

## Submission to the Inquiry into Public School Funding

### Principal's Association of Specialist Schools (PASS)

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#### About the Principals' Association of Specialist Schools Victoria (PASS)

The Principals' Association of Specialist Schools (PASS) is a professional association and the peak voice of leaders in Victorian special education. We represent all educational leaders of the Victorian Department of Education (DE) schools for students with disabilities and are a recognised association by the DE. We are supported by and contribute to DE initiatives across the system. Our board members hold positions on DE stakeholder and reference groups where initiatives, curriculum, and policy may impact the welfare and learning of students with disability. Our association currently has over 230 individual members and holds at least one member in all 94 government specialist schools across Victoria. As an association, we recognise the opportunities and challenges that are faced by educational leaders in specialist schools.

The aim of PASS is in "Leading Excellence and Innovation in Victorian Specialist Education".

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#### Introduction

The Principal's Association of Specialist Schools (PASS) welcomes the opportunity to provide a submission to the *Inquiry into Public School Funding*. PASS represents principals leading Victoria's specialist schools — settings that deliver complex, evidence-based educational programs for students with disability and high-level learning needs.

PASS is deeply concerned about the Allan Labor Government's decision to delay raising Victoria's contribution to the Schooling Resource Standard (SRS) from 75 per cent to 2031. This decision effectively removes \$2.4 billion in funding previously committed to Victorian government schools. For specialist schools, where resource needs and operational costs are significantly higher, the delay compounds the effects of already inequitable and unstable funding systems.

PASS's submission draws on both national funding data and the findings of its *Position Paper on the Department of Education's School Carryover Policy* (October 2025). It argues that underfunding, policy rigidity, and funding inequities between sectors

combine to undermine educational quality, workforce sustainability, and student outcomes across Victorian government specialist schools.

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## 1. State and Commonwealth funding per student in Victorian government schools relative to funding in other states and territories

Victorian government schools receive the lowest per-student funding in Australia. This disparity is especially stark in the specialist sector, where schools rely heavily on the Disability Inclusion (DI) and Program for Students with Disabilities (PSD) components of the Student Resource Package (SRP).

The decision to defer reaching 75 per cent of the SRS exacerbates a pre-existing inequity — leaving Victorian students, particularly those with complex needs, with less access to resources and supports than their peers interstate.

Further, current Department of Education financial policies, such as the reduction of the **specialist school student resource package carryover threshold from 10% to 7.5% in 2026 and 6% from 2027**, restrict the ability of schools to manage delayed or unpredictable funding flows. This compounds the effect of overall underfunding by limiting schools' capacity to plan responsibly across financial years and to meet the ongoing and emergent needs of their students.

PASS therefore calls for:

- Reinstatement of the 10% credit surplus retention rate for specialist schools.
  - Transparent reporting of Victorian per-student funding relative to national averages.
  - Immediate re-commitment to the full 75% SRS target by 2028, not 2031.
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## 2. Impact of the Delay on Commonwealth Funding

Delaying Victoria's contribution to the SRS has a direct compounding impact on total Commonwealth funding. Under the bilateral funding model, the Commonwealth's contribution is calculated relative to the state's investment; thus, Victoria's delay results in a proportionally smaller federal contribution each year.

This double reduction — state and Commonwealth — widens the resource gap between Victoria and other jurisdictions. For specialist schools, this loss of investment means continued delays in Disability Inclusion Profile (DIP) funding, reduced capacity to employ allied health professionals, and ongoing uncertainty in budget planning.

PASS notes that DIP funding delays — often **up to three terms or longer** — mean schools frequently cannot access funds within the year they are intended. Without

full SRS funding and carryover flexibility, these delays translate directly into unspent allocations, interrupted programs, and reduced student support.

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### 3. Impact of this delay and funding cut on the education of students enrolled at Victorian schools today and those starting prior to 2031

Funding shortfalls and restrictive financial policy settings directly affect the quality of education and wellbeing support for current and future students.

Students in specialist schools require stable, multidisciplinary programs that include therapeutic, behavioural, and academic interventions. Underfunding forces schools to make choices between staffing, maintenance, and program continuity. With carryover restrictions and delayed DIP payments, schools are unable to plan multi-year programs or maintain consistent staffing, leading to disruption and reduced outcomes.

The reduction of carryover thresholds — and restrictions on **Credit to Cash Transfers (CCTs)** that allow schools to fund critical infrastructure — has already led to cancelled or deferred projects, particularly in hydrotherapy, accessible playgrounds, and specialist learning spaces. These facilities are essential for safe participation and effective learning for students with disability.

In the broader system, the delay to 75% SRS perpetuates inequities between sectors. Students in Victorian government schools, especially those from disadvantaged families (who face higher SFOE thresholds in specialist schools — **0.4825 vs 0.3397 in mainstream**), will continue to receive fewer resources than their peers in other systems and states.

Education is cumulative: missed opportunities in early years cannot be recovered later. The cost of delayed investment is borne by today's learners.

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### 4. Consequences of this funding cut on Victoria's teaching and school workforce

Sustained underfunding has placed unsustainable pressure on Victoria's specialist education workforce. These schools require high levels of professional expertise, multidisciplinary collaboration, and continuity of staff — all of which depend on stable and sufficient funding.

Current funding and policy settings create:

- **Workforce instability and burnout**, as staff carry high caseloads with limited specialist support.
- **Reduced access to professional learning**, particularly in inclusive education and evidence-based practice.

- **Diminished capacity to recruit teachers**, allied health staff and education support workers essential to student programs.
- **Administrative overload**, as principals and business managers manage complex SRP adjustments, carryover restrictions, and unpredictable credit allocations.
- **Unfilled staffing vacancies**, remain throughout the majority of specialist schools, and is steadily increasing, as these issue continue to be addressed inappropriately or not at all.

The erosion of the 10% carryover threshold will further limit schools' ability to manage staffing adjustments linked to delayed funding, increasing the risk of unfilled positions and program interruptions, which is further exacerbated by the delays in SRS allocations.

PASS calls for workforce investment to be a central consideration in any future funding agreement, including targeted funding for the recruitment and retention of specialist educators and therapists.

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## **5. Effect the funding cut will have on the ability of Victorian government schools to purchase educational resources, teaching materials and capital equipment, as well as fund much needed building and school grounds maintenance**

Adequate capital and operational funding are essential to provide safe, accessible, and modern learning environments. Specialist schools face significantly higher infrastructure and maintenance costs — such as **hydrotherapy pools, infection control measures, and adaptive equipment** — that are not fully accounted for in current SRP calculations.

The combination of deferred SRS targets and restrictive financial policy settings will:

- Prevent schools from completing essential maintenance and accessibility upgrades through lack of accessible and flexible use of funding.
- Limit access to specialised teaching resources and assistive technologies.
- Increase safety and compliance risks as facilities age without reinvestment.

PASS's position paper into the *DE School Carryover Policy* identifies an urgent need for the Department of Education to **review infrastructure-related SRP components**, including Building Area Allowances, Contract Cleaning, and Cross-Infection Prevention Allowances, to ensure that specialist settings can operate safely and sustainably.

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## **Conclusion**

PASS reaffirms that every Victorian child has the right to a fully funded, high-quality education — and that this right must extend to students with disability and complex needs.

The combined effect of **delayed SRS attainment** and **restrictive financial policy** undermines the capacity of specialist schools to plan, staff, and resource their programs responsibly. These policies disproportionately disadvantage the very schools that serve Victoria's most vulnerable learners.

PASS therefore recommends that:

1. **DE Reinstates the 10% carryover threshold** for specialist schools and review the Department's School Carryover Policy.
2. **The State Government Commits to achieving the 75% SRS funding target by 2028**, in partnership with the Commonwealth.
3. **A review be commissioned into SRP infrastructure and operational funding** to reflect the real costs of specialist education and the impacts of delayed SRS has on these factors.
4. **DE ensures timely and accurate delivery of Disability Inclusion Profile (DIP) funding** to schools to minimise impact of compounding funding delays.
5. **DE Prioritises workforce stability and wellbeing**, with targeted investment in specialist education roles.

The Victorian Government must act decisively to close the funding gap and create a fair, transparent, and sustainable system for every student and every school.

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**Submitted by:**

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