Chair Cabinet Social Policy Committee

#### **REVIEW OF EDUCATION FUNDING SYSTEMS**

## **Proposal**

- 1. I am proposing to test a direction for change to the funding systems for early childhood education (ECE) and schooling as part of my Education Work Programme to improve the overall design of the education system and ensure that all New Zealand children and young people receive the best possible education [CAB (14) 38/5 refers].
- 2. My overall objective is to direct funding to the size of the education challenge ECE services, schools and Communities of Learning face rather than the size of their rolls and the cost of their inputs; and to shift the focus to growing the learning and achievement of all children and young people, and particularly those most at risk. We need a funding system that can both target the right resource to the right child at the right time, and incentivise and prioritise school governance and leadership attention to these by, inter alia, providing alternatives to infrastructure spend and management, better data, and clearer accountabilities. We need a funding system that is focused in all its dimensions on learning outcomes and educational success for every young New Zealander.
- 3. Following engagement with an advisory group and the wider stakeholder community to test and refine the proposed direction outlined in this paper, I will come back to Cabinet in October to seek approval for specific recommendations for change.
- 4. My expectation is that the agreed changes would be implemented by 2020, taking into account the next decile recalibration due to take effect that year.

#### **Executive Summary**

- 5. The Review of Education Funding Systems: Early Childhood Education Services and Schooling (the Funding Review) forms a key part of my Education Work Programme to build a sustainable, fit-for-purpose education system for children and young people aged 0-18. This work builds on improvements we have made since 2008. Our funding systems should be responsive to the size of the education challenge faced, and determined by an understanding of how best to grow learning and achievement. The system is in need of coherence, transparency, and alignment with our social investment approach.
- 6. We have the opportunity of widespread sector concern about the bluntness of the decile formula. The current mechanism causes five yearly upheaval (following each Census), a stigmatising effect on lower decile schools, and is used incorrectly as a branding exercise for higher decile schools none of which serves the purpose of the education system to grow learning and deliver achievement, skills, and qualifications.

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- 7. The next decile recalibration is due to have effect in 2020 which gives us a three-year window to look at the whole funding system of which decile funding is a relatively small part (1.4% of approximately \$10.2B expended in 2014/15). I intend to undertake the policy design this year, providing the basis for two years of operational design, modelling, impact assessment, and implementation. This will include working with a sector advisory group as well as discussions with the wider sector and stakeholder communities.
- 8. The Funding Review forms a critical part of the whole-of-system improvement we are undertaking. It is complemented by improvements to big system levers, which together create a stronger focus on the educational progress and achievement of children and young people, including:
  - the implementation of Investing in Educational Success which is focused on raising the quality of teaching and leadership and developing the 0-18 operational framework of Communities of Learning [SOC-16-MIN-0030 refers]
  - the update of the Education Act 1989, which will focus more on children and young people and strengthen school accountabilities for learning outcomes
- better alignment and resource use of special education provision consulted on in 2015 and undergoing testing now

- tighter targeting of professional learning and development announced in 2015 which is on track for full implementation in 2017.
- 9. The changes I propose testing will sharpen the focus on the delivery of quality education. I propose no change to the fundamentals of a self-governing, free-to-user state school system and a subsidised, self-managing early childhood sector. The changes will redistribute, but not reduce, the total funding available to schools and ECE services, nor preclude proposals for increases. Their most significant effect will be to get more for what is invested.
- 10. The proposed changes for are built upon the principles of efficiency, equity, simplicity, certainty and accountability. The Funding Review is aligned with our social investment approach.
- 11. I am seeking your agreement to test with the sector the following components:
  - a standard per-child funding amount tailored to the learning expectations of children and young people at each stage of Te Whāriki (the ECE curriculum), the New Zealand Curriculum, Te Marautanga o Aotearoa (the Māori medium curriculum), as opposed to funding based on age or year level
  - an additional payment for children and young people at most risk of educational under-achievement - to replace the current decile system for both ECE and schooling and align with social investment indicators
  - **supplementary funding** to support a network of schools and early learning services, in smaller and isolated schools and services.

12. I also propose changes to ensure diversity of choice for parents/whānau and certainty of funding for different types of schools. I propose creating a direct link between the private and state school funding system by setting the per-child subsidy for private schools at a fixed percentage of the standard per-child funding amount in state schools. Directly linking the private school subsidy to the marginal cost of educating children and young people in the state school sector would provide a clearer, more coherent and predictable approach.

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- 14. Once we have worked through the application of the core components of the system outlined above, the implications for Partnership Schools will be considered. I expect this to be quite straightforward as the Parliamentary Under-Secretary's recent reviews tackled the early weaknesses in the funding model [CAB (15) 26/4A].
- 15. I also propose testing a set of supporting funding system components:
  - For schools, we would investigate the concept of establishing a global budget for delivering teaching and learning funding in each school. This arrangement has the potential to increase flexibility in schools' use of funding while simplifying funding arrangements
  - Separating funding for property-related costs outside the global budget, removing the flexibility of Boards of Trustees to shift funding between teaching and learning activities and property maintenance that has led to a number of problems. This would help protect the Crown's investment in school infrastructure, provide opportunities for more efficient management of school property, while also enabling school leaders to focus on their core accountability of teaching and learning rather than property
  - Developing **clear expectations and greater accountability** for the educational progress of all children and young people.

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Next steps

17. Subject to Cabinet's agreement, I intend to progress the Funding Review by asking the Ministry of Education to work with an advisory group to test the proposed changes. The advisory group will meet regularly between May and August to engage with work being undertaken by officials. In addition, I am planning wider engagement at a national and regional level. This process will provide me with the opportunity to test and refine my proposals.

- 18. I intend to report back to Cabinet on the outcome of this process, and recommendations, by October 2016.
- 19. Depending on any changes that are finally settled on, there will be a range of considerations to work through. Following testing of the proposed changes, specific impacts can be modelled and provided for.

#### Context

- 20. Our Government has a clear vision for an education system that is focused on meeting the educational achievement challenge for every child and young person so that they may contribute to and participate successfully in a strong and prosperous New Zealand, and internationally.
- 21. We have made considerable progress since 2008:
  - Levels of participation in early learning have risen to 96.4% as at December 2015, and student achievement through schooling to NCEA level 2 has improved from about 68% in 2008 to an estimated 84.4% in 2015. We can do better
  - We are on track in the roll out of the Investing in Educational Success programme [SOC-16-MIN-0030 refers]
  - National Standards are being reported across the system. Work on the Progress and Consistency Tool (PaCT) and overall teacher judgements are now shaping understanding of progress in primary schooling
  - Vocational Pathways and Trades Academies are changing secondary education and the transition to tertiary education, and we are currently reviewing the Careers System
  - The Special Education Update is progressing well and 21 improvement projects testing new service delivery approaches are underway
  - The Education Council of Aotearoa New Zealand has been established, changes to professional learning and development for teachers have been announced, and the Advisory Group on Early Learning has published its report.

#### **Purpose of the Funding System Review**

- 22. The funding decisions for ECE and schooling have incrementally developed over the years. Some changes have made the systems fairer, by explicitly recognising particular needs, but they have also made systems more complex and difficult to see as a coherent whole. It is difficult to divine the policy rationale for some of the arrangements. The funding systems are in need of a substantive review.
- 23. My aim is to ensure funding is directed to the size of the education challenge ECE services, schools and Communities of Learning face, and towards growing the learning and achievement of all children and young people. We need to

- make the specific needs, progression and achievement of children and young people the currency in education no matter which institution they attend.
- 24. Following a range of preparatory work, I have considered the strengths and weaknesses of the current systems (as summarised in Annex 1) and consider there are opportunities to:
  - better invest in education in a way that is focused on the learning progress and achievement of children and young people. This approach should be consistent throughout the education journey, so that they can achieve their full attainment and progress potential (as set out in Te Whāriki, the New Zealand Curriculum and Te Marautanga o Aotearoa)
  - better support children and young people at most risk of educational underachievement, by developing a different mechanism for addressing the risk of educational under-achievement, drawing on our social investment work
  - reassess the level of base funding provided to support the educational viability of remote small schools
  - support school leaders to focus more on leading teaching and learning by clarifying property-related responsibilities and accountabilities, and to better protect the Crown's investment in school infrastructure
  - ensure diversity of choice for parents/whānau and consistency and certainty of funding for different types of schools.
- 25. I envisage no change to the legal obligation of not charging parents for state schooling, nor any change to the self-governing schools environment where Boards of Trustees have control over, and are accountable for, individual schools. Similarly, I envisage the continuation of a subsidised, self-managing early childhood sector.

#### **Principles for the Funding Review**

- 26. The following guiding principles have informed the proposals in this paper, and will guide more detailed policy design:
  - Efficiency the extent to which the design of the funding system encourages the use of resources where they will have the greatest impact
  - Equity the extent to which the funding system supports good education outcomes for all children and young people and treats those in similar situations in an equitable way
  - Simplicity/Transparency the extent to which the funding systems are practically administrable and can be understood by those who administer them and those they serve
  - Certainty the extent to which the funding system reasonably provides confidence to services and schools to plan for the future (balanced against the need for responsiveness to changes in circumstance)

Accountability/Integrity – the extent to which services and schools are
accountable for how funding is used and its impact on learning progress and
achievement of all children and young people, while ensuring there is
minimal incentive to manipulate the system.

# A new approach

27. I have identified the following changes to be tested with the sector, with the aim of directing funding to the size of the education challenge ECE services, schools and Communities of Learning face; and, to growing the learning and achievement of all children and young people.

# A standard per-child funding amount

- 28. I propose a standard per-child funding amount that would vary across stages of learning, reflecting the teaching and learning challenge in the curricula and the needs of children and young people. This will involve reassessing the distribution of funding across year levels in schooling, and whether the system sufficiently addresses the risk of educational under-achievement.
- 29. In the ECE sector, I propose basing funding on the individual child. ECE is currently funded using a mix of child place funding and per-child funding. Providing funding on a per-child basis would better position the ECE funding system to invest in individual children and young people, support the implementation of an additional payment for children and young people at risk of educational under-achievement, and reduce system complexity. I am not proposing to revisit the current level of subsidy across different types of ECE provision.
- 30. In schooling, there is evidence the distribution of funding could better reflect the per-child investment required to achieve the expected level of attainment and progress at each stage of the curricula.
- 31. We are concerned about achievement in the latter years of primary schooling, and whether we have the right level of investment in these years. At present, the distribution across the years of schooling has a 'U' shaped curve, which means in 2014, estimated average expenditure per-child for year 1 was around \$8,000, falling to just under \$5,000 over years 4 to 6 inclusive (the years we have evidence to show most concern about) and increasing to around \$9,000 at year 13. An important driver of this profile of funding is the difference in the curriculum staffing ratios over year levels.
- 32. The profile in the Māori medium sector has a flatter profile because of the more even curriculum staffing ratios across year levels. Children in Māori medium are resourced at a higher level than in English medium, particularly over years 2 to 11 which reflects the additional investment required to build a child's language proficiency at the same time as delivering the curriculum (especially in the early years).
- 33. The likely effect of a shift to a standard per-child funding amount, aligned to the expected attainment at each level of the curricula, will be to flatten and even out the current variance in funding between year levels.

# An additional payment for children and young people most at risk of educational under-achievement

- 34. I propose testing an additional payment for children and young people identified as most at risk of educational under-achievement to replace the current decile system for both ECE and schooling. My proposed approach is intended to sharpen the focus of services and schools on children and young people most at risk of educational under-achievement and strengthen the link between funding and the size of the education challenge.
- 35. The purpose of current decile-linked funding is to provide additional resources to enable ECE services and schools to overcome the barriers to learning faced by children and young people from low socioeconomic communities. Specific funding for disadvantage accounts for a small proportion of the total funding for services and schools, at about 2-3% of school resourcing and ECE subsidies.
- 36. The decile mechanism reflects the relative concentration in a school or service of children and young people from the most disadvantaged households; compared to other schools and services using mesh-block level census data. While it has some strengths, it is a relatively blunt instrument which among other things assumes that the socioeconomic profile of an area describes all families in that area and, by proxy, the likely provision required in an education institution. It is also erroneously used as an indicator of teaching and learning quality at a school.
- 37. The mechanism I propose to test would use a small number of predictors, drawn from our social investment approach, to identify children and young people most at risk of under-achievement. The indicators could include: long term beneficiary status; Child, Youth and Family finding of abuse or neglect; parental Corrections history, and maternal or primary caregiver educational qualifications.
- 38. Existing administrative data would be used for indicators, complemented by collecting information directly from families (e.g. mother's educational qualification). Some Australian states are already directly collecting information for school funding purposes, particularly on parental educational qualifications and occupation. The Ministry of Education will follow this work closely.
- 39. Effective use of indicators for funding purposes will require:
  - accurate matching of data between agencies
  - sharing of data with ECE services and schools
  - developing a shared understanding of the at-risk population
  - clear and appropriate privacy protocols
  - active communication with the community to allay concerns.
- 40. I am also interested in looking at whether the additional payment should provide some weighting for the concentration within an individual service or school of children and young people at risk of educational under-achievement. In addition, I

intend to test whether the percentage of operational funding that is weighted towards risk of under achievement should be increased.

41. It is important that we separate the funding formula and its allocation from the way it is delivered and used. I am very mindful that we want to address the stigmatising effect that deciles already have. Transforming discussion from one about school decile, roll size, or even location to one about the amount of measurable learning growth that has occurred – for every child and not just those at most risk of under-achievement - will be a critical part of this mind shift and community expectation.

# Supplementary funding to maintain network provision

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- 42. I propose to look at continuing to supplement schooling funding provided on a per-child basis with a component of base funding, so as to ensure the maintenance of a comprehensive network of schools.
- 43. A range of base funding arrangements exist now. I expect that work in this area would lead to a rebalancing in the quantum delivered through base funding for schools.
- 44. I also consider that there would be a need to continue to provide particular ECE services and schools with additional funding to address the higher costs they face as a result of isolation. There is also a need to test if there should be a higher threshold for eligibility than applies at present.

# Greater certainty and predictability for all schools

- 45. I propose looking at creating a more coherent funding system across private and state schools. The subsidy for children and young people attending private schools currently operates within a fixed funding pool, the value of which is adjusted from time to time, normally as part of the Budget process. This has not occurred for six years and the impact of the global financial crisis can clearly be seen in the shrinkage of this sector (by about 8.1%, from a total roll of 30,920 in 2008 to 28,401 in 2015) as part of our overall education system.
- 46. I propose that the per-child subsidy for children and young people attending private schools be set at a fixed percentage of the standard per-student funding rate. The percentage funded would be a policy judgement, balancing our objectives for a viable private school sector, diversity within the schooling system and parental choice with the high performance outcomes this sector delivers and the fiscal cost.

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48. Once we have worked through the application of the core components of the system outlined above, the implications for Partnership Schools will be considered. I do not expect this to be problematic as the Parliamentary Under-Secretary's recent reviews tackled the early weaknesses in the funding model [CAB MIN (15) 26/4A].

# A global budget for delivering teaching and learning funding

- 49. I propose investigating the concept of a global school budget that would be set for each school. This approach is used by Western Australia.
- 50. The global budget would be delivered as a combination of cash and credits. The credit component would broadly equate to the value of salary costs that are expected to be paid through the central payroll system.
- 51. Work to date suggests that, compared to current arrangements, a global budget could improve administrative simplicity and transparency. It will also increase schools' ability to flexibly use their funding. However, it may require more financial management capability within individual schools and more financial monitoring and support from the Ministry. Work will be progressed to develop bundled support packages for Communities of Learning, including financial management capability [SOC-16-MIN-0030 refers].
- 52. The arrangement differs from the bulk funding of teacher salaries that was experimented with during the 1990s. Under the bulk funding arrangement, actual teacher salaries were charged to individual schools. With the global budget concept there would be no change to the current industrial relations settings of the system. School staff would continue to be employed by schools with salary rates negotiated centrally by the Ministry. Salaries would be charged against school funding allowances at an average cost and schools would not need to manage the financial risk associated with changes in their workforce.

# Separate funding for property-related costs for state and state-integrated schools

- 53. In relation to state and state-integrated school property, I propose exploring separating funding for property maintenance from funding for teaching and learning.
- 54. At present Boards of Trustees are responsible for maintaining Crown-provided property, with funding for this activity provided through a component of the operational grant. Boards of Trustees have flexibility in how they use this funding, including shifting funding between teaching and learning and property maintenance activities.
- 55. Removing the flexibility of schools to shift funding between expenditure on teaching and learning and property maintenance would enable us to better manage the risks to the Crown's investment in school property. It will also free-up school leaders to focus on leading teaching and learning and enable us to better manage the whole of life costs of our investment in school property.
- 56. In addition, through IES, I am exploring bundled support packages for Communities of Learning which could cover property management. The Associate Minister has also gone some way to providing integrated education infrastructure support which is showing consistent signs of success. I have also asked my officials to investigate the costs and benefits of centralising management of infrastructure costs such as energy (heat and light) and water costs.

# An education system with clear expectations and accountability

57. Across the Education Work Programme I am strengthening accountability for the educational progress of all children and young people and particularly the group of children and young people who are most at risk of educational underachievement.

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- 58. The child-based nature of the additional payment for disadvantage creates an opportunity to focus on ensuring that ECE services and schools are lifting achievement for all children and young people. Early indications are that focussing on the group of children and young people at risk of educational under-achievement may be a successful feature of the pupil premium arrangement in the United Kingdom<sup>1</sup>.
- 59. Alongside changes already being progressed in the Education Act Update I propose that:
  - services and schools will use achievement information to inform their activities and make it freely available to parents and communities
  - services, schools, the ERO and the Ministry will specifically consider the group of children and young people most at risk of under-achievement in their respective roles
  - as a consequence the Ministry will identify good practice and enable its dissemination, and target timely and effective use of support and interventions.
- 60. We need to continue our work to improve and develop dependable and consistent measures of educational progress against the curricula to really understand whether or not we are supporting educational achievement for all children and young people, including those at risk of under-achievement.

#### **Next stage of the Funding Review**

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- 61. I have already been discussing strengths and weaknesses of the current funding systems with the education sector at my national and regional Cross Sector Forums. The Sector Advisory Group for the ECE Funding Review work has also informed thinking to date. There is a strong sector demand for a review of funding systems.
- 62. Subject to Cabinet's agreement, I now intend to engage with sector leaders and the wider stakeholder community to test and refine the proposed changes. I will then seek Cabinet approval on a set of specific recommendations in October 2016.

<sup>&</sup>lt;sup>1</sup> A premium is paid for children eligible for free school meals and a higher premium for children who are or have been under the care of the state for more than six months.

- 63. I intend the next phase of the Funding Review to be progressed through a discussion with an advisory group, led by the Ministry. The group will be composed of sector leaders from schools and members of the Sector Advisory Group for the ECE Funding Review. The Ministry will establish the group in consultation with me, and the group would meet regularly between May and August 2016 to provide comment on the work of officials as it progresses.
- 64. This will be complemented by wider sector conversations at national and regional level, and communication to the general public, to build awareness and understanding about the Funding Review.
- 65. Following testing of the broad changes specific impacts can be modelled.
- 66. My expectation is that the agreed changes would be implemented by 2020. Future decisions we will need to take into consider the implementation costs, interdependencies and change management considerations.

#### Risks

- 67. Potential risks can be managed by taking time to consider proposed changes with the sector, carefully communicating the intention of the Funding Review and long-term direction with the wider public, planning for substantial change and being prepared to pause or stop. Early risks that we will manage with good communication may include:
  - a focus on adequacy of funding when the purpose of the Funding Review is the best use of existing as well as any future funding
  - the sector may misconstrue the proposals as a move toward bulk funding.

### **Financial Implications**

- 68. The Funding Review is being undertaken on the basis of no change to the total quantum of government funding for ECE services and schools. Moving to a new model will lead to a different distribution of funding, giving rise to issues around how to manage the transition. As the Funding Review progresses and options are tested in more depth the fiscal and distributional impacts will need to quantified.
- 69. Financial implications for specific proposals, and implementation costs to enable changes will be included in the report back to Cabinet in October 2016.

#### Reporting

70. I will report back to Cabinet on the result of engagement, and on my specific proposals by October 2016.

#### Consultation

71. The Treasury and Education Review Office have been consulted on this paper. The Department of Prime Minister and Cabinet has been informed.

#### Legislative implications and regulatory impact analysis

72. This paper does not give rise to any specific legislative implications at this stage. Specific regulatory changes will be the subject of later Cabinet papers if the direction of change is progressed further.

#### Gender and disability implications

73. This paper does not give rise to any specific gender or disability implications. If changes are progressed to areas of relevant funding, it will be the subject of later Cabinet papers.

#### **Engagement and publicity**

Set out in 'Next stage of the Funding Review' above.

#### Recommendations

- 74. I recommend the Committee:
  - note that, in November 2014, Cabinet agreed to the Education Work Programme [CAB (14) 38/5 refers], aimed at improving educational outcomes for every child and young person, including a priority to review the school and early childhood education funding systems
  - 2. **note** that progress on the Education Work Programme includes:
    - implementing Investing in Educational Success, which is on track to approach full implementation towards the end of 2017
    - updating the Education Act 1989, which will enable us to strengthen accountability by schools
    - improving special education provision, consulted on in 2015 and undergoing testing now

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- more tightly targeting professional learning and development, announced in 2015 and which is on track for full implementation in 2017
- note the overall objective is to direct funding to the size of the education challenge ECE services, schools and Communities of Learning face rather than the size of the roll and the cost of inputs; in order to grow the learning and achievement of all children and young people
- 4. **agree** that the Funding Review test the following changes:
  - a standard per-child funding amount that would vary across stages of learning, reflecting the teaching and learning challenge in the curricula and the needs of children and young people

- b. an additional payment for those children and young people most at risk of educational under-achievement
- c. retaining supplementary funding to maintain a network of provision, where small isolated services and schools is an issue
- d. a direct link between the private and state school funding to ensure ongoing diversity of choice to parents/whānau and greater certainty to providers
- e. a global budget for delivering teaching and learning funding to state and state integrated schools
- f. separating funding for property-related costs for state and state-integrated schools
- g. clear expectations and greater accountability for the educational progress for all children and young people

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- 6. **note** that following decisions arising from the Funding Review we will work through any implications for Partnership Schools
- 7. **note** that the next stage in the Funding Review will involve:
  - a. discussions with a sector advisory group (composed of sector and union leaders from schools and early childhood services), led by the Ministry of Education over May-August 2016
  - b. testing the proposals as set out in recommendation 4 with the sector group
  - c. the advisory group process being complemented by wider sector conversations at national and regional levels, and communication to the general public
- 8. **note** that I will report back to Cabinet on the outcome of the engagement process and definitive proposals for change by October 2016

Hon Hek	ia Parata
<b>Minister</b>	of Education
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#### Annex 1: Weaknesses and strengths of the current funding systems

#### WEAKNESSES AND STRENGTHS OF CURRENT FUNDING SYSTEMS

#### SCHOOLING FUNDING SYSTEM

The funding system for state and state integrated schools seeks to provide each school with sufficient resources to meet education expectations for its students and maintain property given the circumstances of the school community, while allowing resources to shift between schools as circumstances change.

WEAKNESSES STRENGTHS

- A view that improving achievement automatically requires additional resources – cost plus approach.
- Insufficiently weights / directs resources to students at risk of educational disadvantage, and does not support effective use of resources to raise their achievement.
- Funding mechanisms aimed at addressing disadvantage have influenced parents' perceptions of the quality of individual schools in a misleading way (deciles).
- The distribution of resources across year levels is not optimally aligned to the goal of raising achievement.
- 'Shoe-horning in' or 'bolting on' new arrangements into the funding system have potentially led to anomalies in funding levels across schools.
- Capability, incentives and weak accountability have exposed the Crown to unintended risk (eg. poor property maintenance) and may have reduced the effectiveness of some funding.
- Delivery of significant resourcing through staffing entitlement reduces flexibility to create new learning pathways and provide support to students.
- · Staffing entitlement makes sharing of resources administratively more complex.
- Special education resources and expertise are compartmentalised, fragmented and inflexible.
- Poor transparency about the impact of increased resourcing on student achievement.

- Supports the educational viability of a 'comprehensive' free state network of schools, and supports choice and diversity.
- Significant portion of resources follows students so that resources shift to where they are needed to support educational achievement.
- Schools have flexibility over how they can use operational funding and staffing entitlement to most effectively meet student needs.
- Consistent resourcing for students and schools in the same situation.
- · Transparency of how resourcing is calculated.
- Resourcing is generally predictable over time.

#### EARLY CHILDHOOD EDUCATION FUNDING SYSTEM

The ECE funding system seeks to cover a reasonable share of the cost of education and care for children (a subsidy), allowing resources to move in response to parental demand.

WEAKNESSES STRENGTHS

- Does not incentivise behaviours which encourage early and sustained participation of children at risk of educational disadvantage.
- In some cases capability and weak accountability may have reduced the effectiveness of some funding (eg. Equity Funding).
- Funding rules to support 'quality of provision' have effectively 'tied staff to the floor', hampering change and collaboration.
- · System is administratively burdensome.
- · As currently configured is a source of ongoing fiscal pressure.
- Special education resources and expertise are compartmentalised, fragmented and inflexible.
- Enables providers to respond to parental demand in terms of the availability and nature of provision.
- By international standards enables high rates of participation, including by at-risk children.
- · Has delivered on main goals:
  - enabling labour market participation
  - · a higher qualified workforce.