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# Management of the Student Resource Package

**Tabled 5 August 2020**



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This audit looked at whether the Department of Education and Training (DET), allocates funding to Victorian government schools through its Student Resource Package (SRP) fairly, consistently and transparently to support intended school outcomes.

We looked at how DET allocated funds to government schools in 2018 through its SRP funding model, which distributed \$6.46 billion through 52 funding lines. We looked at 2018 as this was the most recently completed year of SRP allocations when we conducted our audit.

We found that in 2018, DET allocated the majority of SRP funds in a way that fairly, consistently and transparently applied the allocation method in its SRP guide. However, DET's SRP allocation method draws on outdated information about schools and their students and DET does not sufficiently ensure the quality of data underpinning the SRP.

Both Australian and state Governments contribute funding for government schools.

The SRP is DET's model for allocating most of these funds.

- 93 per cent of SRP funds are for school staffing costs
- 5 per cent goes to running and maintaining school infrastructure, and
- 2 per cent goes to specific programs that governments commit to fund.

Each of the separate funding lines that make up the SRP have their own formula on how to distribute funds.

We tried to recalculate all 52 of DET's 2018 SRP calculations.

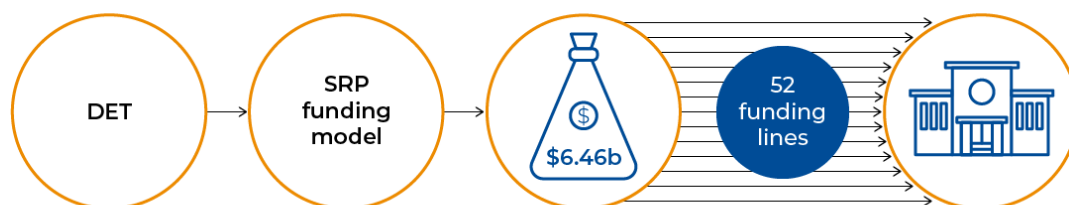
DET allocated 17 of the 52 funding lines according to the SRP guide, representing 93 per cent of funding distributed.

However, across these 17 funding lines, while DET accurately applied the rules specified in the SRP guide, the guide specifies the use of out-of-date information about schools and students, and DET also did not adequately assure the quality of the data used.

For the remaining 35 funding lines, we encountered a range of issues in our efforts to recalculate them.

## Who and what we looked at

2018



Within six of these funding lines, through which DET allocated \$120.9 million, or 2 per cent of the SRP in 2018, we found anomalies that amounted to approximately \$3.6 million. We also could not confirm whether DET accurately applied its method for allocating one of these funding lines, totalling \$10.7 million.

Because DET lacks documented explanations of formulae and eligibility, and in some cases could not provide necessary data, we could not recalculate the remaining 29 funding lines, through which it allocated \$348.5 million, or 5 per cent of the SRP, in 2018.

We found three main issues with DET's allocation of SRP funds relating to :

- allocation methods not being fully transparent
- the use of outdated information, and
- insufficient oversight.

Many of these issues persisted in the 2019 and 2020 SRP allocations.

Schools have limited visibility of SRP calculations.

Neither DET's 2018 SRP guide, nor the budget reports that DET provides to schools explain how every funding line is calculated, the eligibility criteria or the data DET uses.

The SRP has an objective to align resources with needs. But in 2018 DET's allocation method drew on outdated information about schools and their students to determine eligibility for certain funding lines.

The largest component of the SRP is based on school costing information from a small sample of schools that is now nearly two decades old.

We also found examples where funding allocations to schools did not always occur in a manner consistent with this SRP objective.

DET's oversight of the SRP is not adequate.

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## Issues we identified



1. Allocation methods not fully transparent
2. The use of outdated information
3. Insufficient oversight

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DET has not clearly defined or allocated responsibility for all aspects of how it administers the SRP.

DET does not have an SRP operating manual, and there are gaps in its processes to assure:

- the quality of the data it uses
- that calculations are accurate, and
- that there are controls in place over who can access and make changes within the systems it uses to calculate the SRP.

We made 7 recommendations to DET to:

- improve governance, oversight and transparency of the SRP
- review the SRP against its objectives, along with all references, and
- to address the use of outdated information to determine school eligibility for funding.

For further information please view the full report on our website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)