

## Review of the loading for students with disability 2019–public submission

### New South Wales Department of Education

Stakeholder type: Government

Jurisdiction: New South Wales

### Summary

The NSW public education system is the largest in Australia and one of the largest in the world. The size of the system means there is considerable complexity and diversity of student and school characteristics and need.

The NSW and Commonwealth governments provide recurrent funding for all schools. On top of base funding, both governments provide additional resources to address student and school need, to focus on bringing about equitable outcomes. People with disability have the same human rights as everyone else, including the right to participate in and contribute to social and economic life. Education has a fundamental role to play in supporting these rights.

The Commonwealth provides funding to students with a disability through a loading within the Schooling Resource Standard (SRS). NSW pools Commonwealth funding with its own funding and allocates it to schools for them to decide how best to meet the needs of their students, in consultation with their school communities. NSW uses the Resource Allocation Model (RAM), which includes funding for students with disability, tailored to the needs of our government school students. NSW supports a high degree of flexibility and autonomy to manage funding decisions, consistent with student need, in our complex and diverse system. Funding for non-government schools in NSW is distributed according to the Commonwealth SRS.

Through this review, NSW urges the NSRB to take a student-centred approach with a commitment to inclusive education. As a starting point, the NSRB must look at what resources are required to educate an individual student with disability and how the settings in the loading can best meet the varying levels of need. In considering what resources are required, the NSRB should examine the factors that make adjustment costs vary, both within a local schooling context and across Australian jurisdictions.

NSW funding for both government and non-government schools is tied to the SRS. Since entering the National and Bilateral Agreements, NSW must provide a set amount of funding for government schools to meet an agreed level of the SRS formula. As recommended by the first Gonski review, we continue to advocate for a flexible approach to distribute these funds at a system level so that each child and school can be appropriately supported and that individual students' context and settings can be reflected by the funding.

We are implementing the NSW Disability Strategy, which focusses on building an education system in which children with a disability thrive academically, develop strong physical, mental and emotional health, and gain the skills to live a fulfilling, independent life post-school.

NSW is committed to strengthening the evidence base to support the implementation of effective, inclusive and contemporary practice. NSW supported the introduction of the Nationally Consistent Collection of Data on School Students with Disability (NCCD) as an educational reform aimed at improving support for students with disability. With it now being used to underpin funding, an ongoing focus on data quality is vital. Data quality processes, however, should focus on improvement and support rather than compliance, and not place additional administrative burdens on schools.

## Submission

### BACKGROUND AND CONTEXT OF FUNDING FOR STUDENTS WITH DISABILITY IN NSW

#### ***NSW runs the largest education system in Australia which has complex and nuanced needs***

The NSW public education system is the largest in Australia and one of the largest in the world. There are approximately 2,206 government schools and over 810,000 students situated across metropolitan, regional and remote areas. NSW has a nuanced and localised approach to allocating funding, and requires a high degree of flexibility and autonomy to manage funding decisions in such a complex, large-scale and diverse system.

The Commonwealth determines NSW funding entitlement for government and non-government school students with disability based on the top three categories of the Nationally Consistent Collection of Data on School Students with Disability (NCCD).

The Commonwealth provides NSW with aggregate funding (which includes all loadings and base funding). NSW then pools this Commonwealth funding with the state contribution and distributes it to government schools through the Resource Allocation Model (RAM). At a system level, NSW does not distribute government school funding according to these NCCD categories. We distribute funding for non-government schools in line with the Schooling Resource Standard (SRS).

Since signing the Bilateral Agreement, total NSW funding for both government and non-government schools is tied to the SRS. Any changes to SRS base or loadings may therefore impact NSW funding. NSW has a strong interest in ensuring any changes to the loadings are robust and deliver improved outcomes for students with disability.

#### ***Funding for students with disability is distributed in a flexible way, enabling NSW to address a multitude of complex needs***

The RAM, introduced in 2013, has been developed to ensure a fair, efficient and transparent allocation of the state public education budget. It is made up of three components:

- 1 **Base school allocation** which provides funding for the core cost of educating each student and operating a school. This includes operational funding and staffing, as well as additional loadings for schools in regional and remote locations. The base allocation includes a higher level of staff entitlement for support classes and for schools for specific purposes. This allows for smaller class sizes which reflect the level and nature of disability.
- 2 **Equity Loadings** which are calculated at the school population level for categories including low level adjustment for disability.
- 3 **Targeted Funding** which is directed to supporting students with particular learning needs, including students with moderate to high levels of adjustment for disability who access support through the Integration Funding Support program.

Equity funding for students requiring low level adjustment for disability provides all regular NSW public schools with access to a specialist teacher and flexible funding. The resource is designed to support the needs of students who have additional needs with or without a formal diagnosis of disability.<sup>1</sup>

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<sup>1</sup> Further detail on this RAM Equity Loading can be accessed at <https://schoolsequella.det.nsw.edu.au/file/11d3c3cb-a8ba-44d3-879c-d0e7ed1cdd62/1/Equity%20funding%20support%20package%20-%20Low%20level%20adjustment%20for%20disability.pdf>.

The Integration Funding Support<sup>2</sup> program provides targeted funding to schools to support students with moderate to high learning and support needs attend mainstream classes. Specifically, the program focusses on:

- providing additional teachers and school learning support officers to implement personalised learning and support for students in their own classrooms; and
- assisting classroom teachers by providing relief for them to undertake professional learning and to liaise with parents or carers and other school staff.

### ***NSW is committed to supporting students with disability***

NSW has seen a profound shift in public awareness when it comes to disability. Legislative measures, such as the *NSW Disability Inclusion Act 2014* and the service changes in the National Disability Insurance Scheme, have helped foster increased understanding and expectations, leading to people with disability being more widely recognised for their contributions to society.

The nature of disability within NSW schools has also been changing. Funding needed for autism related disability has grown at 14.5% compared to physical disability which has remained stable over the same period. Demand for disability support is also growing at four times the rate of enrolment growth. This has resulted in a substantial increase in the number of students needing adjustments to support their learning.

In 2019, the NSW Department of Education released its Disability Strategy.<sup>3</sup> The strategy sets out the Department's plan for providing children and young people with disability, their families and the broader community, with an education system that meets their needs and is built on the commitment to ensuring *that every child and young person in our school system is realising their full potential*.

Action is focused around four key areas:

- *Strengthen support*: Investing in teachers and other support staff.
- *Increase resources and flexibility*: Enabling schools to operate with more flexibility.
- *Improve the family experience*: Making experiences better and easier.
- *Track outcomes*: Building an evidence base to measure progress.

Importantly, the strategy reflects a commitment to inclusive education, meaning:

*...that all students, regardless of disability, ethnicity, socio-economic status, nationality, language, gender, sexual orientation or faith, can access and fully participate in learning, alongside their similar aged peers, supported by reasonable adjustments and teaching strategies tailored to meet their individual needs.*<sup>4</sup>

Through our Disability Strategy, NSW has already committed and begun working towards:

- schools having more resources and those resources being more flexible;
- investing in new research to identify the practices that support the best learning outcomes; and
- ensuring inclusivity in our approach.

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<sup>2</sup> Further information on integration funding support can be found at <https://education.nsw.gov.au/teaching-and-learning/disability-learning-and-support/programs-and-services/integration-funding-support>

<sup>3</sup> Further information on the NSW Department of Education Disability Strategy can be accessed at <https://education.nsw.gov.au/teaching-and-learning/disability-learning-and-support/our-disability-strategy/media/documents/disability-strategy-2019-online.pdf>

<sup>4</sup> Idem P5

***The NSRB's review should examine whether the Commonwealth SRS settings for the student with disability loading sufficiently capture the factors needed to determine appropriate levels of funding***

Under the current Commonwealth funding model, students with disability, for whom necessary adjustments have been made, are funded under three broad NCCD categories. Whilst these categories may reflect the general type of individual adjustment(s) required, they do not reflect that these adjustments are made within nuanced and complex contexts.

In addition, the NCCD categories are limited in accurately capturing the actual resourcing required for individual students with disability. Instead resources are allocated according to set funding amounts for each of the three categories. This is a very rigid, unresponsive method.

This stepped approach to funding (with significant differences in funding between categories) may result in the allocated funding being significantly under or over the actual cost of adjustment needed.

The funding model may also lead to incentives for adjustment levels to be under or overestimated at the school level. As such, NSW would like the NSRB to consider how the NCCD categories can better align with need, and consider options to reduce the funding gaps between categories.

In considering whether the Commonwealth SRS settings for the loading are appropriate, NSW would like to see the NSRB:

- consider, as a starting point, what it costs to educate students with disability; and
- examine the factors that make adjustment costs vary, including the needs of the child, schooling level, school type (special/mainstream, urban/rural) and how these could be reflected in the loading settings.

NSW supports strengthened data quality processes, noting that the emphasis of any new process should be on improvements and support, not only compliance.

These concepts are discussed in more detail under each of the targeted questions below.

NSW understands that the NSRB will develop a range of options, one of which will be cost neutral.

## **FOCUS QUESTIONS**

***Is the funding provided under the loadings for the top three NCCD levels of adjustment appropriate to support students with disability to access and participate in education on the same basis as other students?***

The NSRB's analysis of the funding required to support individual students with disability to access and participate in education on the same basis as other students, must be based on the principles of inclusivity and contemporary educational practice.

Following the NSW Upper House Inquiry into Students with a disability or special needs in New South Wales schools, NSW's recently released Disability Strategy identifies inclusive education as a key NSW commitment. For NSW, a successful inclusive education system is one where students with disability are learning to their fullest capability, where parents and carers are treated like partners in their child's education, where teachers possess the necessary skills to effectively educate with confidence, and where specialists work alongside teachers providing support and guidance.

NSW believes that contemporary expertise must inform any funding approach. Specialists and experts should be engaged to bolster an evidence base of a good practice. This will provide a shared understanding of which approaches best support improved learning outcomes for students with different needs. The NSRB, with advice from the Joint Working Group to Provide Advice on Students with Disability and NCCD (the JWG), could then cost these elements which could, in turn, underpin a funding model built from the bottom up.

The NSRB could consider developing best practice examples of resourcing that are built from the ground up, which could be based on school, teacher and practitioner contributions, and should reflect appropriately robust research practices to build a meaningful evidence base.

However, the NSRB needs to recognise the limitations of the 30 May 2019 practitioners' workshop. NSW strongly advocates that the NSRB should not use the templates completed at the workshop as the basis for determining the costs of the practices to support students with disability. The participants of the workshop were not informed that this was the purpose of the workshop and some groups did not complete the exercise. NSW also has concerns about the inconsistency with terminology from different groups attending the workshop, which further compromises the usefulness of this work.

***How does the level of resources required to support a student at each level of adjustment differ?***

The review should consider opportunities to reduce the gap between the funding levels.

NSW suggests that the NSRB consider a funding approach that more closely aligns to the variety of adjustments required to support the range of disability in the school system.

The NSRB should also consider the existing research about teacher judgement in using the NCCD. This could give the NSRB insights into current limitations that underpin the costings of the adjustments and practices required to support students with disability.

The NSRB should also consider the current Commonwealth audit function and any opportunities to strengthen the function to minimise unintended consequences and inequities between systems.

***Does school setting or context impact on the cost of adjustments provided?***

School setting and context can have an impact on the cost and availability of adjustments.

A thorough consideration of how these variables are reflected in the Commonwealth SRS setting for the student with disability loading will ensure that funding is responsive to student need, regardless of factors such as the type of school they attend or its location. Key influencing factors include:

- the type of education setting being attended (i.e. School for Specific Purpose, support class in a mainstream school or regular class in a mainstream school);
- the number of students with disability in a school;
- the school's location (particularly for schools in regional and remote locations);
- the role of distance learning;
- Aboriginality; and
- the cultural or linguistic background of the student and their family.

Both mainstream schools and Schools for Specific Purpose have responsibility for making adjustments for students with a disability. The review should consider the impacts of loadings across this spectrum of school settings.

The size of a school, and number of students with disability, may impact the level of support that can be provided. There may be limited opportunities for support that can be provided in a small setting, while a larger school is likely to have a larger pool of discretionary funding with which to make adjustments. There is, additionally, increased opportunities for effective inclusion in smaller mainstream classes.

This review should consider how the needs of students with disability in regional and remote areas can best be addressed. There is evidence<sup>5</sup> that students in remote or regional areas often face (significant) additional

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<sup>5</sup> Para 2.26 The Senate inquiry into *Current levels of access and attainment for students with disability in the school system, and the impact on students and families associated with inadequate levels of support*  
[https://www.apf.gov.au/Parliamentary\\_Business/Committees/Senate/Education\\_and\\_Employment/students\\_with\\_disability/Report/c02](https://www.apf.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/students_with_disability/Report/c02)

barriers. In particular, students with disability may lack local access to experienced early intervention, appropriate employment services and day services.<sup>6</sup> We also note that failing to reflect the lack of appropriate services for students with disability in regional and remote NSW may be increasing costs to families already facing significant socio-economic impacts from drought.

Of all students enrolled into full-time distance education in the NSW system, over 60% require some form of disability support. This equates to more than 1000 students. The NSRB could consider the adjustments these students require within the context of this review.

There are additional challenges faced by Aboriginal students with disability accessing appropriate supports. Firstly, the scope of need is unknown with many Aboriginal students with disability needs not identified at an early stage, if at all.<sup>7</sup> In some cases, geographic constraints on diagnostic resources are a challenge, lower expectations of Aboriginal students may also result in teachers failing to identify the needs for disability supports,<sup>8</sup> and in other cases access to culturally appropriate adjustments has been a significant obstacle.<sup>9</sup>

The review should also consider the barriers faced by students with disability with a language background other than English (LBOTE) in securing appropriate adjustments with parents from LBOTE backgrounds often unaware of the rights of, and supports available.<sup>10</sup> Additionally, refugee students with disability may go undiagnosed because of the focus on English language and other settlement support services and coordination.

This is of particular significance in NSW government schools, which have a higher proportion of students with LBOTE when compared to the wider Australian population. Of all students with LBOTE in government schools across Australia in 2017, approximately 40% attended a NSW government school.

We recognise that individually many of these factors are the subject of separate equity loadings. However, it is unclear whether the current compartmentalising of funding of student need addresses their compounding impact, particularly for students with disability. This is something the NSRB should explore. For example, a student with disability from a low socio-economic background may begin schooling with a lower level of pre-existing adjustments, requiring a higher investment in adjustments at the school.

While the NSRB should consider the variables that impact the costs of adjustments, NSW strongly advocates that a high level of flexibility be maintained that allows systems to distribute the funding in a way that best meets local needs.

***Does the stage of education impact the cost of adjustments needed; for example, in the early years and transitioning to secondary education?***

The costs of providing an education to individual students from Kindergarten through to Year 12 vary according to the age of the student, the nature and level of disability as well as the adjustments and supports they require.

Transitions between early childhood and primary school and between primary school and secondary school are also relatively more resource-intensive than other education stages. The need to establish new learning materials and linkages with wrap around supports as well as developing new teacher expertise and trust are all aspects of school transition that require additional resources.

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<sup>6</sup> Idem Para 2.26 and 2.27

<sup>7</sup> Idem Para 4.33

<sup>8</sup> Idem Para 2.36

<sup>9</sup> Idem Para 2.34

<sup>10</sup> Idem Para 2.37



The NSRB could consider the needs of children transitioning into the school system, and the level of prior adjustments they received prior to school.

***What costs of supporting students with disability (for example, fixed system costs, costs of collection, assurance and management of the NCCD at a school level) should be factored into the loadings?***

NSW government school costs, including those associated with supporting students with disability, count towards meeting our minimum funding commitments under section 22A of the *Australian Education Act 2013* and our Bilateral Agreement with the Commonwealth.

The Disability Standards for Education articulate the expectation that all teachers, wellbeing staff, counsellors and external support service providers should provide adjustment to meet the learning and support needs of students who have a disability and additional learning and support needs.

Collecting evidence on individual students' support needs, consulting with parents/carers and the student and planning adjustments to meet these needs, are part of good teaching practice to support effective learning. This practice is ongoing throughout the school year and, while it may be captured by the NCCD processes, the ongoing practice is not for data collection purposes.

The activities of data policies, data planning, data element standardisation, information management control, data synchronisation, data sharing, and database development, including practices and projects that acquire, control, protect, deliver and enhance the value of data and information, are managed at a system level. While NSW ensures that these costs are kept to a minimum, it should be acknowledged that they are integral to managing data and the provision of resources, services, and policies. These costs need to be captured in the loading.

The Commonwealth mandated the use of the NCCD as a national funding mechanism in 2017. Currently states/territories are required to bear the administrative costs associated with complying with NCCD processes. NSW believes that these administrative costs, as well as costs associated with assurance and management of NCCD data should be covered by the Commonwealth and should be outside the current student with disability loadings.

***Are there any other factors that impact on the level of resources required to provide adjustments?***

In its review, the NSRB should consider the effect of the time lag with which the student with disability loading is funded against the data reported as part of the NCCD. The Commonwealth funds systems based on NCCD data from the previous year. In NSW, where the demand for disability support is growing, this results in a rolling funding shortfall which has to be absorbed at the system level.

The review could explore the feasibility of projecting changes in NCCD reporting to determine funding levels, with a subsequent reconciliation process, as a means of addressing the lag in funding.

Further factors that can impact on the level of resources required to provide adjustments include:

- meeting the needs of students who have more complex learning and health support needs and potentially co-morbidities, for example ventilation, intellectual disability and mental health;
- parent expectations and ongoing engagement with parents and carers;
- interaction with student outcomes; and
- direct versus indirect costs, fixed or variable costs.

***Are Australian Government assurance processes, undertaken to support the accuracy of information provided to calculate a school's Australian Government funding entitlement relating to students with disability, appropriate and sufficiently robust and how might they be effectively improved?***

NSW Department of Education supports a focus on strengthened data quality, including through putting in place systems to ensure data quality. The Department undertakes a variety of quality assurance processes which are based on close analysis of current and prior year data for each school and have resulted in improved accuracy of NCCD data across the sector.

Where the Department finds anomalies, these are queried individually and feedback is provided as appropriate. This process, along with increased Professional Learning for schools, has resulted in improved moderation processes at both the school and system levels.

Additionally, the introduction of the NCCD Portal in 2018 provides all teachers and schools with consistent information on best practice, moderation and extensive case studies to improve their identification of disability adjustments. The overall improvements in the data collection processes across all Commonwealth states and sectors has resulted in the Australian government decision to use the NCCD to inform recurrent Commonwealth funding from 2018.

NSW supports a focus on strengthened data quality. Future strengthening of data quality processes should focus on improved personalised learning and support for students with disability and professional development for school staff. NSW cautions against an undue focus on compliance, without support for improvement. Additional arrangements must not increase administrative burdens for schools and teachers and should avoid perverse incentives.

Moderation of teacher assessments and data collection is integral to ensuring data quality. It should be an ongoing process which ensures an improvement in data and informs future practice. The NSRB should initially develop a consistent definition and approach to moderation. It is currently difficult to assess the effectiveness of moderation without first having a common understanding of what is meant by the term. Funding should be allocated to support the development and implementation of a process of continuous improvement.

NSW acknowledges that efforts to improve data quality assurance and moderation to ensure that responses reflect the needs and concerns of all stakeholders will require governance oversight. To date this has been provided through the Education Council Joint Working Group (JWG). The NSRB should, when considering options for reform, also refer to relevant JWG research and reports.

The NSRB should also consider how the NCCD could use existing system processes to strengthen our evidence base. As noted in our Disability Strategy, there is a lack of consensus on how to consistently measure outcomes for students with disability. In response, NSW has committed to the development of consistent evidence-based approaches. Current areas of focus include:

- addressing and understanding learning growth for students with severe intellectual disability; and
- increasing the accessibility and inclusiveness of survey instruments that measure student wellbeing.

Our future focus will include increasing the accessibility and inclusiveness of our measures of student independence.

Finally, there is an opportunity to use the NCCD platform, as a first step, to develop and share 'good practice' developed using a ground up approach. Currently, NCCD case studies focus on illustrating situations in which a student falls within a defined NCCD category of adjustment. Consideration could be given to including the outcomes of the adjustments in case studies. This would enable the development of a shared understanding of factors that support successful adjustments that promote optimal educational and future employment (or wellbeing outcomes). In addition to improving student wellbeing, a strengthened focus on outcomes promotes accountability for Commonwealth and system investment.