

PROJECT AGREEMENT FOR INDEPENDENT PUBLIC SCHOOLS INITIATIVE

An agreement between:

- the **Commonwealth of Australia**; and
- Queensland.

This project will increase the autonomy of government schools in Queensland.

Project Agreement for Independent Public Schools Initiative

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 Queensland.

Term of the Agreement

5. This Agreement will commence as soon as the Commonwealth and Queensland 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 independence.
7. The specific outputs to be achieved by Queensland are described in the Independent Public Schools 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 Queensland against its Implementation Proposal in the delivery of 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 Queensland to support the implementation of this Agreement.

Role of Queensland

9. Queensland 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 autonomy in government schools in accordance with clause 7 of this Agreement	Agreement to Implementation Proposal	n/a	\$1.84m
	Achievement of scheduled progress against the agreed Project Implementation Proposal	30 April 2015 covering the 1 July 2014 to 31 March 2015 period	\$3.68m
	Achievement of scheduled progress against the agreed Project Implementation Proposal	30 April 2016 covering the 1 April 2015 to 31 March 2016 period	\$3.68m
	Achievement of scheduled progress against the agreed Project Implementation Proposal	30 April 2017 covering the 1 April 2016 to 31 March 2017 period	\$3.68m

Reporting arrangements

12. Queensland will provide the Commonwealth with performance reports in accordance with Table 1 of this Agreement, consistent with the agreed Independent Public Schools Implementation Proposal included at Schedule 1.
13. If all scheduled progress has not been completed by 31 March 2017, then Queensland 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 Queensland of \$12.88 million in respect of this Agreement. All payments are GST exclusive.
15. The Commonwealth's funding contribution will not be reduced were Queensland 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 Queensland 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	1.84	3.68	3.68	3.68	12.88
Less estimated National Partnership payments	1.84	3.68	3.68	3.68	12.88
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, Queensland 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, Queensland 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 Queensland 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 the
Queensland by*

The Honourable John-Paul Langbroek MP

Minister for Education, Training and Employment

Date:

Schedule 1 – Queensland: Independent Public Schools Implementation Proposal

1. Current level of autonomy

Queensland's 1233 state schools operate in highly diverse contexts, from urban and regional settings to some of Australia's most remote locations. In light of this diversity, the Queensland Government recognises that one size does not fit all and is committed to ensuring schools can make decisions that best meet the needs of their students and local community.

While an appropriate level of independence is needed in all schools, some schools are better placed to assume greater autonomy.

The Queensland Government has committed to supporting 120 Queensland state schools to become Independent Public Schools (IPS) over a four year period (2013-16). The IPS initiative gives principals, teachers, parents and local communities of IPS greater control and ownership of their schools and more involvement in decisions that affect them.

In June 2013, the Queensland Government released the *Great teachers = Great results* direct action plan for Queensland schools. *Great teachers = Great results* commits to a comprehensive set of initiatives to elevate teaching standards and boost school autonomy, with school leaders empowered and enabled to drive improved outcomes for students.

With respect to school autonomy, *Great teachers = Great results* indicates that IPS will be able to: determine their own staffing profile in consultation with the school community, outsource teaching support and educational services and generate other forms of income where appropriate; and respond to local communities through school differentiation and specialisation. In addition, *Great teachers = Great results* recognises that many schools may not be ready to assume the level of autonomy afforded to an IPS school and commits to providing schools and school leaders with the support they need to take on a greater level of responsibility over time.

The Queensland IPS initiative enables schools to use local autonomy in a number of key areas including:

- staffing flexibility to meet student needs – choosing between directly recruiting teachers and filling vacancies through existing departmental applicant pools / relocation processes);
- financial flexibility to improve the use of available resources – managing to a one-line grant budget allowing them to direct their budget to their school's specific strategic directions;
- innovative curriculum implementation and teaching practices – increased flexibility to shape curriculum offerings that suit the needs of their students;
- enhanced local governance – a requirement to have a school council that approves and monitors the school's strategic direction; and
- improved local partnerships with community and industry – the capacity to formulate infrastructure plans and industry links to shape a physical environment that best matches the strategic vision for the school.

IPS Principals have their performance agreement with the Director-General, rather than the Assistant Regional Director.

While IPS are not required to follow a number of operational procedures, they must comply with state and national legislation, industrial instruments, directives, delegations, whole-of-government policies and national agreements.

Fifty-four state schools have been selected to become IPS in 2014. These join the 26 schools that became Queensland's first IPS in 2013, making a total of 80 IPS in Queensland to date.

Further details about Queensland's IPS initiative are provided in the IPS Prospectus at **Attachment A**.

As Queensland implements its IPS initiative, it has become clear that both IPS and mainstream schools would benefit from professional development opportunities and other system supports to enable them to make the most of the autonomy they have been afforded.

2. Element/s of autonomy to be targeted in this initiative and the implementation proposal

The key elements of additional autonomy for IPS outlined in Queensland's IPS Prospectus at **Attachment A** align closely with the focus areas of the Australian Government's IPS initiative: local governance; increased accountability to the local community; use of streamlined or devolved budgets; local management of school facilities; and increased delegation over staffing for school principals.

Funding under the Australian Government's IPS initiative will assist in:

- more Queensland schools obtaining IPS status earlier than anticipated – Queensland will exceed its original target, with over 120 IPS to be delivered in 2015;
- adding to the overall number of IPS in Queensland with an additional 130 schools - reaching a new target of 250 IPS by 2017 (20 per cent of the total number of Queensland state schools);
- implementation of professional development programs to:
 - build the capability of school leaders to effectively manage the transition to greater autonomy and enhance innovation and change leadership skills (*Leading Workforce Success*);
 - meet the unique needs, characteristics and contexts for delivery across schools in rural and remote areas (*Capacity Building for Regional and Rural Schools*);
 - strengthen principal leadership in school governance and develop school council decision-making and accountability (*Capable School Councils*); and
- development and implementation of an online system to support devolved school budgeting.

3. Changes to existing practices to increase autonomy

Queensland is already on a path to increased autonomy for state schools that are best positioned to use the flexibilities that can be made available to them.

Applications from schools to be a part of Queensland's IPS initiative have grown significantly in the two years this program has been running. The proposal outlined above will enable schools that meet the selection criteria to attain IPS status as soon as possible, and provide this opportunity to a greater number of schools overall by 2017.

The Queensland Government acknowledges that not all schools are ready to become IPS, and that this initiative is not suitable for all schools. However, all school leaders need to know how best to use the

autonomy they are afforded and research clearly shows that increased autonomy must be balanced with enhanced accountability. As such, acceleration and expansion of the IPS initiative will be accompanied by professional development for school and school community leaders across the whole school system.

This investment will build on the knowledge and capacity of local communities to take ownership and guide the strategic directions of their school, and contribute to strengthening overall community capacity beyond the education system.

The *Leading Workforce Success* program will be offered across the school system to principals, deputy principals and business service managers, with up to 900 participants during the first year (2014-15). The program will focus on workforce planning and management and school resource allocation. Once established, the program will be delivered up to 10 times per year to provide for new staff, ongoing improvement of business processes and refresher programs for past attendees.

The *Capacity Building for Regional and Rural Schools* program will be offered to principals of small schools in regional and rural locations, with up to 300 participants over three years, commencing 2014-15. The program will raise awareness of the expectations of a principal in an autonomous environment as well as developing skills and capabilities as a high-performing principal. It will incorporate mentoring and coaching approaches to capitalise on existing expertise and engender the sharing of successful strategies. Delivery will be provided face-to-face enabling ongoing collaboration within clusters of schools and the development of professional communities of principals. This will allow for transfer of skills across a broader range of leadership expertise and will facilitate support for less experienced principals who lead smaller regional and rural schools.

The *Capable School Councils* program will comprise two key elements:

1. Professional development to foster principal capability to work effectively with school councils – this will include elements such as building strong local governance processes, shared accountability practices, knowledge of relevant legislative governance obligations, and relationship management skills.
2. Training school council representatives to enhance school governance, targeting key functions of school councils in Queensland under the *Education (General Provisions) Act 2006*:
 - monitoring the school's strategic direction;
 - approving plans and policies of the school of a strategic nature and other documents affecting strategic matters (including the annual estimate of revenue and expenditure for the school);
 - monitoring implementation of the plans and policies; and
 - advising the school's principal about strategic matters.

This program will be available to all school council members from 2014-15, and rolled out to new school council members as they come on board. Non-IPS who have established a school council will be able to access the training to further enhance local governance across the state schooling sector.

System support will be delivered through development of an information technology solution for devolved school budgeting. This tool will support enhanced school budget visibility without increasing red tape for schools. The system requirements will establish integration between the payroll system, OneSchool and the department's finance system and build interfaces to deliver first stage integration of staffing and other resource budgeting into the OneSchool environment (by 2014-15). For 2015-16, functionality will be augmented to enable schools to forecast the impact of enrolment changes and other demographics on their current and out-year budgets.

4. Number of schools targeted for participation in the initiative

Supplementing the Queensland Government commitment to 120 IPS from 2013-2016, Australian Government funding will be directed to increasing the ability for additional schools to attain IPS status. The table below outlines the anticipated number of additional schools that will receive direct allocations (130).

Under this proposal, there will be a total of 250 Queensland IPS in 2017, which equates to 20% of all Queensland state schools.

Cohort	Year of Operation	First tranche of schools (funded by the Queensland Government)	Second tranche of schools (co-funded by the Queensland and Australian Governments)	Cumulative total of schools
0	2013	26	0	26
1	2014	54	0	80
2	2015	30	20	130
3	2016	10	50	190
4	2017	0	60	250
Total		120	130	250

In addition to the schools obtaining IPS status, the three professional development programs and the development and implementation of the online system to support devolved school budgeting will eventually reach across all 1233 Queensland state schools.

5. School selection criteria

A new four stage process will be put in place to select future Independent Public Schools to ensure that state schools demonstrating the highest levels of improvement have the autonomy to sustain performance through local decision making.

The process will allow for a more rigorous and transparent selection of suitable schools which are best placed to utilise the autonomy provided by the Independent Public Schools initiative to drive local and system wide innovations.

The new process will be aligned to enhanced accountability processes in Queensland, providing an initial categorisation of school performance based on headline indicators to ensure a balance across the range of schools and level of disadvantage across the state.

Any Queensland state school interested in attaining IPS status must participate in an open Expression of Interest (EOI) process following broad consultation with the school community.

Through the EOI process, a state school needs to demonstrate:

- consultation that has occurred across groups, including a summary of views;
- the school's capacity to assume greater responsibility for their affairs;
- potential benefits for students and the broader school community; and
- innovative educational programs or practices the school will implement to improve student performance.

A panel comprising Department of Education, Training and Employment officials considers all IPS

applications, and additional information such as school performance data and Teaching and Learning Audit results.

Schools in the best position to use increased autonomy to improve student outcomes are selected. These schools are required to represent the diversity of schools throughout Queensland (e.g. large, small, metropolitan, regional, low SES, primary, secondary, special, P-10, etc).

The same process will be used to select all IPS in Queensland regardless of funding source.

6. Implementation activities

Queensland IPS currently receive a one-off payment of \$50,000 to assist with their transition and a further \$50,000 in funding each year.

For each of the second tranche of 130 IPS, Australian Government funding will be used to provide the one-off upfront payment of \$50,000 (amounting to \$6.5 million over the four-year term of the agreement). This funding enables schools to seek expertise and advice about the establishment and effective functioning of their school council and ensure they have the right systems in place to support their transition.

Australian Government funding will also be used to support the first year of operation for all additional IPS coming on line in 2014-15 as a result of this agreement (i.e. 20 schools, at a cost of \$1 million).

Any recurrent funding for IPS will be the responsibility of the Queensland Government.

Funding for the *Leading Workforce Success* program will comprise \$750,000 for program development and implementation in 2014-15, and \$150,000 per annum to 2016-17 (at a total cost of \$1.05 million over the life of the agreement).

Funding for the *Capacity Building for Regional and Rural Schools* program will comprise \$750,000 for program development and implementation in 2014-15, \$200,000 in 2015-16, and \$200,000 in 2016-17 (at a total cost of \$1.15 million over the life of the agreement).

Funding for the *Capable School Councils* program will comprise \$750,000 for program development and implementation in 2014-15, and \$200,000 per annum to 2016-17 (at a total cost of \$1.15 million over the life of the agreement).

A contribution to the devolved budgeting system will be made through the direction of \$1.27 million in 2014-15 towards development of an information technology solution to create visibility across the entire school budget, allowing principal flexibility in workforce profiling. Further functionality will be augmented across 2015-16 (\$630,000) and 2016-17 (\$130,000) to enable schools to forecast the impact of enrolment changes and other demographics on their current and out-year budgets (at a total cost of \$2.03 million over the life of the agreement).

Funding

2013-14	2014-15	2015-16	2016-17	Total
\$1.84 m	\$3.68 m	\$3.68 m	\$3.68 m	\$12.88 m

Implementation schedule

<i>Reporting period</i>	<i>Implementation Activities</i>
1 July 2014 to 31 March 2015	<ul style="list-style-type: none"> - Transitional grants of \$50,000 to 20 new IPS (for 2015 school year). - Development of <i>Leading Workforce Success</i> professional development program and implementation with up to 900 participants. - Development of <i>Capacity Building for Regional and Rural Schools</i> professional development program and initial implementation and delivery. - Development of <i>Capable School Councils</i> professional development program and initial implementation and delivery. - Development of devolved school budgeting tool.
1 April 2015 to 31 March 2016	<ul style="list-style-type: none"> - Delivery of first report. - Transitional grants of \$50,000 to 50 new IPS (for 2016 school year). - First year funding of \$50,000 per school for 20 IPS. - Further program development and continued implementation of <i>Leading Workforce Success</i> professional development program, delivered up to 10 times per year. - Further program development and continued delivery of <i>Capacity Building for Regional and Rural Schools</i> professional development program. - Further program development and continued delivery of <i>Capable School Councils</i> professional development program. - Roll out of and advancements to devolved school budgeting tool.
1 April 2016 to 31 March 2017	<ul style="list-style-type: none"> - Delivery of second report. - Transitional grants of \$50,000 to 60 new IPS (for 2017 school year). - Further program development and continued implementation of <i>Leading Workforce Success</i> professional development program, delivered up to 10 times per year. - Further program development and continued delivery of <i>Capacity Building for Regional and Rural Schools</i> professional development program. - Further program development and continued delivery of <i>Capable School Councils</i> professional development program. - Continued roll out of and advancements to devolved school budgeting tool.
1 April 2017 to 31 December 2017	<ul style="list-style-type: none"> - Delivery of third report. - Further program development and continued implementation of <i>Leading Workforce Success</i> professional development program. - Further program development and continued delivery of <i>Capacity Building for Regional and Rural Schools</i> professional development program (to reach up to 300 participants over 3 years). - Further program development and continued delivery of <i>Capable School Councils</i> professional development program. - Continued roll out of and advancements to devolved school budgeting tool. - Delivery of final report.

7. Evidence of impact

Evaluation of the impact of this agreement will be incorporated into the formal evaluation of the Queensland IPS initiative that commenced in 2013. This evaluation is designed to examine:

- how IPS have utilised their autonomy in Queensland;

- stakeholder perceptions about IPS reforms;
- enablers and barriers experienced by IPS;
- to what extent IPS has supported school improvement; and
- learnings from IPS, and application of these across other school environments.

The professional development program and impact of the devolved budgeting system will also be incorporated into the evaluation.

Queensland will provide annual reports to the Australian Government demonstrating to the extent possible evidence of the program's impact in the year to which the report refers.

Reports will be provided at the end of each financial year, commencing at the end of the 2014-15 financial year as per section 4 of the Project Agreement.

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

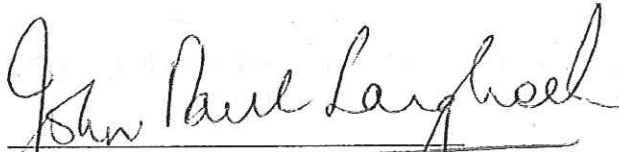
*Signed for and on behalf of the
Commonwealth of Australia by*



The Honourable Christopher Pyne MP
Minister for Education

Date: 5/9/2014

*Signed for and on behalf of the
Queensland by*



The Honourable John-Paul Langbroek MP
Minister for Education, Training and Employment

Date: 26.8.14