

# PROJECT AGREEMENT FOR EMPOWERING LOCAL DECISION MAKING IN ACT GOVERNMENT SCHOOLS

FUNDED UNDER THE INDEPENDENT PUBLIC SCHOOLS INITIATIVE

An agreement between:

- the **Commonwealth of Australia**; and
- the Australian Capital Territory

This project will increase the empowerment of local decision making in government schools in the Australian Capital Territory.

# Project Agreement

## PRELIMINARIES

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations (IGA FFR) and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the IGA FFR.
2. This Agreement will support the increased autonomy in some 1,500 government schools across Australia including through greater engagement of parents and local communities in school decision making and the provision of professional development for principals, school leaders and school communities through:
  - (a) focus on local governance;
  - (b) increased accountability to the local community;
  - (c) the use of streamlined or one-line budgets;
  - (d) local management of school facilities; and
  - (e) increased delegation over staffing for school principals.
3. This Agreement, including its Schedule, constitutes the entire agreement for this project.

## PART 1 – FORMALITIES

### Parties to this Agreement

4. This Agreement is between the Commonwealth of Australia (the Commonwealth) and the Australian Capital Territory.

### Term of the Agreement

5. This Agreement will commence as soon as the Commonwealth and the Australian Capital Territory sign the Agreement and will expire on 30 June 2017 or on completion of the project, including final performance reporting and processing of final payments, unless terminated earlier or extended as agreed in writing by the Parties.

## PART 2 – PROJECT OUTPUTS

6. The outputs of this Agreement are activities to assist government schools in transitioning to greater empowerment of local decision making through the Independent Public Schools Initiative.
7. The specific outputs to be achieved by the Australian Capital Territory are described in the Implementation Proposal at Schedule 1 of this Agreement.

## **PART 3 – ROLES AND RESPONSIBILITIES OF EACH PARTY**

### **Role of the Commonwealth**

8. The Commonwealth will be responsible for:
  - (a) monitoring and assessing the achievements of the Australian Capital Territory against its Implementation Proposal in the delivery of greater empowerment of local decision making in ACT Government schools funded through the Independent Public Schools Initiative under this Agreement to ensure that outputs are delivered within the agreed timeframe; and
  - (b) providing a financial contribution to the Australian Capital Territory to support the implementation of this Agreement.

### **Role of the Australian Capital Territory**

9. The Australian Capital Territory will be responsible for:
  - (a) all aspects of delivering on the project outputs set out in this Agreement; and
  - (b) reporting on the delivery of outputs as set out in Part 4 – Performance Requirements, Reporting and Payments.

### **Shared roles**

10. Both Parties will meet the requirements of Schedule E, Clause 26 of the IGA FFR, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately.

## **PART 4 – PERFORMANCE REQUIREMENTS, REPORTING AND PAYMENTS**

11. Table 1 summarises the performance requirements for the project, relevant reporting dates and expected payments to be made, subject to the annual performance report demonstrating that the milestones have been met.

**Table 1: Milestones, reporting and payment summary**

Outputs	Milestones	Report due	Payment
Increased local decision making in government schools in accordance with clause 7 of this Agreement	Agreement to the Implementation Proposal	n/a	\$0.13m
	Achievement of scheduled progress against the agreed Project Implementation Proposal	30 April 2015 covering the 1 July 2014 to 31 March 2015 period	\$0.26m
	Achievement of scheduled progress against the agreed Project Implementation Proposal	30 April 2016 covering the 1 April 2015 to 31 March 2016 period	\$0.26m
	Achievement of scheduled progress against the agreed Project Implementation Proposal	30 April 2017 covering the 1 April 2016 to 31 March 2017 period	\$0.26m

## Reporting arrangements

12. The Australian Capital Territory will provide the Commonwealth with performance reports in accordance with Table 1 of this Agreement, consistent with the agreed Implementation Proposal included at Schedule 1.
13. If all scheduled progress has not been completed by 31 March 2017, then the Australian Capital Territory will also provide the Commonwealth a final performance report within 90 days of the completion of the project, covering achievement of scheduled progress against the Implementation Proposal for the 1 April 2017 to 31 December 2017 period.

## PART 5 – FINANCIAL ARRANGEMENTS

14. The Commonwealth will provide a total financial contribution to the Australian Capital Territory of \$0.91 million in respect of this Agreement. All payments are GST exclusive.
15. The Commonwealth's funding contribution will not be reduced were the Australian Capital Territory to secure funding from other activity partners through innovative and collaborative partnerships.
16. The Commonwealth's financial contribution to the operation of this Agreement, including through National Partnership payments to the Australian Capital Territory paid in accordance with *Schedule D – Payment Arrangements* of the IGA FFR, are shown in Table 2.

**Table 2: Estimated financial contributions**

(\$ million)	2013-14	2014-15	2015-16	2016-17	Total
<b>Estimated total budget</b>	0.13	0.26	0.26	0.26	<b>0.91</b>
Less estimated National Partnership payments	0.13	0.26	0.26	0.26	<b>0.91</b>
Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0	<b>0.0</b>

17. Having regard to the agreed estimated costs of the project specified in this Agreement, the Australian Capital Territory will not be required to pay a refund to the Commonwealth if the actual cost of the project is less than the agreed estimated cost of the project. Similarly, the Australian Capital Territory bears all risk should the costs of the project exceed the agreed estimated costs. The Parties acknowledge that this arrangement provides the maximum incentive for the Australian Capital Territory to deliver projects cost effectively and efficiently.

## PART 6 – GOVERNANCE ARRANGEMENTS

### Enforceability of the Agreement

18. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, that does not lessen the Parties' commitment to this Agreement.

### Variation of the Agreement

19. The Agreement may be amended at any time by agreement in writing by both the Parties.
20. Either Party to the Agreement may terminate their participation in the Agreement at any time by notifying the other Party in writing.

### Delegations

21. The Commonwealth Minister for Education may delegate the assessment of performance against the Project Implementation Proposal and the authorisation of related project payments to senior Commonwealth officials, having regard to the financial and policy risks associated with those payments.

### Dispute resolution

22. Either Party may give notice to the other Party of a dispute under this Agreement.
23. Officials of both Parties will attempt to resolve any dispute in the first instance.
24. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers.

The Parties have confirmed their commitment to this agreement as follows:

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

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**The Honourable Christopher Pyne, MP**

Minister for Education

Date:

**Signed** *for and on behalf of the  
Australian Capital Territory by*

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**Joy Burch MLA**

Minister for Education and Training

Date:

# Schedule 1

## 1. Current level of empowered local decision making

### Context of empowerment of local decision making in ACT Government schools

Giving all ACT Government school governing bodies, principals and school leadership teams greater authority to make decisions affecting schools, within an authorised environment, and to build stronger partnerships with parents and the community has been a significant and on-going priority for the ACT Government. This is not a new initiative in the ACT. This has been the approach for government schools in the ACT from at least the early 1970s.

The ACT is committed to empowerment of local decision making in an environment of a system of government schools. In a small government school system like the ACT not only is accountability to parents and the community important there is, at least, equal value in maintaining a level playing field and for schools to be accountable to each other. Doing so, apart from anything else, encourages peer to peer review, accountability and mutual peer encouragement and support.

ACT Government schools have always had school boards as a governing authority. It is fair to say that ACT Government schools' board membership are constituted through open and fair elections; board meetings are widely advertised to the school community and are open meetings; and minutes of board meetings are publicly available.

On 23 April 2012 the Australian Government and the ACT Government, as part of the *National Partnership Agreement on Empowering Local Schools*, signed the *Implementation Plan for Empowering Local Schools in the Australian Capital Territory*.

The ACT school system, government and non-government, is governed by the *ACT Education Act 2004* (the Act). Part 3.4 of the Act sets out in some detail the legislative framework for the role and responsibility of ACT Government school boards. Chapter 3 of the Act sets out the legislative framework for government schools in the ACT and the role and responsibility of ACT Government school principals.

As a result, there is currently a significant level of local decision making in ACT Government schools, with a strong focus on local governance and, just as importantly, a strong focus on accountability to the local community (Objectives one and two, refer clause 2 of the Project Agreement).

The Australian Government will be aware the ACT Government continues to have a commitment to school funding reform based on student needs. In the context of any national reform, on 2 November 2012 the ACT Government, as part of *The Parliamentary Agreement for the 8th Legislative Assembly for the Australian Capital Territory* between ACT Labor and the ACT Greens, formally committed to the Gonski reforms for education funding. The development and implementation of a new needs based funding model, timed for the 2015 academic year, is expected to have funding model attributes that will align with the objective of streamlined or one-line budgets.

The *ACT Education and Training Directorate (Teaching Staff) Enterprise Agreement 2011-2014* came into operation on 27 April 2012 and nominally expires on 30 September 2014. A new enterprise agreement is expected to be in place by end September 2014. The ability to move further along the continuum of greater empowerment for increased local decision making for principals and school leadership teams in relation to delegation over staffing may depend, to a greater degree, on the outcome of bargaining for the new enterprise agreement. The ACT Government is committed to honouring the terms and spirit of negotiation of the new enterprise agreement.

## **ACT Government school based decision makers and leadership teams to be targeted through the initiative**

As at 19 February 2014 the ACT had 86 government schools with a total enrolment of about 42,211 students.

The ACT Government recognises empowerment of schools, within an authorised environment, for greater local decision making is not a singular concept. It is multi-faceted. Empowerment to make decisions and to self-manage is mirrored by accepting responsibility; being directly accountable; and accepting the consequential effects of individual actions taken or omitted to be taken by the decision maker or by those on their behalf (positive and/or negative consequential effects).

This understanding leads to the recognition that continual capability building for school based decision makers and their leadership teams needs to remain a high priority for education systems, government and non government. At times it may also mean further capacity building at some schools. This is so school based decision makers are well equipped to meet the challenges from empowerment.

The advice the ACT Government has received from those experienced in education reform and implementing school empowerment, is that financial management in schools needs to be even and of a high quality. This includes facilities management. The same applies to human resource management.

It is proposed a strategy be developed and implemented to first target those decision makers who would benefit most from building their capacity as the ACT continues to further empower local decision making. This would focus on ensuring decision makers continue to meet accountability and/or compliance obligations and operate within a robust governance framework. The aim is to first assist these decision makers, including school boards, to make the best decisions. The program will be applied across all 86 ACT Government schools to ensure an even and high quality capability for decision making.

## **2. Element/s of empowered local decision making to be targeted in this initiative and the implementation proposal**

### **ACT Government's objectives in terms of the five objectives at Clause 2 of the Agreement**

The primary objective of the ACT Government's approach is to build the capability in ACT Government schools for high quality decision making on local management of school finances, including facilities, and staffing. A secondary objective is to test the level of local governance and accountability to the local community. The aim is to develop increased capability for local decision making in an environment of a system of government schools.

The main objective is to build the capability of school based decision makers and their leadership teams to operate effectively within an authorised environment.

The development and implementation of a new needs based funding model is expected to align with the objective of streamlined or one-line budgets.

### **Description of the elements**

The approach to the initiative consists of two stages.

#### **1. Baseline Scan**

The first step proposed is to gain an updated and more detailed understanding of the capability in ACT Government schools for high quality decision making on local management of school finances, including facilities, and staffing. While the ACT Government has suitable structures and practices in place to govern and manage its schools, this occurs within a system of government schools that has a

long history of empowerment at the local school level. The baseline scan will enable the ACT Government to refresh its understanding of the detail of the capability at the local school level for even and high quality decision making so that limited resources available are well targeted from the outset. The baseline scan will build on the existing knowledge and understanding of local school capability but provide more detail. By undertaking this first stage it is anticipated this will enable greater benefit to be derived from stage two.

A secondary objective is to confirm the understanding of the level of local governance, accountability and engagement focused on the local community. Any ambiguity around role responsibility, especially between school governing bodies and those in school operational roles, creates a challenging, and at times high risk, environment for empowerment of local schools.

As indicated, this first step should provide an understanding of the current capabilities in ACT Government schools for high quality decision making and of the implementation of school based roles and responsibilities.

## 2. Capability Improvement Strategy

It is proposed a strategy would then be developed and implemented to first target those decision makers who would benefit most from building their capacity as the ACT continues to further empower local decision making. The aim is to first assist these decision makers, including school boards, to make the best decisions and/or to better define and implement their role in governance.

This strategy will provide professional development and training, with an appropriate level of accreditation, that recognises the knowledge and capability gained by participants on local management of government schools. Providing school leaders with additional school based management capabilities, recognised through an appropriate level of certification, may enable them to build on these new skills to gain further qualifications relating to school based management capabilities.

The training and professional development program will be developed to meet the specific context for operating an ACT Government school. It will target those areas identified in the base line scan as needing the most focus to increase school based capabilities to an even and high quality.

The training and professional development program will be available to school leaders in all 86 ACT Government schools by the end of 2017.

### Forward Plan

Finally, it may identify if any school based decision makers and their leadership teams have a capacity issue in managing the empowered environment rather than just a capability issue. If there are any instances of this, it may then be considered in terms of overall resourcing.

It is anticipated those school based leadership teams that undertake any capability improvement program may be recognised through an appropriate level of certification. This may enable participants to build on these new skills to gain further qualifications relating to school based management capabilities.

## 3. Changes to existing practices to empower local decision making

There is currently a significant level of local decision making in ACT Government schools. Further school reform is underway including a new student needs based funding model, expected to have funding model attributes of streamlined or one-line budgets, combined with the devolution of a range of current program and centrally controlled funding sources to the school level. Control over school enablers, like funding, allows for more empowered local decision making in schools.

Giving practical effect to the empowerment of ACT Government schools, within an authorised environment, relies to a significant degree on the capability of governing bodies, principals and school leadership teams to engage and to make effective decisions. Without this capability and the associated acceptance of responsibility and accountability for decision making, and having robust governance between school governing bodies and those in school operational roles, means there may be a diminishing of the effect of empowerment. In instances where there are issues of capacity, this may also have a negative effect.

Providing school leaders who successfully undertake any capability improvement program with recognition through an appropriate level of certification may enable them to build on these new skills to gain further qualifications relating to school based management capabilities. This has more significance in a small government school system like the ACT where schools are accountable to each other, there is peer to peer review and self generated accountability.

#### **4. Number of school decision makers/leaders targeted for participation in the initiative**

The ACT is a jurisdiction consisting of 86 government schools with a total enrolment of about 42,211 students. The approach by the ACT Government to its participation is on the basis of empowerment of local decision making in an environment of a system of government schools, and for those schools to operate within an authorised environment.

The training and professional development program will be available to school leaders from all 86 ACT Government schools, to assess capabilities and, where appropriate, provide development opportunities for school based decision makers and their leadership teams, including School Board members as appropriate.

<i>Cohort</i>	<i>Year of Operation</i>	<i>Number of Schools</i>
1	2014	All ACT government schools
2	2015	All ACT government schools
3	2016	All ACT government schools
4	2017	All ACT government schools
<i>Total</i>		86 schools

#### **5. School decision makers/leaders selection criteria**

##### **Two stage process for ACT Government school decision makers/leaders participation**

It is expected the findings of the planned baseline scan will provide an understanding of the capability in ACT Government schools for decision making on local management of school facilities and staffing. It may also identify school based decision makers and their leadership teams in need of support for local governance and accountability to the local community, should there be instances of this, or indeed instances of capacity building needs around any of these issues.

It is planned that the second stage will then look at raising the decision making ability to an even and high quality standard, especially in terms of financial management, including facilities management, and human resource management.

By looking to raise the decision making capability in all ACT Government schools, given the size of the ACT jurisdiction, the aim is to ensure all 86 ACT Government schools are best placed to sustain self-management to a greater degree than they may be able to currently.

As set out in the guidelines, this approach may also ensure all ACT Government school based decision makers and their leadership teams are provided with training and professional development activities, including by providing school boards, principals and school leadership teams with greater

skills and confidence to effectively manage ACT Government schools and work effectively with their school community.

## 6. Implementation activities

### Proposed funding use under the initiative

The ACT Government's share of the Australian Government's \$70 million IPS initiative for the four years to 2016-17 is \$910,000 (1.3 per cent of the total programme funding).

Funding from this amount will be used to meet appropriate administration costs incurred by the Australian Capital Territory in meeting the progress reporting requirements of the Commonwealth [(up to a maximum of 3%)].

It is anticipated the balance of the Commonwealth funding will be used to undertake the baseline scan and to provide school leaders with additional school based management capabilities recognised through an appropriate level of certification, which may enable them to build on these new skills to gain further qualifications relating to school based management capabilities.

<i>Reporting period</i>	<i>Implementation Activities</i>
1 July 2014 to 31 March 2015	<ul style="list-style-type: none"> <li>• Undertake a baseline scan of the capability in ACT Government schools for high quality decision making.</li> <li>• Test the level of local governance and accountability to the local community in ACT Government schools.</li> <li>• Develop a strategy that includes delivery of a capability improvement program with an appropriate level of certification.</li> <li>• Implemented/trial of capability improvement strategy, including a training and professional development program.</li> </ul>
1 April 2015 to 31 March 2016	<ul style="list-style-type: none"> <li>• Appropriately recognise those school based leadership teams that meet the outcomes of a capability improvement program.</li> <li>• Review strategy / capability improvement program.</li> <li>• Continue to implement the capability improvement strategy, including a training and professional development program.</li> <li>• Provide report on achievement of progress against Schedule 1.</li> </ul>
1 April 2016 to 31 March 2017	<ul style="list-style-type: none"> <li>• Appropriately recognise those school based leadership teams that meet the outcomes of a capability improvement program.</li> <li>• Review strategy / capability improvement program.</li> <li>• Implement the capability improvement strategy, including a training and professional development program.</li> <li>• Provide report on achievement of progress against Schedule 1.</li> </ul>
1 April 2017 to 31 December 2017	<ul style="list-style-type: none"> <li>• Appropriately recognise those school based leadership teams that meet the outcomes of a capability improvement program.</li> <li>• Review strategy / capability improvement program.</li> <li>• Implement the capability improvement strategy, including a training and professional development program.</li> <li>• Provide report on achievement of progress against Schedule 1.</li> <li>• Commence evaluation.</li> </ul>

## 7. Evidence of impact

The ACT will provide annual reports as per Part 4 of the Project Agreement.

Post progress reporting, an appropriate evaluation for the size of the programme to be implemented may be undertaken.

It is anticipated the evaluation will mainly focus on the benefits derived by governing bodies, principals and school leadership teams' participation in capability building. It may also track where participants built on these new skills to gain further school management qualifications. It may also consider the views of key school stakeholders as to the overall benefit of the additional capabilities gained, or additional capacity provided if applicable, including in terms of confidence to make good decisions. Where lessons learnt can be established these may be reported on for future application.

The Parties have confirmed their commitment to this agreement as follows:

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



**The Honourable Christopher Pyne, MP**  
Minister for Education

Date: 27/6/14

*Signed for and on behalf of the  
Australian Capital Territory by*



**Joy Burch MLA**  
Minister for Education and Training

Date: 27.6.14.