Education Research Paper

Victoria – A Failed Education State

Trevor Cobbold

November 2022

Save Our Schools https://saveourschools.com.au twitter.com/SOSAust saveourschools690@gmail.com

Key Points

Education Failures

Victoria is a failed education state because it is failing to ensure equity in school outcomes.

Education Failure 1: Many disadvantaged students do not achieve minimum literacy and numeracy standards

- In 2022, 12-14% of Year 5 low socio-economic status (SES) students did not achieve national literacy and numeracy standards while 11-17% of Indigenous students did not.
- 24% of Year 9 low SES students did not achieve the reading standard; 31% did not achieve the writing standard; 14% did not achieve the numeracy standard.
- 24% of Year 9 Indigenous students did not achieve the reading standard; 36% did not achieve the writing standard and 19% did not achieve the numeracy standard

Education Failure 2: There was virtually no learning improvement by disadvantaged students between 2010 and 2022

- There was no significant learning improvement by Year 5 low SES and Indigenous students between 2010 and 2022 apart from an increase in reading by Indigenous students.
- There were significant declines in writing and numeracy by Year 5 low SES students and in numeracy by Indigenous students.
- Reading, writing and numeracy results of Year 9 low SES students fell between 2010 and 2022;
- Reading scores by Year 9 Indigenous students increased, there was little change in writing while numeracy increased between 2010 and 2019 but fell back to just above the 2010 level in 2022.

Education Failure 3: Large achievement gaps continue between advantaged and disadvantaged students

Year 5 achievement gaps

- Year 5 low SES students and Indigenous students are about 2 years behind high SES student in literacy and numeracy.
- The achievement gaps between Yea 5 high and low SES students in reading, writing and numeracy increased between 2010 and 2022.
- A positive change was a reduction in the reading gap between Year 5 high SES and Indigenous students but there was little change in the writing and numeracy gap.

Year 9 achievement gaps

- Year 9 low SES and Indigenous students are nearly four years behind high SES students in literacy and numeracy.
- The reading gap between Year 9 high and low SES students increased since 2010, there was a small decrease in the writing gap and little change in the numeracy gap.
- A positive change was a large reduction in the reading, writing and numeracy gaps between high SES and Indigenous students. However, the reduction in the writing and numeracy gaps were due to the decline in results for high SES students.

Education Failure 4: A large proportion of low SES students do not complete Year 12

- One-fifth of the estimated Year 12 population in Victorian in 2020 did not complete Year 12.
- 26% of low SES students did not complete Year 12 in 2020, but it was down from 31% in 2009.

Funding failures

Funding failures by successive Commonwealth and Victorian Governments are a major factor contributing to the education equity failures.

Funding failure 1: Funding increases have heavily favoured private schools

Government funding (Commonwealth and state) funding per student (adjusted for inflation) in Catholic and Independent schools has far outstripped that for public schools since 2009.

• Funding per student in Independent schools increased by over three times that for public schools – \$3,492 per student compared to \$1,085 per student in public schools. Catholic school funding increased by \$2,696, over double that of public schools.

Funding Failure 2: Victorian private schools have a large resource advantage over public schools

 Income per student in Independent schools in 2020 was 75% higher than for public schools – \$26,426 per student compared to \$15,076 per student in public schools. Catholic school income per student at \$17,997s is nearly 20% higher than in public schools.

Funding failure 3: Bureaucratisation of public education

Much of the small increase in funding for public schools was used for a huge increase in bureaucracy. Public schools are being robbed of funding to support a bloated bureaucracy.

- Staff in central and regional increased by 83.4% since 2009, nearly three times the overall increase in teachers of 29.3% and over four times the increase in students of 20.2%.
 - Nearly all this increase occurred under the Andrews Government. Non-school staff increased by 81.8% since 2015. Executive staff increased by 57.1%.
- Administrative and clerical staff numbers grew by 75% in primary schools since 2009 compared to an increase of teachers of 44.6% and 25% in students.
- Administrative and clerical staff increased by 56.5% in secondary schools compared to 13.3% for teachers and 13.1% in students

Funding failure 4: Public schools are massively under-resourced

Victoria and Queensland are the equal second most under-resourced public school systems in Australia after the Northern Territory.

- Victorian public schools are currently funded at only 84.6% of their Schooling Resource Standard - 19.5% by the Commonwealth and 65.1% by the Victorian Government.
- The current Commonwealth-Victorian funding agreement defrauds public schools:
 - It allows the state government to claim non-school expenditures as part of its share of the resource standard
 - Victorian Government funding will only be just under 71% of the SRS by 2029.
 - The cumulative under-funding from 2019 to 2029 is estimated at \$19.5 billion.

Funding failure 5: Private schools are over-funded

- Victorian private schools are over-funded because of special deals introduced by the Morrison Government and will remain over-funded until at least 2029.
- Private schools are currently funded at 101.8% of their SRS 81.9% by the Commonwealth and 18.94% by the Victorian Government.
- Commonwealth funding will reduce to 80.5% in 2029 while Victorina Government is funding will reach 20% next year.

Election campaign policy priorities

If Victoria is to become a successful education state, the next government must address the funding failures of the past to increase outcomes for low SES and Indigenous students and reduced achievement gaps between rich and poor. Candidates and parties in the Victorian election campaign must clearly answer three basic questions:

- 1. Do you support increased funding for disadvantaged students and schools?
- 2. Do you support a new funding agreement between the Commonwealth and Victorian governments to require the Victorian Government to increase its funding of public schools to 80% of their SRS within the next four years?
- 3. Do you support removing the special allowances in the current Commonwealth-Victorian bilateral funding agreement that allow the Victorian Government to defraud public schools by including non-school expenditures as part of its share of the SRS?

1. Introduction

The Andrews Government claims that <u>Victorian is the education state</u>. This is a complete misnomer. Victoria is a failed education state. It has failed disadvantaged students and public schools. Funding failures by the Commonwealth and Victorian governments have been a major factor.

School funding failures by the Commonwealth and Victorian governments are a major factor behind these education failures. Public schools in Victoria face a funding crisis. They are massively underfunded while private schools are over-funded. Funding increases over the past decade have heavily favoured private schools. Public schools are defrauded by the current Commonwealth-Victoria bilateral funding agreement. The result is that public schools have far fewer resources than private schools and large learning gaps persist between advantage and disadvantaged students.

The Victorian election is an opportunity to change course. Candidates must clearly commit to improving school outcomes for disadvantaged students. This demands commitments to fully fund public schools.

2. Education failures

Victoria is a failed education state because it is failing on equity:

- Many disadvantaged students do not achieve minimum literacy and numeracy standards;
- There was virtually no learning improvement by disadvantaged students between 2010 and 2022 and several declines.
- There are large achievement gaps between advantaged and disadvantaged students.
- A large proportion of low SES students do not complete Year 12 despite an increase since 2009.

There were a few successes, most notably in some Indigenous outcomes, but they are few and far between.

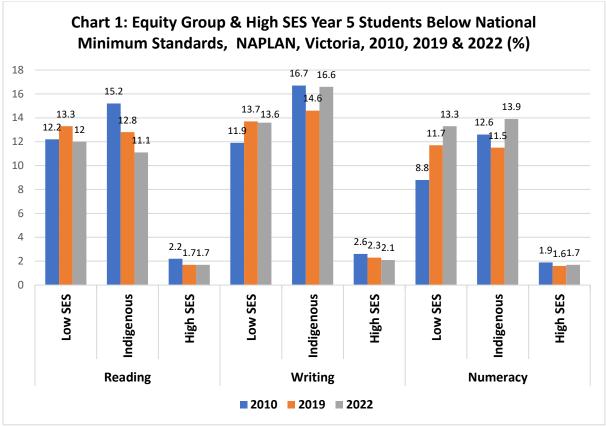
Education Failure 1: Many disadvantaged students fail to achieve minimum literacy and numeracy standards

Many disadvantaged students do not achieve national standards in reading, writing and numeracy. By contrast, very few highly advantaged students do not achieve minimum standards.

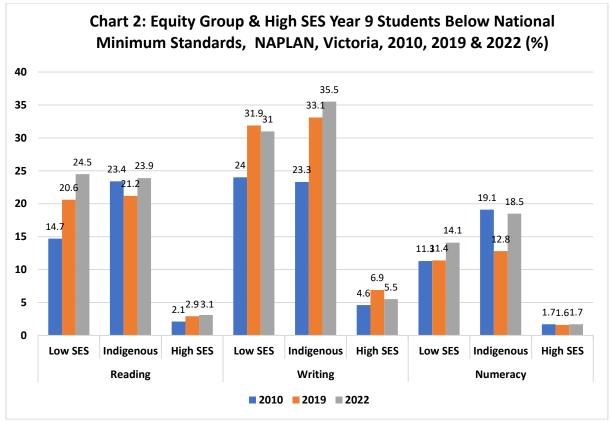
In 2022, 12% of Year 5 low SES students did not achieve the reading standard, 14%% did not achieve the writing standard and 13% did not achieve the numeracy standards [Chart 1] The percentages are similar to reading in 2010 and writing in 2011 when such figures were first published. However, the percentage below the numeracy standard increased from nine to 13%. The increase was not entirely associated with COVID as the percentage below standard increased between 2010 and 2019.

Similar percentages of Year 5 Indigenous students were below the reading and numeracy standards in 2022. Eleven per cent were below the reading standard and 14% were below the numeracy standard. However, 17% were below the writing standard. There was a significant decrease in the percentage below the reading since 2010 but little change in the percentage below the writing and numeracy standards.

By contrast to the significant proportion of low SES students and Indigenous students below national Year 5 standards very few high SES students failed to achieve the standards. Only two per cent of the latter failed to meet the standards.



Source: Australian Curriculum Assessment and Reporting Authority, NAPLAN National Reports. **Note:** The writing percentages are for 2011, 2019 & 2022



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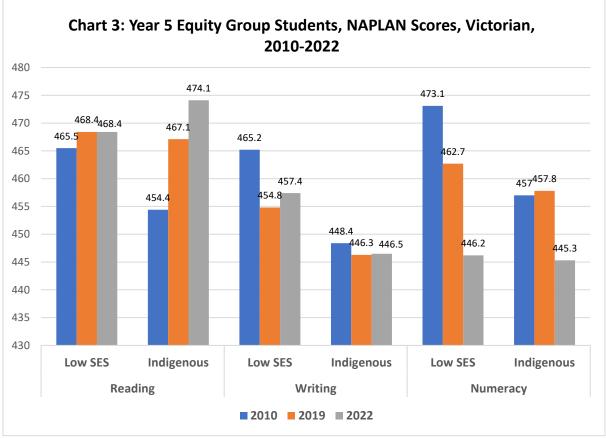
Much larger proportions of Year 9 low SES students were below minimum reading and writing standards in 2022. One quarter (24.5%) of students were below the reading standard and nearly one-third (31%) were below the writing standard while 14.1% were below the numeracy standard [Chart 2]. The proportion below the reading and writing standards hs increased significantly since 2010

Nearly one-quarter (23.9%) of Year 9 Indigenous students did not achieve the reading standard and 35.5% did not achieve the writing standard and 18.5% did not achieve the numeracy standard There was little change in the percentage not achieving the reading and numeracy standards since 2010 and 2011. The percentage not achieving the writing benchmark increase from 23% to 36%.

By contrast, much smaller percentages of high SES students failed to achieve the standards – 3.1% in reading, 5,5% in writing and 1.7% in numeracy. There was little change in the percentage not achieving the benchmarks since 2010 and 2011.

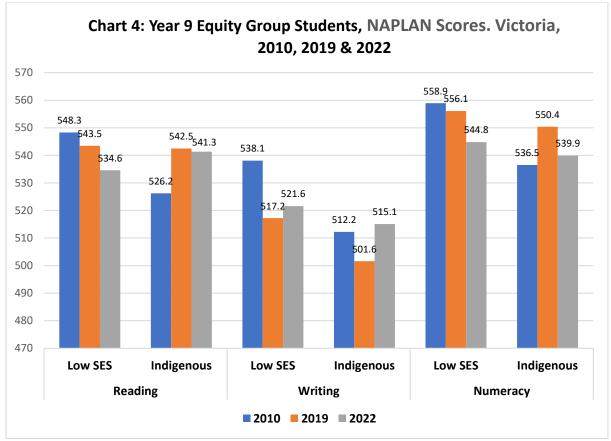
Education Failure 2: Virtually no learning improvement by disadvantaged students

There was no learning improvement by Year 5 disadvantaged students from 2010 to 2022 apart from a significant increase in reading by Indigenous students. Writing and numeracy results for low SES students fell and there was no statistically significant change in reading [Chart 3]. The declines were apparent before COVID.



Source: Australian Curriculum Assessment and Reporting Authority, NAPLAN National Reports. **Note:** The writing scores are for 2011, 2019 & 2022

There were significant declines in reading, writing and numeracy scores by Year 9 low SES students from 2010 to 2021 [Chart 4]. The declines were apparent before COVID. In contrast, there was a large increase in reading by Year 9 Indigenous students between 2010 and 2022, but little change in writing and numeracy. A significant increase in numerary between 2020 and 2019 was reversed during COVID.



Source: Australian Curriculum Assessment and Reporting Authority, NAPLAN National Reports **Note:** The writing scores are for 2011, 2019 & 2022

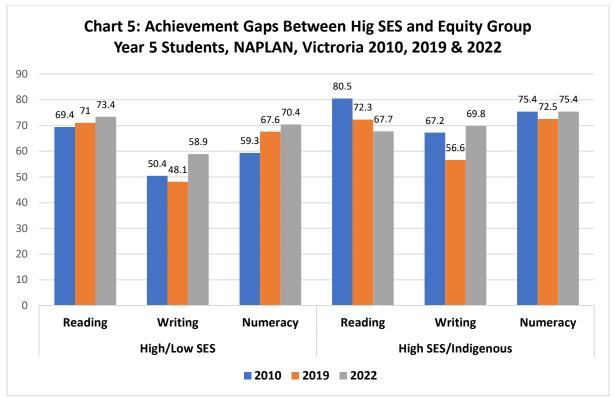
Education Failure 3: Large achievement gaps continue between advantaged and disadvantaged students

Year 5 high SES student results are well above that of low SES and Indigenous students. The achievement gaps between high and low SES students in 2021 were 73 and 70 points on the NAPLAN scale for reading and numeracy [Chart 5]. This is equivalent to over two years of learning. The achievement gap was 59 points in writing. The respective learning gaps between high SES and Indigenous students were 68, 70 and 75 points.

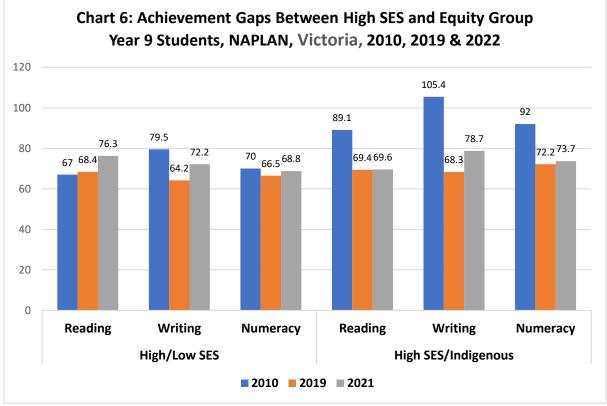
The achievement gaps between Year 5 high and low SES students all increased between 2010 and 2022 The increase in the reading gap was slight and not statistically significant. The increase in the writing and numeracy gaps was due to decline in results for low SES students.

There was a significant reduction in the reading gap between Year 5 high SES and Indigenous students, but little change in the writing and numeracy gaps. The reduction in the reading gap was due to a large increase in Indigenous results than for high SES students.

The achievement gap between Year 9 high and low SES students was nearly four years of learning in reading, writing and numeracy in 2022. While the respective score gaps of 76, 72 and 69 points [Chart 6] were similar to those of Year 5, they represent larger learning gaps because of how the NAPLAN scale is constructed. The gaps between high SES students and Indigenous students were broadly similar



Source: Australian Curriculum Assessment and Reporting Authority, NAPLAN National Reports. **Note:** The writing gaps are for 2011, 2019 & 2022



Source: Australian Curriculum Assessment and Reporting Authority, NAPLAN National Reports. **Note:** The writing gaps are for 2011, 2019 & 2022

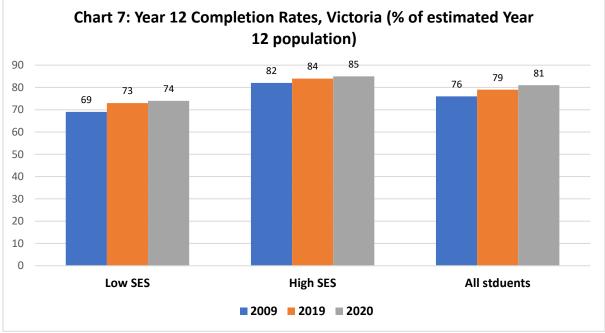
The reading gap between high and low SES student has widened since 2010, there was a small improvement in the writing gap and little change in the numeracy gap. The increase in the reading gap was due to the decline in the results for low SES students. The slightly narrowing of the writing gap was due to a smaller decrease in the results for low SES students than for high SES students.

There were significant reductions in the reading, writing and numeracy gaps between Year 9 high SES and Indigenous students since 2010. The reduction in the reading gap was due to the increase in the Indigenous score. The reduction in the writing and numeracy gaps were due to the large falls in the high SES score rather than improvement by Indigenous students.

In summary, achievement gaps between high and low SES students increased in Year 5 reading, writing and numeracy and in Year 9 reading since 2010 There a small reduction in the Year 9 writing gap that was due to a larger decline in the high SES score than for low SES students. There was little change in the Year 9 numeracy gap.

The achievement gaps between high SES and Indigenous student all declined in Year 5 reading and in Year 9 reading, writing and numeracy. The reductions in the Year 5 and Year 9 reading were due to increased scores by Indigenous students. The reduction in the Year 9 writing and numeracy gaps were due to significant falls in the scores of high SES students rather than any improvement in Indigenous results.

Education Failure 4: A large proportion of students do not complete Year 12



One-fifth of the estimated Year 12 population in Victorian in 2020 did not complete Year 12 [Chart 7]. However, the completion rate increased from 76% in 2009 to 81% in 2020.

Source: Productivity Commission, Report on Government Services, various issues.

There was a large difference between the percentage of low SES and high SES students who completed Yar 12. Just over one-quarter (26%) of low SES students did not complete compared to 15% of high SES students. However, there was a significant increase in the proportion of low SES students completing Year 12 since 2009 when nearly one-third did not complete Year 12. Completion rates are not available for Indigenous students.

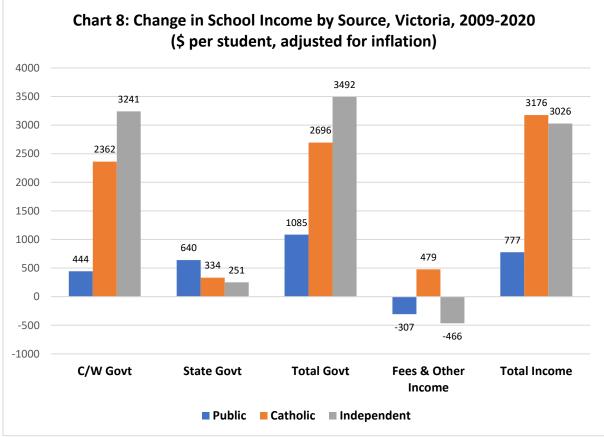
3. Government funding failures

These education equity failures are due in no small part to several funding failures by successive Commonwealth and Victorian governments. As many studies have shown in recent years, <u>money</u> <u>matters in education</u>, especially for disadvantaged students, and governments have failed to adequately fund public schools which are attended by the vast majority of disadvantaged students.

Funding Failure 1: Funding increases have heavily favoured private schools

Government funding (Commonwealth and state) per student in Catholic and Independent schools in Victoria has far outstripped that for public schools since 2009. Funding adjusted for inflation for Independent schools increased by over three times that for public schools – \$3,492 per student in Independent schools compared to \$1,085 per student in public schools [Chart 8]. Catholic school funding increased by \$2,696, over double that of public schools.

Commonwealth Government funding for Independent schools increased by over seven times its funding for public schools while its funding of Catholic schools increased by over four times that for public schools. Commonwealth funding for public schools increased by only \$444 per student, adjusted for inflation, compared to \$3,241 for Independent schools and \$2,363 for Catholic schools.



Source: ACARA, National Report on Schooling data portal. The figures are adjusted for inflation by a combined index of the Wage Price Index for Public and Private Education and the Consumer Price Index.

Victorian Government funding for public schools increased by \$640 per student, \$333 per Catholic student and by \$251 per Independent school student. However, these figures obscure a significant change within the period. The previous Liberal Government cut funding for public schools by \$957 per student between 2011 and 2015. It also cut funding for Catholic schools by \$126 per student and for Independent schools by \$51 per student. The Andrews Government reversed these cuts by

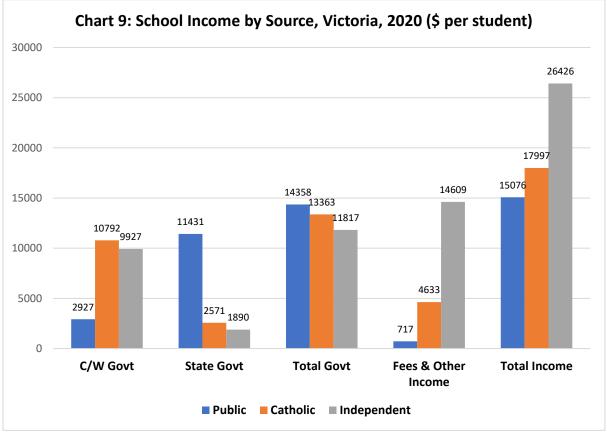
increased funding for public schools since 2015 by \$1,342 per student, \$75 per Catholic student and \$101 per Independent student.

Income from other sources was significantly affected by COVID. Between 2009 and 2019, income from fees and other sources in public schools fell marginally followed by a significant drop of \$277 per student in 2020. Income from these sources in Catholic schools increased by \$655 per student to 2019 and fell by \$176 in 2020. This income of Independent schools increased by \$940 per student to 2019 and fell by \$1,406 in 2020. Many private schools also froze fees during 2021. However, there are indications that fees will increase in 2023.

The outcome of these changes in government funding and other sources of income is that inflation adjusted income per student in private schools increased by four times that of public schools since 2009. Income per student in Catholic schools increased by \$3,176 and by \$3,026 in Independent schools compared to \$777 in public schools.

Funding Failure 2: Victorian private schools have a large resource advantage over public schools

Victorian private schools have a large resource advantage over public schools. The income per student in Independent schools in 2020 was 75% higher than for public schools – \$26,426 per student compared to \$15,076 per student in public schools [Chart 9]. Catholic school income per student at \$17,997s is nearly 20% higher than in public schools.



Source: ACARA, National Report on Schooling data portal.

This resource advantage is due to high levels of government funding, especially in the case of Catholic schools. Government funding for Catholic schools is almost the same as for public schools - \$13,363 per student compared to \$14,358, that is, 93% of public school funding. Government funding for Independent schools at \$11,817 is 82% of funding for public schools The ability to charge

fees ensures private schools can add to their government funding to ensure their resource advantage over public schools. Government funding accounted for 74% of the total income of Catholic schools in 2020 and 45% of the income of Independent schools.

The resource disparity between private and public schools in Victoria highlights the structural failure of the school funding system. About 80% or more of disadvantaged students in the state attend public schools, yet private schools have a major resource advantage and were heavily favoured in funding increases over the past decade or more.

Funding Failure 3: Bureaucratisation of public education

Much of the small funding increase for public schools over the past decade or more has been used to expand the education bureaucracy instead of supporting classroom learning. Successive Victorian governments since 2009 have funded a huge increase in bureaucracy in public education that far exceeded the increase in teachers and students. Bureaucratisation has increased throughout the system - at central and regional offices and schools.

Staff in central and regional offices have also increased by far more than teachers and students. Non-school staff increased by 83.4% since 2009 [Chart 10]. This is nearly three times the overall increase in teachers of 29.3% and over four times the increase in students of 20.2%. Nearly all this increase in central office and regional staff occurred under the Andrews Government. Non-school staff increased by 81.8% since 2015. Executive staff increased by 57.1%.

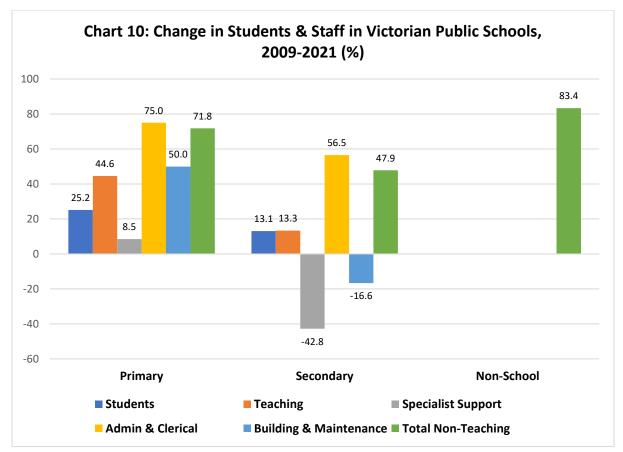
Public schools and disadvantaged students are being robbed of funding to support a bloated bureaucracy devoted to regulation and compliance which requires more administrative staff in schools.

Administrative and clerical staff increased by 75% in primary schools and 56.5% in secondary schools. The increase in primary schools far exceeded the increase in teachers (44.6%) while the increase in secondary schools was over four times the 13.3% increase in teachers. The increases in administrative staff also far exceeded the increase in enrolments – three times the increase in students in primary schools (25%) and over four times the increase in secondary students (13.1%).

Public schools and disadvantaged students are being robbed of funding to support a bloated bureaucracy devoted to regulation and compliance which requires more administrative staff in schools. Increased government accountability requirements and regulations have driven the huge increase in administrative staff in central and regional offices and in schools as well as placing increased administrative workloads on principals and teachers. The promise of more school autonomy and less bureaucratic control has turned into a monster of more bureaucracy at both the central and school levels.

Public schools are subject to widespread accountability measures covering financial management, student well-being, behaviour management and safety, teacher appraisal, compliance training, school review processes, curriculum standards, student progress based on standardised test results, workplace health and safety, and auditing. This requires increased monitoring and administration by managers and staff in central and regional offices. The system has resulted in a strengthening of central control over schools and a focus on management and administration rather than direct support for teaching and learning.

Despite the huge increase in administrative staff, the workload of teachers has not diminished. Instead, the administrative load for principals and teachers has increased. School leaders and teachers are working longer hours on accountability measures. Filling out endless forms for central office is part and parcel of the life of principals and teachers.



Source: Australian Bureau of Statistics, Schools Australia.

Funding Failure 4: Public schools are massively under-resourced

The current bilateral funding agreement between the Commonwealth and Victorian Governments authorises massive under-funding of public schools. Public schools are funded at well under their SRS, which is the level of government funding nationally agreed as necessary for schools to meet students' educational needs. Officially, Victorian public schools are funded at 89.2% of their SRS, 19.5% by the Commonwealth and 69.7% by the Victorian Government.

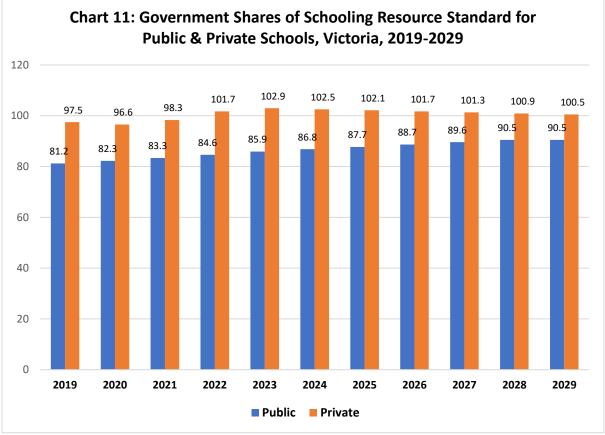
However, public schools are actually funded at much less than this because of a special clause in the funding agreement that allows the Victorian Government to claim non-school based expenditures not officially included in the measure of the SRS as part of its share of the SRS. Under the agreement, it can claim depreciation and rural school transport expenditure up to 4% of the SRS as part of its share and all expenditure on public schools by the Victorian Curriculum and Assessment Authority and Victorian Registration and Qualifications Authority.

This special deal between the Morrison and Andrews Governments effectively reduces the Victorian Government share of the SRS to only 65.1% in 2022. Taking account of the Commonwealth share of 19.5%, public schools are currently funded at 84.6% of their SRS. Victoria and Queensland have the equal second most under-resourced public school systems in Australia after the Northern Territory. The funding shortfall is estimated at \$1.9 billion.

A stark inconsistency in the agreement is that there is no provision for the Victorian Government to substitute non-school expenditure for an increase in its recurrent funding of private schools. For example, there is no provision for expenditure on the Curriculum and Assessment Authority and the Registration and Qualifications Authority as it relates to private schools to be included as part of the

state's share of the SRS of private schools. Private schools get an actual increase in recurrent funding whereas public schools are defrauded by the inclusion of non-school expenditure items in their SRS.

Unless the new bilateral agreement to be negotiated next year to apply from 2024 is substantially revised, public schools will remain under-funded indefinitely. The current agreement only requires the Victorian Government to fund public schools at 75% of their SRS by 2028. The continuation of the special allowances would mean that public schools would only be funded at 70.5% of their SRS by the Victorian Government and at 90.5% by combined Commonwealth and Victorian Government funding [Chart 11]. In the absence of any change, the cumulative under-funding from 2019 to 2029 is estimated at \$19.5 billion including a funding shortfall from 2022 to 2029 of about \$13.5 billion [Chart 12].



Source: Senate Estimates, 2021-22 Budget Estimates, AQON SQ21-000848; Department of Education, Skills and Training, Choice and Affordability Fund Agreements 2020; Commonwealth-Victorian bilateral agreement, annual reports of regulatory agencies.

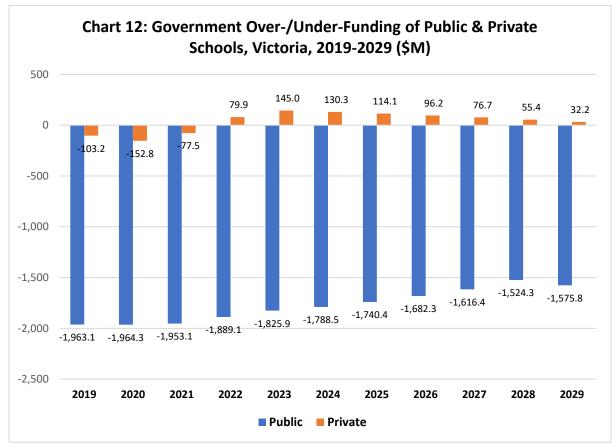
Funding Failure 5: Private schools are over-funded

The resource advantage of private schools is projected to accelerate over the rest of the decade to 2029 under the current arrangements. Commonwealth funding for private schools will increase under special deals provided by the Turnbull and Morrison Governments.

Under the current funding arrangements, the Commonwealth will fund private schools at 80% of their SRS and the Victorian Government will fund the remaining 20%. However, official figures show that the Commonwealth is funding private Victorian private schools at 81.3% of their SRS in 2022 and their funding will remain above 80% until 2028. However, these figures do not include the many special deals for private schools introduced by the Morrison Government such as the \$1.2 billion Choice and Accountability Fund which operates until 2029. This funding boosts the Commonwealth

share to 81.9% in 2022 and will only reduce to 80.5% in 2029. The Victorian Government is funding private schools at 19.94% of their SRS in 2022 and will reach 20% next year.

In total, Victorian private schools are funded at 101.8% of their SRS in 2022 and will be over-funded for the rest of the decade, reaching 100.5% in 2029. The cumulative over-funding from 2022 to 2029 is estimated at about \$734 million.



Source: Save Our Schools

4. Equity in school funding must be a priority for the next Victorian Government

If Victoria really is to become a successful education state, the next government must address the funding failures of the past. Numerous studies show that money matters in education. Over the past decade and more, the biggest increases in school funding have been directed to the school sectors least in need while public schools and the vast majority of disadvantaged students have been denied the funding needed to achieve grater equity in education outcomes.

At present, Victorian public schools are the equal second most under-resourced system in Australian. They are funded at only 84.6% of their SRS and they will be only funded at just under 91% for the rest of the decade if the current arrangements are not revised

The key priority for the next Victorian Government is to fund public schools at 80% of their SRS within the next four years. The chronic severe under-funding of public schools cannot be allowed to continue.

The current funding agreement is blatantly biased in favour of private schools. First, the agreement only provides for public schools to be funded at 95% of their Schooling Resource Standard (SRS) by 2029 while private schools are funded at over 100% of their SES until at least 2029. Second, the agreement allows the Victorian Government to claim certain non-school expenditures as part of its share of the SRS of public schools but not for private schools. The effect is that public schools will be funded at less than 91% of their SRS until at last 2029 while private schools are funded at over 100% of their SRS for the rest of the decade. As a result, public schools are massively under-funded while private schools are over-funded.

The Commonwealth-Victorian Government bilateral funding agreements is due to be re-negotiated next year and apply from the beginning of 2024. It must ensure that public schools are funded at 100 per cent of their SRS.

The new bilateral funding agreement must remove the a in the current agreement that allow the Victorian Government to defraud public schools by counting expenditures not included in the measure of the SRS as part of its share of the SRS.

In the election campaign, candidates and parties must clearly answer three basic questions:

- 1. Do you support increased funding for disadvantaged students and schools?
- 2. Do you support a new funding agreement between the Commonwealth and Victorian governments to require the Victorian Government to increase its funding of public schools to 80% of their SRS within the next four years?
- 1. Do you support removing the special allowances in the current Commonwealth-Victorian bilateral funding agreement that allow the Victorian Government to defraud public schools by including non-school expenditures as part of its share of the SRS?