

Schedule E: Bilateral reform agreements

Council of Australian Governments

APPENDICES

The following bilateral reform agreements have been agreed:

Appendix 1— South Australia agreed 5 November 2018

APPENDIX 1: BILATERAL AGREEMENT BETWEEN SOUTH AUSTRALIA AND THE COMMONWEALTH ON QUALITY SCHOOLS REFORM

Preliminaries

1. This agreement satisfies the conditions of subsection 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.
2. This bilateral agreement will inform the priorities for the work plans for non-government representative bodies in South Australia under the Australian Government's Non-Government Reform Support Fund.
3. This bilateral agreement between the Commonwealth and South Australia will commence on 1 January 2019 and expire on 31 December 2023. Although these agreements commence on 1 January 2019, a State-Territory share stipulated in a bilateral agreement for 2018 will apply to the 2018 calendar year.
4. In the event the Commonwealth offers terms to the agreement that are more favourable in bilateral agreements with other jurisdictions, including but not limited to:
 - a. an adjustment to the measurement of state funding contribution included in another state's bilateral agreement, or
 - b. any subsequent agreement the Commonwealth makes with any other state or territory which favourably impacts on that state's financial contributions or risk sharing arrangements under the agreement,

then these terms will also be made available to South Australia and this agreement will be updated to take into account the adjustment or material change to circumstance. The agreement may also be updated through agreement with the Commonwealth if there is a material change in the state's circumstances, beyond its reasonable control, which will affect South Australia's fiscal position or the recognition of the state's funding contribution.

Reform context

5. Schools across three sectors in South Australia – government, Catholic and independent – are committed to excellent education outcomes for young people in the state.
6. In 2017, there were approximately 47,325 children and young people in independent schools, 45,769 children and young people in Catholic schools, and 172,534 children and young people in government schools.
7. South Australia is a geographically large state with a small population spread across metropolitan, regional and rural areas. The unique circumstances of each local setting and of each sector affect decisions and choices made by schools to meet the needs of families, carers, children and young people.

8. This includes providing education in rural and remote areas such as the Anangu Pitjantjatjara Yankunytjatjara Lands in the far north-west of the state. This area is home to the Pitjantjatjara, Yankunytjatjara and Ngaanyatjarra peoples and has a population of approximately 2500 people.
9. The South Australian community is deeply diverse and has a rich cultural heritage. The varied characteristics of our communities we serve shapes education provision and need just as much as the state's geographic diversity.
10. South Australia is creating jobs in high-tech industries such as defence, mining and renewable energy, and industries that connect us globally such as tourism, international education, health and biotechnology. South Australia also has a thriving creative arts industry, and in 2015 Adelaide was designated the first and only UNESCO City of Music in Australia. Education must support our young people for global relationships and changing employment options.
11. South Australia is committed to an education system, which embodies excellence, advocates choice, engages parents and teachers and grows opportunities for our next generation. South Australia aims to provide the best education system in Australia through improving education outcomes and teaching standards.
12. South Australia's school education sectors are working to anticipate and respond to a changing global and local economy. Growth industries and jobs are likely to rely less on physical labour or feature low-skill tasks. They will require skills like literacy, numeracy and critical and creative thinking, as well as strong knowledge of subject areas. There is also a continuing demand for service-driven, personal care and entrepreneurial solutions to community challenges. These competencies and skills are embedded in the Australian Curriculum and followed by all South Australian schools to year 10, as general capabilities, and are a necessary complement to subject-based learning.
13. Across the state, all sectors focus on attracting, retaining and supporting education professionals. This includes preparing future leaders and supporting their success.
14. The heads of the three sectors – government, Catholic and independent – have strong collaborative relationships and work together on issues of common interest for South Australia. Current collaborations include:
 - a. shared oversight of the transition to NAPLAN Online
 - b. developing a narrative for all sectors and the South Australian Certificate of Education (SACE) Board about the critical role of the development of general capabilities
 - c. Initial Teacher Education, working with providers on programs across six focus areas:
 1. Program entry
 2. Literacy and numeracy
 3. Program content
 4. Program structure
 5. Professional experience
 6. Mentoring and supervision

- d. Earning and Learning Pathways – considering a collaborative, cross-sector approach to further developing an understanding of the pathways through secondary school to further education, training and employment
 - e. Cross-sector groups on curriculum, child protection and emergency planning
 - f. National certification of highly accomplished and lead teachers – to develop capacity to establish environments that improve student educational achievement and growth.
15. The three sectors maintain collaborative working arrangements including through regular meetings of Education Sector Heads and meetings of cross-sector representatives on specific issues as required.
16. Each sector across South Australia is undergoing considerable system-wide reform, which will accelerate learning and improve outcomes for children and young people. These reforms span the three reform directions outlined by the Commonwealth Government:
- 1. Supporting students, student learning and student achievement
 - 2. Supporting teaching, school leadership and school improvement
 - 3. Enhancing the national evidence base.
17. Although the specific context for each sector varies, the reform activities being undertaken by all sectors are contributing to the national reform agenda. Reform activity across all sectors includes:
- a. School improvement strategy – to build a world-class education system that improves outcomes for all students, including Aboriginal students
 - b. Aboriginal education strategy – to improve outcomes and contribute to closing the gap, including through consultation with communities and supporting Aboriginal governance
 - c. STEM strategy – to enable students to develop knowledge, skills and understanding in science, technology, engineering and mathematics
 - d. Literacy and numeracy programs – to improve the core foundation skills in literacy and numeracy
 - e. Early career teacher programs – to support teacher development in the early years of their career
 - f. Supporting teacher development – including providing appropriate professional development for teachers and leaders
 - g. Entrepreneurial education – to provide students the opportunity to acquire the skills needed to become successful entrepreneurs.
18. The activities listed above are provided for context and are not considered part of the Agreement for the purposes of subsections 22(2) (b) and (c) of the Act.

19. Building on these reform activities, this Agreement sets out additional activities to be undertaken during the term of this bilateral agreement.

Part 1 — REFORMS

Reform activity

20. The reform activities agreed in this bilateral agreement align with the national reform directions of the National school reform agreement.
21. Bilateral reforms will include activity to support improved outcomes for specific cohorts of students as appropriate, including Aboriginal and Torres Strait Islander students.
22. South Australia undertakes to work with the non-government school sector in South Australia in the implementation of the reforms outlined in this agreement.
23. The Commonwealth will not impose financial or other sanctions on States or Territories for a failure by the non-government school sector to cooperate with bilateral agreements, as per clause 50 of the Agreement. Nor will the Commonwealth impose sanctions on the non-government school sector for a failure of a State or Territory to cooperate with them in the implementation of this bilateral agreement.

Table 1 – South Australia bilateral reform plan
GOVERNMENT SECTOR REFORM ACTIONS

Reform Direction	Actions	Timing
Reform Direction A – Supporting students, student learning and student achievement		
<u>School Improvement Model</u> <ul style="list-style-type: none"> All schools are provided a suite of tailored guides to support improvements in literacy and numeracy 		2019
<u>STEM</u> <ul style="list-style-type: none"> Deliver 500 'expert' teachers in primary schools across South Australia, including regional and rural locations 		By 2020
<u>Literacy and numeracy</u> <ul style="list-style-type: none"> Deliver phonics-based literacy and numeracy screening for all Year 1 students Literacy Guarantee Unit operational 		2019 2019
<u>Schools Capital Program</u> <ul style="list-style-type: none"> A program to revitalise ageing infrastructure and increase capacity 		Year TBC
<u>South Australian Government schools' Year 7 transition into high school</u> <ul style="list-style-type: none"> Year 7 transition into high school completed 		Life of the agreement

Reform Direction	Actions	Timing
Reform Direction B – Supporting teaching, school leadership and school improvement		
<u>Aboriginal Education Strategy</u> <ul style="list-style-type: none"> • <i>Release Aboriginal Education Strategy supported by governance arrangements that involve and support transparency to Aboriginal people</i> • <i>Launch of rolling public implementation plan</i> 		2019 2019
<u>Supporting teacher development</u> <ul style="list-style-type: none"> • <i>Teacher and Leadership Academy is established and delivering high quality professional learning</i> 		Life of the agreement
<u>Entrepreneurial Education</u> <ul style="list-style-type: none"> • <i>Entrepreneurial specialist programs implemented in 4 high schools (2 in regional/rural areas and 2 in metropolitan areas).</i> • <i>New business and entrepreneurialism focussed SACE subjects developed</i> • <i>Establish a new technical college in the western suburbs of Adelaide to support young South Australians to develop high level trade, STEM and entrepreneurial skills so they are well equipped for careers in defence, shipbuilding and other maritime industries</i> 		Year TBC Year TBC Year TBC
Reform Direction C – Enhancing the national evidence base		
<u>School Improvement Model</u> <ul style="list-style-type: none"> • <i>Continue to implement agreed improvements to the Nationally Consistent Collection of Data on School Students with Disability</i> 		Life of the agreement

CATHOLIC SECTOR REFORM ACTIONS

Reform Direction	Actions	Timing
Reform Direction A – Supporting students, student learning and student achievement		
<u>Improved Student Learning and Wellbeing</u> <ul style="list-style-type: none"> • <i>Implement the Living Learning Leading Framework</i> 		Life of the agreement
<u>STEM</u> <ul style="list-style-type: none"> • <i>Build System Capacity</i> <ul style="list-style-type: none"> - <i>Conduct an annual STEM Forum</i> - <i>Improve access and equity to quality STEM education for schools and students (particularly girls and ATSI) in low socio-economic areas</i> - <i>Provide science consultancy to schools</i> • <i>Build Teacher and Leader Capacity</i> <ul style="list-style-type: none"> - <i>STEM professional learning for primary and middle years teachers</i> - <i>Provide high quality STEM professional learning based on real world inquiry and integrated interdisciplinary approach</i> • <i>Build Dynamic and Sustainable Partnerships</i> <ul style="list-style-type: none"> - <i>Develop partnerships and networks with industry, universities and other education providers</i> 		Life of the agreement

Reform Direction	Actions	Timing
<u>Literacy and Numeracy</u>	<ul style="list-style-type: none"> • <i>Implement Catholic Education South Australia (CESA) Literacy Learning Strategy</i> - <i>Deliver phonics screening to Catholic Schools for all Year 1 students</i> • <i>Implement CESA Numeracy Learning Strategy</i> - <i>Design and deliver numeracy screening to Catholic Schools for students in the Early Years</i> 	<p>2021</p> <p>2021</p>
<u>Catholic Schools transition of Year 7 into secondary school</u>	<ul style="list-style-type: none"> • <i>Complete transition of Year 7 into secondary settings</i> 	<p>2022</p>
Reform Direction B – Supporting teaching, school leadership and school improvement		
<u>Aboriginal and Torres Strait Islander Education Strategy</u>	<ul style="list-style-type: none"> • <i>Release reviewed CESA Aboriginal and Torres Strait Islander Education Strategy</i> 	<p>2020</p>
<u>Continuous Improvement Framework for Catholic Schools</u>	<ul style="list-style-type: none"> • <i>Review the 2014 Continuous Improvement Framework for Catholic Schools to reflect the Living Learning Leading Framework</i> • <i>Extend External Evaluation process to all Catholic Schools</i> 	<p>2020</p> <p>Life of the agreement</p>

Reform Direction	Actions	Timing
<u>Entrepreneurial Education</u>	<ul style="list-style-type: none"> <li data-bbox="253 347 1615 422">• <i>Initiate and support an Entrepreneurial & Innovation Network of schools to research and enact pedagogies which engage students in developing entrepreneurial skills and dispositions</i> <li data-bbox="253 443 1397 483">• <i>Collaborate with schools to develop and implement a CESA Entrepreneurial Learning Initiative</i> 	<p data-bbox="1722 347 1787 379">2021</p> <p data-bbox="1722 459 1787 491">2020</p>
Reform Direction C – Enhancing the national evidence base		
	<ul style="list-style-type: none"> <li data-bbox="253 595 1093 635">• <i>School Improvement Dashboard developed and provided to schools</i> 	<p data-bbox="1722 595 1787 627">2020</p>

INDEPENDENT SECTOR REFORM ACTIONS

Reform Direction	Actions	Timing
Reform Direction A – Supporting students, student learning and student achievement		
<p><u>Improving Student Learning and Achievement</u></p> <ul style="list-style-type: none"> • Evidence informed improvement practices that meet the cultural and contextual needs of students in Independent schools are provided through the use of the High Impact School Improvement Tool • Schools will explore the Australian Curriculum Literacy and Numeracy Learning Progressions as a means of identifying student learning and achievement to enable teachers to respond appropriately to student learning needs. 		<p><i>Life of the Agreement</i></p> <p>2019-21</p>
<p><u>STEM</u></p> <ul style="list-style-type: none"> • Explore and implement opportunities for STEM Education through the Association of Independent Schools South Australia (AISSA) STEM Task Force <ul style="list-style-type: none"> ○ Audit tool ○ Local and international research bank ○ Industry and tertiary partnerships ○ School-based STEM strategies 		<p>2019/20</p>
<p><u>Literacy and numeracy</u></p> <ul style="list-style-type: none"> • Provide access for all Independent schools to phonics based literacy screening • Implementation of the ReSolve mathematical inquiry project in participating schools 		<p>2019</p> <p>2019/20</p>
<p><u>Middle Years Schooling Improvements</u></p> <ul style="list-style-type: none"> • The Responding to Early Adolescent Learners Committee will investigate and scale best practice in Middle Schooling, including schools required to transition Year 7 students to secondary contexts 		<p>2019 - 2022</p>

Reform Direction	Actions	Timing
	<p><u>Indigenous Secondary Student Mentoring</u></p> <ul style="list-style-type: none"> • <i>Providing Indigenous secondary students with mentoring support, building cultural connections and educational aspiration</i> 	2018 - 2019
Reform Direction B – Supporting teaching, school leadership and school improvement		
	<p><u>Leadership Institute</u></p> <ul style="list-style-type: none"> • <i>The AISSA Leadership Institute supports governing councils, leaders and leadership teams to govern and lead in a rapidly changing education landscape</i> <ul style="list-style-type: none"> ○ <i>Governing Council Conference and workshops</i> ○ <i>Leadership Legal series</i> ○ <i>School Impact Hubs</i> ○ <i>Leadership seminars, conferences and in-school development programs</i> 	<i>Life of the Agreement</i>
	<p><u>Early Career Teacher Development</u></p> <ul style="list-style-type: none"> • <i>Inducting early career teachers to the profession through the provision of professional learning and mentoring</i> 	<i>Life of the Agreement</i>
	<p><u>ChallenGE Project</u></p> <ul style="list-style-type: none"> • <i>The ChallenGE project uses a Design Thinking methodology to develop context specific responses to the needs of highly able learners. Schools will prototype and scale locally developed initiatives.</i> 	2019

Reform Direction	Actions	Timing
<u>Centre for Innovation</u>	<ul style="list-style-type: none"> • <i>The AISSA Centre for Innovation will support schools to implement improvement initiatives through programs including:</i> <ul style="list-style-type: none"> ○ <i>School Impact Hubs</i> ○ <i>Learning Design and Moderation</i> 	<i>2019 - 21</i>
Reform Direction C – Enhancing the national evidence base		
<u>School Improvement Model</u>	<ul style="list-style-type: none"> • <i>Each Independent school is supported to meet both national obligations and strategic school improvement initiatives, through the provision of expert support and advice</i> 	<i>Life of the Agreement</i>

Part 2 — STATE AND TERRITORY FUNDING CONTRIBUTIONS

24. South Australia is committed to funding the education sector to deliver a world class system, providing children the best start to learning and life, preparing young people for work and allowing them to achieve their potential.
25. South Australia has committed significant investment in reform activities, which support the continuous improvement of education in the state, including those described in Part 1 of this agreement. The cost of these reform activities constitutes a substantial increase in the state's level of education funding.
26. An investment of \$692 million will provide new and upgraded facilities for metropolitan and area government schools across the state. In addition, the state government will invest in three new schools to address system demand.
27. South Australia has committed \$250 million to provide 139 government schools with modern STEM facilities, which will provide cutting-edge teaching and learning approaches, helping to prepare students for future jobs across a range of industries. This is integral to South Australian student success as it is estimated that 75 per cent of jobs in the next 10 years will require STEM skills.
28. South Australia has also committed to moving year 7 to high school. This commitment will bring South Australia into line with other jurisdictions providing these students with opportunities for greater depth of learning in specialist strategies.
29. In addition to those outlined above, South Australia continues to prioritise and invest heavily in education in the state and seeks acknowledgement of these efforts.

Required funding contributions

30. Under section 22A of the Act, the state must meet its funding contributions for the government and non-government sectors as a condition of receiving Commonwealth funding.
31. The funding contributions for the government and non-government sectors in 2017 (also known as the 2017 starting share) will be set out in the Regulation and will determine the default requirement if this bilateral agreement is terminated by either party.
32. The 2017 starting shares for South Australia are:
 - a. 75 per cent for the government sector
 - b. 19.72 per cent for the non-government sector as per the 2017 November Commonwealth Funding Estimation Tool
33. The funding contributions for the government and non-government sectors agreed in this bilateral agreement are outlined in the following table for each year from 2018 to 2023. The minimum funding contributions are expressed as a percentage of the Schooling Resource Standard (SRS) as defined in Part 3 of the Act, and take into account clause 40 of this agreement.

Sector	2018	2019	2020	2021	2022	2023
Government	75.00%	75.00%	75.00%	75.00%	75.00%	75.00%
Non-government	19.72%	19.72%	19.72%	19.72%	19.72%	19.72%

34. The funding contributions outlined above have been agreed having regard to clause 40 and based on the following rationale:
- a. South Australia will meet the funding requirements as laid out in section 22A of the Australian Education Act 2013 and this agreement
 - b. the annual SRS shares are based on the 2017 November Commonwealth Funding Estimation Tool
 - c. South Australia will maintain these funding shares through to 2023 in line with the life of this agreement.
35. While minimum required shares are outlined at clause 33, South Australia intends to maintain funding of 22 per cent to the non-government sector for the period 2018 to 2023.
36. If the reported contribution for a state or territory 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. South Australia budgets and accounts for education expenditure on a financial year basis, which is the basis for South Australia's financial commitment pursuant to this agreement.
37. In assessing compliance with this agreement, the National School Resourcing Board (the Board) will take into account mitigating factors that have contributed to non-compliance. This may include, but is not be 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).
38. Consistent with clause 61 of the National School Reform Agreement and in the event of a change to the SRS that has a consequential impact on state contribution requirements, such as the Commonwealth's review of the non-government's sector low socio-economic status funding review (capacity to contribute), the Parties can agree to amend the contribution shares set out in clause 33 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 continuing to provide data required to enable the State to calculate the amount of its contribution on an unchanged basis.

Measurement of contributions

39. For the purpose of this Schedule, Parties have agreed the costs that are measured towards South Australia's funding contribution requirements for the government and non-government sectors.
40. Consistent with the calculation of the SRS, the state 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 4 per cent of the total SRS for the government sector each year for costs contributing to the provision of education in schools, which may only include, at the State's full discretion, direct school transport costs, and depreciation on assets
 - b. all regulatory funding provided by the government for the purpose of:
 - i. SACE Board of South Australia
 - ii. Education Standards Board
 - c. all funding for the reform measures outlined in Part 1 of this bilateral reform agreement and the national policy initiatives outlined in the National School Reform Agreement.

Requirements for annual reporting to the Commonwealth

41. The following clauses set out the annual reporting arrangements for South Australia for a year (Year T).
42. The Commonwealth will provide all states and territories with a Funding Estimation Tool in January Year T+1 prior to the State or Territory's annual report with the final SRS data for Year T for the purpose of the Board's review of section 22A of the Act.
43. The Director General or equivalent of the education portfolio for the State or Territory must provide an annual report to the Secretary of the Department of Education and Training for each year of the agreement.
44. The annual report must be provided no later than 31 October Year T+1 (i.e. 31 October of the following year).
45. The annual report must set out the following:
 - a. the total amount of funding provided by the State or Territory for government schools in the State or Territory for Year T as measured in line with clause 40 above
 - b. the total amount of funding provided by the State or Territory for non-government schools in the State or Territory for Year T as measured in line with clause 40 above
 - c. total full time equivalent enrolments for Year T relating to the funding amounts above.

46. The annual report must also specify the amount for each funding type set out in clause 40 of this bilateral agreement, as well as the amount of funding consistent with the specified NRIPS methodology.
47. Each amount included in the report must have been:
 - a. spent by the State or Territory government for schools (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 in accordance with their local financial plans) or approved authorities, or
 - b. spent by schools or approved authorities for Year T, and
 - c. not counted towards another reporting year for the purposes of this agreement.

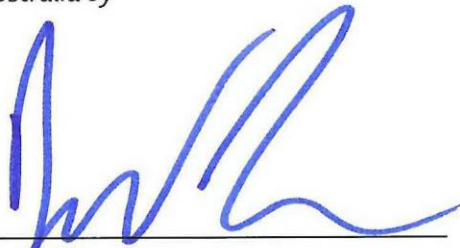
Note this does not prevent a state or territory also including budgeted amounts in its report.

48. Each amount included in the report for a sector must have been allocated or provided for that sector. Note this means a state or territory cannot count funding provided for one sector towards the contribution requirement for another sector.
49. Each amount included in the report must be net of any Australian Government funding.
50. For each amount, except items listed in clause 51 below, the report must include evidence that the amount has been certified and is consistent with the agreed methodology in clause 40 of this bilateral agreement by one of the following:
 - a. the Auditor-General of the State or Territory 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 the State or Territory for all reported funding.
51. For the items listed below, the amounts must be certified in accordance with clause 50 above however it is agreed that evidence of certification will be provided after the annual report but no later than 31 January Year T+2:
 - a. This clause relates to items where the State or Territory has provided evidence the amount does not typically have a material change once audited – i.e. NRIPS data and will be enacted as required.
52. The annual report may also provide an explanation and supporting evidence for the Board's consideration of any material shortfall between the total amount reported for Year T and the agreed funding contributions for Year T in clause 47 of this bilateral agreement.
53. The Commonwealth will provide the State or Territory's annual report to the Board for assessment of the State or Territory's compliance for Year T with section 22A of the Act, including any funding requirements specified in this bilateral agreement.

54. The Commonwealth may request additional information from the State or Territory on behalf of the Board, to be provided within 21 days. If the State or Territory does not provide information or advice in this timeframe, the Board will make an assessment based on the information and evidence available.
55. The State or Territory will have an opportunity to provide further information for the Board's consideration following their receipt of the Board's draft findings.

SIGNATURES

Signed for and on behalf of the Commonwealth of Australia by



The Honourable Dan Tehan MP
Minister for Education
5 November 2018

Signed for and on behalf of the State of South Australia by



The Honourable John Gardner MP
Minister for Education
5 November 2018