

**RESPONSE TO ISCA SUPPLEMENTARY SUBMISSION TO SENATE SELECT COMMITTEE
QUESTION IN WRITING – 23 MAY 2014**

In 2014 alone, the independent school sector will receive an additional \$119.6 million (148% increase) for students with disabilities compared to what they would have received under the previous Commonwealth targeted programme¹.

The final amount that is allocated to a school is dependent upon the transitional arrangements relevant to that particular school. The provision of transitional dollar values for any given loading for a specific state or territory, or indeed an individual school, would not be practical, as such the Department utilises the calculations within the *Australian Education Act 2013 (AEA)* as the point of reference. A technical explanation of the implementation of the SWD loading forms the bulk of this response.

The two core tenets of ISCA's submission are that:

- schools "above" the SRS receive the same amount of per-student funding regardless of who they enrol, particularly affecting additional funding for Students With Disability (SWD).
- schools "below" the SRS attract only a very small proportion of additional funding for an additional student with disability as a result of the transitional arrangements.

The following advice clarifies two elements of the funding arrangements:

1. the transition to full implementation; and
2. the apportioning of funding based on need.

Students with Disability loading as articulated in the AEA.

The 'pure' students with disability (SWD) loading is calculated in order to determine a school's total SRS allocation. According to the AEA this calculation is as follows:

223% of the respective schooling resource standard (SRS) per student funding amounts applies for students attending a special school.

186% of the respective schooling resource standard (SRS) per student funding amounts applies for students attending any other school.

For primary and secondary schools, the amounts in 2014 are outlined in the table below. Combined schools receive a weighted average of these amounts.

SWD Loading amounts, 2014:

School type	Primary	Secondary
Regular School	\$17,244	\$22,678
Special School	\$20,674	\$27,190

Actual funding received for loadings

The actual funding received by a school for base and loadings depends on two key concepts:

- (1) Transition to the SRS; and
- (2) Apportioning funding based on need.

¹ The LNSLN targeted programme was for educationally disadvantaged students, not just students with disability. It is not possible to determine how much was expended on students with disability and how much on other educationally disadvantaged students.

Put simply, the amount of funding that a school receives for any loading in any given year, is the proportion of the SRS that that are set to receive in that year. For example, a school receiving 60% of their SRS in 2014, will receive 60% of their SWD loading in 2014. Likewise, a school receiving 120% of their SRS in 2014 will receive 120% of their SWD loading in 2014.

Transition to Full Implementation

Schools that are ABOVE or BELOW the SRS are transitioned towards the SWD loading. Year on year transition rates depend on the relative distance from the SRS and the transition pathways negotiated by each State and Territory government that is a signatory to the National Education Reform Agreement.

Apportioning of Funding based on need

A school's fully loaded SRS amount is expressed in proportional terms according to the contribution that the base and each loading make to the total SRS amount.

In providing payment advice to schools, these base and loading proportions are then applied to the Commonwealth share of the funding amount for any given year, and the actual dollars attributable to each component are also provided. Examples are provided in Attachment A.

A school's disability loading in 2014 will therefore depend on the final Commonwealth funding amount received by the school in 2014. Every school will receive an SWD loading allocated in this manner, including schools that are funded above the SRS.

Please note that the Commonwealth is not prescriptive about how schools spend their money. The allocation of a final amount of funding to loadings is rather to represent the allocation according to the needs-based funding model and aid schools in transitioning towards this model.

Calculating the 2014 Commonwealth SWD funding entitlement – BELOW school in NSW

Note that this is an example of a fictitious independent school in NSW which is currently **BELOW** the SRS. In 2014, this fictitious school is receiving approximately 56.5% of its SRS.

This should be taken as a guide only and does not reflect the funding allocation, demographics or calculation of any school in particular. These figures are subject to rounding.

Example school characteristics	
Primary students (FTE)	50
Secondary students (FTE)	150
Total students (FTE)	200
SES score	100 (CTC Prim 0.1200; Sec 0.2531)
ARIA index value	2.0
Disadvantaged LBOTE students (%)	3
Aboriginal and Torres Strait Islander students (FTE)	10
Students with disability (FTE)	5
SEA Quartile 1 (%)	15
SEA Quartile 2 (%)	20

SRS allocation

The Department calculates the school's total SRS allocation – in this example as follows:

Funding component	Amount	Proportion	Per-student
Base	\$1,773,967	72.1%	
Size loading	\$217,500	8.8%	
Location loading	\$179,286	7.3%	
Low English proficiency loading	\$6,878	0.3%	
ATSI loading	\$28,656	1.2%	
Low SES loading	\$146,720	6.0%	
SWD loading ($1.86 \times p/\text{student} \times 5$)	\$106,601	4.3%	\$21,320
Total public funding	\$2,459,607	100.0%	

*Note the per-student 2014 SRS funding amount (of \$11,463) for this school is based on a weighted average of primary and secondary enrolments in accordance with the Australian Education Act 2013.

2014 entitlement

This school's actual entitlement in 2014 is calculated as \$1,390,672. This is the Commonwealth contribution to total public funding, after the 2014 transition to SRS funding has been taken into account.

The Commonwealth then apports this entitlement amount based on the contribution of each loading to the school's full SRS funding amount – in this example 56.5 per cent of the SRS is apportioned as follows, with the 2014 SWD loading being \$12,055 of 56.5 per cent of the full SWD loading for this school:

Funding component	2014 Amount	2014 Proportion	Per-student
Base	\$1,003,008	72.1%	
Size loading	\$122,975	8.8%	
Location loading	\$101,369	7.3%	
Low English proficiency loading	\$3,889	0.3%	
ATSI loading	\$16,202	1.2%	
Low SES loading	\$82,956	6.0%	
SWD loading ($1.86 \times p/\text{student} \times 5 \times 56.5\%$)	\$60,273	4.3%	\$12,055
2014 Commonwealth funding entitlement	\$1,390,672	100.0%	

*The 56.5 per cent proportion will increase year on year as the school approaches the SRS.

Calculating the 2014 Commonwealth SWD funding entitlement – an ABOVE school in NSW

The calculation of the SWD loading for **ABOVE** schools follows in the same way. This is demonstrated below using a fictitious school with the same characteristics as above but with the school's 2014 Commonwealth funding entitlement of \$2,600,000 (or approximately 106% of their SRS) making it an 'above' school. These figures are subject to rounding.

Example school characteristics	
Primary students (FTE)	50
Secondary students (FTE)	150
Total students (FTE)	200
SES score	100 (CTC Prim 0.1200; Sec 0.2531)
ARIA index value	2.0
Disadvantaged LBOTE students (%)	3
Aboriginal and Torres Strait Islander students (FTE)	10
Students with disability (FTE)	5
SEA Quartile 1 (%)	15
SEA Quartile 2 (%)	20

SRS allocation

The Department calculates the school's total SRS allocation as follows:

Funding component	Amount	Proportion	Per-student
Base	\$1,773,967	72.1%	
Size loading	\$217,500	8.8%	
Location loading	\$179,286	7.3%	
Low English proficiency loading	\$6,878	0.3%	
ATSI loading	\$28,656	1.2%	
Low SES loading	\$146,720	6.0%	
SWD loading ($1.86 \times p/\text{student} \times 5$)	\$106,601	4.3%	\$21,320
Total public funding	\$2,459,607	100.0%	

**Note the per-student 2014 SRS funding amount (of \$11,463) for this school is based on a weighted average of primary and secondary enrolments in accordance with the Australian Education Act 2013.*

2014 entitlement

The final funding entitlement is calculated by apportioning the school's final 2014 entitlement (\$2.6 million) as follows:

Funding component	Amount	Proportion	Per-student
Base (discounted for CTC)	\$1,875,223	72.1%	
Size loading	\$229,915	8.8%	
Location loading	\$189,519	7.3%	
Low English proficiency loading	\$7,270	0.3%	
ATSI loading	\$30,292	1.2%	
Low SES loading	\$155,095	6.0%	
SWD loading ($1.86 \times p/\text{student} \times 5 \times 106\%$)	\$112,686	4.3%	\$22,537
Total Commonwealth funding	\$2,600,000	100.0%	

**The 106 per cent proportion will decrease year on year as the school approaches the SRS.*