

# Submission to the Victorian Parliamentary Inquiry into Public School Funding

Victorian Government

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# Victorian Government submission: Inquiry into Public School Funding

The Victorian Government welcomes the opportunity to make a submission to the Victorian Parliamentary Inquiry into Public School Funding by the Legislative Council Legal and Social Issues Committee (the Committee).

This submission provides an overview of government school funding in Victoria, including the national funding framework, the operation of the **Schooling Resource Standard (SRS)**, and Victoria's investment in school funding and reform. It outlines how funding is translated into improved learning, wellbeing and workforce outcomes for Victorian students.

The submission focuses on government school funding and reform, while acknowledging the broader national funding framework that applies to all school sectors.

## 1. Overview of school funding

### Introduction

In Australia, the states and territories have constitutional responsibility for school education, and for delivering and regulating school education in their respective jurisdictions.

The Victorian Government is the majority funder of government schools in the state, and the majority funder of schooling overall in Victoria. The Commonwealth Government is the majority funder of non-government schools.<sup>1</sup>

In Victoria, the *Education and Training Reform Act 2006* (Vic) includes provision for education and training in Victoria. This includes compulsory education, vocational education and training, the government school system, the regulation of government and non-government schools, state funding for non-government schools, the employment of the teaching service in government schools, and regulation of the teaching profession.

### State and Commonwealth roles

Commonwealth funding for school education is provided under section 96 of the Constitution.<sup>2</sup>

To receive Commonwealth funding for government and non-government schools, the *Australian Education Act 2013* (Cth) (AEA) requires state and territory governments to be party to a **Multilateral Agreement** relating to school education reform, and a **Bilateral Agreement** setting out agreed Commonwealth and state or territory funding shares for government and non-government schools.

The Multilateral Agreement sets out shared national reforms and outcomes measurement and reporting for Australian schooling, and national policy reforms to be jointly implemented by all governments. It also outlines the Commonwealth funding targets for government and non-government schools to be delivered by the end of the agreement.

Bilateral agreements are signed between the Commonwealth and individual state and territories. The purpose of the bilateral agreement is to outline agreed Commonwealth and state funding shares for government and non-government schools for each year of the agreement. Bilateral agreements also detail state-level school education reforms that will be delivered against the National Reforms

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<sup>1</sup> In 2026, Victoria will contribute 20% of the SRS for non-government schools in 2026 while the Commonwealth will contribute 80%. Australian Government, [Victorian Bilateral Agreement](#) to the Interim School Funding Agreement 2025, Australian Government Department of Education.

<sup>2</sup> This provides that that 'Parliament may grant financial assistance to any State on such terms and conditions as the Parliament thinks fit'. [Australian Constitution](#), S96.

Directions for all school sectors. This includes continuing activity underway in school systems, and additional reforms toward which additional new Commonwealth funding will be directed.

## Schooling Resource Standard

The Commonwealth Government uses the SRS to determine the recurrent funding requirements for government and non-government schools in each state or territory. Based on formulas outlined in the AEA, the SRS provides an estimate of how much total public funding a school needs to meet its students' educational needs.

The SRS is largely based on the recommendations of the *Review of Funding for Schooling* undertaken by David Gonski in 2011 (the Gonski review).<sup>3</sup> The aim of the review was to ensure every Australian school student, regardless of their background or personal circumstances, has access to a high-quality education.

The AEA and bilateral agreements set out the respective Commonwealth and state or territory SRS percentage shares for government and non-government schools for each year of the agreement. The AEA also specifies what can be counted toward state and territory contribution shares (for instance, school builds are excluded), which is independently certified as part of annual reporting requirements (see below).

## Calculating the Schooling Resource Standard

The SRS entitlement for a school is comprised of 2 main components:

- **Base funding** which is an estimate of how much total public funding a school needs to meet its students' educational needs and is funded on a per student basis. The amount differs between primary and secondary schools, reflecting the higher costs of education for secondary school students.
- **Loadings** which are provided to help meet the additional costs associated with educating students with additional needs, or a school's circumstance (see below). Students and schools can attract more than one loading.

There are 6 needs-based loadings in the SRS model, which comprises 4 student-based loadings and 2 school-based loadings:

- *students with disability loading*: additional funding for students which is calculated based on data that is collected annually from schools as part of the National Consistent Collection of Data on School Students with Disability.
- *low English proficiency loading*: additional funding for each student from a language background other than English where at least one parent has completed school education only to Year 9 (or equivalent) or below.
- *Aboriginal and Torres Strait Islander loading*: additional funding for each Aboriginal and Torres Strait Islander student. The loading amount increases as the proportion of Aboriginal students in each school increases.
- *socio-educational disadvantage loading*: additional funding for each student from a socio-educationally disadvantaged background. This is calculated based on the percentage of students in the lowest 2 quartiles of socio-educational advantage based on the occupational and educational status of student parents.
- *school size loading*: additional funding for medium, small and very small schools, in recognition that they cannot achieve the same efficiencies of scale as a large school.

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<sup>3</sup> David Gonski, *Review of Funding for Schooling, Final Report, December 2011*. Australian Government Department of Education website, accessed 3 December 2025.

- *school location loading*: additional funding for schools in regional and remote locations in recognition that it generally costs more to educate students in regional and remote schools than it does in metropolitan schools.

### *Indexation of SRS funding*

The SRS base amount and all loadings are indexed each year to reflect changes in prices and therefore costs faced by schools. The SRS indexation rate is finalised around August in the relevant school year. Calculation of the SRS indexation rate is prescribed in the AEA and is the higher of 3% or a factor calculated from movements in the Wage Price Index (75%) and Consumer Price Index (25%) published by the Australian Bureau of Statistics.<sup>4</sup> This approach provides certainty for schools with a minimum increase in the SRS base amount and loadings each year, and is weighted toward wages increases to reflect that teacher and staff salaries for a significant proportion of schools' costs.

### *Capacity to Contribute score for non-government schools*

The Gonski review recommended accounting for the capacity of a school community to contribute to the costs of the school as a critical component of the SRS model, providing a transparent, simpler and fairer funding system based on the needs of students and schools. All government schools were recommended to continue receiving full public funding in recognition of the role of the government sector as a universal provider of schooling for all, irrespective of parental financial capacity to contribute toward the cost of schooling.<sup>5</sup>

For most non-government schools, the base funding amount of the SRS (but not the loadings) is discounted by between 10% and 80% based on a calculated capacity to contribute (CTC) score. CTC is a measure of a non-government school community's capacity to contribute to the ongoing costs of running their school, relative to the capacity at other non-government schools. CTC is based primarily on the income of parents and guardians of students attending the school.

CTC scores are calculated annually by the Commonwealth Department of Education. Originally based on the socioeconomic score of the school, the Direct Measure of Income (DMI) method was subsequently developed to provide a more accurate assessment by drawing directly on personal tax data to determine the median income of parents and guardians at a school. A school's CTC score is its average DMI for the last 3 years.

## **Victoria's Student Resource Package**

As recognised by the Gonski review,<sup>6</sup> states and territories, and system authorities for non-government schools, have direct responsibility for operating and distributing funding to individual schools and are best placed to determine the most effective allocation of available resources to their schools relevant to their local context. This is based on the principle of subsidiarity, which is enshrined in the AEA.<sup>7</sup>

Victoria's needs-based funding model, the **Student Resource Package (SRP)** is used to allocate most Commonwealth and Victorian funding to Victorian government schools for staffing and local expenses, such as classroom materials, cleaning and utilities. The SRP is tailored to the specific needs of Victorian government school students and schools, informed by granular system and student data.

The SRP comprises 3 types of funding:

1. **student-based funding** – the major source of funding for schools comprising approximately 90% of the total SRP provided to schools. It is designed to cover:

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<sup>4</sup> Australian Government, [Schooling Resource Standard](#), Department of Education, accessed 27 January 2026.

<sup>5</sup> David Gonski, [Review of Funding for Schooling](#), Final Report, December 2011. Australian Government Department of Education website, accessed 3 December 2025.

<sup>6</sup> David Gonski, [Review of Funding for Schooling](#), Final Report, December 2011. Australian Government Department of Education website, accessed 3 December 2025.

<sup>7</sup> Australian Education Act 2013, Section 78(5), 'Ongoing funding requirements for approved authorities.'

- 1.1 **core teaching and learning**, including funding for core student learning, leadership, teaching support, professional development, relief teaching, payroll tax and superannuation costs for the school
  - 1.2 **equity funding**, where additional funding is required to compensate for additional student learning needs. This includes funding for social disadvantage, catch-up funding and students with disability.
2. **school-based funding** – provides funding for school-specific programs (including funding based on school size and location) and school infrastructure, such as maintenance and minor works, and grounds allowance.
3. **targeted initiatives funding** – funding for programs with specific criteria or defined life spans, such as the Mental Health in Primary Schools and the Respectful Relationships programs.

Additional funding is delivered through state-wide programs, and schools can also raise funds through voluntary local parent contributions and local fundraising.

Schools are advised that to support timely educational and wellbeing outcomes of students, funding provided through the SRP as cash or credit should be expended in the year it is received, consistent with the *Financial Management Act 1994*. In September 2025, the Department of Education released a new School Carryover Policy. Under the School Carryover Policy, from 2026 schools will be limited from carrying over year-on-year unspent government funds provided through the SRP. This is in line with the principle that needs-based funding provided for students at a school in a particular year should be used to support improving the outcomes of those students in that year.

## Challenges in annual state and territory reporting on school funding

Estimates of the actual funding amount required to meet the SRS target for individual schools is calculated by the Commonwealth Government using its **Funding Estimation Tool (FET)**, which is then aggregated to a state SRS dollar amount. The funding required to meet the SRS target shifts over the course of the school year as updated data is incorporated into the FET. This includes updated school census data, changing enrolment of students that attract needs-based loadings, and changes to the SRS indexation rate.

All states and territories report to the Commonwealth Department of Education on funding provided to government and non-government schools for the previous school year, for independent review by the National School Resourcing Board (the Board). The Board is a Commonwealth statutory authority that provides independent oversight of Commonwealth school funding arrangements. It reviews different parts of the funding model under the AEA and the Australian Education Regulations 2023 and makes recommendations to the Commonwealth Minister for Education on school funding arrangements.<sup>8</sup>

While SRS percentage targets for each year of bilateral agreements are fixed, the required expenditure in dollars to meet the SRS target fluctuates during the relevant school year. This is owing to data on enrolments and student characteristics not being finalised until January in the year following the relevant calendar year (e.g. SRS expenditure for 2026 will not be finalised until January 2027). This is in line with the principle that a school's funding should reflect the characteristics of students enrolled in a given year.

However, this fails to recognise school funding decisions are planned and allocated in the State Budget in the year prior, and that there are limited means to increase or allocate funding outside of the State Budget cycle and outside of school planning processes. Government schools strategically plan and allocate their SRP budgets, including program and staffing needs, in the previous year. This makes it difficult for schools to spend increased funding allocated late in the school year by the end of the same year.

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<sup>8</sup> Australian Government, [National School Resourcing Board](#), Australian Department of Education, 23 October 2025, accessed 7 January 2026.

As an example, the SRS expenditure target for the 2023 school year shifted significantly twice:

- In May 2022, Victoria made school investment decisions for the 2023 school year in the 2022-23 State Budget based on a forecast of Victoria's share of the SRS of \$8.959 billion.
- In late 2022, the expenditure required to meet the SRS target grew by \$125.9 million (following an increase in the SRS indexation rate from 3% to 4.3%). Victoria was able to increase the allocated funding (originally funded in the 2022-23 State Budget) from \$8.959 billion to \$9.085 billion via the 2023-24 State Budget (during the 2023 school year).
- Then in late 2023, the SRS expenditure target increased further by \$144.6 million to \$9.23 billion (based on changes to enrolments of students with disability). The late timing of these changes did not allow the State to allocate additional funding before the end of the reporting period. Victoria reported to the Board that it did not meet the 2023 SRS target.

As part of its report to the Commonwealth, Victoria put forward these mitigating factors for non-compliance and the Board found that they were reasonable. The factors included an increase in the SRS indexation rate from 3% to 4.3% since the Victorian Government budgeted for the 2023 school year, and changes in student characteristics beyond what was anticipated.<sup>9</sup> In its response to the Board's findings, the Commonwealth considered no compliance action was required for the 2023 school year.<sup>10</sup>

## 2. Better and Fairer Schools Agreement

### Current status of the Better and Fairer Schools Agreement Heads of Agreement

On **30 January 2025**, the **Better and Fairer Schools Agreement Heads of Agreement 2025-2034** (BFSA Heads of Agreement) was signed by Victoria and the Commonwealth. This was a historic milestone which secured a pathway to 100% of the SRS for Victorian government schools by 2034.

Under the agreement, the Commonwealth will lift its SRS share for government schools to 25% of the SRS (compared to its current contribution of 20%), which Victoria and other states and territories had advocated for since 2018. Victoria will lift its share to 75% of the SRS and phase out the 4% allowance for non-standard inclusions in SRS and replace it with recurrent funding on eligible SRS expenditure by 2034.<sup>11</sup>

The primary focus of the BFSA Heads of Agreement is the delivery of activities against the 3 National Reform Directions for all Australian schools: Equity and excellence; Wellbeing for learning and engagement; and A strong and sustainable workforce. It also outlines 5 National Enabling Initiatives for joint implementation by the Commonwealth and states and territories, including reviews of the SRS model and the Measurement Framework for Schooling in Australia.

To understand the impact of shared reform efforts, the BFSA Heads of Agreement includes Improvement Measures and national-level targets aligned to the National Reform Directions. Accountability, transparency and reporting requirements for states and territories and non-government school sectors are also outlined, including an Annual Implementation Report to the Commonwealth that will be published each year on implementation progress.

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<sup>9</sup> Australian Government, [National School Resourcing Board](#), Australian Department of Education, 23 October 2025, accessed 7 January 2026. See Victorian Government response from p. 23.

<sup>10</sup> Australian Government, [Australian Government Response](#), Department of Education, accessed 23 January 2026.

<sup>11</sup> Australian Government, [Better and Fairer Schools Agreement 2025-2034](#), Section 78. Department of Education, 23 January 2025, accessed 21 October 2025. The BFSA Head Agreement commits states and territories to phase out the 4% allowance for costs not directly related to school education, such as capital depreciation, and replacing it with recurrent funding on eligible expenditure. Each state and territory will outline their approach in their respective bilateral agreements at Schedule D, which for Victoria is still subject to negotiations.

## Current status of Victoria's bilateral agreement to the BFA Heads of Agreement

On 8 December 2025, Victoria signed an **interim bilateral agreement** for 2026 to enable negotiations to continue on a long-term agreement that achieves the shared ambitions of both governments. The interim agreement maintains the SRS targets for government schools and non-government schools at their current SRS levels in 2026.<sup>12</sup>

The Victorian government school reforms outlined in Victoria's bilateral agreement reflect the Education State reform agenda. This includes a focus on teaching and learning, student mental health and wellbeing, student engagement and attendance, self-determination in education for First Nations students and workforce attraction and retention.

The Victorian Government is currently negotiating a long-term agreement with the Commonwealth to deliver full and fair funding for government schools and remains committed to reaching 75% of the SRS for government schools.

## 3. Victorian investments in school education since 2014-15

### The Education State

The Victorian Government's priority is that every child, no matter their circumstance or where they live, has access to a world-class education in a school backed by full and fair funding.

Since 2015-16, the Victorian Government has invested \$38.6 billion in school education. This includes investment of \$18.5 billion on school infrastructure, the vast majority in addition to SRS funding. Over half of all new schools opened in Australia since 2015 have been delivered in Victoria.<sup>13</sup> The Victorian Government has also invested more than \$1.8 billion in our government school workforce, adding 14,000 registered teachers between 2020 and 2025 and over 1,300 FTE additional teachers in schools between June 2024 and June 2025. As set out below, this has led to one of the best government school student-teacher ratios in the country.

In late 2024, the Victorian Minister for Education launched *The Education State – Excellence in Every Classroom*.<sup>14</sup> The statement sets out reform priorities for the next phase of reform, building on existing investment.

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<sup>12</sup> Australian Government, [Victorian Bilateral Agreement to the Better and Fairer Schools Agreement](https://www.education.gov.au/recurrent-funding-schools/resources/victoria-bilateral-agreement-interim-school-funding-agreement-2025), Australian Government Department of Education, 12 December 2025, accessed on 9 February 2026. <https://www.education.gov.au/recurrent-funding-schools/resources/victoria-bilateral-agreement-interim-school-funding-agreement-2025>.

<sup>13</sup> Victorian Government, [More New Schools Than Ever In The Education State](#), 6 August 2025, accessed 15 January 2026.

<sup>14</sup> Victorian Government, [The Education State – Excellence in Every Classroom](#), Department of Education website, accessed 4 December 2025.

## Operating expenditure in Victorian government schools

Victorian contributions to government schools increased from \$6.67 billion in 2018 to an estimated \$9.84 billion in 2024 (**Table 1**). Between 2014-15 and 2022-23, Victoria increased **recurrent per student expenditure** in government schools from \$14,655 per FTE per year, to \$19,628 per FTE per year.<sup>15</sup>

**Table 1: Victorian SRS target and contribution for government schools (nominal dollars) 2018-2024**

Financial Year	Victorian SRS target for government schools (\$m)	Victorian contribution (\$m)	Victorian growth (\$m)
2018	6,642	6,666	-
2019	7,116	7,012	346
2020	7,498	7,656	644
2021	7,999	8,084	428
2022	8,474	8,411	327
2023	9,230	9,011	600
2024 (preliminary figure)	9,827	9,838	827

Source: Victorian data reported to the National School Resourcing Board.<sup>16</sup>

During the same period, Victorian operating expenditure on non-government schools also increased from \$0.75 billion in 2018 to an estimated \$1.01 billion in 2024 (**Table 2**).

**Table 2: Victorian SRS target for non-government schools (nominal dollars) 2018-2024**

Financial Year	Victorian SRS target for non-government schools (\$m)	Victorian contribution (\$m)	Victorian growth (\$m)
2018	758	752	
2019	803	793	41
2020	858	831	38
2021	909	912	81
2022	973	1,107	195
2023	1,052	1,023	-84
2024 (preliminary figure)	1,142	1,098	75

Source: Victorian data reported to the National School Resourcing Board.

<sup>15</sup> Productivity Commission, [Report on Government Services 2025 – school education data tables – Table 4A.1](#), Productivity Commission website, 11 February 2025, accessed 1 April 2025. Includes user cost of capital.

<sup>16</sup> This data can be found in published the National School Resourcing Board's reports published on the Australian Government website, [Annual Review of state and territory funding contributions](#), 23 October 2025, accessed 5 February 2026.

## Victoria's investments are seeing nation-leading results

### NAPLAN achievement

This investment in Victorian government school students, teachers and school communities has achieved nation-leading NAPLAN results.

In 2025, Victorian students achieved the best overall NAPLAN results in the country – with Victorian students achieving first or second place in 18 of 20 NAPLAN measures. Victorian students also improved on 17 of 20 NAPLAN measures compared to 2024.

In 2025, more Victorian students achieved at the strong or exceeding levels – the 2 highest levels in NAPLAN. Importantly, Victoria also has fewer students in the 'needs additional support' category, with less students in the bottom band than in 2024 on 16 of 20 measures.<sup>17</sup>

Victorian First Nations students also achieved substantial improvements in Years 5 and 7 Numeracy and Grammar and Punctuation; however, we know there is still more to do to close the gap in outcomes between First Nations students and their peers.

Victorian students' participation also remains strong and increased in 2025 with 96% participating in at least one assessment – the highest participation rate since 2008.

These results will be strengthened further with the implementation of Victoria's Reading Position and the implementation of the Year 1 Phonics Check from 2026, and the adoption of explicit teaching in every classroom (see below).

### Investment in the schools workforce

Since 2019, the Victorian Government has invested more than \$1.8 billion to grow a strong and sustainable supply of teachers to ensure schools can attract and retain the best teachers and leaders.

The growth in recurrent per student expenditure in Victorian government schools since 2014-15 has delivered significant investment in the government school workforce over the same period.

Since June 2016, the Victorian government schools' workforce has grown by an average of 3.63% per year, with a total increase of 37.7% on 2016 numbers (58,326 in June 2016 to 80,311 in June 2025) (see **Table 3**). This has led to one of the best student-teacher ratios in the nation (see **Table 4**).

Ongoing staff make up 88% of the workforce in June 2025 – steady since June 2024<sup>18</sup>, and up from 84% in June 2021 – driven by focused work to attract ongoing teachers and convert fixed-term roles to ongoing.

Government school teaching staff numbers are expected to continue to grow, reflecting continued student enrolment and the impact of workforce initiatives such as Secondary Teaching Scholarships, Teach Today, Teach Tomorrow, and Career Start (see below).

**Table 3: Victorian growth in government teaching service full time equivalent (FTE), 2016 to 2025**

Year	Teaching staff (FTE)	Education support staff (FTE)	Total government teaching service	Government teaching service growth (no.)	Government teaching service growth (%)
June 2016	43,334	14,992	58,326		
June 2017	44,218	15,427	59,645	1,319	2.3%
June 2018	45,935	16,562	62,497	2,852	4.8%
June 2019	46,832	17,483	64,315	1,818	2.9%
June 2020	47,841	18,156	65,997	1,682	2.6%

<sup>17</sup> Victorian Government, [Victorian Students Top of Class in NAPLAN](#), 30 July 2025, accessed 5 February 2026. See also: ACARA, [National Report on Schooling](#), accessed 5 February 2026.

<sup>18</sup> Victorian Government, [Department of Education Annual Report 2023-24](#).

June 2021	50,065	18,970	69,035	3,038	4.6%
June 2022	50,062	19,951	70,013	978.0	1.4%
June 2023	51,122	21,631	72,752	2,740	3.9%
June 2024	52,631	24,019	76,650	3,898	5.4%
June 2025	53,989	26,323	80,311	3,662	4.8%

Source: Department of Education, Victoria. Note totals may not add due to rounding.

**Table 4: Student-teacher ratios in government schools, 2015-2024, August**

Pri/Sec	Year	Vic	NSW	Qld	SA	WA	Tas	NT	ACT	Aust.
Primary	2015	15.3	15.8	14.8	14.9	15.7	15.4	13	14.6	15.3
	2016	14.8	15.6	14.5	14.9	15.4	15	12.6	14.7	15
	2017	14.8	15.8	14.4	14.9	15.6	14.8	12.3	15	115
	2018	14.6	15.4	14.2	14.6	15.7	14.8	12.6	14.9	14.8
	2019	14.4	16.8	14.3	14.5	15.8	14.4	11.8	14	15.2
	2020	14.1	16	14.3	14.5	15.6	13.9	11.8	13.9	14.8
	2021	13.5	15.2	14.4	14.5	15.3	13.7	11.8	13.4	14.4
	2022	13.5	15	14.2	13.8	15.3	13.4	11.4	13.6	14.3
	2023	13.4	14.9	14.2	13.7	15.4	13.3	11.8	13.5	14.2
	2024	13	14.1	14.1	13.6	15.4	12.7	11.3	13	13.8
Secondary	2015	12.6	12.5	12.7	13.2	12.6	13.4	11.9	11.6	12.7
	2016	12.5	12.5	12.5	13.3	13.4	13.2	11.9	11.8	12.6
	2017	12.3	12.4	12.4	12.9	12.6	13.1	12.4	11.9	12.4
	2018	12.1	12.3	12.2	12.7	12.4	12.9	12.1	12.3	12.3
	2019	12.3	13.9	12.1	12.7	12.6	12.7	11.9	12.3	12.8
	2020	12.2	13.4	12.1	12.5	12.8	12.5	11.8	12.4	12.6
	2021	11.8	13.2	12.1	12.1	12.6	12	11.9	13.3	12.4
	2022	11.6	13	12.1	12.9	12.6	12	11.5	12.7	12.3
	2023	11.5	13.2	12	12.9	12.7	11.8	11.4	12.8	12.3
	2024	11.5	12.7	11.8	13	12.8	11.4	11.3	12.9	12.2

Source: Australian Bureau of Statistics, Schools, Table 53a, Student (FTE) to teaching staff (FTE) ratios, 2006-2024.

Investment and reform are supporting teachers at different stages of their career to develop their practice, grow in their career and stay in the profession. Investment to date includes:

- \$88.4 million since 2019 to deliver **Teach Today, Teach Tomorrow**, an employment-based teaching degree program for postgraduate students that integrates paid work in schools into teaching degrees.
- \$93.2 million for **Secondary Teaching Scholarships**, and a further \$2 million from 2026 to provide up to 200 scholarships to students studying to teach in-demand specialisms, such as science, mathematics and technology.
- \$32.2 million to deliver **Pre-service Teacher Placement Grants**, and an additional \$10.6 million investment in 2026 to provide a per day payment for placements in regional and remote areas and in specialist schools.
- \$13.6 million for **Aspiring Koorie Teachers Now**, which aims to increase the employment of First Peoples in government schools through employment-based training supports.

- \$198.2 million to deliver **Career Start**, which supports eligible graduates and their mentors through a comprehensive teaching induction program.
- \$173.4 million to deliver advanced professional learning for high-performing teachers and school leaders through the **Victorian Academy for Teaching and Leadership**, including the Teaching Excellence Program.

## Investment in new schools, expansions, upgrades and maintenance

The Education State is delivering significant new investment in school infrastructure in Victoria. Victoria's government schools are one of the largest asset bases in Victoria. As of 2025, the Asset Replacement Value of government school buildings is \$35.97 billion and \$17.86 billion in land value.

As Victoria's population growth continues, the Victorian Government is investing in new schools to ensure every community has a great local school. The Victorian Government's vision for the Education State includes providing modern, safe and welcoming school environments where every child and young person can learn and engage. Schools are placed at the centre of communities and continue to provide outstanding facilities so communities can have pride in their local school.

Since 2015, \$18.5 billion has been invested to build, upgrade and maintain school infrastructure across Victoria. This has delivered more than 2,300 school upgrade projects at more than 1,230 government schools, including funding for all 100 new schools committed to open by 2026. Over half of all the schools built in Australia since 2015 were built in Victoria.<sup>19</sup> The vast majority of this investment in addition to the Victorian Government funding contribution toward the SRS target for government schools.

The Department of Education requires that school infrastructure design supports contemporary teaching practices, is adaptable to changing pedagogies, and provides for health and wellbeing services. New school buildings and school upgrades promote effective educational delivery and also provide value to the broader community through access to high-quality facilities, such as competition-grade sports venues.

Increasing co-location of early childhood services and government schools has supported improved service delivery and more connected communities. Since 2021, every new government primary school has a kindergarten, either on site or next door, to provide easier access to kindergarten and smooth the transition from kindergarten to school.

Between 2019 and 2026, 104 new and expanded kindergartens were delivered on school sites, including 24 scheduled to open in 2026. A further 19 are scheduled to open between 2027 and 2028.<sup>20</sup>

### *Investment to deliver new schools and address enrolment growth*

Investment in government school infrastructure is responsive to Victorian population growth and school enrolments. Each year, the Department of Education reviews historic and forecast demographic data and actual enrolments to advise when and where schools need to be delivered to meet growing demand. In 2026, 19 new schools have opened, and a further 2 are scheduled to open in 2027<sup>21</sup>.

Recent investment provided \$947.7 million to build 16 of the 19 new schools to open in 2026, acquitting the 2018 commitment to open 100 new schools.

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<sup>19</sup> Victorian Government, [More New Schools Than Ever In The Education State](#), 6 August 2025, accessed 15 January 2026.

<sup>20</sup> Victorian Government, [Kinders at schools](#), 27 January 2026, accessed 9 February 2026; Victorian Government, [Welcome to 2026, Early Childhood Update](#), 4 February 2026, accessed 5 February 2026.

<sup>21</sup> Victorian Government, [Victorian School Building Authority - New schools](#), 2 September 2025, accessed 9 February 2026.

Recent investment also includes \$771 million to deliver the 2 new schools in 2027, additional stages and expansions at 7 recently completed schools, and funding to acquire land at up to 10 future new schools and campuses at existing schools.

### *Upgrading existing government schools:*

Over the past 11 years, over 2,300 school upgrade projects have been delivered at more than 1,230 government schools as part of the **Capital Works Program**, which provides upgrades to address school condition or capacity requirements. Recent investment included \$321.7 million in capital funding for upgrades at 35 schools<sup>22</sup>. School upgrades are also delivered through the following specialised programs:

- the **Accessible Buildings Program**, which since 2023-24 has received \$53 million in investment and delivered more than 3,000 projects to make reasonable adjustments for students and staff with disability, and to promote equitable access for people of all abilities to government schools, as required under the *Disability Discrimination Act 1992*.
- the **Capital Works Fund** (and the former Minor Capital Works Fund) which since 2020 has received \$191.8 million and supported more than 600 small-scale priority projects that improve the learning environment, condition, or character of government schools.

### *School maintenance*

The Victorian Government is committed to ensuring that all government school buildings are safe, secure and well maintained. Maintenance programs lengthen the life of assets and assist in providing students with modern and up to date learning facilities.

Since 2015, the annual maintenance and compliance budget has increased by over 6 times, to over \$600 million in 2026. This includes more than \$340 million that will be provided directly to government schools through SRP allocations.

The 2024–25 State Budget allocated an additional \$265 million over 4 years, and \$40 million ongoing, to essential maintenance and compliance programs. In addition to base funding, this brought the total allocation for essential maintenance and compliance to \$529.9 million or 1.5% of Asset Replacement Value in 2024–25, and \$560.8 million or 1.6% Asset Replacement Value in the 2025 school year. By comparison, maintenance funding in 2014–15 was \$105.3 million (approximately 0.8% of Asset Replacement Value then).

The **Rolling Facilities Evaluation** (RFE) program commenced in 2018 and delivers maintenance assessments to every Victorian government school on a rolling 5-year cycle to meet the maintenance needs of schools. Following assessment, schools receive funding through the **Planned Maintenance Program** to address any high priority maintenance tasks identified through their RFE assessments. Recent investment allocated \$115.5 million to the Planned Maintenance Program.<sup>23</sup>

The **Small Schools Program** assists small rural and regional school leaders by reducing the administrative burden of managing routine maintenance, essential safety measures, occupational health and safety obligations and return to work obligations. The program has been rolled out to more than 300 eligible rural and regional schools across the state.

## **Effective teaching and learning**

### *Victorian Teaching and Learning Model 2.0*

Building on the excellent teaching practices of many high achieving Victorian schools, a refreshed **Victorian Teaching and Learning Model** (VTLM 2.0) was released in June 2024. The VTLM 2.0

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<sup>22</sup> Victorian Government, [Investing in our kids and their classrooms](#), 21 May 2025, accessed 9 February 2026.

<sup>23</sup> Victorian Government, [Planned Maintenance Program](#), 7 November 2025, accessed 9 February 2026.

shares contemporary evidence about how students learn, and sets out the evidence-based teaching practices that are most effective in supporting learning, especially for priority cohorts.

### *Victorian Reading Position, including phonics*

Funding of **\$34.6 million** over 5 years was provided in the 2025-26 State Budget to support the strengthening of evidence-based teaching of reading across Victoria. This includes:

- **\$5.0 million** to support the transition to universal phonics education in schools
- **\$7.9 million** for the development and delivery of a Year 1 phonics check and licensing costs for the Progressive Achievement Test – Reading in all government schools
- **\$11.7 million** to continue 17 regional Education Improvement Leaders to support local literacy and phonics capability building efforts in schools
- **\$10.0 million** to continue small group tutoring for the 2026 school year.

Victoria's **Reading Position** requires all students from Prep to Grade 2 to be taught using a systematic synthetic phonics approach as part of their reading programs, with a minimum of 25 minutes daily explicit teaching of phonics and phonemic awareness, aligned to the evidence of the most effective teaching practices. This is a core component of a comprehensive reading program that also includes explicit teaching of oral language, vocabulary, reading fluency and comprehension.<sup>24</sup>

All Year 1 students will also be required to sit a **Year 1 Phonics Check** from 2026, to support teachers to earlier identify students at risk of falling behind in reading.

### *Victorian Mathematics Position*

To support teachers to identify students falling behind in mathematics, **\$10.4 million**<sup>25</sup> is being invested in a **Year 1 Numeracy Check**, which is due to be fully implemented in all Victorian government schools from 2027.

Victoria's **Mathematics Position** applies the evidence-based approach of VTLM 2.0 to the context of mathematics teaching. Its strategies include the school-wide use of high-quality classroom resources, addressing mathematics anxiety and building confidence, ensuring students build mastery and providing professional learning and support for teachers.

### *Victorian Lesson Plans*

Investment of **\$16.4 million**<sup>26</sup> is being provided to develop high quality, sequenced **Lesson Plans** across mathematics, English, science and technologies. Aligned to the Victorian Curriculum, Lesson Plans are aimed at reducing duplicative workload for teachers and better supporting out-of-field and early-career teachers with lesson planning.

### *Self-determination for First Nations people*

Prioritising self-determination and cultural safety are fundamental enablers for lifting the education and wellbeing outcomes for Victoria's First Nations children and young people. As part of the Education State commitment to build excellence in every classroom, we are partnering with First Nations communities to **embed truth-telling and culture in the Victorian Curriculum** and supporting teachers to build the capability and confidence to embed First Nations history, culture and perspectives in their teaching.

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<sup>24</sup> Victorian Government, [Making Best Practice Common Practice in the Education State](#), 13 June 2024, accessed 5 February 2026.

<sup>25</sup> Victorian Government, [We're Backing Public Schools – And Making Maths Count](#), 22 May 2025, accessed 9 February 2026.

<sup>26</sup> Victorian Government, [Making Maths Best Practice Common Practice](#), 5 December 2024, accessed 9 February 2026.

## Student attendance and engagement

Attendance is a key priority for Victorian government schools. The Department of Education continues to set strong expectations that all Victorian government schools monitor and follow up on student absences and work closely with parents and carers to support students to attend and engage in school.

Victorian government schools are delivering evidence-based interventions that the Australian Education Research Organisation has found effective in supporting student engagement and attendance. This includes **School-wide Positive Behaviour Support, Positive Classroom Management Strategies, School Breakfast Clubs**, and extensive mental health supports.

For students experiencing long-term disengagement, the **Navigator** program supports students aged 12 to 17 to re-engage in education. Staff work with young people, their families and schools to provide the tailored support they need. This includes addressing barriers to learning and supporting a pathway back to regular attendance. Navigator has received investment of \$192.6 million since it commenced in 2016.

## Senior secondary pathways reform

Since 2018, the Victorian Government has invested **\$775 million** in reforming senior secondary education<sup>27</sup> to shape a secondary school system where more students:

- choose and engage in the pathway that fits them best
- finish school confident and prepared for what's next
- go on to jobs, study or roles that fit their interests and strengths.

Key reform achievements include:

- introducing the Victorian Certificate of Education (VCE) Vocational Major, delivered at 490 schools to 30,460 students in 2025, which is 63 more schools and 44.2% more students than predecessor program VCAL<sup>28</sup>
- Victoria being the only state to record continued **Vocational Education and Training (VET) enrolment growth** in schools for the past 5 consecutive years, with more than one-third (34.1%) of Year 11 and 12 students in Victorian government schools choosing VET in 2025<sup>29</sup>
- more than 90% of Year 9 government school students in 2025 completing an **online career assessment** one-on-one interview to make informed subject and career choices.<sup>30</sup>

These reforms have contributed to a sharp increase in the apparent retention rate from Years 10 to 12 in Victoria to 84.0%, a 6-year high, and an overall senior secondary completion rate at 97.4% in 2025.<sup>31</sup>

This reform supports student self-discovery, career exploration and successful pathways across Years 7-12 by improving:

- **career exploration and advice**, supported through My Career Insights and professional development for career practitioners in schools – 515 government school career practitioners have been upskilled with the Graduate Certificate in Career Education since 2019, and 52 participants are undertaking the program in 2026.<sup>32</sup>

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<sup>27</sup> Victorian Government, [Senior secondaries pathways reform](#), accessed 13 January 2026.

<sup>28</sup> Victorian Curriculum and Assessment Authority 2025, *Internal Student Enrolment Data*.

<sup>29</sup> Victorian Curriculum and Assessment Authority 2025, *Internal Student Enrolment Data*.

<sup>30</sup> Victorian Curriculum and Assessment Authority 2025, *Internal Student Enrolment Data*.

<sup>31</sup> Victorian Curriculum and Assessment Authority 2025, *Internal Student Enrolment Data*.

<sup>32</sup> Department of Education, *Internal data*.

- **work-based learning prior to senior secondary**, so students can experience real careers and workplaces through high-quality work experience, industry tours and exposure and “Taster” experiences in the critical middle years.
- **senior secondary certificates**, by implementing and building community understanding of the VCE Vocational Major and the Victorian Pathways Certificate. In 2025, every neighbourhood government senior secondary school offered the VCE Vocational Major, along with 58% of non-government senior secondary schools.<sup>33</sup>
- **vocational education and training**, by increasing participation in VCE VET subjects aligned to priority industry areas. In 2024, 85% of government secondary schools offered at least 6 priority VET certificates.<sup>34</sup>
- **school-based apprenticeships and traineeships (SBATs)**, where students complete schooling in part-time on-the-job training. In 2024, 77% of SBAT students remained in their training contract for more than a year. This is well above adult completion rates.<sup>35</sup>
- **support for early school leavers**, through the Victorian Early Leaver Connection Initiative, that enables students to complete the VCE at Technical and Further Education (TAFE) and access tailored career advice.<sup>36</sup>

## Student mental health and wellbeing

The Victorian Government has invested over \$600 million in student mental health and wellbeing reforms in response to the Royal Commission into Victoria’s Mental Health System. These reforms recognise that schools are crucial settings where mental health and wellbeing can be supported and promoted. Students who are healthy and supported in their wellbeing are happier, more resilient and successful lifelong learners.

Investment to date includes:

- \$200 million over 4 years and \$86.9 million ongoing to establish the **Schools Mental Health Fund and Menu**,<sup>37</sup> which is providing all government schools with access to evidence-based programs, training and staff that meets the needs of their students.
- \$51 million over 4 years and \$31 million ongoing for **Mental Health Practitioners in Secondary Schools**, with an additional \$23 million over 4 years and \$6.7 million ongoing to expand the initiative to specialist schools with secondary students.<sup>38</sup>
- \$200 million over 4 years and \$93.7 million ongoing to expand the **Mental Health in Primary Schools** initiative.<sup>39</sup> In 2026, every government and low-fee non-government primary school in Victoria is funded to engage a Mental Health and Wellbeing Leader.

Other health and wellbeing reforms delivered through the Education State include \$129 million to support over 2,000 schools to implement **Respectful Relationships**<sup>40</sup>; \$114 million between 2016 and 2025 and \$13 million ongoing to deliver the **Doctors in Secondary Schools** program in 100 government senior secondary schools<sup>41</sup>; and \$88 million to deliver **Active Schools** so all students have the skills, confidence and motivation to be active.<sup>42</sup>

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<sup>33</sup> Victorian Curriculum and Assessment Authority 2025, *Student Enrolment Data*.

<sup>34</sup> Victorian Curriculum and Assessment Authority 2024, *Student Enrolment Data*.

<sup>35</sup> Department of Education 2024, *Internal Data*.

<sup>36</sup> Victorian Government, [Victorian Early Leaver Connection Initiative](#), 10 September 2025, accessed 5 February 2026.

<sup>37</sup> Department of Education, [Schools Mental Health Fund and Menu](#), accessed 23 December 2025

<sup>38</sup> Department of Education, [Mental Health Practitioners](#), accessed 23 December 2025

<sup>39</sup> Victorian Government, [Mental Health in Primary Schools](#), accessed 23 December 2025

<sup>40</sup> Victorian Government, [Respectful Relationships](#), accessed 31 December 2025.

<sup>41</sup> Victorian Government, [Doctors in Secondary Schools](#), accessed 31 December 2025.

<sup>42</sup> Victorian Government, [Active Schools](#), accessed 31 December 2025.

## Investing in First Nations students

Since 2016, the Victorian Government has invested **\$156.6 million** to improve outcomes for First Nations students through strengthened self-determination and support the continued implementation of the Marrung Aboriginal Education Plan 2016-2026.

The Victorian Budget 2024-25 included a **\$51 million** investment in First Nations education, including:

- **\$31 million** to resource Aboriginal Community Controlled Organisations to improve learning and wellbeing outcomes for students; and
- a further **\$18.5 million** for the Koorie Literacy and Numeracy Program.

This investment will progress Victoria's commitment to self-determination, Treaty, the National Agreement on Closing the Gap priority reforms, and the vision articulated in Marrung.

## Disability Inclusion reform

Since 2020-21, almost \$1.9 billion has been invested in Disability Inclusion<sup>43</sup> reform in Victorian government schools, including \$319.8 million over 4 years in the 2025-26 State Budget to complete the 5-year rollout of this landmark reform.

Disability Inclusion aims to ensure every student with disability has the support they need to thrive at school and make inclusive education part of everyday practice in all schools and classrooms.

These reforms are changing the way we support students with disability, by enabling schools to recruit and train specialist staff, purchase dedicated resources, and strengthen tailored support for students. They are also helping teachers and staff to access specialist expertise, coaching and resources which is building knowledge and skills across the school system.

## Cost of living help for families

The Victorian government has also provided assistance to families with the cost of living to ensure every student can fully participate in all aspects of schooling. This includes:

- \$287 million to deliver the **School Saving Bonus** in 2025 to give families with children at government schools, and eligible families at non-government schools, a \$400 boost to help with uniforms, camps, excursions and sporting events.
- \$162 million to deliver **School Breakfast Clubs**<sup>44</sup> to provide healthy breakfasts, lunches, snacks, take-home packs and cooking classes to students in need.
- increasing to \$400 all payments received by eligible families as part of the **Camps, Sports and Excursions Fund**<sup>45</sup> from Term 1 2026, to help students to join camps, go on excursions and play on a team with their friends.
- continuing to provide free dental care for kids as part of **Smile Squad**,<sup>46</sup> which has helped more than 127,000 young Victorians, and **Free Glasses for Kids**,<sup>47</sup> which has delivered more than 48,000 free vision tests and 8,600 pairs of free glasses.
- \$36 million to provide **Free Period Products**<sup>48</sup> to students in all government schools, along with menstrual health and pelvic pain education and resources.

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<sup>43</sup> Victorian Government, [Disability Inclusion: a new approach for students with disability](#), accessed 12 January 2026.

<sup>44</sup> Victorian Government, [School Breakfast Clubs program](#), accessed 31 December 2025.

<sup>45</sup> Victorian Government, [Camps, Sports and Excursions Fund](#), accessed 9 February 2026.

<sup>46</sup> Department of Health, [Smile Squad](#), accessed 7 January 2026.

<sup>47</sup> Victorian Government, [Glasses for Kids](#), accessed 7 January 2026.

<sup>48</sup> Victorian Government, [Free period products in all government schools](#), accessed 2 January 2026.

- **free public transport**<sup>49</sup> for students under 18 years from 1 January 2026, providing families with savings of up to \$755 per child every year.

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<sup>49</sup> Victorian Government, [Free public transport](#), accessed 9 February 2026.