

# Appendix D:

## Audit context

The Australian education system uses NAPLAN as nationwide standardised testing to understand student achievement in literacy and numeracy.

All levels of government recognise the impact of socioeconomic disadvantage on student achievement. They use equity funding to help schools give these students the additional support they need.

### NAPLAN reporting

**Changes to NAPLAN in 2023** From 2023, ACARA moved to assessing and reporting student achievement against NAPLAN scales and proficiency standards. These replace the former achievement bands and national minimum standards.

The 4 proficiency standards are:

- Exceeding
- Strong
- Developing
- Needs additional support.

This means that NAPLAN results from 2023 onwards cannot be directly compared to the 2008–22 results.

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**How ACARA reports NAPLAN results** ACARA reports NAPLAN results through the annual National Report on Schooling in Australia on behalf of the Australian education ministers.

The report shows achievement data by state, for each year level and learning domain. It provides the ability to compare achievement between different student subgroups including:

- Aboriginal and Torres Strait Islander students
- students by locality
- students by EAL status
- student family background.

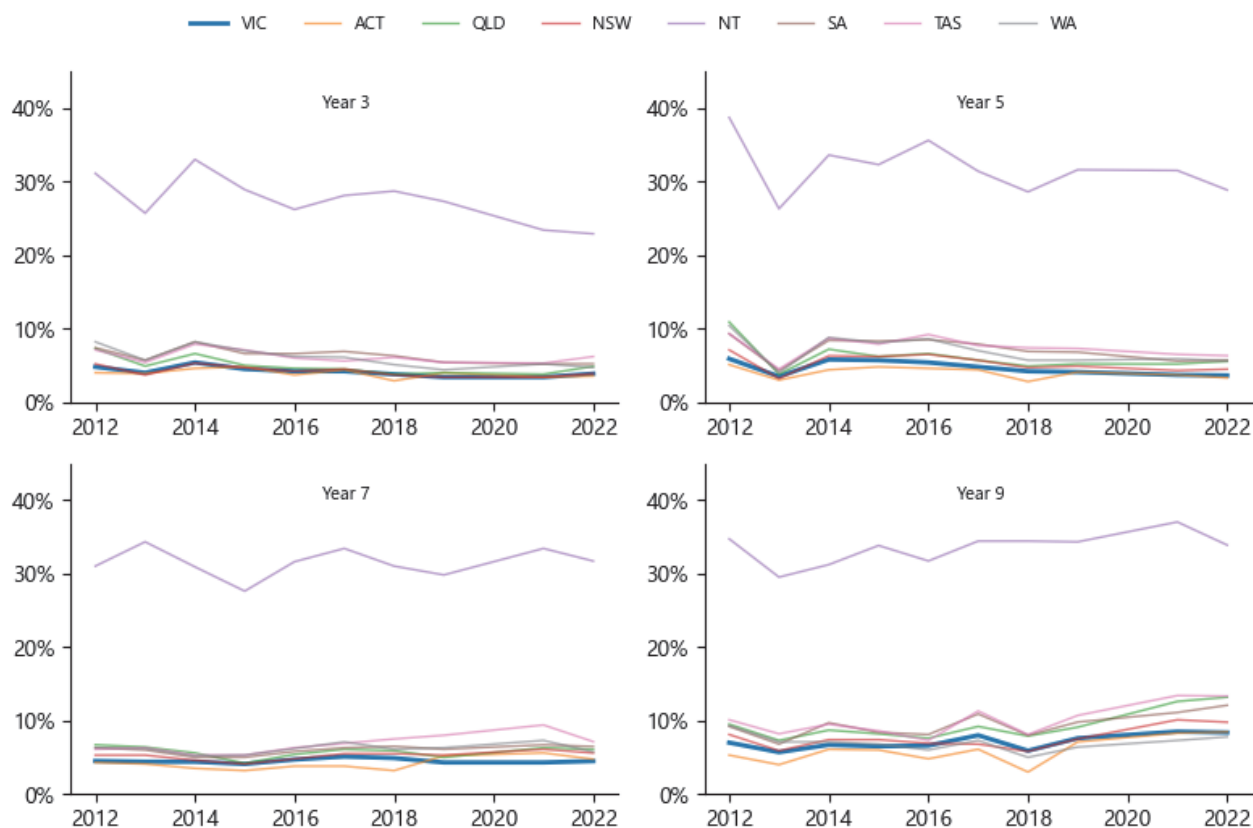
For the years from 2008 to 2022, the report shows the percentage of students at the different band levels and national minimum standards.

From 2023, the reporting shows the percentage of students at each proficiency standard (a new system for measuring NAPLAN results).

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**Outcomes for Victorian students in the national context** The proportion of Victorian students below expected levels in literacy and numeracy is lower compared to most other states and territories. For example, Figure D1 shows this comparison in reading for the period 2012 to 2022, for all students in government and non-government schools.

Figure D1: State and territory comparison of percentage of all students below expected level in reading, 2012–22.



Source: VAGO, using department data.

## Funding arrangements to reduce the impact of disadvantage

### Factors affecting student achievement in literacy and numeracy

Australian and international studies confirm that a range of social factors affect students' attainment in literacy and numeracy. The Australian literature (Lamb 2004, Productivity Commission 2014) recognises that social and demographic factors play a strong role on educational attainment. These factors include:

- socioeconomic status
- gender
- Indigenous status
- region
- ethnicity.

A study by Lamb et al. (2020) found that the impact of these factors was particularly significant for students from low socioeconomic backgrounds and Indigenous students.

The study examined whether Australia's education and training systems are achieving the goals set out in the 2019 *Alice Springs (Mparntwe) Education Declaration*.

According to the goals set out in the Education Declaration, every learner in Australia, irrespective of where they live or who they are, will develop the knowledge, skills and attributes that will lead them to become personally successful, economically productive and actively engaged citizens.

Figure D2 shows the gap between high and low-socioeconomic status students in achieving these goals, based on national data.

Figure D2: Achievement of Education Declaration goals by socioeconomic status (national), 2020

Life stage	Education Declaration goal	High socioeconomic status (%)	Low socioeconomic status (%)
Early years	Developmentally on track on all development domains	85.3	67.7
	Developmentally on track in literacy and numeracy	90.9	74.3
Middle years	Performing above the national minimum standard in both literacy and numeracy	91.3	50.6
	Performing at or above the international benchmark in science	85.0	43.0
Senior years	Attains a year 12 certificate or equivalent	91.8	66.8
	Meets or exceeds international benchmark standard for age in mathematics, science and reading	86.2	48.6
Young adults	Engaged fully in education, training or work	82.0	50.8
	Gains post-school qualification	86.3	52.9

Source: Lamb S, Huo S, Walstab A, Wade A, Maire Q, Doecke E, Jackson J & Endekov Z (2020). *Educational opportunity in Australia 2020: Who succeeds and who misses out*. Centre for International Research on Education Systems, Victoria University, for the Mitchell Institute: Melbourne.

**Government funding recognises the support needed for student subgroups**

The Australian Government, and the states and territories, share funding responsibilities for school education.

Current funding arrangements at both levels of government aim to reduce the impact of disadvantage and other factors on student achievement.

Governments do this with extra funding for certain categories of students based on demographic characteristics.

The Australian Government does this through the National Schooling Resource Standard and Victoria does this primarily through the Student Resource Package.

**Victoria's spending for government students**

The Victorian Government has increased its funding per government school student from \$10,388 in 2015 to \$15,405 in 2021, an increase of 33.7 per cent. This also reflects its commitments in the current National School Reform Agreement.

Additional funding is provided for students from lower levels of socio-educational advantage.

Using the Index of Community Socio-educational Advantage, the funding allocated to each social advantage level has increased. Students in the lowest quarter of socio-educational advantage received an average of \$21,478 in 2021 compared to \$15,426 in 2015.

The data reported here draws from ACARA's expenditure-based dataset based on a calendar year.

These figures are not comparable to the department's public reporting, which uses the National Schools Statistics Collection finance data.

**Student Resource Package student-based equity funding**

The Student Resource Package is the primary mechanism the department uses to distribute state and federal funds to government schools.

This package entails several types of funding. Most school funding comes through student-based funding, which reflects core student learning needs and equity requirements.

It provides an additional loading for students who may require it. This loading is determined by different types of equity funding including (but not limited to):

- social disadvantage
- students with disabilities
- EAL students.

**Levels of disadvantage**

The department measured student's level of social disadvantage by calculating their Student Family Occupation and Education level. Figure D3 shows the student family education and occupation groupings and the weightings for each element.

Figure D3: The department's definition of levels of student disadvantage

Index	Grouping	Weighting
Student Family Education	Not stated/unknown	0.00
	Bachelor degree or above	0.00
	Advanced diploma/diploma	0.40
	Certificate I to IV	0.50
	Year 12 or equivalent	0.40
	Year 11 or equivalent	0.70
	Year 10 or equivalent	0.90
	Year 9 or equivalent or below	1.00
Student Family Occupation	A: Senior management in large business organisation, government administration and defence, and qualified professionals	0.00
	B: Other business managers, arts/media/sports persons and associate professionals	0.25
	C: Tradespeople, skilled office, sales and service staff	0.50
	D: Machine operators, hospitality staff, assistants, labourers and related workers	0.75
	N: Unemployed and pensioners	1.00

Source: Department of Education, Policy and Advisory Library, 2023.