

Submission

By

**THE
NEW ZEALAND
INITIATIVE**

to the Education and Workforce Select Committee

on the

Education Amendment Bill

13 April 2018

Prepared by:
Roger Partridge
Chairman
The New Zealand Initiative
PO Box 10147
Wellington 6143
roger.partridge@nzinitiative.org.nz

1. INTRODUCTION AND SUMMARY

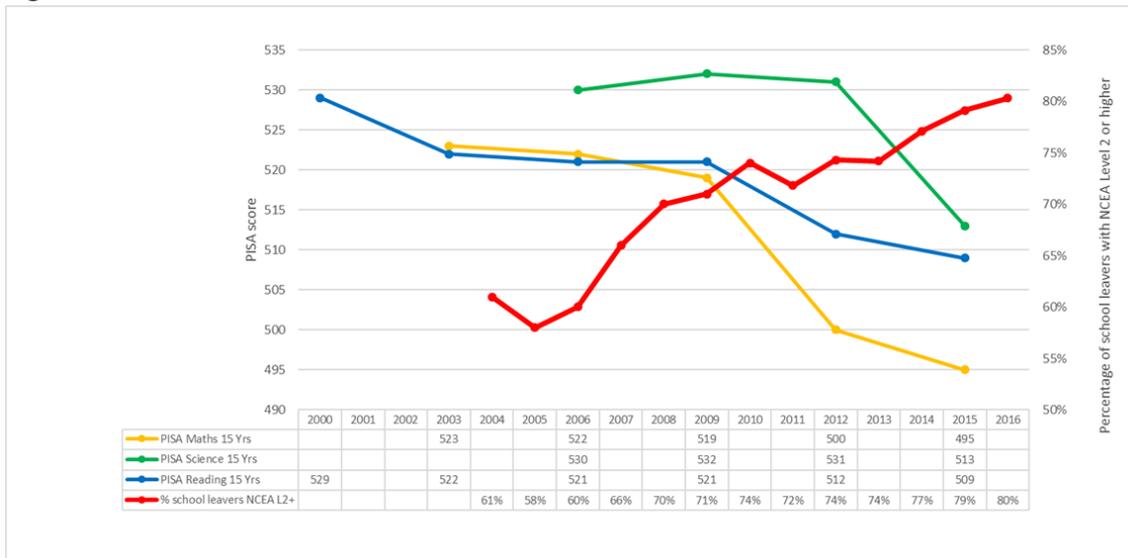
- 1.1 This submission on the Education Amendment Bill (**the Bill**) is made by The New Zealand Initiative, a think tank supported primarily by chief executives of major New Zealand businesses. In combination, our members' revenues account for one third of New Zealand's economy and provide employment to more than 150,000 people in New Zealand.
- 1.2 The Initiative undertakes research that contributes to the development of sound public policies in New Zealand which help create a competitive, open and dynamic economy and a free, prosperous, fair, and cohesive society.
- 1.3 Since its formation in 2012, The Initiative has undertaken extensive research on New Zealand's education policy challenges, on topics as diverse as teacher quality, school leadership, school performance and, most recently, our NCEA assessment framework. A table of our education reports is set out in **Appendix 1**.
- 1.4 We oppose the amendments proposed to the Education Act 1989 (**the Act**) in the Bill removing the partnership schools model from the legislation and submit that:
 - (a) Our education system is failing to spread educational attainment equally across ethnic and socioeconomic groups, especially to Maori and Pasifika. Yet a good education is critical to breaking the cycle of deprivation for New Zealand children born into low socioeconomic households. Changes are needed to the school system to ensure that students from low socioeconomic groups receive a good education.
 - (b) The partnership schools model is improving the lives of students, particularly Maori and Pasifika students, in some of New Zealand's poorest communities by improving student engagement and student educational outcomes. And it is doing this in circumstances where traditional state schools have persistently been failing students from those communities;
 - (c) there is no evidence that dismantling the partnership schools model will improve the educational outcomes for students in New Zealand, whether Maori or Pasifika or otherwise. Indeed, on the evidence available on the performance of partnership schools to date, it appears most likely that removing the partnership schools model will have the opposite effect.
 - (d) If the government is committed to the goal of improving educational outcomes for disadvantaged students in New Zealand, particularly Maori and Pasifika students, then rather than removing the partnership schools model, the government should be promoting and extending it.
 - (e) In any event, before proceeding with the partnership schools element of this Bill the government should:
 - Engage and consult with students, parents, school communities and each of the partnership schools to enable it properly to assess the adverse impacts of removing the partnership schools model from the Act; and
 - Commission an independent review of partnership schools' performance and the effect, positive or negative, of partnership schools on other local schools.

- (f) If the government is determined to dismantle a model that is working for the 1500 or so students attending partnership schools, it should ensure that the key elements that are critical to the success of the partnership schools model are preserved, namely:
- Their ability to choose their own governance arrangements;
 - Funding autonomy;
 - Special accountability measures; and
 - The ability of the schools to employ teachers outside the terms of the teachers' collective pay agreements.

2. OUR EDUCATION SYSTEM IS NOT MEETING THE NEEDS OF MANY LOW SOCIOECONOMIC NEW ZEALAND CHILDREN, ESPECIALLY MAORI AND PASIFIKA

- 2.1. The value of education to our country's future - and to all New Zealanders - is universally accepted in politics and academia. This makes some of the trends in New Zealand's education system deeply worrying.
- 2.2. Our research has focussed on two trends in particular. The first is New Zealand's declining performance in the international assessments of student performance. Since the early 2000s, our students have been sliding backwards in maths, science and reading.¹
- 2.3. As Figure 1 shows, according to the OECD's PISA assessments of 15-year olds, in the decade-and-a-half years the OECD has been assessing Reading, New Zealand students' scores have fallen 20 points (from 529 to 509). In the 12 years the OECD has been assessing maths, our scores have fallen 28 points. And in the 9 years the OECD has been assessing science the performance of New Zealand students has fallen 17 points. To put this in context, the OECD estimated in 2015 that 30 points equates to one whole year's worth of schooling.

Figure 1



¹ The OECD's Programme for International Student Assessment (PISA) data shows that since the OECD began testing 15-year-olds, New Zealand's rankings have been in almost continuous decline in maths, science and reading: See Education Counts, PISA 2015 – New Zealand Summary Report, Website.

- 2.4. Even more concerning is the 2014 study by our own Tertiary Education Commission which found that amongst year 12 students with NCEA Level 2, 40% failed to meet the OECD's benchmark for functional literacy.² This trend should be of real concern to anyone with an interest in the future of our country and its people.
- 2.5. The second trend is equally disturbing. While our education system provides a first-class education to some students, it does not share attainment evenly across ethnic and socioeconomic groups. And the so-called "long tail of educational underachievement" affects Maori and Pasifika students disproportionately.
- 2.6. While educational outcomes are no doubt influenced heavily by the family environment and parental expectations, we believe our education system should be able to provide a world class education to *all* New Zealanders.
- 2.7. Of course, New Zealand's education problems are not unique. State schooling is failing the poorest communities in many Western countries. And with the status quo not working, educationalists around the globe have sought new solutions.
- 2.8. The charter schools movement was born out of a desire to trial new, and potentially better, ideas on how to engage students and communities, especially low socioeconomic ones. If successful, those ideas could then be scaled up - or transferred back - to the regular state school system.
- 2.9. In England, after five years of the policy, Free Schools (as charter schools are known there) are now the highest performing category of state schools in that country.

3. THE PARTNERSHIP SCHOOLS MODEL IS SUCCESSFUL

- 3.1 New Zealand's partnership schools model was born out of this same quest. Freed from some of the shackles of the state system, New Zealand's charter schools offer a new kind of publicly funded, independently managed school.
- 3.2 Partnership schools receive exactly the same funding per student as equivalent state schools, but they have *lower* set-up funding costs than traditional state schools. They must employ registered teachers unless they can show how employing an uncertified teacher will bring additional skills, qualifications and experience to help students learn.
- 3.3 Partnership schools are not restricted to employing teachers on the collective agreements negotiated by the teachers' unions. Instead they are permitted to employ teachers on individual employment agreements. They also receive their funding as a lump sum, which enables them to choose their levels of teaching and other resourcing levels.
- 3.4 At least 75% of each partnership school's roll must comprise Maori, Pasifika, special needs or low decile students. There are 11 operational schools from Hastings to Northland, with 1500 students. The schools are operated by nine sponsors who comprise not-for-profits, iwi and one private

² Gill Thomas et al, "Alignment of Literacy and Numeracy Measures Research at the Tertiary Education Commission" (Wellington, Tertiary Education Commission, 2014).

business. All have adopted new, innovative approaches to delivering improved educational outcomes to their students.

3.5 Of course, with innovation comes risk of failure. And one of New Zealand's new partnership schools was a failure. But unlike its failing state school counterparts, it was quickly shut down. This reflects the enhanced levels of accountability adopted for the partnership schools model, including contractually agreed student attendance levels, and student achievement and financial performance standards.

3.6 The partnership schools model has been in place for only four years, which makes performance data for all eleven charter schools difficult to evaluate. But the two longest running partnership schools, Terenga Paraoa and Vanguard, have achieved outstanding levels of success at NCEA Levels 1 and 2, with provisional results for 2017 from the New Zealand Qualifications Authority (NZQA) showing:

- Pass rates at NCEA Level 1 of 89.3% and 100%, respectively – compared with a total New Zealand Maori average pass rate of 63.1%; and
- Pass rates at NCEA Level 2 of 90.9% and 90.5%, respectively – compared with a total New Zealand Maori average pass rate of 75.4%.³

3.7 Overall, the partnership schools model has been a beacon of success, with the schools finding ways of encouraging students to succeed where the regular state system has failed.

4. THERE IS NO EVIDENCE THAT REMOVING THE PARTNERSHIP SCHOOLS MODEL WILL IMPROVE EDUCATIONAL OUTCOMES FOR NEW ZEALAND STUDENTS

4.1 The explanatory note to the Education Amendment Bill asserts that removing the partnership schools model – along with removing the provisions relating to National Standards - will “strengthen” the quality of school education in New Zealand.⁴

4.2 No explanation is provided of how or why this “strengthening” will occur. Nor is any such explanation - or evidence - provided to support this claim in either the Regulatory Impact Statement⁵ or the Cabinet Paper supporting the Bill.⁶

4.3 While the Cabinet Paper asserts that New Zealand “simply does not need the flawed charter schools model,” it:

- Provides no basis for the claim that the partnership schools model is “flawed”;
- Provides no evidence of how the partnership schools model may be having an adverse effect on the education of New Zealand students *generally*, or on the (mostly) Maori and Pasifika children attending New Zealand’s current partnership schools; and
- Fails to engage with the evidence of superior partnership school performance.

³ E Tipu e Rea, Partnership Schools I Kura Hourua ‘The Facts’, website, etipuerea.org.nz.

⁴ General policy statement, Explanatory note, Education Amendment Act 15-1 2018, p1.

⁵ Regulatory Impact Statement, 16 January 2018

⁶ Cabinet Paper, Policy Proposals for Updating the Education Act 1989, Hon Chris Hipkins.

5. RATHER THAN DISMANTLING THE PARTNERSHIP SCHOOLS MODEL THE GOVERNMENT SHOULD BE PROMOTING AND EXTENDING IT

5.1 In the circumstances, rather than removing the partnership schools model, the government should be considering both:

- (a) How to rapidly scale up and extend the model, so that other disadvantaged primary learners can benefit from an improved education; and
- (b) What lessons can traditional state schools learn from the success of New Zealand's partnership schools, and how can those lessons be implemented.

5.2 A failure to do this would be to deprive the next 1500 students the leg up afforded by New Zealand's existing partnership schools to the 1500 students currently attending them, and to the next 1500 after that (and so on).

5.3 Improving the educational outcomes of students born into low socioeconomic communities is the single most sustainable policy lever available to the government.

6. BEFORE PROCEEDING THE GOVERNMENT SHOULD FIRST (A) CONSULT WITH RELEVANT STAKEHOLDERS (B) COMMISSION AN INDEPENDENT REVIEW ON PARTNERSHIP SCHOOL PERFORMANCE

6.1 The government's proposals to remove the partnership school model have not been based on evidence. Nor have they followed the type of consultation process schools, students and parents, or their communities should reasonably expect to have occurred.

6.2 Good policymaking should be informed by evidence and subject to rigorous cost benefit analysis. The proposal to remove the partnership schools model has been informed by neither.

6.3 Equally, communities can reasonably be expected to be consulted before the termination of important social infrastructure like schools. Parents of students at partnership schools have positively chosen to send their children to them – no doubt because the schools are perceived to offer something that traditional state schools lack. Their views should be sought on the proposals in this Bill and evaluated before the Bill progresses further through Parliament.

6.4 At a time when the Minister is establishing national consultations on all manner of other policy areas – including NCEA and Tomorrow's Schools – it is anomalous that there has been no consultation about the future of partnership schools. This suggests the proposal is driven by factors other than a desire to improve educational outcomes for New Zealand students

6.5 Accordingly, before taking further steps to progress this Bill, the Minister should:

- (a) Commission an independent report comparing the performance of students at partnership schools with the performance of students with similar socioeconomic profiles at traditional state schools;⁷

⁷ The Stanford University CREDO methodology of comparing charter school students with statistically identical 'twin sets' in other school types is the generally accepted model for such a comparison.

- (b) Consult with all relevant stakeholders to ensure that they have an opportunity to provide their views on the proposal in this Bill to remove the partnership schools model; and
- (c) Properly consider and evaluate both the views of stakeholders and the objective evidence on the performance of the existing partnership schools and their impact on educational outcomes.

7. IF THE GOVERNEMENT IS INTENT ON DISMANTLING THE PARTNERSHIP SCHOOLS MODEL IT SHOULD AMEND THE LEGISLATION TO ENSURE THAT KEY SUCCESS FACTORS ARE RETAINED FOR ANY PARTNERSHIP SCHOOLS THAT BECOME SCHOOLS OF SPECIAL CHARACTER

7.1 If, despite the absence of evidence or any case supporting its proposal, the government is intent on pressing forward with dismantling the successful partnership schools model the Bill should include safeguards not currently set out in the Bill.

7.2 Those safeguards should recognise the possibility that some or all of the existing partnership schools may be able to transition to become designated character schools under section 156 of the Act. The safeguards are needed to ensure the retention of the factors critical to the success of the existing partnership schools identified in the submission of E Tipu e Rea Limited. These factors include:

- (a) **Special arrangements for board appointments**, which are needed to ensure the schools' governors have the capabilities to preserve the special character, ethos and culture of the schools;
- (b) **Funding autonomy**, which is necessary to allow the schools the operational flexibility that is needed to preserve their special character;
- (c) **Special accountability measures**, which have been a key factor in driving performance improvements; and
- (d) **Special employment arrangements for teachers**, which allow the schools to agree individual employment agreements with teachers.

7.3 However, for the reasons outlined in this submission, a 'dismantling option with safeguards' is a second-best solution to preserving the partnership schools model. Dismantling the partnership model is contrary to the educational interests of the students attending the partnership schools, unsupported by a reasoned case, and inconsistent with evidence of success and achievement of students at New Zealand's partnership schools.

The New Zealand Initiative

13 April 2018

Appendix 1: The New Zealand Initiative Education Research Reports

1. *World class education? Why New Zealand must strengthen its teaching profession*, John Morris and Rose Patterson, 7 October 2013.
2. *Around the World: The Evolution of Teaching as a Profession*, John Morris and Rose Patterson, 11 December 2013.
2. *Teaching Stars: Transforming the education profession*, Rose Patterson, 1 February 2014.
3. *No School is an Island: Fostering collaboration in a competitive system*, Rose Patterson, 1 February 2014.
4. *The School Leadership Effect*, John Morris, 27 October 2014.
5. *Un(ac)countable: Why millions on maths returned little*, Rose Patterson, 4 June 2015
6. *Signal Loss: What we know about school performance*, Martine Udahemuka, 29 June 2016.
7. *Decade of Debt: The Cost of Interest-free Student Loans*, Dr Eric Crampton and Khyaati Acharya, 18 August 2016.
8. *Fair and Frank: Global Insights for Managing School Performance*, Martine Udahemuka, 20 February 2017.
9. *Amplifying Excellence: Promoting Transparency, Professionalism and Support in Schools*, Martine Udahemuka, 6 July 2017.
10. *Spoiled by Choice: How NCEA hampers education, and what it needs to succeed*, Briar Lipson, 4 March 2018.
11. *Score! Transforming NCEA Data*, Martine Udahemuka, 13 March 2018.