

# TRANSCRIPT

## LEGISLATIVE COUNCIL LEGAL AND SOCIAL ISSUES COMMITTEE

### **Inquiry into Public School Funding**

Melbourne – Wednesday 25 March 2026

#### **MEMBERS**

Joe McCracken – Chair

Michael Galea – Deputy Chair

Ryan Batchelor

Anasina Gray-Barberio

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Sarah Mansfield

Tom McIntosh

Aiv Puglielli

Sonja Terpstra

Sheena Watt

Richard Welch

**WITNESSES**

Tony Bates, Secretary,

Scott Widmer, Deputy Secretary, Strategy and Secondary School Reform, and

Andrea Del Monaco, Deputy Secretary, Financial Policy and Information Services, Department of Education.

**The CHAIR:** Welcome back to the next session of the Legal and Social Issues Committee inquiry into state education funding. I am Joe McCracken, Chair of the inquiry. We will go through and introduce the rest of our committee.

**Michael GALEA:** Good afternoon. Michael Galea, Deputy Chair and Member for South-Eastern Metro.

**Ryan BATCHELOR:** Ryan Batchelor, Member for Southern Metropolitan Region.

**Sheena WATT:** Good afternoon. Sheena Watt, Member for Northern Metropolitan Region.

**Anasina GRAY-BARBERIO:** Hello. Anasina Gray-Barberio, Northern Metro.

**The CHAIR:** Thank you very much. All evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore the information that you provide during the hearing is protected by law. You are protected against any action for what you say during the hearing, but if you go elsewhere and repeat the same things, you may not necessarily be protected by that privilege. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded. You will be provided with a proof version of the transcript to make any minor changes that you deem necessary. Transcripts will ultimately be made public and put on the committee's website.

Just for the Hansard record, are you able to say your name and the organisation that you are appearing on behalf of. I will just go from my left to right.

**Scott WIDMER:** Scott Widmer, Deputy Secretary, Department of Education.

**Tony BATES:** Tony Bates, Secretary, Department of Education.

**Andrea DEL MONACO:** Andrea Del Monaco, Deputy Secretary, Department of Education.

**The CHAIR:** Thanks very much. I will hand over to you guys. I know you have got a slide show. I will put the timer on, and we will be helpful in trying to get you through it as quickly as you can. Thanks very much for coming. We appreciate your time today.

**Tony BATES:** Thanks, Chair. Thanks, committee members, for the opportunity to present today. Can I just start by acknowledging the Wurundjeri people of the Kulin nation as the traditional owners of the lands that we are gathered on today and paying my respects to their elders, past and present.

**Visual presentation.**

**Tony BATES:** I might go to the first slide, please. Committee, I thought it would be worth giving a very high-level indication of the extent of the schooling system in Victoria. We have more than 1 million students across the school system, with around 665,000 of those in the government school sector. We have almost 95,000 teaching service staff working in the government school system, which makes us, we think, the largest employer in the state of Victoria. The 95,000 staff include teachers, school leaders and education support staff. They do fantastic work every day to deliver great outcomes for our Victorian students. Before I talk a little bit more about that, I think it will be useful to go a little bit into how the school system funding works, which is consistent with the submission we gave to the committee.

Next slide, please. First, there is the Australian national needs-based funding model, known as the School Resourcing Standard, or the SRS for short. The state government, as is the case for all states and territories, is the majority funder for schools across Victoria. The SRS, which is broadly based on the recommendations of the 2011 Gonski review, is an estimate of how much money Australian schools, both government or non-government, need to educate their students, on the assumption they are operating efficiently and are delivering good-quality outcomes for their students. The SRS is how the Commonwealth determines the amount of public funding required to be spent on schools in each Australian state or territory.

Importantly, the SRS does not include funding for school infrastructure – that is, for the building of new schools or the maintenance, or not necessarily maintenance but upgrades, of existing schools. The funding for new schools and upgrades comes entirely from the Victorian government and is on top of any SRS funding that we allocate to schools. You can see on the chart there that, according to the National School Resourcing Board, Victoria's expenditure against the SRS has continued to grow year on year, and that is before we include the school infrastructure. And committee, I might just draw your attention to the last column in the chart, where you can see the 2023 school year to 2024 growth. Those 2024 numbers we expect to be released by the NSRB in the next week or so. The increase in operating funding into the government school system was just short of \$1 billion, so a year-on-year increase, excluding capital, of \$1 billion more in our government schools in that report. I will probably just also call out for the committee, although we have not shown it on this chart, that since 2018–19 the department has received around \$8.3 billion to deliver really fundamental reforms in the early childcare sector. There has been a massive expansion in four-year-old and three-year-old kindergarten services. That amount includes about \$3.6 billion for early childhood infrastructure. Making sure that children are ready for school is a really important start to giving them the best education they can get.

Next slide, please. Once the total funding for Victorian schools under the SRS is allocated, the Victorian government assigns funding to individual schools using our own needs-based model, the SRP, or student resource package. I was actually reading the Gonski report over the last few days, and the Gonski report was very clear that the individual allocation models used by the states are designed for each state and are superior to the SRS, so the SRS is only meant to be used as a backup model if you do not have anything else. We continue to use the SRP model in Victoria, and that is based on a number of key factors: how many students are enrolled, the student demographics, the families they come back from, the location of the school, but also a number of other factors that the SRS does not go to. We take into account the actual physical size of the school and its grounds, and we provide a number of other very detailed allocations through the SRP model, which is actually quite different to the high-level indications that the SRS includes. One of the other really big things that we have in the SRP model that the SRS model from the Commonwealth does not contemplate is the disability inclusion program. I know there was some discussion about that this morning. We have mental health programs in our schools, which are really, really important. So there is a much deeper range of programs and funding lines in the SRP model than the national SRS model.

Just on the right of the chart, I thought it was worth talking about how we provide resources to the schools. We allocate salaries in what we call credit, using the departmental internal methodology. The department runs central payroll systems for all schools, so schools have a notional salary allocation. Every fortnight I do all the payroll processing on behalf of schools, and the salaries get deducted against that credit allocation, so it removes schools from needing to do a lot of that manual processing. We also give schools cash every year to the tune of about \$1 billion to purchase supplies and consumables and a range of other things they need, including procuring casual relief teachers if they need them. Then just in the bottom right corner of the chart, there are big range of services that the department provides to all schools in the system. We have school nurses that support all schools across the state. I have a very significant allied health workforce that goes in to support school students in government schools – so there are speech therapists, psychologists and occupational therapists who work with children in schools. We provide laptops to every teacher and most education support staff in the government school system, so I am buying over 10,000 laptops every year. And because of the scale we are buying at, we are much more efficient than any individual school could ever be.

There are a range of other things you can see there; we have got human resources support, staff wellbeing programs, a number of programs to support Indigenous children and, importantly, we have got the Victorian Academy of Teaching and Leadership. I will just again, committee, call this out: the system support stuff on the right-hand side is explicitly referred to in the original Gonski review as something that the system managers should continue to do, and that expenditure should be and is counted when we do our SRS calculations and acquittals back to the Commonwealth.

I might just go to the next slide, please. Just in terms of where we are in relation to Commonwealth–state agreements, on 20 January 2025, Victoria and the Commonwealth signed the Better and Fairer Schools Agreement head agreement, which commits both Victoria and the Commonwealth to getting to 100 per cent of the school resourcing standard for Victorian government schools over coming years. The Commonwealth has committed to increasing its share from 20 per cent under the old agreements to, progressively, 25 per cent, and Victoria has committed to delivering 75 per cent. In a change from the previous agreement, all states and territories agreed to remove or discontinue provisions in the previous agreements where there are a number of things that we could count towards the SRS, such as depreciation expense and some student transport expenses. We will progressively retire those things and replace them with different funding for new programs. I think that Commonwealth commitment to completely retire that 4 per cent allowance for all states and territories is to be done by 2034. Again, I am really pleased that the Commonwealth have committed to going to 25 per cent after quite a number of years of lobbying from Victoria and other states and territories. Negotiations for the next bilateral agreement are ongoing. I think Deputy Secretary Widmer met with the Commonwealth last week, and we are continuing to negotiate for that. Once those negotiations are finalised, that will give us our trajectory for the years going forward.

I will just go to the next slide, please. Again, for the committee, it is worth knowing that Victoria is the standout in terms of government school enrolment numbers over the last five years. If you see the chart there, we have had a net increase of over 46,000 students in the Victorian government system between 2018 and 2025. Some other states are still growing, but some other states are also declining – like New South Wales, which have a larger population than us; the number of students in their public school system has actually declined by almost 25,000 between 2018 and 2025. You can see that parents are continuing to choose Victorian government schools. The charts on the right just tell us a little bit about what that means in terms of our need for capital programs. We have built a huge number of schools over the last 10 years – the red bars on the right-hand side of the chart. I think over the period 2018 to 2025, there have been 91 new government schools opened in Australia; 45 of those have been in Victoria. So we are building. Almost half of the new schools in the country are in Victoria, and that is a direct correlation to that enrolment growth that you can see on the left-hand side of the chart.

We might just go to the next slide, please. I again thought it might be helpful for the committee to see where that growth is happening – the darker the red, the stronger the growth. Not surprisingly, in the western growth corridor and the south-eastern growth corridor and then some of the northern parts of Melbourne, you can see that we continue to have really, really strong population growth. That is where we have been building a lot of those new schools as well as doing school upgrade projects for schools in those areas. But you can also see it into West Gippsland and also down to Geelong and the Surf Coast. We continue to have strong growth in that part of Victoria.

I might go to the next one, please. Chair, I think this is a really important slide, and I thought it was worth showing. The bars in the middle are the actual year-by-year spend on capital by the department, and you can see that we have averaged around \$1.6 billion over the last 10 years, but if you look at the last four years, we have been at \$2.4 billion to \$2.2 billion cash spend each year. This is slightly different to how we talk about things in the budget papers, where we announce the total cost of a building project, which can run over a number of years. I just thought it was more helpful for the committee to see this presentation, which is the actual amount of cash we spend on buildings each year. Then, what I have also added there is the comparison, both in total expenditure terms, where Victoria is the largest spender on school capital across the Commonwealth and larger than New South Wales, despite them having a much bigger population. In the bottom chart on the right-hand corner I have converted that into expenditure per student. You can see in the 2023–24 financial year we spent \$3600 per student on either new buildings or on major capital upgrade projects. Again, you can see that is very significantly larger than New South Wales and almost triple the level of investment in South Australia, so Victoria really is the school capital leader in the country. I will just remind the committee: all of this stuff is excluded from the SRS calculation. This is on top of the very significant investment that we have been putting into our schools every year over recent years.

If it is all right, Chair, I might just very quickly do one more slide on workforce. Keeping up with that very, very strong growth in student numbers, you can see the number of registered teachers in Victoria has really grown over the last five or six years – so up from 126,000 to 143,000. I have just got details there on the numbers in the workforce we have in both the primary and secondary schools. But I think the really important charts are the ones again on the right, where we have got the staff-to-student ratios in Victoria compared to

national for both primary and secondary. You can see in every year, we have better staff-to-student ratios than the rest of the country, and I think for many of those years, we have had the best. I think maybe Northern Territory, who have very particular challenges, have some different things, but in terms of the mainland states and territories, we have consistently the best staff-to-student ratios in the government school system.

Chair, I am happy to stop there. I might just do one more if I can. I just thought it was worth showing the committee our latest NAPLAN results. Across the different domains of the NAPLAN results – reading, numeracy, writing, spelling and G and P, which is grammar and punctuation – you can see that we are either first or second in the country in all of those domains. They do not do spelling as much in secondary school. I think it is just really important to look at the chart on the bottom left. The bars above the line are where you have got students who are strong or exceeding the NAPLAN standards. We lead the country, with more than 70 per cent of our students either strong or exceeding in 18 out of the 20 measures.

Then the other part of the equation is where you have students that need additional support. You can see, again, Victoria has the smallest percentage of students that need additional support. I mean, there is always more work to do. We are continuing to work to close the gap with First Nations students' NAPLAN results. Although I think we have some of the best NAPLAN results for First Nations students in the country, we still need to close the gap. There are still gaps in genders in some domains, and there are still gaps in achievement between metropolitan and regional schools, but we are very proud of those results that our teaching workforce have delivered for Victorian students. I am happy to stop there, Chair.

**The CHAIR:** Thanks very much. I will just go through the committee members. I will go to Mr Galea first.

**Michael GALEA:** Thank you, Secretary, for your presentation. I would like to start on the question of enrolments. I was not surprised to see such strong growth in Victoria but very surprised to see a significant drop in New South Wales. What is the difference? Is it the fact that we have built basically half of all new schools in the country in this state or is it something else?

**Tony BATES:** Thanks, Mr Galea, for the question. I really do think it is a couple of things. The quality of our school buildings is a significant issue. I do visit other states with the minister and for senior officials meetings, and the quality of our school buildings is remarkably better than a lot of what I see in other states. They will have some new schools, which of course are also fantastic, but I just think between both our new school building program and then the very significant upgrade programs that we have done over the last number of years – I think we have done around 2300 upgrade projects across more than 1230 schools across all of Victoria – the quality of our capital is a very, very significant factor. It means that our staff feel proud to be going to work. It means that our parents and carers have confidence in enrolling in our schools. It is really, really clearly a significant factor driving that, but I also think it is the quality of the teaching outcomes that we are offering in Victoria. As I said, those NAPLAN results are the best in the country. So I think that combination of really strong teaching, high-quality capital and those smaller class sizes becomes quite a reasonably compelling proposition when parents and carers are thinking about where to enrol their children.

**Michael GALEA:** Thank you. The geographic map of enrolment growth or otherwise was very interesting too. As an MP that looks after the outer south-east and Clyde North, I am very familiar with the growth challenges. We have opened four new primary schools in just the last three years, and despite those new schools, I have still got one school with over 1100 students and one approaching 1400 students in that suburb as well. They are the older schools, ones that were built five or six years ago. Older in context – not quite the 1880s, but older for Clyde North. There was some recent media commentary as well in relation to specifically the Boroondara LGA but also some others – Stonnington, I believe, was another one – where enrolment is dropping. I am not going to ask you to comment on government housing policy, certainly, but what sort of capacity do we have spare? I have got pressure to build more and more new schools in places that I look after, but what sort of capacity do we have in these existing suburbs that are very close to other services too? We have school infrastructure there, and I realise you cannot just turn on a switch and staff it all overnight – that will take some work. But in terms of the building capacity in these inner-city or middle-ring areas, what sort of capacity is being unfilled?

**Tony BATES:** I know – it is a very good question, Mr Galea. I actually did ask the team for some analysis earlier this year, but what I will say is it is very varied. Again, as you know, out in the growth corridors we build schools and they are full almost straight away. We do have a program where we bring in high-quality

relocatable modular buildings, and can I say, having been to a number of them, they are nothing like the stuff that I worked in in the 1970s and 80s. They are really, really high quality and we do have the capability to move them in quickly. I will say the household formation and the number of students per tenement that we are seeing in the growth corridors has probably changed a bit over the last five or 10 years, so we are now having to design and build our new schools bigger. We were finding that they were just becoming full really, really quickly. But we have done the analysis and are now doing that with the new school builds.

But back to your question, I did get a school-by-school listing of design capacity for all of our 1600 schools versus enrolments. I will say in the middle ring there is quite a bit of capacity in certain suburbs. We will often find schools running at 20 or 30 per cent below their design capacity. This is just part of the demographic waves you see. When we bought our first place in Essendon, the school over the road had been the biggest primary school in the state at some point. A lot of the original residents in their 70s and 80s were still there. Then we moved forward 20 years and a lot of them had moved, houses had been sold, young families were back and the street was full of kids again, so you get these waves. But I think in a lot of the established areas in that ring around 10 kilometres, we have quite a number of schools running 20 or 30 per cent below full capacity. I will say, though, there are patches where that is not true. In the Glen Waverley–Mount Waverley area the schools are very full, and things are similar in Northcote – Northcote High is chock-a-block. So I would say there is quite a bit of capacity in that 10 to 15-k ring, but it is patchy. So a number of schools are running full, again sometimes with relocatables, but there are other schools nearby where there is capacity. That is one that we are thinking about quite a lot: how do we make the best use of that capacity rather than having to endlessly do new builds and upgrades?

**Michael GALEA:** Indeed. I realise I am asking you to approximate, but would we be talking about thousands of spaces?

**Tony BATES:** Yes, like tens of thousands.

**Michael GALEA:** Tens of thousands across those middle-ring suburbs.

**Tony BATES:** But again, a lot of this is driven by demographic needs.

**Michael GALEA:** Not in each one, necessarily, but –

**Tony BATES:** Yes, exactly.

**Michael GALEA:** That is very interesting. Indeed, much as I am thrilled to have had six new primary and secondary schools open in Clyde North in just the last three years, I would probably suggest it is not a sustainable growth rate in an ideal situation.

**Tony BATES:** Yes.

**Michael GALEA:** All right. Thank you. That is very interesting. Coming back to capital, this is probably answered through the slides, actually. You have heard the statistic before that half – I think it was technically 0.5 below – of every new school built in the country is built in Victoria. The question that I put to previous witnesses was: where are these students going in other states? But by the look of, for example, New South Wales, they are not –

**Tony BATES:** I think if you saw that slide – and I will just get my hard copy – there have been a lot of non-government schools. So if you look, the blue charts there are the non-government schools. You can see that across the nation there have been about 105 non-government schools built between 2018 and 2025. Only 12 of those have been in Victoria, so I think what we are seeing in other states is that there is a much stronger expansion in the non-government school sector.

**Michael GALEA:** The demand is exceeding supply, so they are going to a different sector?

**Tony BATES:** Yes. And I probably will say to the committee that the funding parameters that the Commonwealth have put in place over the last 10 years have made it a lot more straightforward to set up a new non-government school. Again, as I said to the committee, having been reading the original Gonski report, the Commonwealth does have very significant capital grant processes available for non-government schools that are basically not available to the government sector. The original Gonski report recommended that the

Commonwealth should set up a program of providing capital funding for both government and non-government schools going forward, and that is one of the parts of the Gonski reform that has never been implemented. And so again we find that Victoria is doing that really heavy lifting in terms of government school capital to meet those really strong, growing demands. But again, you can see, excluding Victoria, there are something like 93 new non-government schools in other parts of the country. That is partly explaining why they are not seeing the same enrolment growth that we are.

**Michael GALEA:** And with, for example, the 100 new schools built across the state in the past eight years, I believe, not a single dollar of that came from federal government funding?

**Tony BATES:** In short, I think that is correct. There have been some very, very small capital programs where individual schools have applied for water tanks or other things, but effectively that very significant build of new schools in the government school system has been entirely funded by the Victorian government.

**Michael GALEA:** Yes. And given the figures that you have shown us – and I am not proposing that this necessarily should be counted as part of the SRS, but if it was, would that change the state comparison figures quite significantly?

**Tony BATES:** That would change them very, very significantly. I think the numbers we were just showing there, if I just flick back, were around –

**Andrea DEL MONACO:** \$3600.

**Tony BATES:** Yes, \$3600 per student, I think, or \$2.4 billion. That is worth – I am just crunching some numbers in my head – something like 20 per cent of the SRS.

**Michael GALEA:** Twenty per cent of it?

**Tony BATES:** Yes. I think the total SRS target for Victoria in 2024 was about \$14 billion for the government school system. And we spent \$2.4 billion, so slightly under 20 per cent. I should be able to do the math in my head, but I cannot. But it is in that 15 to 20 per cent range – and again, you know, very, very, very significantly larger spends than you were seeing in other states.

**Michael GALEA:** Thank you. Just on the statistics, I refer to pages 4 and 5 of your submission – the work of the National School Resourcing Board in actually providing these statistics. Obviously these things have to be budgeted out through the budget process, then updated based on actual enrolments. You have given the example of how for the 2023 school year there were two subsequent variations and increases to the funding after the initial budget, and if I am reading this correctly, the second increase was not factored into the national statistics at all, which flagged an issue. The board then found there to be no issue because the funding was there.

**Tony BATES:** Yes.

**Michael GALEA:** But how much does this skew the statistics for Victoria – but also for every state?

**Tony BATES:** I think it is very significant, Mr Galea. I have had a number of robust discussions with the board about their methodology. If I go to the 2023 school year – and I will just explain to the committee our timing. For the 2023 school year, we published school budgets at the end of term 3 in 2022. So principals give us estimates of their likely enrolments for the coming year, we give them their budget and then that gives them the certainty to start their recruitment processes for staff. When we put out all the school budgets in late 2022, the target that we had from the Commonwealth was a bit over \$8.9 billion. We put out budgets that were sufficient to exceed that target. That was when we did this chart. You can see that little line at the bottom says ‘Indicative SRP’. The target that we had was \$8.96 billion. We put out in the order of \$9 billion worth of funding to schools, and then what happened was we entered the school year. After we had published school budgets, we got a revision, so you can see the target lifted to just over \$9 billion – still below what we ended up giving schools. Then just before Christmas we got another revision from the Commonwealth, which lifted the target to \$9.09 billion, which was then a little bit above what we put out. Then we progressed through the year. We got a mid-year revision where the target went down again. Then you can see that again in October and then finally in early December, a week or two before the end of the school year, the target was lifted by almost

\$100 million. It is impossible. There is no way in a prudent financial system that I can give \$100 million out to schools in the last week of term. It will just land in bank accounts.

Just for the committee's information, you can see that increase. From when we published the first school budgets, you can see that the spend target has gone up by about \$280 million. That is worth about 2.5 per cent of the SRS. That is how volatile the targets are. I suppose I might just also point out to the committee that the pattern looks slightly different in each of the years, but this is a common pattern – we will publish school budgets and will set up a funding system, and it will go up, then it will come down and then it will go up again at the end of the year. The NSRB did a review a few years ago. Victoria made very, very clear recommendations that they needed to set the target at the start of the year so we had certainty about what target we were trying to hit. It is very tricky when you get those sorts of things. I will just say for the committee that in a number of years over the last five years we have actually exceeded the target, even with this volatility. Then when the NSRB have been doing their reports, there have been, I think, one or two years where we have not met the target, but it has been very much driven by those big changes that happen in term 4. When you read their assessments, they will say 'Target not met but reasonable explanations of what went on.' It is an issue we continue to discuss, both with the board and with the Commonwealth department.

**Michael GALEA:** Thank you. I would love to dive into this deeper. Perhaps if I get more time later, I will.

**Tony BATES:** Thank you.

**The CHAIR:** Thank you. I will go to my questions now. Who is ultimately responsible for meeting the SRS targets in terms of spending? Who makes those decisions? Is that you? Is it the minister? Is it collaboration between the two?

**Tony BATES:** The minister and cabinet make the final decisions in terms of the level of funds that get allocated for us each year. I am not going to go into a discussion about cabinet advice that I give to ministers, but I would say this happens every year. So it is an endless challenge, both for the department and for government, to figure out the amount of money we need to meet our Commonwealth–state obligations when the targets are swinging up and down by \$200 million, \$300 million or \$400 million. They routinely move up and down by 1 to 2 per cent of SRS within a school year.

**The CHAIR:** I note that you said before that you consider the SRS to be like a backup and that the SRP is superior, in your words. Why do you say that?

**Tony BATES:** The SRP has been built up over decades in Victoria. It is very much designed to respond to the particular needs of our schools. I think we have something in the order of 130 different funding lines in the SRP. Now, not every school gets every line. Our model is much more sophisticated. The SRS makes no provision for a number of the health issues and other challenges that we are seeing. As I think I mentioned in an earlier part of the presentation, through the Victorian model, we are allocating funding either directly through the SRP or through some of our other programs. We are allocating funding for the mental health fund – you know, we have funded mental health practitioners in all government secondary schools and we have got a mental health lead teacher in all primary schools. There is none of that in the SRS. As I said earlier, when we are allocating funding for maintenance of schools, the SRP actually takes into account the physical size of the school, like how big your ovals are and what sort of maintenance you need to be doing. The SRS is completely silent on those issues. Again, just as I think I mentioned earlier to the committee, the Gonski report clearly says that the SRS is a high-level, indicative target model. David Gonski's work says many of the states had much more sophisticated state-based funding models and that they should continue to be used, and that is what we are continuing to do. I can ask Deputy Secretary Del Monaco to talk a little bit more about the SRP if that is helpful.

**The CHAIR:** It is okay. I guess a lot of people are talking about the SRS in terms of not meeting that target, but you are saying it is not a sophisticated target anyway.

**Tony BATES:** We have entered into a Commonwealth–state agreement that says we are on track to meet the global number, but it is not really fit for purpose to be funding individual schools, in my judgement. I think, as I said, we have a much more sophisticated model that takes into account a range of those things like health and wellbeing needs of both students and staff. Again, to repeat myself, we take into account the real physical

characteristics of each individual school. It is clearly, in my judgement, a better model, and that was what David Gonski and his review found more than 15 years ago.

**The CHAIR:** I understand the SRS is more than just Victoria, but why agree to use it if it is inferior?

**Tony BATES:** Well, again, we have used it as a determination of the national investment that is needed to run high-quality education in an efficiently run school.

**The CHAIR:** You have said to me that it does not really reflect a lot of the needs that a school has. It has got six line items as opposed to the 100-odd that you mentioned in Victoria. Why would you sign up to something like that when it clearly, as you say, does not reflect the accurate and varied needs of school communities?

**Tony BATES:** Again, I think, Chair, I would probably go to the history. There was a previous model that the Commonwealth was using to distribute funding to the schools. I might ask Deputy Secretary Widmer for some views on this. I will say the SRS is a step forward from the previous Commonwealth model, and particularly the previous Commonwealth model either did not, or I think very inefficiently, take into account socio-economic advantage and disadvantage. I will say the SRS is a step forward from what the Commonwealth was using. Again, the SRS is designed to operate across both government and non-government school systems. Then there are adjustments there in the non-government sector for parents' capacity to contribute. It is sort of horses for courses. If you are looking for what is the best one-size-fits-all benchmark for the country that covers both government and non-government sectors, the SRS definitely is a step forward from what was there before. But in terms of how I make sure that I am getting the best impact, the best equity and the best learning in Victorian government schools, my model is better. Do you want to say –

**The CHAIR:** Sorry, I have got a heap of questions to get to. Do you mind if I just –

**Tony BATES:** Yes, of course.

**The CHAIR:** You would have seen yesterday teachers went on strike – 30,000-plus teachers on strike. I know you said before that school quality is better than in New South Wales here, but teachers are obviously not feeling that and they are on strike. What do you say to them?

**Tony BATES:** I have nothing but respect for the wonderful work that our teachers, our principals and our ed support staff do. I have been out at schools a lot of times this year and last year. It is important and challenging work, and we are negotiating in good faith. The government gave us approval to put a very significant offer, which we did a couple of weeks ago. We will continue to negotiate in good faith, and hopefully we can land an agreement in the near future.

**The CHAIR:** We have heard a lot of evidence from a number of different witnesses saying that pay and conditions are huge factors in both recruitment and retention of teachers, which obviously has a flow-on impact to the system. I know you have shown us some data, but at least from what I have heard, it is having a significant impact, which was why we had teachers walk off the job yesterday. I know you have said that you have put an offer. Obviously it has been very public, so it is what it is, but it is going to have an impact on the system, surely, particularly when you compare it to other states that have higher teacher pay rates and different conditions that are more attractive.

**Tony BATES:** I will say, Chair, that there are a range of – I mean, as you say, it is pay and conditions. There are probably a couple of things I would say. The different states' EBAs are out of kilter. When we went back to the 2022 enterprise agreement, when that agreement was implemented across multiple points we had the highest paid teachers in the country. We did that agreement.

**The CHAIR:** I do understand about that sort of stuff.

**Tony BATES:** You get different timings of new agreements. Again, if we go back to after the last agreement was implemented, we were the best paid. Our principals are still the best paid in the country, because in the last agreement we very deliberately recognised the very important work that school leaders do and we did a larger increase for the principal class in that agreement. But I will say that conditions are also important, and as the presentation showed, of the mainland states and territories we have got the best staff-to-student ratios in the country.

**The CHAIR:** One of the things we keep hearing is that teachers are so sick of having to deal with excessive admin. We had a witness today suggest that there could be something like a school operations manager, or similar to that sort of role, to take some of that burden away from principals in particular. But also a similar sort of role could be implemented for teachers to take away a lot of that regulatory burden. Can you tell us why that has not been implemented?

**Tony BATES:** It is something that we are looking at. We already have school admin support hubs, which are available across regional Victoria to our small schools. We have implemented that model for hundreds of our schools already. We have tended to do it for the smaller schools, where they probably do not have the scale to be able to employ the admin staff that a large school has. I was out at John Monash Science School a couple of weeks ago – a big school – and they had an admin team of four, five, six people. Small country schools cannot afford that. We have already implemented that model for a lot of our smaller regional schools. I might ask Deputy Secretary Del Monaco just to talk about this. We do have a very active program around reducing admin burden, so we can just talk about some of the things that we are doing there.

**The CHAIR:** I have got one more point to make after this too, but I will let you go first.

**Andrea DEL MONACO:** I will just be brief. The 2022 agreement included a reduction in the maximum face-to-face teaching time for teachers of 1.5 hours. That was the equivalent of 1900 additional teachers going into schools. When you look around the other states, that was a really significant reform aimed at supporting workload. We continue to hear what you heard, so in 2024 the minister commissioned a review of admin burden. That was independently led, so it was not sitting within the department.

**The CHAIR:** Are you able to provide a copy of that at all or not?

**Andrea DEL MONACO:** It is publicly available.

**Tony BATES:** Yes. It is on the web, so we can give the Secretariat links to the report.

**Andrea DEL MONACO:** It had 28 findings. Some of them are hard, but it went right down into the detail of all of those individual tasks that really create a rub for teachers, executive support staff and administrative support staff. We are implementing a number of those this year now, and we continue to work through that list as we go. Some of them require IT system change, others are changing policy and some of them require resourcing, which is that level of support that the Secretary spoke to.

**Tony BATES:** Chair, I might just say to your question that we are actually piloting further admin or teaching assistants. That is one of the options that the admin review was considering, so we do have some pilots of that underway at the moment.

**Andrea DEL MONACO:** I think the biggest one is probably the lesson plans, which is supporting that. The department has provided a suite of lesson plans.

**The CHAIR:** Yes, I saw that was in your submission.

**Andrea DEL MONACO:** That is all part of that same thing. So we are cognisant of the messaging, and we continue to work.

**The CHAIR:** It is just feedback that still keeps coming up.

**Andrea DEL MONACO:** Yes.

**The CHAIR:** The last one I have is that you said school infrastructure has kept up with growth. We heard a story this morning that was awful, about a young kid that did not even feel comfortable going to a toilet in a school because it was in such a state that they did not want to even go there. I know you say that the school infrastructure has kept up with growth. I am hearing other things. What do you say to people like that that are obviously experiencing things that are different to what you say?

**Tony BATES:** Look, you know, it is a massive estate that we are managing. It is nearly 33,000 buildings across 1600 schools. I know there are some old facilities that need further work. The team in the school building authority have programs where they can respond. I have got a whole range of programs around

emergency maintenance and planned maintenance. We actually have a particular program about toilet upgrades, and I know the team have been watching carefully with the testimony. I will follow up with the schools that were mentioned with those issues.

**The CHAIR:** My time is up, sadly. I could probably go on for a lot longer, but I will pass over to Mr Batchelor.

**Ryan BATCHELOR:** Thanks, Chair. I was keen to look at that slide, but it disappeared off the screen. Can we get it back? Anyway, I will ask the question. My take on that graphic was that the target moves over the course of a year quite considerably. So from the time that you start budgeting and tell schools what they are going to get to the end of the next year, which is the reported benchmark against which public discussion occurs about how well schools in Victoria are funded, on this figure, it shifts by, what, 2.5 per cent or something?

**Tony BATES:** Yes.

**Ryan BATCHELOR:** It is hard to hit a moving target.

**Tony BATES:** Yes.

**Ryan BATCHELOR:** This is 2023. How common is the target moving like that, over the course of a year?

**Tony BATES:** It is just about every year, Mr Batchelor.

**Andrea DEL MONACO:** It is a couple of hundred million dollars every year, and often the big movement of a couple of hundred million dollars happens in some period between October and December of the year that we are expected to have spent the money, so we need to then allocate more money. We need to seek approval to allocate, then allocate and then for the spend to happen in that very short space of time at the end of the year. It is very challenging.

**Ryan BATCHELOR:** Which does not seem to me to be a very effective way to allocate, if this is about improving student outcomes, which should be the fundamental goal of a funding system for schools. As I said in the last hearing, education funding is a means, not an end. It seems to me that having a system that shifts the target at the time of the school year when, hopefully, people are doing good learning but when at some point the pencil cases come home and the kids stop doing a lot of work in December –

**Tony BATES:** And they start their transitions for the next year.

**Ryan BATCHELOR:** They start the transition to the new year. Having such significant shifts in the funding target at the end of the year really does not give you a good sense of what we should be doing for the 10 months prior. Is it fixable?

**Tony BATES:** I might just say, Mr Batchelor – and again, this is the representation I have made to the Commonwealth and the NSRB repeatedly – we should basically lock the target for the year, I think, somewhere early in term 1. If you look at that second arrow down the bottom, we give out to schools their indicative budget, their SRP budget for the coming school year, at the end of term 3 each year. So that is late September, usually just before the grand final. Then we have the enrolment census in February, and then we give them their confirmed budget for the year in March.

**Ryan BATCHELOR:** So that the school, in March, knows what it is going to be for the end of the year.

**Tony BATES:** Yes. You do get enrolment fluctuations at schools. Some families enrol and do not turn up and then others come, but by the time we are into term 1 the schools know pretty much how many students they have got for the year, and we do adjust their budget accordingly. I will just say, M Batchelor, that this pattern you see here is pretty much replicated most years. We will often get a reduction of the budget at the end of term 2, and then it goes up again, and then –

**Ryan BATCHELOR:** What are the inputs that are causing the Commonwealth's calculation to shift so dramatically?

**Tony BATES:** The adjustments late in the year are very much driven by the nationally consistent collection on disability. There is a process in every school in Australia, every year, where teachers are asked to do a census on all of the students in their classes and what supports are being provided to them. That collection happens from about June through to about August. It goes off to Canberra and gets processed in their big computers, and then that is particularly what drives the December adjustment. That is important, but really that should be informing the following school year.

**Ryan BATCHELOR:** If that was informing the following year, you would expect there to be some adjustments throughout the course of the year, but it would not have such a dramatic shift, which then makes our funding levels look 1 to 2 points below what the target would be that year. That is then what gets reported year on year on year in terms of whether we are meeting our target or not. Is that fair to say?

**Tony BATES:** Yes.

**Andrea DEL MONACO:** Mr Batchelor, Victoria at the moment is a state of growth. So for the last 10 years, when you look at growth in the government school system and the non-government system, it is growing, and when you are doing this in a growing environment, it is very different to if you are doing it in a flat environment. So there is an extra complexity that we have in Victoria and probably south-east Queensland, where when you are growing and you have got this amount of change happening, it is more complex.

**Ryan BATCHELOR:** So it is the 46,500 extra students that we have seen over those years that is amplifying the effects of the late-year adjustment on what our target should be, which means that the goalpost is getting further and further in front of us of the longer the year runs.

**Andrea DEL MONACO:** Yes.

**Ryan BATCHELOR:** Driven by the year, plus the enrolment growth year on year.

**Andrea DEL MONACO:** We have asked the Commonwealth to look at that because we really do think there is something in a growing environment that is different to a flat environment.

**Tony BATES:** Mr Batchelor, I have just got the equivalent chart for 2025 here. The pattern is almost the same, except the leap up in the last point was a lot larger in 2025. So it is a pattern we see every year. The thing I would say is all the Commonwealth and state education ministers have agreed to a review of the SRS methodology, and at the recent education ministers' meeting in Adelaide it was agreed to accelerate that review. So trying to fix this issue is something that Victoria will be very strongly advocating for as part of the SRS review.

**Ryan BATCHELOR:** Then we would be much more confident in our ability to budget the schools in accordance with what we reasonably expect the school's resourcing standard to be for any given year, which is really a national calculation about what – 80 per cent of the schools hitting a benchmark in NAPLAN?

**Tony BATES:** Exactly.

**Ryan BATCHELOR:** To get good outcomes in our schools, that is the level of funding that we need. Okay.

**Tony BATES:** I might just say, these things happen. And as I said, there is no way I can be responsibly allocating \$100 or \$200 million out into schools in the second week of December.

**Ryan BATCHELOR:** This is interesting because we had –

**Tony BATES:** What it does do is it then rolls into the next year's target. So we do pick up those adjustments, but we do it in the following school year.

**Ryan BATCHELOR:** So then the 9230 would be then the starting point.

**Tony BATES:** For the following year.

**Ryan BATCHELOR:** For the following year. So the uplift will occur in the next year's –

**Tony BATES:** Yes.

**Andrea DEL MONACO:** Plus our forecast enrolment growth.

**Ryan BATCHELOR:** Plus the forecast enrolment growth, which obviously at the moment is going strong and so you have got to try and nail that. That is really interesting because it did – we had a couple of schools come and give some evidence about the uncertainty they feel sometimes in their funding, because they do not know what they are going to have to make decisions about on the allocation of funding, particularly on some of the additional supports and disability supports that they are having to try and figure out what their budget for the year is, but they are not getting confirmation of their budget until December. Does that sound right? Does that sound how the funding system works?

**Tony BATES:** Yes, it is. I am very happy to talk to the committee about the nation-leading disability inclusion reforms that we have done in Victoria. They, I think, really have been game changers. I was out talking to principals out in the Footscray group of schools recently, and I had principal English from Footscray High together with a group of three of her feeder primary schools. They just said the DI reforms have changed everything in their schools.

**Ryan BATCHELOR:** What has changed?

**Andrea DEL MONACO:** So significant additional funding –

**Tony BATES:** I might just ask Deputy Secretary Del Monaco in a minute to talk about that issue. We are alive to that issue. So for that tier 3 funding, for those students that have really individualised needs, the model is that we do ask schools to actually put in place the adjustments for a period of 10 weeks. So we ask the teachers to work with the student and the family, we ask them to put the adjustments in place, and then we have our formal assessment. We have independent assessors that come in so that we are confident that we are getting a level of independence and consistency across students and across schools. Then the assessors do their report. That comes into the central disability team. We do some checking. So I am hearing this both from Cameron Peverett at PASS and a number of principals, that it is taking too long for us to get the final allocations. I will say, more experienced principals feel a bit more comfortable with providing supports and knowing that they will be reimbursed. I think that is an important point to make. We do have that period where we say, ‘Put the adjustments in place, we do the assessment, we back pay.’ But I understand particularly for newer principals, they can feel a level of uncertainty.

**Ryan BATCHELOR:** Potential uncertainty and cash flow issues.

**Tony BATES:** Do you want to talk about –

**Andrea DEL MONACO:** Yes. And we acknowledge that by allowing specialist schools to overspend a little bit to give them confidence to spend right up to their full allocation. And we also do that for small schools because very small schools face the same thing, to land right on your number is much harder in those environments. Just in disability inclusion, just to give the committee a sense of scale, before the initiative, if we looked at the disability output, it was a \$1.2 billion output. In the 2025–26 budget we were forecasting \$2.1 billion, so we are really talking about a significant scale-up of support for disability. It is a five-year program that we are now at full rollout, and there are two parts to it. There is that tier 2 funding, which is core funding that goes to a school, and then there is that specialised funding for individual students. The tier 2 funding all goes out at the start of the year. The tier 3 funding goes out to students. They all still get that funding. It is for those new children that come into the system – so, those preps, for example, that they do not have the full land on what that exact funding is. Principals are pretty good, but if you are in that first rollout phase and you are in year one of a rollout, there is a little bit more uncertainty there as part of that. We have put a number of changes through in 2026 to bring more certainty into the model, but for 2027 we are looking to do more. We are hearing and we think there is a little bit more change to be done to do that. We want our principals having enough confidence to fully resource their schools right up to 100 per cent of their funding.

**Ryan BATCHELOR:** Thanks, Chair.

**The CHAIR:** Thank you. Ms Gray-Barberio.

**Anasina GRAY-BARBERIO:** Thank you very much, Chair. Thank you all for appearing this afternoon. Mr Bates, if I could just start with you. You were referring to Mr Peverett, the President of the Principals’

Association of Specialist Schools. Can you give some evidence to the committee or any modelling guiding the decision of the department to reduce specialist school student resource package carryover threshold from 10 per cent to 7.5 per cent in 2026 and 6 per cent from 2027 onwards?

**Tony BATES:** Thanks, Ms Gray-Barberio. Look, we did do a lot of analysis of the carryover of funding from one year to the next in schools, and what it showed was it was the specialist schools who had very, very large carryovers. A number of those schools had – not a number; probably the top couple – amounts like \$15 million, \$20 million they were just rolling over from year to year to year. So –

**Anasina GRAY-BARBERIO:** Were there any reasons that they gave your department why that was happening? Any emerging sort of standout reasons for that?

**Tony BATES:** Not particularly, because those carryover amounts have been pretty stable for many years. It is 6 per cent of their annual budget that they get to carry over, so it is still a larger amount than other schools. But look, I would probably just say to the committee, the policy intent is very much like some policy reforms we have seen in New South Wales. We do want to incentivise schools to spend the funding they have this year on this year's staff and this year's students. Now, it probably was not an issue in specialist schools. We were seeing some cases in some mainstream schools where schools were choosing to try and run larger class sizes to save money to do other things, but I think all of our modelling shows that, even with those slightly lower carryover limits, specialist schools will still have significant funds to support the students they need. It partly relates to Mr Batchelor's question about when they get certainty about the allocation of their tier 3 funding.

**Anasina GRAY-BARBERIO:** Are you able to provide to the committee any evidence of that modelling?

**Tony BATES:** I will have to –

**Andrea DEL MONACO:** What I can say is the change to the policy – so this is –

**Anasina GRAY-BARBERIO:** I will just ask if you can provide that, because I have got a few questions here I would love to ask you all. Is it possible to take it on notice if you can provide that to the committee?

**Tony BATES:** Yes, we will take it on notice, and maybe we can probably give the committee some indication of the spread of the carryover and the bank balances we are seeing in those schools. I will say they are very, very significant.

**Andrea DEL MONACO:** It varies across the system.

**Anasina GRAY-BARBERIO:** Okay, thank you. I appreciate that. Mr Bates, can I please come back to your explanation around SRS and SRP? I just want to follow up on some questions that the Chair initially asked. SRS is the national benchmark that a lot of jurisdictions are working towards.

**Tony BATES:** Yes.

**Anasina GRAY-BARBERIO:** Some jurisdictions have met 100 per cent, some are at 75 per cent.

**Tony BATES:** Yes.

**Anasina GRAY-BARBERIO:** SRP, student resource package – in your mind, and just to quote you back, 'My model is better.'

**Tony BATES:** In terms of allocating funds to individual schools, yes.

**Anasina GRAY-BARBERIO:** Are you standing in the way of Victorian students getting the 75 per cent SRS? Because I feel like that is a pretty strong statement that you made around 'My model is better'. What exactly did you mean by that?

**Tony BATES:** The total quantum of funding for the Victorian government school system is something that we are still continuing to negotiate with the Commonwealth. I want to distinguish between the quantum, like the total pie, versus –

**Anasina GRAY-BARBERIO:** But Victoria is not at 75 per cent, right? We have heard countless witnesses present to us on the impact of the \$2.4 billion, and the unions have also appeared before the committee saying that, you know, 75 per cent is the bare minimum. So why aren't we at, at the very least, the bare minimum?

**Tony BATES:** So again, I might –

**Anasina GRAY-BARBERIO:** I would love you to answer. You are the Secretary of the department.

**Tony BATES:** Look, we are in continuing negotiation with the Commonwealth about how quickly both we and they increase our contributions. We have signed the heads of agreement. We are committed to getting to 100 per cent of SRS. The discussions we are having are about what is the trajectory. I probably would point out to the committee that all states and territories have signed up to the heads of agreement to get to 100 per cent of SRS. But I think a number of states – New South Wales and Queensland – are not going to get the Commonwealth contribution; the full 25 per cent from the Commonwealth will not arrive until 2034.

**Anasina GRAY-BARBERIO:** Respectfully, Mr Bates, I am concerned about Victoria.

**Tony BATES:** Yes, but it is a Commonwealth –

**Anasina GRAY-BARBERIO:** And where we are at in terms of what we need to be meeting in order to level the playing field in education. You are in a pretty powerful position as the Secretary of the Department of Education. You also have a lot of influence. In your mind, are we not going to get there because you think SRP is the better model?

**Tony BATES:** No, it is a completely different issue, Ms Gray-Barberio. The SRS discussion is about, I will say, the size of the pie, and the discussions we are continuing to have with the Commonwealth are about the rate at which we both get to where we need to get to. So the SRP is about how we allocate the money we have. It is not a factor about how much money we have.

**Anasina GRAY-BARBERIO:** Yes. And you also spoke about SRP meeting physical characteristics in schools and how big they are. SRS is about student needs and the inequity that exists for students who are from a disadvantaged background, from a lower socio-economic background. You put a graph up. The fastest growing corridor is in the west.

**Tony BATES:** Yes.

**Anasina GRAY-BARBERIO:** There are a lot of schools out there, a lot of big multicultural communities out there – how are you going to ensure that they have an even playing field if SRS is not even meeting the 75 per cent that it needs to, like, in terms of meeting their needs?

**Tony BATES:** Again, we continue to be in negotiation with the Commonwealth about the trajectory for growth in total funding, and I am very confident that we will get to an agreement before the end of the year in that regard. So again, I just want to make clear: they are similar but different concepts.

**Anasina GRAY-BARBERIO:** Yes. So SRP is Victoria's current funding model; SRS is national.

**Tony BATES:** Yes. SRP determines how we allocate the funding amongst our schools. And I do –

**Anasina GRAY-BARBERIO:** But it does not factor in student needs, right?

**Andrea DEL MONACO:** Yes, it absolutely does.

**Tony BATES:** It does.

**Anasina GRAY-BARBERIO:** It does.

**Tony BATES:** And that is what I just want to go to. We have a socio-economic factor in the SRP model, which is like but I think more advanced than the one that is in the SRS model. We call it equity funding. We have equity catch-up funding, so we use the NAPLAN results for students in year 5 – if they are not where they should be in terms of NAPLAN results at year 5, then we have equity funding to support their numeracy and learning that follows them into secondary school. We definitely take into account the language background of

parents. All the research shows that a very, very significant determinant in educational outcome is related to the parental both employment status and their educational attainment. That is deep core in the SRP model. So we have all of those equity factors. We provide funding through the Camp, Sports and Excursions Fund, so for any child who comes from a family with a healthcare card, they get extra funding to make sure they can participate.

**Anasina GRAY-BARBERIO:** We are also hearing evidence, Mr Bates, of schools having to do fundraising activities to meet those camp opportunities, which are not widely available as you allude to. You segued into NAPLAN, so if I can continue my line of questioning. In your submission you referenced NAPLAN results showcasing school performance. The committee has heard evidence from schools, parents and teachers about underfunding and resource constraints. Can you provide evidence to the committee that schools experiencing underfunding or staffing shortages are not seeing a decline in NAPLAN results? Is it possible for you to provide some evidence, or do you collect evidence around that?

**Tony BATES:** We have NAPLAN results at school level. I can definitely give the committee the trajectory over the last number of years, remembering that there was a break in the series. The timing and nature of how the results are scaled by ACARA changed a few years ago. We can definitely provide the committee with evidence on the trajectory of Victorian NAPLAN results over the last number of years.

**Anasina GRAY-BARBERIO:** Including any decline, if there is any?

**Tony BATES:** Yes.

**Anasina GRAY-BARBERIO:** Okay. Thank you, Mr Bates. How will the government's delay in reaching 75 per cent of the SRS affect the sustainability of flexible learning option schools such as The Pavilion School and their ability to support high-needs students?

**Tony BATES:** Again, Ms Gray-Barberio, I will just keep repeating that we are still negotiating with the Commonwealth, so we do not have this trajectory set yet because that is what we are negotiating about. We do not have a trajectory, so the question – look, I read a lot of this stuff in the papers where they are talking about a delay, but we are in negotiation on the trajectory at the moment. As soon as we have both the Commonwealth minister and the Victorian minister sign the agreement, then the bilateral will be published, which will show the negotiated trajectory, as it has done for other states and territories. I read about this delay –

**Anasina GRAY-BARBERIO:** That is fine. That is okay, Mr Bates. We will keep moving along.

**Tony BATES:** We can talk about flexible learning options if that is helpful.

**Anasina GRAY-BARBERIO:** I will come back to that. I just want to speak about wellbeing. Your submission references investment in student wellbeing programs such as the school mental health program and mental health practitioners in secondary schools. What evidence can you provide the committee that these funding investments are meeting the demand? And how do you measure that these investments are working?

**Tony BATES:** Again, we will be doing evaluations of those programs. They are sort of relatively early in the life of the program, but –

**Anasina GRAY-BARBERIO:** Are they usually publicly available once those evaluations are done?

**Tony BATES:** Subject to if Treasury require me to submit them to cabinet. But we are trying to make sure we at least publish an executive summary of all those evaluations. The thing I will say, Ms Gray-Barberio, is there is a big range – the mental health menu, mental health practitioners in secondary schools and we have a GPs in secondary schools program for particular communities or families where they can struggle to access Medicare services for a whole range of reasons. We have got school-wide positive behaviour. Both the surveys that we do of staff and students are showing very clear improvements in those outcomes. We do a principal survey every year, as well as attitudes to school surveys from students. We are seeing, over the last five years, really clear improvements in those responses. A number of the supports we are providing into both students and also into staff – principals are clearly in our surveys saying that they see an improvement, that behaviour in schools is better and that they are less stressed. So there is –

**Anasina GRAY-BARBERIO:** Can I just quickly ask, just before my time runs out, Mr Bates: how about schools that we have heard from that do not have access to counsellors or wellbeing officers or allied health

supports? What happens to them? Is there a plan or some kind of commitment to address public schools that do not have access to mental health wellbeing support?

**The CHAIR:** Just quickly.

**Tony BATES:** I will just say that the mental health menu has been allocated to every school. So there is funding for every school. As I said, we have got mental health practitioners in all of our secondary schools, and we have got a mental health lead teacher in every primary school. So everyone has that. As I mentioned in the chart, I do have a very significant allied health workforce that supports schools. I will say I am running a lot of vacancies in that service. The NDIS has been a very significant disruptor to the whole allied health workforce across the whole country. We are working up a strategy to really focus on recruiting more psychologists to provide support to those schools.

**Anasina GRAY-BARBERIO:** Okay. Thank you very much.

**The CHAIR:** Thanks very much. Ms Watt, over to you.

**Sheena WATT:** Thank you, Chair. Thank you, Secretary, for your submission and for appearing before us today. You have actually finished up on a point with Ms Gray-Barberio that I would not mind following up on, which is particular to some of the additional supports. I recall on one of your earlier slides you actually listed a series of department-funded programs. Are we able to pull that up, if that is okay, please? There was a list in that, including, I believe, First Nations support and others. I am interested: some of those are not familiar to me, and I would not mind if I could ask a little bit about how that funding happens. I see legal advice, Koori programs, the academy of teaching and others. How does that work fundingwise? Could you just be quite clear with us about that. Particularly I want to ask a follow-up to that about Koori programs and funding and support from the federal government on those matters.

**Tony BATES:** I might start at the bottom and work up. The academy of teaching and leadership, which is just there, next door, is based on a model that Minister Merlino saw in Singapore for their Teaching Excellence Academy. I can share with the committee we had one of the ministers from Singapore out recently and had a meeting in there and said, 'This is based on your one.' He goes, 'Your building is a lot nicer than our one.' We run a range of programs at the academy. We particularly have a teacher excellence program, which is the really big one. I was speaking to the 2026 intake just a few weeks ago. We get teachers who are early in their careers, often at that five- to six- to seven-year mark. They come in and they do a couple of intensive days in at the academy. They will be assigned a mentor who works with them on their teaching practice. They do some group work. When we talk about that on the first day, there are groans and all sorts of things. But having just spoken to the 2026 intake coming in, I think there were over 300 teachers, and I had been to the graduation of the 2025 cohort. It is a program that is very deliberately designed to strengthen the profession. It builds networks across the profession. The academy have a range of, as we call them, master teachers and then principals and residents who are experts in mathematics education and other things. It is a very deliberately designed model to move beyond the normal professional development that teachers get at their schools to really strengthen the academy and recognise the importance of the profession. The teachers in the tech program get a lot of contemporary evidence-based updates on teaching methodologies and other things. They take them back to their schools and they spread them through the schools. That is one of those really big things that we think are having a very positive impact. I might just say we have a Koori literacy and numeracy program that we do. For some young children around prep we do English testing.

**Andrea DEL MONACO:** Significant budget investment.

**Sheena WATT:** I am interested to know more about that, please.

**Tony BATES:** We have dedicated funding that goes out to schools to help First Nations children who have either literacy or numeracy things to get small group support.

**Sheena WATT:** Is that the Koori education support officer role?

**Tony BATES:** That is different. The Koori literacy and numeracy program, as I said, do assessments on First Nations students at various points. If they are in that 'needs additional support' category, the school will be allocated extra funding to do targeted small group support to help those students to catch up. As Deputy

Secretary Del Monaco has just reminded me, we have put out funding to a number of the registered Aboriginal parties and ACCOs to provide more workers to support First Nations students and to support schools to engage with their local Koori communities. There is quite a cultural load. The things that we were hearing from VAEAI, to be direct, were that the school system was probably too dependent on free voluntary offerings from community and elder leaders. We thought it was important to try and help build capacity in the sector. We cannot rely forever on the voluntary work of community elders. We are funding a number of people in those ACCOs and RAPs to do some of those important roles as well as having a Koori education support workforce who go into schools and help classroom teachers, working with Koori families on culturally safe practices and a range of other things. There are quite a number of programs. As I said, the literacy and numeracy support through SRP is supporting those individual students in their schools. But then a lot of those investments are at the system level, building capability both in Aboriginal community controlled organisations and others to work in partnership with schools.

**Sheena WATT:** So is there additional funding from Canberra for Koori students, or is that then additionally topped up by –

**Tony BATES:** There is. It is one of those ones that when the SRS calculation happens, the number of First Nations students is one of the factors that helps set the global SRS pie. But then we again carve it up using Victoria-specific methodologies.

**Sheena WATT:** I am just trying to understand: does Canberra give us enough money to meet the needs of Aboriginal students, or are we topping it up with additional programs as marked here that the department actually provides support for?

**Tony BATES:** Again, I will keep going with my theme that the SRS model is not particularly appropriate for allocation to individual schools. I would say I think it is broadly sufficient, but we are looking at additional investment in future years.

**Sheena WATT:** No, that is all right. Now, you mentioned about NDIS and the complexity of NDIS for, I do not know, classrooms and school settings. One of the things that I have recently discovered is that NDIS eligibility is in fact limited to Australian citizens, and yet we have a range of students in our schools – and I am thinking particularly of inner-city schools and perhaps also large numbers of students from Pasifika communities that are particularly prevalent in some of those areas of growth that you put on that map earlier – that are not eligible for NDIS. And so I am hearing from schools that that additional pressure of the mental health and other needs – disability needs, NDIS – of otherwise eligible students but not eligible given their citizenship status as not Australian citizens – is putting a lot of pressure on schools and the availability and provision of school-provided programs. Do you have any commentary on that? Because that is something that I think is significant and worth exploring.

**Tony BATES:** Ms Watt, I can say the department maintains a smallish – when we did the NDIS transition 10 years ago we used to run a very big program that provided a lot of the supports that NDIS was intended to provide. We have maintained that program for non-citizens. So we transferred most of the money off to Canberra, but we have continued that program. It is called ECIS. We do contract a range of allied health services to support children, non-citizens who are in the system, who need those sorts of intensive supports. So we do still provide that support. And then I might say just in general, in relation to our disability inclusion reform, and this is where there are differences in eligibility, if the student is allowed to enrol in our school as a non-citizen, then they are eligible for our disability inclusion funding, all of that stuff that we have been speaking about – you know, the tier 3 individual packages but also the tier 2 supports. The tier 2 support is we provide funding to schools based on their enrolments to support children who do not meet that individual package threshold but who still need support. And so those non-citizen children who are enrolled are eligible for all of those supports for our system. So I will say in our full disability inclusion model, if they are eligible for free enrolment in the schools, then they get the full access to that program, and we also have the ECIS program on top of that.

**Sheena WATT:** Okay. And ECIS is funded from where?

**Tony BATES:** From the Victorian government.

**Sheena WATT:** Entirely?

**Tony BATES:** Entirely.

**Sheena WATT:** So non-citizen students that are therefore not eligible for NDIS are supported through the state government funded ECIS program.

**Tony BATES:** Yes. We have continued the program as it was in its pre-NDIS form. I mean, we can have a whole discussion about the NDIS and if it is value for money in its current configuration. But we have continued the program the way it was before it was transferred.

**Sheena WATT:** I am more interested in exploring those students that are left behind and making sure that they get quality support whilst in the classroom as students with a disability. And you are saying that those students with a disability that are not citizens are supported by the state but not by our friends in Canberra?

**Tony BATES:** Yes.

**Sheena WATT:** That is good to know and certainly an opportunity for advocacy, I think, from the state. We have a growing number of Pasifika students as well.

**Tony BATES:** Ms Watt, I might just also mention, if there is time, we also have an NDIS navigator program for Australian citizens. I think I have spoken at various committees about this before.

**Sheena WATT:** Yes.

**Tony BATES:** Navigating the NDIS is really, really hard.

**Sheena WATT:** Yes, it is a specialist skill.

**Tony BATES:** One of my childhood friends, they have a profoundly disabled son. I will just say he is tertiary educated, in a well-paid job. He could not figure out how to get into the system – and this is people with significant social capital. So what we have rolled out is a series of NDIS navigators across the government school system, particularly in our specialist schools but also in some other schools with a high concentration of students with disability. These are people who support families to apply for the NDIS. It just really makes a big difference in Australian citizen families who have struggled to access that system. The Victorian government is supporting them to make sure that they can get the entitlements from the Commonwealth they are eligible for.

**Sheena WATT:** Yes. I certainly appreciate that. Thank you. I might leave it there, if that is all right, Chair, and perhaps return to you.

**The CHAIR:** Thanks very much, Ms Watt. I am going to go through and do my rapid-fire thing. I was going to go back to you, if you want to.

**Sheena WATT:** No, not this time around. I copped it the last time.

**The CHAIR:** I can start up the other end if you want. Do you want to go, Ms Gray-Barberio?

**Anasina GRAY-BARBERIO:** Yes, thank you, Chair. Thank you, Mr Bates, Can I just ask you about eligibility for SRP, when schools are applying for the funding? Because we have heard that schools have applied for funding and they have been knocked back. What kind of eligibility criteria or visibility do schools have in terms of being eligible for funding? Are there any accountability mechanisms that your department applies to ensure that it is fair when you are allocating funding to government schools?

**Tony BATES:** Ms Gray-Barberio, I would probably say the vast majority of SRP funding is automatically eligible for every student in every school. There are a very small number of programs where it is on an application-based basis.

**Anasina GRAY-BARBERIO:** Could you give an example of what that program would be, where –

**Andrea DEL MONACO:** I cannot really think of one. Most of our funding, you take the characteristic –

**Anasina GRAY-BARBERIO:** I am happy for you to take it on notice.

**Andrea DEL MONACO:** Yes, I think it is nearly none. I am looking at the list –

**Tony BATES:** I might just say there are –

**Anasina GRAY-BARBERIO:** Mr Bates is saying some, and you are saying none.

**Tony BATES:** No, there are definitely –

**Andrea DEL MONACO:** But in terms of the size and the value of that expenditure, equity funding is provided based on the characteristics of the family –

**Tony BATES:** Which is all automatic entitlement for everyone.

**Andrea DEL MONACO:** So, core student price –

**Tony BATES:** I might just say that there are things like shade sail programs. They tend to be capital programs, where it is on an application basis. So the shade sail programs, sometimes there are programs around the safe removal of trees. There are a number of programs like that that tend to be more for, I will call it minor capital upgrades, where it is on an application basis.

**Scott WIDMER:** Perhaps another example would be where the department is piloting a new approach to something, we will seek schools to be interested in participating in that. For example, something like VET tasters, offering opportunities for schools to try out new VET taster programs, so where we are looking to develop a program through a pilot.

**Tony BATES:** Do you want to say what a VET taster is?

**Anasina GRAY-BARBERIO:** Yes, I was about to ask. Can you tell me what that is?

**Scott WIDMER:** A VET taster is an opportunity for students in perhaps years 8, 9 and 10 to try a VET or VET-style learning program to get –

**Tony BATES:** So like a TAFE course.

**Scott WIDMER:** ahead of thinking about opportunities to perhaps take up the vocational major in their senior secondary years.

**Tony BATES:** But again, I will just say, Ms Gray-Barberio, the vast majority, I would say well over 98 per cent of SRP, is automatic eligibility for all students in all schools.

**Anasina GRAY-BARBERIO:** Okay, great. Thank you very much.

**The CHAIR:** Thank you. I will go back to me. I have got a couple of quick questions. The school breakfast club – what has been the uptake on that? Do you have any numbers around that?

**Tony BATES:** The last time I looked, I think we were over a thousand schools.

**The CHAIR:** I am happy for you to take it on notice, if you like.

**Tony BATES:** Yes, we can come back on that one. But I think last time I looked over a thousand schools had joined the school breakfast club program. And I might just say for the committee, it is not just breakfast – if a child needs breakfast, they typically will need lunch, so they are being provided with food both for breakfast and to keep them going throughout the day.

**The CHAIR:** We had a school come through before and say that they were not part of that program. I just wondered how wide uptake in the program is or is not?

**Scott WIDMER:** It is over 1300 government schools now, I think since 2016 it has delivered over 60 million meals.

**The CHAIR:** The reason why I want to know that information is because I particularly want to know the spread of where the schools are, whether they are regional, metro – which part? If you are happy to take that on notice, I would love to know some more information about that.

**Tony BATES:** We will. Chair, I might just say there is an open invitation for every government school to join the school breakfast club.

**The CHAIR:** Of course, yes.

**Tony BATES:** So we would be happy to hear who was not part of it, and we can follow up and help them join if they would like that.

**The CHAIR:** Sure. I have not that long left, so I will ask: we have heard evidence too that teachers are paying for school resources out of their own pocket.

**Tony BATES:** Again, and I hear this from time to time, that should not be happening. We have a range of mechanisms for support. If there are schools that find that they have got cash flow challenges, they can always reach out to Ms Del Monaco's team and to the team in the SRP part of the department. If schools are in any sort of financial distress, we will always support them. I will just repeat: that should not be happening.

**The CHAIR:** And very lastly, CRTs – we have heard evidence today that schools do not have enough money to pay them that much this year compared to last year.

**Andrea DEL MONACO:** I do not think that is actually correct.

**The CHAIR:** That is not true?

**Andrea DEL MONACO:** No, CRT expenditures are always challenging. In 2023 when there was a significant workforce shortage the CRT expenditure was higher. In the last couple of years it has been tracking down – CRT expenditure – but what you found in 2023 is they had less salary costs because they perhaps could not be fully resourced, so their CRT spend was more. What we are seeing now is continued improvement in the workforce supply challenge, and that means demand for CRTs is actually going down. I think it is actually counter to what you are saying, or the data is showing a decline.

**The CHAIR:** Yes, we just had one –

**Andrea DEL MONACO:** But that does not mean there are not localised challenges for an individual school. When I look at data, I am looking at 1600 schools. You might be hearing from one school that might be having more CRT challenges.

**The CHAIR:** The person that came through this morning was talking about a number of schools that they had worked at, and they said that demand was a lot less for their services than what it had been even last year. So I just thought I would follow up now that you are here.

**Tony BATES:** Yes. I think as –

**The CHAIR:** They said budget was an issue. That is what they said, so I just thought I would follow it up.

**Tony BATES:** Chair, I think again, as Deputy Secretary Del Monaco said, we see the system-wide data. The demand for CRTs has been on a very steep decline. Understandably at the end of COVID when we were being very, very careful about respiratory illness it was really high, but the workforce strategies we have had in place – the slides I might not have fully got to – talked about we have had very strong growth in registered teacher numbers, so the demand that we are seeing for CRTs has been dropping, and it is a good thing.

**The CHAIR:** That is all right. I just wanted to follow that up, that is all.

**Andrea DEL MONACO:** And our recent data for this year is showing, again, improving signs. So those 1300 or 1500 new teachers that are coming into the system each year for the last few years is a really positive sign. In terms of how many schools we are supporting with intensive support, compared with 2023 we are

really down in the very few handful of schools. It is real for those schools, though, and we need to acknowledge that, but the size and scale of it is not to the same extent.

**The CHAIR:** I will hand over to Mr Galea.

**Michael GALEA:** Thank you, Chair. Thanks again. Just a few quick questions if I may. Just touching again on the SRS modelling issues, we have talked about and you talked to Mr Batchelor about one of the solutions or one of the proposed solutions from Victoria. You also said you had made recommendations to the Commonwealth. Are you happy to share them with the committee?

**Andrea DEL MONACO:** They were mainly verbal.

**Michael GALEA:** Mainly verbal.

**Tony BATES:** Yes.

**Andrea DEL MONACO:** And I continued to have a conversation this week with the Commonwealth on that. It is about bringing certainty to the model.

**Michael GALEA:** And that earlier, so you mentioned term 1 as an example.

**Andrea DEL MONACO:** That is right, and possibly them having confidence in their forecasting. If you are too conservative in your forecasting, it leaves us short and there are big adjustments when the data comes through. What we want is nearly more bullish forecasting so that we can plan for that. There is a conservative bias in the way they are forecasting at the moment.

**Michael GALEA:** We look forward to seeing that.

**Scott WIDMER:** And this is one of the issues we expect will be raised in the national review of the SRS.

**Michael GALEA:** Thank you. Non-government school capital contributions from the federal government, obviously there is a disparity because Victoria is investing significantly more compared to other states in state schools. Do we know what percentage of federal funding on non-government schools goes to Victoria?

**Tony BATES:** We do. I do not have that with me today because I was really prepping on government school funding, but we do have that and can provide that to the committee if that is helpful.

**Michael GALEA:** That would be terrific, thank you. Then just lastly on the SRS and SRP. We have spoken about the reasons why the SRP more appropriately caters to the equity needs of students. Can I ask: do other states have equivalent models?

**Andrea DEL MONACO:** This is just how we distribute; this is our method for distributing. From your perspective it would look quite similar: core funding plus a bit for equity plus a bit for location, small size, a number of other factors. SRP and SRS look quite similar. It is just that our ones are a little bit more finessed to cater to our needs.

**Tony BATES:** Mr Galea, I might just say the big states all have models like us. I think a number of the smaller jurisdictions might use the SRS because they do not have the scale to be able to do the cost modelling that you need to do the system properly.

**Andrea DEL MONACO:** And then the Catholics have their own model.

**Tony BATES:** Yes.

**Michael GALEA:** Just to complicate things further. Thank you. That is very useful to know.

**The CHAIR:** Mr Batchelor, over to you.

**Ryan BATCHELOR:** I am okay. I think we are at time.

**The CHAIR:** Ms Watt, over to you.

**Sheena WATT:** I asked earlier about the capital improvement expense of our historical and heritage schools. Do you have any comment? Our inner-city schools, many are coming on to 150 years, and we have had some of them come in today. The costs of repairs and maintenance on these school assets is kind of extraordinary. I am just wondering if you have any comments around planning for upgrade spends and how different it is compared to perhaps some of our friends from elsewhere. It is an extraordinary amount of money for some of the repairs necessary, and of course they are very old and loved schools.

**Tony BATES:** Yes, a lot of those Bastow schools are very architecturally pleasing to the eye.

**Sheena WATT:** But financially challenging.

**Tony BATES:** Although, yes, sometimes the brickwork can start to need some repair and maintenance work. We do have a rolling facilities evaluation. The SRP model, as I said, allocates maintenance funding for a range of things, pretty much based on the size of the school buildings. We do have a number of planned maintenance programs beyond the SRP. That might go back to things where people have applied and have not been successful. But again, they tend to be building and physical fabric related. We do have a range of programs that target those older schools to support them. Off that rolling facilities evaluation, that then feeds into our planned maintenance program, which is on top of the SRP funding. Then in the cases where things do happen – and sometimes you get this in old buildings that you can have guttering fail or other things like that – we have got emergency maintenance. So we have got a sequence of maintenance programs. Every school gets maintenance funding in its SRP. Then there is a planned maintenance program run centrally on top of that, there is an emergency maintenance program on top of that and then there is a thing called make safe for if there has been a storm that has come through and you have been hit by lightning or something like that. There is a tiered sequence of interventions that particularly do help both those older schools and the schools that are in areas where they are more prone to exposure to weather and conditions.

**Sheena WATT:** Okay. That is helpful for me. Thank you.

**The CHAIR:** Cool. Thanks very much, Ms Watt. That brings this session to a close. Thanks very much for your time. You will get a proof version of the transcript to have a look over and make any minor changes as you see fit. But from us, thanks very much. Appreciate it.

**Witnesses withdrew.**