

AUSTRALIAN COUNCIL FOR THE DEFENCE OF GOVERNMENT SCHOOLS

Press Release #1066

Victorian Teachers and Allan Government on Collision Course

The Victoria's teachers' union says school staff have been forced to escalate industrial action from the start of Term 2 after the State Government turned down its demand for a 35% pay increase and improved working conditions. The Government offered a mere 17% pay increase instead.

As well as falling far short of the 35% pay increase, the government offer failed to address workloads, unpaid overtime and chronic staff shortages.

The union says that by October experienced teachers in Victoria will be earning as much as \$15,359 a year (\$295 per week) less than their NSW counterparts. This means that a classroom-based education support employee starting out would be 10.5% behind, and a Victorian school principal new to the role would start \$27,841 or 18% behind a similar principal in NSW.

A recent survey showed public school staff are doing more than 12 hours' unpaid overtime per week on average. More than 80% say their workloads have increased due to inadequate support, and only 30% plan to stay working in public schools long term.

Although the Union supports public schools and its teachers, unlike the DOGS, they have generally been reluctant to confront the State Aid to private schools issue.

But the Union's figures on the gross underfunding of public education in Victoria employ research by Trevor Cobbold, an erstwhile economist from the Productivity Commission for 30 years and convenor of Save Our Schools.

On February 2, 2025 in a Press Release entitled [**Not the Education State: Victorian Public Schools Remain Massively Underfunded by New Schools Agreement**](#) Cobbold noted that a new schools agreement with the Commonwealth Government continued the longstanding massive underfunding of Victorian public schools by billions while Catholic and Independent schools continued to be overfunded. This continued underfunding of public schools is a barrier to reducing the vast inequity in school outcomes between rich and poor students.

[The new funding agreement](#) was published in the weeks before Christmas without any public announcement by the Albanese or Allan governments. The agreement is only for two years, 2025 and 2026, instead of the ten year agreement with the other states and the ACT while the Northern Territory has a five year agreement. The limited agreement is the result of a continuing stand-off between the Commonwealth and Victorian governments over the future funding of public schools.

By contrast with the other states and territories, Victorian public schools do not have their share of the Schooling Resource Standard (SRS) increased. It will remain at their 2023 and 2024 levels for 2025 and 2026 because of the stand-off. The Commonwealth share will remain at 20% of the SRS instead of gradually increasing its share to 25% from 2025 as for the other states and the ACT and the Victorian Government has refused to increase its funding share.

As a result, their SRS funding share will have stayed the same for four years. Four years without an increase in their SRS funding share is diabolical for public schools, especially disadvantaged schools.

The agreement also continues the accounting tricks in the previous Morrison and Albanese government agreements that defrauded public schools of an estimated \$3.5 billion over 2019-2024.

The Victorian Government can continue to claim non-SRS expenditures as part of its funding share. It can claim up to 4% of the SRS for capital depreciation and school transport (called the 4% allowance). It can also claim expenditure on the Victorian Curriculum and Assessment Authority and the Victorian Registration and Qualifications Authority as they relate to public schools. These expenditures are specifically excluded from the national agreement on how the SRS is measured.

The Albanese Government has even agreed to an additional accounting trick in the new agreement, although it involves a tiny amount of money. Victoria can now also claim its expenditure on the Victorian Institute of Teaching which was not previously claimable. The Institute of Teaching is funded almost entirely by teacher registration fees. [The Institute's website](#) states: "The VIT is funded solely by teacher registration fees and receives no direct funding from the Victorian Government". However, it has received small government grants amounting to \$316,371 in 2025 according to its annual report for 2024-23, of which about two-thirds relates to public schools on a pro-rate basis. The Federal Minister for Education has clarified that the Victorian Government can only claim funding provided by the Victorian Government as part of its SRS share instead of all expenditure by the Institute which amounted to \$23.9 million.

The new agreement purports to show that public schools will be funded at 90.43% of their SRS in the two years. However, this ignores the accounting tricks. The actual share is only 85.8% after adjusting for the accounting tricks. Victorian public schools are the most under-funded systems in Australia in 2026, except for the Northern Territory

So the Victorian Labor Government, shortchanged by the Albanese Labor Government, just doesn't have the money in the Treasury for public schools to pay its teachers – although it has plenty of funds from the same federal Government to pay the overfunded religious schools. Perhaps it is time to take from Private to pay Public.

It is no wonder then that the Victorian Union, pushed into action by fed up public school teachers, is now [stating that](#)

"Public school staff are sick and tired of being overworked and undervalued. They are being taken for granted by the Premier Jacinta Allan and Education Minister Ben Carroll and will raise their voices around Victoria and significantly escalate their industrial action,"

"The Allan Labor Government – employer of the nation's lowest paid public school teachers and underpaid education support staff and principals – needs to start respecting public schools and the hardworking people who educate Victoria's children and young people."

The \$2.4bn cut from Victoria's public schools means the state now has the lowest funded public schools in the country.

"Right now, every state Labor MP should be ashamed of the fact that they think they can call Victoria 'the education state'."

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