

Years apart: Australia's growing educational inequality

The Mitchell Institute, Victoria University
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How is Australia tracking in meeting its educational goals of excellence and equity? How well are our school systems supporting schools to meet the needs of disadvantaged students?

This research set out to answer these questions by drawing on 17 years of publicly available data from the National Assessment Program – Literacy and Numeracy (NAPLAN). We wanted to know more about the extent of the learning gaps by student socioeconomic background across Australia and in each state and territory. We also wanted to know what was happening over time.

We found clear and consistent learning gaps between advantaged and disadvantaged students, and that these gaps tend to widen as students progress through school. We also found that the performance of disadvantaged students in Australia is declining over time.

The findings tell us how the system-level features of schooling may be affecting the work and capacity of schools to bring about equity in learning outcomes.

The timing is important, given renewed commitments to achieving 'excellence and equity' in Australian schooling through the Better and Fairer Schooling Agreement. These agreements between the Federal Government and all states and territories stipulate a renewed focus on lifting the performance and outcomes of disadvantaged students. Targets have been set, signaling intent and aspiration towards addressing disadvantage over the next decade. However, before moving forward, it is imperative that we understand the extent to which the policy aspirations for quality and fairness have been realised in Australia, and whether we are heading in the right direction.

What is NAPLAN?

NAPLAN assesses students' literacy and numeracy skills in Years 3, 5, 7 and 9. The results provide a national picture of how well students are performing in four domains: reading, writing, conventions of language (spelling, grammar and punctuation) and numeracy. The test content is underpinned by the Australian Curriculum and is aligned to the English and Mathematics learning areas.

NAPLAN has evolved significantly in recent years – from pencil and paper tests to the current online format with 'adaptive' capabilities. Previously, students' NAPLAN results were reported through ten bands of achievement. They are currently reported through 4 levels of proficiency – 'exceeding' if they are doing exceptionally well, 'strong' if they are meeting expectations for their year level, 'developing' if they are not yet meeting expectations or 'needs additional support' if they are far from meeting expectations. Due to the break in the NAPLAN data series introduced by the 2023 reforms, results focus on the 2008–2022 period.



About our study

We developed a methodology called 'Equivalent Years of Learning' (EYL) based on the methodology of 'Equivalent Year Levels' developed by Goss, Sonnemann, Chisholm, and Nelson (2016). This approach expresses learning outcomes in years and months compared to the Australian average, rather than raw NAPLAN scale points. For example, an EYL of 6 years and 3 months in Year 5 reading means that, overall, students in that group were performing about 1 year and 3 months ahead of the Australian average in Year 5.

EYL can provide a picture of how far apart students from different socioeconomic backgrounds are in terms of years of learning. We use two measures for socioeconomic background:

Highest parental occupation, comparing two groups:

- Students whose parents work in occupations in Group 1 – managers and professionals
- Students whose parents work in occupations in Group 4 – machine operators, hospitality staff and labourers

Highest level of parental education attainment, comparing two groups:

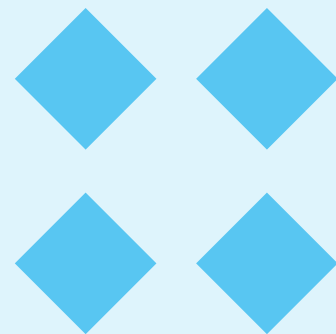
- Students whose parents completed a bachelor's degree or above
- Students whose parents did not complete senior secondary school (the highest educational level was Year 11).

Additionally, we examined how learning gaps have changed over time by analysing two cohorts:

- Early cohort: Year 3-2008 → Year 5-2010 → Year 7-2012 → Year 9-2014
- Later cohort: Year 3-2015 → Year 5-2017 → Year 7-2019 → Year 9-2021

For privacy reasons, publicly available NAPLAN data only report aggregate group averages, which means individual students cannot be followed from one test cycle to the next. The composition of each year-level group changes over time, due to, for example, students moving schools or across states and territories, leaving the country or being absent from tests. Hence, the group of students making up the Year 3 cohort in 2008, for example, will be slightly different from the group of students in the same cohort in Year 5 in 2010.

Despite this limitation, most students usually sit NAPLAN assessments as they progress through school, meaning the observed values should closely approximate true differences in learning gaps in the student cohort.



Clear and consistent learning gaps between advantaged and disadvantaged students

Between 2008 and 2025, students from high socioeconomic backgrounds consistently performed better than those from low socioeconomic backgrounds in all NAPLAN year levels. This was the case when we compared students by parental education and parental occupation.

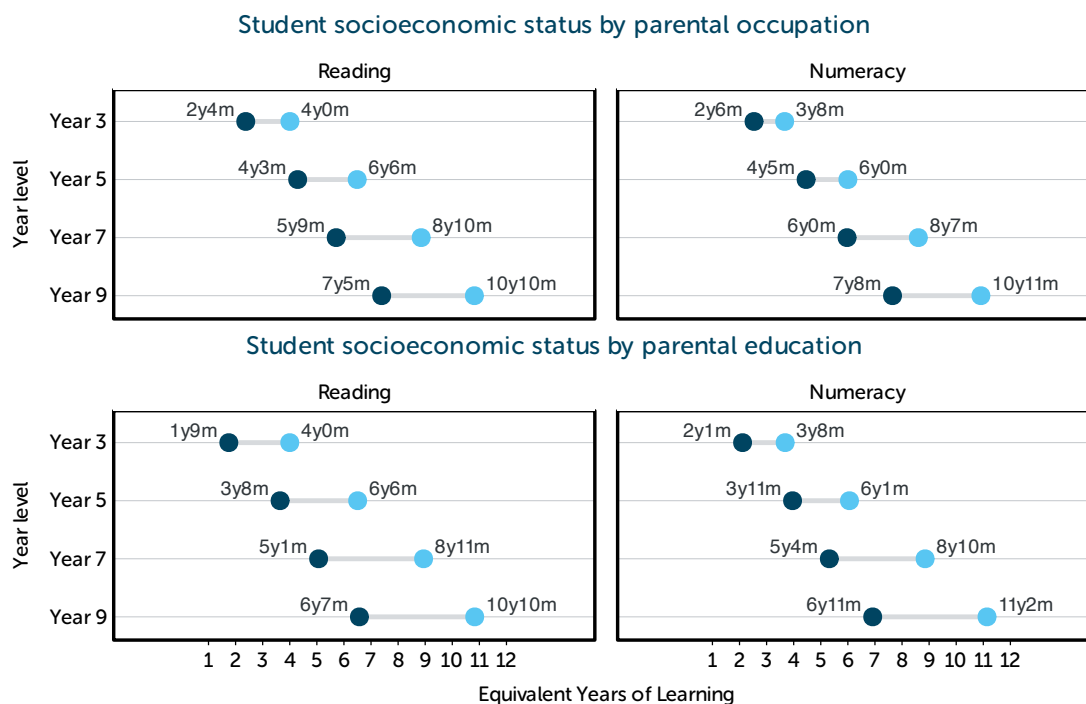
These socioeconomic learning gaps start in Year 3 and grow as students progress through Years 5 and 7, so the largest learning gaps are found among Year 9 students. The learning gaps were generally larger for reading than for numeracy.

The enduring and persistent nature of these gaps suggests the issue is structural, rather than confined to particular years or the result of short-term factors.

More advantaged students are consistently years ahead

Average Equivalent Years of Learning by NAPLAN year level, parental background and domain, 2008 to 2022

● More disadvantaged students ● More advantaged students



Source: Mitchell Institute analysis of ACARA data.

Note: Student socioeconomic status by parental education uses 'Bachelor degree or above' for more advantaged students and 'Did not complete school' for more disadvantaged students. Student socioeconomic status by parental occupation uses Group 1 for more advantaged students and Group 4 for more disadvantaged students.

Learning gaps widened between advantaged and disadvantaged students, not because either group improved, but because disadvantaged students were falling further behind at an increasing pace.

Learning gaps are widening over time

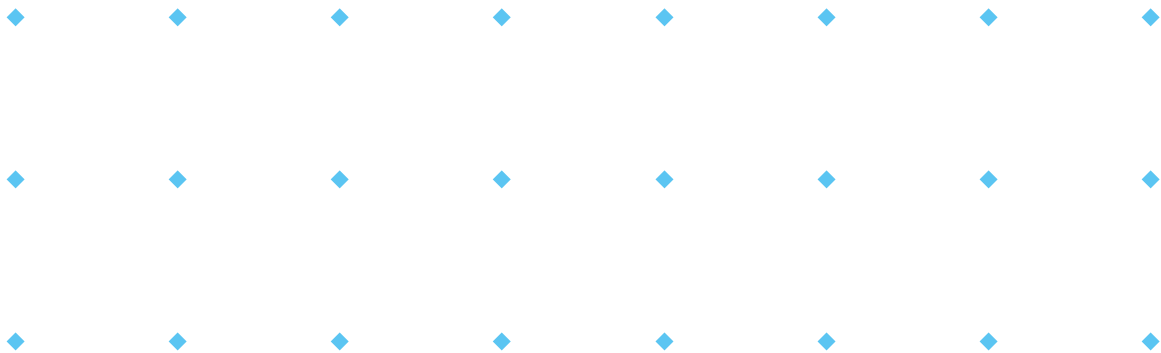
The analysis reveals that these learning gaps have widened over time in all year levels, both by parental education and parental occupation, except for numeracy in Year 9.

In 2008, the reading gap between Year 3 students whose parents had a bachelor's degree or above and those whose parents did not complete school was 1 year and 8 months; by 2022, it had expanded to 2 years and 7 months. For Year 5 students, the gap grew from 2 years and 3 months in 2008, to 3 years and 2 months in 2022. A similar pattern of widening gaps was evident in Years 7 and 9.

If we look at the trends in gaps from 2008 to 2022, across year levels, we can see that the relative performance of students from low socioeconomic backgrounds falls as year levels increase.

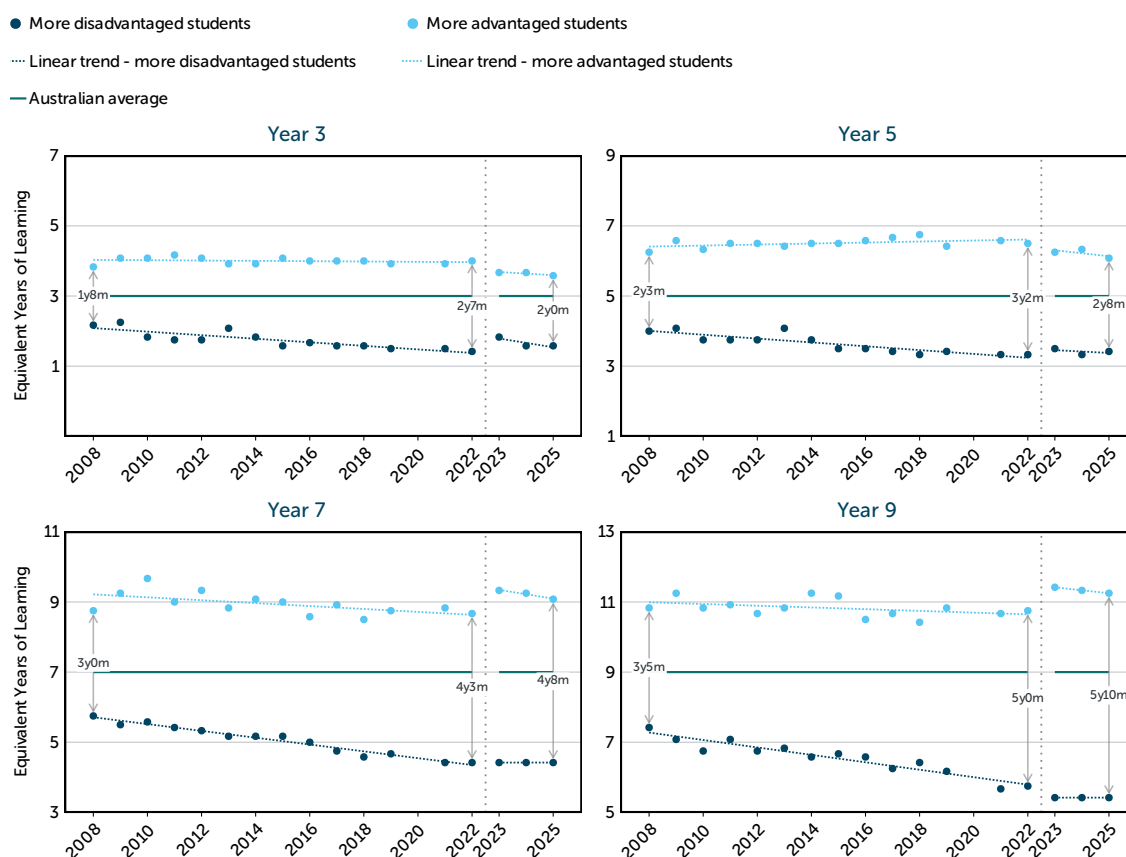
We also observe that their performance is falling at a faster rate leading up to 2022. In comparison, the performance of socially advantaged students is more stable compared to the Australian average. This means that, during this period, the learning gaps widened between the two socioeconomic groups, not because either group improved, but because disadvantaged students were falling further behind at an increasing pace.

Although not comparable and too early to estimate trends over time, the new NAPLAN time series that commenced in 2023 confirms large gaps in reading by parental education and occupation. Reading gaps by parental education under the revised system are particularly large in Years 7 and 9, reaching 4 years and 8 months, and 5 years and 10 months in 2025, respectively.



Student reading gaps by parental education have grown over time in all year levels

Equivalent Years of Learning for reading by student parental education and NAPLAN year level, 2008 to 2025



Source: Mitchell Institute analysis of ACARA data.

Note: Student socioeconomic status uses the highest level of parental education ('Bachelor degree or above' for more advantaged students and 'Did not complete school' for more disadvantaged students).

Dotted vertical line marks the NAPLAN time series break between 2022 and 2023.

Inequality has intensified in more recent student cohorts

Comparing the learning outcomes of two student cohorts offers a different lens through which to examine the data. We find larger gaps in the later cohort – students who were in Year 3 in 2015, compared to the earlier cohort – students who were in Year 3 in 2008. This finding indicates that educational inequality is growing over time.

For the early cohort, the reading gap by parental education grew from 1 year 8 months in Year 3, to 2 years 7 months by Year 5. Once students reached secondary school, the gap expanded further, from 4 years in Year 7 to 4 years and 8 months by Year 9.

Students in the later cohort had wider gaps at every point: growing from 2 years and 6 months in Year 3 to 5 years by Year 9.

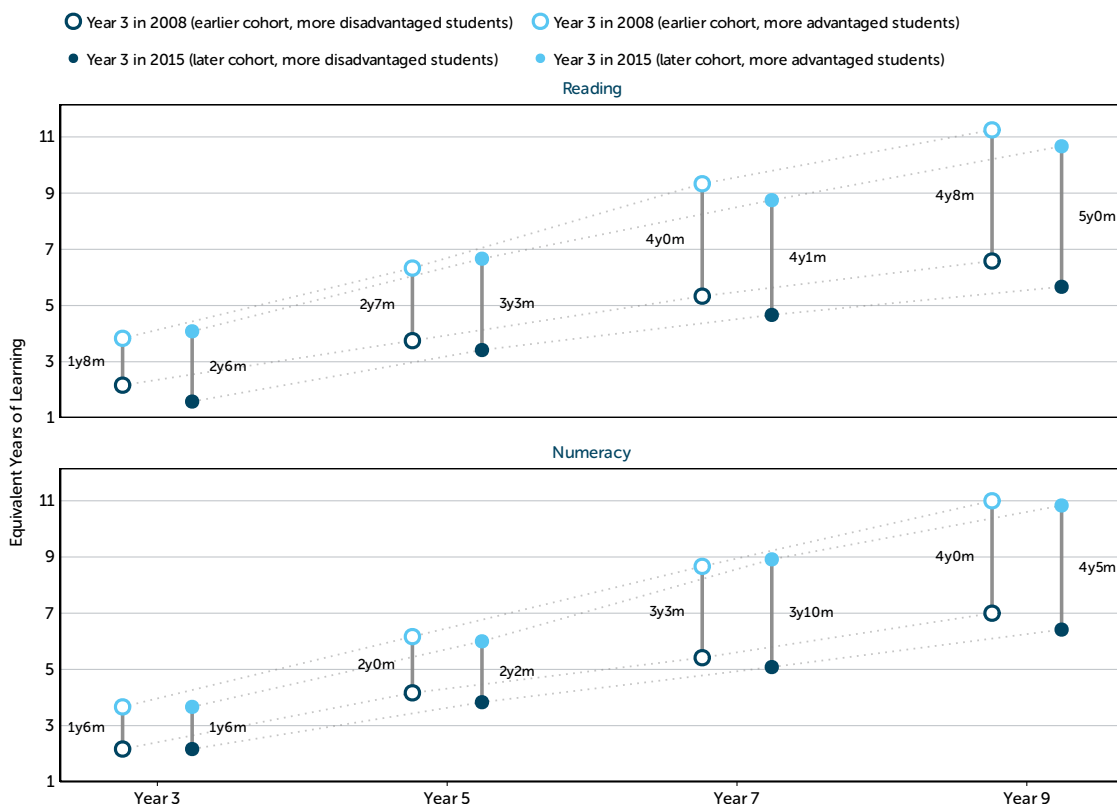
In numeracy, both cohorts began Year 3 with a similar gap of 1 year 6 months of learning. However, as students progressed through school, disadvantaged students in the later cohort fell further behind the Australian average than their disadvantaged peers in the earlier cohort did, resulting in a larger gap of 4 years 5 months by Year 9, considerably wider than that observed for the earlier cohort (4 years).

From our cohort analysis, we see that neither group are making large improvements in performance compared to the Australian average, and that the socioeconomic gaps are widening due to disadvantaged students falling further behind.

This evidence suggests that Australia is not tracking well in helping schools meet the needs of disadvantaged students, or in reaching its overarching goals of equity and excellence.

Learning gaps widen as students progress through school and are larger in the later cohort

Reading and numeracy Equivalent Years of Learning and gaps between more advantaged and more disadvantaged students in two student cohorts by parental education, Year 3 in 2008 (cohort 1) and Year 3 in 2015 (cohort 2)



Source: Mitchell Institute analysis of ACARA data.

Note: Student socioeconomic status uses the highest level of parental education ('Bachelor's degree or above' for more advantaged students and 'Did not complete school' for more disadvantaged students).

What does this mean?

If the high-level goals of the Australian school systems are 'equity and excellence', then our analysis of 17 years of NAPLAN data suggests that Australia is not tracking well.

When we take a closer and longer term look at educational equity in Australia, we see that learning gaps between advantaged and disadvantaged students are large and persistent across the nation, and are a feature of every Australian jurisdiction.

What's more, these gaps do not close with increasing years of schooling but instead widen from Year 3 to Year 9.

Perhaps the most alarming observation is that this trend is intensifying in more recent cohorts of students.

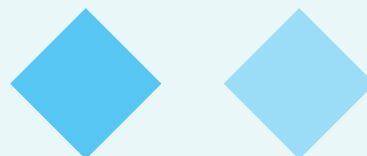
Overall, disadvantaged students can be years behind the Australian average across year levels, whilst advantaged students can be years ahead.

Learning gaps by student socioeconomic background are widening mostly due to disadvantaged students falling further behind. The persistent low performance of disadvantaged students signifies that disadvantaged schools are struggling to meet the needs of their students, not because individual teachers or the schools are failing, but because of system level factors that are leading to increasing inequality in outcomes over time.

The impacts of educational inequality can be wide-ranging, from increasing individual hardship and dissatisfaction, to eroding trust in institutions and undermining social cohesion at a community level, which can affect long term productivity and economic growth, entrench social disadvantage and reduce social mobility more broadly.



In Australia, disadvantaged students can be years behind the Australian average across year levels, whilst advantaged students can be years ahead.



Reducing inequality requires a systemic approach

Over the years, Australian education policy has addressed equity primarily through targeted approaches focused on students and schools, often neglecting the systemic drivers of inequality. The implication is that schools and teachers working in disadvantaged settings are expected to fix what the system creates, while being dealt a more difficult hand that restricts their capacity to meet student needs and improve outcomes.

However, the magnitude and growth of educational inequality shown in our study suggest that the current approach falls well short of what the challenge demands. Without a system-level approach, inequality will continue to undermine the ability of our education systems to meet the goals of equity and excellence. System-level architecture is a major driver of inequality in student outcomes in Australia, and it is at the system-level that we see opportunities for real change.



Australian governments must acknowledge and address the urgent challenge of growing educational inequality

While there are some clear policy aspirations and goals for the future aimed at addressing educational inequality, what is needed is a re-framing of the problem away from schools and teaching practice towards the socioeconomic factors that impact learning at the school level, and the systemic structures that sustain the inequality that is a defining feature of schooling in Australia.



Funding models must address the 'double disadvantage' some students face

Students can arrive at school with additional needs stemming from socioeconomic, linguistic or cultural characteristics. The Australian needs-based school funding model accounts for this by allocating additional resources to schools. With new funding agreements on the horizon, a more explicit policy focus on funding those schools operating on the front line of the residualisation battle could help break cycles of disadvantage.



Governments must address the factors driving the growing socioeconomic divide in Australian schooling

Australia's school systems have some of the highest levels of socioeconomic segregation across OECD countries, and the problem has tended to intensify over time (O'Brien et al., 2023). We need to ensure that all schools, starting with local government schools, become a great choice for families to ensure their child's future opportunities. This includes re-thinking how tertiary admission structures such as the Australian Tertiary Admission Rank (ATAR) have come to shape choice and opportunity in secondary education.



Full-service school models should be encouraged to help disadvantaged students, schools and communities

One targeted school-level policy intervention that has been effective at reducing inequality is the establishment of full-service schools (Molina, Doecke, & Hildebrandt, 2025). By providing wrap-around services in collaboration with the community in disadvantaged areas, full-service school models can effectively address the barriers disadvantaged students face outside the classroom. If implemented correctly, full-service schools can help to reduce the growing socioeconomic gaps observed in all Australian jurisdictions.



Governments should do more to address emerging inequality in the early years

Research highlights that the first three years are crucial as socioeconomic learning gaps can appear as early as preschool (Tham, Leung, Hurley, Pilcher, & Prokofieva, 2025). More needs to be done to re-balance funding in the early years in line with the needs of children. There is also evidence that community hub models that offer wraparound services for children and families in communities with high needs can make a difference to the outcomes of children (Deloitte Access Economics, 2023). Starting primary school on the best possible footing would help to ensure that socioeconomic disadvantage does not continue to put disadvantaged children on a lower learning trajectory.



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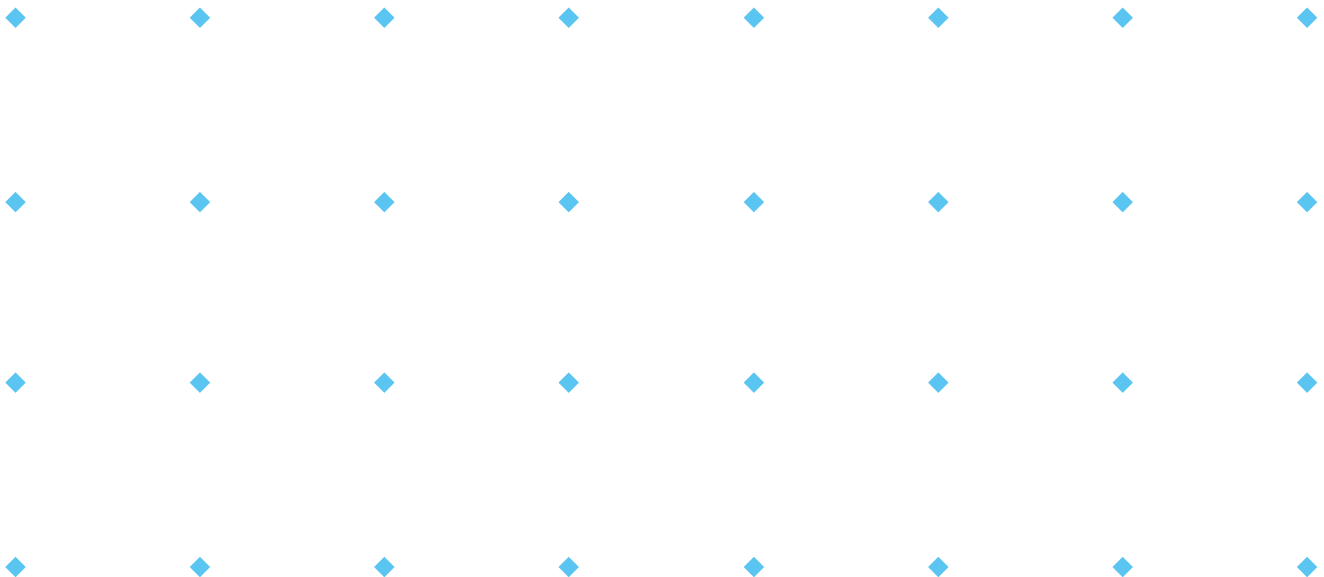
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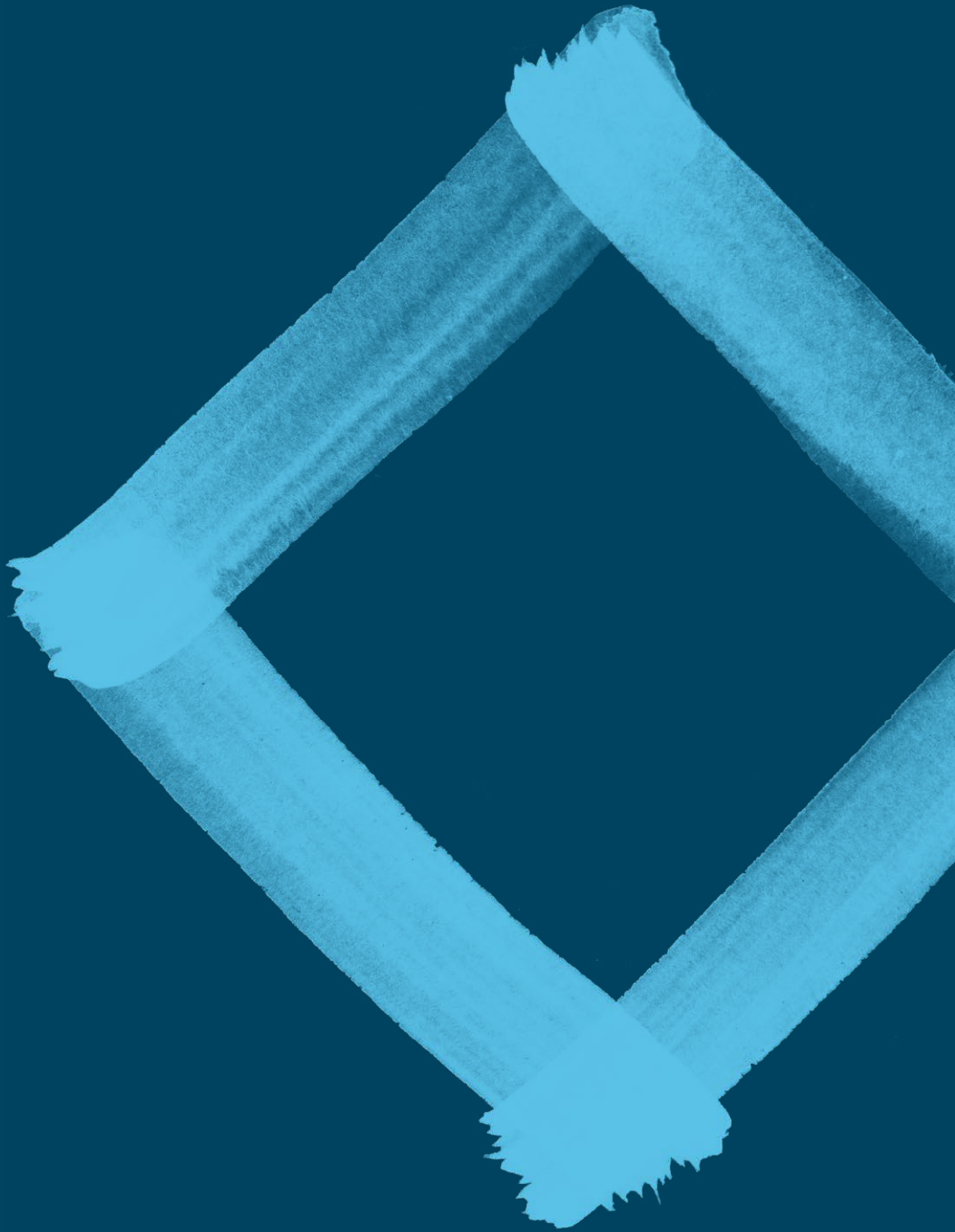
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