

# COUNCIL OF AUSTRALIAN GOVERNMENTS

## FACT SHEET

### NATIONAL EDUCATION AGREEMENT

#### **What is the content of the Agreement?**

The National Education Agreement (NEA) articulates the commitment of all Australian governments to ensure that all Australian school students acquire the knowledge and skills to participate effectively in society and employment in a globalised economy.

The NEA details the roles and responsibilities of the Commonwealth and the States and Territories (the States) and a comprehensive and rigorous framework for performance reporting. These, along with agreed policy and reform directions, will help in achieving these outcomes.

The NEA will deliver \$18 billion to assist the States in meeting the costs of delivering schooling. In the past, this investment in schooling has incorporated funding for General Recurrent Grants, Capital Grants and Targeted Programs.

This funding ensures that the States can allocate resources more flexibly, while providing a set of definitive and measurable performance indicators to provide the basis for accountability by governments to the community. The National Agreement will contribute to the following outcomes:

- all children are engaged in, and benefiting from, schooling;
- young people are meeting basic literacy and numeracy standards, and overall levels of literacy and numeracy achievement are improving;
- Australian students excel by international standards;
- schooling promotes social inclusion and reduces the education disadvantage of children, especially Indigenous children; and
- young people make a successful transition from school to work and further study.

The overall funding includes an additional \$635 million to align historical Commonwealth funding rates between primary and secondary government schools.

The NEA will be adjusted each year using a composite growth factor comprising growth in average school recurrent costs and growth in enrolments in government schools. This will provide an estimated additional \$412 million over the forward estimates period. Funding will be distributed among the States on the basis of full-time student enrolments in government schools.

Additional Commonwealth funding of \$807 million will be provided for the legitimate additional costs of implementing the National Secondary School Computer Fund.

# COUNCIL OF AUSTRALIAN GOVERNMENTS

## FACT SHEET

### **What will the impact of the Agreement be?**

The NEA consists of nationally-agreed objectives, outcomes and performance benchmarks and a performance reporting framework designed to measure achievement of objectives and outcomes. This will enable all governments and sectors to assess student outcomes and ensure that schools are addressing the needs of students. This includes better targeting resources towards the needs of Indigenous students, students with disability and students who are not meeting national standards in key areas such as literacy and numeracy.

### **What will change?**

Under the NEA, the focus in school education has moved away from the input controls which characterised previous funding agreements towards an emphasis on delivering high-quality outcomes. The NEA includes a greater focus on accountability and reporting for three key reasons: to increase accountability to students, parents, carers and community; to provide public accountability in support of COAG outcomes; and to improve the evidence base to support future policy reforms and system improvements including the aim of better directed resources.

While previous funding arrangements were delivered on a quadrennial basis, the NEA will be an ongoing agreement, subject to periodic review. Furthermore, funding for the NEA, along with all agreements that are part of the Intergovernmental Agreement (IGA), will be appropriated through the proposed Federal Financial Relations Act, to be administered by Commonwealth Treasury.

In order to deliver on the Commonwealth Government's election commitments and provide stability and certainty of funding for 2009-2012, funding for the non-government school sector is being appropriated through separate Commonwealth legislation – the *Schools Assistance Act 2008*. The accountability framework for non-government schools and school systems will be consistent with that of the new NEA. The reporting agreed by all governments includes the following elements:

- streamlined and consistent reports on national progress, including an annual national report on the outcomes of schooling in Australia;
- national reporting on performance of individual schools to inform parents and carers and for evaluation by governments of school performance; and
- provision by schools of plain language student reports to parents and carers and an annual report made publicly available to their school community on the school's achievements and other contextual information.

### **What are the benefits that will flow from the Agreement?**

The NEA will provide the foundation for delivering an Education Revolution in all of Australia's schools.

The funding and accountability arrangements delivered under the NEA will provide a strong foundation for reforms in the schooling sector which will better link investment in schooling to improved educational outcomes. By ensuring that all students have access to a quality education, the NEA will help enhance human capital and Australia's long-term prosperity by ensuring that students have the skills required to participate fully and successfully in employment in a globalised economy.

## COUNCIL OF AUSTRALIAN GOVERNMENTS

### FACT SHEET

All Australian governments are committed to achieving higher standards, greater accountability and better outcomes from the education system. To achieve this, a new era of transparency and stronger use of evidence to inform the allocation of resources will be implemented. Detailed school-level data will enable the better targeting of resources to the schools and students where it will have the greatest impact. This includes ensuring that the needs of students with a disability, Indigenous students and students from low socio-economic status backgrounds are met. Through the better monitoring of performance at the student, school and jurisdictional level, educational outcomes can be lifted across all schools and sectors.

#### **When will the changes take effect?**

The NEA will commence operation on 1 January 2009.

# COUNCIL OF AUSTRALIAN GOVERNMENTS

## FACT SHEET

### QUESTIONS AND ANSWERS

#### 1. What is the new Commonwealth-State Financial Framework?

On 26 March 2008, COAG agreed to implement a new framework for Commonwealth-State financial relations to help drive productivity and participation improvement. The focus of the new framework is on significantly reducing Commonwealth prescriptions on service delivery by the States and Territories (the States), in conjunction with outlining clearer roles and responsibilities and implementing outcomes-based public accountability.

The new Commonwealth-State Financial Framework will enhance accountability of governments to the community, sharpen the incentives for reform through new National Partnership (NP) payments, enable States to deploy Commonwealth Specific Purpose Payments (SPPs) more flexibly and reduce administration and compliance costs.

The framework will consist of an Intergovernmental Agreement (IGA) between the Commonwealth and the States, with National Agreements as schedules covering funding arrangements in:

- Healthcare;
- Education;
- Skills and Workforce Development;
- Disabilities Services; and
- Affordable Housing.

These funding arrangements will be ongoing, with periodic reviews to ensure the relevance of objectives and the maintenance of funding adequacy.

#### 2. What is the National Education Agreement?

The schedule to the IGA that covers schools is known as the National Education Agreement (NEA). The NEA will provide the foundation for delivering an Education Revolution in all of Australia's schools. It consists of:

- a statement of objectives and outcomes for all schools and school systems, shared by the Commonwealth and the States, including the roles and responsibilities of each and a framework for performance reporting; and
- the SPP for schooling, which is the primary vehicle for the Commonwealth to provide funding to assist the States to deliver schooling and which States will be able to allocate according to the needs of the schooling area.

The NEA will not be delivered on a quadrennial basis. Instead, it will be an ongoing agreement, subject to periodic review.

The proposed Federal Financial Relations Act (to be administered by Commonwealth Treasury) will appropriate funding for all of the agreements that are part of the IGA, including the SPP and NPs for schooling. Funding for non-government schools will be appropriated under separate legislation, the *Schools Assistance Act 2008*.

# COUNCIL OF AUSTRALIAN GOVERNMENTS

## FACT SHEET

### **3. What are the performance reporting requirements of schools under the NEA?**

Under the NEA, the emphasis is on delivering high-quality accountability and reporting for three key reasons: to increase accountability to students, parents, carers and the community; to improve public accountability in support of COAG outcomes; and to improve the evidence base to support future policy reforms and system improvements, including the aim of better directed resources.

The reporting agreed by all governments includes the following elements:

- streamlined and consistent reports on national progress, including an annual national report on the outcomes of schooling in Australia;
- national reporting on performance of individual schools to inform parents and carers and for evaluation by governments of school performance; and
- provision by schools of plain language student reports to parents and carers and an annual report made publicly available to their school community on the school's achievements and other contextual information.

### **4. Is the non-government sector included in the NEA?**

The NEA is an agreement between governments. Funding for non-government schools and school systems for 2009-2012 will be appropriated through separate legislation, the *Schools Assistance Act 2008*. This legislation is required in order to provide funding certainty for non-government schools, including the appropriation of funding in time for payments to be made in January 2009. The Bill includes a performance and reporting framework consistent with that under the NEA and also continues current indexation and funding arrangements. The reporting requirements will apply equally to government and non-government schools.