

Greater Returns on Investment in Education

Government Schools
Funding Review
Summary



MINISTER'S MESSAGE



The Andrews Labor Government has made a bold promise to all Victorians: to revitalise our education system and transform Victoria into the Education State. This means great schools for every community, great teachers in every classroom, and delivering every student the chance to succeed in learning and life.

Victoria's prosperity rests not on what can be dug out of the ground, but on the ingenuity, talent and spirit of our people. The jobs of the future are in ideas and knowledge. Our kids will need to be smarter, more creative and well-rounded than ever before.

That all starts with a quality education — for every child, regardless of location, background or circumstance.

Several reviews of the education system have confirmed the unacceptable link between low achievement and student disadvantage. To ensure more Victorian students are reaping the rewards of the Education State, and to improve student outcomes, we need to break this cycle.

That is why I asked former Premier, the Hon Steve Bracks AC, to review the way government schools are funded.

We have a strong and vibrant system, with a lot to be proud of. Indeed, there are many parallels between Mr Bracks' independent review and our Education State reform agenda already well-advanced: common themes of equity, excellence, inclusion, innovation, collaboration, transparency and improved efficiency.

The 2015/16 State Budget saw the single biggest injection of education funding in Victoria's history: almost \$4 billion in extra funds including \$747 million directed to breaking the cycle of disadvantage, meeting in full our obligations under the Gonski agreement through to 2017, and getting critical extra support to the schools and students who need it most.

We're investing significantly more to support those who are most vulnerable, including \$8.6 million over two years to help re-engage students who are at risk of leaving school early. We implemented more needs-based funding, improved support for our teachers and principals, and improved our regional structure. All in our first year of government.

A solid foundation has been laid. But we can — and must — do more to help kids learn, increase parents' confidence and provide the resources schools need. We want to give students the skills they need for work and life.

For the first time, we've set targets measuring the whole of a student's ability — not just academic achievements. They include:

- halving the number of students leaving school each year during Years 9 to 12
- improving student results for academic fundamentals such as maths, science and literacy
- more students reaching the highest levels of achievement in critical and creative thinking
- more pride and confidence in government schools.

These are ambitious targets. And they will require tough decisions around finite funding to be achieved. But we do not shy away from them. We know that effort and investment spent on our children's education will be repaid many times over — in better jobs; a more resilient economy; fairer, more prosperous communities; and happier, healthier people.

It's why the Gonski funding is so critical. The Review highlights that if the Commonwealth reneges on its commitment to the final two years, more than \$1.1 billion in education funding will be lost. This loss of funding will disproportionately impact on government schools and it will leave the Andrews Labor Government with no alternative but to rethink school funding. That is why it is essential that the Turnbull Government honour its agreement to ensure our most vulnerable students are treated fairly.

A central premise of the Review is that better student outcomes rely on collaboration and shared responsibility across all schools, across all sectors. It reaffirms the Education State reform agenda, encouraging stronger partnerships between schools beyond the school gate. It's why the Education and Training Reform Act now guarantees that per-student funding for Catholic and independent schools is at least 25 per cent of that for government schools.

Through this Review, Mr Bracks has undertaken one of the most significant investigations of school funding and related policy arrangements in recent times. The 70 recommendations support, and seek to advance, the Education State's ambitions.



The Hon James Merlino MP

Deputy Premier
Minister for Education

It will take time to discuss the Review's proposals with key stakeholders, and develop a clear, considered approach consistent with the significant reforms already underway. Over the coming months, we will carefully work through them to ensure any changes are meaningful and implemented effectively. They will inform our Budget decisions for the 2018 school year and beyond.

I would like to thank Mr Bracks for freely contributing his time, eminent public policy skills and knowledge to deliver a vision of a funding system that gives students, parents, teachers and principals new hope for the future.



WHAT IS THE BRACKS REVIEW?

To help deliver on the Government's promise to make Victoria the Education State — and in light of the Commonwealth's decision not to honour the final two years of the Gonski funding deal — we asked former Premier the Hon Steve Bracks AC to do a comprehensive review of school funding.

The Review's aim was to provide an independent, evidence-based plan on how to achieve a funding system that supports schools and promotes excellent educational outcomes for all Victorian government school students, including:

- how current levels of government school funding are allocated and used
- whether current levels of the Student Resource Package (SRP) are calculated, constructed and distributed in the most effective and efficient manner
- Commonwealth contributions to school funding in Victoria
- how to ensure the funding system is clear and transparent for principals and school communities.

Mr Bracks and his team consulted widely, conducting meetings with stakeholders, researchers and interested parties, and receiving a large number of written submissions.

It is one of the most significant investigations of school funding and related policy arrangements in recent times.

WHAT DID THE REVIEW SAY?

The Review highlights new reform opportunities to improve education outcomes for all Victorian students. Its key finding is that school funding is a powerful tool to improve outcomes for all students when allocated appropriately, but at the core of the current system is a misalignment between funding, effort and outcomes.

Mr Bracks argues the key issues with the current system mean that funding is not sufficiently needs-based and does not support the continuous improvement required across the sector to lift student outcomes. Instead, at times the system itself contributes to further concentration of disadvantage in government schools.

The Review sets out 70 wide-ranging recommendations.

The Key Findings

- Although the state performs well overall, some students are less likely to do well at school (including students who are disadvantaged, students in rural areas, and Koorie students).
- How school funding is carved up is difficult for parents, teachers and principals to understand.
- Schools are operating as 'single units' rather than as a system, and schools do not have the capacity and support to use the authority that has been devolved to them.
- Unfair Commonwealth funding settings disadvantage the state's most vulnerable students.

RECOMMENDATIONS

The Review's key recommendations are based around six themes:

1. *Creating a shared goal*

The Review recommends:

- all sectors commit to the goal of lifting learning and development outcomes for all students

2. *Fairer funding architecture*

The Review recommends:

- education funding be directed to where it will achieve the biggest impact for students with the greatest needs
- the Commonwealth provide its annual funding allocation to Victoria, while overseeing data quality and transparency
- the Commonwealth's Gonski funding agreement to 2018 and 2019 be honoured, and if the Commonwealth does not honour the agreement Victoria must entirely rethink its funding model
- the development of a long term reform strategy for improving student outcomes, with evidence-based annual budget submissions and transparent reporting

- government schools report annually on how they intend to raise local funds and use them to improve student outcomes

3. *Improved strategic governance*

The Review recommends:

- improving collaboration and innovation between all schools to improve operational efficiencies and student outcomes

4. *More empowered regions, schools and principals*

The Review recommends:

- an annual program of strategic audits to report on how effectively schools are using resources to improve outcomes for students, with findings made public via a new Education Performance Portal
- the Victorian Public Sector Commissioner consider increasing principal salaries to encourage improved performance
- encouraging high performing teachers to work in disadvantaged schools through new incentives

5. *Greater information quality and transparency*

The Review recommends:

- establishing an Education Performance Monitor to drive student improvement and inclusion
- better sharing of information on how schools are funded, their performance and 'what works'
- clearer communication with integrated and simpler reporting to reduce red tape while improving the quality of information

6. *Better meeting student needs*

The Review recommends:

- introducing new funding formulas including rural, indigenous, health and wellbeing and school size loadings, to improve outcomes for our most vulnerable students
- encouraging smaller schools to consider partnering with nearby schools.



WHERE TO FROM HERE?

The Review sets out 70 wide-ranging recommendations. Over the coming months, the Government will develop a clear, considered approach consistent with other significant reforms already underway. We'll continue to talk with parents, students, teachers, principals, industry and communities to understand their needs and priorities and how the reforms proposed in the Review would affect them.

We need to consider any changes in the context of the 2017/18 State Budget deliberations, and to ensure consistency with commitments made as part of our Education State reform program.

We will release our formal response later in the year.

WE'VE ALREADY STARTED

DELIVERING EXCELLENCE AND BREAKING THE CYCLE OF DISADVANTAGE

We know there's a link between a child's social and economic background and how well they do at school. We want to break that link. Over the next four years we're committing \$566 million to target our most vulnerable kids by giving them the individual, tailored attention they need.

BUILDING THE EDUCATION STATE

Quality infrastructure is critical to delivering our vision for the Education State. The Victorian Government has set an ambitious target to improve community pride and confidence in our schools. We need to invest in building new schools and upgrading existing ones so students, teachers, principals, parents and carers are in the best environments possible.

Through the 2015/16 Budget, we have invested a record \$730 million in school capital so every community has access to a great local school, and every child gets the chance to succeed.



ESTABLISHING 10 TECH SCHOOLS

With rapid global and economic change, new industries and opportunities will emerge. Some of these careers don't even exist yet — but we have to give students the skills they'll need for the jobs of the future. That is why we're delivering on our \$125 million commitment to establish 10 Tech Schools — stand-alone centres of learning excellence using the latest technology, discovery and innovation, combined with hands-on experience.

They will give thousands of secondary school students the skills and training they need to flourish into the future.

EXCELLENCE IN TEACHING AND LEARNING

The single most important thing we can do to improve student outcomes is to improve the quality of teaching and learning in every classroom.

So we're providing \$21.6 million to support government school teachers teach the new Victorian Curriculum — including mandatory new subjects like digital coding and respectful relationships.

The jobs of the future are likely to require Science, Technology, Engineering and Maths (STEM) skills.

We're investing \$27 million over five years to train 200 Primary Maths and Science Specialists who will work in 100 of our most disadvantaged schools.

Our Secondary STEM Catalysts program will train 60 teachers across 30 secondary schools to become STEM 'catalysts' and help their colleagues make STEM education more engaging for Years 7 and 8 students.

SUPPORTING OUR SCHOOLS

To become the Education State, we need to empower principals and teachers to do the jobs they are best qualified for.

We're providing \$82.2 million over four years and \$24.8 million ongoing for around 150 locally-based staff to provide operational support and advice to principals, so they can focus on the education of their students, rather than administration.

Our investment in new regional staff will provide dedicated support to schools, with 17 new areas created within the Department's current four regions. Each area will work in close partnership with their local community, supporting local decision making, creating stronger partnerships with the community and the business sector, and helping join up our services with other Government departments.

Our investment in the regions will ensure that our school communities get the support they need, when they need it.

Bass Valley Primary School is a terrific example of the Education State reform program in action

The school is central to a number of small communities between the Bass Highway and the small coastal town of Corinella in South Gippsland. It has around 180 students, with a further 25–30 kindergarten students attending the six-month Prep transition program.

For years, its academic performance was well below state level and similar schools across the curriculum — particularly in literacy.

The school recognised that early intervention was necessary to make sustainable change.

After using data to identify that the core issue behind poor academic results was students' limited use of language and vocabulary when starting, Bass Valley developed *Ready, Set, Go!*, a literacy based program to build vocabulary and use of language, build parents' skills in helping their children learn and support transition to primary school.

Education State funding will now be used to extend the program into Prep and Year 1 so each of the nine grades at the school has an Education Support staff member.