VICTORIA

Victorian
Auditor-General

Program for Students with Disabilities: Program Accountability

Ordered to be printed

VICTORIAN
GOVERNMENT PRINTER
September 2007

PP No 37, Session 2007-08

ISBN 1 921060 45 X

VAGO

Victorian Auditor-General's Office

Auditing in the Public Interest

The Hon. Robert Smith MLC
President
Legislative Council
Parliament House
Melbourne

The Hon. Jenny Lindell MP
Speaker
Legislative Assembly
Parliament House
Melbourne

Dear Presiding Officers

Under the provisions of section 16AB of the *Audit Act 1994*, I transmit my report on *Program for Students with Disabilities: Program Accountability*.

Yours faithfully

DDR PEARSON
Auditor-General

19 September 2007

Foreword

Services to help students with disabilities and additional learning needs are a vital part of Victoria's government school system. The Program for Students with Disabilities (PSD) supports the education of more than 17 000 primary and secondary school students with disabilities enrolled in both mainstream and special schools.

Government, Parliament and the community expect that publicly-funded programs will be delivered efficiently and effectively, and that government agencies will be held accountable. This audit sought to determine the extent to which the accountability framework for the PSD provides clear measures of performance and an appropriate level of accountability.

The Department of Education and Early Childhood Development (DEECD) is monitoring and reporting on PSD program inputs and outputs, and has established a strong focus on outcomes at the individual student level. It has yet to put in place other key ingredients of a sound accountability framework. In particular, there is a need for a clear and consistently stated program objective, and associated performance indicators, to enable whole-of-program outcomes to be progressively monitored, evaluated and reported.

DEECD is well placed in the medium to long term to address the shortcomings in the PSD's accountability framework, most notably through its investment in research initiatives focused on identifying and measuring outcomes for students with disabilities. In the shorter term, there are immediate gains to be made through better use of the performance information routinely collected across all schools, so that system-wide outcomes for PSD students can be identified and reported.

This report reinforces the importance of program accountability and provides a practical way forward for improving accountability for the PSD. Importantly, the messages of the report have ready application to the work of other government agencies in identifying and reporting on outcomes for publicly-funded programs.

DDR PEARSON
Auditor-General

19 September 2007

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1 Executive summary

1.1 Introduction

1.1.1 Program for Students with Disabilities

The Program for Students with Disabilities (PSD) is an important program within the school education system. In 2007, it supports the education of more than 17 000 primary and secondary school students with disabilities, just over 3 per cent of the government school population. PSD-funded students are part of a broader group of students with additional needs estimated to make up around 15 per cent of the total student population in Victorian government schools.

The PSD is administered by the Department of Education and Early Childhood Development (DEECD) and allocates additional funding to each Victorian government mainstream and special school in line with the assessed needs of eligible students. Through individualised funding, the PSD enables schools to provide additional support to meet the educational needs of students with disabilities who meet specified criteria.

Approximately 56 per cent of PSD-funded students are enrolled in mainstream schools and 44 per cent in special schools. In total, more than 1 400 government schools receive PSD funding. This includes the majority of mainstream schools, and all 81 special schools across the State. Special schools include those specialising in autism, physical disabilities, intellectual disability, visual and hearing impairments, and hospital schools.

The PSD is one of a suite of programs and interventions designed to meet the diverse needs of students in Victorian government schools. It sits alongside smaller programs that also play an important role in improving educational outcomes for students with disabilities and additional needs.

For the 2007 calendar year, DEECD has allocated $369 million to support students with disabilities in Victorian government schools. Of this total allocation, PSD funding of $324 million will be provided to mainstream and special schools – comprising individual student allocations based on enrolment, as well as core and supplementary funding to support special schools. The Language Support Program (LSP), with funding of $29 million, is the next most significant program supporting schools' response to this student group. The remaining $16 million is provided to specialist deaf facilities, hospital schools, and to teachers with responsibility for the care of students with complex medical needs who require medical intervention.

Government investment in the PSD has increased significantly over the past 6 years. In 2005, the Government's *Promoting Inclusive Education* document outlined plans to improve educational outcomes for students with disabilities, and to promote and sustain inclusive practices in schools while continuing to support parent choice of the educational setting most appropriate to the needs of their child. A reshaping of the PSD commenced at this time to reflect these strategic priorities.

Given the level of public investment in the PSD, its reach across the majority of government schools, and the growing recognition of the importance of intervening early to improve outcomes for children with disabilities, the PSD is a significant program. A system by which program performance and outcomes can be monitored, assessed and accounted for should be a critical ingredient of the PSD.

1.1.2 Program accountability

Program accountability refers to the way delivery, performance and outcomes of the program are monitored, assessed and accounted for by the responsible government agency. A sound accountability framework will be founded on good quality performance information and enable government agencies to answer questions on key aspects of program performance, such as:

- how effective is the program in achieving desired outcomes?
- what is the quality of the program's outputs and outcomes?
- how efficient is the program?
- is performance improving over time?

Critically, strong accountability arrangements mean that government agencies have the necessary information to support program management decision-making and program improvement strategies as well as external reporting requirements.

1.2 Audit objective and scope

The objective of the audit is to determine the extent to which the accountability framework for the PSD provides clear measures of performance and an appropriate level of accountability. The audit addressed 2 key questions:

- Does DEECD have an accountability framework for the PSD that provides clear measures of performance and an appropriate level of accountability?
- How is DEECD working to further develop the accountability framework for the PSD?

The scope of this audit did not include examination of schools' response to students with disabilities through PSD-funded activities, or the tools and processes used to determine eligibility and level of need under the PSD.

The audit involved review and analysis of documents, data, and processes, as well as interviews with DEECD managers and staff responsible for management and development of the program within its Office of Government School Education.

We also reviewed the literature on education programs for students with disabilities, and examined current research and practice relating to program accountability arrangements, and evaluation and reporting of outcomes in other jurisdictions.

1.3 Findings

1.3.1 Accountability framework for the PSD

Government, Parliament and the community expect that publicly-funded programs will be delivered efficiently and effectively, and that government agencies will be held accountable for this.

We found that DEECD is monitoring and accounting for PSD program inputs and outputs. It has also established a strong focus on outcomes at the individual student level through requirements for schools to work with, and report directly to, parents or carers on individual student planning and progress.

However, DEECD has yet to establish a clear and consistently stated objective for the PSD and has yet to identify performance indicators to progressively monitor, and evaluate program outcomes for reporting to the minister, Parliament and the community on the effectiveness of the PSD at the whole-of-program level.

The current underdevelopment of the whole-of-program level of the accountability framework may relate to specific program variables, including the highly individualised focus of the PSD.

The PSD is characterised by:

- a funding model designed to support tailored responses to individual student needs
- a devolved service delivery environment with local (school level) responsibility for deployment of funds and management of service responses
- delivery across both special schools (where responding to the needs of students with disabilities is core business) as well as mainstream schools (where commonly there are less than 10 PSD-funded students within a school community).

The individualised and devolved characteristics of the program, therefore, present a series of difficult challenges to develop appropriate central, or whole-of-program, accountability mechanisms, capable of reliably informing Parliament, and the community, on the aggregate effectiveness of the PSD.

A review of the relevant literature also highlights the need for careful management of outcomes reporting for programs for students with disabilities, to avoid unintentional service responses. For example, a narrow focus on outcomes limited to academic achievement may result in perceived disincentives for schools to accept students with disabilities.

These challenges are reflected in the lack of good practice examples from other jurisdictions in Australia. Our examination of public reporting in other States and Territories on established measures of performance for programs supporting students with disabilities indicates that Victoria, even with its output-focused reporting, is doing at least as well as any other Australian jurisdiction.

Language Support Program

Public reporting to Parliament on the performance of smaller programs, not identified in the budget papers, is not specifically required within the Victorian public sector reporting framework. It is reasonable, therefore, to have different expectations of accountability for such programs. However, it is still important that strong accountability arrangements are in place within agencies, so that necessary information is generated to support effective program management. In this regard, we examined the arrangements for the LSP.

We found that for the LSP:

- there is a consistent statement of program objective; the objective is outcome-focused and identifies improvement in school capacity and student oral language skills
- performance measures and performance indicators have not been identified. However, DEECD is collecting a range of performance information about professional development activities and the program's school and teacher capacity building goals
- at this time, there are no arrangements in place for formal internal or external reporting.

1.3.2 Strengthening program accountability

Efforts in international jurisdictions to develop performance information and report on outcomes for students with disabilities highlight a growing recognition of:

- the importance of good quality outcomes data to accountability arrangements and to review and improvement strategies
- the need for education authorities to be able to disaggregate large databases so that outcomes for students with disabilities can be identified at a system-wide level
- the importance of outcomes for students with disabilities being "visible" for students in mainstream as well as special school settings.

As part of the reshaping of the PSD, DEECD has a forward strategy for the program, building on 3 key priorities:

- establishing stronger links between funding and educational need
- better targeting
- building school and teacher capacity.

In line with this direction, DEECD has initiated a program of research and development which includes review of tools, processes and funding models, and new approaches to professional learning and capacity building. Central to this is the development of a key initiative - the Abilities Index – which aims to develop the measurement of capabilities and outcomes for students with disabilities.

In addition, DEECD is progressively developing and implementing a broadly-based school improvement strategy and is reporting on key student outcomes as part of this strategy. DEECD has recognised the need for this approach to encompass the whole of school system response to students with disabilities.

We found that DEECD is acting to further develop the accountability framework for the PSD by:

- investing in developing a performance and improvement culture and framework for the government school system. It has recognised the need to encompass the school system response to students with disabilities
- commissioning research and development projects focused on identifying and measuring outcomes for students with disabilities
- ensuring the focus of research initiatives includes the development of capability to report on student learning and wellbeing outcomes at the individual, school and program level.

This work will position DEECD to strengthen the accountability framework for the PSD in the long-term. However, it is important that DEECD in the shorter-term gives priority to developing a clear and consistently stated program objective, relevant and appropriate interim indicators of performance, and appropriate reporting arrangements.

With regard to improving program accountability for the LSP, attention should be given to strengthen the performance information available to support internal management, planning and decision-making. DEECD plans for the performance information available to be analysed and considered by program managers. This analysis could form the basis of internal reporting on progress toward part of the program objective (relating to capacity building) and inform program management decisions and improvement planning.

1.4 Recommendations

That DEECD:

- establishes a clear objective for the PSD that is outcome-focused and measurable. (**Recommendation 4.1**)
- establishes performance indicators to monitor outcomes for the PSD at the whole-of-program level that are relevant to the program's objective, and are measurable and auditable. (**Recommendation 4.2**)
- manages the collection and analysis of performance data under the School Accountability and Improvement Framework so that outcomes for PSD-funded students can be identified, both for students in special schools and mainstream schools, at the whole-of-program level. (**Recommendation 4.3**)
- continues to improve program accountability for the PSD so that measuring and reporting on whole-of-program level achievements is in place within 2 years. (**Recommendation 4.4**)

RESPONSE provided by Secretary, Department of Education and Early Childhood Development

The Department of Education and Early Childhood Development (DEECD) accepts all of the audit's recommendations.

DEECD recognises the importance of the Program for Students with Disabilities (PSD) as one of a suite of programs and interventions designed to meet the diverse needs of students in Victorian government schools.

DEECD welcomes the audit findings:

- *that DEECD is monitoring and accounting for PSD program inputs and outputs and has established a strong focus on outcomes at the individual student level*
- *that Victoria is doing at least as well as any other Australian jurisdiction on public reporting of established measures of performance for programs supporting students with disabilities.*

While acknowledging the challenges associated with establishing accountability at a whole-of-program level that are documented in the report, DEECD is committed to further developing the accountability framework for the PSD. DEECD welcomes the audit finding that it is well positioned to strengthen accountability at this level.

DEECD recognises the opportunity to capitalise on the reshaping of the PSD, which commenced in 2005, and will incorporate reporting on outcomes at the whole-of-program level into the PSD's forward strategy. Development of the Abilities Index in the longer-term will be central to performance information and reporting.

DEECD recognises the merits of managing the collection and analysis of performance data under the School Accountability and Improvement Framework, and will take steps to implement a reporting framework accordingly.

2 Background

2.1 Students with additional needs in Victorian government schools

In 2003, the *Blueprint for Government Schools* outlined future directions for education in the Victorian government school system. Recognising and responding to diverse student needs was identified as a priority. In 2005, the Government's *Promoting Inclusive Education* document outlined a commitment to improve educational outcomes for students with disabilities, and to promote and sustain inclusive practices in schools, i.e. to provide for students with a wide range of abilities, backgrounds and aspirations, in mainstream school settings.

Three major themes are evident in the policy context:

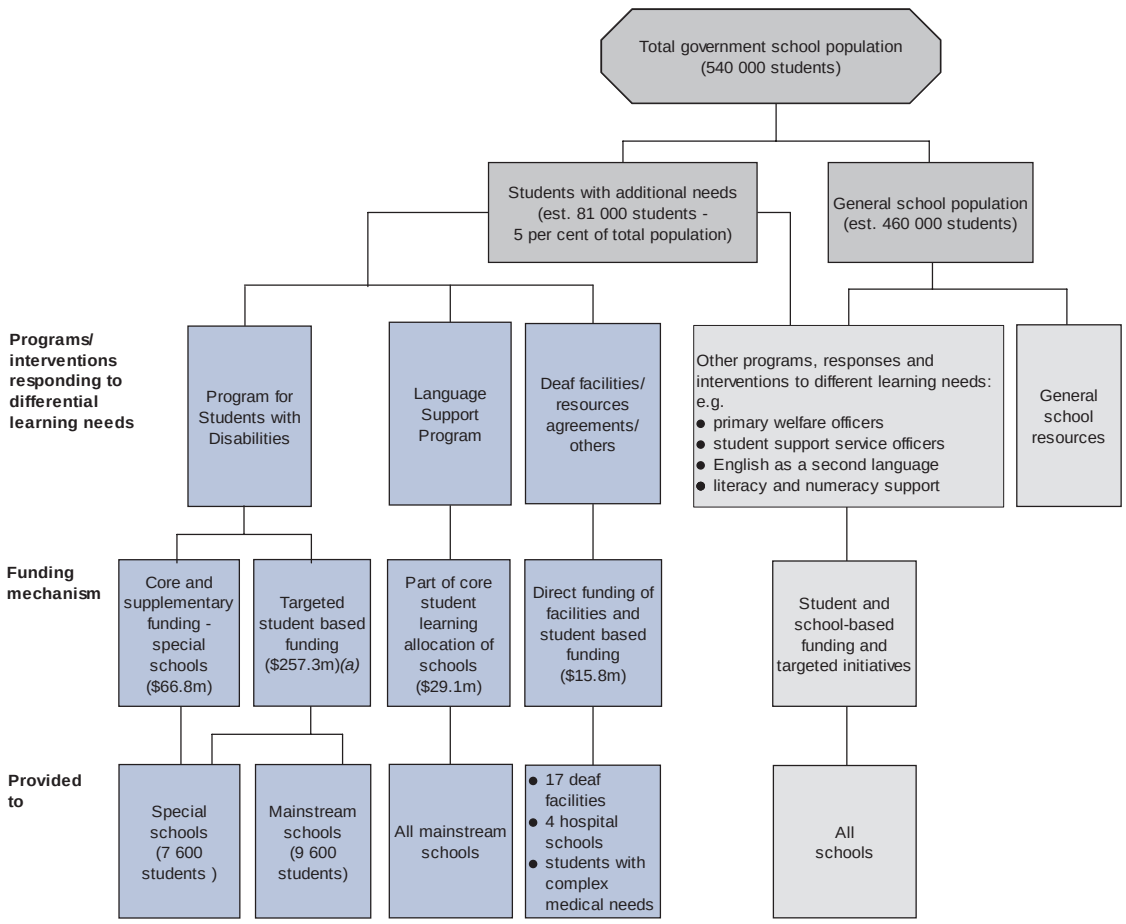
- improving educational outcomes for students with disabilities
- supporting inclusive educational practices in schools
- providing parents with choice of the educational setting that best meets the developmental needs of their child.

As the key agency responsible for the delivery of educational outcomes in Victoria, the Department of Education and Early Childhood Development (DEECD) funds a range of programs and interventions designed to meet the individual learning needs of all students in government schools – either in mainstream or special schools.

The *Office of School Education Strategic Plan 2006-07* estimates that around 15 per cent (81 000) of the students in Victorian government schools are students with additional needs. They include students with intellectual, sensory or mobility impairment, language disorder, disturbed behaviour and emotional disorder, social and economic disadvantage, and/or significant interruptions to school attendance.

Figure 2A sets out the range of programs and interventions available to support students with additional needs in Victorian government mainstream and special schools.

Figure 2A
Support to students with additional needs, Victorian government schools, 2007



Part of $369 million funding for students with disabilities in Victorian government schools, 2007 calendar year.

Programs and interventions available to all students in Victorian government schools, including students with additional needs.

(a) Includes $256 million individual student funding and $1.3 million funded under an historical model (Phase one funding).

Source: Victorian Auditor-General's Office, based on information provided by DEECD.

Three programs or intervention streams – the Program for Students with Disabilities (PSD), the Language Support Program (LSP), and funding to deaf facilities, hospital schools and to students with complex medical needs – provide for students with disabilities. Students with disabilities are a smaller group of students within the total cohort of students with additional needs.

Figure 2B shows that funding for these 3 programs or intervention streams for the 2007 calendar year is $369 million[1].

[1] Budget allocation for 2007-08 is $374.6 million.

Figure 2B
Funding for students with disabilities in Victorian government schools, 2007 calendar year

Program/intervention	$m	$m
Program for Students with Disabilities -		
Individual student funding	256.0	
Core and supplementary funding – special schools	66.8	
Phase one funding *(a)*	1.3	324.1
Language Support Program		29.1
Deaf facilities/resource agreements/other *(b)*		15.8
Total		**369.0**

(a) Remaining students funded through the PSD under an historical funding model.

(b) Funding provided directly to 17 deaf facilities across the State; funding provided as part of the resource agreements for hospital schools, and the Victorian College of the Deaf (for complex needs); and additional funding provided to teachers who have responsibility for the care of students with complex medical needs (e.g. tube feeding) who require medical intervention.

Source: Victorian Auditor-General's Office, based on data and advice from DEECD.

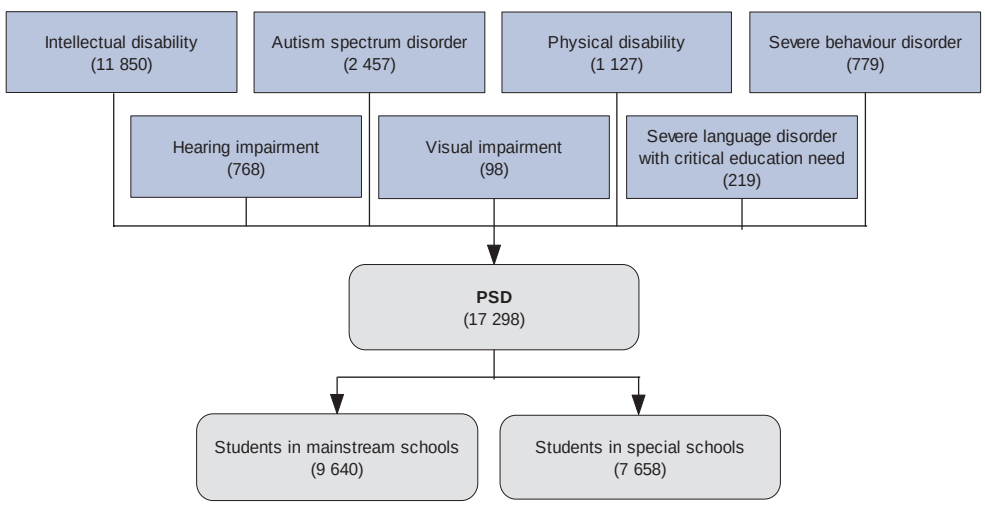
2.2 Program for Students with Disabilities

As Figure 2B shows, the PSD, with funding of $324 million, is the largest program catering for the educational needs of students with disabilities in Victorian government schools. In 2007, around 17 300 students are funded through the PSD. This is around 3.2 per cent of the total Victorian government school population. Approximately 56 per cent of these students are enrolled in mainstream schools (both primary and secondary schools) and 44 per cent in special schools. PSD-funded students are enrolled in 1 418 out of the 1 606 government schools across Victoria.

DEECD data show a recent trend of increasing enrolments in special schools. Prior to 2005, approximately one-third of PSD-funded students were enrolled in special schools. This proportion is now approaching 45 per cent. While this indicates that parents of children with disabilities are now more often choosing to enrol children in special schools, the narrowing of the gap between special and mainstream school enrolments is also due to the effect of a restructure of the PSD and introduction of the LSP in 2005. The majority of students with a language disorder, who were no longer eligible for individual funding through the PSD as a result of these changes, attended mainstream schools.

DEECD advised that students are eligible for PSD funding if they meet criteria for one of the 7 disability categories established by DEECD with reference to World Health Organization criteria. Figure 2C provides an overview of the disability categories and number of funded students within each category for 2007.

Figure 2C
PSD-funded students and disability categories, 2007



Source: Victorian Auditor-General's Office, from information provided by DEECD for the 2007 calendar year.

Key indicators used to determine the level of additional resources required for each eligible student include mobility, fine motor skills, cognitive skills, self-care, behaviour, and expressive and receptive language.

The funding is provided to the school in which the eligible student is enrolled and the Student Support Group, comprising school principal, teacher, the student's parents and where possible, the student, provides advice on the mix of resources required to meet an individual student's needs. This can include provision of specialised equipment, integration teachers and aides, paramedical support and school capacity building initiatives such as professional development and consultation.

2.2.1 The changing PSD and the Language Support Program

Over the past 15 years, DEECD has reviewed and restructured the PSD a number of times in the context of changing need and escalating demand. Key milestones in the program's response to students with disabilities in Victorian government schools over its history, are outlined in Appendix A.

In 2005, the PSD definition and eligibility criteria for students with language disorders changed. Some students assessed as having language disorders were no longer eligible for funding from the PSD. At the same time, the LSP was introduced.

The LSP provides funding to all schools to build the capacity of schools and teachers to respond to students with language disorders, or who experience delayed language development. Students assessed as meeting the criteria for "severe language disorder with critical educational need" remain eligible for individual funding from the PSD (illustrated in Figure 2C).

Figure 2B shows that the LSP, with funding of around $29 million, is the second largest program available for addressing the needs of students with disabilities in Victorian government schools.

2.3 Importance of accountability

Accountability to Parliament is a central tenet of the Westminster system. "Parliament has a responsibility to hold the government and the public service accountable for the management of public sector resources and activities. The public is entitled to know whether public resources are being used properly, what they are being used for, and what outcomes they are achieving"[2].

Strong accountability systems use performance information to identify, monitor and assess outcomes, and to report meaningful information about the Government's and the public sector's effectiveness to the community. Accordingly, a system of accountability by which performance and outcomes can be monitored, assessed and accounted for by the responsible agencies is an important ingredient of any publicly-funded program or activity.

A structured and regular system of performance monitoring, aligned with an agency's outcomes and output structures, and that generates information appropriate for both internal performance management needs and external reporting requirements, is also a feature of a well-governed organisation[3].

2.3.1 Program accountability

At a program level, clearly stated program objectives and performance indicators for measuring the degree of success in achieving those objectives, are fundamental to program accountability. They define program effectiveness and provide a basis for evaluating and improving performance. Program reporting that includes outcomes, and is not confined to processes, activities or outputs, provides the public with meaningful information about the impact or consequences of a program.

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[2] Senator the Hon. Eric Abetz, Special Minister of State, Liberal Senator for Tasmania, "The role of Corporate Governance in improving transparency and accountability in the public sector", speech for IQPC Conference, 11 June 2003.

[3] *Better Practice Guide: Public Sector Governance, Volume 1, Framework, Processes and Practices*, Australian National Audit Office, July 2003.

This audit initially set out to determine how well Victorian government mainstream schools were placed to respond to the needs of students with disabilities. Our early planning focused on identifying the programs in place for supporting students with disabilities, the critical success factors for mainstream schools to respond to the needs of these students, and the mechanisms in place to measure, monitor and report on the quality of the response.

During our early planning, it became apparent that there was room for improvement in the accountability framework established by DEECD surrounding the PSD, particularly at the departmental level. While DEECD reported on budget paper output measures of quantity and quality, it was apparent that there were no high-level outcome indicators to inform decision-making, to enable DEECD to determine the effectiveness of the program as a whole, or for reporting on the program to Parliament.

The PSD is delivered in both mainstream and special school settings, and is characterised by individualised funding to meet individual needs, and a devolved service delivery environment with local (school level) responsibility for management of funding allocations and service responses. The apparent gaps in the accountability framework for the PSD were likely to reflect, at least in part, some of the challenges posed by these program variables.

Through discussions with DEECD, it was agreed that the audit would focus on program accountability, with the aim of assisting DEECD to further develop its accountability and reporting for the PSD, to provide a greater focus on measuring and reporting outcomes for the program as a whole.

This approach was considered appropriate given that:

- the PSD is an important program within the school system, providing additional funding and support to maximise educational outcomes for students with disabilities
- government investment in the PSD has increased significantly over the past 6 years
- a substantial reshaping of the program is scheduled to conclude in 2008.

2.4 Audit objective

The focus of this audit is to determine the extent to which the accountability framework for the PSD provides clear measures of performance and an appropriate level of accountability. The audit addressed the following key questions:

- Does DEECD have an accountability framework for the PSD that provides clear measures of performance and an appropriate level of accountability?
- How is DEECD working to further develop the accountability framework for the PSD?

2.5 Scope and method

The audit involved review and analysis of DEECD documents, data and processes, interviews with key staff and a review of the relevant literature.

Audit:

- examined relevant documents, including DEECD policy documents, program guidance material and planning documents, internal business reports, and project summaries and reports
- interviewed staff from the Office of Government School Education, including managers and officers from:
  - the School System Reform Division responsible for managing the PSD and reform of the program
  - the Student Wellbeing and Support Division, responsible for school accountability and improvement
- interviewed staff from DEECD's Western Metropolitan Regional Office responsible for liaison with local schools and coordination of the PSD at the regional level
- reviewed the literature on education programs for students with disabilities, including current research and practice in other jurisdictions relating to program accountability arrangements and evaluation and reporting of outcomes.

The scope of the audit did not include examination of schools' response to students with disabilities, or the tools and processes used to determine eligibility and level of need under the PSD.

The audit was performed in accordance with the Australian auditing standards applicable to performance audits, and included such tests and procedures considered necessary.

2.6 Audit assistance

We appreciate the assistance and support provided by management and staff of DEECD.

Specialist support, particularly in the early planning of the audit, was provided by a reference committee comprising:

- Ms Helen Tossell, Education Issues Worker, Association for Children with a Disability
- Dr Julianne Moss, Senior Lecturer, Education Faculty, University of Melbourne
- Ms Wendy Kortman, Lecturer, Faculty of Education, Deakin University.

2.7 Cost of the audit

The cost of the audit was $287 000.

3 Accountability framework for the Program for Students with Disabilities

At a glance

A sound program accountability framework includes a clearly defined objective, established measures of performance and reporting against those measures.

Accountability for a funded program can exist at many levels, particularly for an agency that operates in a devolved service delivery model such as the Department of Education and Early Childhood Development (DEECD). As services funded through the Program for Students with Disabilities (PSD) are delivered by schools, it is reasonable to expect that school level reporting – to parents, the school community and to DEECD – will be in place as part of an accountability framework. Ultimately, however, DEECD is accountable to the minister and to Parliament for the overall performance and outcomes of the program.

Key findings

- DEECD publications contain a number of aspirational statements that convey the intent or purpose of the PSD, but there is not yet a clear or consistently stated program objective.
- DEECD accounts for PSD program inputs through internal business reporting, and for program outputs through the Victorian Government performance reporting framework.
- Performance indicators have not been identified for the PSD, and DEECD is, therefore, not able to measure and monitor whole-of-program outcomes or provide assurance about program effectiveness.
- Accountability for PSD outcomes is currently focused at the school level where reporting to parents on individual student outcomes is strongly developed.
- Departmental accountability for PSD program outcomes, at the whole-of-program level, is a key area for further development.
- Accountability arrangements for the Language Support Program need strengthening to provide performance information sufficient to support internal decision-making and program management.

3.1 Elements of a sound accountability framework

A sound program accountability framework includes:

- **A clearly defined objective**, i.e. a clear statement of what the program or activity is intended to achieve for a target population (the group of people, or organisations whose needs the program is intended to address). Good quality objectives are outcome-focused and measurable; they define the intended impact of the program.
- **Established measures of performance**. These may include performance indicators and/or performance measures:
  - Performance indicators enable program outcomes to be measured, monitored, evaluated, reported and improved. They are an indication of achievement, not an exact measure. Performance indicators apply to the medium- and long-term, and are intended to be consistently reported and to track or measure progress over time. Performance indicators should be relevant to the program objective, appropriate for measuring performance and fairly represent performance
  - Performance measures are measures of short-term service delivery or production and refer to the quantity, quality, timeliness or cost of outputs, i.e. the goods or services produced or delivered by the program; sometimes referred to as the funded activities. Outputs are described in terms of what they are, not what they are intended to achieve. Within Victoria, performance measures for budget sector agencies are set out in the annual budget papers.
- **Reporting against measures of performance**. This may include external or internal reporting. Internal and external reporting should draw on common indicators and measures, with a more detailed breakdown of information used for ongoing management purposes internally:
  - External performance reporting provides an opportunity for agencies to demonstrate achievements and explain any variance from expectations to external stakeholders. External reporting should provide sufficient information to allow Parliament, and the community, to make informed judgements on how well agencies are achieving their program objectives. In Victoria, the *Financial Management Act 1994* requires public sector agencies to report on their performance through their annual reports. Annual reports for most public sector agencies are tabled in Parliament
  - Internal performance reporting informs planning, budgeting and program management, and assists agencies to monitor and account to management on resources used.

Because of the devolved nature of contemporary government, it is common for responsibility for delivery of publicly-funded programs to be delegated to service providers in local areas, e.g. services funded through the Program for Students with Disabilities (PSD) are delivered in schools, rather than by the Department of Education and Early Childhood Development (DEECD). However, under the Victorian Government departmental accountability model, accountability for program delivery rests centrally, and cannot be delegated. In the case of the PSD, this means that DEECD, not schools, must account to Parliament for the program as a whole.

We examined documentation relating to the PSD with reference to the above principles and our findings are presented below.

3.2 Does the program accountability framework for the PSD provide clear measures of performance?

3.2.1 Clearly defined objective

DEECD publications, plans and reports contain a number of statements that convey the intent or purpose of the PSD, and clearly identify the PSD as a departmental priority area. Figure 3A sets out examples of the key DEECD documents and how they refer to the PSD.

Figure 3A
Statements of PSD purpose in key DEECD documents

Source	Document purpose	Statement of PSD purpose
Department of Education Corporate Plan – Directions and Priorities 2006-07	Each year, DEECD articulates a set of priorities to provide strategic direction for its major activities for that year. For 2006-07, 25 priorities were outlined, including students with disabilities – priority no. 15.	"The PSD supports the provision of high quality education to Victorian government school students with a disability, and provides schools with the flexibility to meet diverse student needs to achieve improved learning outcomes."
Strategic Plan 2006-07 and *Divisional and Regional Business Plans 2006-07*, Office of School Education	Identifies the Office of School Education's 5 priorities for the year, including students with additional learning needs.	"Defining and developing a sustainable and educationally defensible model for supporting the learning needs of students who are part of the PSD and the revised Language Support Program."
Program for Students with Disabilities Guidelines	An annual publication (previously referred to as the program handbook) providing schools and parents with details about the operation of the program and the program entry requirements.	"The PSD supports the education of students with disabilities in Victorian government schools by providing schools with additional resources."
Promoting Inclusive Education statement	Government response to the 2005 report of the Ministerial Working Group on the Program for Students with Disabilities. Highlights the Government's ongoing commitment to responding to the needs of students with disabilities, particularly through a focus on improving educational outcomes and sustaining an inclusive educational framework.	The document outlines strategies to ensure inclusive practices are in place in schools, including parent choice of educational setting, building schools' capacity, supporting students and parents through key school transitions and pathways, developing effective partnerships between schools and parents, and enhancing professional expertise.

Source: Victorian Auditor-General's Office, based on information provided by DEECD.

We found that the DEECD publications, plans and reports examined by audit contain a number of aspirational statements for the program, but there is not a consistent statement that clearly articulates what the program is intended to achieve, i.e. the program's objective.

We did find that a number of the strategies outlined in *Promoting Inclusive Education* are articulated in a way that is specific, outcome-focused and measurable. These include:

- providing parents with a choice of learning environment that best provides for the development of their child
- engaging students and parents in programming and planning decisions
- supporting students and families to make the transition from preschool to school, and from school to higher education, training and employment
- ensuring that the expertise of professionals working in mainstream and special schools is maintained and developed.

There is potential for the *Promoting Inclusive Education* strategies to inform development of a clear statement of objective for the program against which achievements can be tracked and measured.

3.2.2 Established measures of performance

Performance indicators at the school level

We found that DEECD collects a range of performance information relating to school level outcomes for all government school students as part of the School Accountability and Improvement Framework (SAIF). The SAIF, introduced in 2005, established one accountability framework for all government schools, including special schools, for the first time, although some differences in reporting requirements for special schools remain, for example, student absence data is reported by year level for mainstream schools and at whole of school level for special schools, as special schools generally do not operate with standard year levels. Student exit destination is collected and reported by mainstream schools, but collected and not reported by special schools.

The SAIF defines 3 broad and interrelated areas of student outcomes for all government schools:

- student learning
- student pathways and transitions
- student engagement and wellbeing.

A range of performance data is collected from schools to enable progress and achievements against the key student outcome areas to be monitored and tracked over time. Examples of the performance information collected under the SAIF are outlined in Figure 3B.

Figure 3B
SAIF: Performance information

Key student outcome areas and data collected
Student learning
• School-based student assessment data, e.g. progress in literacy and numeracy
• AIM (Achievement Improvement Monitor testing) data *(a)*
• Achievement in Victorian Certificate of Education (VCE), Victorian Certificate of Applied Learning (VCAL), and Vocational Education and Training (VET)
Pathways and transitions
• Compulsory years – parent opinion survey, including parent perception of the quality of support for student transitions
• Post-compulsory years – retention, participation and completion of VCE, VCAL, VET
Student engagement and wellbeing
• Attendance data
• Connectedness, motivation to learn, safety – student attitudes to school survey
• Teacher assessments of student motivation – staff opinion survey
• Parent perception of school climate – parent opinion survey

(a) Students across Victoria take the AIM tests on their knowledge of reading, writing, spelling and mathematics. This testing is part of a program that includes testing in Years 3, 5, 7 and 9.

Source: Victorian Auditor-General's Office, from information provided by DEECD.

The performance information can be analysed and reported at the school level, for like school groups, at the regional level, and system-wide.

The performance information collected under the SAIF is school-focused, not program focused – it does not specifically address outcomes sought under the PSD, or any particular program within the school system. In addition, the data cannot currently be disaggregated for particular sets of students – performance information about PSD-funded students in mainstream schools cannot be extracted from the data. As a result, DEECD cannot use the information to measure performance and outcomes for the PSD in mainstream schools, or at the program level.

Nevertheless, the areas of student outcomes identified for the SAIF, i.e. student learning, pathways and transitions, and student engagement and wellbeing, are directly relevant to strategies and key areas of focus identified for the PSD, in particular, those expressed through the *Promoting Inclusive Education* statement. As such, audit considers that the SAIF performance information has the potential to be used for monitoring and assessing the performance of the PSD, both at a school level in mainstream schools, and at the whole-of-program level. It is already used in this way by special schools.

There are no performance measures, i.e. measures of outputs, established for the PSD at the school level.

PSD performance information

In August 2006, DEECD introduced the Program for Students with Disabilities Management System (PSDMS), an online information management system designed to support the processes associated with the management of the PSD, including funding applications, assessment eligibility and calculations for the PSD budget. The PSDMS replaced a spreadsheet model supported by an annual census.

The PSDMS is intended to provide schools and DEECD regional and central offices with secure access to reliable and accurate data about students supported through the PSD. DEECD advised that information extracted from the PSDMS has enabled program managers to monitor program inputs with greater certainty, and access accurate and reliable data to support internal business reporting, and reporting on measures of output quantities.

As well as collecting and storing key student and school details and program application and eligibility assessment data, the PSDMS can track some program level information. This includes statements of student goals and strategies (at program entry), and records of Student Support Group (SSG) meetings and decisions.

DEECD is introducing enhancements to the functionality of the PSDMS, particularly to improve the ease of use, and reporting capacity for individual schools. It is also considering the potential for the PSDMS to collect further information about program processes, and to report on some program outcomes. Potential areas of focus include data relating to frequency of SSG meetings, the quality of goal and strategy statements, and student destination data.

The PSDMS was designed to strengthen the management and monitoring of program entry processes, program inputs and service delivery outputs. At this point, the PSDMS has not been developed to collect information about program outcomes able to be used to measure and monitor program effectiveness.

Performance indicators at the program level

Our discussions with DEECD staff and examination of documents revealed that performance indicators for the PSD at the program level have yet to be developed. In the absence of such indicators, DEECD is not in a position to assess performance for the program as a whole.

An appropriate suite of performance indicators linked to a clear and consistent statement of objective would enable DEECD to better determine whether the funding provided through the program is being allocated to best effect, i.e. whether it is being allocated wisely.

Performance measures at the program level

The PSD appears in the output group *Services to Students* in the Victorian Government budget papers. The output group covers services to students with disabilities, as well as education maintenance allowances, and student transport. The budget paper performance measures and targets for the PSD are presented in Figure 3C.

Figure 3C
PSD output performance measures and targets, 2007-08

Output group: Services to Students	
Measure	**Target**
Quantity -	
Students funded under the disabilities program in government schools as a proportion of the total student population	3 per cent
Regular schools with students with disabilities	88 per cent
Investment in services to students with disabilities	*(a)* $419.2 million
Quality -	
Parent satisfaction with special education on a 100-point scale	85 per cent

(a) DEECD advised that total investment includes PSD financial year budget and overhead costs.

Source: Department of Treasury and Finance, *Victorian Government Budget Papers: 2007-08 Service Delivery, Budget Paper No.3*.

The quantity measures relating to numbers of students, and mainstream (regular) schools with funded students provide an understanding of the targeting and reach of service delivery. These output targets are specific and clearly identified using numerical values.

While the output measures include total investment in services to students with disabilities, there is no specific cost measure. Cost measures can provide useful additional information, for example, a measure of the average cost for each disability category would provide some understanding of the differential cost of service delivery across a program tailoring responses to individual needs. Cost measures used to benchmark performance against other jurisdictions, and when considered with program inputs, can inform judgements about program efficiency.

Parent satisfaction is used as a measure of service delivery quality. However, this measure relates only to special schools where 46 per cent of PSD-funded students are enrolled. It does not appropriately measure the quality in relation to delivery of the PSD overall.

3.3 Is there an appropriate level of accountability for the PSD?

Ultimately, DEECD is accountable to the minister and Parliament for system-wide and program level outcomes, i.e. the overall performance and outcomes of the PSD in delivering the funded outputs and meeting the PSD's objectives.

Accountability to Parliament is particularly important for programs that attract significant levels of funding, such as the PSD (funding of around $324 million annually). For smaller programs, such as the Language Support Program (with annual funding of around $29 million), it may be appropriate for schools to be accountable to DEECD through internal business reporting.

We examined reporting arrangements in place for the PSD at the individual student and school level, as well as overall accountability at the program level. Our findings are outlined below.

3.3.1 Reporting to parents/carers

We found that at the individual student level, schools directly report to parents or carers on program delivery and individual student outcomes through a number of means set out in Figure 3D.

Figure 3D
PSD: Student level accountability mechanisms and reporting focus

Accountability mechanism	Description	Focus of reporting
Student Support Group (SSG)	Schools are required to establish a SSG for each PSD-funded student. An SSG is a cooperative partnership between the parent/carer, school representatives and professionals, and is initially established at the point of application to the PSD. Once a student is deemed eligible for the PSD, the SSG continues as an ongoing group to ensure coordinated support for the student's educational needs.	The SSG provides a forum for parents/carers to participate in decision-making and program planning for the student and provides a formal means of communicating student plans, progress and outcomes.
Individual Educational Program	SSGs plan and agree on an Individual Educational Program (IEP) for each student in the PSD. The IEP sets out short- and long-term goals for the student, and identifies strategies to be used to work toward achievement of those goals.	The IEP forms a basis for monitoring and communicating student progress and educational outcomes.
Student reports	All Victorian government schools provide twice yearly student reports to parents or carers of students.	Provides detailed information on the student's educational outcomes.

Source: Victorian Auditor-General's Office, based on information provided by DEECD.

3.3.2 Reporting arrangements at the school level

Schools are not required to routinely report on expenditure or deployment of PSD resources or school level arrangements in place to respond to the needs of students with disabilities. However, local program delivery is monitored by regional officers through the support and liaison roles of Student Wellbeing Managers, PSD Program Coordinators and Senior Education Officers.

School level requirements for reporting to DEECD and the community are set out in Figure 3E.

Figure 3E
PSD: School level accountability mechanisms and reporting focus

Accountability mechanism	Description	Focus of reporting
Schools Compliance Checklist	To DEECD on the Disability Standards for Education 2005.	Required to report on compliance with the standards.
Student Education Program Summary Statement	As part of the PSD application process, schools are required to submit a statement of PSD goals and strategies.	This statement provides a summary of the key educational goals for each student's knowledge, skills and behaviours at the point of entry to the PSD.
Program for Students with Disabilities Management System	Report and keep up-to-date some school and student details.	Key student and school details and program application and eligibility assessment data, and some program level information, including statements of student goals and strategies (at program entry), and records of Student Support Group meetings and decisions.
School annual report	Designed to enhance communication with the school community. Each school has the flexibility to develop its annual report in different ways. DEECD guidance material underlines some common practices that underpin effective annual reporting.	Includes focusing on student outcomes and areas for improvement, presenting core school performance indicators, and providing a critical analysis of the school's progress. School Accountability and Improvement Framework measures (refer below).

Source: Victorian Auditor-General's Office, based on information provided by DEECD.

There are a number of mandatory SAIF performance indicators to be included in school annual reports. These are outlined in Figure 3F.

Figure 3F
Mandatory indicators for inclusion in school annual reports

School context

- Parent satisfaction, enrolments, teacher profile (satisfaction, absence, retention, professional learning, qualifications)

Student learning

- Student achievement in English and mathematics – Years 3, 5, 7 and 9
- Proportions of Years 3, 5 ,7 and 9 students meeting national reading, writing and numeracy benchmarks (and changes over time)
- Student achievement in VCE

Student engagement and wellbeing

- Student absence
- Student connectedness to school

Student pathways and transitions

- Completion rates for students in VCE, VCAL, VET
- Years 7-12 retention
- Year 12 destination data

School financial performance:

- Summary of revenue/expenditure for the school year/summary of funds available/financial commitments for the school year

Source: DEECD Guidelines for the Annual Report to the School Community.

In the case of special schools, because all of their students are funded through the PSD, this annual report data can also inform an understanding of outcomes for the PSD.

However, annual reports to the school community for mainstream schools include limited information about PSD-related outcomes. DEECD advised that this is, in part, driven by concerns about the privacy of students and their families. When reporting on the school's performance to the school community, schools are required to take care to avoid the disclosure of information that can directly or indirectly identify an individual. This may be a particular issue when reporting on the achievement of specific cohorts of students, such as PSD-funded students.

Privacy concerns, along with problems associated with data disaggregation mentioned earlier in this report, mean that mainstream schools are only required to report to the school community on student learning outcomes for PSD-funded students, and only in cases where:

- a school has 10 or more PSD-funded students enrolled (of around 1 350 mainstream schools with PSD students enrolled, only 311 have 10 or more PSD-funded students)

- PSD student learning outcomes are assessed through Teacher Assessment of Student Progress[1] rather than standard assessment approaches used for the majority of students in mainstream schools.

3.3.3 Accountability at the program level

Our examination of information reported at the PSD program level revealed it to be focused on program outputs and inputs, as shown in Figure 3G.

Figure 3G
PSD: Program level accountability mechanisms and reporting focus

Accountability mechanism	Description	Focus of accountability/reporting
Internal business reporting	Primarily through monthly "snapshot" reports on the operational status of the program. The reports are provided to a senior departmental executive group and to the minister.	Reports include: • budget information: annual budget, current commitment, projected commitment and variance • student numbers: current growth, estimated end of financial year total, breakdown by disability categories • PSDMS system enhancement – timelines and milestones • timelines and milestones for major commitments and initiatives, including revised eligibility and education needs questionnaire, outsourced assessment service, and curriculum project.
Budget papers	Ex-ante and ex-post reporting to Parliament, publicly available.	Budget output measures and targets for the output group *Services to Students* for coming year, and actual performance against the previous year's output measures and targets.
DEECD annual report	Ex-post reporting to Parliament, publicly available.	Reports on 3 output performance measures for the PSD, comprising 2 measures of quantity and one measure of quality. These are the measures set out in the budget papers for the output group *Services to Students*. Measures of timeliness and cost are not identified or reported.

Source: Victorian Auditor-General's Office, based on information from DEECD.

As a result of the focus on outputs rather than outcomes, we do not consider that accountability at the program level for the PSD is sufficiently developed.

[1] Where appropriate, teachers will assess learning outcomes for PSD students against their individual learning goals, using a 6-point scale to indicate progress. This approach, the *Teacher Assessment of Student Progress,* provides an alternative to other standard assessments of student learning outcomes not appropriate for some students with disabilities.

3.4 Program accountability - Language Support Program

The Language Support Program (LSP) is a small program relative to the size and reach of the PSD. However, in terms of volume of funding, it is the second largest program providing services to students with disabilities across the government school system. Introduced in 2005, it also represents a new approach to responding to the majority of students in Victorian government schools who have some form of language disorder or delayed language development (the smaller group who meet the criteria "severe language disorder with critical educational need" are within the PSD target group).

It is reasonable to have different expectations of accountability for smaller government-funded programs. Nevertheless, monitoring and assessment of performance and outcomes for such programs should, at a minimum, generate information appropriate for internal management needs – to support resource management and to inform program improvement strategies.

In this regard, we examined accountability arrangements for the LSP. Key program accountability elements for the LSP are set out in Figure 3H.

Figure 3H
LSP: Key program accountability elements

Program objective

The LSP aims to build the capacity of schools and teachers to provide appropriate programs and learning experiences which will improve the oral language skills of all students, particularly those with a language disorder.

The program aims to provide teachers and schools with:

- an understanding of the components and development of oral language
- a screening procedure based on observation of classroom language behaviour through which students with a language disorder may be identified
- an oral language observational profile enabling the targeting of specific areas of difficulty
- teaching strategies which directly address the difficulties identified through the screening process and can be implemented within the classroom
- a detailed list of resources.

Established measures of performance

Formal performance measures and performance indicators have not been established for the LSP. However, DEECD is collecting information about the professional development activities conducted in each region to support capacity building of schools and teachers, in line with the program objective. This performance information includes:

LSP professional development activity (collected from mid-2006):

- Number of professional development sessions held in each region
- Number of participants.

Teacher perception following participation in LSP professional development (collected from 2007):

- Knowledge of the LSP and implications for learning and teaching
- Familiarity with the LSP Observational Profile, and relevant check lists and screening tools
- Understanding of oral language learning disorders
- Capacity to identify students with a language disorder
- Pedagogical knowledge and skills to support students with a language disorder
- Repertoire of practices/resources to support students with a language disorder
- Confidence in meeting the needs of students with a language disorder
- Access to relevant professional learning and ongoing professional learning support.

Reporting against measures of performance

There is no formal internal or external reporting of the performance information currently collected for the LSP.

A program Reference Group meets quarterly to provide advice to DEECD senior management regarding the implementation and development of the LSP. Terms of reference include monitoring and evaluating the LSP from a statewide perspective.

DEECD plans to analyse data relating to LSP professional development activity and teacher perceptions at the end of the 2007 calendar year. This information could inform an internal report on progress towards achieving the LSP objectives.

Source: Victorian Auditor-General's Office, from information provided by DEECD.

We found that in terms of the key elements of sound program accountability for the LSP:

- a consistent statement of program objective is in place; the objective is outcome focused and identifies improvement in school capacity and student oral language skills
- performance measures and performance indicators have not been identified. However, DEECD is collecting a range of performance information in relation to professional development activities and the school and teacher capacity building goals of the program
- there are no formal internal or external reporting arrangements for the LSP. However, plans are in place for the available performance information to be analysed and considered by program managers. This analysis could form the basis of internal reporting on progress toward part of the program objective (relating to capacity building) and inform program management decisions and improvement planning.

A review of performance information required to more fully support the management of this program would be a first step in strengthening program accountability for the LSP. Smaller programs can usefully draw performance information from one-off or periodic evaluation projects, as well as from routine information collection and analysis.

3.5 Conclusion

DEECD has established performance measures and targets to measure outputs for the PSD. The measurement of outputs could be enhanced by the development of measures of quality that address the program as a whole, and a measure of cost that enables assessment of the efficiency of output delivery.

DEECD has not identified performance indicators for the PSD and, therefore, is not currently able to measure and monitor program outcomes and address questions about program effectiveness.

The SAIF provides a valuable framework for monitoring and evaluating key student outcomes across the school system, including for special schools. Currently, information cannot be disaggregated for mainstream schools to enable DEECD to identify and report on outcomes for PSD-funded students across the system.

However, the areas of student outcomes identified for the SAIF, i.e. student learning, pathways and transitions, and student engagement and wellbeing, are directly relevant to strategies and key areas of focus identified for the PSD. Exploring options to enable disaggregation of this data, including further enhancements to the PSDMS, may provide a practical basis to report outcomes at a program level.

A clear and consistently stated program objective for the PSD would increase DEECD's ability to measure, monitor and report on program outcomes. Audit considers that DEECD is well placed to develop this objective.

Departmental accountability for PSD outcomes is a key area for further development. Accountability for outcomes is currently focused at the school level where reporting to parents or carers on individual student outcomes is strongly developed. It is important that the accountability framework for the PSD is strengthened to ensure that accountability for overall program effectiveness and impact rests with DEECD as the responsible government agency.

Departmental accountability for the LSP is also currently underdeveloped. Expectations of program accountability cannot be directly compared with those for the PSD given the relative size and reach of the program. However, routine collection of information relevant to the program objective, or generating information from targeted evaluation activities, is an important first step to improve accountability for this smaller program.

4 Strengthening program accountability

At a glance

The Department of Education and Early Childhood Development (DEECD) has progressively developed and implemented a broadly-based school improvement strategy, and is reporting on key student outcomes as part of this strategy.

Key findings

- DEECD is acting to further develop the accountability framework for the Program for Students with Disabilities (PSD) and is well placed to strengthen accountability.
- The reform agenda for the PSD includes a new focus on identifying and measuring student outcomes, and developing the capacity to report on these at the individual, school and program level.
- The benefits of DEECD's current research and development work are not expected to be realised before 2011. Other options to strengthen program-level accountability in the short- to medium-term need to be examined and implemented.
- There are some emerging international examples of educational authorities beginning to plan for, and action, reporting of outcomes for students with disabilities.

Key recommendations

That DEECD:

4.1 Establishes a clear objective for the PSD that is outcome-focused and measurable.

4.2 Establishes performance indicators to monitor outcomes for the PSD at the whole-of-program level that are relevant to the program's objective, and are measurable and auditable.

4.3 Manages the collection and analysis of performance data under the School Accountability and Improvement Framework so that outcomes for PSD-funded students can be identified, both for students in special schools and mainstream schools, at the whole-of-program level.

4.4 Continues to improve program accountability for the PSD so that measuring and reporting on whole-of-program level achievements is in place within 2 years.

4.1 Renewed focus on school system performance and improvement

There is a renewed focus on school educational outcomes across Australia emphasising literacy and numeracy attainment, and the need for more transparent reporting to parents and to the community. In 1999, all State, Territory and Australian Government ministers for education endorsed the importance of good outcomes in literacy and numeracy for all students. They also identified improved learning outcomes for educationally disadvantaged students as one of the "national goals for schooling in the 21st century"[1].

The *National Report on Schooling in Australia* reports annually on performance outcomes for Australian school students in learning areas agreed by ministers to be the focus of nationally comparable reporting. It includes measures of student participation and attainment.

The importance of school education outcomes and government accountability for these outcomes continues to have a high profile on the public policy agenda in Australia.

In Victoria, the Department of Education and Early Childhood Development (DEECD) has progressively developed and implemented a broadly-based school improvement strategy and is reporting on key student outcomes as part of this strategy. In 2003, the Victorian Government, through the *Blueprint for Government Schools,* defined a reform agenda to strengthen the Victorian school education system.

In 2005, DEECD's School Accountability and Improvement Framework (SAIF) introduced a stronger evidence-based approach to school improvement, and increased the system-wide focus on student outcomes in 3 specific areas:

- student learning
- student pathways and transitions
- student engagement and wellbeing.

The SAIF highlighted the critical role good quality performance information plays in planning and achieving improved outcomes.

In 2007, DEECD reinforced the importance of improved outcomes, and accountability for outcomes, through the release of *School Improvement: A Theory of Action* – a report describing the way DEECD is working to develop a culture of performance and improvement across the government school system.

[1] The Adelaide Declaration, Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA), April 1999.

While the focus of the SAIF is strongly directed towards improvement at the school level, DEECD has recognised the importance of gathering and providing performance data to inform judgements about the quality of education programs, at all levels of the system – including schools, regional offices and central office. Examples given of the purpose and use of performance data, beyond school level accountability and improvement, include:

- assessing system-level performance
- developing customised responses to individual program areas for evaluation of programs
- identifying effective-practice schools.

School Improvement: A Theory of Action acknowledges that a mature accountability system will involve accountability at a range of levels including "holding central office to account for the progress of all Victorian students over time". It also notes the key challenge of including the educational attainment of students with disabilities in the overall accountability process, to ensure that their progress is both monitored and reported.

4.2 How is DEECD working to further develop the accountability framework for the Program for Students with Disabilities?

In recent years, changing needs and escalating demand for services to support the school education of students with disabilities and additional needs, has presented challenges to DEECD and the Program for Students with Disabilities (PSD). For example, from 2000 to 2005, the PSD experienced rapid growth in student numbers with the number of funded students growing from just under 11 000 to almost 23 000. Following the introduction of the Language Support Program and the associated changes to the eligibility criteria for the PSD, the number of students individually funded through the PSD fell to around 16 000.

Against this background, DEECD implemented a significant re-shaping of the program to achieve:

- stronger links between funding and educational need
- better targeting of the program
- improved school and teacher capacity.

Audit's examination of program documentation and discussions with relevant officers revealed that DEECD had increased its focus on accountability and improvement through the 2005 PSD reform agenda, for example by:

- continuing a program of research to support the reshaping of the PSD. The research program includes reviewing tools to determine PSD eligibility and identification of needs, investigating alternative funding models, and developing centres of excellence to promote professional learning and capacity building in government schools
- focusing program management efforts on the strategic priorities associated with the program re-shaping. This has included:
  - specifying, monitoring and reporting timelines and milestones for key initiatives internally
  - formally engaging stakeholders through a Ministerial Working Group to consult on changes to the PSD
  - aligning investment in research and development with the strategic goals
  - formally reporting to the minister on milestones and achievements
- establishing a Ministerial Advisory Committee to provide advice to the minister on the program's re-shaping and, recently, to oversight development of a key initiative – the Abilities Index – a support model for PSD-funded students. Further information about the Abilities Index is presented in Figure 4A.

Figure 4A
The Abilities Index

A new focus on outcomes	
The Abilities Index is a 5-year research and development project, commenced in 2007. It aims to develop tools, processes and systems for the PSD to enable: • expert assessment of student abilities and risks • identification of standardised learning pathways • individual student educational and wellbeing targets with review every 3-4 years • new curriculum tools and resources to support delivery in schools • identification and reporting of measurable outcomes. The overall goals will be met through the following 2 linked projects.	
Projects	
ARC Link Project (Developmental Standards of Learning for Students with Intellectual Disabilities)	**Curriculum Project**
Deliverables	
• Assessment of student capabilities • Identification of skills and knowledge needed • Identification and costing of standard learning pathways and strategies	• Materials and advice to assist teachers to enhance and personalise the learning experiences of students with disabilities, while using the standard school curriculum • Development of a more rigorous alternative assessment schedule for students not participating in mainstream assessments
Benefits	
• Capability levels and learning needs to be identified on a developmental learning map • Developmental scale used to plan a focused, targeted teaching and learning plan • Range of resources needed to implement learning plan identified; learning plans can be costed • Enable funding allocation to be linked to learning need rather than disability or deficit • Resource needs, assessment, reporting and focused teaching information will inform policy development and service planning	• Greater consistency in classroom approaches – will enable teachers to clearly identify the level students are learning at, and provide consistent anchor points from which to track progress (indicators of progress) • Facilitate transparent and clear dialogue with parents, other teachers and schools about student progress, goals and strategies • Enable improved reporting of educational outcomes (e.g. alternative assessment schedule outcomes can be reported along with other standardised measures of attainment)

Source: Victorian Auditor-General's Office, from information provided by DEECD.

DEECD expects that successful delivery of the project in 2011 will significantly enhance its capacity to measure and report on student learning and wellbeing outcomes for the PSD at the student, school and program level.

4.3 The way forward

4.3.1 Learnings and key messages from the literature

As part of this audit, we examined literature on education programs for students with disabilities, and the identification and reporting of outcomes, in a range of other jurisdictions – both across Australia and internationally.

The literature search confirmed that such issues are not unique to the Victorian jurisdiction. For example, our examinations of public reporting in other Australian jurisdictions on established measures of performance for programs supporting students with disabilities indicate that Victoria, through its output reporting, is doing at least as well as any of the States and Territories.

Examples of practices in place and under development in international jurisdictions can be found in Appendix B of this report.

The key learnings and messages from our literature examination are summarised below.

Importance of outcomes data

Consideration of accountability for publicly-funded responses to students with disabilities is often restricted to accountability for program inputs and processes. Educational programs for these students have tended to focus on counting students and resources, and reporting on compliance with regulations or program requirements. This information assists in reporting about the number of students supported, the range of disabilities and the type of schools that students are enrolled in, as well as levels of resourcing.

Data of this kind provides important information on the contexts within which students with disabilities learn. However, reporting on program inputs and processes should supplement information that is focused on results and outcomes (such as academic and functional skills, social and emotional outcomes, student and parent satisfaction). This outcomes data contains the most crucial information for making decisions about whether the educational responses are working for students with disabilities.

Identifying students with disabilities within larger datasets

Program accountability relies on good quality performance information. Governments and educational authorities need to be able to identify students with disabilities in larger datasets so that they can report specifically about outcomes achieved for this group.

For inclusive educational programs in mainstream school settings, it may be important to report results and outcomes for this student group together with those of the general student population, but to also have the capacity to report the outcomes separately at the system-wide or program level.

OECD research[2] has identified an overall trend for the most detailed information about provision of education to students with disabilities to be available for students attending special schools. In contrast, information about effectiveness of mainstream school responses is often limited.

A cautionary note – barriers to program accountability

Our review of the literature also highlighted the complex nature of measuring school education outcomes for students with disabilities, and the sensitivities associated with interpretation of such data. For some, these issues act as a disincentive to measure and account for outcomes.

Concerns about adverse effects that may be associated with accountability for education programs for students with disabilities include:

- the burden of reporting for schools where performance data is not part of routine and systemised data collection and reporting
- outcomes reporting may not adequately reflect the heterogenous nature of the students with disabilities cohort (i.e. it may treat all students with disabilities alike)
- programs can become too driven by outcomes – the range of support offered to students with disabilities may become limited to that which is specifically measured
- key stakeholders such as parents of students with disabilities, and the community generally, may not understand the reporting process
- schools may be discouraged from taking on children with additional needs who may perform below average benchmarks on standard assessments
- a focus on absolute measures of academic performance, rather than reflecting the difference that schools and teachers are making, may create disincentives for schools to work with students with disabilities.

It is, therefore, important that the design of accountability frameworks for educational responses to students with disabilities considers the potential for perverse incentives for providers, and unintended impacts on program delivery.

The difficulties and sensitivities highlighted in the literature may be reflected in the external program level reporting on responses to students with disabilities across Australian States and Territories. Reporting in departmental annual reports and government budget papers tends to be generally limited to output measures of quantity. This is sometimes supplemented by a listing of achievements in relation to strategies or action plans rather than reporting of program outcomes.

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[2] Organisation for Economic Co-operation and Development, *Students with Disabilities, Learning Difficulties and Disadvantages: Statistics and Indicators*, 2005, Organisation for Economic Co-operation and Development, viewed 13 February 2007, <*http://www.oecd.org/documentprint/0,2744,en_2649_34531_35669869_1_1_1_1,00.html*>.

4.3.2 Options for improving program accountability for the PSD

DEECD program accountability for the PSD is currently limited to monitoring and reporting of program inputs and program outputs. Performance reporting and accountability would be enhanced by further development of the output measures and reporting to better address quality and cost measures. However, audit considers that strategies to strengthen program accountability for the PSD need to be primarily focused on improving accountability to Parliament and the community for program outcomes.

DEECD is investing in leading edge research on measuring the capabilities of students with disabilities and the educational adjustments they require, and developing curriculum tools and materials to support this work. In the medium- to long-term, there is the potential for DEECD to build strengthened accountability arrangements around this.

However, in the shorter-term, improved measurement and reporting of outcomes is achievable by:

- clarifying outcomes for the program through clear and consistent articulation of program objectives
- disaggregating performance data already routinely collected across government schools for all students, to identify select system-wide outcomes for PSD students.

Figure 4B outlines the key actions required to strengthen program accountability for the PSD.

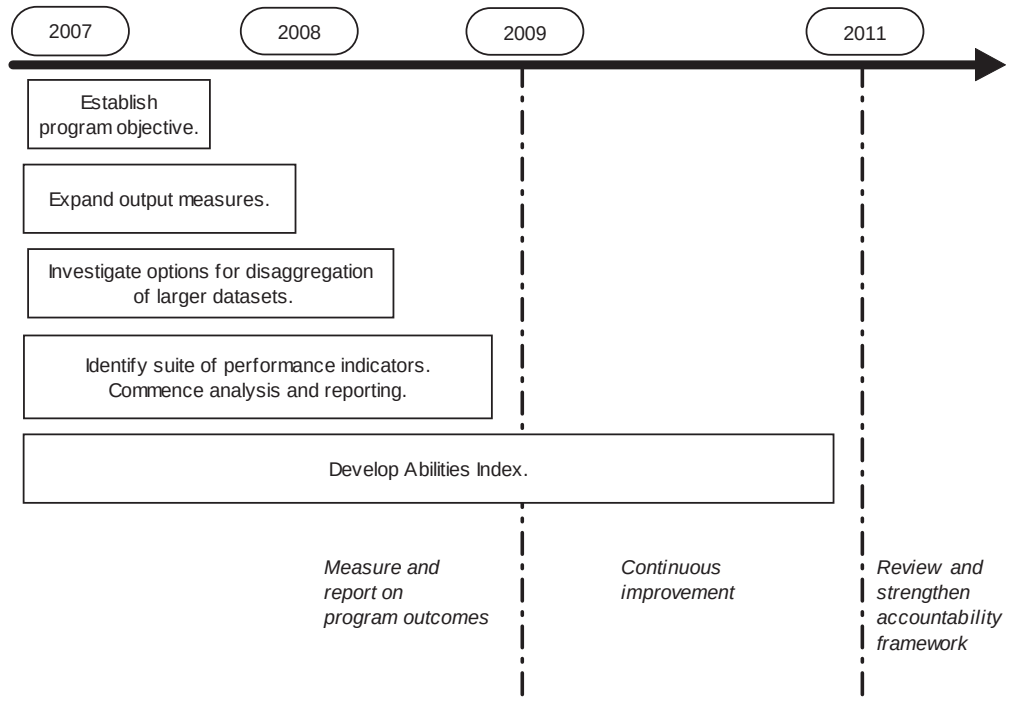
Figure 4B
Key actions for review and strengthening the PSD accountability framework

Key steps	Benefits
Establish clear program objective	● Communicates clearly what the program is intended to achieve for the target population ● Assists in focusing strategic planning and program development and improvement effort ● Enables reporting against objective and assists DEECD and key stakeholders to judge the success or otherwise of the program
Investigate options to enable disaggregation of SAIF performance data to identify PSD program-level outcomes in the nominated key student outcome areas	● The key outcome areas under the SAIF align well with the strategies outlined in *Promoting Inclusive Education* ● A practical option for accessing performance information in the short-term ● If successful, will not require additional reporting burden on schools
Expand PSD output measures to include appropriate measures of quality and cost	● Will provide meaningful information about quality of the program deliverables that is relevant to the whole program ● Can assist in analysis of efficiency of service delivery ● Potential for benchmarking of cost information with other jurisdictions
Identify suite of performance indicators relevant to program objective and commence reporting and analysis	● Will enable achievements and outcomes for the PSD to be tracked over time ● Together with output measures, will assist in monitoring and understanding trends (e.g. enrolments in special schools and mainstream schools) ● Provides a feedback and learning loop allowing DEECD to take early remedial action if problems or issues are highlighted ● Will add to information currently available to inform Parliament, the community and key stakeholders about program achievements ● Will ensure DEECD is accountable for program outcomes
Review and strengthen accountability framework for the PSD utilising outcomes and cost data available through the implementation of the Abilities Index	

Source: Victorian Auditor-General's Office.

Figure 4C outlines an indicative timeline for the key activities proposed for strengthening the accountability framework.

Figure 4C
Indicative timeline for reviewing and strengthening the PSD accountability framework



Source: Victorian Auditor-General's Office.

Figure 4D provides an example of a suite of performance indicators that could be used to measure program outcomes and strengthen program level accountability for the PSD in the short-term. It draws largely on performance information already available to DEECD for the general student population.

Figure 4D
Potential measures of program performance for the PSD

Outcomes	Performance indicators
Student participation	• School attendance • Participation rates – post-compulsory years programs (VCE, VCAL, VET)
Student wellbeing	• Student connectedness, motivation, safety (student attitudes to school survey)
Student learning	• Participation in assessment processes • Teacher assessment of student progress
Students engaged in further education, employment or structured activity post-school	• Student exit destination
Engagement of parents in planning and decision-making	• Regular Student Support Group (SSG) meetings • Parent satisfaction with individual education planning and SSG processes
Individualised response to student needs	• Individualised education plan in place for students

Source: Victorian Auditor-General's Office.

These measures are not currently reported in relation to the PSD.

4.4 Conclusion

DEECD is taking a number of actions to further develop the accountability framework for the PSD and is well-positioned to strengthen program accountability. Consistent with the national focus on accountability for school education outcomes, DEECD has invested in developing a performance and improvement culture and framework for the government school system. It has recognised the need for this to encompass the school system response to students with disabilities.

At a program level, the reform agenda for the PSD includes a new focus on identifying and measuring student outcomes and developing the capacity to report on these at the individual student, school and program level. The research and development work is progressing against clearly outlined timelines and milestones. However, the intended benefits of this work will not be realised before 2011.

There is an opportunity for DEECD to capitalise on the reform agenda by incorporating reporting on outcomes into the PSD's forward strategy. DEECD should strengthen its development of a performance and improvement culture across the school system by identifying, collecting and reporting on meaningful performance information for the PSD.

Research on better practice emphasises the important role of outcomes information to program accountability, and highlights the importance of disaggregating large datasets so that outcomes for students with disabilities can be reported at a system-wide level.

In the short-term, DEECD could achieve positive change by examining options for disaggregating performance information routinely collected across all government schools, to identify information relating to the PSD-funded students. In the longer-term, DEECD aims to further strengthen accountability arrangements around the Abilities Index deliverables.

Recommendations

That DEECD:

4.1 Establishes a clear objective for the PSD that is outcome-focused and measurable.

4.2 Establishes performance indicators to monitor outcomes for the PSD at the whole-of-program level that are relevant to the program's objective, and are measurable and auditable.

4.3 Manages the collection and analysis of performance data under the School Accountability and Improvement Framework so that outcomes for PSD-funded students can be identified, both for students in special schools and mainstream schools, at the whole-of-program level.

4.4 Continues to improve program accountability for the PSD so that measuring and reporting on whole-of-program level achievements is in place within 2 years.

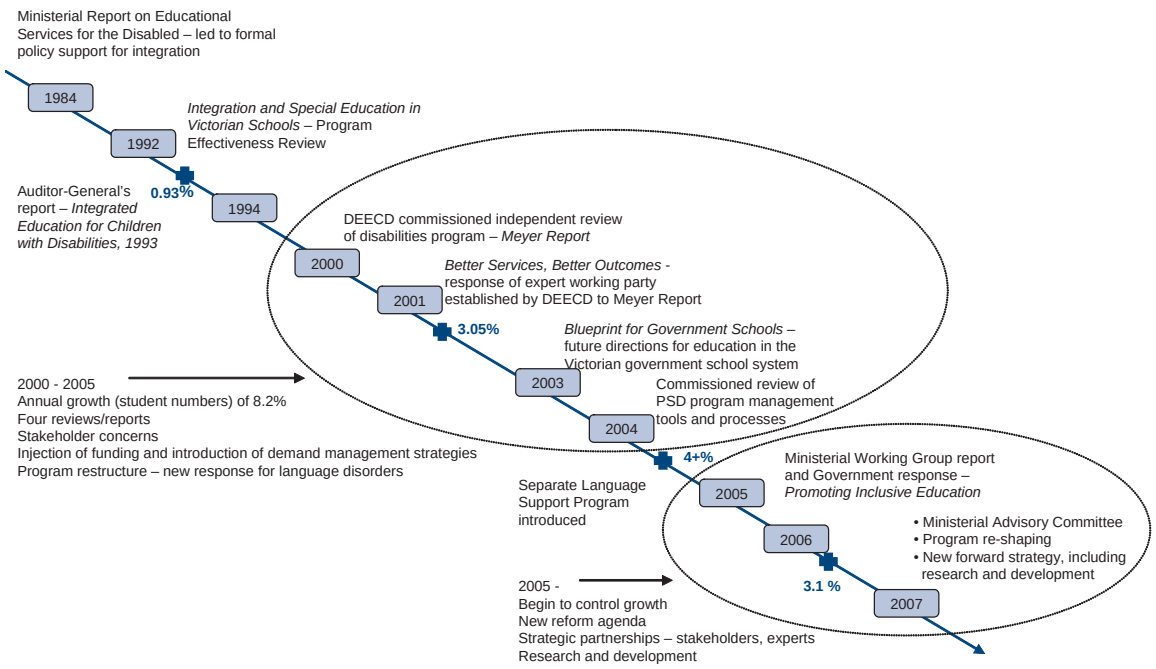
Appendix A
Program history

In 1984, the Victorian Government introduced formal policy and funding support for integration of students with disabilities into mainstream government schools while continuing to support a wide range of special schools. Since then, a range of program responses have provided additional funding to government schools to support the integration and inclusion of students with disabilities, and to assist in meeting their educational needs.

Over the past 15 years in particular, there has been significant change to the program response as successive Victorian Governments have adjusted policies, funding models and program design to respond to escalating demand, changing needs, community expectations and better practice trends.

Key milestones for the program response to students with disabilities in Victorian government schools are outlined in a snapshot summary in Figure A1.

Figure A1
PSD: Key milestones, 1984-2007



Proportion of government school population receiving individualised funding through the PSD.

Appendix B
Practice examples

Brief descriptions of accountability mechanisms in place or under consideration in other jurisdictions are outlined in this appendix. The examples are not intended to be prescriptive or to suggest alignment with the Program for Students with Disabilities or the Victorian context.

U.S.A - Individuals with Disability Education Improvement Act (IDEA) 2004 – Performance reporting

IDEA is a federal program enacted in 2004 authorising special education grants to State educational authorities. The overall program goal is to: “Ensure all children with disabilities have available to them a free appropriate public education to help them meet challenging standards and prepare them for post-secondary education and/or competitive employment and independent living by assisting state and local educational agencies and families”.

Each US State must have in place a performance plan that evaluates its efforts to implement the requirements and describe how it will improve the implementation.

States report against 4 objectives for the program, preparing detailed performance reports. For each measure, they address:

- the target
- actual performance data for the financial year
- improvement activities completed and explanation of progress or slippage that occurred
- any revisions to proposed targets with explanation and justification.

The objectives and measures of performance for each are outlined in Figure B1.

Figure B1
IDEA performance reporting requirements

Performance reporting against program objectives	
Objective 1: All children with disabilities will meet challenging standards as determined by national and State assessments with accommodations as appropriate.	
Measure:	
1.1	The number of States reporting an increase in the percentage of fourth-grade students with disabilities scoring at or above proficient on State assessments in reading. (Desired direction: increase.)
1.2	The number of States reporting an increase in the percentage of eighth-grade students with disabilities scoring at or above proficient on State assessments in mathematics. (Desired direction: increase.)
1.3	The percentage of fourth-grade students with disabilities scoring at or above "Basic" on the National Assessment of Educational Progress (NAEP) in reading. (Desired direction: increase.)
1.4	The percentage of fourth-grade students with disabilities who were included in the NAEP reading sample, but excluded from the testing due to their disabilities. (Desired direction: decrease.)
1.5	The percentage of eighth-grade students with disabilities scoring at or above "Basic" on the NAEP in mathematics. (Desired direction: increase.)
1.6	The percentage of eighth-grade students with disabilities who were included in the NAEP mathematics sample, but excluded from testing due to their disabilities. (Desired direction: decrease.)
Objective 2: Secondary school students will complete high school prepared for post-secondary education and/or competitive employment.	
2.1	The percentage of students with disabilities with Individual Education Plans who graduate from high school with a regular high school diploma. (Desired direction: increase.)
2.2	The percentage of students with disabilities who drop out of school. (Desired direction: decrease.)
2.3	The percentage of youth with disabilities who are no longer in secondary school and who are either competitively employed, enrolled in some type of post-secondary school, or both, within 2 years of leaving high school. (Desired direction: increase.)
Objective 3: All children with disabilities will receive a free appropriate public education.	
3.1	The number of States with at least 90 per cent of special education teachers fully certified in the areas in which they are teaching. (Desired direction: increase.)
3.2	The percentage of children with disabilities served outside of the regular classroom 60 per cent or more of the day due to their disability (as a percentage of the school population). (Desired direction: decrease.)
Objective 4: Improve the administration of IDEA.	
4.1	The average number of work days between the completion of a site visit and the Office of Special Education Program's response to the State. (Desired direction: decrease.)

Source: Victorian Auditor-General's Office, from information in US Department of Education, *FY 2006 Program Performance Report*, US Department of Education, November 2006, <http*://www.ed.gov/about/reports/annual/2006report/index.html*>.

Ontario, Canada – Transformation of Special Needs Education Proposal

In the 1980s, legislation was introduced in Ontario to require the publicly-funded school system to be responsible for the education of all students, including those with special needs. Since then, the Ministry of Education has faced increasing demand to focus on improving student achievement and ensuring accountability for the use of public funds.

In 2004, a new funding model was introduced for special education within public schools – a model that focuses on outcomes, local decision-making and reduced administrative requirements.

A ”Working Table” on special education reform was established to consider how program policy, funding and accountability at the school, board and ministry levels might best be changed to support a system that aligns with the Government’s strategic goals. The task was to make recommendations regarding a new focus for special education program policy and accountability in Ontario, that would be supported by a new funding mechanism.

“Accountability and reporting” was identified as one of the critical issues to be addressed and recommendations are outlined in Figure B2.

Figure B2
Special education transformation, Ontario

Critical issue to be addressed: Accountability and reporting	
Goal	Improve the balance between the focus on learning and the need for appropriate processes, documentation and accountability.
Objective	The ministry has the necessary data and information to ensure that funds have been utilised in an effective and efficient manner that is consistent with best available knowledge and with existing ministry policies.
Way forward	Recommendations include: • set targets to improve both program planning and accountability for student achievement • elicit information related to parent and community satisfaction with the delivery of programs and services through cyclical reviews of school boards with respect to their special education practices • track resource allocation, program delivery, outcomes for students and integrated service delivery at both the elementary and secondary levels.

Source: Victorian Auditor-General’s Office, from *Special Education Transformation, the report of the co-chairs with the Recommendations of the Working Table on Special Education,* Ministry of Education, Ontario, 2006, <*http://www.edu.gov.on.ca*>.

UK – National Performance Framework for Special Education Needs

The aim of the National Performance Framework (NPF) is to give Local Educational Authorities (LEA) easy access to a variety of datasets and indicators of special educational needs (SEN) to support monitoring, self-review and development[1]. The framework is an initiative of the Department for Education and Skills.

A number of indicators have been developed using currently available data, in 4 categories: contextual information, inclusion data, pupil outcome data and service delivery data.

It is envisaged that the NPF will be developed and improved as more data are available in the areas of pupil outcomes, service delivery and inclusion, particularly for pupils with SEN but not formal disability statements. The current version, first released in 2003 is preliminary, and is intended to be used in a context of collaboration rather than competition – local authorities can view data by LEA, or by statistical neighbours.

A key principle is that data should focus on outputs, and outcomes, as well as inputs.

Datasets include a range of information collected under the following headings:

- social disadvantage data
- school and pupil population data (general school population data – age breakdowns)
- SEN population data (age breakdowns)
- SEN and early years data (pre-school)
- inclusion data (includes special school and mainstream enrolments, permanent exclusion data)
- pupil outcome data (attainment data)
- service delivery data (completion of statutory assessments – timeliness).

The developmental nature of the NPF is emphasised and further work is underway to develop improved measures – in particular, the need for more sophisticated measures of inclusion has been identified.

In relation to attainment data (pupil outcomes) – the question for LEAs of whether they are providing value-for-money is highlighted. Historically, there has been a lack of systematic monitoring and evaluation of the impact of SEN provision on the progress of pupils. One aspect of value-for-money is pupil attainment. In the UK, data can now be linked from the Pupil Level Annual Schools Census to a Unique Pupil Number to access attainment data for SEN students. Prior to this, LEAs had only been able to access standardised assessment data which is not relevant to all SEN students.

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[1] Department for Education and Skills 2003, *National Performance Framework for SEN*, Department for Education and Skills, UK, viewed 22 May 2007, <*http:www.teachernet.gov.uk/_doc/6206/National%20Performance%20Framework.doc*>.

The Department for Education and Skills has commissioned research on inclusion indicators with the aim of identifying a suite of indicators which, together, give a realistic measure of inclusion. The department has indicated that the indicators should reflect pupils' presence or location in the mainstream, their participation in the life of the school and their belonging to the school community. Increasing emphasis on inclusion in the UK school review process is expected to provide further evidence of LEAs performance in this area.

Auditor-General's reports

Reports tabled during 2007-08

Report title	Date tabled
Program for Students with Disabilities: Program Accountability (2007-08:1)	September 2007

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