

CHAPTER 4

Funding

Introduction

4.1 The funding of additional supports for the education of students with disability is a complex area. In addition to the other issues raised in relation to funding by the topic, Australia's federal model of government and diverse schools systems means that there is not one single model for funding.

4.2 Each sector of the schools system in each state has its own methods for determining the use of this funding, in addition to the model used by the Commonwealth to allocate funding to each of the states for their expenditure.

4.3 For those reasons, this report will not attempt to discuss in fine detail these existing models, but will instead focus on specific issues raised in evidence to this inquiry. Such issues include the concerns raised about the government's policy of indexing funding for future years according to the consumer price index, the problematic nature of funding when the data is unreliable or otherwise flawed, the use of the Nationally Consistent Collection of Data on Schools Students with Disability, the need for accountability and certainty in approaches to funding and arguments for needs-based or transferable funding.

Funding models and the indexation to consumer price index

4.4 The previous government, prompted by the Gonski Review, introduced the National Plan for School Improvement (NPSI) via the *Australian Education Act 2013* (the Act). The Act legislated that the Commonwealth Government would calculate school funding allocations on the Schooling Resource Standard (SRS) – a base amount of funding per student, with additional loadings for various measures of disadvantage, as specified in the model, including disability. The base SRS indexes annually at the rate of 3.6%.¹

4.5 Before the 2013 election, then-shadow minister for education, Mr Christopher Pyne MP, announced that:

If elected to Government the Coalition will continue the data collection work that has commenced, which will be used to deliver more funding for people with disability through the 'disability loading' in 2015. We note the Government has again advised today that there will be an interim disability loading next year, as part of the new school funding model. I very much

1 Supplementary Explanatory Memorandum, *Australian Education Bill 2013*, pp 2-3.

look forward to continuing this valuable work if we are fortunate enough to be elected on September 7.²

4.6 Shadow Minister Pyne also announced that a Coalition government would follow the same funding model as introduced by the then-government:

So Tony Abbott and I made a decision some weeks ago that we would ensure that the debate about education moved to a higher plane by matching Labor's funding model dollar for dollar. So you can vote Liberal or Labor and you'll get exactly the same amount of funding for your school except you'll get \$120 million more from the Coalition because in this policy today we are announcing a number of measures, modest measures, prudent measures, but ones that will address some of the key issues that we think are important.³

4.7 However, following the September 2013 election, then-Education Minister Christopher Pyne MP announced that the new government would change the funding model for schools.⁴

4.8 The 2014 Budget announced that schools funding from the Commonwealth would, from 2018 on, 'be indexed by the Consumer Price Index (CPI), with an allowance for changes in enrolment'.⁵

4.9 Multiple submitters and witnesses to this inquiry commented this decision. The majority of this commentary argued that indexation to the CPI would result in less money being spent on funding the education of students with disability in the school system over the coming years, thus decreasing the likelihood of these students achieving educational outcomes that would set them up for the rest of their life.

4.10 The committee also heard evidence from witnesses to the effect that, over the medium to long term, this funding decreasing in real terms would result in cuts to staff levels in schools.

4.11 The Australian Parents Council were critical of the decision, arguing that:

There is little doubt that the decision to index school funding at the consumer price index and enrolments after 2018 will not meet the needs of students and schools. With an average annual increase over the past decade

2 Christopher Pyne MP, 'Bi-partisan support for nationally consistent data collection – students with disability and learning difficulty', Media release, 23 August 2013, <https://www.pyneonline.com.au/media-centre/media-releases/bi-partisan-support-for-nationally-consistent-data-collection-students-with-disability-and-learning-difficulty> (accessed 6 January 2015).

3 Transcript of joint press conference, the Hon. Tony Abbott MHR and the Hon. Christopher Pyne MHR with the Hon. Barry O'Farrell MP, Penrith New South Wales, 29 August 2013, p. 8.

4 See, for instance, 'Education Minister Christopher Pyne breaks pre-poll promise on school funding', *The Sydney Morning Herald*, 26 November 2013, <http://www.smh.com.au/federal-politics/political-news/education-minister-christopher-pyne-breaks-prepoll-promise-on-school-funding-20131125-2y6mz.html> (accessed 5 January 2016).

5 Budget 2014-15: Budget Measures, Budget Paper No. 2, p. 91, http://www.budget.gov.au/2014-15/content/bp2/download/BP2_consolidated.pdf (accessed 5 January 2016).

of 5.4% in the actual costs of running a school and the consumer price index sitting at about 2.8%, school funding after 2018 will fail to keep up with the actual costs of educating a child.

This will impact on children with disabilities, especially in the non-government sector where already individual public funding is a proportion of the amount available to students in government schools.⁶

4.12 National Disability Services also noted that indexing school funding to the CPI does not take into account the experience that education costs generally increase beyond the CPI:

The impact of indexing funding solely on the Consumer Price Index (CPI) is likely to reduce the resources available to children with disability in future. It is a short sighted cost-containment strategy. There will be considerable pressure on wages for disability teacher aides and specialist disability therapists due to the increased demand for disability expertise and support workers throughout the implementation of the NDIS. This will likely result in wages increasing at a higher rate than the CPI.⁷

4.13 The Australian Education Union expressed their concern that indexing funding to the CPI could see a real-terms reduction of funding of as much as \$2.7 billion, or enough money to fund 20,000 additional teachers across the country.⁸

4.14 The National Independent Special Schools Association warned that failure to adequately fund additional support for students with disability in schools could have damaging effects on special schools in particular:

Funding for student with disabilities is inadequate at present. Therefore, if current levels are maintained, increasing only with CPI, there will be no improvement in the quality and effectiveness of educational provision for these vulnerable young people and their families. In effect many independent special schools would no longer be able to exist.⁹

4.15 Autism Spectrum Australia (Aspect), which developed and delivers a specialised education program for students with an autism spectrum disorder at eight schools plus over one hundred satellite classes in mainstream schools in New South Wales, also highlighted their concerns and drew attention to the consequences of funding according to CPI:

Currently funding for student with disabilities is inadequate. Therefore, if current levels are maintained, increasing only with CPI, there will be no improvement in the quality and effectiveness of educational provision for these vulnerable young people and their families...

6 Australian Parents Council, *Submission 155*, p. 6.

7 National Disability Services, *Submission 172*, p. 4.

8 Ms Correna Haythorpe, Australian Education Union, *Committee Hansard*, 18 September 2015, p. 15.

9 National Independent Special Schools Association, *Submission 84*, p. 3.

... the implementation of using the CPI to index funding will result in a reduction of the funding to schools compared to the increasing costs in the education sector. This could threaten the financial viability of the Aspect schools and other independent special schools. This sector is known for its research and innovation into the education of children with special needs. A loss of this sector will be to the detriment of Australian Education.¹⁰

4.16 Similarly, the National Catholic Education Commission (NCEC) suggested that this model would place their schools under considerable financial pressure and argued that: 'we do not believe the consumer price index is a good reflection of school costs'.¹¹

4.17 In their submission, the NCEC elaborated on that point, noting that the consequences of insufficient funding would be severe:

In addition to CPI indexation not keeping pace with real cost increases, the funding shortfall relative to student need in 2017 will be compounded over time. In the future, adequate indexation will be required to close the gap between funding and need.

...

Without sustainable funding, fees will increase, schools could close and the quality of education will be compromised.¹²

4.18 The committee also notes that, in late December 2015 the government confirmed that it would not be proceeding with the final two years (2017 and 2018) of the Gonski funding model, thus leaving the future funding of all Australian students under a cloud of uncertainty, especially those most vulnerable, including students with disability.¹³

Committee view

4.19 The committee notes the criticisms of the government's plans to tie school funding to the consumer price index, and calls on both state and Commonwealth governments to adequately fund schools so that students with disability are able to receive appropriate additional support.

4.20 In particular, the committee was concerned by evidence from numerous witnesses and submitters across different school systems and sectors about the likely funding problems which will arise from the government's failure to fund the fifth and sixth years of the Gonski funding model and its plan to index school funding according to the CPI. As multiple witnesses pointed out, this policy will see school

10 Autism Spectrum (Aspect), *Submission 85*, pp 3-4.

11 Mr Ross Fox, National Catholic Education Commission, *Committee Hansard*, 18 September 2015, p. 54.

12 National Catholic Education Commission, *Submission 255*, p. 6.

13 'Hopes dashed by Coalition decision to dump Gonski school funding model', *The Guardian*, 29 December 2015, <http://www.theguardian.com/australia-news/2015/dec/29/hopes-dashed-by-coalition-decision-to-dump-gonski-school-funding-model> (accessed 5 January 2016).

funding decrease in real terms and with it, the opportunities for education access and attainment for students with disability will fall.

4.21 The Government's current position means no school will be funded according to the individual needs of students after 2017. That means any changing needs - including for students with disability - will never be met. The committee is deeply concerned about this policy, and calls on the government to reconsider.

Incomplete data

4.22 A number of witnesses suggested that the allocation of funds for education access for students with disabilities is complicated by issues surrounding the numbers of students with disabilities in schools in Australia. In short, since the data on students with disabilities is incomplete, inconsistent and inadequate, governments at both state and Commonwealth levels will struggle to suitably fund the education of students with disabilities.

4.23 The Gonski Report pointed to one of the key factors relevant to this problem, which is that different states and territories adopt different definitions of disability (as discussed in chapter 2), meaning that the existing state-by-state figures cannot be compared or simply added to give meaningful national totals.¹⁴

4.24 That issue aside, a more substantial problem is that the number of officially recognised students with disability in the school system understates the actual number of students who require additional support because of a disability. As the Gonski Report noted:

In 2010, there were around 172 300 students who met state and territory eligibility criteria for receiving disability funding, representing 4.9 per cent of total student enrolments... The 2009 [Australian Bureau of Statistics] survey data shows that 8.8 per cent of people in Australia aged 5 to 14 years had a disability, based on a broader definition of disability.¹⁵

4.25 Therefore, even when compared to the ABS data, only around half of the school-aged population in Australia with a disability attracted additional funding. As the data collection for students with disability is improved and can provide the basis for meaningful comparison, the true difference between the proportion of Australia's school students with disability and those who attract funding to meet their additional needs will become more apparent.

Non-qualifying disabilities

4.26 One dimension of the problems with data, as raised by multiple submitters to this inquiry, is that current funding models have failed to adequately fund the

14 *Review of Funding for Schooling*, p. 119, <https://docs.education.gov.au/system/files/doc/other/review-of-funding-for-schooling-final-report-dec-2011.pdf> (accessed 21 December 2015).

15 *Review of Funding for Schooling*, p. 119, <https://docs.education.gov.au/system/files/doc/other/review-of-funding-for-schooling-final-report-dec-2011.pdf> (accessed 21 December 2015).

education of students with disability because they have taken too narrow a definition of disability. If a student's disability is not recognised as such in the funding model, that model clearly cannot provide the financial assistance necessary to properly assist that child's access to education.

4.27 In his submission, one parent illustrated the consequences for his family of his child falling outside the definitions and categories in their state's funding model:

Our child Abbey is an amiable, social and well behaved child who has severe expressive, receptive language and gross motor skills delays.

There has been no definitive diagnosis or underlying cause identified, despite reviews by a number of expert clinicians in a range of fields.

Abbey has attended a speech pathologist since 2 years old, she is now 8 years old. She has also attended 2 years of occupational therapy. She is attending tutoring for numeracy.

We have not qualified for nor received government funding support as she cannot be 'categorized', rather the term 'global development delay' is used to describe her issues. Government systems designed to lend support cannot cope with a no label scenario.

You can appreciate the financial burden it places on us as parents and a family.

Abbey started school in 2013 in a mainstream class. She has progressed in both speech and reading skills.

The School is as supportive as practically possible, however they have not qualified for nor received government funding/support services to provide one on one support in the classroom.

Abbey is now in Year 2 and is academically falling behind her peers.¹⁶

4.28 Another example brought to the committee's attention is that of dyslexia, which despite inclusion in the *Disability Discrimination Act 1992* and the Disability Standards for Education 2005, has been described as 'the forgotten learning disability'.¹⁷

4.29 The Gold Coast Dyslexia Support Group argued that dyslexia, in addition to not attracting specific funding in all states, is often under-diagnosed.¹⁸

4.30 This, it was argued, is also an issue of equity:

Since dyslexia is an unverified disability, it will not be included in the National Disability Insurance Scheme (NDIS) and is not eligible for any subsidies or financial assistance. However, educational institutions expect a 'diagnosis' from an educational psychologist before granting any adjustments. A psychologists report is expensive and this is beyond the

16 Mr Greg Brandtman, *Submission 140*, p. 1.

17 Gold Coast Dyslexia Support Group, *Submission 21*, p. 1.

18 Gold Coast Dyslexia Support Group, *Submission 21*, p. 1.

financial capacity of most families. For students in regional and remote areas, access to an educational psychologist is very limited and there is the added expense of travel.¹⁹

4.31 A submission from a team of neuropsychologists from the Sydney Children's Hospital argued that, for students in the position of having an unverified or unfunded disability, options for support and adequate learning are minimal, however well-intentioned the school or individual teachers might be, and with negative outcomes:

Due to the inadequate support in the current school environment families are required to repeatedly advocate for their child's needs. This is particularly true for students who do not qualify for a diagnosis of intellectual disability (or any of the other specific funding categories) and hence must attend mainstream classes without teacher's aide support. The impact of this in practical terms is that even if an IEP (Individual Education Plan) is formulated by the school based on the child's individual needs, recommendations are not always able to be implemented due to lack of support staff. Meanwhile, the child continues to struggle at school and often vents their frustrations through inappropriate behaviour or 'acting out', either at home or at school. The end result is a maintenance or worsening of the child's behaviour and a stagnation of the learning process, resulting in unsatisfactory outcomes for all.²⁰

Committee view

4.32 The committee was concerned by evidence to this inquiry suggesting that many students have fallen through funding cracks because of limited information or narrow definitions of disability used in school systems, resulting in a failure to recognise need. An appropriate level of funding for students with additional needs in schools begins with adequate data on those students.

Data on indigenous students with disability

4.33 The First Peoples Disability Network pointed out that the data on indigenous students with disability is particularly prone to problems:

We do not know prevalence data of disability in our communities. The 2011 census said that 50 per cent of our people have some form of disability or long-term health condition. It has always been believed, anecdotally, that the prevalence was about twice that of the rest of the Australian population. All our anecdotal evidence would suggest that that is true. In fact, this 50 per cent is considered to be a conservative figure because it does not have a measure on the prevalence of psychosocial disability or mental illness, for example, in our community. So disability is an untold story in many ways. There is very little research into this area.

If we were talking today about Aboriginal health, no problem; there would be a lot of research there. But it is an area that is not well understood. We need to urgently address this. It needs to be done in a very sensitive way

19 Gold Coast Dyslexia Support Group, *Submission 21*, p. 5.

20 Dr Robyn Boyle et al, *Submission 161*, pp 2-3.

because a lot of our families are very unlikely to come forward and necessarily say that they have a family member with a disability and there are a lot of reasons for that. One of the reasons is that in traditional language there was not a comparable word for disability. That is actually a wonderful thing in the sense that people are not labelled.

Sometimes parents are very reluctant to come forward because they do worry about being judged as bad parents, and we see the consequences play out all the time today. In Victoria, for example, we have more Aboriginal kids in out-of-home care than ever before and these sorts of risky engagements with authority are another reason why we do not have family members necessarily coming forward. So there is an urgent need to better understand the actual prevalence data across the broad spectrum of disability. Then we have new, emerging disability types like foetal alcohol spectrum disorder, which we do not really have a prevalence measure on either.²¹

4.34 In particular, as the First Peoples Disability Network noted, cultural issues play a role in rendering disability data for indigenous people inadequate:

If you look at where the main data comes from, the main data sources around here might come from either the census data, the National Aboriginal and Torres Strait Islander Social Survey, and the Survey of Disability, Ageing and Carers. They all come up with very different answers because they have very different approaches. What is missing from that approach is that it starts off with the question: do you have a disability? So it requires someone to be aware that they have a disability and that they are comfortable enough in voluntarily disclosing that, that they have that, and, if so, what kind. So a lot of the prevalence data that you would be seeing from organisations like the Institute of Health and Welfare come from that medical model. It does not really capture that social aspect, that if there is a stigma attached—something like foetal alcohol spectrum disorder, which applies to the mother and the child—then they are very unlikely to voluntarily disclose that.

We would say that there is an under identification of disability or an undercount. You can see that just by comparing the results for those three main data sources around it. If you compare it to, say, the census data on how many Aboriginal people are in Australia, there is a lot of work around validating that census data, but there is not that kind of work around validating some of the data that is coming out around disability and getting some input around some of the social reasons why people might be doing it. We would say that anything you see coming out of the Australian Bureau Statistics, or originating from that, would be a vast understatement.²²

21 Mr Damian Griffis, First Peoples Disability Network, *Committee Hansard*, 20 November 2015, p. 12.

22 Mr Scott Avery, First Peoples Disability Network, *Committee Hansard*, 20 November 2015, p. 12.

Committee view

4.35 The committee notes that indigenous students are particularly vulnerable to incomplete and inadequate data when it comes to quantifying disabilities, and expresses its hope that all governments in Australia will work better with indigenous communities and groups to resolve this problem.

Nationally Consistent Collection of Data

4.36 An attempt to address the current, inadequate information held by governments on the number of students in the school systems is the Nationally Consistent Collection of Data on School Students with Disability (NCCD), a joint initiative of all Australian governments and all state and territory government and non-government education authorities. Its aim is to collect comprehensive and nationally comparable data about students with disability in Australian schools.²³

4.37 The NCCD model is based on teachers providing data on:

- which of their students are being provided with a reasonable adjustment because of disability, consistent with definitions and obligations under the *Disability Discrimination Act 1992* (the DDA) and the Disability Standards for Education 2005;
- the level of adjustment that students with disability are being provided with, in both classroom and whole of school contexts; and
- the broad category of disability under which each student best fits.²⁴

4.38 The NCCD was progressively implemented between 2013 and 2015, and from 2015 all government and non-government schools will participate annually in the data collection.²⁵

4.39 The current government has confirmed that Commonwealth funding for students with disability in the school system, from 2016 on, will be 'informed' by the NCCD.²⁶

4.40 While there was general agreement amongst submitters that more accurate data on students with disabilities in the school system is a laudable goal, the

23 Department of Education and Training, 'What is the Nationally Consistent Collection of Data on School Students with Disability?', <https://www.education.gov.au/what-nationally-consistent-collection-data-school-students-disability> (accessed 2 December 2015).

24 Education Council, 'Nationally Consistent Collection of Data on School Students with Disability: The data collection model', http://www.schooldisabilitydatapl.edu.au/#thedatacollectionmodel_1 (accessed 2 December 2015).

25 Department of Education and Training, 'What is the Nationally Consistent Collection of Data on School Students with Disability?', <https://www.education.gov.au/what-nationally-consistent-collection-data-school-students-disability> (accessed 2 December 2015).

26 Mr Tony Cook, Department Education and Training, *Committee Hansard*, 29 September 2015, p. 49.

committee heard from various witnesses that the processes, purposes and uses of the NCCD have been unclear to both educators and parents.

4.41 For instance, the Gold Coast Dyslexia Support Group supported the goals of the NCCD:

The NCCD should provide the evidence base to inform the distribution of the funding loading for students with disability based on student need under the DDA and the Standards. Finally the NCCD provides formal recognition and inclusion of students with dyslexia. These students are no longer the forgotten learning disability and for the first time they have an opportunity to receive appropriate instruction and adjustments they are entitled to.²⁷

4.42 However, they warned that having educators provide the data for the NCCD may lead to under-representation, particularly for disabilities such as dyslexia which may not always be apparent:

A widespread lack of understanding of dyslexia in our education system may lead to many children at risk not being included in the NCCD.

We currently have schools in Australia that claim to have no students with dyslexia. We also have teachers that believe after 20 years in education they have never taught a student with dyslexia. These are not isolated comments and one has little faith in the ability of our educators to identify a child at risk of reading difficulties.²⁸

4.43 CDA shared these concerns, and noted that many parents were not informed of, or even aware of, the NCCD when it came to their own children:

We do not have a lot of data, and I think we have outlined that very clearly in our submission. We need better data. It is ridiculous. There is no defined problem while there is no data. I think the consultation process with families around the nationally consistent collection of data has been very poor. I am concerned for schools that the emphasis is solely on them to provide this data. There is an obligation to consult but it is not happening in practice. I thought the response in our survey was really telling. There were really high statistics of people who did not know what it was and know if their child was included, let alone know what data they have included.²⁹

4.44 Another witness, a school principal, noted that the NCCD data collection model does not appear to be best practice:

No, we do not have confidence in a process where schools can say whatever they want and that is then a basis for resourcing. It needs to have a little bit more rigour behind it than that. From talking to my colleagues, I know the way that has been carried out in schools is very different. What we do is that my head of special education sits down with every teacher in the school

27 Gold Coast Dyslexia Support Group, *Submission 21*, p. 11.

28 Gold Coast Dyslexia Support Group, *Submission 21*, p. 11.

29 Ms Stephanie Gotlib, Children with Disability Australia, *Committee Hansard*, 29 September 2015, p. 13.

individually. They talk about their class, look at the needs profile, talk about the interventions that are in place and have a decent discussion about that so they can record what is happening. I know that in other schools it is just a quick survey that is put around to all of the staff—'tick and flick', almost—where there is not really an in-depth understanding of what is happening... our other concern with this data collection is that it is a snapshot of what is happening now, and what is happening now is not necessarily best practice, because it has not been funded properly, in our opinion. It is a snapshot of what is happening under limited resources.³⁰

4.45 As Vision Australia pointed out:

... the data being collected will not provide information on the current unmet needs of students with disability, as it does not allow students or their families to provide information on their own needs. Any data on the student with disability's needs is instead being reported by school principals. In order to develop an accurate needs-based funding system, it is important that parents and students themselves have an avenue to report their support needs and that this information is taken into consideration when making any funding decisions.³¹

4.46 Concern was also raised about the fact that the NCCD was not originally intended to be the basis for funding decisions:

... point (f) in the terms of reference refers to the Nationally Consistent Collection of Data and looking at how that might be used to develop a needs based funding system for students with disability. I think we need to approach this with a very, very high level of caution. Firstly, the intent, originally, of the Nationally Consistent Collection of Data was to have some consistent definition across all states and territories of Australia as to what constituted the needs arising from disability. We have four levels of support—from 'can be accommodated with well differentiated professional delivery of teaching' through to 'some additional supports, supplementary supports or extensive supports'. These are very ill defined. Right now, 2015, is the first time that we will have captured all schools in submitting this data. I just think it is far too early to say whether the data is really going to provide the information needed to base funding on.³²

4.47 Despite the criticisms made of it, other witnesses argued that the very existence of the NCCD, and the requirement that all teachers provide input into it, has in itself had a positive effect:

Nationally consistent collection of data for school students with disabilities needs to be congratulated in raising awareness of this cohort of students. There has been an increase in the way schools are working with families to

30 Mr Michael Ward, *Committee Hansard*, 25 September 2015, pp 58-9.

31 Vision Australia, *Submission 167*, pp 9-10.

32 Mrs Julie Fardell, National Independent Special Schools Association, *Committee Hansard*, 18 September 2015, p. 30.

identify the needs of these students, and this will only lead to a greater outcome for all of these students.³³

4.48 One of the primary aims of the NCCD is to more accurately reflect the actual additional needs of students in the school system. Thus the data collected refers to the number of students who require adjustments in the classroom, rather than those who have appropriate formal medical diagnoses.³⁴

4.49 Therefore, the application of the NCCD will reduce dependence on these diagnoses which, as discussed in the previous chapter, can come at considerable cost to families.

4.50 The committee also notes the development, after the close of submissions and hearings for this inquiry, whereby the Council of Australian Governments Education Council (the Education Council) decided not to release the 2015 data. As reported in *The Australian*:

Education ministers discussed the near-final data collection at their Council of Australian Governments education council meeting last week but the survey — which has reached 99 per cent of schools — has not been released publicly and there was no mention of the discussion in the communique.

A new way of funding students with disability was recommended by the Gonski education review, yet while the rest of the reform was funded for four years, a disability loading was postponed until data about unmet need could be collected from every school.

A confidential agenda item from Friday's meeting, obtained by *The Australian*, shows the results of that project. About 18 per cent of all students, 673,693, have a disability according to the survey, although most of these — 12.5 per cent of all students — would need 'supplementary, substantial or extensive' support, requiring more teacher support and money.

The federal government indexed current funding for disabilities with \$1.2 billion provided this year alone. At present, about 5 per cent of students have funded support at school.³⁵

4.51 This development goes against the commitment repeatedly made by the Commonwealth Government to deliver funding for schools in 2016 based on the NCCD data collected in 2015.³⁶

33 Mrs Rowena Perritt, Autism Spectrum Australia, *Committee Hansard*, 18 September 2015, p. 25.

34 Department of Education and Training, *Submission 246*, p. 8.

35 'Delay on student disability funding 'just cruel'', *The Australian*, 15 December 2015, <http://www.theaustralian.com.au/national-affairs/education/delay-on-student-disability-funding-justcruel/news-story/e0500a3303af3b0589ed5a307b14e030> (accessed 4 January 2016).

36 See Department of Education and Training, *Submission 246*, p. 8; Mr Christopher Pyne MP, 17 June 2015, House of Representatives Hansard, p. 6731; Senator Simon Birmingham, 24 March 2015, Senate Hansard, p. 2148.

4.52 The Education Council has commissioned a review into the quality of the data, to report in March 2016.³⁷

Committee view

4.53 The committee recognises the concerns expressed by witnesses and submitters about the method and use of the NCCD, but expresses its hope that once the system has resolved initial concerns and methodological problems, the NCCD will provide a solid, evidence-based foundation for funding models to support the additional needs of students with disability in the school system.

4.54 The committee is deeply concerned by the failure to adequately fund disability loading for students in Australian schools. If the additional needs of students with disability are not funded, barriers will continue to exist, preventing those students from genuinely accessing education.

4.55 The committee also draws attention to the reported fact that the NCCD data, while it may be incomplete at this stage, illustrates a far higher level of students with disability in the Australian school system than has been previously reported or funded, thus confirming the concerns expressed by witnesses and submitters to this inquiry. The committee notes that this information is drawn from media reports, not from an official release of data by the government.

Accountability

4.56 The committee heard that a substantial concern related to the funding of education for students with disabilities was the lack of transparency and accountability over how existing money is spent within school systems.

4.57 CDA suggested that improvements in the education access and outcomes for students with disabilities would only occur if funding were more closely monitored:

I think if we are going to get serious we need to have some very clear links to funding—that if you do not do this stuff you are not going to get funded. So show your inclusion plan and make sure it ticks off on and meets appropriate standards based on evidence. Show what you are doing to ensure that students with disability can access your school when your school has the capacity to adequately meet their needs. There needs to be some consequences if you do not do that. At the moment, there are not really any consequences.³⁸

4.58 Disability Advocacy Victoria made a similar point, recommending that 'the Commonwealth tie any funding to the States to measurable and meaningful outcomes for students with disabilities'.³⁹

37 'Delay on student disability funding 'just cruel'', *The Australian*, 15 December 2015, <http://www.theaustralian.com.au/national-affairs/education/delay-on-student-disability-funding-justcruel/news-story/e0500a3303af3b0589ed5a307b14e030> (accessed 4 January 2016).

38 Ms Stephanie Gotlib, Children with Disability Australia, *Committee Hansard*, 29 September 2015, p. 9.

39 Disability Advocacy Victoria, *Submission 117*, p. 2.

4.59 Others noted, however, that this system can work to the advantage of some students and schools. Where students have additional needs but have not attracted additional funding, schools can pool the money they do receive to provide additional support to all students with additional needs.

4.60 One parent of a student with dyslexia, for instance, told the committee of how they used the additional support allocated to other children:

My son has followed children with verified disabilities through school. So, when he finished prep, we worked out where the children with verified disabilities would be placed and we put my son in that class, because then we could borrow teacher aide time. It is a real shame. Luckily, some of the children with verified disabilities cope quite well in the classroom. They attract the extra funding because of their label not because they necessarily need the extra teacher aide time, so we were able to borrow some one-on-one time early on. Unfortunately, that was not effective, because the intervention that they put into place was inappropriate for a dyslexic child, but that is how we have gone through school. We have followed the children with the verified disabilities, because, according to the schools, there was no money to pay for the support that my son needed.⁴⁰

4.61 However, the converse of this was given in evidence to the committee: that in some cases a school will have to manage students with disabilities who do not attract support using funds received for those who do, therefore minimising the support available to both students.⁴¹

Certainty

4.62 Another issue brought to the committee's attention is that funding for students with disabilities in schools is frequently an area fraught with uncertainty. Neither schools nor parents can plan ahead with any certainty given the often ad hoc nature of funding systems.

4.63 Mr Kevin Bates of the Queensland Teachers' Union argued that the funding of additional support to students, and therefore to schools, on a series of temporary, year-by-year bases precludes the sort of long-term planning that would most benefit students with disability:

One of our key concerns is to ensure that schools have certainty of funding in the long term. When schools get funding on an annual basis, their only option is to employ people on a temporary contract basis or use casual employment to fill gaps. If schools get certainty—in New South Wales again, for example, they have a four-year funding horizon, so that schools know four years in advance how much money they are going to get—that is a valuable planning tool for schools, to be able to say, 'I know I have got four years of funding for that service, so I can continue to engage that

40 Mrs Victoria Butler-Lind, Gold Coast Dyslexia Support Group, *Committee Hansard*, 25 September 2015, p. 42.

41 Mrs Leonie Ponder, *Committee Hansard*, 25 September 2015, p. 5.

person.' They can risk-manage at a school level. Principals are capable of doing that, but only if the resources are available.⁴²

4.64 The Australian Special Education Principals' Association (ASEPA) made a similar argument:

Funding needs a longer-term and needs based solution. Students with disability require a long-term investment to demonstrate value for money spent. Short-term solutions give short term and limited outcomes. Long term funding with ensure certainty for schools and families and could generate a better understanding of the potential of students with disability.⁴³

4.65 Likewise, the NCEC argued that certainty of funding is necessary for the ongoing development of education for students with disability in the Catholic schools system.⁴⁴

4.66 One aspect of this issue was raised by the Australian Parents Council, a national organisation representing parents of students at non-government schools. They noted that countless reviews and inquiries have been held into the state of education access and outcomes for students with disabilities, yet significant and long-lasting change has been hard to find:

Despite numerous previous inquiries and reports having sought to improve schooling access and outcomes for students with disabilities, many are still missing out. It seems to be the case that while those initiatives have been embarked upon with the best of intentions, the resourcing for disability in schooling has fallen so far behind that, once the true cost of achieving equity for students with disabilities becomes apparent, solutions are sought through compromise and the implementation of half measures.⁴⁵

4.67 The committee notes the evidence it received that a key element of a successful and useful funding model for students with disability in the school system is certainty and ongoing funding that would allow principals and others to make long-term based decisions.

Needs-based funding

4.68 The committee heard from multiple witnesses about the benefits of funding models being based on a needs-based approach. The *Australian Education Act 2013* provides for needs-based funding arrangements, wherein the Commonwealth Government's contribution to funding (for students in both government and non-government schools) is based on the Schooling Resource Standard (SRS).⁴⁶

4.69 The SRS provides a base amount for all students, on top of which extra funding is allocated for targeted disadvantaged groups, including students from lower

42 *Committee Hansard*, 25 September 2015, p. 18.

43 Australian Special Education Principals' Association, *Submission 221*, p. 3.

44 National Catholic Education Commission, *Submission 255*, p. 5.

45 Australian Parents Council, *Submission 155*, p. 4.

46 Department of Education and Training, *Submission 246*, p. 3.

socioeconomic backgrounds, Aboriginal and Torres Strait Islander students and students with disability. It also considers factors such as school size and location.⁴⁷

4.70 As discussed in chapter 2, however, the additional loading calculated for each student is dependent on the criteria in operation in each state. For that reason, the Commonwealth cannot establish the principle that additional funding is calculated for all students at the same rates.

4.71 A related issue is when students move from one part of the system to another. As the First Peoples Disability Network pointed out:

[the transition between one phase of a child's development and the next] is not well coordinated presently between government agencies, and I think this is an area where we see focused action could give great gains. We do not understand how difficult it is for various government agencies at various levels to work together, but that is where some big gains could be made. Children are particularly vulnerable moving from one part of the system to another. It is almost like they have to reset the clock. Unless there is an assertive family member or an advocate who can help navigate through the system—say, from early childhood into health, and from health into education—there could be a backward step at those times.⁴⁸

Committee view

4.72 The committee is of the view that all governments in Australia must work together to adequately fund additional supports for students with disability in the school system.

4.73 The first step in adequately funding students with disability's required supports is collecting accurate and relevant data. The committee notes the concerns expressed by some witnesses about the NCCD, and recognises that the model is not yet perfect, but expresses hope that it will provide the foundation for improving funding for students with disability in Australian schools of all types.

4.74 The committee is particularly disappointed that the Education Council regarded the 2015 data collection as insufficiently robust and has not publicly released the information, and that the Commonwealth government will not be funding additional loading for students with disability, given the clear need for more funding.

4.75 The committee accepts the evidence of witnesses that certainty and long-term funding models are of paramount importance for planning and supporting of students with disabilities in schools and trusts that governments at both state/territory and Commonwealth levels will work to ensure that this happens.

Recommendation 1

4.76 The committee recommends that the government commits to funding schools on the basis of need, according to the Gonski Review.

47 Department of Education and Training, *Submission 246*, p. 3.

48 Mr Scott Avery, First Peoples Disability Network, *Committee Hansard*, 20 November 2015, p. 11.

Recommendation 2

4.77 The committee recommends that the government fund all students with disability on the basis of need by reversing its cuts to final two years of the Gonski Reforms.

Recommendation 3

4.78 The committee recommends that the government heeds the warnings of witnesses that linking school funding to the Consumer Price Index will result in funding cuts in real terms and reduce access to education for students with disability.

Recommendation 4

4.79 The committee recommends that the government keeps its commitment to use the Nationally Consistent Collection of Data on School Students with Disability to deliver more funding for students with disability based on their individual needs in 2016.

Recommendation 5

4.80 The committee recommends that the government release the results of the Nationally Consistent Collection of Data on School Students with Disability for 2015, and previous years, as a matter of urgency.

