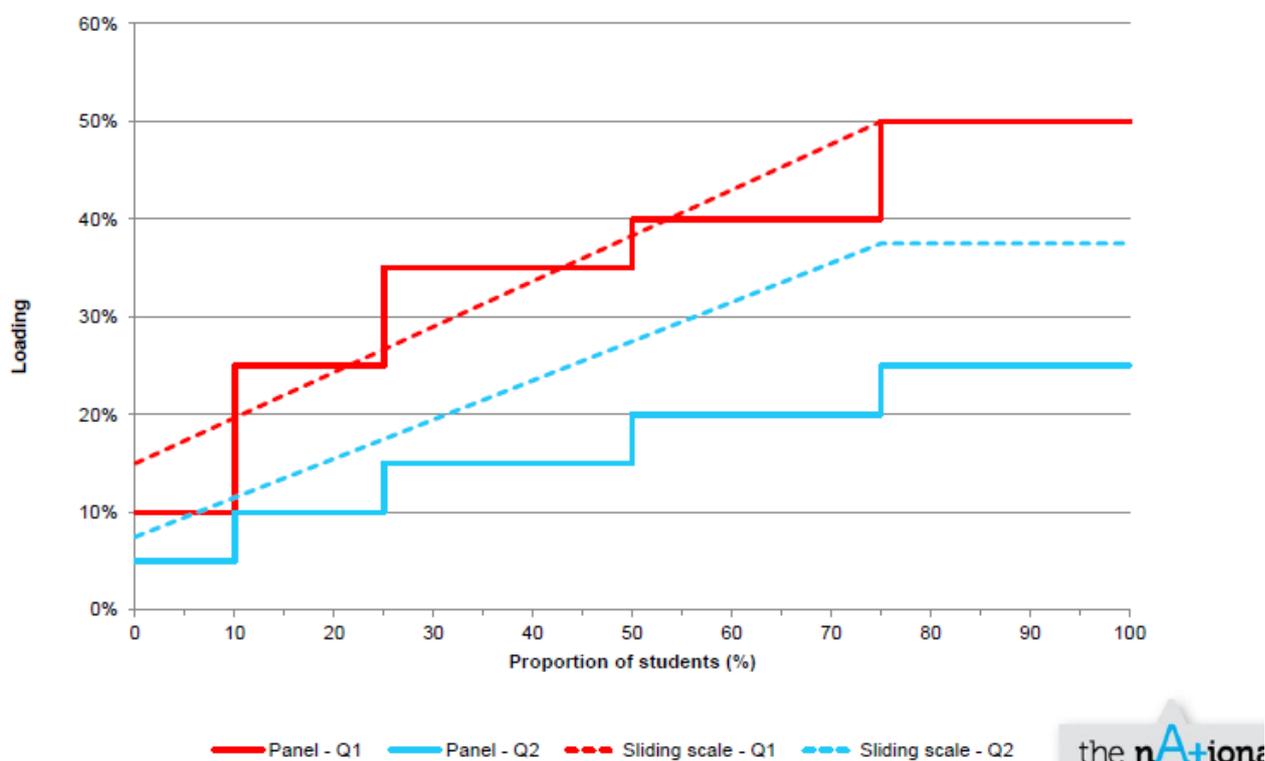
Low socio-economic status students

5.32 The loading for low socio-economic status students is calculated as follows and represented by Figure 9 below:

- For students in socio-educational advantage (SEA) Quartile 1 – a loading ranging from 15 per cent of the per student amount for each Q1 student to 50 per cent of the per student amount for each Q1 student in a school where 75 per cent or more of students are in Q1; and
- For students in SEA Quartile 2 – a loading ranging from 7.5 per cent of the per student amount for each Q2 student to 37.5 per cent of the per student amount for each Q2 student where 75 per cent or more of the students are in Q2.³²

31 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, pp 4–5.

32 Council of Australian Governments, *National Education Reform Agreement*, p. 27 (Appendix 5). For further information on the Index of Community Socio-Educational Advantage (ICSEA) see the 'MySchool Fact Sheet', www.acara.edu.au/verve/resources/Fact_Sheet_-_About_ICSEA.pdf or the 'MySchool Guide to Understanding ICSEA' www.acara.edu.au/verve/resources/Guide_to_understanding_ICSEA.pdf. See also *Australian Education Act 2013*, s. 38.

Figure 9–Low Socio-Economic Status Loading³³

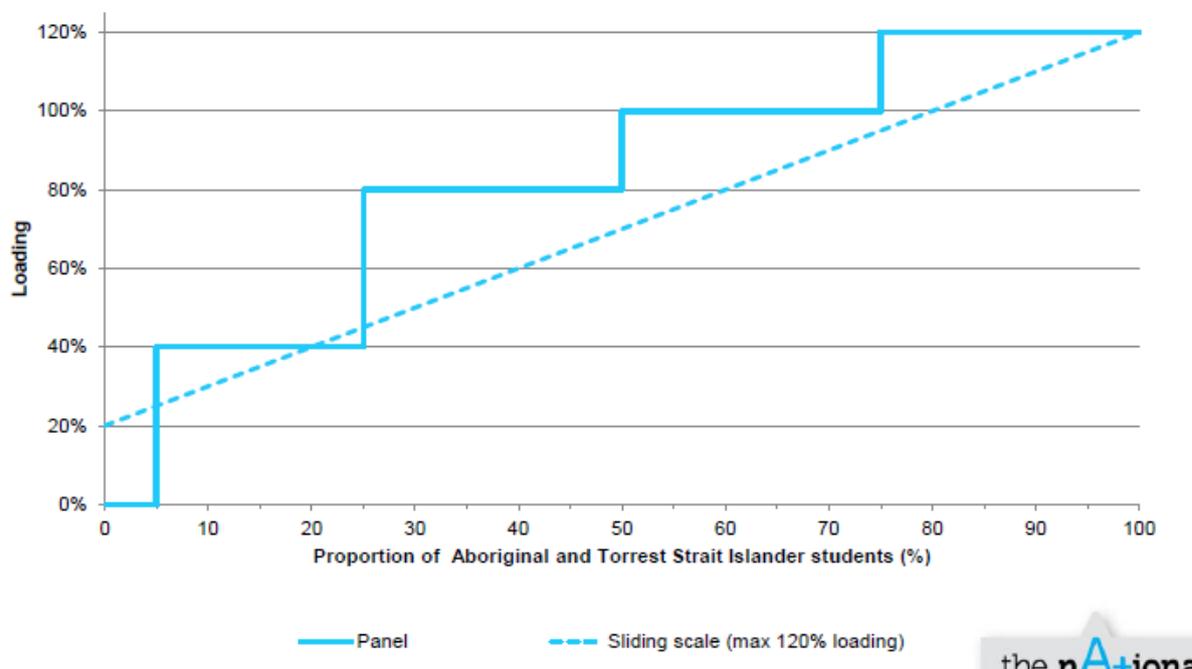
Aboriginal and Torres Strait Islander students

5.33 The loading for students from Aboriginal or Torres Strait Islander backgrounds ranges from 20 per cent of the per student amount for the first Aboriginal or Torres Strait Islander background student up to 120 per cent of the per student amount for each Aboriginal or Torres Strait Islander background student in a school where 100 per cent of students are from Aboriginal or Torres Strait Islander backgrounds.³⁴ A graphic representation of the loading is below:

33 Ms Louise Hanlon, Group Manager, former Commonwealth Department of Education, Employment and Workplace Relations, *National Plan for School Improvement and school funding reform*, Presentation to Parents Forum, 17 June 2013, p. 13.

34 Council of Australian Governments, *National Education Reform Agreement*, p. 27 (Appendix 5). See also *Australian Education Act 2013*, s. 37.

Figure 10–Indigenous Student Loading³⁵



Students with low English language proficiency

5.34 The National Education Reform Agreement provides for an interim loading for students with low English language proficiency of ten per cent of the per student amount for each disadvantaged student with a language background other than English – up to an unspecified capped funding amount.³⁶

Students with disability

5.35 The National Education Reform Agreement provides for an interim loading in 2014 of 186 per cent of the per student amount for each student with disability (with a new nationally consistent student with disability loading proposed to be available from 2015).³⁷ Discussion of the work being undertaken to implement a permanent loading for disability is in Chapter 8.

School size loading

5.36 As outlined in Figure 8 below, the school size loading is calculated as follows:

35 Ms Louise Hanlon, Group Manager, former Commonwealth Department of Education, Employment and Workplace Relations, *National Plan for School Improvement and school funding reform*, Presentation to Parents Forum, 17 June 2013, p. 15.

36 Council of Australian Governments, *National Education Reform Agreement*, p. 27 (Appendix 5). See also *Australian Education Act 2013*, s. 39.

37 Council of Australian Governments, *National Education Reform Agreement*, p. 27 (Appendix 5). See also *Australian Education Act 2013*, s. 36.

- \$150 000 for primary schools with up to 200 enrolments, tapering to zero for schools with 300 enrolments and above. For schools with less than 15 students, the size loading ranges from \$10 000 up to \$150 000 based on enrolments and remoteness;
- \$240 000 for secondary schools with up to 500 enrolments, tapering to zero for schools with 700 enrolments and above. For schools with less than 100 students, the size loading ranges from \$20 000 up to \$240 000 based on enrolments and remoteness; and
- the loading for combined schools is based on a weighted average of primary and secondary students.³⁸

Figure 11—School Size Loading³⁹

School location loading

5.37 The Accessibility/Remoteness Index of Australia (ARIA) classifications are used to calculate the school location loading. ARIA measures remoteness on a continuous scale (ranging from 0 to 15) with scores based on road distance to service towns of different sizes. As outlined in Figure 9 below, the school location loading is calculated as a percentage of the per student amount as follows:

38 Council of Australian Governments, *National Education Reform Agreement*, p. 28 (Appendix 5). See also *Australian Education Act 2013*, ss 42–51.

39 Ms Louise Hanlon, Group Manager, Commonwealth Department of Education, Employment and Workplace Relations, *National Plan for School Improvement and school funding reform*, Presentation to Parents Forum, 17 June 2013, p. 6.

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- Inner regional schools – up to 10 per cent;
 - Outer regional schools – between 10 and 30 per cent;
 - Remote schools – between 30 and 70 per cent; and
 - Very remote schools – between 70 and 80 per cent.⁴⁰

Figure 12—School Location Loading⁴¹

Funding under the NPSI

Baseline funding

5.38 Under the NERA, State and Territory Governments commit to maintaining their 'baseline' (existing) recurrent funding levels indexed by an agreed percentage.⁴² The Rudd/Gillard Governments committed to index its baseline recurrent funding

40 Council of Australian Governments, *National Education Reform Agreement*, p. 28 (Appendix 5). See also *Australian Education Act 2013*, ss 40–41. Ms Louise Hanlon, Group Manager, Commonwealth Department of Education, Employment and Workplace Relations, *National Plan for School Improvement and school funding reform*, Presentation to Parents Forum, 17 June 2013, p. 10.

41 Ms Louise Hanlon, Group Manager, Commonwealth Department of Education, Employment and Workplace Relations, *National Plan for School Improvement and school funding reform*, Presentation to Parents Forum, 17 June 2013, p. 11.

42 Council of Australian Governments, *National Education Reform Agreement*, provisions 63–65 (Appendix 5). In this context and throughout this section, 'indexed' means that the funding is nominally increased at the agreed percentage each year.

amount by 4.7 per cent. When signing the NERA the New South Wales, South Australian and ACT Governments agreed to a 3 per cent indexation rate for their baseline recurrent funding contributions.⁴³

Additional funding

5.39 In addition to maintaining their baseline recurrent funding with indexation, all governments that are party to the NERA agree to contribute an additional amount to ensure all schools are at least funded at 95 per cent of their SRS by 2019. The total additional amount is the difference between the projected total SRS amount for 2019, including the amount represented by non-government schools' capacity to contribute, and the projected total Commonwealth, State and Territory Government baseline recurrent funding for 2019.⁴⁴

5.40 Under the NERA the additional funding is to be shared between the Commonwealth and participating States and Territories at a ratio of 65:35, subject to transitional arrangements.⁴⁵

Transitional arrangements

5.41 Under the NERA, the additional funding is phased in over six years from 2014 to 2019, with the transitional arrangements for each State and Territory finalised through the bilateral agreements.

5.42 If the States, Territories and the Commonwealth followed the funding plan set out in the 2013-14 Federal Budget, most of the additional funding would be provided in the last two years of the transition period. The 2013-14 Budget indicated that \$2.8 billion (28.6 per cent) of the Rudd/Gillard Governments' original share of the additional funding would be provided from 2013-14 to 2016-17, meaning the remaining 71.4 per cent would be provided in 2017-18 and 2018-19 financial years.⁴⁶

Schools currently funded at their Schooling Resource Standard amount

5.43 Under the NERA, schools that are already funded at their SRS level or above will maintain their current level of funding with a smaller indexation rate than the general 3.6 per cent indexation rate for the SRS. These maintenance arrangements will continue until their SRS amount catches up with their actual funding level.

5.44 A school is considered to be funded above its SRS amount if its 2011 net recurrent income per student, as recorded on the My School website, projected to a 2013 funding amount plus 3 per cent is greater than its assessed SRS amount for 2014.

43 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, pp 5–6.

44 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, p. 6.

45 Council of Australian Governments, *National Education Reform Agreement*, clauses 66–67 (Appendix 5).

46 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, pp 6–7.

5.45 The Rudd/Gillard Governments agreed to index the funding for these schools by 3 per cent. State and Territory Governments would commit to similar maintenance arrangements under the NERA, however the actual indexation rates for State and Territory Governments are outlined in the bilateral agreements with the Commonwealth Government.⁴⁷

5.46 Further detail about the status of agreements between the Commonwealth Government and the participating States and Territories Governments is provided below.

Arrangements with non-government schools

Overview

5.47 As noted above, under the *Australian Education Act 2013*, all non-government schools are required to participate in the National Plan for School Improvement in order to receive Commonwealth funding. Negotiations were held with the Catholic and independent school sectors in order to agree on the details of how the Plan would be implemented.

5.48 In considering the arrangements discussed below, it is useful to note that Commonwealth funding to non-government schools may either be:

- distributed to individual schools through a system (for example the Catholic education commissions in each State or Territory distributes funds to individual schools within their system); or
- provided to individual non-government schools (this is usually the case with independent schools).

5.49 For non-government schools, the *Australian Education Act 2013* replaced the *Schools Assistance Act 2008*.⁴⁸

Catholic schools

5.50 On 23 July 2013, the National Catholic Education Commission (NCEC) announced that all State and Territory Catholic Education Commissions had committed to the Better Schools Plan. The NCEC stated that it was confident that no school would be worse off and that the funding arrangements would deliver significant increases over time for every child in the Catholic system.⁴⁹

5.51 It was announced that the agreement would result in approximately \$1.6 billion in additional funding to 1650 Catholic systemic schools over six years.⁵⁰

47 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, p. 7.

48 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, p. 9.

49 National Catholic Education Commission, *Agreement on Commonwealth Government funding for Catholic schools*, Media Release, 23 July 2013.

50 The Hon Kevin Rudd MP, Prime Minister, *Catholic systemic schools to benefit from Better Schools Plan*, Media Release, 23 July 2013.

5.52 At the same time the Archdiocese of Sydney stated that:

One of the biggest sticking points between the Catholic education sector and the government was the [*Australian Education Act 2013*]. This required the distribution of funding to individual schools transferred from Australia's Catholic school systems to Canberra.

It also allowed for present and future federal education ministers to directly intervene in individual school management.

However...under the agreement announced today the Catholic education sector will maintain their autonomy and ability to distribute funds to the schools they manage and run according to local need.⁵¹

5.53 Mr Ian Baker, the Director of Policy and Programs at the Catholic Education Commission of New South Wales stated that:

We have reached a high level of agreement to move forward. Now comes the implementation of plans and issues to be negotiated at a state level with further negotiations and details to be worked on constructively and resolved.⁵²

5.54 The Archdiocese of Sydney noted that the 'next stage is to create a road map for implementation which includes Catholic Education Commissions finalising state-based implementation plans and negotiating their own individual MoU agreements with the Commonwealth.'⁵³

5.55 There is little information currently on the public record in relation to progress made in relation to state-based implementation plans and MoUs. Although on 25 November 2013 the Federal Minister for Education stated that the MoU between the Commonwealth and systemic Catholic schools was unsigned.⁵⁴

New South Wales

5.56 The Catholic Education Commission of New South Wales has released information about 2014 funding arrangements for Catholic systemic schools in NSW. In a letter dated 5 December 2013 the Commonwealth Department of Education outlines the funding arrangements which:

- recognises that the Catholic Education Commission of NSW will maintain autonomy over funding distribution within its system in accordance with the requirements of the *Australian Education Act 2013* (the Act); and

51 Catholic Communications, Sydney Archdiocese, *Catholic school sector signs onto Gonski and keeps autonomy*, Media Release, 23 July 2013.

52 Catholic Communications, Sydney Archdiocese, *Catholic school sector signs onto Gonski and keeps autonomy*, Media Release, 23 July 2013.

53 Catholic Communications, Sydney Archdiocese, *Catholic school sector signs onto Gonski and keeps autonomy*, Media Release, 23 July 2013.

54 The Hon Christopher Pyne MP, Minister for Education, *Shorten's shocker of a school funding mess*, Media Release, 25 November 2013.

- notes that the Commission's documented needs-based funding arrangement would align with the requirements of the Act.

Western Australia

5.57 In relation to Western Australia, the NCEC stated that:

Catholic education in Western Australia has unique needs and two outstanding funding issues remain unresolved. Catholic education in Western Australia will continue discussions with the Australian Government to ensure funding reflects the needs of students and schools in Western Australia.⁵⁵

5.58 There is no information currently on the public record to indicate the nature of the two unresolved funding issues or how they were resolved.

Independent schools

5.59 On 10 July 2013 the Independent Schools Council of Australia (ISCA) announced that agreement had been reached with the Rudd/Gillard Governments in relation to the Better Schools Plan.⁵⁶

5.60 It was announced that more than \$1 billion in additional funding would flow to Australian independent schools over six years.⁵⁷ ISCA stated that independent schools would only receive the maximum benefits from the model if all States and Territories sign agreements with the Commonwealth.⁵⁸

5.61 As noted above, Commonwealth funding is usually provided to individual independent schools, rather than a 'system' as is the case with government and Catholic schools. In this regard Independent Schools Victoria noted that neither they nor ISCA are able to sign agreements with the Australian Government on behalf of individual schools.⁵⁹ The only agreement between independent schools and the Commonwealth will be each school's School Improvement Plan.⁶⁰

Funding for government schools in non-participating States or Territories

5.62 As outlined above, government schools in States and Territories that are signatories to the NERA and all non-government schools will be funded under the

55 National Catholic Education Commission, *Agreement on Commonwealth Government funding for Catholic schools*, Media Release, 23 July 2013, p. 2.

56 Independent Schools Council of Australia, *Independent Schools Council welcomes agreement on Better Schools*, Media Release, 10 July 2013.

57 The Hon Kevin Rudd MP, Prime Minister, *Historic agreement reached with independent schools*, Media Release, 10 July 2013.

58 Independent Schools Council of Australia, *Independent Schools Council welcomes agreement on Better Schools*, Media Release, 10 July 2013.

59 Independent Schools Victoria, *School funding — progress but schools have not signed*, Media Release, 10 July 2013.

60 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, p. 4.

NPSI. However, Commonwealth financial assistance for government schools in non-participating States and Territories will be paid through a separate national specific purpose payment.

5.63 The amount of financial assistance that is payable to these States and Territories is determined by reference to the amount those States and Territories received for 2013 through the national specific purpose payment for schools under the *Federal Financial Relations Act 2009*. This amount may be indexed each year, following a determination by the Minister as to the indexation rate.⁶¹

5.64 Non-participating schools (i.e. government schools in non-participating States and Territories) would not have been not eligible to receive the additional funding on offer through the NPSI.

5.65 Although not participating in the NPSI funding arrangements, non-participating State and Territory Governments are still required to agree to implement national policy initiatives for school education to receive Australian Government funding.⁶²

Accountability and transparency

5.66 In outlining its key recommendations to create a needs-based, sector-blind funding model, the Gonski Report emphasised that the SRS on which the model was based should 'be transparent, defensible and equitable and be capable of application across all sectors and systems'.⁶³ The NPSI captured the need for transparency and accountability in delivering needs-based funding in its five areas of reform: Quality Teaching, Quality Learning, Empowered School Leadership, Meeting Student Need, and Transparency and Accountability.⁶⁴ Transparency and accountability are also listed amongst the objects of the *Australian Education Act 2013*, which, as detailed below, provides the conditions for implementing the significant transparency and accountability mechanisms.⁶⁵

5.67 For those government school systems that enter into the NERA, the *Australian Education Act 2013* (the Act) replaces the school funding arrangements provided through the *Federal Financial Relations Act 2009*, the Intergovernmental Agreement on Federal Financial Relations and the National Education Agreement.

61 Commonwealth Department of Education, Guide to the *Australian Education Act 2013*, 'For government schools in non-participating states or territories', <https://aeaguide.education.gov.au/content/b22-government-schools-non-participating-states-or-territories>.

62 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, pp 10–11.

63 *Review of Funding for Schooling Final Report* (Gonski Review Report), December 2011, p. xxi.

64 Commonwealth of Australia, *National Plan for School Improvement*, May 2013, p. 8.

65 *Australian Education Act 2013*, ss. 22, 77.

5.68 For those government school systems not participating in the NERA, the *Australian Education Act 2013* amended the school funding arrangements in the existing legislation and agreements as mentioned above to provide a modified version of the current funding system.⁶⁶

Rationale for accountability and transparency mechanisms

5.69 These financial reporting requirements were designed to provide transparency in ensuring that funding reached individual schools. In this regard, all parties to the NERA agree to transparency of school funding through:

- Publication on the 'My School' website of the Schooling Resource Standard (SRS) model and SRS for each school system and, from 2016 the system funding model and system-calculated entitlements for that system and every school, disaggregated by base and loading entitlements and Commonwealth, State and Territory, and private income for each school; and
- A COAG Council of Treasurers annual report on compliance by all participating jurisdictions in relation to commitments about the maintenance of funding effort and additional funding.⁶⁷

5.70 One signatory to the NERA, New South Wales, has recently published its 2014 needs-based Resource Allocation Model allocations under the equity loadings for socio-economic and Aboriginal backgrounds for each NSW public school.⁶⁸

Conditions of financial assistance

5.71 As noted above, under the Act all government and non-government school authorities will have to sign an agreement whereby they agree to implement the NPSI national school reform agenda and meet financial and other accountability requirements to receive Australian Government funding.⁶⁹

66 Ms Marilyn Harrington, Parliamentary Library, *Funding the National Plan for School Improvement: An Explanation*, June 2013, p. 9.

67 Council of Australian Governments, *National Education Reform Agreement*, clause 97 (Appendix 5).

68 New South Wales Department of Education and Communities, *2014 Resource Allocation Model equity loadings for aboriginal and socio-economic backgrounds*, Version 2, October 2013, www.det.nsw.edu.au/media/downloads/about-us/plans-reports-and-statistics/key-statistics-and-report/lsl-d-ram-stats.pdf.

69 *Australian Education Act 2013*, ss. 22, 77.

Ongoing policy requirements

5.72 An approved authority under the Act⁷⁰ must implement the following policy requirements:

- enhancing principal and teacher performance and professional development through:
 - implementation of the Australian Teacher Performance and Development Framework; and
 - providing access to ongoing professional development consistent with the Australian Charter for the Professional Learning of Teachers and School Leaders;
- implementing the Australian Curriculum or a curriculum with comparable outcomes recognised by Australian Curriculum, Assessment and Reporting Authority (ACARA);
- ensuring its schools participate in the National Assessment Program and provide data collected from those assessments;
- ensuring that:
 - the authority has a school improvement framework; and
 - each of its schools develops, implements, publishes and reviews a school improvement plan;⁷¹
- ensuring that it complies, and that each of its schools complies, with the relevant disability discrimination laws of the Commonwealth and state or territory;
- providing information⁷² required by the Australian Education Regulation 2013.⁷³

Failure to comply with the Act

5.73 The Minister may take action against a State or Territory if an approved authority fails to comply with the Act.

70 An 'approved authority' is a legal entity that the Australian Government has approved to administer funding for a school. Generally, an approved authority will have management and operational authority over the school and its administration. The approved authority for a government school is its relevant State or Territory. The approved authority for a non-government school is the body corporate approved by the Minister for that school. An approved authority can represent one or more schools.

71 Commonwealth Department of Education, Guide to the *Australian Education Act 2013*, <http://aeaguide.education.gov.au/content/d31-school-improvement-plans>

72 Commonwealth Department of Education, Guide to the *Australian Education Act 2013*, <http://aeaguide.education.gov.au/content/a313-information>

73 Commonwealth Department of Education, Guide to the *Australian Education Act 2013*, <http://aeaguide.education.gov.au/content/a312-ongoing-policy-requirements>.

5.74 There are several instances where the Minister may take action:

- A State or Territory fails to comply with the conditions of financial assistance;
- An approved authority for one or more schools located in the State or Territory fails to comply with the basic and ongoing requirements for approval (see above); and
- An approved authority breaches a condition to which the authority's approval is subject.⁷⁴

Possible actions for failure to comply

5.75 If the Minister determines that an authority or body has been non-compliant with, or has breached the Act, the Minister may take any one or more of the following actions:

- determine in writing that the State or Territory pay to the Commonwealth a specified amount;
- determine in writing that the amount of financial assistance that is payable to the State or Territory under the Act is reduced by a specified amount;
- delay making any further payment (or a part of a further payment) to the State or Territory under the Act for a year until:
 - there is a rectification of the non-compliance, breach or failure; and
 - the overpayment, amount of recoverable payment or unpaid amount is repaid.⁷⁵

5.76 Where the circumstance giving rise to a debt was the responsibility of the State or Territory (as in the case of an overpayment to a State for its government schools), the State or Territory must make the payment itself.

5.77 However, where the circumstance giving rise to a debt was the responsibility of an approved authority, block grant authority, or non-government representative body in relation to a non-government school, the State or Territory may either assign to the Commonwealth its right to recover the debt (and the Commonwealth must accept any such assignment), or promptly recover the debt from the authority or body.⁷⁶

74 Commonwealth Department of Education, Guide to the *Australian Education Act 2013*, <http://aeaguide.education.gov.au/content/e1-failure-comply-act>.

75 Commonwealth Department of Education, Guide to the *Australian Education Act 2013*, <http://aeaguide.education.gov.au/content/e11-actions-minister-may-take-result-breaching-act>.

76 Commonwealth Department of Education, Guide to the *Australian Education Act 2013*, <http://aeaguide.education.gov.au/content/e121-overpayments-and-recoverable-payments>.

Arrangements with individual States and Territories

Summary

5.78 In return for additional funding, the Rudd/Gillard Governments required every State and Territory to sign up to the new national education reforms and:

- stop education funding cuts and freezes, including maintaining current school spending and committing to three per cent annual growth on an ongoing basis; and
- provide their 35 per cent share of the additional funding required to move the schools in their State or Territory up towards the Schooling Resource Standard.⁷⁷

5.79 For a State or Territory to fully conclude a bilateral agreement with the Commonwealth it was required that they both:

- sign a Heads of Agreement (HoA) with the Commonwealth which detailed the funding arrangements and education reforms for their jurisdiction (in addition, by signing a HoA the jurisdiction was in effect signing the National Education Reform Agreement (NERA)); and
- draw up an implementation plan to outline how the national reforms would be supported across all government schools in their system (once the implementation plan had been agreed with the Commonwealth the agreement process would be finalised and the HoA would become a bilateral agreement and be published as a schedule to the NERA).⁷⁸

5.80 Table 6 provides a summary of arrangements reached with each State and Territory prior to the 2013 federal election. Further information about the status of arrangements with all jurisdictions is provided in the following sections.

77 Commonwealth of Australia, *National Plan for School Improvement*, May 2013, p. 3.

78 Council of Australian Governments, *National Education Reform Agreement*, p. 21 (Appendix 5).

Table 6—Summary of arrangements under the National Plan for School Improvement

<i>Jurisdiction</i>	<i>Signed HoA?</i>	<i>Date signed HoA</i>	<i>Bilateral agreement finalised?</i>
New South Wales	✓	23 April 2013	✓
Australian Capital Territory	✓	30 May 2013	✓
South Australia	✓	14 June 2013	✓
Tasmania	✓	9 July 2013	✗
Victoria	✓	4 August 2013	✗
Queensland	✗	-	✗
Western Australia	✗	-	✗
Northern Territory	✗	-	✗

New South Wales

5.81 On 23 April 2013 New South Wales became the first State to agree to the previous government's national education reforms.⁷⁹

5.82 It was announced that the agreement would provide New South Wales schools with additional investment totalling \$5 billion over six years. As required by the NERA, the Commonwealth would contribute 65 per cent (\$3.27 billion) and New South Wales would contribute 35 per cent (\$1.761 billion).

5.83 The Commonwealth committed to index its school education spending by 4.7 per cent per annum from 2014 into 2015 and throughout the agreement. New South Wales agreed to index its school education spending by 3 per cent per annum from 2016 onwards.

5.84 The transitional arrangements agreed between the Commonwealth and New South Wales would result in funding for NSW schools reaching at least 95 per cent of the Schooling Resource Standard in 2019.⁸⁰

79 The New South Wales Government has developed a fact sheet in relation to the school funding agreement, 'Gonski Funding Agreement Frequently Asked Questions', www.det.nsw.edu.au/media/downloads/about-us/news-at-det/announcements/yr2013/agreement-on-gonski/factsheet_FAQ.pdf. Further information about the NSW Department of Education and Communities' position on school funding can be found in the 'NSW Department of Education and Communities Discussion paper: Australian School Funding Arrangements', www.det.nsw.edu.au/media/downloads/about-us/news-at-det/announcements/discussion-paper.pdf. See also Council of Australian Governments, *National Education Reform Agreement* (Appendix 5).

5.85 A copy of the Heads of Agreement between the Commonwealth and New South Wales is publicly available.⁸¹ New South Wales developed an implementation plan which was agreed with the Commonwealth and thus the NPSI agreement process between New South Wales and the Commonwealth has been fully concluded.⁸²

Education Amendment (Non-Government School Funding) Act 2013 (NSW)

5.86 On 29 October 2013, the New South Wales Minister for Education introduced the Education Amendment (Non-Government School Funding) Bill 2013 into the NSW Parliament. The bill passed both Houses and was assented to on 20 November 2013.

5.87 The Act facilitates the provision of financial assistance to non-government schools in New South Wales, in accordance with the State's obligations under the NERA (or any future Commonwealth-State agreement on financial assistance in respect of non-government school children).⁸³

5.88 In his second reading speech on the bill, the New South Wales Minister for Education noted that the agreement reached with the Commonwealth would result in an estimated \$790 million of additional investment in NSW non-government schools. The Minister went on to explain that as a result of the agreement with the Commonwealth:

...changes are needed in the way that non-government schools are funded by New South Wales... [The bill] provides a legislative guarantee that the State will meet its obligations under national agreements. This amendment to the Act will enable the Government to carry out our commitments through the National Education Reform Agreement for funding non-government schools and systems.⁸⁴

5.89 The bill also included a provision that ensures that non-government schools are not disadvantaged should the overarching national agreement come to an end. The bill provided that if the relevant national agreement ceased, the State would maintain

80 The Hon Julia Gillard MP, Prime Minister, and the Hon Barry O'Farrell MP, Premier of New South Wales, *NSW first to sign up to national education reforms*, Media Release, 23 April 2013. See also the Hon Barry O'Farrell MP, Premier of New South Wales, *NSW to implement Gonski school funding reforms*, Media Release, 23 April 2013.

81 Heads of Agreement between the Commonwealth of Australia and the State of New South Wales on National Education Reform, April 2013, http://dpl/Books/2013/AUS_NationalEducationReformAgreementNSW.pdf.

82 Department of Education, answer to question on notice (no. 18), February 2014, p. 2.

83 *Education Amendment (Non-Government School Funding) Bill 2013 (NSW)*, Explanatory note, p. 1.

84 The Hon Adrian Piccolo MP, New South Wales Minister for Education, *Hansard*, Legislative Assembly (New South Wales), 29 October 2013, p. 24892.

the level of financial assistance that applied at the time and may increase that amount, taking account of the costs of schooling.⁸⁵

Australian Capital Territory

5.90 On 30 May 2013, the Australian Capital Territory became the second jurisdiction to agree to the previous government's national education reforms.⁸⁶

5.91 It was announced that the agreement would result in around \$190 million in extra funding for ACT schools over the six years from 2014. The extra resourcing would result in all ACT schools being funded to at least the level of the Schooling Resource Standard by 2019.

5.92 As noted above, the Commonwealth committed to index its school education spending by 4.7 per cent per year from 2014 into 2015 and throughout the agreement. The ACT committed to index its own school budget by 3 per cent per year from 2015 onwards.⁸⁷

5.93 A copy of the Heads of Agreement between the Commonwealth and the Australian Capital Territory is also publicly available⁸⁸. Like NSW, the Australian Capital Territory developed an implementation plan which was agreed with the Commonwealth and thus the NPSI agreement process between the ACT and the Commonwealth has been fully concluded.⁸⁹

South Australia

5.94 On 14 June 2013, South Australia became the third jurisdiction to agree to the previous government's national education reforms.⁹⁰

5.95 It was announced that the agreement would increase public funding to South Australian schools by around \$1.1 billion between 2013 and 2019. Total new funding to public schools would be \$717 million, new funding for Catholic schools would be \$197 million and new funding for independent schools would be \$186 million.

5.96 As noted above, the Commonwealth committed to index its school education spending by 4.7 per cent per year from 2014 into 2015 and throughout the agreement.

85 The Hon Adrian Piccolo MP, New South Wales Minister for Education, *Hansard*, Legislative Assembly (New South Wales), 29 October 2013, p. 24892.

86 Council of Australian Governments, *National Education Reform Agreement*, (Appendix 5).

87 The Hon Julia Gillard MP, Prime Minister, and Ms Katy Gallagher MLA, Chief Minister of the Australian Capital Territory, *ACT signs up to national education reforms*, Media Release, 30 May 2013.

88 Heads of Agreement between the Commonwealth of Australia and the Australian Capital Territory on National Education Reform, 30 May 2013, http://dpl/Books/2013/AUS_NationalEducationReformAgreementACT.pdf.

89 Department of Education, answer to question on notice (no. 18), February 2014, p. 2.

90 Council of Australian Governments, *National Education Reform Agreement*, (Appendix 5).

South Australia committed to reach an indexation rate of 3 per cent over the new funding period.⁹¹

5.97 A copy of the Heads of Agreement between the Commonwealth and South Australia is also publicly available⁹². South Australia has also developed an implementation plan which was agreed with the Commonwealth and thus the NPSI agreement process between South Australia and the Commonwealth has been fully concluded.⁹³



Principal of the Darlington Primary School, Adelaide, Ms Kathryn Entwistle, Senator Deborah O'Neill and Senator Penny Wright (Deputy Chair) during the committee's site visit at the Darlington Primary School, Adelaide, 30 April 2014.

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- 91 The Hon Julia Gillard MP, Prime Minister, and the Hon Jay Weatherill MP, Premier of South Australia, *South Australia agrees to national education reform*, Media Release, 14 June 2013. See also the Hon Jay Weatherill MP, Premier of South Australia, and the Hon Jennifer Rankine MP, South Australian Minister for Education and Child Development, *South Australia signs up to historic Gonksie education reforms*, Media Release, 14 June 2013.
- 92 Heads of Agreement between the Commonwealth of Australia and the State of South Australia on National Education Reform, June 2013, http://dpl/Books/2013/AUS_NationalEducationReformAgreementSA.pdf.
- 93 South Australian Department for Education and Child Development, *SA implementation of national plan*, 13 August 2013, www.decd.sa.gov.au/mediacentre/a8_publish/modules/news_64_new/details.asp?ID=1526&.

Tasmania

5.98 On 9 July 2013, Tasmania became the fourth jurisdiction to agree to the previous government's national education reforms.

5.99 The Commonwealth and Tasmanian Governments would invest more than \$380 million in extra funding between 2014 and 2019. The Commonwealth would contribute \$250 million in new funding, with Tasmania contributing \$130 million.

5.100 As noted above, the Commonwealth committed to index its school education spending by 4.7 per cent per year from 2014 into 2015 and throughout the agreement. Tasmania committed to index its 2015 base funding by 3 per cent to 2016 and every year thereafter.⁹⁴

5.101 It was announced that the Tasmanian Government's 'Fairer Funding Model' would be the means through which Better Schools funding would be allocated to government schools in Tasmania.⁹⁵

5.102 A copy of the Heads of Agreement between the Commonwealth and Tasmania is also publicly available,⁹⁶ however the Abbott Government does not consider that Tasmania finalised a bilateral agreement due to federal government caretaker arrangements coming into effect at the time.⁹⁷ On 10 December 2014, the Minister for Education, the Hon Christopher Pyne MP, advised the Tasmanian Government that it considered Tasmania a non-participating state for the purposes of the *Australian Education Act 2013*.⁹⁸

Victoria

5.103 On 23 February 2013, the Victorian Premier and Minister for Education announced the Victorian Government's proposed approach to school funding reform – *Victoria's Plan for School Funding Reform: the next step in raising student*

94 The Hon Kevin Rudd MP, Prime Minister, and the Hon Lara Giddings MP, Premier of Tasmania, *Tasmania signs up to national education reforms*, Media Release, 9 July 2013. The Hon Lara Giddings MP, Premier of Tasmania and the Hon Nick McKim MP, Tasmanian Minister for Education, *Tasmania to sign up to Better Schools Plan*, Media Release, 9 July 2013.

95 The Hon Nick McKim MP, Tasmanian Minister for Education and Skills, *Better Schools for Tasmania*, Media Release, 12 August 2013. See also 'Better Schools Tasmania with Fairer Funding for all students – Fact Sheet', www.education.tas.gov.au/documentcentre/Documents/Better-Schools-Tasmania-Fact-Sheet.pdf and 'Better Schools Tasmania – with fairer funding for all students: Frequently Asked Questions', www.education.tas.gov.au/documentcentre/Documents/Better-Schools-Tasmania-FAQ.pdf.

96 Heads of Agreement between the Commonwealth of Australia and the State of Tasmania on National Education Reform, July 2013, http://dpl/Books/2013/AUS_NationalEducationReformAgreementTAS.pdf.

97 Department of Education, answer to question on notice (no. 1), 18 February 2014.

98 Document tabled by Mr Tony Cook, Associate Secretary, Department of Education at the public hearing in Canberra on 16 May 2014: Minister Pyne's letters to states and the Northern Territory in regards to school funding allocation.

performance. The Plan was presented as an alternative to the Commonwealth Government's funding model and was to form the basis for the Victorian Government's discussions with the Commonwealth in relation to school funding reform.⁹⁹

5.104 Subsequently, on 4 August 2013 Victoria became the fifth jurisdiction to agree to the previous government's national education reforms.¹⁰⁰

5.105 It was announced that the agreement would see funding allocations for Victorian schools total \$63.7 billion over six years. The Commonwealth and Victorian Governments would together invest \$12.2 billion in extra funding above 2013 levels, with Rudd/Gillard Governments contributing \$6.8 billion and the Victorian contributing \$5.4 billion.

5.106 The agreement would result in Victorian schools reaching 95 per cent of the Schooling Resource Standard by 2022.¹⁰¹

5.107 On the day of signing the agreement, the Premier stated that it was crucial that Victorian school principals and councils remain autonomous and that he 'could never allow Canberra-based bureaucrats to run Victorian schools'.¹⁰² The Premier stated that the 'Rudd Labor Government have agreed to amend the Australian Education Act to ensure Victorian school principals and councils can set the direction of their schools'.¹⁰³

5.108 A copy of the Heads of Agreement between the Commonwealth and Victoria is also publicly available.¹⁰⁴

99 Victorian Government, 'Victoria's Plan for School Funding Reform – the next step in raising student performance',
www.education.vic.gov.au/Documents/about/department/fundingreform.pdf.

100 The Victorian Government has developed two fact sheets in relation to the school funding agreement: 'School Funding – Information about school funding as a result of the School Reform Agreement made between the Victorian Government and the Commonwealth Government', www.education.vic.gov.au/Documents/about/department/vlc_fundingfact.pdf and 'School Funding Reform – Information about the Agreement between the Victorian and Commonwealth Governments',
www.education.vic.gov.au/Documents/about/department/vlcfunding.pdf.

101 The Hon Kevin Rudd MP, Prime Minister, and the Hon Dr Denis Napthine MP, Premier of Victoria, *Victoria signs up to the Better Schools Plan*, Media Release, 4 August 2013.

102 Heads of Agreement between the Commonwealth of Australia and the State of Victoria on National Education Reform, August 2013,
www.education.vic.gov.au/Documents/about/department/vlcfunding.pdf, clauses 39, 40.

103 The Hon Dr Denis Napthine MP, Premier of Victoria, and the Hon Martin Dixon MP, Victorian Minister for Education, *\$12.2 billion win for Victorian schools*, Media Release, 4 August 2013.

104 Heads of Agreement between the Commonwealth of Australia and the State of Victoria on National Education Reform, August 2013,
http://dpl/Books/2013/AUS_NationalEducationReformAgreementVIC.pdf.

Queensland

5.109 Queensland did not agree to the previous government's national education reforms.

5.110 In a submission to the Senate Education, Employment and Workplace Relations Legislation Committee, the Premier of Queensland stated that Queensland:

...will not be participating in the National Education Reform Agreement (NERA) or the National School Improvement Plan (NPSI)...Queensland opposes the funding system, the prescriptive and input focus of the NPSI and the Federal Ministerial control of schools...¹⁰⁵

5.111 In December 2013, Queensland reached agreement with the Abbott Government regarding school funding and the MYEFO 2013 allocated Queensland \$794.4 million from 2013-14 to 2016-17.¹⁰⁶

Western Australia

5.112 Western Australia did not agree to the previous government's national education reforms.

5.113 On 10 September 2013 the Premier of Western Australia stated that:

The reason we did not sign Gonski was that Julia Gillard when she was Prime Minister brought in a piece of legislation through the federal Parliament...that effectively placed the commonwealth bureaucracy in charge of schools in Western Australia.¹⁰⁷

5.114 Earlier in 2013 the Premier stated that Western Australia is:

...at least 25 per cent ahead in the funding of students in this state compared with the Australian average...we will not tie ourselves to a funding growth rate that is lower than would otherwise occur.¹⁰⁸

5.115 In December 2013, Western Australia reached agreement with the Abbott Government regarding school funding and the MYEFO 2013 allocated Western Australia \$120.3 million from 2013-14 to 2016-17.¹⁰⁹

Northern Territory

5.116 The Northern Territory did not agree to the previous government's national education reforms.

105 The Hon Campbell Newman MP, Premier of Queensland, *Submission 3*, Senate Education, Employment and Workplace Relations Legislation Committee inquiry into the provisions of the Australian Education Bill 2013 and the Australian Education (Consequential and Transitional Provisions) Bill 2013, 21 June 2013, p. 1.

106 See Chapters 3 and 6 for further discussion.

107 The Hon Colin Barnett MLA, Premier of Western Australia, *Hansard*, Legislative Assembly (Western Australia), 10 September 2013, p. 3690.

108 The Hon Colin Barnett MLA, Premier of Western Australia, *Hansard*, Legislative Assembly (Western Australia), 16 April 2013, p. 29.

109 See Chapters 3 and 6 for further discussion.

5.117 On 26 July 2013, the Chief Minister of the Northern Territory stated that under the proposed funding formula 'more than 40 per cent of Territory students attend schools that get too much funding and need less'¹¹⁰ and that:

Canberra is trying to hoodwink us into signing up to a bad deal that diverts money away from urban students in Darwin, the rural area, Palmerston, Alice Springs and Katherine and redistributes to remote schools...

...any new school funding formula must benefit all Territory schools.¹¹¹

5.118 The Chief Minister also stated that the Northern Territory could not afford to fund its share of the new funding under the model and expressed concern about the Commonwealth approving how the Territory distributes its funding to schools.¹¹²

5.119 In December 2013, the Northern Territory reached agreement with the Abbott Government regarding school funding and the MYEFO 2013 allocated the Northern Territory \$272.5 million from 2013-14 to 2016-17.¹¹³

110 AAP, 'NT rejects federal schools deal', *The Australian*, 26 July 2013, www.theaustralian.com.au/national-affairs/policy/nt-rejects-federal-schools-deal/story-fn59nlz9-1226686542820.

111 The Hon Adam Giles MLA, Chief Minister of the Northern Territory, *Territory rejects Rudd's Gonski con*, Media Release, 26 July 2013, p 1.

112 The Hon Adam Giles MLA, Chief Minister of the Northern Territory, *Territory rejects Rudd's Gonski con*, Media Release, 26 July 2013, p 2.

113 See Chapters 3 and 6 for further discussion.