

APPENDIX 2: BILATERAL AGREEMENT BETWEEN NEW SOUTH WALES AND THE COMMONWEALTH ON SCHOOLS REFORM

Preliminaries

1. New South Wales (NSW) and the Commonwealth acknowledge the Traditional Owners of the lands and waters on which Australians live, learn and work, and pay respects to their Elders past, present and emerging.
2. This agreement satisfies the condition in paragraph 22(2)(b) of the *Australian Education Act 2013* (the Act) requiring each State and Territory to be party to an agreement with the Commonwealth relating to the implementation of school education reform.
3. Aboriginal and Torres Strait Islander cultures and knowledges are fundamental to shaping and improving education systems and outcomes for NSW's Aboriginal and Torres Strait Islander students. NSW and the Commonwealth commit to ensuring that the implementation of this Bilateral Agreement is undertaken in a way that will enliven the priority reforms of the National Agreement on Closing the Gap (Closing the Gap Agreement).
4. NSW and the Commonwealth acknowledge that Australia has a strong education system, but it can be better and fairer. To do that, governments and school systems need to ensure every student is supported to succeed so that no one is held back or left behind.
5. NSW and the Commonwealth reaffirm their commitment to the vision for Australian schooling outlined in the Alice Springs (Mparntwe) Education Declaration (the Mparntwe Education Declaration) for a world class education system that encourages and supports every student to be the very best they can be, no matter where they live or what kind of learning challenges they may face.
6. The *Better and Fairer Schools Agreement – Full and Fair Funding 2025-2034* (Heads of Agreement) sets out the shared intention of the Parties to work in partnership to improve education outcomes for all Australian students and build on the capability and capacity of the education workforce. This Bilateral Agreement outlines the actions and activities that NSW will undertake to achieve these shared objectives.
7. This Bilateral Agreement between NSW and the Commonwealth will commence on signature, with retrospective effect from 1 January 2025, and will expire on 31 December 2034 unless otherwise agreed. This Bilateral Agreement is part of the broader replacement of the Interim School Funding Agreement 2025, including Schedule D Appendix 2 (Interim Bilateral Agreement 2025).
8. Following the progress review under Clause 35 of the Heads of Agreement, NSW and the Commonwealth may propose amendments to this Bilateral Agreement as per Clause 28 of the Heads of Agreement. Any proposed amendments will pertain to additional reform efforts under Part 3 of this Bilateral Agreement from 2030 onward, explicitly excluding changes to the funding shares outlined in Part 2-Funding. All proposed amendments must be mutually agreed upon to ensure the continuity of the Bilateral Agreement and its associated funding arrangements.

9. Clause 25 of the Heads of Agreement indicates that, following the expiry of this Bilateral Agreement, a new bilateral agreement will commence from 1 January 2035 unless otherwise agreed in accordance with the processes specified in clauses 26 to 29 of the Heads of Agreement.
10. The terms of this Bilateral Agreement do not limit NSW's and the Commonwealth's ability to agree different terms as part of a future bilateral agreement. Any variations to this Bilateral Agreement will be in accordance with clause 28 of the Heads of Agreement.
11. For the avoidance of doubt, clause 7 to 9 of this Bilateral Agreement do not limit either Party to pursue variations to, or withdrawal from, either this Bilateral Agreement or the Heads of Agreement in accordance with clauses 26 to 30 of the Heads of Agreement.
12. Should the Commonwealth provide more favourable funding terms to another state or territory (with the exception of the Northern Territory) as part of the Heads of Agreement or a bilateral agreement, then the Commonwealth will offer NSW those terms as well and, if agreed by NSW, this Bilateral Agreement will be updated accordingly. For the avoidance of doubt, NSW will receive an equivalent Commonwealth SRS funding percentage point uplift at least equal to that negotiated with other jurisdictions (with the exception of the Northern Territory).
13. Clause 12 above also includes but is not limited to:
 - a. an adjustment to the measurement of state funding contribution included in another jurisdiction's Bilateral Agreement (with the exception of the Northern Territory)
 - b. any agreement the Commonwealth makes with any other state or territory which favourably impacts on that state's financial contributions, reporting arrangements or risk sharing arrangements under the agreement.
14. In these cases, these terms will also be made available to NSW, and this Bilateral Agreement will be updated to take into account the adjustment or material change to circumstance.
15. This Bilateral Agreement may also be updated through written agreement of the Commonwealth Education Minister and the NSW Education Minister if there is a material change in NSW's circumstances, beyond its reasonable control, which will affect NSW's fiscal position or the recognition of the State's funding contribution, in accordance with the process in clause 28 in the Heads of Agreement.

State reform context

16. This Bilateral Agreement sets out the reform activities to be undertaken during its term to give effect to national priorities and reforms outlined in the Heads of Agreement.
17. The NSW Government is committed to creating an equitable public education system which supports every student to achieve their potential by enabling lifelong learning, strengthens trust and respect for the teaching profession, and improves wellbeing of teachers and staff by addressing workload concerns and supporting teachers to do their core job of delivering high quality teaching and learning for improved student educational outcomes.
18. The activities listed above are provided for context and are not considered part of this Bilateral Agreement for the purposes of paragraphs 22(2)(b) and (c) of the Act.

PART 1 — PURPOSE, OBJECTIVES, OUTCOMES AND IMPROVEMENT MEASURES

19. NSW and the Commonwealth acknowledge that a high-quality school education is critical to ensuring that NSW's students will succeed in an increasingly complex world. Australia's future stability and economic prosperity is reliant on a high-quality, equitable and inclusive school system.
20. This Bilateral Agreement sets out the reform activities to be undertaken during its term to give effect to national Objectives, Outcomes and Reforms outlined in the Heads of Agreement.
21. As per clause 65 of the Heads of Agreement, the Parties seek to deliver upon the following objectives:
 - a. Equity and excellence – schools and education systems are equipped to provide all students with highly effective evidence-based teaching and equitable learning opportunities and support them to maximise their learning.
 - b. Wellbeing for learning and engagement – schools take a structured approach to wellbeing for learning in a way which reflects their school and learning environment, and students have a sense of belonging, safety and engagement with their learning.
 - c. A strong and sustainable workforce – the workforce is respected and continues to grow, and teachers and non-teaching school staff are supported to innovate and be at their best to ensure young Australians thrive in their education. A sustainable workforce means that the Australian community recognises the value teachers and school leaders bring to students, communities and the economy.
22. This Bilateral Agreement also reiterates NSW's and the Commonwealth's ambition and commitment to work together to contribute, along with other states and territories, to the national achievement of the national Objectives, Outcomes and Improvement Measures specified in the Heads of Agreement. While NSW and the Commonwealth are committed to this, Commonwealth funding to NSW under the Act is not conditional on the achievement of the objectives, outcomes or improvement measures in the Heads of Agreement or this Bilateral Agreement.
23. As per clause 41 of the Heads of Agreement, NSW and the Commonwealth acknowledge that there are a range of external factors and services outside the scope of this Agreement and education settings more generally that may impact schools, students and their learning.

Improvement Measures

24. NSW commits to:
 - a. The national Improvement Measures outlined in the Heads of Agreement and to pursuing an upward trend of improvement over the term of the Head Agreement in these measures in the NSW context.
 - b. Tracking and reporting its progress towards the Improvement Measures' national targets in its Annual Implementation Report to the Commonwealth, where the Commonwealth does not separately have access to the data, consistent with reporting obligations in Part 5 of the Heads of Agreement.

25. Unless otherwise indicated in any guidelines issued for Annual Implementation Reports (see Part 4 of this Bilateral Agreement), the Commonwealth will as far as is practicable, collect NSW's data for the purposes of national reporting from existing data collections. Unless explicitly stated otherwise, reporting under the Agreement will not impose any additional burden on schools. Requests to provide data and information to support public reporting will provide reasonable timeframes to respond and ensure the accuracy and integrity of data provided.
26. As per Part 5 of the Heads of Agreement, the Commonwealth will publicly report NSW's progress on the national Improvement Measures in an education reporting dashboard (noting the Commonwealth will seek agreement on the format and content of the dashboard from state and territory Education Ministers).

PART 2 — FUNDING

Required funding contributions

27. Under section 22A of the Act, NSW must meet its funding contributions for the government and non-government sectors as a condition of receiving Commonwealth funding.
28. NSW's funding contributions for the government and non-government sectors for 2025 onwards must be in accordance with section 22A of the Act and will determine the default requirement if this Bilateral Agreement is terminated by either party. If this Bilateral Agreement is terminated by either party, and is not replaced by another agreement, the State shares for NSW will revert to the shares set out in section 22A of the Act.
29. NSW's funding contributions for the government and non-government sectors agreed in this Bilateral Agreement are outlined in Table 1 below for each year from 2025 to 2034. The minimum funding contributions are expressed as a percentage of the Schooling Resource Standard (SRS) as defined in Part 3 of the Act.

Table 1. NSW's agreed funding shares for the government and non-government sectors, 2025 to 2034

Sector	Each year 2025 to 2034 inclusive
Government	75.00%
Non-government	20.00%

30. NSW may use its needs-based funding model for government schools to direct additional funding towards the implementation of National Reform Directions and National Enabling Initiatives (as defined in Part 4 of the Heads of Agreement) and to benefit priority students and schools.
 - a. NSW may direct the additional Commonwealth funding provided as part of the Head Agreement to schools with the highest levels of need according to NSW's needs-based funding arrangements (consistent with subclause 78(d) of the Heads of Agreement). This may include but is not limited to, allocation of funding or resources, or central or regional services or supports or resources provided to schools as part of its local needs-based funding arrangements consistent with the Act.
31. NSW funding for non-government schools will continue to be provided at the school level according to the SRS, as under existing arrangements. The actual individual school transition pathways for NSW funding align with the methodology for calculating the transition pathways of Commonwealth funding. Non-government schools currently funded above 20 per cent of the SRS will continue to transition down by 2029.
32. Additional Commonwealth funding in this Bilateral Agreement (and in the Heads of Agreement as it applies to NSW) is to be interpreted as the additional Commonwealth funding share received by NSW under this Bilateral Agreement over and above the Commonwealth's baseline share (20 per cent) of the SRS for government schools in 2024.
33. The Commonwealth's additional funding for government schools will be provided through increasing the Commonwealth's share to 25 per cent of the SRS by 2034 from 20 per cent of

the SRS in 2024, as detailed in the Table 2 below. The Commonwealth's share of the SRS for the NSW government school sector each year will be set out in the legislation.

Table 2. the Commonwealth's agreed funding shares for NSW's government sector, 2025-2034

Sector	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Government	20.00%	20.16%	20.31%	20.63%	21.25%	22.50%	22.81%	23.13%	23.75%	25.00%

34. Consistent with clauses 44 and 45 of the Heads of Agreement and in the event of a change to the SRS that results in an impact on state contribution requirements, Ministers will agree to vary the contribution shares set out in clause 29 above to ensure that the state contribution amount is not impacted. The amended amount should represent the funding calculated as if the SRS settings are applied that were in operation at the time the agreement commenced. The Commonwealth will facilitate this process by providing the data required to enable NSW to calculate the amount of its contribution on an unchanged basis.
35. In December 2023, National Cabinet agreed that funding for foundational supports for students with disability is to be agreed through new Federal Funding Agreements, with additional costs split between the Commonwealth, states and territories and final details to be settled through the Council of Federal Financial Relations.
36. Disability reforms, including those related to changes to the National Disability Insurance Scheme (NDIS) including foundational supports, may impact NSW's school education services. Commonwealth funding under the Heads of Agreement and this Bilateral Agreement is not for these purposes. This Bilateral Agreement does not establish any Commonwealth requirements with respect to these reforms.

Measurement of contributions

37. For the purpose of this Schedule, NSW and the Commonwealth have agreed the costs that are measured towards NSW's funding contribution requirements for the government and non-government sectors. In assessing compliance with section 22A of the Act, the National School Resourcing Board's Terms of Reference will direct the Board to use this agreed methodology for measurement of the state's contribution, including as set out in clauses 38 and 75 of this Bilateral Agreement.
38. Consistent with the calculation of the SRS, NSW's funding contributions will be measured consistent with the existing Australian Curriculum, Assessment and Reporting Authority (ACARA) financial data reporting methodology for state Net Recurrent Income Per Student (NRIPS) for school years Year 1 minus 1 to Year 12, excluding funding for full fee-paying overseas students, along with the following additional funding types:
 - a. Up to the agreed percentages of the total SRS, as detailed in Table 3 below, for the government sector each year for costs contributing to the provision of education in schools for the following:
 - i. capital depreciation.

Table 3:

	Maximum percentage allowance for non-standard inclusions (share of SRS)									
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Allowable inclusions	4%	3.87%	3.75%	3.5%	3.00%	2%	1.75%	1.5%	1%	0%

- b. All recurrent funding for the government sector for the purpose of:
 - i. Curriculum and regulation activity, including the NSW Education Standards Authority
 - ii. Any inclusions contained in a bilateral agreement with any other jurisdiction to a maximum of 1.8% provided it is phased in at a rate proportional to the increase in Commonwealth funding.
 - c. All funding for the purpose of the National Reforms and National Enabling Initiatives outlined in Part 3 of this Bilateral Agreement or Part 4 of the Head Agreement.
 - d. Any accounting standard changes as agreed between the Commonwealth and state and territory Ministers for Education, that affect the measurement of recurrent funding where the NRIPS methodology has not been adjusted to negate this impact e.g. AASB 16.
39. If the reported contribution for NSW for a year falls short of meeting the required contribution for a sector by an immaterial amount, this will not be considered non-compliant with section 22A of the Act. An immaterial amount is less than or equal to 0.6 per cent of the total SRS for the sector, or another immaterial amount agreed by the Commonwealth Minister for Education for a year, which accounts for the timing constraint of state budget processes being finalised in advance of the year and the required contribution for the year being finalised at the end of the year following the annual School Census.
 40. In assessing compliance with this agreement, the Commonwealth Minister will request the National School Resourcing Board (the Board), through the Board's Terms of Reference for its review of section 22A of the Act, will take into account mitigating factors that have contributed to non-compliance. This may include, but is not limited to, fluctuations from year-to-year in funding which could be assessed through, for example, the application of a three year rolling average if funding has fallen below the required amount, unintended and unforeseeable budget pressures in the state budget process, financial accounting impacts (e.g. actuarial assessments and timing of expenditures due to reporting dates), and other unforeseeable circumstances (e.g. such as natural disasters).

PART 3 — NATIONAL REFORMS

41. The National Reform Direction activities agreed in this Bilateral Agreement align with the National Reform Directions of the Heads of Agreement and NSW commits to supporting and advancing initiatives aligned to each of the National Reform Directions.
42. Approved Authorities of non-government schools in NSW must adhere to their ongoing policy requirements under subsections 77(2) and (2A) of the Act). As per clauses 56 and 57 of the Heads of Agreement, Approved Authorities of non-government schools in NSW are required to cooperate with the NSW Government in the implementation of this Bilateral Agreement.

National Reform Directions

43. NSW's *Our Plan for NSW Public Education* sets the strategic direction for public schools, and together with the existing initiatives aligned to these directions, provides a solid foundation for NSW's implementation of the National Reform Directions for public schools.
44. NSW commits to the following actions to give effect to the National Reform Directions as outlined in the Heads of Agreement.
45. The implementation of additional reform initiatives against the National Reform Directions will be phased in line with the delivery of additional Commonwealth investment.

Equity and Excellence

46. Whole-of-system and/or whole-of-school approaches that identify student learning needs early and provide tiered and targeted, intensive supports, in line with evidence-based teaching and a 'multi-tiered systems of support' (MTSS) approach in New South Wales public schools. The key features of this approach are:
 - a. Continuing to:
 - i. Embed evidence-based teaching practices, such as explicit teaching, across the state.
 - b. Undertaking the following additional effort:
 - i. Expand the Small Group Tuition Program to students in NSW public schools who are most in need of additional support, such as students outside the NAPLAN years.
47. A Year 1 phonics check and an early years of schooling numeracy check (once available) is made available to NSW public schools to support teachers and school leaders to identify student learning needs early.
 - a. Continuing to:
 - i. Provide Year 1 Phonics Screening Check in NSW public schools.
 - b. Undertaking the following additional effort:
 - i. Make available to NSW public primary schools a numeracy check in the early years of primary schooling and where possible make it available nationally.

48. Initiatives that encourage student uptake of high-quality science, technology, engineering and mathematics (STEM) education opportunities.

a. Continuing to:

- i. Provide safe AI tools to support teaching and learning through a custom AI tool for NSW public school students.

Wellbeing for learning and engagement

49. Initiatives that support connections between schools and other non-school services to support students to come to school ready to learn, for example through flexible wellbeing hubs where appropriate.

a. Continuing to:

- i. Target early intervention for NSW public schools students identified at risk of disengaging from school and their learning.

b. Undertaking the following additional effort:

- i. Expand wellbeing supports in NSW public schools to strengthen access to services which support student's access to teaching and learning.

50. Structured initiatives that support wellbeing for learning and engagement.

a. Continuing to:

- i. Deploy school counsellors and psychologists, and student support officers at NSW public schools.

51. Initiatives which support student engagement in learning, for example greater student participation, attendance, inclusion and/or enhanced school-family engagement.

a. Continuing to:

- i. Build partnerships with students and families to connect them with the support they need.

A strong and sustainable workforce

52. Initiatives to develop, recognise, reward and/or deploy highly expert teachers, particularly in schools which need additional support, for example Highly Accomplished or Lead Teachers (HALT) or equivalents.

a. Continuing to:

- i. Provide recruitment support for HALT in NSW public schools.

b. Undertaking the following additional effort:

- i. Support the development and recognition of HALT in NSW public schools including the development and rollout of a new classroom-based career progression pathway for teachers.

53. Access to high quality and evidence-based professional learning for teachers and school leaders and the provision of quality-assured curriculum resources that have been developed in partnership with the teaching profession.
 - a. Continuing to:
 - i. Support ongoing professional learning for teachers and school leaders in NSW public schools.
 - b. Undertaking the following additional effort:
 - i. Provide specialist training for teachers to use evidence-based practice to support improved student learning.
 - ii. Rollout explicit teaching across all NSW schools and provide teachers with access to evidence-based training to improve explicit teaching practices in classroom including exploring potential partnerships with AERO.
54. Initiatives to strengthen teacher and school leader wellbeing, for example actions to support safe and respectful schools, strengthen Aboriginal and Torres Strait Islander cultural safety, and reduce teacher and school leader workload.
 - a. Continuing to:
 - i. Provide wellbeing support and early career teacher support programs.
 - ii. Implement initiatives to reduce teacher and school leader workload in performance and accreditation.
 - iii. Implement initiatives to reduce teachers' administrative workload.
55. Initiatives to increase teacher attraction and retention including those that encourage students to take up a career in teaching and increase the diversity of the teacher workforce, for example initiatives focused on increasing the number of Aboriginal and Torres Strait Islander educators, or through implementing actions under the National Teacher Workforce Action Plan (NTWAP) and/or recommendations of the Teacher Education Expert Panel report.
 - a. Continuing to:
 - i. Reduce workload burden on teachers to increase the amount of time to focus on high quality teaching and leading.
 - ii. Strengthen professional development for school leaders at all stages of their career.
 - iii. Continue to collaborate with the non-government sector on the NTWAP.
 - b. Undertaking the following additional effort:
 - i. Expand school administrative reduction initiatives in NSW public schools.
56. Implementation of the reforms outlined above is outlined further in Table 4.
57. Reporting on the activities undertaken in respect of the above National Reform Directions will be undertaken through an Annual Implementation Report, as outlined in Part 4. For the

avoidance of doubt, reporting on reforms will be limited to the actions described as “additional effort” and will exclude those described as “continuing”.

58. Activities under the National Reform Directions that will be undertaken by the non-government sector in NSW will be articulated in an Addendum to this Bilateral Agreement, by 30 June 2025.

National Enabling Initiatives

59. NSW commits to the following actions to give effect to the National Enabling Initiatives as outlined in the Heads of Agreement, and fulfil commitments as per Schedules B and C of the Heads of Agreement:
- a. Contribute any required data and information to a Review of the SRS base and loadings calculation methodology.
 - b. As part of the SRS methodology review, NSW will pursue consideration of including system-wide regulatory and other umbrella costs within the SRS. NSW further commits to undertake analysis to derive a rigorous NSW methodology for appropriately allocating the NSW government costs of funding the NSW Education Standards Authority (NESA).
 - c. Contribute to the implementation of the Unique Student Identifier (USI) to ensure all NSW school students receive a USI.
 - i. NSW and the Commonwealth will seek Education Ministers approval on future uses of the USI to identify students who are at risk of being lost to the school system and support transfer of students between schools.
 - ii. NSW will engage with the non-government school sector and non-government representative bodies to implement the USI in NSW schools and education system.
 - d. Contribute to collective work to understand and provide policy and program advice to Education Ministers on:
 - i. socioeconomic diversity, its impact on schools and student learning and best practice approaches to addressing these impacts.
 - ii. school attendance, its impact on learning and mechanisms to advance evidence-based approaches to addressing non-attendance, including school refusal.
 - e. Contribute to the collective work to inform a Review of the Measurement Framework for Schooling in Australia to ensure it remains a relevant tool. This may include student level outcome data, appropriate disaggregated data, and information to inform possible new and updated measures. The Review’s Terms of Reference are to be agreed by Education Ministers Meeting and will include consideration of the costs and benefits (with primacy given to any impact on teacher workload):
 - i. a new measure of student engagement.
 - ii. a new equity in learning gain measure, to enable measurement of student learning growth.

- iii. national measures of access, participation and outcomes for students with disability to establish a better understanding of the education experiences and outcomes of students with disability.
 - iv. extending the Australian Teacher Workforce Dataset to ensure that comprehensive data, based on teacher registration, is collected to better understand workforce trends including on early career retention and diversity, and extending the Australian Teacher Workforce Survey to capture data on out-of-field teaching.
- f. Supporting development of an early years numeracy check to support teachers to assess their students' numeracy skills and identify and respond to students who need tailored support.
 - i. NSW will develop and implement its own early years numeracy check for primary students and share this resource nationally, on the condition that NSW is not subject to cost sharing for its own resource.
- 60. As per clause 89 of the Heads of Agreement, NSW will contribute to the development of a national Project Plan for each of the National Enabling Initiatives in clause 88 of the Heads of Agreement.
- 61. The provision of any information by NSW as part of its contribution to the delivery of the National Enabling Initiatives will be consistent with the Project Plans to be agreed by Education Ministers Meeting (EMM), the Reporting Requirements in Part 5 of the Heads of Agreement and clause 98 of the Heads of Agreement, which stipulates that as far as practical, reporting requirements will leverage existing reporting processes and data sources. Unless explicitly stated otherwise, will not impose any additional burdens on schools. Requests to provide data and information to support public reporting will provide reasonable timeframes to respond and ensure the accuracy and integrity of data provided.
- 62. NSW will not be penalised in any way for failing to achieve milestone deadlines in relation to the National Enabling Initiatives in the Heads of Agreement or this Bilateral Agreement if such non-achievement was due to delayed or non-achievement of other milestones or dependencies outside of NSW's control.
- 63. As set out in clause 92 of the Heads of Agreement, the cost of National Enabling Initiatives will be met by Parties according to the cost sharing principles, unless otherwise agreed by Education Ministers Meeting, including alternate cost sharing arrangements for specific National Enabling Initiatives, where agreed. For joint projects, EMM typically utilises a population-based formula to determine jurisdictional funding propositions. For the avoidance of doubt, NSW will not need to contribute more towards jurisdictions' share of the national cost of a National Enabling Initiative than is proportional to NSW's share of the total national school student population, unless otherwise agreed by NSW's Minister for Education.
- 64. NSW's obligations with regards to the National Reform Directions and National Enabling Initiatives specified in this Bilateral Agreement and the Heads of Agreement are fully dependent on NSW receiving additional Commonwealth funding agreed with the Commonwealth under this Bilateral Agreement.

Implementation

- 65. In committing to the above reforms, NSW commits to the actions and milestones set out in Table 4.

66. NSW undertakes to cooperate with the non-government school sector in NSW in the implementation of the reforms outlined in this Bilateral Agreement.
67. In accordance with subsection 77 (2A) of the Act, non-government approved authorities are required to cooperate with their local State or Territory government in the implementation of this Agreement.
68. The non-government sector in NSW, as per clause 57 in the Heads of Agreement, should cooperate with the NSW Government to implement the National Reform Directions and National Enabling Initiatives. Activities against National Reform Directions undertaken by the NSW non-government sector will be included in reports by the non-government representative bodies provided to the Australian Government as set out in Part 5 in the Heads of Agreement.
69. The Commonwealth will not impose financial or other sanctions on NSW for a failure by NSW's non-government school sector to cooperate with this Bilateral Agreement, as per clause 87 of the Heads of Agreement. Nor will the Commonwealth impose sanctions on the non-government school sector for a failure of NSW to cooperate with them in the implementation of this Bilateral Agreement.

National Reform Directions implementation milestones

Note: This table should include only the reforms listed as 'additional effort'

Table 4 – NSW bilateral school reform milestones

Reform and Milestones	Sector	Timing
Reform A – Equity and Excellence		
<u>Whole-of-system and/or whole-of-school approaches that identify student learning needs early and provide tiered and targeted, intensive supports, in line with a 'multi-tiered systems of support' (MTSS) approach.</u>		
<ul style="list-style-type: none"> Expand the Small Group Tuition Program to students in NSW public schools who are most in need of additional support, such as students outside the NAPLAN years. 	Public	Commencing from 2026
<u>A Year 1 phonics check and an early years of schooling numeracy check (once available) is made available to schools in Australia to support teachers and school leaders to identify student learning needs early.</u>		
<ul style="list-style-type: none"> Make available to NSW public primary schools a numeracy check in the early years of primary schooling. 	Public	Commencing from 2026
<u>Initiatives that encourage student uptake of high-quality science, technology, engineering and mathematics (STEM) education opportunities.</u>		
Reform B – Wellbeing for Learning and Engagement		
<u>Initiatives that support connections between schools and other non-school services to support students to come to school ready to learn, for example through full-service school models where appropriate.</u>		
<ul style="list-style-type: none"> Expand wellbeing coordinators in NSW public schools to strengthen access to health and allied services. 	Public	Commencing from 2026
<u>Structured initiatives that support wellbeing for learning and engagement.</u>		

Initiatives which support student engagement in learning, for example greater student participation, attendance, inclusion and/or enhanced school-family engagement.

Reform C – A Strong and Sustainable Workforce

Initiatives to develop, recognise, reward and/or deploy highly expert teachers, especially in schools which need additional support, for example Highly Accomplished or Lead Teachers or equivalents.

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| <ul style="list-style-type: none"> Support the development and recognition of HALT in NSW schools. | All sectors | Commencing in 2026 |
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Access to high quality and evidence-based professional learning for teachers and school leaders and the provision of quality-assured curriculum resources that have been developed in partnership with the teaching profession.

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| <ul style="list-style-type: none"> Provide specialist training for teachers to use evidence-based practice to support improved student learning. | All sectors | Commencing in 2026 |
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| <ul style="list-style-type: none"> Rollout explicit teaching across all NSW schools and provide teachers with access to evidence-based training to improve explicit teaching practices in the classroom. | All sectors | Commencing in 2026 |
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Initiatives to strengthen teacher and school leader wellbeing, for example actions to support safe and respectful schools, strengthen Aboriginal and Torres Strait Islander cultural safety, and reduce teacher and school leader workload.

Initiatives to increase teacher attraction and retention, including those that encourage students to take up a career in teaching and increase the diversity of the teacher workforce, especially by increasing the number of First Nations educators, or through implementing actions under the National Teacher Workforce Action Plan and/or recommendations of the Teacher Education Expert Panel report.

PART 4 — REPORTING REQUIREMENTS

Requirements for annual reporting to the Commonwealth

70. The following clauses set out the annual reporting arrangements for NSW for a year (Year T).
71. As set out in Part 5, clause 100 of the Heads of Agreement, NSW will also be required to ensure full and accessible information on their needs-based funding arrangement is publicly available, in line with subsection 78(5) of the Act.

Annual Funding Report

72. The Commonwealth will provide NSW with a Funding Estimation Tool in January Year T+1 prior to NSW's annual report with the final Schooling Resource Standard (SRS) data for Year T for the purpose of the National School Resourcing Board's (the Board) review of NSW's compliance with section 22(A) of the Act.
73. As outlined in Part 5, clause 101(e) of the Heads of Agreement, the NSW minister responsible for school education, or their delegate (i.e. the Director General (or equivalent) of the Department responsible for school education) must provide an Annual Funding Report to the Commonwealth Education Minister, or their delegate such as the Departmental Secretary, for each calendar year of the Bilateral Agreement.
74. NSW must provide its Annual Funding Report for Year T to the Commonwealth no later than 30 November Year T+1 (i.e. 30 November of the following year).
75. The Annual Funding Report must set out the following:
 - a. the total amount of funding provided by NSW for government schools in NSW for Year T as measured in line with clause 38 of this Bilateral Agreement.
 - b. the total amount of funding provided by NSW for non-government schools in NSW for Year T as measured in line with clause 38 of this Bilateral Agreement.
 - c. total full time equivalent enrolments for Year T, relating to the amounts in (a) and (b) above.
 - d. The amount for each funding type set out in clause 38 of this Bilateral Agreement.
 - e. The amount of funding consistent with the specified NRIPS methodology.
76. For the avoidance of doubt, each amount included in the Annual Funding Report must have been:
 - a. spent by the NSW Government for schools for Year T (including centralised funds expended by the department for schools and funds allocated for schools that are not spent within Year T but are spent within remainder of the financial year or subsequent years by schools), or approved authorities, or
 - b. spent by schools or approved authorities for schools for Year T, and
 - c. not counted towards another reporting year for the purposes of this Agreement, and
 - d. not counted towards another Commonwealth-State agreement, without the explicit consent of the Commonwealth.

77. It should be noted that clause 76 does not prevent NSW from reporting budgeted amounts in its report.
78. Each amount included in the report for a sector must have been allocated or expended for that sector. Note: this means NSW cannot count funding allocated or expended for one sector against the allocation or expenditure of another sector.
79. Each amount included in the report must be net of any Australian Government funding.
80. The Annual Funding Report provides the option for a statement explaining:
 - a. any material variances (positive or negative) in the total amount of NSW's funding contribution that is between Year T and Year T-1 for:
 - i. government schools in NSW and
 - ii. non-government schools in NSW
 - b. any adjustments to NSW's funding contribution (i.e. timing adjustments) outside of the specified NRIPS methodology.
81. For each amount, the report must include evidence that the amount has been certified and is consistent with the agreed methodology in clause 38 of this Bilateral Agreement by one of the following:
 - a. the Auditor-General of NSW or
 - b. an independent qualified accountant or
 - c. an independent qualified accountant engaged by ACARA for NRIPS funding or
 - d. the Director General or equivalent of the education portfolio for the state or territory, but only up to 0.1 per cent of the SRS for NSW for all reported funding.
82. The Annual Funding Report may also provide an explanation and supporting evidence for the National School Resourcing Board's (the Board) consideration of any shortfall between the total amount reported for Year T and the agreed funding contributions for Year T in clause 29 of this Bilateral Agreement.
83. The Commonwealth will provide NSW's Annual Funding Report to the Board for assessment of NSW's compliance for Year T with section 22A of the Act, including any funding requirements specified in this Bilateral Agreement.
84. The Commonwealth may request additional information from NSW on behalf of the Board, to be provided within 21 days. If NSW does not provide information or advice in this timeframe, the Board will make an assessment based on the information and evidence available. Such requests will be consistent with clause 98 of the Heads of Agreement which stipulates that as far as practical, reporting requirements will leverage existing reporting processes and data sources and unless explicitly stated otherwise, will not impose any additional burden on schools.
85. NSW will have an opportunity to provide further information for the Board's consideration following their receipt of the Board's draft findings.

Annual Implementation Report

86. As outlined in Part 5, clause 101(a) of the Heads of Agreement, the Director General or equivalent of the education portfolio for the state or territory must provide an Annual Implementation Report to the Secretary of the Australian Government's Department of Education for each calendar year of this Bilateral Agreement, for the purpose of assessing compliance with paragraph 22(2)(c) of the Act.
87. The template for the Annual Implementation Report is found at Attachment A of this Bilateral Agreement.
88. The Annual Implementation Report for a calendar year is required by 30 November Year T+1 (i.e. 30 November of the following year), or a date as agreed by the Commonwealth and NSW.
89. The Annual Implementation Report must include:
 - a. progress towards agreed reform activity as outlined in Table 4 of this Bilateral Agreement for the National Reform Directions.
 - b. how much additional funding from the Commonwealth is to be directed to implement or augment the National Reform Directions.
 - c. where applicable, information on how the implementation of each of the National Reform Directions is relevant to priority equity cohorts (where applicable and as defined in the Heads of Agreement) and, where relevant, to schools which need additional support.
 - d. progress towards improvement measures specified, only where not currently reported to the Commonwealth.
90. For the avoidance of doubt, NSW's Annual Implementation Report should focus on government school implementation and improvement measures, noting that as per clause 104 in the Heads of Agreement, non-government representative bodies will be required to provide an Annual Implementation Report for Year T to the Commonwealth for each calendar year by 30 November Year T + 1.
91. Unless explicitly stated otherwise, NSW's reporting requirement will leverage existing reporting processes and data sources, as far as practical, and will not impose any additional burdens on schools. Requests to provide data and information to support public reporting will provide reasonable timeframes to respond and ensure accuracy and integrity of data provided.

SIGNATURES


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



The Honourable Jason Clare MP
Minister for Education

Date 11/3/25

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



The Honourable Prudence Car MP
Deputy Premier of New South Wales,
Minister for Education and Early Learning

Date 11 March 2025

ATTACHMENT A: ANNUAL IMPLEMENTATION REPORT TEMPLATE

Purpose of this reporting template

This Annual Implementation Report reporting template contributes to achieving the transparency and accountability commitments under the Better and Fairer Schools Agreement. NSW will fill in the Annual Implementation Report annually and report it to the Australian Government Department of Education; non-government representative bodies will also be required to fill in their own template (see Schedule E of the Heads of Agreement).

National Reform Directions

NSW is required to fill in the below table outlining their implementation of National Reform Directions (in relation to the government school sector) where there is allocation of additional Commonwealth investment. If work is already underway in NSW in relation to a National Reform Direction, then NSW can choose to report qualitative information on the progress of the National Reform Direction.

National Reform Directions	Allocation of additional Commonwealth investment	Description of local implementation	Outline the focus on priority equity cohorts and schools needing additional support (where applicable)	Details of qualitative or quantitative impact
[For example] Structured initiatives that support wellbeing for learning and engagement, for example in-school wellbeing coordinators or access to School Counsellors, psychologists, mental health	How much of the Commonwealth additional investment is being targeted to this work.			For example, ratio of wellbeing functions to students, where applicable.

workers and/or youth health nurses.				
[National Reform Direction]				

Specific National Reform Direction Implementation

National Reform Direction	20xx Update	Evidence/Caveats/Background Information
Phonics and early years numeracy check participation rates, including for priority equity cohorts (where data is available)		
Number of Highly Accomplished and Lead Teachers or equivalent		For e.g. certain percentage being deployed in schools which need additional support.

Improvement Measures

NSW is required to fill in the following table outlining their progress against identified agreed Improvement Measures, only where data is not available at the Commonwealth level:

Improvement Measure	20xx Update	Evidence/Caveats/Background Information
[Jurisdiction-level Improvement Measure]		

[Identified jurisdictional target, where target already exists (if applicable)]		
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ADDENDUM TO THE BILATERAL AGREEMENT BETWEEN NEW SOUTH WALES AND THE COMMONWEALTH ON SCHOOLS REFORM

Preliminaries

1. In accordance with clause 10 of the New South Wales (NSW) Bilateral Agreement (the Bilateral Agreement), the parties agree to vary the Bilateral Agreement signed by each party on 11 March 2025 as set out in this Addendum.
2. This Addendum is an addition to Part 2 and Part 3 of the Bilateral Agreement and should be read together for a complete view of commitments. All other aspects of the Bilateral Agreement are unaffected and remain in force.
3. The additions in this Addendum outline the NSW Government's intended recurrent funding contributions for the non-government school sector and articulates the activities under the National Reform Directions that will be undertaken by the NSW non-government school sector, reported by Non-Government Representative Bodies, Catholic Schools NSW (CSNSW) and the Association of Independent Schools of NSW (AISNSW), in accordance with clause 58 of the Bilateral Agreement.
4. Parties note that under the Bilateral Agreement, 'NSW schools' refers to NSW public schools only and does not include NSW non-government schools. The non-government representative bodies will participate in continuing reform efforts under the Bilateral Agreement.
5. CSNSW and AISNSW were consulted in the development of this Addendum, in line with the consultation requirements for any variations that materially impact the non-government school sector in clause 29 of the Heads of Agreement.

Addendum to Part 2 - Funding

6. Further to clause 31 of the Bilateral Agreement, the following table provides the intended recurrent funding contributions for the non-government school sector over the term of the Agreement. This is based on NSW modelling and publicly available Commonwealth Government estimates of their funding shares, as of 19 June 2024.

Table 5 – Intended NSW Government recurrent funding shares for the non-government school sector

NSW share of SRS	2025	2026	2027	2028	2029+
Non-government	22.0%	21.4%	21.0%	20.5%	20.0%

Addendum to Part 3 – National Reforms

Equity and Excellence

7. Whole-of-system and/or whole-of-school approaches that identify student learning needs early and provide tiered and targeted, intensive supports, in line with evidence-based teaching and a 'multi-tiered systems of support' (MTSS) approach in New South Wales public schools. The key features of this approach are:

- a. Continuing to:
 - i. CSNSW continue to engage with the Australian Early Development Census and the Best Start Kindergarten Assessment.
 - ii. CSNSW continue to provide professional learning and other assistance that supports evidence-based assessment of student needs and practice of multi-tiered system of support.
- 8. A Year 1 phonics check and an early years of schooling numeracy check (once available) is made available to NSW public schools to support teachers and school leaders to identify student learning needs early.
 - a. Continuing to:
 - i. CSNSW continue to support early identification of student learning needs, including through making available the phonics and numeracy checks to Catholic schools and systems, and professional development for the provision of gifted education.
 - ii. AISNSW continue to engage with governments charged with progressing the development of phonics and numeracy check tools (as appropriate) and support access by Independent schools that elect to use them, once tools are available.
- 9. Initiatives that encourage student uptake of high-quality science, technology, engineering and mathematics (STEM) education opportunities.
 - a. Continuing to:
 - i. CSNSW continue to support high-quality STEM through CSNSW Professional Learning for STEM teachers.

Wellbeing for learning and engagement

- 10. Initiatives that support connections between schools and other non-school services to support students to come to school ready to learn, for example through flexible wellbeing hubs where appropriate.
 - a. Continuing to:
 - i. CSNSW continue to support Connected Catholic Communities initiatives, enabling systems and schools to reach out to and network with; families, parish, community and support services to address the social determinants of education, remove barriers and create opportunities enabling all students to achieve their full potential.
 - ii. AISNSW continue to provide support and advice as required to facilitate linkages between Independent schools and non-school services appropriate to the learning environment and school community.
- 11. Structured initiatives that support wellbeing for learning and engagement.
 - a. Continuing to:

- ii. CSNSW continue to collaborate with governments and school proprietors to implement the Commonwealth Government's National Student Wellbeing Program in accordance with the Australian Student Wellbeing Framework.
 - iii. AISNSW continue to support Independent schools to access relevant resources to enhance student wellbeing appropriate to the learning environment and school community. This could include providing information and advice, professional learning, coaching.
- 12. Initiatives which support student engagement in learning, for example greater student participation, attendance, inclusion and/or enhanced school-family engagement.
 - a. Continuing to:
 - i. AISNSW and CSNSW continue to aid schools to access relevant resources to support student engagement appropriate to the learning environment.

A strong and sustainable workforce

- 13. Initiatives to develop, recognise, reward and/or deploy highly expert teachers, particularly in schools which need additional support, for example Highly Accomplished or Lead Teachers (HALT) or equivalents.
 - a. Continuing to:
 - i. CSNSW continue initiatives that support the professional development and accreditation pathways of teachers, including HALT.
 - ii. AISNSW continue to support initiatives that recognise the work of high achieving teachers, including HALT accreditation and AISNSW Experienced Teacher certification.
- 14. Access to high quality and evidence-based professional learning for teachers and school leaders and the provision of quality-assured curriculum resources that have been developed in partnership with the teaching profession.
 - a. Continuing to:
 - i. CSNSW continue to provide CSNSW Professional Learning to educators and responsible persons, enhancing their work and contributing to educational excellence and good governance.
 - ii. AISNSW continue to make high quality curriculum resources available to staff, teachers and school leaders in Independent schools.
- 15. Initiatives to strengthen teacher and school leader wellbeing, for example actions to support safe and respectful schools, strengthen Aboriginal and Torres Strait Islander cultural safety, and reduce teacher and school leader workload.
 - a. Continuing to:
 - i. CSNSW and AISNSW continue to collaborate with the Commonwealth and NSW governments on the National Teacher Workforce Action Plan.

- ii. CSNSW continue to collaborate with governments and school proprietors to implement the NSW Government's Countering Violent Extremism Program.
 - iii. AISNSW continue to deliver the Community Cohesion project to support Independent schools to strengthen whole-school approaches to belonging, resilience and respectful learning environments, in line with the objectives of the NSW Government's Countering Violent Extremism Program.
- 16. Initiatives to increase teacher attraction and retention including those that encourage students to take up a career in teaching and increase the diversity of the teacher workforce, for example initiatives focused on increasing the number of Aboriginal and Torres Strait Islander educators, or through implementing actions under the National Teacher Workforce Action Plan (NTWAP) and/or recommendations of the Teacher Education Expert Panel report.
 - a. Continuing to:
 - i. CSNSW continue to work with universities and school proprietors to support the sustainability of the Catholic teacher workforce.
 - ii. AISNSW continue to collaborate with governments on relevant opportunities arising from the NTWAP, as appropriate, and support relevant NTWAP initiatives. This could include engagement in working groups, providing feedback on proposed initiatives or implementing projects resourced by governments.