

Re-thinking the future of our schools

Making high-quality Jewish education
accessible to more Jewish children in Victoria.



DISCUSSION PAPER AUGUST 2021

Acknowledgements

A Working Group, comprising Leah Balter, Nathan Cher, Graham Goldsmith AO, Mark Harrison, Genia Janover, Lisa Kennett and Emeritus Professor Andrew Markus AO, has come together from time to time to assist me in reviewing drafts of this paper.

Members represent a cross section of the community, have strong experience in the issues under discussion, but do not speak for any specific school they may be or have been affiliated with. In the absence of a communal planning body in Victoria like the JCA in New South Wales and the Australian Capital Territory, the Working Group has sought to identify opportunities to improve access to quality Jewish education, adopting a custodial rather than fiduciary approach. That is, we have examined the school system and how well it serves the community as a whole, rather than focussing exclusively on the interests and imperatives of the individual schools. The United Jewish Education Board, which provides Jewish education to the 40 percent of children in our community who find themselves outside the Jewish schools, is a key stakeholder in this discussion.

I want to acknowledge the Working Group's vital support. I also thank Bialik College, King David School, Leibler Yavneh College and Mount Scopus Memorial College for their cooperation at President, Principal and CFO level, by making their time available in open and frank discussion, and for providing financial data,

and input into and feedback on our paper. In extending my appreciation, I would like to emphasise that the schools were not involved in the creation of this Discussion Paper, and that members of the Working Group do not necessarily agree with all its suggestions. Nechama Bendet, assisted by Rochel Loebenstein, undertook the research, analysis and preparation of the paper. Laurence Slomoi of Slomoi Immerman Partners reviewed the financial modelling.

We are grateful for the financial support of the individuals and philanthropic foundations listed below and to the Australian Jewish Funders and JCCV for assisting with enabling the discussion paper to be shared across the Victorian Jewish community. Each of these organisations agree that we need to discuss the challenges our schools will be facing over the next 20 years and that we need to start discussing the pros and cons of a range of options. They do not necessarily agree with all the findings of the Discussion Paper and they do not necessarily agree with the proposed options.

This report, along with some Frequently Asked Questions, a video by Alan Schwartz and the opportunity for you to provide feedback, can be accessed at jewishschoolsproject.com.

Alan Schwartz AM

Convener, Victorian Jewish Schools Project

Anonymous
Supporter

P & S Bassat
Foundation



Justin Liberman

Pointmade.



An open letter from Alan Schwartz

Education is at the heart of our Jewish life. The highest quality Jewish schooling guarantees both our communal strength and the intellectual and social flourishing of every child. In Victoria, our community has built one of the world's finest Jewish education systems.

But a combination of powerful demographic, cultural and financial forces is threatening the future of our schools. Authoritative demographic projections show that over the next 20 years, the population of Jewish school age children in Victoria will fall by nearly 25 percent – or 2,200 students. That could mean anywhere between 800 to 1700 fewer students in our four mainstream schools, Bialik College, King David School, Leibler Yavneh College and Mount Scopus Memorial College. It could also mean losses to schools of fee and grant income reaching \$10 million a year in 2031, and about \$18.5 million a year in 2041.

But this is not a problem for the distant future. Already, there is a diminishing commitment to Jewish day school education, and escalating school fees are exacerbating the problem. In short, fewer children are receiving a Jewish Day School education.

As a result, the proportion of Jewish children in Jewish schools is falling, as more families choose

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The Discussion Paper aims to open up an urgent communal conversation about the future of our schools.

to send their children elsewhere. The problem is acute in the primary years, when families can choose low-cost, high-quality government schools with high concentrations of Jewish children. Some students return to the Jewish schools for secondary school but many do not. The economic impacts of the COVID-19 pandemic are making the pressures on parents even stronger.

In other words, our schools face a triple threat of demography, culture and finances that our whole community needs to understand and address.

About 18 months ago I convened a Working Group (whose members are listed opposite) to develop a strategy that prepares the community for these challenges. Our objectives are to:

- inform the community about the gravity of the crisis,
- develop options and facilitate community discussion, and
- bring together school councils, community leaders and philanthropists who can lead the change when a consensus emerges in the community that change is both necessary and desirable.

This Victorian Jewish Schools Project 2021 Discussion Paper is the first step of a multi-year strategy. It describes the gravity of the situation and canvasses

four possible options for addressing it. It makes no recommendations but aims to open up an urgent communal conversation about the future of our schools.

Over the next 12 months we will initiate extensive community consultations and broaden the support base of the Working Group to include leading philanthropists and community leaders. We are open to expanding this conversation to include all Victorian Jewish schools. In 2022, we will publish our second Discussion Paper.

We plan to update and publish the Discussion Paper every year until a clearer path forward, supported by the community, emerges for our schools. We will then issue a final report, which will include a detailed description of the preferred option, and a broad implementation plan.

This conversation is not a new one. We have debated the future of our schools for many years. But this time is different. The Working Group has studied the evidence and concluded that the combined forces of demography, culture and finances will force change upon our four cherished schools. We need to develop,

debate and evaluate specific options now so that at the appropriate time, we are well prepared to make the necessary changes as seamlessly and as positively as possible.

We know that no self-appointed group can decide the fate of our schools – this is a matter for the entire community. We also know that it is not reasonable to expect the four schools alone to carry the burden of finding the right solution for the entire community. The Working Group seeks to fill this gap by undertaking the broadest possible community consultation.

To ensure that no Jewish child is denied a superb, affordable Jewish education, we need to talk urgently about the challenges facing our schools. I invite you to contribute to this critical conversation. Together, we will find the right solution for our children and grandchildren, and for the future of our community.



Alan Schwartz AM
Convener, Victorian Jewish Schools Project

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To learn more about this important initiative or to join the Jewish schools community conversation go to jewishschoolsproject.com

Why we need to talk about the future of Jewish Schools

More than 5,400 students are enrolled in ten Melbourne Jewish schools. These schools represent the great diversity of Jewish life, catering to strictly orthodox, modern orthodox, progressive and non-observant families. All deliver a dual curriculum of both Jewish and general studies. Most rank among the top schools in the state in VCE results.

We all rightly take pride in the education system that our educators and families have built in Victoria over many years. We know how good our schools are. For many Jewish families who have entrusted their children's learning and development to those schools, and have been heavily involved in their school communities, the idea of significant change may be unsettling or even hard to accept.

However, our modelling raises serious concerns about the viability of the current Jewish education system. Enrolments in Jewish schools are falling behind population growth in the community. Worse still, population projections show that from this year, numbers of potential students will start to substantially decline, with deeply troubling implications for our schools.

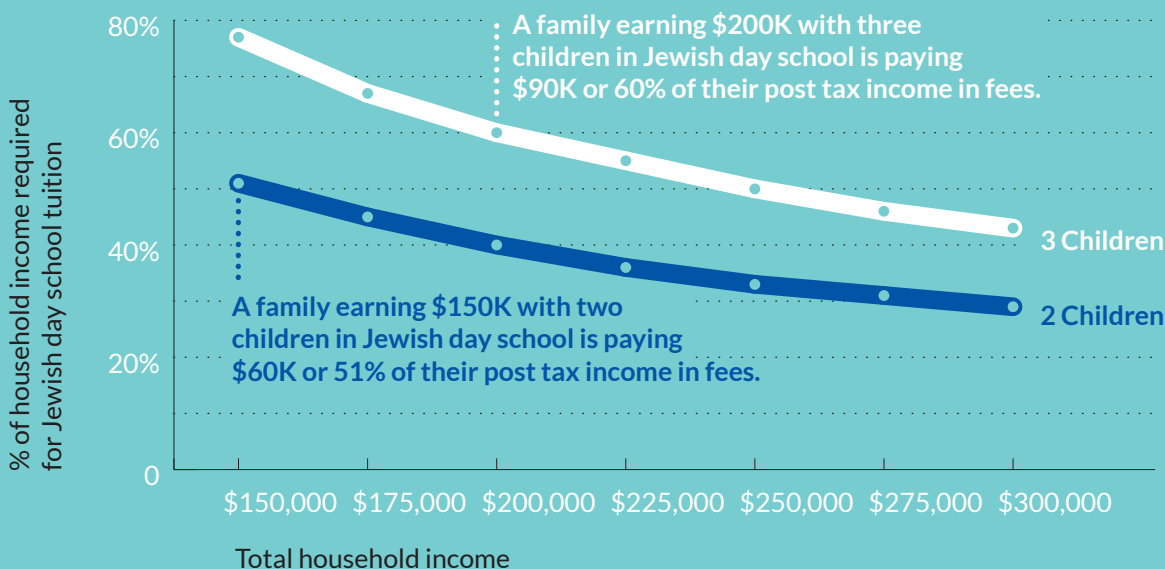
We understand that each school may feel duty bound to protect enrolments by raising additional funds from donors and cutting costs, and increasing fees for those who can pay, while offering additional fee discounts to those who cannot. Yet families are already struggling to meet the costs of Jewish schooling. Further attrition of students, and reduced income from fees and donations as a result of COVID, is likely to make the situation even more dire. These factors are now set out in detail.

Rising affordability pressures

The cost of educating a child in Year 12 in a mainstream Jewish school is between \$34,000 and \$39,000. That fee is out of reach for many families, including those with middle incomes. Fees have historically increased faster than increases in the cost of living. If school fees continue to rise by three per cent a year, as they have in recent years, Year 12 fees will rise to between \$39,000 and \$45,000 by 2025 and between \$45,000 and \$52,000 by 2030.

Already, nearly half of respondents to the GEN17 Australian Jewish Community Survey in 2017 said that school fees were too expensive. Among those who had

Post tax household income required for Jewish school tuition



considered Jewish education, about a third indicated that cost had prevented them from sending at least one child to a Jewish school.

Long-term efforts to create a large community fund to provide vouchers to families who can't afford full fees—effectively making schools cheaper for low-middle income families—have not been successful.

Higher fees are increasing the strain on household budgets at a time when the cost of housing, in particular, continues to rise. An increasing number of families must choose between a Jewish education and buying a home. The graph on page 5 sets out the difficulty for many families.

Stagnant enrolments

Melbourne Jewish school enrolments are not keeping pace with the growth in the school-aged Jewish population over recent years, particularly in primary

school. Between 2006 and 2016, Victoria's estimated Jewish population aged 5 to 18 years increased by 16 per cent, but enrolments in Jewish schools increased by only 4 per cent (see Victorian Jewish School Enrolments table). As a result, the proportion of Jewish children attending Jewish schools in Victoria fell from 69 per cent in 2006 to 57 per cent in 2016. By contrast, the number of Jewish children attending government schools has risen sharply, particularly in primary school. According to ABS census data, in 2006, 30 per cent of Jewish primary-aged children attended government schools; 10 years later that figure had risen to 38 per cent.

The shift away from Jewish schools

Low-cost, high-quality government primary schools with high concentrations of Jewish children represent a significant challenge to the sustainability of Melbourne's Jewish schools.

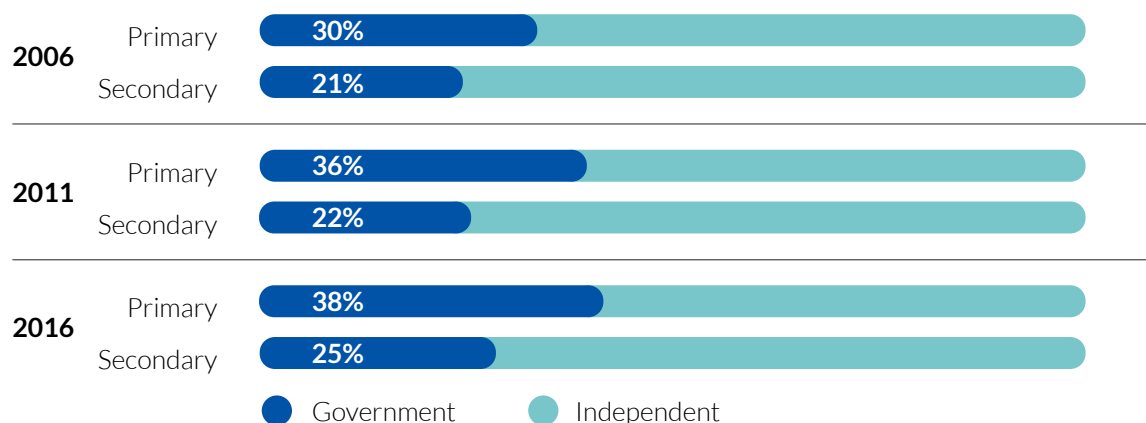
The Victorian Jewish population graph below shows the growing percentage of Jewish children attending government schools.

If the current trend continues, the proportion of Victorian Jewish children attending government schools will increase to 51 per cent in primary and 31 per cent in secondary school over the next decade.

Victorian Jewish School Enrolments

	Primary	Secondary	Total
2006	2664	2376	5040
2016	2996	2233	5229

Victorian Jewish population, type of primary and secondary school attended, 2006–2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2006, 2011 and 2016 Table Builder

This shift towards state schooling creates a vicious circle. As the number of Jewish children in government schools grows, low-cost government education will become a more attractive option for some Jewish families.

The fixed costs of operating Jewish schools will have to be shared among a smaller number of children, thereby driving up the cost of education for those who remain. In turn, as competition between Jewish schools for a shrinking pool of students intensifies, the demand for fee subsidies will grow. But fee discounts strain budgets and affect quality, which can only result in more children leaving Jewish schools.

A common trend is for parents to enrol their children in Jewish schools for early childhood education (up to five years old), which is no more expensive than non-Jewish early years programs. Some of our schools are finding that children are then withdrawn at the end of preschool in order to attend a low-fee government primary school. Some return to Jewish schools at a later date, but many do not.

It is true that some families with children in a government primary school enrol their children in Jewish schools in upper primary in order to secure a secondary school place. Yet this trend may not continue. As student numbers in Jewish primary

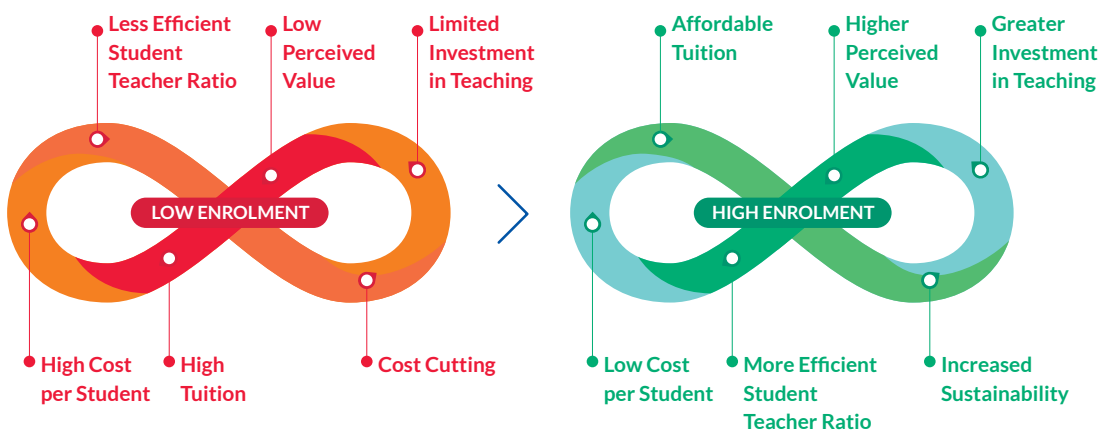
If parents delay their children's re-entry into the Jewish school to Year 7 or later in order to save on fees, the stress on Jewish schools will increase.

schools decline, the smaller cohort of students reduces pressure on parents to enrol in the Jewish school early in order to secure a secondary school place. If parents delay their children's re-entry into the Jewish school to Year 7 or later in order to save on fees, the stress on Jewish schools will increase.

Troubling population projections are making the situation worse

Analysis commissioned by the JCA in New South Wales and undertaken by demographer Dr David Graham, shows that over the next decade the number of Jewish school-aged children in NSW will fall to about 6500,

Virtuous and vicious cycles



1200 fewer than there are today. By 2045, the number will fall by 2100 children, or about 27 percent.

The Working Group commissioned Dr Graham to undertake a parallel analysis for Melbourne. The results are very similar. After feeding Victorian 2016 Census data into his NSW model, Dr Graham found that after peaking in 2021, Victoria's total school-aged Jewish population (aged 5 to 17), which stands at just over 9500 today, would start to fall.

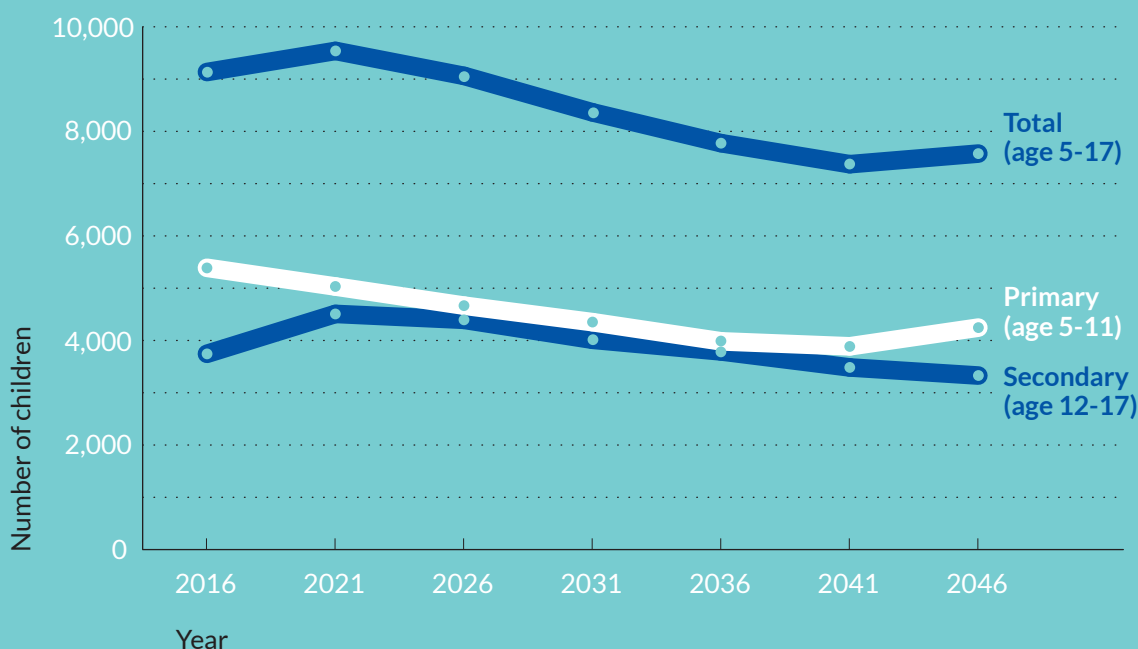
This projected decline over 20 years is a result of a steady shrinkage in the number of Jewish females of reproductive age in Victoria. As the number of females aged between 20 and 44 declines, the number of babies born also falls. Hence, by 2031 there will be 1200 fewer Jewish students; by 2041 nearly 2200 fewer – a fall of 23 percent over 20 years. From about 2041, the number of reproductive females will rise again, and therefore the number of babies born also increase, but in the interim, school enrolments will significantly decline. More information regarding why the Jewish school age population is projected

to decline over the next 20 years is available on our website jewishschoolsproject.com. The graph below sets out the figures in detail.

As a community, we have faced demographic downturns before. School leaders recall that student numbers fell significantly in the 2000s. As a result, some schools offered aggressive fee deals to attract students, while the fees of other families continued to rise. However, the impact of this last downturn was somewhat offset by strong Jewish migration from South Africa and the Soviet Union/Formal Soviet Union in the 1980s and 1990s. South African immigrants in particular, were committed to Jewish education and helped to prop up enrolments during this period. Today we have no such good fortune: Jewish migration to Victoria has stalled, and we cannot look to future migration to sustain our schools through the next demographic decline.

At present just over one in three school-aged Jewish children attend the four mainstream Jewish schools. Assuming there is no change to the proportion of

Population projection for Jewish school-aged children in Victoria, 2016–2046



Jewish children attending Jewish schools, between now and 2041, Melbourne's four mainstream schools would lose 417 students by 2031, and 770 by 2041. On these figures, losses to schools of fee and grant income would increase each year over the next two decades, reaching \$10 million a year in 2031, and about \$18.5 million a year in 2041. In other words, schools would have to recover their costs from a much smaller pool of students, and from an income base that over the next 20 years could shrink by over \$200 million dollars.

It is important to note that these figures are based on the most conservative and optimistic assessment of no change to the proportion of Jewish children attending Jewish schools. However, between 2006 and 2016 that proportion fell by 20 percent. If that trend were to continue, by 2041, at the nadir in enrolments, our four mainstream schools could lose up to 1700 students and \$40 million a year. Over the period from now until 2041, cumulative fee and grant income would decrease by hundreds of millions of dollars. Moreover, the impact of the decline in the Jewish school age population is likely to disproportionately affect mainstream schools, since strictly orthodox families have both a higher fertility rate and a greater commitment to enrol their children in Jewish schools.

In summary, mainstream Jewish schools in Victoria will confront a significantly smaller pool of school-aged children caused not only by rising fees and demographics, but by a declining commitment to Jewish school education, continuing shifts in religious identification, increasing incidence of intermarriage, and a declining rate of Jewish migration since the 1990s.

How these pressures affect schools

Class size is one of the most important determinants of cost in a school. The smaller the class size, the greater

the per-student cost of funding teacher salaries and other associated costs. Classes that are far too small are making a substantial contribution to the cost pressures facing our schools.

As non-selective schools catering to diverse student populations, Melbourne's Jewish schools tend to offer a lot of subjects in VCE in order to attract students and cater to their varied interests and aptitudes. In practice, this means that the schools provide a relatively large number of subject choices to a fairly small cohort, sometimes to classes of just two or three students. Operating such small classes is expensive and inefficient, and it creates excess capacity that schools cannot address by reducing staffing or costs.

In many of our schools, younger year levels also often have excess capacity, particularly in the primary years. Classes operating with spare capacity place an increased burden on the remaining students to cover the costs of operating the school – a cost that could be spread more widely if classes were full.

Classes that are far too small are making a substantial contribution to the cost pressures facing our schools.

To learn more about this important initiative or to join the Jewish schools community conversation go to jewishschoolsproject.com

Our options

The next section sets out four possible options for our schools. Additional options may emerge as a result of the consultation process.

Option 1: Maintain the status quo

Bialik College, King David School, Leibler Yavneh College and Mount Scopus Memorial College each continue to operate their schools from Prep to Year 12. All offer the educational benefit of a continuous Prep to Year 12 education in which staff know the students well and can cater to each child's learning and pastoral needs.

Parents can choose a school that reflects their beliefs. Children can receive a holistic P-12 education based on a school's particular brand of ethos and values, with consistent teaching throughout their schooling.

Students in Years 10 to 12 would continue to play an important role as leaders of the student body, and to add vibrancy and life to their school.

Option 2: Merge four schools into two

Combine the four schools into two schools. The mergers could occur at any year level, but the most viable year levels are at Prep, or Year 7.

Bringing together Jewish students would enable our children to share their school years with a larger group of peers, and to forge lifelong friendships and social networks across more diverse cohorts.

We anticipate that a merger would greatly improve efficiency, create economies of scale, and generate substantial savings. Sharing fixed costs such as the Principal, the school leadership team, Heads of Departments, and the finance and business office among a greater number of students would significantly reduce the cost of education per student.

More course options, particularly in VCE, and greater opportunity for student interaction through larger class sizes, would maximise the viability of specialist teaching and learning programs and drive down the cost of fees.

More affordable fees would help to reduce the flow of children out of Jewish schools, especially those from middle-income families who at present cannot afford the fees.

The newly combined schools would seek to cater to a broader diversity of students, accommodating the educational values and ethos of their school population.

Option 3: Create a new, independent Jewish co-educational VCE School

The new VCE school would bring together students from Bialik, King David, Mount Scopus and Yavneh for Years 10 to 12. The four schools would continue to operate until the end of Year 9, then all students would go to the VCE school.

A combined VCE school for the Jewish community, with up to 400 students per year level, would make many more subjects viable at VCE level, and would require fewer teachers to deliver them. The new school would be able to recruit and train the best educators to teach appropriately sized classes.

The school would cater to the entire community, delivering a choice of Jewish life and learning programs that reflected the ethos of the four contributing schools. Like the merger canvassed above, a combined VCE school would bring our children together for their final years of schooling, and create improved economies of scale thereby significantly reducing the cost of school fees.

Option Four: Establish greater collaboration among Jewish schools

Our schools and community could implement a number of strategies to make Jewish education more accessible almost immediately. They include:

1. **Create a VCE Academy** that would bring together VCE students from the four schools for subjects with low student numbers. At present, some schools are offering some subjects to as few as one or two students. Some schools are unable to offer the subjects at all, despite interest from students, due to low numbers.
2. **Create a new independent Fee Assessment Board** to fill spare enrolment capacity in existing schools. Enrolling additional children in classes with vacancies could generate millions of dollars a year for Jewish schools from additional grants and fees, with minimal impact on cost. This initiative can involve all Victorian Jewish schools, including strictly orthodox schools, since it does not require schools to be co-educational.

How school mergers can lift education quality: lessons from research and other Victorian schools

The rapidly changing, globally connected world our young people are entering is built on knowledge-based societies. Unlike their parents and grandparents, today's students can no longer afford to learn only basic skills for an industrialised economy. To enable them to thrive in this new economy and society, schools need to foster the 21st century skills of problem framing, critical thinking, innovation, collaboration, and creativity.

There is a body of academic research, much of it from the US, that focuses on whether merging small schools

into larger ones achieves educational and financial benefits. Potential gains for amalgamated schools include a comprehensive curriculum, the better resourcing that comes with having a critical mass of students and staff, and greater subject choice at senior levels.

Larger schools are more able to employ specialist teachers for subjects such as physics, languages other than English, music and drama. They can afford high-quality specialist equipment and facilities necessary to run science classes and music studios, for example. Such facilities, and a school's ability to create a diverse and rich learning community, can be a strong attraction for parents, particularly when they are weighing up the benefits of a Jewish or a government school.

Some academic research has questioned the economic efficiencies and other stated benefits of school amalgamations. Adjustment costs, particularly new capital spending, can be significant. Students, families, educators and community members can all have conflicting experiences of school mergers. In particular, they can create anxiety amongst parents. To deal with this anxiety, it is critical to carefully listen to, and engage with, parents and communities.

The rapidly changing, globally connected world our young people are entering is built on knowledge-based societies.

Yet US research suggests that amalgamations, especially for small schools, make educational and economic sense overall. Moreover, one study found that after consolidation “key stakeholders, including those initially angry about reforms, believed it to be positive.”¹

Similar models to Options 2 and 3 in this report are successfully operating in Victoria. Christian College Geelong, an independent school that opened in 1980, was on the brink of closure when four church schools decided to merge their middle schools into a Senior Secondary School for Years 10 to 12. The new school has thrived, with retention rates of 96 per cent, more than 200 students per year level, and 33 VCE and VET subject choices.

Bendigo Senior Secondary College draws its 1700 students from four Bendigo area government secondary schools that all stop at Year 10. It is the largest provider of VCE and school VET in Victoria.

A lesson from Canada: how one leading Jewish school addressed the affordability crisis

In 2017, Tenenbaum Community Hebrew Academy of Toronto (CHAT), the largest Jewish high school in North America (Years 9 to 12), launched a multi-pronged initiative designed to respond to declining enrolments by addressing its prime cause – an affordability crisis.

Assisted by philanthropic investment and a series of cost-cutting measures, including the merger of two

campuses into one, CHAT has lowered school fees from \$28,000 to \$18,500.

As a result, over three years Grade 9 enrolment has jumped from 175 to more than 300 students – an increase of 70 percent. Overall, CHAT has more than 1000 students and caters to students from ten different Jewish schools and 30 different public and non-Jewish independent schools in Toronto.

The CHAT initiative shows that making school fees affordable has the power to reverse a downward enrolment trend and raise numbers in Jewish schools.

¹ *Alsbery and Shaw (2005) as cited in Eacott and Freeborn, 2020*

To learn more about this important initiative or to join the Jewish schools community conversation go to jewishschoolsproject.com

Summary

Our schools define our past and our future

From small but optimistic beginnings, our schools have come to be central to Jewish life in Melbourne. In 1942 Bialik Hebrew School and Kindergarten, now Bialik College, was established in North Carlton and remains Melbourne's oldest existing Jewish school (the first Jewish day school, the Melbourne Hebrew School, ran from 1855 until 1895). The opening of Mount Scopus College in 1949 reflected the unwavering determination of pre-war refugees and post-war survivors to overcome the destruction of Jewish life in Europe and to build new lives in a new home. The establishment of Yavneh (now Leibler Yavneh College) initially as a primary school in 1962, and of King David School in 1978, testified to the growing diversity and confidence of our community.

Our goal in initiating this project is to preserve our schools' educational richness, diversity and depth, but perhaps in a new form.

If ever there was a time for us to pursue this conversation with open minds, leaving personal feelings and loyalties to one side, that time is now.

Our goal in initiating this project is to preserve our schools' educational richness, diversity and depth, but perhaps in a new form. A conversation about the viability of our schools is also a conversation about Jewish life in Melbourne. Our community embraces many different traditions, from strictly orthodox to progressive to secular. It contains a range of strongly held, sometimes very different, views on religious observance, culture and education. And yet the ties that bind us remain precious.

After taking into account the trends outlined in this Discussion Paper, we believe that doing nothing leaves our schools exposed to declining enrolments. Do we wait for powerful demographic, cultural and financial forces to impact our enrolments and place intolerable stress on parents and schools alike, or do we act now to ensure the sustainability of Jewish education in Victoria when we can more readily control the outcomes? If ever there was a time for us to pursue this conversation with open minds, leaving personal feelings and loyalties to one side, that time is now.

Next steps

This conversation about the future of Jewish education in Melbourne will only be worthwhile if it has the support and engagement of a large proportion of our community. That's why the next step is to find out what you think of the ideas canvassed in this paper.

We now plan to initiate a broad community consultation on these options. We will consult directly with the four schools and their parents, staff and communities, with philanthropists and benefactors, and with the wider Jewish community. We invite you to register your interest in this project at jewishschoolsproject.com. We also welcome any feedback you may like to provide. You do not need to use your real name when leaving a comment.

We will listen carefully to your feedback, and endeavour to find answers to your questions. We will broaden support base of the Working Group to include philanthropists and community leaders and will publish an updated version of the Victorian Jewish Schools Project Discussion Paper in 2022, with possible recommendations for next steps based on community consultation.

In time, we will find the right way forward for our community. Please join us in this important conversation.

Working together to strengthen our education system can enable us to not only safeguard our young people's future but to renew and strengthen our community, and to protect and build our shared Jewish life for generations to come.

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