



School funding integrity

The Australian Government will bolster compliance activities to safeguard the Australian Government's \$33.3 billion annual investment in schooling.

This work will include mechanisms to protect and safeguard the students with a disability loading to ensure funding is directed based on need, introducing additional actions and policy changes to reduce inaccurate claiming and close policy and regulatory loopholes.

How will it work?

The Department of Education provides policy guidance on how students with disability can be best supported at school.

Teachers use their professional judgment—consulting with students, families, and evidence—to determine adjustments that help students with disabilities access education equally.

Improving policy guidance and integrity in school funding will ensure the record investments being delivered for schools goes to where it is needed, including better targeting funding for students with disability.

Integrity work will be led by the Australian Government Department of Education, in consultation with state and territory governments, and includes:

- improving school compliance activities to better identify where funding may be over-allocated or accumulated
- improving the data collected through the Nationally Consistent Collection of Data on School Students with Disability (NCCD)
- clarifying the NCCD guidelines to deliver system confidence that adjustments are targeted, effective and meet obligations under the Disability Standards for Education and as well as funding requirements.

This will build on the 2023-24 Budget initiative to strengthen and expand regulatory assurance and compliance activities and provide greater transparency for funding for the non-government schools.

Why is it important?

In 2026, the Australian Government will provide an estimated \$33.3 billion in recurrent school funding. This includes an estimated \$5.1 billion in Student with Disability loading.

The Student with Disability loading provides additional funding to schools to meet the needs of students who require extensive, substantial and supplementary levels of adjustment due to disability.

While the amount of funding the Commonwealth invests in Australian schools is important, how that funding is used to support educational outcomes for all students is just as important.

The Government will ensure the significant investment made each year is appropriately used for the intended purpose of school education and that Commonwealth funding support flows to those students who need it.

Who will benefit?

The Australian Government is committed to supporting accessible and inclusive education for all school students, including students with disability.

All schools must comply with the *Disability Discrimination Act 1992 (Cth)* and the *Disability Standards for Education 2005 (Standards)* by providing reasonable adjustments that enable students with disability to participate in education on the same basis as students without disability.

The Standards set out the rights of students with disability in relation to education, including what an adjustment is and how decisions around adjustments must be made.

This includes making reasonable adjustments for admission and enrolment, participation, curriculum development, and the use of facilities and services.

How much will it cost?

The measure will prevent the inappropriate allocation and use of \$463 million in school funding over four years from 2026-27.

The Australian Government will invest \$40.4 million over the same period, to strengthen school funding compliance and integrity activities.