

PROJECT AGREEMENT FOR INCREASED LOCAL DECISION MAKING IN NSW PUBLIC SCHOOLS

FUNDED UNDER THE INDEPENDENT PUBLIC SCHOOLS INITIATIVE

An agreement between:

- the **Commonwealth of Australia**; and
- New South Wales.

This project will increase government school authority and flexibility in New South Wales.

Project Agreement for Increased Local Decision-Making in NSW Public Schools

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 authority 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 New South Wales.

Term of the Agreement

5. This Agreement will commence as soon as the Commonwealth and New South Wales 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 levels of local decision making.
7. The specific outputs to be achieved by New South Wales 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 New South Wales against its Implementation Proposal in the delivery of this Agreement to ensure that outputs are delivered within the agreed timeframe; and
 - (b) providing a financial contribution to New South Wales to support the implementation of this Agreement.

Role of New South Wales

9. New South Wales 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 levels of local decision making in government schools in accordance with clause 7 of this Agreement	Agreement to Implementation Proposal	n/a	\$3.25m
	Achievement of scheduled progress against the agreed Project Implementation Proposal	30 April 2015 covering the 1 July 2014 to 31 March 2015 period	\$6.50m
	Achievement of scheduled progress against the agreed Project Implementation Proposal	30 April 2016 covering the 1 April 2015 to 31 March 2016 period	\$6.50m
	Achievement of scheduled progress against the agreed Project Implementation Proposal	30 April 2017 covering the 1 April 2016 to 31 March 2017 period	\$6.50m

Reporting arrangements

12. New South Wales 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 New South Wales 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 New South Wales of \$22.75 million in respect of this Agreement. All payments are GST exclusive.
15. The Commonwealth's funding contribution will not be reduced were New South Wales 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 New South Wales 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
Estimated total budget	0	\$9.75	\$6.50	\$6.50	\$22.75
Less estimated Project Agreement payments	0	\$9.75	\$6.50	\$6.50	\$22.75
Balance of non-Commonwealth contributions	0.0	0.0	0.0	0.0	0.0

17. Having regard to the agreed estimated costs of the project specified in this Agreement, New South Wales 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, New South Wales 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 New South Wales 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*

The Honourable Christopher Pyne MP

Minister for Education

Date:

Signed *for and on behalf of New South Wales
by*

The Honourable Adrian Piccoli MP

Minister for Education

Date:

Schedule 1 - New South Wales Implementation Proposal

This project will increase the authority of government schools in NSW. It is designed as a capacity building program for public school leaders and communities. It will not establish a model of Independent Public Schools in NSW.

1. Current level of authority

Increasing school based decision-making is a key education objective of the NSW Government. Significant reforms to meet this objective are underway in New South Wales through Local Schools, Local Decisions, which will provide for greater local decision-making authority. These reforms are based on the understanding that schools and their local communities are best placed to make decisions to meet the needs of their students.

NSW is currently implementing a significant reform that will provide for greater local decision-making authority through the Local Schools, Local Decisions education reform. Reforms will have an impact on student outcomes in schools and in the way the Department is organised to support schools.

Schools will benefit from a greatly streamlined “One School, One Plan, One Budget, One Report” approach. This will replace multiple funding sources and budget lines with a streamlined budget and planning process. The Local Schools, Local Decisions Resource Allocation Model is focussed on funding students rather than programs. Schools will be accountable for the outcomes that they achieve for students rather than their ability to conform to program guidelines.

In moving towards greater local-decision-making, NSW reforms recognise the benefits for schools of being part of a large school system. They include the benefits of collaboration, shared information and the efficient use of resources. Specifically, the NSW public school system ensures that principals will receive support and guidance in their move towards local decision-making authority and that all schools, particularly rural and remote schools, are sufficiently staffed to meet student needs and improve student outcomes.

The NSW reforms also involve a significant reorientation of the systems and structures that support schools so that they can benefit from increased authority. Increasing the level of school authority over decisions has been accompanied by a systematic streamlining of administrative processes, a reduction in centrally mandated requirements and a reorientation of a smaller ‘centre’ to support schools. This is helping to focus executive and teachers’ time on teaching students and achieving better outcomes rather than administrative tasks.

Under Local Schools, Local Decisions, all public schools have more authority to make local decisions about how best to meet the needs of their students. This includes schools having greater freedom to make decisions about how to allocate funding, and manage their resources and staffing and comprehensive professional learning in strategic management of resources. These reforms commenced in 2012 and will be fully implemented in all public schools in NSW from 2016.

Under the NSW approach, schools are able to allocate resources based on student need,

monitor achievement and reallocate resources to where they are most needed to improve student outcomes.

The Local Schools, Local Decisions reform will support and facilitate the increased flexibility and authority for community engagement enabled by this Agreement.

2. Element of authority to be targeted in this initiative and the implementation proposal

The aim: strengthened community engagement in increasing school authority over decision making

The full benefits of local decision making will only be realised if schools are well equipped (and supported) to effectively implement the reform. Funding under this Agreement will enable a special focus for NSW public schools to engage the school community in building school capacity, so that schools can better take full advantage of the new levels of authority available to them. As empowering school level decision-making is a fundamental concept of the Agreement, schools will undertake community engagement activities that are appropriate to their particular context and needs.

Under the Agreement, New South Wales will:

- Include an enhanced community engagement focus to local decision-making reforms under Local Schools, Local Decisions.
- Develop materials, training programs and resources to support schools undertake community engagement appropriate to their local context.
- Provide funding to every public school in NSW to provide them with the resources to undertake community engagement activities that would not have otherwise been available to them.

This proposal is most closely aligned with three of the Commonwealth's IPS principles:

- Principle 1: Increased local governance and parental involvement;
- Principle 2: Greater accountability to parents and the local community;
- Principle 4: Increased local management of school facilities and infrastructure

The proposal

The community engagement program will provide schools with the flexibility to undertake a suite of activities that best fit their local situation. These activities must align with the aim of the program, which is to enhance community engagement.

In supporting an effective community engagement approach, schools will be able to undertake activities that both improve their capacity to engage with the community as well as undertaking activities that lift the capacity of the community to engage with schools. This will help to ensure that school engagement strategies are more effective and that students benefit to the maximum extent possible.

To assist schools, the Department will develop a number of supports (such as professional learning courses).

The activities that schools undertake will reflect the very different contexts and communities

that NSW public schools operate within. School communities demonstrate significant diversity in family backgrounds and circumstances and range from remote rural locations to inner city metropolitan areas. For example, in NSW Government schools over 30% of students come from families where a language other than English is spoken at home, with this figure rising to 66% in South Western Sydney. In total, students come from over 230 different language backgrounds reflecting significant cultural and linguistic diversity. In engaging with their community schools will undertake strategies and activities that are tailored to their context and appropriately reflect this diversity.

Schools will be empowered to undertake activities across the full spectrum of community engagement, determined at the local level to suit the context and needs of the school. Activities such as those outlined in section 3 will be available to schools. This will include a range of leadership professional learning opportunities that promote engagement with parents and the local community, including businesses and community organisations, and activities that enhance the ability of the school community to engage more effectively with the operation of the school.

Schools will also have the benefit of support from Principals School Leadership, expert principals selected from secondary, primary, metropolitan and rural/remote schools. Principals School Leadership will work collaboratively with principals to develop leadership capacity in NSW public schools to develop community engagement activities outlined in section 3 of the proposal. Principal School Leadership will support principals in driving school excellence across NSW public schools with a particular focus on community consultation and decision making in school planning, implementation and reporting to school communities on outcomes achieved.

Schools will be able to undertake activities that engage the broadest range of community stakeholders. This will include parents, other community members, local businesses and other organisations in the community. Activities will support engagement at all levels in the school including principals, teachers and other staff.

3. Changes to existing practices

The NSW Government is committed to supporting increased local decision-making in NSW public schools. Under this Project Agreement, all public schools in New South Wales will undertake additional activities to enhance community engagement. As a result of funding under this project agreement, these changes will advance community engagement aspects of increased local decision making in all NSW government schools. Schools will also be required to outline how they intend to enhance community engagement through their school plan.

The Project Agreement will mean that all NSW government schools will be funded to undertake community engagement activities that they may otherwise not have. This will deepen and accelerate reforms that provide a greater focus on community engagement.

New support materials and support modules developed under this Project Agreement will include:

- **Resource package on school funding**
 - A LSLD resource package for school communities on the resource allocation model funding will explain to the community the way in which school funding is determined.
 - The package will provide the community with a greater understanding of specific funding allocations in a number of areas including low socio-economic, Aboriginal, Disability and English Language proficiency.

- This understanding will contribute to the school community having greater capacity to engage in discussions with schools about the needs of the students and the best use of resources.
- **Training module on consultative decision-making**
 - A training module on consultative decision making for current and aspiring leaders will be developed.
 - The module will support schools to engage with their local school community and business representatives to gain a shared understanding of consultative local decision-making.
 - This will provide principals with a range of strategies, such as developing an action plan with community members and businesses, so that they enhance consultative decision-making within their broader school community.
- **Support materials to facilitate engagement with school planning**
 - Support materials will be developed to enable schools to effectively engage the community in the school planning cycle, which includes planning, monitoring, evaluation and reporting.
 - By involving the community (particularly parents) in the development of the plan and valuing their local contextual knowledge, parents will see the direct link to the strategic directions and the strategies employed to address student needs.
 - Support materials will facilitate the development of qualitative and quantitative evidence to support the strategic directions.
 - A greater community understanding of accountability measures will be gained, as well as the ability to influence the setting of key targets and measures.
- **Resources to support school community involvement in decision making**
 - Resources will be developed that support schools to invite the community to learn how decision making occurs by exploring the nature and roles of committees operating in the schools.
 - The discussions will be on the way in which the decision-making process is ethical and evidence based and explore opportunities to improve school structures, based on advice from the community.
- **Workshops to expand school and community leadership**
 - A workshop will be developed that will assist schools to involve local community and business representatives to explore the concept of leadership.
 - This workshop will define the important role of leadership within the school and in the broader community, and look at ways to expand and develop these relationships.
 - The workshop will focus on three different perspectives to further develop school and

community partnerships:

- School – an explanation of school leadership (staff and students) and the programs implemented.
- Business – what businesses are looking for in the area of leadership when students begin their working life.
- Community – what parents would like to see in their children to enable them to contribute successfully to society.

4. Number of schools targeted for participation in the initiative

There are 2,226 government schools in New South Wales. All NSW government schools will participate in increased local decision making activity over the three year period of this Agreement. The phased in approach will ensure that schools that participate in the initiative have access to the Department's new finance systems, which is currently being transitioned to schools across the sector.

<i>Cohort</i>	<i>Year of Operation</i>	<i>Number of schools</i>
<i>1</i>	<i>2014</i>	<i>Selection of schools</i>
<i>2</i>	<i>2015</i>	<i>1272</i>
<i>3</i>	<i>2016</i>	<i>636</i>
<i>4</i>	<i>2017</i>	<i>318</i>
<i>Total</i>		<i>2,226</i>

5. School selection criteria

NSW schools will be selected by the NSW Department of Education and Communities to participate in this program as schools transition to the new finance systems. All NSW public schools will participate over the three year period of this Agreement.

A final list of participating schools for 2015 will be provided once the selection process has been completed.

6. Implementation activities

Funding

It is estimated that each school will receive a core base allocation of \$5,000 plus an allocation based on number of students. This will result in an average allocation per school of around \$9,500. Three per cent of the total NSW allocation will be set aside by the Department for the administration of this program. A total of \$1 million will be allocated to resource and program development to support schools in community engagement.

Timeframe

<i>Reporting period</i>	<i>Implementation Activities</i>
1 July 2014 to 31 March 2015	Selection of schools prior to the end of 2014 Phase 1 (1272 schools) will commence on the program. The Department will develop support for schools to enhance community

	engagement.	
1 April 2015 to 31 March 2016	Phase 1 continue Phase 2 (636 schools)	
1 April 2016 to 31 March 2017	Phase 2 continue Phase 3 (318 schools)	
1 April 2017 to 31 December 2017	Phase 3 continues	
7. Evidence of impact		
<p>New South Wales will provide annual reports to the Commonwealth as outlined under Part 4 of the Agreement.</p> <p>It is acknowledged that increasing school based authority is a long term reform and that increases in student outcomes are unlikely to be attributable to this program alone in the short term. For this reason, the early reporting and evaluation will focus on the activities undertaken in the program and the extent of changed community engagement practices (and impact) rather than student outcomes data.</p> <p>Community engagement activities under this Agreement will also be included in broader evaluations of Local Schools, Local Decisions.</p> <p>The baseline year will be 2012 to provide for the most effective comparison of pre and post-implementation of local decision-making authority.</p>		

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:

12/12/14

**Signed for and on behalf of New South Wales
by**



The Honourable Adrian Piccoli MP
Minister for Education

Date:

22/12/14