



Brotherhood
of St Laurence

Working for an Australia free of poverty

Turning around disadvantage through the Education State

Submission to the
Victorian State Schools Funding Review and the
Education State Schools Consultation Paper

Brotherhood of St Laurence

July 2015

Brotherhood of St Laurence
67 Brunswick Street
Fitzroy Vic. 3065

ABN 24 603 467 024

Ph. (03) 9483 1183

www.bsl.org.au

For further information or to discuss this submission, please contact:

Rob Hudson
Group General Manager, Programs and Policy
Brotherhood of St Laurence
Email: rhudson@bsl.org.au
Ph. (03) 9483 2430

Recommendations

An Education State that lifts outcomes for Victoria's disadvantaged students

1. Establish explicit objectives, indicators and targets for the Education State that are directed at improving school outcomes for students experiencing disadvantage.

A school funding model to tackle disadvantage

2. Reform school funding to:
 - increase school funding expenditure, in partnership with the Australian Government, to ensure every Victorian student attracts investment that equates to the schooling resource standard identified in the Gonski Review
 - distribute public funds on a needs-based, sector-blind basis.
3. Strengthen needs-based funding by:
 - increasing funding to address disadvantage
 - targeting funding for socioeconomic disadvantage at the schools most in need
 - introducing a re-engagement payment aimed at bringing young people back to school or school-connected programs.
4. Ensure funding to address disadvantage reaches those students it is intended for and delivers improved student outcomes by:
 - requiring disadvantage-related payments to be separately accounted for to reflect their specific purpose
 - supporting schools to spend this funding on evidence-informed approaches to tackle disadvantage and disengagement
 - requiring schools to report on the learning outcomes of students who attract this funding
 - publishing annual data on system-wide outcomes for students experiencing disadvantage, to monitor the impact of reforms and inform future development.
5. Support low-income families to meet out-of-pocket school-related costs by
 - clarifying what payments state schools can require or request from parents and monitoring the way this is implemented
 - providing dedicated funding for families in hardship to meet costs such as equipment and materials, excursions and elective subject charges, to enable their child to participate fully in school life.

High-support flexible learning options for vulnerable students across Victoria

6. Provide equitable funding for high-support flexible schooling options, such as Community VCAL, for young people whose attendance in a traditional school setting is no longer viable.

Re-engagement and return to learning support

7. Establish a systemic approach to rapidly identify those who disconnect from school and engage support for them to return to learning or secure their next steps.

The Brotherhood of St Laurence and the education of children and young people

The Brotherhood of St Laurence is an independent non-government organisation with strong community links that has been working to reduce poverty in Australia since the 1930s. Based in Melbourne, but with a national profile, the Brotherhood continues to fight for an Australia free of poverty. We undertake research, service development and delivery, and advocacy with the objective of addressing unmet needs and translating the understandings gained into new policies, new programs and practices for implementation by government and others.

This paper draws on our research, practical experience and policy analysis regarding the relationship of children and young people experiencing disadvantage with education including:

- development and oversight of the **Home Interaction Program for Parents and Youngsters (HIPPY)** in Australia to enable vulnerable families to support their four and five-year-old children to build the skills needed for a successful transition to primary school
- delivery of innovative **Supported Playgroups** that enable public housing residents and newly arrived communities to support their infants' and toddlers' development
- developing and piloting **RESET**, a middle years re-engagement program for 10–14 year olds in the Frankston region who are confronting barriers to continuing their schooling
- delivery of the **Youth Connections** service in the Frankston and Mornington Peninsula region to help young people who were disconnected from school to return to learning (till the end of 2014)
- delivery of the **Community-based Victorian Certificate of Applied Learning (Community VCAL)** in Frankston, which provides a high-support, flexible learning environment for young people who have been lost to local schools
- development and operation of **Education First Youth Foyers** in TAFE institutes, in partnership with Hanover Welfare Services and the Victorian Government, to enable young people experiencing homelessness to continue their education and move into work
- development and delivery of the **Youth Transitions Program**, which operates in youth unemployment hotspots in growth corridors of Melbourne and focuses on building foundation skills, job skills and work experience. The program incorporates tailored career advice and planning, personalised coaching, introductions to employers and follow-up support for young people, and their employers, as they move into work
- delivery to young and vulnerable learners experiencing disadvantage of **accredited and non-accredited training programs**, incorporating work experience and job search support through the Brotherhood's Registered Training Organisation
- **supported employment arrangements** including traineeships and apprenticeships through the Brotherhood's Group Training Organisation.

Overview

The Brotherhood commends the Victorian Government for putting education at the forefront of its agenda and welcomes the opportunity to participate in shaping Victoria as the Education State. As Victoria shifts to a knowledge-based economy, education and training has become increasingly important to every young person's future prospects.¹ It is also vital to the state's future productivity.²

There is consensus among institutions like the OECD, World Bank and International Labour Organization that reducing inequality is a critical underpinning for sustainable economic growth. Education is fundamental to reducing inequality. Through our research and practical experience in designing and delivering programs and services, the Brotherhood is well placed to understand the cause and effects of educational disadvantage, how it can escalate over the life course and interventions that can make a difference. Education is the stand-out factor associated with improving life chances³, sustaining employment and being part of community life. A solid education can change the trajectory of a child's or young person's life, even if they are living in circumstances of poverty or disadvantage.

However, Victoria's education system is failing to meet the needs of many children and young people, with negative consequences for individuals and the broader community. Significant numbers of children are already struggling developmentally by the time they start school. There is a persistent and unacceptable gap between the educational attainment of children from low socioeconomic status (SES) families and that of their advantaged peers, which widens over the course of their school lives. There are high levels of disengagement among both primary and secondary students. And the geographic concentration of students experiencing disadvantage is intensifying.

Thousands of young Victorians disappear prematurely from the education system each year. With low levels of education they are at risk of being unable to find or sustain work. Indeed, almost half of early school leavers find themselves on the margins of the labour force, either in part-time or casual jobs or out of work altogether.⁴ Some will face ongoing unemployment and will be more likely to suffer poorer health, be socially isolated, or even find themselves in trouble with the criminal justice system. This will adversely impact on their capacity to fully participate in society.⁵

¹Productivity Commission 2012, *Schools workforce research report*, Canberra.

² Applied Economics in 2005 estimated that reducing the number of early school leavers and increasing school retention rates to 90 per cent translates into an estimated boost to annual GDP of 1.1%.

³McLachlan, R, Gilfillan, G & Gordon, J 2013, *Deep and persistent disadvantage in Australia*, Productivity Commission Staff Working Paper, Canberra.

⁴*ibid.*, citing ABS 2012, *Education and work*, Cat. no. 6227.0. See also Dandolo Partners 2012, *Second interim evaluation of the National Partnership on Youth Attainment and Transitions*, Melbourne.

⁵ The Social Exclusion Monitor reveals that early school leavers are two and a half times more likely to experience deep social exclusion than those who complete Year 12. The monitor measures the accumulation of deprivation using 30 indicators across seven life domains: material resources, employment, education and skills, health and disability, social connection, community and personal safety. These different dimensions of disadvantage determine a person's ability to participate fully in society.

For a discussion of the most recent monitor data, see <<https://theconversation.com/whos-on-the-outer-uncovering-povertys-many-faces-44574>>.

This submission focuses on the schools aspect of the Education State consultation and the concurrent Review of State School Funding being conducted by the Hon. Steve Bracks.⁶ The next section highlights the major systemic challenges that prevent children and young people experiencing disadvantage from engaging with and succeeding at school. The submission then offers practical recommendations to address these challenges, together with potential principles and targets to underpin the development of Victoria as the Education State.

Key challenges for students experiencing disadvantage

Students are confronted with multiple challenges

The Brotherhood has gained a first-hand insight into the experiences of school-aged children and young people who are faring poorly in and dropping out of the school system. Participants in the Brotherhood's Youth Connections Service, Community VCAL Program and Youth Transitions Program typically have faced a number of challenges to continuing their education. Nearly all are living in very poor financial circumstances; many have mental health issues or a disability; learning difficulties are common, as are health and addiction issues; some reside in out-of-home care, live in precarious housing or are experiencing homelessness; a number have been involved with the criminal justice system. There is a substantial over-representation of Aboriginal or Torres Strait Islander people, refugees and newly arrived communities. Many are also parents or carers. Frequently they started disengaging in their primary school years and struggled with the transition to secondary school; and they may have barely attended school for a number of years before finally exiting. The following examples of children and young people that we work with illustrate the complex issues:

- 4-year-olds who before commencing our HIPPY program have never been read to at home
- 10-year-olds in our RESET Program who experience a great deal of turmoil in their home environment and struggle to tolerate more than two hours a day in class
- 16-year-olds coming to our Community VCAL program who can barely read or write
- 20-year-olds signing up for our Education First Youth Foyers after experiencing a lifetime of disruption because of family violence, insecure housing and interrupted schooling
- 21-year olds who commence our Youth Transitions Program after years of being disengaged from school and work.

The Review of Funding for Schooling (the Gonski Review) echoes our experience. It found the key dimensions of disadvantage that are impacting on educational performance in Australian are socioeconomic status, Indigeneity, English language proficiency, disability and school remoteness. It further found that students who experience multiple factors of disadvantage are at higher risk of poor performance.⁷

⁶ The Brotherhood anticipates engaging more deeply on the critical issue of what the Education State means for the early years, but awaits release of the related discussion paper. We continue to participate in the VET reform agenda.

⁷Gonski Review, Findings 17 & 18.

Although the root cause of educational disadvantage often lies beyond the school gate, the education system can provide structured interventions and support to enable children and young people to successfully engage with learning.

Economic disadvantage often translates into poorer educational outcomes

There is a stark and persistent educational performance gap between students from low SES backgrounds and their peers from higher SES families. Australia's equity gap has been widening and is now among the worst for OECD countries. Often present before children commence school, this gap widens throughout the school years and fuels disengagement from learning.⁸

In Victoria, around 6 per cent of children from wealthier backgrounds perform at or below minimum standards compared with a massive 25 per cent of those in the lowest SES group.⁹ Data on educational outcomes from the COAG Reform Council revealed that the academic achievement of students from low SES backgrounds in Years 7 and 9 fell between 2006 and 2011; there has been no improvement in the proportion of low SES students progressing beyond Year 10 since 2008; and there is a gap of almost 20 percentage points in the achievement of Year 12 or Certificate II qualifications between students from the lowest and highest socioeconomic groups.¹⁰

The Gonski Review found that the increased concentration of disadvantaged students—particularly students from low SES background and Aboriginal students—has a significant impact on educational outcomes.¹¹ Worryingly, recent analysis reveals an increasing social stratification in Victorian schools with a growing concentration of students experiencing disadvantage in particular schools serving to widen the academic gap along socioeconomic lines.¹² This predominantly impacts the government sector where most students experiencing disadvantage are educated.¹³

An immense disparity of funding and assets between schools

The current approach to school funding is perpetuating this stratification. Over the last few decades, governments have directed more funds to non-government schools with higher proportions of advantaged students. Public funding has favoured choice and competition over equity and need.¹⁴ The consequence is a huge disparity in the investment in students across the Victorian school system. For example, at Presbyterian Ladies' College (an independent school) funding per primary student—which comprises government funding, parent and other contributions—was \$27,943 in 2013. By contrast, students at Doncaster Park Primary attracted less than one-third of this investment, with funding of \$7,887 per student.¹⁵ The following figure provides a national snapshot of this inequity in investment.

⁸McLachlan, R, Gilfillan, G & Gordon, J 2013, *Deep and persistent disadvantage in Australia*, Productivity Commission Staff Working Paper, Canberra.

⁹Teese, R 2014, *For the common weal: the public high school in Victoria 1910–2010*, Australian Scholarly Publishing, North Melbourne, Vic. See Chapter 19.

¹⁰ COAG Reform Council 2013, *Education in Australia 2012: five years of performance COAG*.

¹¹Gonski Review, Finding 21.

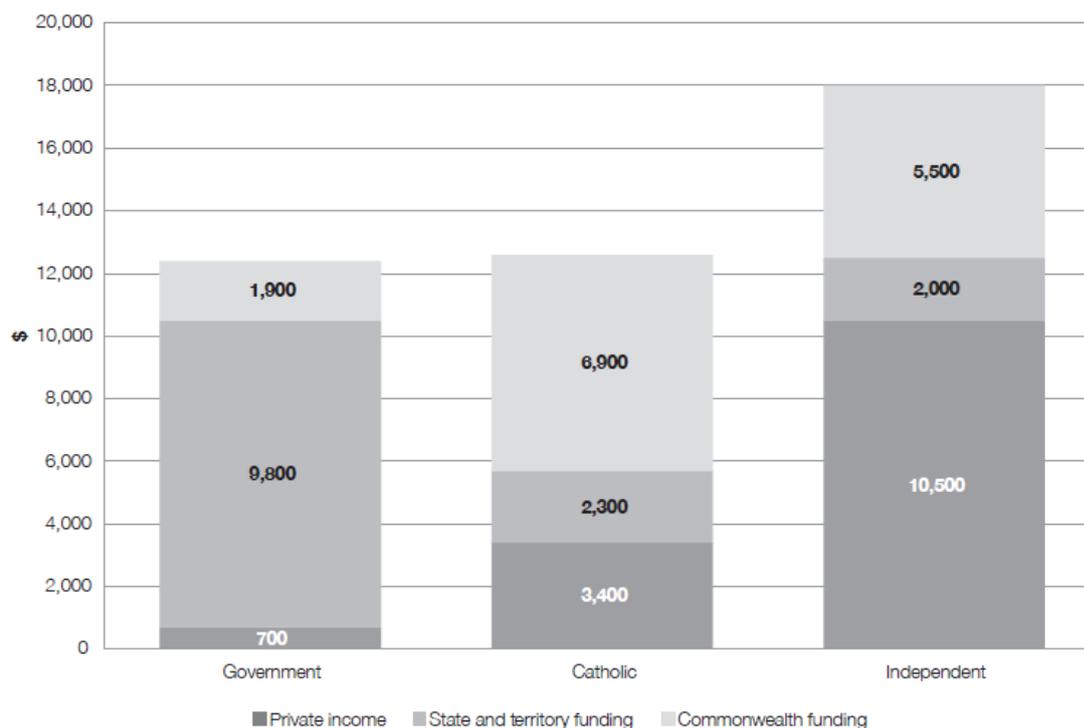
¹²Shepherd, B 2015, 'Gonski, My School and the education market', in *Equity, funding and the Education State*, prepared for the Need to Succeed forum, 24 March, pp. 10–29.

¹³Gonski Review, Finding 21.

¹⁴Connors, L & McMorrough, J 2015, *Imperatives in school funding: equity, sustainability and achievement*, Australian Council for Education Research, Camberwell, Vic.

¹⁵'The nation's top 100 primary schools', in the Your School supplement, *The Weekend Australian*, 20–21 June 2015, using data from the My School website.

Figure 1 Average net recurrent income, per student, by source and sector, 2012



Note: Figures in columns represent dollar amounts of recurrent income per student, rounded to the nearest '00

Source: Connors, L & McMorow, J 2015, *Imperatives in school funding: equity, sustainability and achievement*, Australian Council for Education Research, Camberwell, Vic., p. 3. Data from Australian Government Budget 2014–15, Papers Nos. 1 and 3, Department of Finance, Canberra.

The contribution made by parents to state school funds varies considerably according to location. Schools in more affluent communities with higher social capital are able to generate greater funds. A recent Victorian Auditor-General's report confirmed that schools are increasingly relying on voluntary contributions to fund basic running costs.¹⁶ Schools unable to attract these contributions have a reduced capacity to update their buildings and grounds, provide equipment, hire more experienced teachers and offer a wide curriculum.

This disparity in school financial resources is compounded by the dramatic variation in the cultural assets of schools. The education of parents, their capacity to assist their child's learning, their English language skills, their capacity to intervene in crises affecting their children and the value families place on schooling all impact on student outcomes. Further, the gap between the capacities of parents and student needs widens as their child proceeds through secondary school.¹⁷

Victoria's current equity loading is intended to address this gap. However, the funding is manifestly inadequate, at around 2 per cent of the total allocation to schools.¹⁸ Moreover, a recent review found that Victorian equity funding was not based on an actual assessment of student need

¹⁶Victorian Auditor-General's Office 2015, *Additional school costs for families*

¹⁷Interview with Professor Richard Teese, Melbourne Graduate School of Education, 23 July 2015.

¹⁸DEECD 2013, *Victoria's plan for schools funding reform*

but instead seemed to reflect an artificial limit.¹⁹ With around half of all state schools receiving equity funding, it is spread very thinly.

As schools do not need to separately account for the use of equity funds, it is unclear how the funding is being used and whether it is helping to lift learning outcomes for low SES students.

Schools are often ill-equipped to identify and prevent disengagement

For some young people the idea they can get a job and earn some money may make leaving school attractive; however the Brotherhood's experience is that most vulnerable young people have been pushed out of school by negative factors that discourage their continuation or have failed to get the support they needed to stay at school. Common issues include learning disorders, underdeveloped literacy and numeracy skills, bullying, low self-esteem and a combination of low expectations and limited adult support. Difficulties at home may cause or compound these issues.²⁰

While we acknowledge that many schools work hard to engage and retain more difficult students, we understand that schools are often ill-equipped to offer the high level of support needed to support those who face challenges because:

- teachers frequently lack the training and skills to identify and effectively support the learning of children and young people experiencing disadvantage. Recent Brotherhood research into the structure of teacher training courses found disturbing gaps that leave teachers inadequately prepared to respond to those most in need²¹
- there is no systematic approach to identifying or supporting students who are at risk of disengaging. The Student Resource Package is not sufficiently weighted to support early intervention when disengagement risk factors are showing
- the school size, structure and other priorities that staff must attend to can be a barrier to providing the highly personalised support required by more vulnerable students.

We acknowledge that there are interventions and services such as the Managed Individual Pathways, mental health support (including the Headspace school partnership), Koorie Education Support, wellbeing staff including Student Support Services, the School Focused Youth Service and the Local Learning and Employment Networks. However, they are not operating at a scale or with the coordination required to enable young people facing a range of challenges to succeed at school. Nor do they appear to be systematically building the capacity of schools to embed a comprehensive approach that averts disengagement.

In addition, the trend towards greater government school independence and principal autonomy, together with My School and the league table approach to reporting school outcomes, may discourage schools from actively seeking to retain students that are struggling, or even encourage them to make attempts to move students on.

¹⁹Victorian Competition and Efficiency Commission 2014, *Making the grade*.

²⁰Barrett, A 2012, *Building relationships for better outcomes: Peninsula Youth Connections evaluation stage 2 report*, Brotherhood of St Laurence, Fitzroy, Vic.

²¹Hanson-Peterson, J 2013, *Do training programs equip teachers with skills to teach disengaged students? A preliminary scan*, Brotherhood of St Laurence, Fitzroy, Vic.

High-support flexible learning options are poorly funded and scarce

For young people for whom participation in a traditional school environment is no longer viable, there is a scarcity of high-support flexible learning options where they can complete their secondary education.

The Community VCAL model, which enables students to undertake their senior secondary studies with a community-based provider while remaining school-enrolled, is not available in many parts of the state. Despite the high demand for places and some good results with students, the pool of providers is shrinking. We believe there are just eight remaining Community VCAL providers, working with around 350 students.

This is principally due to the low level of education funding that students in a Community VCAL program attract. Although they are educating some of Victoria's most vulnerable students, Community VCAL programs are desperately underfunded, with students attracting around half of what their counterparts in state schools do.

Transferring to VET instead of school can further entrench disadvantage

Increasingly, the VET sector is being relied upon to mitigate the worrying levels of disengagement from secondary schools.²² The practice of enabling young people of compulsory school age to transfer into VET is problematic.

Training providers do not have the same duty of care and parental engagement responsibilities as schools and they typically lack the capacity to provide wellbeing and learning supports or the vocational guidance required by young people experiencing disadvantage. The providers and the qualifications they deliver are of highly variable quality. Furthermore, young people of school age are utilising their training entitlements under the Victorian Training Guarantee, which may shut them out of future subsidised VET opportunities. The statistics demonstrate the failure of this approach to engage young people. Around 7,000 Years 9–11 students exit school each year to enrol in the VET system. Of these, around 6,000 have exited entirely from education within 12 months.²³

Notwithstanding the current Victorian VET Reform process which looks set to make some promising recommendations of improvement for young learners, the Brotherhood believes that the interests of young people of compulsory school age are best served by being in school or in a school-attached program so that they retain the benefits of being school-enrolled.

No accountability or support exists for young people lost from education

Each year, at least 10,000 Years 9–11 students who leave Victorian state schools do not go on to further education or training.²⁴ These are in addition to the 6,000 young Victorians of compulsory school age who drop out of the VET system. We expect these numbers will escalate given the recent closure of the Youth Connections service.

While the Local Learning and Employment Networks are focused on young people who are disengaging, there is no systematic approach to identifying and contacting young people who are barely attending or have disconnected from school. There is neither accountability for losing

²²Mallett, S & Myconos, G 2015 (forthcoming), 'A mixed record: a recent history of youth policy', in John Cain Foundation, *Under the pump! The pressures on young Australians*, Williamstown, Vic., pp. 31–45.

²³Correspondence from the Department of Education and Early Childhood Development to the Brotherhood of St Laurence, 2 April 2014.

²⁴The Age, 12 May 2014, *10,000 children dropping out of school*.

students prematurely nor clear responsibility for reaching out to school-aged young people who are out of school. The February date for the census on which school funding calculations are based does not create an incentive for schools to keep engaged those already counted or to reach out to young people not included in their February head-count.

Recommendations for reform

An Education State that lifts outcomes for Victoria's disadvantaged students

Recommendation 1

Establish explicit objectives, indicators and targets for the Education State that are directed at improving school outcomes for students experiencing disadvantage.

In developing objectives, indicators of success and targets for the Education State, the Brotherhood recommends that priority be placed on reducing educational disadvantage and building the participation and achievement of those who are currently faring worst in our education system. It is clear that the strongest gains in the overall performance of the system are to be made by setting targets aimed at the 20 per cent of Victorian students most at risk of disengaging from formal learning.

The Brotherhood supports the Victorian Government's proposal to establish targets. Clear objectives and targets, backed by tangible measures and transparent reporting of progress are central to driving the cultural change and interventions needed to tackle disadvantage in education.

The Gonski Review articulated the following high-level objectives, which could help underpin Victoria's conception of the Education State:

- Differences in educational outcomes are not the result of differences in wealth, income, power or possessions.
- All students have access to a high standard of education regardless of their background or circumstances.
- Students should leave school with the skills and capabilities required to actively participate in society, and contribute to Australia's prosperity.
- Every school must be appropriately resourced to support every child and every teacher must expect the most from every child.

Some potential indicators of success and targets are presented in Table 1.

Table 1 Some potential indicators of success and targets

What success might look like	Possible target areas
Children are supported to be 'school-ready'.	<ul style="list-style-type: none"> • Increase access to wellbeing and support services so that every child with social-emotional delays or learning difficulties can rapidly receive specialist support.
Schools are 'family-ready'. They are a place where families feel welcome, can participate in their child's learning, participate in community life and connect with services.	<ul style="list-style-type: none"> • Increase the number of 'extended school' models (e.g. Doveton College) in low SES areas which offer early years services, parent and family support, and opportunities to build social and economic participation.
Families do not face financial barriers to enabling their child's full participation at school.	<ul style="list-style-type: none"> • Reduce expenses faced by low-income families associated with their child's full participation at school.
All Victorians have confidence in their local government school.	<ul style="list-style-type: none"> • Increase the percentage of families for whom public schooling is their first choice.
The educational attainment of students experiencing disadvantage is steadily improving, aided by targets and strategies to close the education gap.	<ul style="list-style-type: none"> • Increase Year 12 completion rates to 85% for low SES students by 2020 and 90% by 2025. • Increase the proportion of government school principals accredited as high-performing in schools in low SES areas.
	<ul style="list-style-type: none"> • Map the distribution of experienced teachers and increase the proportion working in low SES areas.
The school system is capable of engaging students with different learning styles, needs and interests. It is equipped to support students facing multiple challenges to learning.	<ul style="list-style-type: none"> • Reduce the number of school-aged young people being transferred into the adult VET system in lieu of school. • Increase the proportion of teachers and school staff specifically trained to identify and respond to students displaying risk factors for disengagement.
	<ul style="list-style-type: none"> • Reduce the level of unexplained absenteeism by a set target.
	<ul style="list-style-type: none"> • Reduce the number of inter-school transfers, suspensions and expulsions by a set target.
There is rapid intervention to support a young person who has left school prematurely to return to learning or secure their next steps.	<ul style="list-style-type: none"> • Reduce the number of early school leavers by a set target.
	<ul style="list-style-type: none"> • Develop a re-engagement plan with every school-aged student within one month of them disconnecting from school or training (if they have not secured their next steps).
The skills and resources of the community are harnessed to support children and young people to succeed at school.	<ul style="list-style-type: none"> • Increase support for place-based strategies to address educational disadvantage. The Go Goldfields initiative provides a strong example.

Table 1 covers a very broad range of issues. Those areas that align most closely with the Brotherhood's research, policy analysis and practical experience are expanded upon in the following recommendations.

A school funding model to tackle disadvantage

Recommendation 2

Reform school funding to:

- **increase school funding expenditure, in partnership with the Australian Government, to ensure every Victorian student attracts investment that equates to the schooling resource standard identified in the Gonski Review**
- **distribute public funds on a needs-based, sector-blind basis.**

The Gonski Review recommended that all recurrent funding for schooling be based on a new schooling resource standard that reflects the actual resources used by schools already achieving high educational outcomes for their students. This would comprise a base amount (different for primary and secondary students), plus loadings to meet certain educational needs. These loadings would take into account socioeconomic background, disability, English language proficiency, the particular needs of Indigenous students, school size and location. We acknowledge that Victoria is already addressing these areas in its funding model to a certain extent, but believe that the resourcing, design and implementation ought to be improved.

The Victorian Government's commitment to progressively increase school funding over the next three years, including additional funding for social disadvantage, has our strong support. While cognisant of the uncertainty surrounding future increases to real school funding beyond 2017 from the Australian Government, we stress the importance of both levels of government working together to close the gap between Victoria's Student Resource Package (SRP) and the higher schooling resource standard. This will enable the Education State to be built on strong foundations. Recent Australian research captures the importance of adequate school resourcing to meet the needs of the students enrolled:

In schools the level of resources available influences the range and depth of the curriculum, the capacity of the professional staff for teacher mentoring, professional learning and collaborative planning. It determines the amount of teaching time for engaging students in learning, and their capacity to provide intensive teaching in smaller groups. It also determines the availability of specialist assistance for underachieving students when they first show signs of falling behind, and the breadth of student support services available. The level of funding for schools also affects the physical environment and supply of materials and equipment that enhance teaching and learning.²⁵

Victorian state school per capita funding is the lowest in Australia.²⁶ In slicing up the finite funding pie, we urge the Victorian Government to adopt a needs-based and sector-blind approach, consistent with the Gonski Review's recommendations.

²⁵Connors, L & McMorrow, J 2015, *Imperatives in school funding: equity, sustainability and achievement*, Australian Council for Education Research, Camberwell, Vic., p. 12.

²⁶Productivity Commission 2015, *Report on government services*.

For some Victorian schools, this would mean a drop in the proportion of funding they currently receive from government. It would also mean a move away from guaranteed funding levels for particular school sectors.

Instead, public funding of non-government schools would be based on the anticipated level of private contributions, reflecting the capacity of the school community to support the school. The Gonski Panel anticipated a private contribution of at least 10 per cent for non-government schools in the lowest quarter of school SES scores, rising to 75–80 per cent for the highest SES schools. They also noted the need for full public funding of some non-government schools that served students or communities with very high needs.

In responding to the Australian Government's announcement at the time that no school would lose a dollar, the Gonski Panel suggested that a minimum public contribution per student for every non-government school be set at 20–25 per cent of the school resource standard excluding loadings. The Brotherhood believes this approach is not financially sustainable given budgetary pressures, and it will constrain the capacity of the system to direct additional investment to students who most need it. We urge the Victorian Government to re-look at the issues of needs-based funding in its design of future school funding arrangements and in future negotiations with the Australian Government.

Recommendation 3

Strengthen needs-based funding by:

- **increasing funding to address disadvantage**
- **targeting funding for socioeconomic disadvantage at the schools most in need**
- **introducing a re-engagement payment aimed at bringing young people back to school or school-connected programs.**

The proposals for additional funding and an improved measure for identifying social disadvantage outlined in the *Education State Schools Consultation Paper* are welcome developments.

The plan to increase funding to address social disadvantage to around 6 per cent of total funding in government schools in 2016 and 2017 is a good start. However, the evidence suggests that a substantially higher investment will be needed to ensure that student background does not adversely impact on academic performance.²⁷

Loadings for schools with high concentrations of low SES students need to be better targeted. Equity funding is currently spread too thinly, to the detriment of those schools most in need. The new needs-based Resource Allocation Model currently being implemented in NSW appears to be leading to better targeting of school and student funding. While many state schools have enjoyed increased funding to support students from low SES backgrounds, others have experienced reductions.²⁸

²⁷Cobbold, T 2013, *New school funding model should include big loadings for disadvantaged students*, cites various sources for the costs of educating disadvantaged students, ranging from 1.5 to 2 times the base student cost.

²⁸NSW Department of Education and Communities 2014, *Equity and location loadings*, viewed 25 July 2015, <https://www.det.nsw.edu.au/media/downloads/about-us/statistics-and-research/key-statistics-and-reports/financial-information/equity_location_loadings.pdf>.

The Education State Consultation Paper proposes a new education ‘catch-up’ loading for students who enter secondary school without having attained Year 5 academic standards. This is a promising suggestion, but it is unclear how it will interact with other loadings.

We recommend also developing a loading for students returning to school or to community providers delivering schooling programs such as Community VCAL. This would actively encourage schools to reach out to young people outside the school gate and would better reflect the higher costs of educating vulnerable young people.

Victoria’s new funding model must be clear about which loadings can be used for the entire school, which ones are for particular groups of students and which ones are directed at individual students.

The NSW approach could inform Victoria’s approach. New funding measures include a mix of:

- **targeted individual funding** for students with a disability, Aboriginal students and new arrivals or refugees. This funding moves with the student wherever they go
- **equity loadings for schools** with higher concentrations of low SES students, Aboriginal students, students with low level disabilities or learning support needs, or families for whom English is another language
- **a base allocation for schools** to reflect the school type, with loadings for location (remoteness and isolation), climate, and school buildings and facilities.

Recommendation 4

Ensure funding to address disadvantage reaches those students it is intended for and delivers improved student outcomes by:

- **requiring disadvantage-related payments to be separately accounted for to reflect their specific purpose**
- **supporting schools to spend this funding on evidence-informed approaches to tackle disadvantage and disengagement**
- **requiring schools to report on the learning outcomes of students who attract this funding**
- **publishing annual data on system-wide outcomes for students experiencing disadvantage, to monitor the impact of reforms and inform future development.**

Additional funding will not significantly reduce the link between disadvantage and educational attainment unless it is intentionally applied. A real challenge will be ensuring the funding reaches the students it is intended for and is spent on approaches that tackle the causes of disengagement and lift student achievement.

The recent United Kingdom experience of additional funding for disadvantaged students underscores the need for a robust framework of transparency, accountability and support to accompany funding reform. Launched in 2011, the ‘pupil premium’ provides schools and alternative education settings with an additional sum per disadvantaged student. Schools were initially free to pool this money into their general accounts, and were not supported to research, evaluate and make decisions based on the most cost-effective means of delivering improvements.

In 2012 the Sutton Trust, a leading UK education charity, surveyed teachers on how they intended to use the pupil premium and concluded that funding could have been more effectively spent had decisions been better informed by evidence.²⁹

In response, a number of accountability measures, supports to facilitate the undertaking and dissemination of education research and opportunities for collaboration between schools and research institutes were phased in:

- A Teaching and Learning Toolkit was developed by the Education Endowment Foundation and the Sutton Trust to provide an accessible guide to the cost-effectiveness and evidence base of various interventions to address educational disadvantage.
- Schools have to publish details of how they spend the pupil premium and how it has affected the attainment of the pupils who attract the funding.
- School inspection reports document the attainment and progress of disadvantaged pupils who attract the pupil premium. Inspectors can recommend a review if they identify problems with the school's provision for disadvantaged pupils.
- Pupil Premium Awards are presented to schools and other education providers that have significantly improved the outcomes of their disadvantaged students.

The British Institute of Education has reported greater engagement with research and a more astute use of the pupil premium funds following these reforms.³⁰ A recent study found the overwhelming majority of teachers report that the pupil premium has enabled their school to target resources to raise the attainment of disadvantaged pupils. Common approaches included early intervention schemes, one-to-one tuition, and employing extra teachers or teaching assistants. However, there was little uptake of the proven lower-cost approaches such as improving feedback between teachers and students and using peer-to-peer tutoring.³¹

The Brotherhood recommends that measures to encourage evidence-informed approaches to tackle disadvantage and disengagement be embedded into future reforms. There are instances of extraordinary work in Victoria and elsewhere that are proving highly effective at supporting young people at risk of disengaging to succeed at school.³² However, there is an urgent need to document, share and scale up successful approaches³³ in areas like building teacher capacity, strengthening leadership, and engaging parents and the broader community. To this end, the recently launched Australian version of the Teaching and Learning Toolkit,³⁴ inspired by the UK toolkit, will help schools to make informed choices, but more needs to be done.

²⁹Sutton Trust 2012, *Pupil premium money will have limited impact on poorer pupils, teacher survey finds*, media release, 27 July, viewed 30 July 2015, <<http://www.suttontrust.com/newsarchive/pupil-premium-money-will-limited-impact-poorer-pupils-teacher-survey-suggests/>>

³⁰ Department for Education 2015, *Pupil premium: funding and accountability for schools*, viewed 19 June 2015, <<http://www.gov.uk/pupil-premium-information-for-schools-and-alternative-provision-settings>>.

³¹ The Sutton Trust and Education Endowment Foundation 2015, *The pupil premium: next steps*, [London].

³² See for example McKew, M 2014, *Class act: ending the education wars*, Melbourne University Publishing.

³³ Glover, S, Hinz, B & Ross, M 2014, *New approaches to persistent problems in Australian schools: Forum report No. 01/2014*, Mitchell Institute, Melbourne.

³⁴ Education Endowment Foundation 2015, *Teaching and Learning Toolkit Australia*, viewed 19 June 2015, <<http://australia.teachingandlearningtoolkit.net.au/>>.

We also believe there needs to be transparency in how funding to address disadvantage is spent. Further, the impact on student outcomes, at both a school and a state level, needs to be tracked and reported on. This will inform future reforms.

Recommendation 5

Support low-income families to meet out-of-pocket school-related costs by

- **clarifying what payments state schools can require or request from parents and monitoring the way this is implemented**
- **providing dedicated funding for families in hardship to meet costs such as equipment and materials, excursions and elective subject charges, to enable their child to participate fully in school life.**

Families face substantial and escalating out-of-pocket expenses to support their children's participation at school. Unavoidable expenses include uniforms, sports, excursions and camps, levies, subject costs (particularly for vocational studies which can attract high fees), IT equipment, textbooks, supplies, travel and lunches—items which schools are unable to cover with the funding they attract. Brotherhood researchers conducted a small survey to estimate these out-of-pocket education costs. In 2014 dollars, the median costs equate to \$2753 for a primary school student amount and \$4289 for a secondary student.³⁵

While State Schools' Relief and the Camps, Sport and Excursions Fund recently introduced by the Victorian Government may offset some of these costs, many low-income families simply cannot afford to spend so much of their income on education. The cessation of the Australian Government's Schoolkids Bonus at the end of 2016 will put low-income families under more strain.

For households with finely balanced budgets, school-related expenses can be the difference between enhancing a child's self-esteem and humiliation, the difference between participation in and exclusion from school life, or the difference between completing Year 12 and dropping out early.³⁶

The Victorian Auditor-General's recent report about Additional School Costs for Families was critical of the way the system works and the impost on students, families, schools and the community organisations people are increasingly turning to for support. It found that practices vary considerably between schools, and that it is unclear whether parent payment requests made by schools are reasonable or lawful.³⁷

The new funding system needs to be very clear about the payments that schools can seek from parents, and about compulsory and voluntary payments, and implementation needs to be monitored. Additionally, there is a need for dedicated funding to ensure that no child is excluded from participating fully in school life due to financial constraints.

³⁵Bond, S & Horn, M 2009, *The cost of a free education: cost as a barrier to Australian public education* Brotherhood of St Laurence, Fitzroy, Vic. The median figures reported for the 2008 school year were \$2381 (primary student) and \$3710 (secondary student) have been updated to their current real value using the RBA calculator of inflation.

³⁶Bond, S & Horn, M 2008, *Counting the cost: parental experiences of education costs*, Brotherhood of St Laurence, Fitzroy, Vic.

³⁷Victorian Auditor-General's Office 2015, *Additional schools costs for families*.

We are pleased that the Victorian Government has initiated an independent review of the Parent Payment Policy. We hope this will help to clarify what payments schools can request or require from parents, and also result in measures to address hardship arising from these payments.

High-support flexible learning options available for vulnerable students across Victoria

Recommendation 6

Provide equitable funding for high-support flexible schooling options, such as Community VCAL, for young people whose attendance in a traditional school setting is no longer viable.

For young people who have not succeeded in traditional schools, high-quality flexible learning options are essential.

A recent study of flexible learning options available across Australia concluded that access is a lottery.³⁸ This certainly accords with our experience of the Victorian situation. Some promising flexible learning environments are embedded within Victorian state schools, but these are few and far between. There is also an array of education programs delivered outside the school gate by community providers and training organisations (accredited and unaccredited training, re-engagement programs and school-linked programs like Community VCAL). However, these tend to be chronically underfunded, are of varying quality and are often marginalised from the mainstream education system.

The Community VCAL model is a promising option that, if properly funded, could fill a substantial gap in Victoria's current education offerings. The model enables young people to retain the benefits of being school-enrolled, but undertake their studies in a community setting with greater flexibility and more intensive wellbeing support.

Community VCAL programs run under the auspice of community agencies currently support some of Victoria's most vulnerable and severely disadvantaged young people to complete their secondary schooling. The model has been designed for young people who have been lost from local schools. Students attend small classes conducted in a casual environment. Programs are characterised by an individualised approach, with support to address educational gaps and bring each young person's learning up to standard. There is a strong focus on social and emotional development, and strategies to address any personal challenges that may be getting in the way of a young person's learning, such as trauma, mental health, family violence and homelessness. Intensive on-site wellbeing support is a feature of high-quality Community VCAL programs. Next steps, including preparing for further studies and employment, are also a priority.

The connection between Community VCAL and state schools is important and could be strengthened. Young people are enrolled in a partnering school, providing scope for them to move between settings, including back into a traditional school, where appropriate. The recognised school qualification which the Community VCAL students gain provides a solid foundation from which to take up mainstream opportunities in further education and employment.

³⁸Te Riele, K 2014, *Putting the jigsaw together: flexible learning programs in Australia – final report*, the Victorian Institute for Education, Diversity and Lifelong Learning, Melbourne.

The model also provides a platform for cross-fertilisation between schools and community providers. Quality Community VCAL providers hire teachers registered with the Victorian Institute of Teaching. Teachers in both settings can share experiences and professional development and can contribute to reform in the broader state system. Community VCAL providers are accredited by the Victorian Registration and Qualifications Authority and work within the same overall accountability framework as schools.

Community VCAL students attract about \$8,000 each in education funding under the standard contract from enrolling schools. This is only 57 per cent of the per student funding provided to state secondary schools, despite the greater learning and support needs of Community VCAL students.³⁹ Equity loadings, which schools receive to address disadvantage, are not available to Community VCAL providers. There is also no provision for capital, infrastructure or maintenance costs.

Because of these funding constraints, the availability of Community VCAL is in decline. The Brotherhood is one of a handful of remaining providers and has only been able to operate a quality VCAL Program through significant reliance on donations, philanthropic support and discretionary funds. This is not sustainable. In 2015 we reduced our program intake to contain our losses. Nearly all other providers also report that they are relying on precarious and unsustainable means to prop up their programs.

Since the Brotherhood's Community VCAL program commenced in Frankston in 2010, 72 per cent of students have successfully graduated with a Year 12 qualification, providing a strong foundation for further study or work. Similar results could be achieved with a properly resourced and structured state-wide program.⁴⁰ Our program evaluations have repeatedly shown that young people respond positively to the smaller, more supportive learning environments,⁴¹ as captured by the following words of two students:

I think it's just because they actually care about you. When you're at a school there are probably six hundred or something kids, maybe more. But here there are only fifty, so the teachers can get a connection with you, and get to know you. They can ask how your family is, or your boyfriend. But at school, they don't, because there are just too many kids they have to teach.⁴²

It's way different because there's two teachers ... they can give out work that may challenge some people but then there's two of them that can help you do it. They're always there to help.⁴³

The Brotherhood recommends introducing a new funding model for high-quality flexible learning options, which reflects the costs of educating highly disadvantaged students. We conservatively

³⁹Based on the average amount of \$15,032 spent by the Victorian Government on secondary students in government schools, excluding capital. This figure from the Productivity Commission's *Report on government services 2014* is also reported in the 'real in school per student expenditure for Victorian government secondary school students' table in the *Summary of statistics for Victorian schools*, DEECD, July 2014.

⁴⁰The recent evaluation of Melbourne City Mission's Melbourne Academy—a high support upper secondary program—revealed promising initial results in terms of engagement and attainment. See K te Riele, M Davies & A Baker 2015, *Passport to a positive future: evaluation of the Melbourne Academy*, Victoria Institute for Education, Diversity and Lifelong Learning, Melbourne.

⁴¹Myconos, G, 2014, *Lessons from a flexible learning program: the Brotherhood of St. Laurence Community VCAL education program for young people 2010–2013*, Brotherhood of St Laurence, Fitzroy, Vic.

⁴²Myconos, G 2011, CVCAL research, unpublished transcripts, p. 122.

⁴³ *ibid.*, p. 242.

estimate a cost of around \$16,000 per disadvantaged student. Centralised payment should be made direct to Community VCAL providers from the Department of Education, rather than being administered by individual schools.

This would secure Community VCAL as part of Victoria's 'Education Offer', providing a way for the state system to cater for different learning styles and student needs, and supporting vulnerable young people to build a positive future. It would mean that high-quality options could be available across Victoria for those young people who need to be educated in a different environment, using an intensive, personalised approach.

Re-engagement and return to learning support

Recommendation 7

Establish a systemic approach to rapidly identify those who disconnect from school and engage support for them to return to learning or secure their next steps.

The closure of the nationally funded Youth Connections service at the end of 2014 has left a major gap in assisting young people to re-engage with education, training or employment. In 2013, Youth Connections worked with around 4,000 young Victorians, most of them no longer school-enrolled (although providers report these were the tip of a much bigger iceberg of disengaged young people). It proved effective at supporting young people to maintain or renew their engagement with education, training and employment and was particularly successful with young people from culturally diverse backgrounds, and with Aboriginal and Torres Strait Islander young people.⁴⁴ Prior to Youth Connections, the Victorian Government funded school re-engagement programs, such as the Youth Transitions Support Initiative.

The upcoming Transitions to Work program, funded by the Australian Government in the 2015–16 Budget, will not replace Youth Connections. Transitions to Work is expected to run in around 50 locations across Australia, a handful of which will be in Victoria. Targeted at 15–21 year olds, the program focuses squarely on moving young people into employment.

The Brotherhood recommends that the Victorian Government establish a state-wide service to rapidly re-engage young people who drop out of school without securing their next steps. It should build on the evidence of what works: rapid action; early intervention; meaningful and relevant vocational guidance; a plan for action based on the young person's strengths and aspirations; collaboration between schools, health and community agencies, employers and the broader community; access to high-support flexible learning options; one-to-one coaching; and reintegration support.

While we recognise the costs associated with establishing a service, it is reasonable that government budget should provide for all young people of compulsory school age. It follows that those who are out of school are entitled to have some of the funds earmarked for their school enrolment redeployed to support re-engagement. Jesuit Social Services recently estimated annual

⁴⁴ Youth Connections National Network 2013, *Destination study: where are they now?* Six months after completing a final outcome with Youth Connections, 94.2% of young people surveyed reported that they stayed at school, continued studying elsewhere or started working. Two years later, 81.5% of young people reporting were still in education or in employment.

government underspending of \$78 million because of the high number of young people who have prematurely exited the school system.⁴⁵

A Schools Connect Service

The Brotherhood has undertaken some initial design work on a Schools Connect service that could be rolled out across Victoria. It would build on the strengths of Youth Connections and other promising approaches. The service would be delivered by community organisations, but would be predominantly based at local schools, with outreach to other locations as necessary.

A Schools Connect service would have the following objectives:

- *Identifying and rapidly outreaching to young people who are disconnected from learning:* Schools and training providers would be required to notify the service when a young person is barely connected or has stop attending school or training. The service would rapidly assist the young person return to learning or support their next steps.
- *A clear plan for action:* A personalised learning plan would be developed with each young person to build on their unique talents and skills, help them understand their future options informed by local labour market conditions, and map the learning options available to achieve their goals.
- *Coaching for educational re-engagement:* Coaching would assist a young person to address the barriers preventing them from continuing their schooling, in partnership with other service providers. Coaches would support relationships between young people, parents and schools.
- *Re-enrolling young people in school:* The service would start building tangible connections back into education as soon as possible, ideally within three months. Young people could receive re-engagement support while also having access to school resources, support services and any re-engagement activities occurring in the local cluster of schools.
- *Planning for and supporting re-entry into learning:* The service would work with the young person and school and vocational education staff. This would extend to support for the young person once they are back at school or in training.

In developing a Schools Connect service in Victoria, consideration could also be given to refocusing the roles of Local Learning and Employment Networks (LLENs), the Managed Individual Pathways (MIPS) program and the School Focused Youth Service.

Promising approaches

There are some successful international models. Denmark, Norway and the Netherlands, which have some of the best youth transition outcomes, use local early intervention services, and construct flexible programs to get early school leavers back to learning. Income support is dependent on participation.⁴⁶

Closer to home is South Australia's Innovative Community Action Network model (ICAN), which has already inspired some Victorian innovations, including FLO Connect in Mildura. ICAN uses school and community partnerships, flexible learning options (FLO) delivered in school or by an

⁴⁵ Colvin, K 2015 (forthcoming), 'The edge of the edge: young people at the margins', in John Cain Foundation, *Under the pump! The pressures on young Australians*, Williamstown, Vic., pp.110–19.

⁴⁶ Sweet, R 2014, *Address to the Balmain Institute*, unpublished; Sweet, R 2012, *Unemployed and inactive youth: what works?* Sweet Group, Sydney.

approved community provider and targeted case management services to help young people re-engage with school or begin a path to further education, training and employment.⁴⁷ ICAN provides these young people with access to life skills training, literacy and numeracy support, e-learning opportunities and flexible learning programs.

The system has grown significantly since it was established a decade ago. Each ICAN local area has a management committee with members from local community organisations, businesses, schools and other government agencies. Each young person has a case manager to assist with wellbeing issues. In collaboration with school staff, case managers support the young person to establish learning goals through a Flexible Learning and Transition Plan. A recent evaluation reports that ICAN has had a positive impact on student attendance, behaviour, learning outcomes and transitions to further study and work.⁴⁸

ICAN is also transforming the culture and practices of schools. Hands-on learning approaches have grown, more schools are embedding FLO programs and some schools are housing case managers on site to work alongside teachers. Schools are encouraged to be more community-oriented, with innovations such as on site health services being explored.⁴⁹

ICAN has been principally funded by the state government, but did receive additional funding from the previous Australian Labor government in low SES areas, which has now ended. The closure of Youth Connections has left another gap. To address this, the South Australian Government is considering introducing extra funding to reach out to young people who are not currently enrolled in schools, through an 'engagement enrolment'.

⁴⁷ ARTD Consultants, 2013, *Innovative Community Action Networks (ICAN): evaluation report*, South Australian Department for Education and Child Development, Adelaide.

⁴⁸ *ibid.*

⁴⁹ BSL interview with Phillipa Duigan, Director in Partnerships for Learning, Office for Children and Young People in the South Australian Department for Education and Child Development, 2 July 2015.