

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

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### Centre for Independent Studies

Stakeholder type: Research body

Jurisdiction: National

### Summary

#### Recommendations:

- 1 The SRS is a flawed method for addressing student needs. Attaching funding for students with disability to the SRS base amount means the allocation of funding is not evidence-based. Loadings for students with disability should be determined independently from the base funding under the SRS.
- 2 The limited funding available should be directed to students who are most in need. However, the NCCD model appears to over-identify students with disability, including those attracting funding (by around 62%, based on 2015 ABS data). Adopting a narrower definition of disability that more closely aligns with educational need would better support students most in need of support.
- 3 The NCCD's reliance on individual teachers' assessments places excessive pressure on teachers, many of whom are not prepared to undertake relatively 'high stakes' assessments of this kind. Schools also report limited understanding of the NCCD model, which means there is insufficient assistance for teachers to ensure assessments are made as confidently as they should be. The inaccuracy and inconsistency of assessments of adjustments during the NCCD trial indicates that a new approach should be considered that does not rely solely on individual teacher assessment.
- 4 Accountability under the NCCD needs to be focussed on the *effectiveness* of adjustments that are made, through collecting relevant data on student outcomes. This information must be transparent and made available to parents.

### Submission

The Centre for Independent Studies (CIS) is a leading independent public policy think tank in Australasia. Our work is driven by a commitment to the principles of a free and open society. The CIS is independent and non-partisan in both its funding and research, does no commissioned research nor takes any government money to support its public policy work.

The CIS welcomes the opportunity to contribute to the National School Resourcing Board (the Board)'s review of the current settings for the loadings for students with disability. The CIS firmly holds that quality school education is vital for individual wellbeing and a healthy society. All children should have access to an education responsive to their needs. This demands an inclusive education system that supports students with disability.

Disclaimer: Mr Michael Chaney AO, Chair of the National School Resourcing Board, is a CIS Board member.

## **Students with disability in Australia:**

Students with disability are among the most disadvantaged in Australian schools. People with disability are more likely to suffer poor education outcomes[1]. Access to a quality education is especially important in preparing people with disability for future employment and achieving financial independence[2].

ABS data shows that in 2015[3], 81% of children with a disability attended school – most of whom also participate in NAPLAN assessments and attend mainstream schools (either in mainstream or special classes). Enrolments of students who are identified with disability has outpaced total enrolment growth (by around four times) in recent years – with disproportionately high growth in the non-government sectors (90% for Catholic schools and 88% for Independent ones)[4].

School funding should enable for an inclusive society in which students with disability enjoy a similar access, choice, and fulfilment from education to that enjoyed by others. To ensure that students with disability are given the best opportunity to succeed in education, school funding arrangements must ensure that the limited funding that is available is directed to assist those who are most in need.

However, the amount of funding alone is not an adequate indicator of success in addressing disadvantage. The integrity of underlying funding arrangements will ultimately determine how effectively the funding addresses the need. This includes: identification of student needs; use of evidence-based strategies for addressing these needs; and providing appropriate assurance regarding adjustments that are made (and the funding associated with these).

### **Identification and assignment of needs in school:**

The Nationally Consistent Collection of Data for School Students with Disability (NCCD) was initiated as part of the Gonski Review's recommendations, and was agreed by the Education Council in 2013. Its model has been phased in since 2015, with near-full participation of schools in 2017. NCCD became consequential from 2018 when funding for the disability loading was derived from NCCD assessments.

NCCD assessments are made by teachers, with consultation and 'moderation' with peers, systems, and the Commonwealth (where applicable). The process of NCCD includes identifying the nature of disability that a student may experience, as well as the type and level of adjustment required to address their needs at school.

### **Prevalence of disability**

Different data in Australia report varied rates of disability in schools (and in the population more broadly) — in large part owing to differing definitions and whether data is self-reported or not.

According to self-reported ABS data, around 9.1% of students (around one in eleven) in attendance at school experience a disability — with males around 1.5 times more likely than females to report a disability. By contrast, NCCD reports that, in 2017, 18.8% of students were identified with a disability (approaching one in five students) — more than twice the prevalence that is recorded in the ABS self-reported measure.

While the NCCD prevalence rate is comparable to the population-wide reporting of disability — around 17% once accounting for differences in age distribution[5] — this does not imply it is more accurate. This is because the nature of disabilities experienced, and their severity, differ markedly based on age — generally with relatively few physical disabilities amongst younger populations compared to older populations.

Not all students with disability require, nor attract, more funding than their peers. Based on the assessments made by teachers, NCCD in 2017[6] provided additional funding for disability for 12.6% of students. In 2010, around 4.9% of students attracted funding[7]. Between 2012 to 2016, around 5.3% of students received funding for disability (6.1% in the government and 3.8% in the non-government sectors).

Under the NCCD, there has been a 212% increase for government schools and a 312% increase for non-government schools in the proportion of funded students with disability within the school population[8].

## **Trends in type of disability**

According to the NSW Department of Education, the majority of identified students with disability are in relation to: intellectual disability (40%), autism (33%), and mental health (17%). From 2013 to 2017, the average annual growth in rates of autism (14.5%) and mental health (5.4%) were positive, while other types of disability have declined.

Averaged across 2015 to 2017, the majority of adjustments under the NCCD were for cognitive disabilities (55%), while social-emotional (24%), physical (17%), and sensory (4%) disabilities make up the balance of adjustments required.

The increased prevalence of autism, in particular, within school-aged populations has been widely documented in Australia and internationally — particularly for school-aged boys. According to the ABS, prevalence of autism has increased in Australia by 42% between 2012 and 2015[9] (or an average of 14% per year). Similar results have been found in the United States — where a 251% increase in prevalence has been recorded from 2000 to 2014[10] (or an average of 18% per year).

This increased prevalence has been observed in school-aged students but not more broadly across the population[11]. There is no definitive test for autism in Australia, or internationally. Research has found that around 13% of children diagnosed with autism later have their diagnosis reversed[12]. The greatest difficulty faced by students with autism is fitting in socially (63% of students reported difficulty). While students with autism tend to have differing educational profiles across domains than their peers, research has found that they are not, on balance, worse off in overall academic achievement[13].

## **Defining disability**

Among other things, the NCCD has attempted to redress findings of the Senate Education and Employment References Committee in 2016[14], which found that students often fall through funding cracks due to limited information or narrow definitions of disability used in school systems. This has contributed to what is commonly referred to as the ‘unmet need’ of students with disability.

Regarding the first of these concerns, the NCCD is an important step to redress the different state and territory eligibility for disability status. With respect to definitions, the NCCD intends to provide a ‘better measure of the profile of students participating in school and the support provided’[15].

The Act (s4(1)) employs a relatively broad definition in that it includes disabilities that have previously, but not presently, been experienced, those that may exist in future, or as imputed by schools where it is believed that a disability may be present (that is, a formal diagnosis has not occurred). In Queensland, addressing the needs of students with such ‘imputed’ disability accounts for around 25% of funding for students with disability[16].

Moreover, under the Act, people are identified with a disability even if they are not actually impaired in their functioning, and also encompasses conditions such as obesity, mild allergies or physical sensitivities, and those who wear glasses[17]. This compares, for instance, with the ABS definition, which asks respondents to report if they have a limitation, restriction or impairment, which has lasted, or is likely to last, for at least six months and restricts everyday activities.

The NCCD’s collection employs a broader definition than other collections, however it is noted that it does not ‘translate directly to providing a market of unmet need’[18]. Nevertheless, in employing a relatively broad measure for disability, there is some risk that those most in need may be underserved.

## **Addressing needs of students with disability**

### ***Nature and level of adjustments***

According to ABS data, around one in four students with disability experience some difficulty but do not require assistance or supervision. In 2015 (before wide implementation of the NCCD), over half of students with the following disabilities reported not requiring additional assistance at school: nervous and emotional conditions; speech difficulties; learning or understanding difficulties; and mental illness. Across all schooling restrictions experienced by students with disability, over half reported that they did not require additional assistance at

school. In particular, nearly two-thirds of students receiving special arrangements at a mainstream school did not report requiring further assistance.

According to the NCCD, around one in three students with disability in 2017 do not require adjustments beyond what is reasonably accommodated through 'differentiated teaching' efforts. Of the two-thirds of students attracting funding, most are recorded as needing 'supplementary' adjustments (around 44% of students with disability), with fewer students requiring 'substantial' or 'extensive' adjustments. Relatively high proportions of adjustments for cognitive and social-emotional disabilities attracted funding under the 'supplementary' level of adjustment (49% and 44% respectively), while the majority of adjustments (65%) for physical disabilities were accommodated without attracting additional funding.

### ***Teacher preparedness for assessing adjustments***

The NCCD's heavy reliance on individual teachers' assessments places excess pressure on teachers, many of whom are ill-prepared to undertake relatively 'high stakes' assessments of this kind.

It would appear that schools are not sufficiently prepared to ensure that assessments are accurate and consistent. Only one school in three during the NCCD's trial were completely confident in their understanding and application of the NCCD model, with the majority (55%) reporting 'some' understanding[19]. Moreover, in Queensland, 40% of principals and 38% of teachers have indicated that they are not fully aware of school requirements under the Standards and Act. In Tasmania[20], parents reported that schools did not appear to be knowledgeable enough in terms of resourcing for students with disability.

In the review of the NCCD trial,[21] one in five extensive adjustments recorded was found to be assessed as higher than necessary. At the other end of the adjustment spectrum, 28% of schools were found to have misunderstood the QDTP level of adjustment. In all, teachers' assessments were inaccurately assigned to adjustments in around one in four cases.

Public confidence cannot be placed in the adjustments being applied under the NCCD model in its current form.

### ***Accountability for educational adjustments***

Concerns around accuracy and consistency in the loading for disability are exacerbated by limited transparency and accountability for adjustments.

### ***Transparency of adjustments***

A lack of transparency with respect to funding of equity-loadings has remained unresolved, particularly in terms of systems' approaches in redistributing loadings[22]. The Australian National Audit Office found that around 40% of the disability loading received by systems is allocated to another purpose during redistribution of funds.

System-level – and school-level – flexibility is necessary in order that there is autonomy in making adjustments, rather than employing a top down, standardised approach. Flexibility is justified given the diversity of needs of students with disability, which cannot be reasonably captured in a national funding model. However, transparency is essential for flexibility to work. This transparency is best placed with parents.

Consultation with parents is important not only in ensuring that assessments of student need are appropriate but also in providing assurance that appropriate adjustments are being made at school. Reviews across Australia, however, have identified significant gaps in transparency to parents.

For instance, a lack of transparency and information sharing was identified by parents in Tasmania,[23] with parents reporting not being provided detailed information about funding entitlements of their child and how that funding was being utilised for support at school. In New South Wales, a 'better line of sight on the use of funds'[24] was identified as a concern, with the Committee recommending greater transparency to parents in how special needs are being met with resources.

### ***Measuring outcomes for effectiveness***

A former Senate Committee from the Commonwealth has reinforced the importance of monitoring and accounting for how that funding is used[25] — rather than simply supplying additional funds. Despite this, there is a lack of outcome measurement for interventions for students with disability in Australia. Establishment of performance measurement has been difficult due to the relatively high exemption rates in NAPLAN,[26] which have reduced the possible sources of outcomes data. Moreover, no performance measures in Australia are systematically employed for students with disability.

The NCCD requires that schools collect information on their adjustments but not on the effectiveness of adjustments. Accountability based on outcomes tends to be more effective than accountability for inputs (such as simply reporting on funding amounts).[27] Such a system should have progress and expectations for outcomes that can be understood by students, schools, and parents.

This should also allow for multi-year planning with respect to adjustments, since students with disability may require cumulative adjustments to be made over time. The NCCD model, however, is explicitly point-in-time.

Better measuring outcomes for students with disability also has other benefits. For instance, it has been argued that effective interventions for students with disability are often equally effective for all students.[28] Where this is the case, adjustments need not incur loadings, as such adjustments can be incorporated into standard teaching practices used for all students. This cannot occur if there are no outcomes measures employed.

### ***Funding the SRS for the disability loading***

The number of students attracting funding, and the way that SRS amounts are determined, appear to be inaccurate. As a result, the NCCD model places an excessive financial burden on the Commonwealth and undermines confidence in the SRS more broadly. In part, this reflects that the NCCD is first and foremost a tool for addressing inconsistency in data collection, rather than as an instrument to determine funding.

Additional funding for students with disability, through the disability loading of the Schooling Resource Standard (SRS), is expected to account for around 38% of total equity loadings from the Commonwealth in 2019 — and 9.3% of total recurrent funding (and expected to grow, on average, by 5.1% per year over 2018 to 2029).[29] This is estimated to be around \$28.5 billion from 2018 to 2029[30] and around \$1.9 billion in 2019-20.

Many students with disability also attract other loadings — for instance, since disability prevalence is disproportionately high in Indigenous populations, meaning that both loadings attract additional funds.

Reflecting the increasing costs associated with adjustments, the revised loadings since 2018 have justifiably differentiated the funding attracted by students — from as little as 33% above the base amount of funding up to 312% of the base. However, while tiered levels of funding to match adjustment levels is appropriate, being tied to the base amount of funding of the SRS results in inaccuracy.

### ***The proportion of students funded under the NCCD***

Based on an analysis of ABS data of students requiring additional assistance in 2015,[31] 44% of students reported needing extra help at school. In 2015,[32] 5.4% of students were funded. This suggests a crude estimate of 44% of unmet need, which would, in turn, indicate that around 7.7% of students might have required funding in 2015 (or 2.3% of students at school were unfunded but required adjustments to assist with their disability).

This estimate is substantially lower than the proportion of students that would have attracted funding under the NCCD assessment in 2015 (12.5%, or 7.1% of unfunded students requiring adjustments).

On this basis, it would appear that the NCCD over-identifies students with disability requiring adjustments by around 62% (12.5 compared to 7.7%).

### ***Calculating the SRS funding entitlement***

In common with other components of the SRS, the disability loading is calculated as a percentage of the base amount of funding. However, the motivation for this is not justifiable. Students with disability should be funded entirely out of loadings, rather than being tied to the base amount. The loading should also be determined on both a per-student basis and a school-level basis — in order to reflect that adjustments may have non-linear impact on schools' financial resources.

Base funding amounts are determined on the basis of the cost of educating students (most of whom do not have a disability) in high-performing (reference) schools, with costs associated with disadvantage nominally stripped out. The base amount, however, may bear little resemblance to the cost drivers for educating students with disability. This is because many students with disability attend special classes in mainstream schools or attend special schools. Under the SRS, students attract the same level of funding irrespective of whether they are in mainstream or special schools.

In any case, the methodology for determining base funding relies on NAPLAN results — which for many students with disability, is not applicable as they either do not complete these assessments, or they have variations made to assessment procedures. On this basis, the reference schools used to determine the base funding amounts cannot justifiably be used as a reference point for funding students with disability.

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