



Briefing to the Incoming Minister

Ministry of Education

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EXECUTIVE SUMMARY

Education achievement has a major influence on income, social mobility, quality of life and other important life outcomes. For New Zealand as a country, the success of the education system is a necessary condition for achieving productivity growth and international competitiveness.

In recent years, there have been some significant improvements in education outcomes. The proportion of children participating in early childhood education (ECE) has increased and the quality of ECE provision has been strengthened. Specific professional development programmes have led to gains in literacy and numeracy for target groups. Qualifications of school leavers have increased and a lower proportion of students are leaving school with low or no qualifications. Participation in both tertiary education and industry training has grown and the research output of tertiary institutions has improved.

However, the system continues to under-perform for specific groups of learners. Despite increases in educational expenditure, there has been insufficient progress in reducing persistent, long-standing educational disparities.

Between 2000 and 2008, education expenditure increased by 4 percent per annum, in real terms. Education is the third-largest area of government spending, with forecast spending in 2008/09 of \$10.7 billion. To lift system performance, the government will need to prioritise expenditure and direct effort towards those areas and activities that will make the greatest difference to learner engagement, participation and achievement in education. The highest priority remains improving the performance of the education system for those learners who are not currently well-served.

This briefing sets out the ministry's advice to the incoming Minister on education policy challenges. It also sets out the organisational structure and responsibilities of the Ministry of Education, major decisions for the incoming government in the next six months, and significant risks facing the ministry or the education portfolio. The final section of the briefing provides information about Acts and Regulations administered in the Ministry of Education and Ministerial responsibilities for Crown entities.

Policy choices and challenges

- *Improving access to early childhood education*

Strong learning foundations in the early years have a major impact on child development, engagement and success in education. However, children in our most disadvantaged communities are less likely to participate in ECE, and there is evidence of a shortage of high quality ECE in these areas. Over the next three years, the greatest barrier to ECE participation is likely to be a lack of available and appropriate services, including sufficient numbers of qualified teachers. The timing of further planned changes to teacher-child ratios will need to be carefully considered. Without additional investment, implementing reductions in teacher-child ratios could limit the development of high quality ECE in areas of high need.

Increasing the supply of ECE services, particularly in areas with high numbers of Māori and Pasifika children, high population growth and socio-economic disadvantage will produce the greatest returns on ECE expenditure. This will require greater focus on incentives for providers to deliver services in areas of high need, as well as more targeted assistance for low participating groups. Given fiscal constraints, government may wish to reconsider the balance of universal and targeted assistance to effectively meet these challenges.

- *Enhancing the performance of the school system*

A significant minority of learners currently leave school with low or no qualifications. Ensuring that all learners acquire sound literacy and numeracy skills in our primary schools and improving young people's participation and achievement in education are important priorities for the education system. We have many examples of effective practice within our schools and, in recent years, evidence about how to improve student outcomes has improved. The challenge now is to achieve system-wide change. The government will achieve more cost-effective improvements to system performance from policies that improve the effectiveness of the teaching workforce rather than increasing the size of the workforce.

The government should pursue an integrated approach to the development of the teaching workforce. Professional leadership by school principals plays an important role by setting expectations and supporting teachers to meet the learning needs of all their students. Government should investigate stronger professional standards for principals, improving appointment and appraisal processes for school principals, and enhancing professional development for principals and other teachers in leadership roles.

Evidence-based initial teacher education and access to ongoing professional development are crucial to improve the quality of teaching and learning for all students. Introducing more specific requirements for teacher registration would create stronger incentives for initial teacher education providers to focus programme content on what works to improve student achievement. The ministry intends to place a higher priority on setting robust performance expectations for centrally funded professional development programmes, ceasing funding for programmes that do not meet these expectations, and redirecting funds towards expanding successful programmes.

Major teacher collective employment agreements expire in 2010. Negotiations provide an opportunity for the government to focus on more effective teaching practices and employment conditions as part of new collective employment agreements.

Good quality assessment information plays an important role in driving school improvement. Clear reporting of assessment information also promotes transparency within the education system and assists parents to monitor their children's progress. New Zealand schools currently have access to high-quality assessment tools and much work has been done to identify and confirm clear national literacy and numeracy expectations. To implement the government's policy commitments in literacy and numeracy, further work is required to ensure that existing assessment tools can be standardised and benchmarked against national standards.

There has been a strong focus in recent years on changes to better enable secondary schools to respond to the needs and aspirations of all their students. The new curriculum and qualifications systems allow education providers to develop more flexible learning pathways to engage learners at school and/or in tertiary education. There are further opportunities to build on these developments in schools through changes to careers advice, funding and regulatory settings. For some young people, whose educational interests may be best served outside the school environment, access to tertiary education remains important. With effective support for decision-making by young people, the government's Youth Guarantee policy will facilitate this.

- *Delivering high-quality Māori language education*

The overarching challenge facing Māori language education is the high variability in the quality of provision. Attracting teachers with high levels of proficiency and competency in te reo Māori is an issue within both English- and Māori-medium settings. Challenges are

particularly acute within the Māori-medium schools, as a higher level of te reo proficiency and competency is required to teach the entire curriculum in Māori.

The ministry is currently reviewing options to better assure the quality of new teachers entering the profession. There are opportunities to consolidate existing initial teacher education provision in order to build a critical mass of expertise in this area. Government could also seek to accelerate changes to teacher quality through the introduction of clear te reo Māori competency standards for teacher trainee entry, graduation, and registration. Improving capability in the existing teaching workforce will require a focus on effective professional development.

The government will need to balance demand for Māori language provision against the limited supply of teachers proficient and competent in te reo Māori. One option is to prioritise enabling more students in English-medium settings to gain some level of competency in te reo Māori. Another is to ensure that a smaller number of students, particularly Māori students, gain a high level of proficiency and competency in te reo Māori in Māori-medium settings. Identity, language and culture are key to education success wherever learners are located in the system. However, enhancing the quality of teaching and learning within Māori-medium education is likely to be the best way to produce a new generation of proficient and competent te reo Māori teachers.

- *Balancing quality and participation in tertiary education*

Over the next three years, government will face a number of choices about how best to fund participation in tertiary education while maintaining or improving the quality of provision. Government will need to decide how much growth in tertiary participation it is willing to fund, particularly for target groups such as students below the age of 25. If it is not possible to fund increased participation of young people through increased funding for the tertiary system, government should consider financing increased participation for young people at the expense of public investment in other student groups.

Any marginal increases in government funding should take into account the current balance between institutional funding and funding to students. Allowing providers greater flexibility in setting fees to students is one way to support the quality and viability of tertiary institutions. Improving the efficiency of the tertiary system is another way to support the quality of provision without imposing additional burdens on students or the government.

Tertiary education in general, including international education, makes an important contribution to New Zealand's economic performance. In order to maximise the contribution of tertiary education to economic performance, government may wish to further consider the alignment of investment in tertiary education to investment in research, science and technology, and economic development. The ministry is also working with other agencies to identify further potential links between international education and our research, immigration and foreign policy objectives.

The tertiary sector has undergone significant change in recent years. While good progress has been made in implementing some major policy changes, it is too early to say whether the reforms are delivering the gains in quality and relevance that were sought. Ongoing monitoring of progress and impact will be required. The next Tertiary Education Strategy (TES) scheduled next year provides an opportunity to signal any desired shifts.

- *Improving engagement, participation and learning for children with special education needs*

There is evidence of unmet need for special education services and support. Increasing demand and evolving models of professional practice mean that some elements of the

existing resourcing framework for special education have become out of step with current and future requirements. Through the development of a new resourcing framework there are opportunities to address issues of accountability, flexibility and fragmentation of funding. Any education gains, however, are likely to be modest in the absence of additional resources.

Strengthening the existing clustering of mainstream schools could be encouraged as a way of sharing good practice across schools and achieving better economies of scale for children with high needs. This would involve directing money towards clusters of mainstream schools and establishing joint accountability arrangements. The role of special schools could also be clarified. One option is to encourage these schools to function as centres of excellence to provide mainstream schools with access to specialist expertise and support.

There is a need to build the capability of teachers and professional leaders in mainstream schools to effectively manage and support children with special education needs. Work is also required to build the capability of the special education workforce and to clarify standards, expectations and competencies of different professional and para-professional groups.

- *Making better use of available resources*

Government spending on education has grown significantly over the last decade. This spending has been accompanied by some improvements in student outcomes. Over the next few years, at least, the challenge will be to *accelerate* educational improvements for specific groups of learners in an environment where there is likely to be less new money available. The ministry will be providing advice about how the government's policy settings in education, and the operations of the ministry and other education agencies, could be improved to achieve better value for money. We will be looking at the expenditure across the Vote, and for programmes that can be modified, or curtailed if they are not achieving their objectives cost-effectively. We will also be identifying programmes and delivery modes in education that do not fit with the incoming government's priorities for education.

Apart from looking to lift the cost-effectiveness in programmes generally, there is an opportunity to review the rationale for and current way of delivering some of the roles and functions undertaken by "central" education agencies such as the Ministry of Education. Providing advice in these areas will be a priority for the ministry in coming months.

INTRODUCTION

Education determines life opportunities and is critical to New Zealand's economic prosperity. The primary purpose of an education system is to ensure that all citizens are able to positively contribute to society. New Zealand's prospects in the global economy depend on our ability to adjust our education system to support economic growth. This means ensuring that our workforce is equipped with the skills needed to be productive in an economy that will increasingly place a premium on skills. The education system's research capability and international linkages can also make a significant contribution.

Given these objectives and the current state of education outcomes, a key issue facing education is system underperformance for a significant minority of learners. This issue has social and economic costs for individuals, families, whānau, communities and wider society. Learners who grow up in economically disadvantaged circumstances are over-represented among those experiencing poor education outcomes. Low skill levels are more concentrated in Māori and Pasifika communities, and there are compelling social equity, economic and demographic imperatives for lifting achievement for these groups as a matter of priority.

The education system must also ensure that all students are engaged in learning the skills and knowledge they will need for future work and society. This requires adaptation in what is learnt and how it is learnt.

The key to success in lifting the achievement of particular groups and preparing all students for the future is the same. We have more evidence than ever of 'what works' in education to improve learner outcomes. Effective professional leadership and governance arrangements are essential to direct attention and resources towards activities that have the most impact on learner outcomes. We know that within the education system the main driver of student learning is the effectiveness of teaching practice. The focus at every level of the system should be on better responding to, and engaging with, the needs, aspirations and interests of each learner.

We have good examples of learners from all types of backgrounds achieving at high levels, and of successful learning innovation driven by strong professional leadership and effective teaching. The challenge is to build on the strengths that exist within the education system to ensure that every learner can reach their potential.

The Government sets the strategies and priorities for the education system, funds and regulates the education system, directly delivers some services, and has an ownership role in parts of the sector. The Ministry of Education provides information about performance, best practice and outcomes to learners, parents and employers.

Areas where the largest gains can be made to improve the performance of the education system are discussed further in part two of this briefing.

The size and shape of the education sector

The education sector is large and diverse.

- At 1 July 2007 more than 190, 000¹ children aged 0 to 6 were enrolled in just under 4,500 early childhood education (ECE) services. The ECE sector includes a range of private and community providers: kindergartens, kōhanga reo, playcentres, teacher-led centre-based services, home-based services and playgroups.

¹ Note this is an indicator of enrolments in ECE services. Some children are enrolled in more than one service.

- Almost 760,000 children and young people were enrolled in New Zealand schools on 1 July 2007. Around 83 percent of New Zealand schools are government owned and fully state funded, 13 percent are state integrated, and 4 percent are independent and privately owned. There are 68 kura kaupapa schools providing Māori medium education.
- In 2007, 444,000 domestic students were enrolled in formal tertiary education, within universities, wānanga, institutes of technology and polytechnics, private training establishments and other tertiary education providers. There were 31,000 full fee-paying international students in tertiary education institutions and another 42,000 enrolled in private training establishments.

The contribution of parents, families, whānau, iwi and wider government activities to education outcomes

In addition to education system influences, family and whānau relationships, knowledge, expectations and resources are all important. Children's early experiences in their home environment form the basis for future learning. As children grow older, families and whānau continue to influence educational outcomes through engaging in their children's learning, interacting with their teachers, and choosing their schools. Guidance and support from family and whānau also influence student transitions to tertiary education and training.

The education system can do a great deal to support the role that families and whānau play in their children's learning. Effective ECE services and schools establish strong partnerships with parents, families and whānau, and are responsive to the communities they serve. Their learning environments build on the culture and experiences children bring to the classroom, give clear information about how family and whānau can support learning, and communicate regularly about children's progress.

As part of our wider community engagement activities, the ministry enjoys formal relationships with 20 iwi. These relationships strengthen opportunities for iwi to be full participants in the education process in order to support the achievement of Māori students.

Children and young people who experience sustained poverty, poor health, violent or stressful home environments are less likely to achieve well in the education system. Students with special education needs, including behaviour problems, face additional challenges. For some of our most vulnerable children and families, addressing barriers to learning requires action within the education system, as well as action by a range of other government agencies and community providers. Ensuring effective integrated action across government agencies in support of individual students and their families remains both a challenge and a high priority.

Structure of this briefing

Part one of this briefing provides an overview of:

- The state of education outcomes in New Zealand
- Government spending in education and ensuring value for money
- Roles of the central government agencies

Part two focuses on the strategic policy choices and challenges facing government over the next three years. These are:

- Improving access to early childhood education
- Enhancing the performance of the school system
- Delivering high-quality Māori language education

- Balancing quality and participation in tertiary education
- Improving engagement, participation and learning for children with special education needs

Part three provides a summary of organisation and operational issues. The following sections include:

- Organisation and responsibilities of the Ministry of Education
- Major decisions during the first six months of government
- Significant risks facing the ministry or the education portfolio
- Acts and regulations administered in the Ministry of Education
- Ministerial responsibilities for Crown entities

PART ONE: EDUCATION OUTCOMES AND GOVERNMENT EXPENDITURE

THE STATE OF EDUCATION IN NEW ZEALAND

The education system has a strong base

On average, New Zealand students achieve as well as or better than students from other countries in core areas such as reading, mathematics and science. New Zealand's top students are among the best in the world. Compared to similar countries, a greater proportion of our young people achieve at the highest levels.

- The latest international studies show that New Zealand Year 5 students, on average, perform significantly above the international means in reading and science, and around the international mean in mathematics.
- The average performance of New Zealand 15-year-olds in mathematics, science and reading literacy places New Zealand among the top countries of the OECD.

Educational participation and achievement has improved in some areas

More children are gaining strong learning foundations through participation in high-quality early childhood education. Over the last five years, the proportion of students achieving upper secondary school qualifications has increased, and fewer students are leaving school with low or no qualifications. Enrolment rates in formal tertiary education increased significantly in the last decade, and there has been a substantial rise in the numbers of industry trainees.

The academic impact² of New Zealand university research has also increased across most subjects, relative to the world average. Health research within New Zealand universities has performed consistently above the world average over the last ten years.

- Over the last five years, the proportion of school leavers achieving NCEA Level 2 or above increased by 24 percentage points. In 2007, 66 percent of New Zealand school leavers achieved at least an NCEA Level 2 qualification.
- Between 2000 and 2007, the number of domestic students enrolled in formal tertiary education increased from 315,000 to 444,000. From 2000 to 2007, the total number of industry trainees increased from 81,000 to 186,000.

The system continues to under-perform for a significant minority of students

Major challenges remain. A significant minority of students struggle to obtain core skills in areas such as literacy and numeracy. Attainment gaps are apparent from a young age, and these gaps often persist as students progress through the school system. New Zealand has a higher proportion of students who achieve at the lower levels of literacy and numeracy than most other countries with high average attainment.

- The latest international study³ on reading literacy showed that about eight percent of New Zealand Year 5 students did not reach the *lowest* reading benchmark. The international median, for the 19 OECD countries that took part in this study, was four percent.

² Academic impact takes the rate of citations per publication from New Zealand universities and compares it with the world average on a subject by subject basis.

- Māori (18 percent) and Pasifika (16 percent) students were less likely to reach the lowest reading benchmark. Students in schools serving communities with high levels of economic disadvantage (decile 1-3 schools) were also less likely to reach the lowest reading benchmark.

Around a third of school leavers fail to obtain NCEA Level 2 qualifications or higher. Leaving school with low or no qualifications narrows the opportunities available to young people and can have serious impacts throughout their lives. It also has serious consequences for New Zealand's economic and social development.

In comparison with other OECD countries, New Zealand has low educational enrolment rates of young people aged 15 to 19, and there has been little change in this area over the last decade. We need to increase participation rates in senior secondary school and improve transitions between school and tertiary education to ensure that individuals and society gain the largest possible benefits from higher education.

- In 2006, 74 percent of young people aged 15 to 19 were enrolled in education. New Zealand ranked 24th out of 29 OECD countries on this measure.
- In 2006, New Zealand education enrolment rates for those aged 20 to 29 were just above the OECD average. Education enrolment rates were more than four times the OECD average for older New Zealanders (40 years and over).
- Until 2005, most of the growth in tertiary participation was in level 1-3 certificate courses. Participation and completion rates at degree level have remained static.

The education system serves particular groups of students, including Māori and Pasifika, less well

The education system consistently under-performs for particular groups of students, including Māori and Pasifika. Students with disabilities or other specific barriers to learning are also more likely to experience poor educational outcomes⁴. This has significant consequences for social mobility and equality of opportunity, and represents a major cost to society and the economy. Changing demographics make addressing system under-performance for these groups even more important. Younger age structures and higher fertility rates mean that Māori and Pasifika will form a greater share of the New Zealand population in future years.

There are disparities in educational participation and achievement throughout the education system. For example, children living in economically disadvantaged neighbourhoods are less likely to participate in early childhood education. Māori and Pasifika children are also less likely to participate in early childhood education. Since 2004, the rate of growth in early childhood participation for Māori has slowed, and the Pasifika participation rate has remained stationary.

- In 2008, 82 percent of Year 1 children at decile 1 schools had previously participated in early childhood education, compared with 99 percent in decile 10 schools.

³ Conducted by the International Association for the Evaluation of Educational Achievement, the Programme for International Reading Literacy Study includes OECD and non-OECD countries. In order to calculate the median for just the 19 OECD countries, an overall percentage was calculated for Belgium (the two education systems participated separately); United Kingdom (using just England and Scotland); and Canada (using the 5 Canadian provinces which account for nearly 90% of the population of Canada).

⁴ We do not have statistically reliable data about children with special needs. We currently hold information about 3% of school-aged children with the highest special education needs who receive individualised support, but not those with more moderate needs who are supported through resources allocated by formula to schools.

- In 2007, 85 percent of Year 1 Pasifika children had attended early childhood education, compared with 95 percent of all year one students.

Educational underachievement is most concentrated in low-decile schools serving communities with high levels of socio-economic disadvantage. However, the success of some low-decile schools shows that this does not need to be the case. Many schools across all deciles get excellent results for their students.

In addition, in recent years the proportion of Māori and Pasifika school leavers obtaining qualifications at NCEA Level 2 or above has grown at a faster rate than that of the total population. While ethnic attainment gaps remain significant, it is clear that progress can be and is being made.

- In 2007, 84 percent of Asian school leavers obtained NCEA Level 2 or higher, compared with 71 percent of European, 56 percent of Pasifika and 44 percent of Māori school leavers.
- In 2007, 48.5 percent of school leavers from decile 1 schools obtained NCEA Level 2 or higher, compared with 86.4 percent of school leavers from decile 10 schools.

Māori participation rates in tertiary education have grown markedly over the last decade. Māori now have the highest tertiary participation rate of any ethnic group. Participation rates for Pasifika and Asian people have also increased. Māori are, however, more likely to be engaged in non-degree level courses than other ethnic groups. In 2007, the Māori participation rate in level 1 to 3 certificate courses was 10 percent, nearly double that of the other ethnic groups.

- In 2007, 18 percent of Māori aged 15 and over were engaged in tertiary education, followed by 14 percent of Asian people, and 12 percent of both Europeans and Pasifika.
- Asian and European tertiary participation rates are highest at degree level and above and much higher than Māori or Pasifika participation rates at this level.
- The proportion of tertiary students who state that they have a disability has remained fairly steady over the last six years, at around five percent. This compares with nine percent of people aged 15 to 44 recorded in the 2006 Disability Survey.

POPULATION ESTIMATES AND PROJECTIONS

Between 2000 and 2008, the number of children aged 0 to 4 grew by five percent. The pre-school population is expected to peak in 2011, before declining by three percent between 2012 and 2020.

Between 2000 and 2008, the number of children and young people aged 5 to 17 grew by three percent. In the short term, between 2008 and 2012 the size of the population aged 5 to 17 is expected to decline by one percent.

Population shifts will impact differently on primary and secondary schools. Between 2008 and 2012 the population aged 5 to 12 is expected to increase by just over 6,000, while the population aged 13 to 17 is expected to decline by more than 15,000.

Between 2000 and 2008, the population aged 18 to 24, a priority group for tertiary participation, grew by 16 percent. Between 2008 and 2012, the population aged 18 to 24 is expected to grow by six percent.

In the longer term, between 2012 and 2020, the size of the school-aged population is expected to grow by three percent. Over the same period the size of the population aged 18 to 24 is expected to decline by five percent.

There are significant regional differences in population size and structure. In recent years the size of the child and youth population has grown in some parts of the country and fallen in others. These trends will continue with projected growth in areas such as Auckland and Bay of Plenty and declines in Taranaki and Southland.

Demographic changes are only one factor affecting demand for education. In addition to policy, in the ECE and post-compulsory education sectors, participation is influenced by factors such as the state of the economy and changing preferences.

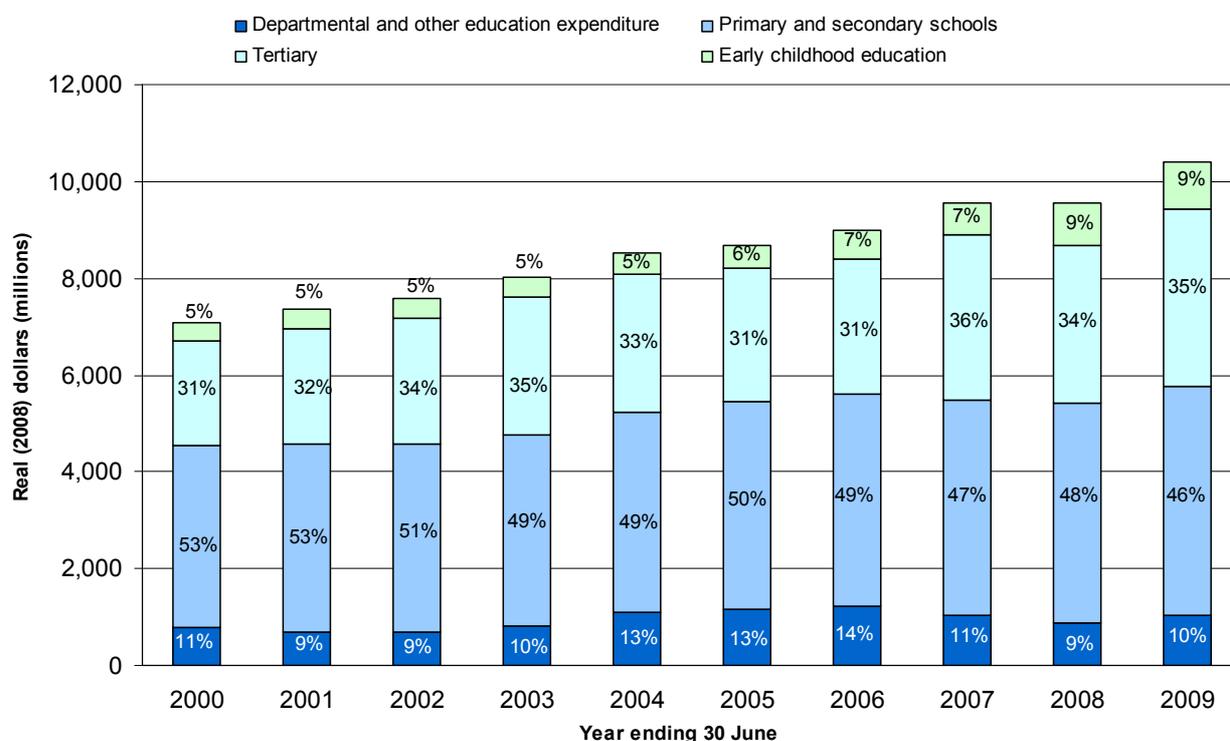
GOVERNMENT SPENDING ON EDUCATION

The education system attracts considerable private and public funding. Education is the third-largest area of government expenditure after social security and welfare, and health. Government expenditure on education is forecast to be \$10.7 billion, or 17.5 percent of core Crown expenses in 2008/09.

In real terms, public expenditure on education increased around four percent per year between 2000 and 2008. Ensuring the best use of available resources within the education sector is always important, but will be an even greater priority as we enter a time of fiscal constraint. There are some challenging decisions ahead to prioritise expenditure and focus effort on those areas and activities that will raise the performance of the education system.

It is forecast that nine percent of total government education expenditure in 2008/09 will be spent on early childhood education, 46 percent on schools, and 35 percent on tertiary education.

Real education expenditure, 2000-2009, by major components



Source: Core Crown Expense Tables, Pre-Election Fiscal and Economic Update, October 2008

Notes:

Percentages might not sum to 100 percent due to rounding. Expenditure figures have been adjusted to 2008 dollars using the CPI.

2000-2008 figures are actual; 2009 is forecast. Percentages indicate each component's proportion of annual education expenditure. Tertiary expenditure in 2006 excludes an initial fair-value change in student loans of \$1,501m (real).

"Departmental and other education expenditure" includes departmental outputs of the Ministry of Education, Education Review Office, and the Ministry of Social Development's administration of student support. It also includes funding for the New Zealand Qualifications Authority, Careers Services, and the New Zealand Teachers Council. It includes depreciation for school property, but excludes the capital charge.

The balance of expenditure across the education sector over time

The balance of expenditure between the early childhood education, schooling and tertiary sectors remained fairly stable between 2000 and 2005. Since 2005, early childhood education has almost doubled its share of total education expenditure. This shift in expenditure was driven by policy decisions to focus on where the greatest gains in education could best be made – the early years. The tertiary sector's share of total education expenditure has also increased slightly.

Between 2000 and 2008, government expenditure on early childhood education increased by around 11 percent per year, in real terms. Under existing policy, spending in this area will increase over the next three years due to continued high fertility rates, increased demand, and greater numbers of ECE centres meeting quality standards that attract higher subsidy levels.

In the schooling sector, real public expenditure increased by two percent per year from 2000 to 2008. Per-pupil expenditure rose from \$5,289 to \$6,062 in real terms over the same period. Wages are the biggest components of this expenditure. Expenditure in the schooling sector is forecast to increase by around three percent in 2009/10, and then remain relatively stable until 2011/12.

Expenditure on tertiary education has risen at an average rate of around six percent a year in real terms since 2000. As reported by the OECD, the balance of tertiary funding is 58 percent for tertiary education providers and 42 percent for student loans and allowances⁵. However, a significant proportion of the money allocated to students via student loans is for tuition fees, which go directly to the provider. When this is taken into account, the balance of funding is 77 percent for institutions and 23 percent for students⁶.

Government policy has been a major driver of expenditure growth

While some growth in education spending is a result of demographic growth, the major driver of expenditure in education is government policy.

In early childhood education, changes to funding policy have increased publicly funded child hours and increased the numbers of qualified ECE teachers. Enrolment rates have risen by around eight percent since 2000, and the proportion of qualified ECE teachers in teacher led-services grew from 50 percent to 60 percent between 2003 and 2007.

In schooling, policy changes have increased expenditure on teacher salaries and teacher numbers. Teachers' salaries have grown in real terms by 1.3 percent per annum since 2000. Between 2000 and 2008, teacher numbers increased by 14 percent, while student numbers grew by only five percent. This is equivalent to approximately 6,000 additional teachers, over and above those required by roll growth, since 2001.

Property costs in the school sector have increased due to increased property entitlements, construction of new schools, and capital charge increases from school property revaluations. While schooling infrastructure costs increase with demographic growth, government policy determines the size and location of our schools and how they are funded.

⁵ The OECD defines tertiary education as diploma level and above. Certificates are classified as post-secondary, non-tertiary.

⁶ This analysis treats student loans at their face value, which in practice includes some money that is treated as capital from an accounting perspective.

In tertiary, policy choices to encourage participation and to increase the level of per-student subsidy to institutions have led to expenditure growth. Expenditure on industry training has also increased to support higher participation rates, with spending more than doubling in real terms since 2000. Government has directed more funding towards research via the Centres of Research Excellence and the Performance-Based Research Fund. Student support expenditure has risen by nearly 50 percent in nominal terms since 1999/2000.

Ensuring value for money

Government expenditure on education has grown significantly over the last decade. This has been accompanied by some incremental improvements in student outcomes.

In the next three years, funding pressure is likely to come from the education sector for increases in wages and higher levels of operations funding, smaller class sizes and additional funding for information and communications technology (ICT). Special education is likely to face pressures due to cost increases, the increasing prevalence of conditions such as behaviour problems in children, and increasing expectations from parents and schools.

To achieve greater value for money, expenditure needs to be directed towards those areas and activities that have the most impact on student outcomes.

In managing education expenditure in a constrained fiscal environment, government should consider the balance between:

- directing spending earlier and later in life (in the education system)
- universal and targeted subsidises
- improving quality and increasing the supply of the workforce or services
- central and devolved funding and service delivery

Investment in the early years has the potential to reap high returns. Early learning difficulties can have long-term negative consequences for children's development and affect the way students engage with the education system throughout their lives. Children who come from disadvantaged home environments have the most to gain from early childhood education. There are opportunities to better target our existing ECE expenditure.

The quality of teaching is the greatest single factor influencing student learning within the school system. Government has the opportunity over the next three years to focus on improving the quality of teaching, rather than increasing the size of the overall teaching workforce. Funding for reduced class sizes comes with high fiscal costs, for what may result in few or no gains in student outcomes. The case for further reductions in class sizes is unclear.

The state school property portfolio is one of the largest government assets, with a capital value of \$10.3 billion at 30 June 2008. The majority of schools are small – more than 60 percent have fewer than 200 students. Demographic shifts over the next decade will create pressures for new schools and classrooms in areas of high population growth (such as Auckland, Hamilton, Tauranga, Christchurch and Queenstown-Lakes). Other urban areas will experience a decline in school rolls.

There are opportunities to rationalise the current school network. This could be done by working with communities to consider how school resources can be amalgamated or shared. This has been shown to improve educational delivery, as well as reduce the higher costs of

running under-utilised schools. These funds could then be spent on teaching and learning for the benefit of students in those communities.

Policies to encourage participation in tertiary education at younger ages have the potential to provide better returns on government expenditure in the tertiary sector. Completing a higher qualification early in adult life reaps higher benefits for individuals and society. School leavers who enter tertiary study are more likely to enter as full-time students and to study for higher-level qualifications. Full-time students, and people studying for higher-level qualifications, have better completion rates than part-time students and those studying lower-level qualifications.

The ministry has identified promising areas where there are the greatest opportunities to improve the performance of the education system. These are discussed in part two of this briefing.

Government policy is the biggest determinant of education spending, and the strongest lever we have to manage expenditure and achieve the best outcomes from resources.

In recent years the Ministry of Education has built a stronger evidence base concerning which policies provide the best value for money in meeting the government's goals for education.

The ministry is reviewing current expenditure and the policy settings that drive it. In the coming weeks and months, the ministry will provide detailed advice about how expenditure can be reprioritised to meet the government's goals for education and get better value from education expenditure.

ROLES OF THE CENTRAL EDUCATION AGENCIES

The government is interested in how the education system can better deliver on outcomes for students. It uses its leverage as a funder, a regulator, and an owner of large parts of the education system to improve outcomes.

Government assesses the success of the education system by indicators of the skills and attainment of students, and through the quality of research produced in the tertiary sector. However, the focus of the government's policies is very much around the system that supports and drives *ECE services, schools and tertiary organisations*. The *quality of decisions about how that system works* – such as how funds are allocated, and how teaching is delivered – will be pivotal in determining both education outcomes and the value taxpayers receive from education expenditure.

Changing role in the early childhood education and school sectors

Over the last decade, the scope and expectations of central government agencies, and in particular the Ministry of Education, have grown. Government has adopted a more active role in managing the network of provision in both the early childhood education and school sectors.

The rapid growth and demands associated with the ECE sector have placed particular pressure on the ministry to increase its capacity to implement policy changes. Greater involvement in strengthening service delivery in ECE centres and schools has led to an increase in the proportion of staff working in regional offices. Today around a third of ministry staff are located in the regions (excluding Special Education staff).

The ministry has often “stepped in” to address perceived needs or to respond to new opportunities. For example, the ministry has developed information resources for parents, including *Te Mana* and *Team Up*. In the school sector, the ministry has significantly increased its capacity to provide guidance and support, in order to deliver specific interventions to improve student outcomes, especially when individual schools are not performing.

New Zealand's system of self-managing schools has a number of strengths: schools have a direct relationship to the Ministry of Education, and school leaders have a high level of autonomy and flexibility compared to other OECD countries. However, sharing good practice or addressing poor school performance can be a challenge. Over the last decade, the ministry has established around 30 school improvement initiatives involving more than 600 schools to address persistent low achievement.

The ministry has also sought economies of scale that cannot be achieved through individual institutions. For example, expenditure on ICT has increased significantly over the last decade. In some areas, such as Māori language education, ICT is now a necessary tool to deliver the curriculum. In deploying ICT infrastructure across the school sector, the ministry has worked to develop standards and curriculum resource, shared services, and networked approaches. The ministry has also promoted information exchange and support across schools by facilitating the development of school clusters based around geographic communities and communities of interest.

One visible effect of these shifts in roles and functions has been a significant growth in the Ministry of Education.

On 1 July 2000, there were 556 full-time equivalent (FTE) staff members at the Ministry of Education. On 30 September 2008, FTEs were 2,503.7. This increase includes 1,458

positions that were the result of the integration of the former Special Education Service and Early Childhood Development Unit into the ministry. Net growth, excluding the impact of the integration of these two groups, was 498.7 FTEs.

Changing role in the tertiary sector

The nature of the relationship between the centre and education providers has also changed in the tertiary sector. In this case, growth of the centre since 2000 has been due to explicit decisions by government to adopt a more managed approach to tertiary education, in response to concerns about the value of expenditure and the quality of provision.

To manage this new system, the Tertiary Education Commission was established in 2003 as the intermediary and funding agency for tertiary education.

Changes to the way in which the tertiary sector is funded have seen a move away from a funding system driven mainly by market demand, to a more investment-led approach. Under the new approach, government makes more deliberate decisions about where and what it invests in. This investment approach to funding has been combined with a stronger focus on managing the network to avoid duplication of provision and ensure that tertiary organisations take into account regional or national priorities.

Together, these shifts in roles and functions accounts for most of the growth in central agency resources in the last 10 years.

If the government wishes to reduce the size and cost of the centre, it could review which roles and functions are best undertaken by the centre and which are most properly undertaken by education providers.

The current roles of the centre and education providers could be assessed by asking the following questions:

- Are the current decision makers in education – the ministry, Crown entities, teachers – most likely to have the information available to make the best decisions, based on an understanding of the consequences and benefits of those decisions?
- Do we have the accountabilities right? Should education providers have more or less autonomy depending on their performance?
- Is the role or function under review *necessary*? If the ministry ceased to provide guidance or support in a particular area, would student outcomes worsen or expenditure increase?
- Would a change to the location of service delivery or decision making deliver better education outcomes or a better use of resources, or both?

PART TWO: POLICY CHOICES AND CHALLENGES

This chapter identifies major education policy challenges that will face government over the next three years. These include:

- Improving access to early childhood education
- Enhancing the performance of the school sector
- Delivering high-quality Māori language education
- Balancing quality and participation in tertiary education
- Improving engagement, participation and learning for children with special education needs

Each of the sections outlines key policy choices and describes how shifts in expenditure, actions or interventions would enhance outcomes for learners and/or provide better value for money.

IMPROVING ACCESS TO EARLY CHILDHOOD EDUCATION

The contribution of early childhood education

Participation in high-quality early childhood education has long-term benefits for children's social and cognitive development. Investment in early childhood education is recognised as one of the strongest levers available to government to increase human capital and address educational underachievement. The availability of high-quality early childhood education also supports parents to participate in paid work and improve family living standards. According to the OECD, investment in early childhood education has among the highest net social benefits of all public investment.

Both the quality and the intensity of early childhood education matter. Regular attendance in high-quality early childhood education from the age of around two years is linked to cognitive gains for children from all socio-economic backgrounds. Children who grow up in disadvantaged home environments reap the greatest benefits; there is some evidence that longer weekly hours (more than 30) are beneficial for these children. Early childhood education also provides an early opportunity to identify and respond to children with special needs, including behavioural issues. Low-quality early childhood education is associated with poorer child outcomes, regardless of family background.

Current context

Over the last decade, government policy has focused on improving access to high-quality early childhood education and raising participation by making it more affordable. Policy changes have led to an increase in the number of qualified teachers in ECE centres. A new funding system was developed to minimise cost increases being passed on to parents, and in July 2007, teacher-led services received increased funding to deliver 20 hours free early childhood education for 3 and 4-year-olds. More targeted support for low- and middle-income working families was also introduced through increases to the rates and thresholds of the Childcare Subsidy, administered by the Ministry of Social Development.

Prior to these policy changes, New Zealand parents faced relatively high fees for centre-based early childhood education by international standards, and cost was identified as a major barrier to participation in early childhood education by a significant minority of families. Average parental fees for early childhood education fell by around a third in the year

following the introduction of 20 hours free ECE in July 2007. Participation rates have increased and the number of ECE services has grown.

Reducing the cost of early childhood education for parents across the board has, however, had a small effect on participation rates for children who would benefit the most. Children in our most disadvantaged communities are least likely to participate in early childhood education, and there is evidence of a shortage of high-quality ECE in these areas. Lack of access to culturally responsive services may be another barrier to participation for some groups, including Māori and Pasifika. Government has committed to raise participation rates for these groups through *Ka Hikitia – Managing for Success* and the *Pasifika Education Plan*. There is anecdotal evidence that children with special needs or specific barriers to learning face additional challenges in accessing early childhood education.

Over the next three years, the greatest barrier to participation is likely to be the availability of early childhood education, including sufficient numbers of qualified teachers. Recent high birth rates, combined with an increase in average hours of attendance, partly as a result of the 20 hours free policy, are placing pressure on the availability of child places. The planned implementation of policies designed to improve the quality of ECE services may act as a further constraint on supply due to the shortage of qualified teachers. It is expected that the projected increase in the population aged 0 to 4 up to 2011 will create greater demand for services. The areas of highest population growth will be in the Māori and Pasifika populations in Manukau City, Papakura District and Hamilton.

The fiscal costs of early childhood education are expected to rise above inflation for the next three years as a result of current policy, increased demand and the growth of the ECE sector. Government may wish to reconsider the balance of universal and targeted subsidises and assistance to effectively meet these challenges. Increasing supply, especially in areas where there are high numbers of Māori and Pasifika children, high population growth and socio-economic disadvantage, has the potential to produce the greatest gains.

Policy choices and levers for change

- *Teacher supply and ECE capacity*

Current projections indicate that there are almost enough qualified teachers to meet the 2010 teacher registration targets for early childhood education. However, qualified teachers will not be distributed evenly across teacher-led ECE centres. A lack of qualified teachers may threaten the sustainability of some teacher-led services and limit the development of high-quality ECE services in areas of high population growth. Government may wish to reassess further planned reductions in teacher-child ratios. Other options include additional investment to attract, train and retain ECE teachers either across the board, to specific types of services, or in certain locations.

Raising the quality of Māori language ECE is a particular challenge. Uptake of 20 hours free ECE by Māori immersion services is lower than in any other part of the ECE sector, in part because not all eligible kōhanga reo have implemented the policy. A lack of qualified Māori language teachers is also a challenge. Attracting more ECE teachers qualified in Māori language is important to enable parents to choose high-quality Māori immersion services for their children.

- *Targeted assistance to promote high-quality early childhood education in geographic areas of high need*

The ministry is working with government, local government and other organisations to support increased participation in early childhood education in Counties Manukau,

particularly among Māori and Pasifika. Strategies include ECE network plans, local teacher supply strategies, governance and management networks, and interagency family outreach and support services to promote participation.

Providers face a number of obstacles in delivering early childhood education in low-participating communities. For example, investment in low-decile areas is likely to be less attractive to providers as low-income families are less able to afford fees, families are often more transient or mobile, and it can be difficult to attract and retain qualified staff.

There are several ways that government could assist the development of early childhood education in areas of high need. These include direct intervention, such as providing ECE services in schools. Indirect interventions include increasing financial incentives for providers to establish and maintain services in particular locations, and providing assistance to community providers to access commercial capital. Government may also wish to consider greater targeting of advice and support to build managerial capability and attract qualified teachers in low-participating communities.

- *Prioritising access to high-quality early childhood education for low-participating groups*

Although universal subsidies have improved the affordability of early childhood education for many families, cost may still be a barrier for families with low incomes. Children from benefit-dependent families are likely to reap large benefits from participation in high-quality early childhood education. Participation by these children is limited by the “9 hours” limit on the Childcare Subsidy for parents who are not in paid work or training. While this limit could be relaxed, this would carry a fiscal cost.

There is a strong case for further targeted assistance for low-income families. The extent and nature of any further assistance should be decided by the government in the context of overall early childhood education policy settings. The key point is that increased assistance to the children that could benefit most from high-quality early childhood education services will need to be at the expense of more general assistance for all families. The alternative is further growth in the overall fiscal cost of ECE services.

In some cases, access and cost are not the main barriers to participation. Preferences for keeping children at home until school age and cultural attitudes towards disability may explain low participation for some families. ECE services also need to be responsive to the wants and needs of local communities. This could mean greater demand for culturally relevant services, and for services attached to kura, marae, health centres or workplaces. Government should consider how much it is prepared to direct investment towards specific types of services to raise ECE participation.

A range of family circumstances, including parental crime and substance abuse, are recognised as risk factors for children not attending early childhood education. To date, efforts at working directly with at-risk families have been limited and small scale. Working with other agencies and providers of services to children and their families and whānau may provide the best way forward in facilitating access to early childhood education for these children.

ENHANCING THE PERFORMANCE OF THE SCHOOL SYSTEM

The contribution of the school sector

The knowledge, skills and competencies students develop in schools have a powerful impact on a range of life outcomes. On average, young people who leave school with qualifications earn higher incomes, have greater job prospects, and are less likely to become dependent on social assistance than those without qualifications. Students who have left school early are vulnerable in more challenging economic times as unemployment rises and jobs are harder to come by. They also face greater risks of poor outcomes such as teen pregnancy, substance abuse, and contact with the youth justice system.

The school system supports educational success for many students and, by international standards, a high proportion of students achieve at high levels. More students are leaving school with qualifications each year. The system, however, is not serving all students well, with too many not achieving the success that they and their families would wish and the country needs. This long-standing issue remains the over-riding policy concern for the school system.

Current context

The ministry's work over the last five years has focused more strongly on student outcomes and the key levers that can influence outcomes. The ministry's Best Evidence Synthesis reports are providing important insights into what works to improve student outcomes and are attracting international attention. The ministry has placed particular emphasis on high-quality teaching, as the evidence shows that this is the most powerful lever in schools to improve student achievement. Work to ensure that all children obtain core skills and competencies in literacy and numeracy has also been an area of focus. Core skills in literacy and numeracy influence children's ability to access the curriculum and help to predict long-term success in education.

Quality teaching is measured by the learning gains of all students. Effective teachers:

- understand subject matter, how it relates to students' lives, and how students learn
- build strong learning relationships with students and help students build learning relationships with each other
- set challenging goals for students and organise learning activities so that students can achieve these goals
- monitor student learning, using assessment information to plan and improve their own teaching practice; give students feedback on their progress and the next steps in their learning; and engage parents in their children's learning.

There have been notable improvements in student learning as a result of teacher professional development programmes in key areas such as literacy, numeracy, ICT and assessment.

The *Numeracy Development Project* was established in 2000. This ministry-led professional development programme has been introduced into 95 percent of primary, intermediate and composite schools (including 85 percent of Māori-medium schools) and 40 percent of secondary schools. Between 2002 and 2007:

- the percentage of Year 6 students achieving at or above the expected level in mathematics increased from 40 percent to 61 percent.

- the percentage classified as at risk decreased from 30 percent to 13 percent.

The *Literacy Strategy* was established in 2000. Over the first three years, this ministry-led professional development programme focused on literacy leadership and involved approximately 4,000 principals and literacy teachers from almost 2,000 primary and intermediate schools. From 2004 onwards, the focus has incorporated both literacy leadership and professional development for teachers. Around 44 percent of primary and intermediate schools have participated to date. A 2008 evaluation shows that:

- after taking into account expected growth and maturation, students' gains in reading and writing were twice those that could be expected without the intervention
- schools accelerated the rate of progress for the majority of the at-risk students by four times the expected rate.

New Zealand now has sophisticated assessment tools that have the potential to provide rich information to teachers, students and boards of trustees about student progress. The new curriculum better reflects the needs of young people today and is highly regarded in the sector. Over the last year there has also been a substantial focus on developments to improve student retention and achievement at senior secondary school.

Challenges remain. In 2007, 14 percent of students left school without the numeracy and literacy credits necessary to attain NCEA Level 1. Success for all students requires that every student acquire strong learning foundations in the early years and remain engaged in learning as they progress through schooling. This is not yet occurring for all students. School disengagement often begins early, and the shift from primary to secondary school and early years at secondary school are periods of particular vulnerability for some students.

Supporting young people to remain connected to the education system requires greater responsiveness to student interests and aspirations in senior secondary school. Enhanced support for students, families and whānau to make good decisions about effective learning pathways will be vital to enhance student engagement and promote more successful transitions to further education, training and the labour market.

Recent policy developments have resulted in some improvements in practice for teachers and schools. However, to achieve system-wide improvement in student outcomes, we need the best of current teacher and school practice to become the norm for all teachers in all schools. The system is now well positioned to start to achieve this. Key levers for achieving change in the system are centred on *schools* through the curriculum, funding, regulation and accountability mechanisms, and on the *teaching workforce* through strong professional leadership, effective training and development, and employment arrangements.

Policy choices and levers for change

- *A more integrated approach to the development of the teaching workforce*

Professional leadership by school principals, as the day-to-day managers of teachers, has the most impact on setting expectations for teachers and supporting them in meeting the learning needs of students. There are a number of ways the government can support effective professional leadership in schools. These include strengthening professional standards for principals, working with boards of trustees to improve appointment and appraisal processes for principals, and enhancing professional development for principals and other teachers in leadership roles.

Initial teacher education has a strong influence on the quality of teachers entering the profession, and needs to be well aligned to evidence of effective teaching practice for all

students. A range of initiatives is underway to improve the quality, consistency and content of initial teacher education. This work includes building the capability of teachers who mentor both student teachers and beginning teachers, and clarifying the roles and responsibilities of teacher educators and schools from a teacher's entry into training to full registration. Adopting more specific requirements for teacher registration would provide additional assurance of consistently high-quality beginning teachers, and place stronger incentives on initial teacher education providers to deliver programme content that is based on evidence of what works for student achievement.

Teachers also need ongoing opportunities to update and improve their practice. Research shows that high-quality in-school professional development is a cost-effective way to improve student achievement in areas such as literacy and numeracy. Ongoing professional development that is focused on everyday classroom practice has the most impact on teacher behaviour and learner outcomes. As evidence grows about which programmes or approaches work best to enhance teaching and learning for all learners, the next step is to embed effective professional development across the sector.

Professional teacher development is currently funded centrally through School Support Services or Ministry contracts for professional development programmes (\$114 million per year), or directly to schools through their operations grants. Some progress has been made in improving the quality and impact of this expenditure. Further gains can be made by continuing to set high performance expectations for centrally funded professional development programmes as contracts come up for renewal.

[Withheld under Section 9(2)(f)(iv) of the Official Information Act].

In addition to professional leadership, initial teacher education and professional development, government is able to influence teaching practice through employment conditions and remuneration. Key levers that would assist in lifting the status and performance of the teaching profession include raising teacher registration standards, strengthening requirements to participate in ongoing professional learning, and improving opportunities for career progression, together with robust performance appraisal systems.

Several collective employment agreements expire in 2009 and 2010.

[Withheld under Section 9(2)(j) of the Official Information Act] Education services are relatively labour intensive, and the sector is a significant one. If New Zealand is to improve its productivity performance, arguably one of its most important long-term economic challenges, the education workforce needs to be part of the solution.

Demographic growth will not by itself require an increase in the overall size of the teaching workforce. Policy decisions to reduce teacher student ratios have, however, increased demand for teachers, and particular pressures are expected in the primary sector in 2009. Policy shifts focused on improving retention rates in senior secondary schools may impact on teacher supply constraints over the short to medium term. There are also regional variations in teacher supply and acute shortages in some subject specialist areas, such as te reo Māori. The ministry monitors teacher supply and is actively engaged in managing current challenges facing the sector.

- *Use of assessment data and accountability mechanisms to drive school improvement*

The culture within schools should support teachers to teach effectively. Effective schools use information about student performance to identify student needs and capabilities, tailor teaching practice, and, where necessary, provide additional support for those at risk of disengaging or falling behind. Many schools do this very well, and achieve good results for their students regardless of background or previous attainment.

Good assessment data is an important tool to drive school improvement. At a student level, assessment information ensures that students are aware of their own progress and that parents are able to monitor how well their children are doing. At a system level, assessment information can provide parents, communities, boards of trustees and government with an overview of the performance of the system, particular schools, and specific groups of students. Accurate assessment information is also important to promote accountability and transparency in the education system.

The incoming government has indicated an intention to establish national standards for reading, writing and numeracy. As part of the Crusade for Literacy and Numeracy, schools will be required to use assessment programmes and provide regular reports to parents about their child's progress. Some important building blocks in terms of assessment tools and literacy progressions are available to support this policy. However, further work will be needed to consider how existing assessment tools can be standardised and benchmarked against national standards. The ministry also advises that engagement with the sector in order to seek support for the proposed standards would be desirable.

Despite the availability of assessment tools, the Education Review Office has recently reported that half of all schools do not use worthwhile achievement data to inform teaching practice. The development of a national assessment portal would enable schools to have better information about student learning, particularly in key areas such as literacy and numeracy. This could include:

- access to a range of approved assessment tools that conform to a common standard, so that any of the tools can be used to get comparable results
- the ability to collect, collate and analyse their achievement data by student, class, school level and compare their results with similar schools
- data that moves with students as they progress from school to school.

It is important to note that information alone may be insufficient to improve student outcomes. Some schools will need additional support or professional development for teachers, professional leaders and school boards to assist them to use assessment information to improve teaching practice.

- *Improving engagement, participation and achievement in education*

The right forms of investment earlier in the system should help to ensure that more students arrive at secondary school with the core skills they need to progress. However, expectations of what young people aged 16 to 18 can and should achieve in education have increased. Schools and tertiary education providers are under growing pressure to engage more students in the education system for longer.

Effective professional leadership and high-quality teaching are important for this group, just as they are at all levels of the education system. There has been a strong focus in recent years on promoting change in secondary schools to better support student engagement and achievement. The new curriculum and qualifications systems enable schools to develop more flexible learning pathways to engage learners at school and/or in tertiary education.

Programmes such as Gateway and Youth Apprenticeships have also widened the learning opportunities available to students at school.

It is desirable to build on these changes so that schools are supported to provide learning environments that young people want to be part of. There are a range of levers available to government to encourage secondary schools to pay greater attention to the learning needs and aspirations of *all* their students – especially those at risk of leaving the education system with low or no qualifications. The ministry recognises that for some students, supported access to tertiary education will always have an important role to play. There are further opportunities to support young people's learning through changes to careers advice, funding arrangements and regulatory settings.

Students need access to quality information, advice and support to make good decisions about effective career and learning pathways. The Career Education in Schools programme (which builds on the Creating Pathways and Building Lives pilot) will be implemented over the next five years. This will improve access to specialist support provided by Career Services to develop a school-wide approach to careers education. The programme includes working directly with parents and whānau to help them support their children in making career and learning decisions. Undertaking a significant and more comprehensive process of improving careers education for young people would require further investment in building the capacity of schools and/or tertiary providers to deliver career guidance themselves.

The ministry is currently reviewing legislative barriers, with a view to enabling students at senior secondary school to access a wide range of learning opportunities. Some obsolete provisions and outdated language in the Education Act 1989 are obstacles to flexible, innovative and diverse ways of working. Amendments to legislation could define a legally acceptable range of participation, and detail the responsibility of education providers for ensuring that participation occurs. This would provide students with greater opportunities to combine school-based learning alongside work experience and tertiary education.

The incoming government's Youth Guarantee policy would also strengthen incentives for students to remain in education past the age of 16. There is currently no universal entitlement to free post-school education and training for youth aged 16 and 17. In general, if 16 and 17-year-olds want to participate in tertiary (Student Achievement Component-funded) provision, they are subject to the same fees charged to older learners.⁷

Current programmes that allow students to access tertiary education without paying fees are a mix of secondary and tertiary provision, with opportunities to access tertiary education through Gateway, STAR and Youth Apprenticeships, industry training including Modern Apprenticeships, and Youth Training (targeted to school leavers with low qualifications). Funding levels therefore differ depending on the type of institution the student is attending. Schools have limited flexibility to support alternative forms of provision to classroom-based teaching by staff directly employed by the school. Allowing funding to follow students would enable youth to enrol in a wider range of tertiary subjects and courses. Implementing per-student resourcing based on year-round enrolment rather than a head count at the beginning of the year would also incentivise schools and tertiary providers to keep students in education for longer.

Broadening the range of education and training opportunities available to 16 and 17-year-olds will need to be accompanied by an increased emphasis on pastoral care and careers information and guidance for those young people participating in tertiary education. Attention will also need to be given to the monitoring and accountability mechanisms required to manage the mix of secondary school and tertiary education provision for these young people.

⁷ The mean fee charged at the certificate and diploma level was \$3,307 per EFTS in 2007.

DELIVERING HIGH-QUALITY MĀORI LANGUAGE EDUCATION

Language is the essence of culture. Through te reo Māori, Māori learners can affirm their identities and access te Ao Māori and Māori world views. Evidence demonstrates that student engagement and achievement is enhanced by high-quality education provision that is responsive to learners' identity, language and culture. Esteem is central to preparedness and receptivity to learning.

The education system has a responsibility to protect and support te reo Māori. Māori language education offers unique cultural, educational, linguistic and economic benefits for Māori in particular, and for all New Zealanders in general.

Māori language education is an umbrella term for the learning pathways for te reo Māori across the education system. Learners currently access te reo Māori through a range of different settings. These include:

- kaupapa Māori education in kōhanga reo (early childhood), kura (primary), wharekura (secondary) and wānanga (tertiary)
- Māori language units attached to English-medium schools
- learning of te reo Māori as a second language.

Most Māori learners are within the English-medium system. However, Māori-medium education enhances the education system's ability to deliver for and with Māori learners, their families and whānau, giving learners an important pathway through which to achieve education success as Māori.

Current context

Over the last decade, government has introduced a number of initiatives to promote and support the provision of Māori language education, from early childhood through to tertiary education. Investment has primarily focused on establishing the infrastructure of provision, supporting the recruitment and development of the workforce, and developing professional support and resources to enable schools, teachers, whānau, hapu and iwi to provide Māori language opportunities for learners.

- In 2007, there were 470 licensed kohanga reo, 68 kura kaupapa Māori and three wānanga.
- 11.7 percent of all Māori children from 0 to 4 years attended a Māori language early childhood centre. 3.7 percent of Māori children at school attended kura kaupapa Māori.
- Almost 123,000 students learned te reo Māori as a subject within English-medium schools. Around 65 percent of these students were non-Māori.
- A further 17,000 students were enrolled in te reo Māori courses within tertiary education. Of these, almost half were studying at wānanga.

Development in Māori language provision has in many ways been in response to the aspirations of and demand from Māori. This is appropriate, as it recognises the authority for such developments has flowed from whānau, hapu and iwi, and is essential to the sustainability of provision. The government and the ministry have largely responded to, rather than actively shaped, these developments. Addressing the challenges we now face may require more engagement and action from the government in partnership with iwi and Māori.

The overarching challenge facing Māori language education is the high variability in the quality of provision. Continuing high demand, and a lack of a systematic approach to developing the network of provision, particularly in Māori-medium education, has led to uneven quality. A recent Education Review Office (ERO) report identified 16 successful kura, but indicated that the remainder faced a number of challenges that need to be addressed to improve and sustain effective teaching and learning.

Attracting teachers with high levels of proficiency and competency in te reo Māori is an issue within both English- and Māori-medium settings. Challenges are particularly acute within the Māori-medium schools, as a higher level of te reo proficiency and competency is required to teach the entire curriculum in Māori. Māori-medium teachers require a level of proficiency, accuracy and fluency that enables them to actively learn and think in the language in which they are teaching. Teachers cannot reflect on their teaching practice, assess learner knowledge and be responsive to the diverse learning needs and interests of their students if they do not have 'fit for purpose' te reo Māori, curriculum content knowledge, and understanding of second language acquisition pedagogy.

Recent developments have provided a strategic framework to address the challenges facing Māori language provision. Key strategies include:

- *Ka Hikitia – Managing for Success: The Māori Education Strategy 2008 – 2012* contains six strategic goals to strengthen Māori language education provision. These goals provide a framework for further development of Māori language policy.
- *The New Zealand Curriculum*, the English-medium curriculum released in 2007, sets out the official policy for the teaching of Māori language in English-medium schools and settings.
- *Te Marautanga o Aotearoa*, the Māori-medium curriculum released in 2008, sets out the official policy for teaching, learning and assessment in Māori-medium schools and settings.

The current evidence base suggests that building the capability and capacity in Māori language education requires a coherent, deliberate approach aligned to the direction and priorities in these strategies.

Policy choices and levers for change

- *Increasing the number of high-quality teachers who are proficient and competent in te reo*

Te reo Māori proficiency and competency are significant issues for teachers in Māori-medium and English-medium ECE centres, schools and tertiary providers. The primary source of highly proficient and competent Māori language teachers is the Māori-medium education network. Unlike English language education, the Māori language education workforce cannot be supplemented with overseas-trained teachers.

The ministry is currently reviewing options to better assure the quality of new teachers entering the profession through a focus on initial teacher education. There are opportunities to consolidate existing initial teacher education provision in order to build a critical mass of expertise in this area.

Government could also seek to accelerate changes to teacher quality through the introduction of clear te reo Māori competency standards for teacher trainee entry, graduation, and registration. However, higher-quality standards must be traded off against likely reductions in teacher supply in the short term. There are other options through distance learning, information and communication technologies, and virtual delivery that can be explored in the interim and perhaps as an alternative.

In the short term, improving capability in the teaching workforce will require a focus on professional development for the existing workforce. Enhancing professional development for te reo Māori teachers and professional leaders may need to begin by building the availability of high-quality providers of professional development, and considering ways that professional development can be delivered effectively in a widely dispersed workforce of highly variable quality.

- *Balancing competing demands in the face of limited supply*

In view of the limited supply of teachers proficient and competent in te reo Māori, government faces a number of strategic decisions. The ministry is currently reviewing network provision and processes to establish kura. In the current context, expanding Māori language education to meet demand may not be possible without compromising the quality of provision. Raising the quality of provision through standards for entry into the workforce should result in future gains in terms of student achievement, proficiency and competency in te reo Māori, but will create short- and medium-term constraints on the ability of the sector to meet demand.

Government also faces choices regarding how best to manage the existing resource of Māori language teachers. One option is to spread this resource relatively thinly to enable more students in English-medium settings to gain some level of competency in te reo Māori. Another would be to place a higher priority on ensuring that a smaller number of students, particularly Māori students, gain a high level of proficiency and competency in te reo Māori. Equally important is support for all teachers to be able to deliver the New Zealand Curriculum requirements for te reo Māori.

A decision to place a higher priority on Māori-medium education may mean not being able to meet the demand for Māori language education within English-medium schools, where the significant majority of Māori learners are. However, enhancing the quality of teaching and learning within Māori-medium education is likely to be the best way to provide the education that will produce a new generation of proficient and competent te reo Māori teachers.

- *Use of monitoring, research and evaluation to inform future developments*

Knowledge and expertise in the area of Māori language are growing, but developing capability and capacity to deliver improved learner outcomes is a challenging task. While there are opportunities to gain greater leverage from existing expenditure, there is also a need to further monitor, evaluate and refine initiatives and investments in this area.

The government may wish to focus on developing Māori scholarship through the tertiary education system. This could be achieved in a number of ways. One option is to better recognise Māori knowledge in research funding through the Performance-Based Research Fund or some equivalent mechanism. In the current Tertiary Education Strategy, wānanga are expected to contribute towards the wellbeing of Māori as Māori, and have a leadership role in the sector in the continued advancement of Mātauranga Māori (Māori knowledge). There are opportunities for wānanga to play a greater role in the development and delivery of te reo Māori teacher education and professional development.

BALANCING QUALITY AND PARTICIPATION IN TERTIARY EDUCATION

The contribution of tertiary education

Tertiary education equips people with knowledge and skills to participate fully in society and contributes to improving labour productivity. The fact that tertiary education provides both public and private benefits is broadly accepted as a rationale for cost sharing in the funding of tertiary education between government and individuals.

Participation in and high-quality delivery of tertiary education both matter. Sustained participation will only result in strong private and public benefits if it does not compromise the quality of education delivered. It is important, therefore, that public investment in tertiary education focuses on provider capability and educational quality as well as student access.

Government can play a role by having a clear statement of priorities about what it will fund and what it expects from this expenditure; and by having an efficient, fit-for-purpose process for how it will fund and monitor the quality of provision.

Current context

The tertiary education sector has undergone significant policy change over the last ten years. The first *Tertiary Education Strategy* was introduced in 2002, and has become the primary vehicle through which the government sets out its expectations and priorities for the tertiary education sector. Responsibility for funding transferred to the Tertiary Education Commission (TEC), which was established in 2003.

During the 1990s, the tertiary funding system was designed to support increased access and equity through a market-led model. This system successfully increased access and showed considerable improvements in equity, but there were increasing public concerns about the rising cost of study and the quality and relevance of provision, particularly at sub-degree level.

The aim of reforms since the early 2000s has been to link public investment in tertiary education more closely with identified social and economic priorities, to increase stakeholder influence, and to improve fiscal certainty for government, providers, students and their families. The most recent Tertiary Education Strategy (2007-2012) establishes a focus on the quality and relevance of provision, as well as participation.

Investment in tertiary education is now on the basis of multi-year investment plans for tertiary education organisations approved by the TEC, within a managed overall tertiary budget. The Performance-Based Research Fund aims to encourage excellence in tertiary research. A new quality assurance and monitoring system is currently under development, moving from an audit-based approach to self assessment and external evaluation and review, with a greater focus on measuring outcomes. Initiatives to lift skills have been put in place, culminating in the *New Zealand Skills Strategy* released in 2008.

It is still too early to assess whether the most recent round of reforms is delivering the shift in the quality and relevance of outcomes that was sought from them. However, many of the policy changes have helped to lessen public concerns about the nature of provision in particular sub-sections of the tertiary sector. In addition, the fundamentals of the new tertiary system are now operational, with investment plans in place for public institutions and being put in place for private and community providers. This in itself has been a significant change. It also appears that there is a level of support within the sector for the new arrangements.

Further work remains to be done to advance the distinctive contribution of institutions and sub-sectors within the broad network of provision. This will require careful ongoing management, particularly in a changed environment where a number of tertiary institutions are still working to assure their viability.

Patterns of participation in tertiary education have changed significantly over the last decade. Tertiary providers are now catering to a much more diverse student population. Universities continue to have the highest number of equivalent full-time students. Growth in the number of students has been highest in institutes of technology and polytechnics.

Demand for tertiary education is expected to change. In the short term, if the labour market contracts, more people may want to stay in or return to tertiary education. The so-called 'baby-blip' generation is moving into the 18 to 24 year age band, which is likely to increase the number of students seeking to enrol full time. Enrolments by students aged 25 to 39 are decreasing, while the number of students aged 40 and over has levelled out. This is likely to reduce the proportion of part-time students.

Qualification levels of school leavers are rising and there are increased demands for a qualified and skilled workforce to drive productivity and innovation. The ethnic make-up of the 15 to 39 year age group is also projected to change, with an increased proportion of Māori, Pasifika and Asian peoples.

Policy choices and levers for change

- *Allocation of resources within the tertiary education system*

Given the size of total government funding for tertiary education, maintaining a viable and internationally competitive system through inflation adjustments and forecast change in roll growth is expensive. Over and above this, the main funding challenge centres on the system's ability to meet students' desire for affordable tertiary education and providers' desire for increased per-student revenue.

Over the coming three years there will be choices to be made concerning the balance between public and private funding, and the allocation of spending between students and institutions. Direct government subsidies to providers in New Zealand are relatively low by international standards, and the proportion of tertiary funding through student support is relatively high. Any marginal increases in government funding in the next few years should take into account the current balance between institutional funding and funding to students. Providing funding directly to institutions would assist providers to become more financially sustainable, maintain high quality provision and address challenges such as an ageing tertiary workforce and the need to maintain international competitiveness.

The ministry is currently undertaking a review of fees maxima settings. Easing fee maxima settings to give providers greater flexibility to charge higher fees to students is one way of supporting quality enhancements in institutions. While this would have a cost impact for students, the effect would be subsidised in part by the government through the fees component of student loans.

Improving the efficiency of the tertiary system is another way to support the quality of provision without imposing additional burdens on students or the government. Options include rationalising provision across the network of providers, reducing costs by sharing overhead costs between institutions, and increasing the joint development of programmes or qualifications.

- *The future shape of participation*

As part of the new funding system, the government can make an annual decision on the level of tertiary education it will support through the funding system. As noted above, numbers in the 18 to 24-year-old cohort are increasing. In addition, one of the priorities outlined in the current Tertiary Education Strategy is more participation by those under the age of 25 in higher levels of tertiary education. Improved participation by Māori and Pasifika students is a critical part of this priority.

Government will need to choose over coming budgets whether and how it accommodates increased participation by young people. In the ministry's view, funding higher participation by this group is important. More flexible pathways between secondary and tertiary education are desirable to encourage young people to engage with education for longer than they do at present. If it is not possible to fund this growth in participation for young people through increased funding for the tertiary system, it will be necessary to consider reduced public investment in some other student groups.

Decisions on the overall allocation of resources also needs to strike a balance between encouraging students to study in higher-level qualifications, and recognising that over 1.1 million New Zealanders have low levels of literacy. Many of these are in the current labour force, which has major implications for New Zealand's economic development. Budget 2008 allocated an additional \$165 million over four years to implement a suite of initiatives to improve the literacy, language and numeracy skills of New Zealanders, particularly those in the workforce. It would be desirable to make further progress in implementing this package, and assessing its effectiveness, before committing significant further resource in this area.

- *Achieving results from the new tertiary system*

Good progress has been made on putting in place the tertiary reforms. However, ongoing monitoring of progress and impact will be required. A key part of this will be ensuring an appropriate balance between central and institutional roles is maintained. Too strong a central role can hamper institutional capability, innovation and local responsiveness, while too much institutional autonomy may reduce the responsiveness of providers to government's national priorities.

Overall, the new system with its stronger steering instruments and strategic imperatives, relies on complex decision making and a high level of interaction with providers to focus funding on government priorities and stakeholder needs. Government has choices about how much it wishes to steer the tertiary education system centrally, and these choices are a key factor determining the size and nature of institutional arrangements for providing policy advice, allocating funding and monitoring the performance of the system.

- *Contribution of tertiary education to economic performance*

Tertiary education contributes to economic performance through generic skill development and knowledge generation and transfer. The tertiary education sector is a significant producer of research in New Zealand, and accounted for 37 percent of gross expenditure on research and development in 2005/06. The Performance-Based Research Fund was established in 2003 to encourage and reward excellent research in the tertiary education sector. Initial evaluations indicate the Fund has been successful in lifting the quality of tertiary research⁸.

⁸ As measured by academic citations, improved research degree completions, and generation of greater external research income in New Zealand universities.

Tertiary education organisations are starting to respond to the need to improve research connections with business and industry through their investment plans. However, this response is variable, and is focused more on areas of traditional strength in tertiary education research rather than emerging industry and national knowledge needs. Government can further encourage productive relationships between tertiary institutions and business and industry, to improve the quality and relevance of the knowledge and skills of tertiary graduates and the transfer of knowledge to support innovation. This is an area that would benefit from further work. At a system level, government may wish to assess the alignment of investment in tertiary education with investment in research, science and technology, and economic development.

- *Internationalisation of education*

International education linkages already play an important role in the economy, and can play a still greater role through areas such as knowledge transfer. It is estimated that fees from international students increased the revenue of education providers by \$600 million in 2007, and, together with the sale of other education goods and services, had an impact on GDP of over \$2 billion. In the short term, developments in the international economy may reduce student numbers, with an adverse impact on revenue for tertiary providers. This situation will require close monitoring. It may be necessary to consider with the sector some additional efforts to promote New Zealand education offshore.

Tertiary education can also promote global connectedness by fostering language skills, knowledge of other cultures, and international business skills, and by leveraging international linkages to build capacity and capability. Our tertiary education institutions have at least 600 formal cooperation arrangements with overseas counterparts, involving student and staff exchange and research collaboration. The *International Education Agenda* released in 2007 seeks to frame this activity within government's broader objectives for the sector. The ministry is working with other agencies to identify further potential links between the activity of our education institutions in the international arena and our research, immigration and foreign policy objectives.

- *Strategy setting*

Refreshment of the Tertiary Education Strategy and Statement of Tertiary Priorities is currently scheduled for next year, in order to inform the next round of investment guidance. This is an opportunity for the government to shape or refine the priorities and focus of the tertiary system over the next three years, and to consider the policy issues outlined above. It will also be an opportunity to review the longer-term direction of the tertiary system in light of future economic, social, demographic and technology drivers within New Zealand and internationally. The tertiary system will need to continue to respond to and plan for these influences, and the development of the strategy is an opportunity to consider this more explicitly.

IMPROVING ENGAGEMENT, PARTICIPATION AND LEARNING FOR CHILDREN WITH SPECIAL EDUCATION NEEDS

The contribution of the education system

Effective teaching and specialist support for students with special education needs play a key role in ensuring that every student succeeds in education. The policies that shape education provision for children with special education needs and the quality of service delivery are crucial to achieve good outcomes. There is a strong social justice argument for supporting children with disabilities to participate and achieve to their potential. Supporting and including children with disabilities contributes to a stronger and more caring society. Specialist support can also reduce lifetime care costs and increase the economic contribution made by those with disabilities.

The Education Act 1989 and the Special Education 2000 policy framework provide the focus for the education sector to ensure that all learners have equal opportunities to learn and develop in their local, regular educational centres. Special education policy also sits within a context of international conventions, New Zealand legislation, strategies and policies. Most significant are the United Nations Convention on the Rights of Persons with Disabilities and the 2001 New Zealand Disability Strategy. The Ministry of Education takes a leadership role in this area and is both a funder and provider of services.

Current context

There has been substantial investment in special education over the last two decades, with a considerable shift towards mainstreaming and more inclusive practices. Greater access to services and support has allowed many children with special needs to develop, to achieve educationally and socially, and to participate more fully in society.

The Ministry of Education provides services directly or indirectly to around 30,000 children with high or very high needs each year. Depending on the needs of children, specialist services range from intensive, ongoing one-on-one interventions through to lower-cost, more temporary forms of assistance. Additional funding is provided to schools to support the 40,000 to 60,000 children with more moderate needs.

There is evidence of unmet demand for services and support. Expectations from parents, teachers and schools and disability communities have increased significantly over the last decade. A significant number of schools report funding pressures and difficulties in adequately meeting the needs of some students. Parents of children who are being supported express a high level of satisfaction with the services they and their children receive. However, there is significant frustration at the limited capacity of the ministry to respond to the needs of children who are not currently being supported. There are waiting lists for services in many areas.

Debate about special education is highly emotive. There are divergent views on the role of special schools and inclusion of children with special education needs in mainstream settings. In some parts of the country, children with special education needs are widely dispersed, and support options are more constrained and significantly more expensive than in major urban centres.

Since the new approach to special education was developed in the 1990s, the structure of services has stayed essentially the same. Increasing demand and evolving models of professional practice mean that some elements of the existing system and structures have become out of step with current and future requirements.

There are opportunities to reprioritise existing expenditure to deliver better outcomes for children with special education needs and to increase the efficiency of the current funding system. There are also opportunities to improve the capability of the education workforce to support children with special education needs. Any gains, however, are likely to be modest in the absence of additional resources. The following sections focus on those areas where current policy and practice would benefit from particular attention.

Policy choices and levers for change

- *Special Education Resourcing Framework*

The current resourcing framework includes a range of allocative and funding models. Some eligibility decisions are made centrally for specific support to individual students with high needs, while allocation decisions on levels of resourcing are made at a district and school level. Schools and school clusters have responsibility for allocating formula-based resources for children with moderate needs.

Just under one percent of children have very high needs and receive support under the Ongoing and Reviewable Resourcing Scheme (ORRS). This scheme works well to control fiscal costs to government while providing earmarked resources that follow the child. There is, however, growing pressure to increase the level of funding provided for high and very high needs students in mainstream settings. Access to appropriate services and support is more variable for other children with special needs who do not meet the criteria for ORRS.

The previous Minister indicated an intention to review the special education resourcing framework. In a constrained fiscal environment, most leverage from such a review would be gained by looking at better use of existing resource to ensure that policies and practices have the greatest impact on student outcomes. There is an opportunity to evolve the resourcing framework to address issues of accountability, flexibility and fragmentation of funding.

- *Challenges in service delivery*

There is ongoing debate about the best model of delivery for children with special education needs and the role special schools should play. Some of the factors that need to be considered in this debate should include: the circumstances, needs and rights of children and their parents; ensuring equity of access to high-quality services; and the relative costs of various service delivery models.

The ministry notes that including children with special education needs in mainstream education provides them with greater opportunities for social engagement, and for many children can produce better outcomes than other types of education provision. However, we recognise that some parents prefer alternative forms of provision. Further work on the role and contribution of the different delivery mechanisms should be considered.

There is a range of service delivery models in use for children with special needs, with considerable differences across regions in the approach and the balance of provision. Service delivery models include:

- inclusion in a mainstream classroom
- special education units in regular schools
- special school satellites based in mainstream schools
- attendance at special schools

The low incidence of specific special education needs and the highly specialist nature of services required to address these needs create challenges for boards of trustees. Strengthening the existing clustering of mainstream schools could be encouraged as a way of sharing good practice across schools and achieving better economies of scale for children with low-incident high needs. Devolving funding and service responsibilities could be achieved by directing money towards clusters of mainstream schools and establishing joint accountability arrangements.

The role of special schools could also be extended and their expertise used as centres of excellence. This could strengthen mainstream education by providing specialist expertise to allow students to continue to participate in mainstream settings. In some cases, provision may be more effective through a single national entity and purchase contract, such as has been created in the provision of education for the blind.

- *Workforce capability and capacity*

Ensuring that teachers and specialists have the skills they need to effectively manage and support children with special education needs is crucial. All teachers can expect to have children with special education needs or challenging behaviour in their classrooms at some time. Initial teacher education and ongoing professional development need to build the capability of teachers and professional leaders to provide for children with special education needs.

There are many highly competent teachers, specialists and paraprofessional staff in the special education workforce. However, levels of expertise and training vary and professionals can be isolated. There is also significant lack of specialist capacity concerning the provision of New Zealand Sign Language and support for those with significant vision and hearing loss.

Work to improve the capability of the special education workforce and to clarify standards, expectations and competencies of different professional and paraprofessional groups is at an early stage. The recent resource review suggests schools would like more funding for teacher aides. However, there is no uniformity in teacher aide practice. The development of formal training programmes for teacher aides would help to introduce more evidence-based practices to this workforce and ensure maximum benefits are gained from their use.

- *The impact of difficult behaviour on schooling and educational achievement*

Schools advise that managing the behaviour of students is one of their most challenging issues, and a number of schools are struggling to cope. The ministry currently provides specialist behaviour services for approximately 4,500 students with the most severe behavioural needs aged 5 to 14 years. The average age of referral is 10 years. The highest demand is for older children whose behaviour is more severe and threatening to themselves, family, peers, teachers and community. However, services for young children (aged 3 to 7 years) are more cost effective and have a much greater impact than those for older children. There is also strong pressure to expand and extend intensive behaviour services to additional high-priority individuals.

In March 2009, the ministry is planning to bring together the education sector and other stakeholders in a "Behaviour Summit" to consider the evidence on effective behaviour management and commit to a plan of action. Following that summit, advice will be prepared for your consideration. The ministry is also working closely with other agencies who are involved in service delivery for children with special education needs and their families. Inter-agency work to develop consistent identification and responses to conduct disorder/severe anti-social behaviour has the potential to reap high benefits for these individuals, their families and whānau, and wider society.

PART THREE:

ORGANISATION AND RESPONSIBILITIES OF THE MINISTRY OF EDUCATION

This section provides a summary of the Ministry of Education's organisation and operations. The following sections include:

- Organisation, priorities, and roles and responsibilities of the ministry
- Major decisions during the first six months of government
- Significant risks in the ministry or education portfolio
- Acts and regulations administered in the Ministry of Education
- Ministerial responsibilities for Crown entities

MINISTRY OF EDUCATION ORGANISATION

The Ministry of Education assists the government to implement its education agenda. The ministry provides policy advice on all aspects of the education system, and advises government on how best to implement policy. On behalf of government, the ministry has a wide variety of roles across the education system. These include funding, regulating, ownership and service delivery.

The ministry also researches, collects and disseminates information about the performance of the education system to students, parents and employers. This information covers areas such as student outcomes and educational best practice, and provides a sound base for government decision making.

The Ministry of Education is led by Karen Sewell, the Secretary for Education, and the six deputy secretaries:

- Rawiri Brell - Early Childhood and Regional Education Deputy Secretary
- Anne Jackson - Schooling Deputy Secretary
- Kristine Kilkelly - People and Business Capability Deputy Secretary
- Rob McIntosh - Strategy and System Performance Deputy Secretary⁹
- Apryll Parata - Māori Education Deputy Secretary
- Nick Pole - Special Education Deputy Secretary

The following diagram describes the work of each group and lists key people.

⁹ Strategy and System Performance also includes tertiary and international policy

Karen Sewell
Secretary for Education

Jo McKeown
Chief Internal Auditor

Strategy & System Performance

Deputy Secretary
Rob McIntosh

The Strategy and System Performance Group aligns our work across the ministry and the education system to ensure our educational priorities fulfil government objectives and meet the needs of our stakeholders.

Key People

David Lambie
Group Manager
Education Information & Analysis

Lynne Whitney
Senior Manager Research

Michael Pearson
Group Manager
Communications

Andrea Schollmann
Group Manager
Tertiary Education

Neil Scotts
Senior Manager International

Steve Rylands
Senior Manager
Education System Strategy

Jim Matheson
Senior Manager
Ministerial & Leadership Support

People & Business Capability

Deputy Secretary
Kristine Kilkelly

The People and Business Capability Group works across the ministry and with the education sector to ensure that the ministry has the right people, technologies, systems, information and resources in place to support its purpose.

Key People

Jan Breakwell
Chief Legal Adviser

Tina Cornelius
Chief Financial Officer

Ruth McKenzie
Group Manager
Human Resources

Leanne Gibson
Chief Information Officer

Ivan Whiteman
Senior Manager
IT Programme Delivery Office

Schooling

Deputy Secretary
Anne Jackson

The Schooling Group leads and integrates our activities in the schooling area by focusing on the key shifts we need to make to improve student outcomes and system performance.

Key People

Kevin Wilson
Senior Manager Resourcing

Kim Shannon
Group Manager Schooling

Mary Chamberlain
Group Manager
Curriculum Teaching & Learning Design

Colin McGregor
Group Manager
Curriculum Teaching & Learning Implementation

Paul Burke
Property Group Manager &
Acting Senior Manager
Resourcing

Sarah Borell
Acting Senior Manager,
Industrial Relations

Irene Lynch
National Manager
Teach NZ

Early Childhood & Regional Education

Deputy Secretary
Rawiri Brell

The Early Childhood and Regional Education Group is strongly focused on the continued development of Early Childhood Education and an effective ministry presence in the regions supporting educational provision and families and communities in the education of their children.

Key People

Karl Le Quesne
Group Manager
Early Childhood Education

Bev Pitkethley
Acting Group Manager
School and Student Support

Kathy Phillips
Group Manager
Regional Education

Lesieli Tongati'o
Pule Ma'ata Pasifika

Joanne Allen
Senior Manager
Parents Families & Whānau

Group Māori

Deputy Secretary
Apyll Parata

Group Māori takes a leadership role in the development of Māori education strategies and provides leadership to others in the ministry as a voice and support for the aspirations of Māori.

Key People

Paula Rawiri
Senior Manager
Maori Education Strategy & Policy

Mini McKenzie
Senior Manager
Iwi & Maori Education Partnerships

Belinda Woodman
Manager
Atawhaingia te Pa Harakeke

Special Education

Deputy Secretary
Nick Pole

The Special Education Group works through strategy, developing professional practice, and service provision, to ensure timely and effective services for children and young people with special education needs.

Key People

Warwick Phillips
Manager Professional Practice

Sally Jackson
Manager Operational Policy

Margaret Parkin
Manager Eligibility

Brian Coffey
Director
Strategic Policy Programme

Beau Reweti
Manager
Māori Service Provision

Ezra Schuster
National Manager Pasifika

Regional Managers:
Jean Smith
Diana Shepherd
Jacky Burgon
Murray Roberts

Ministry of Education Priorities in the Statement of Intent

To fulfil our roles and responsibilities, we focus our attention on areas that contribute most to equitable and high-quality outcomes for learners. Our Statement of Intent for 2008-13 reflects our current priorities.

Strong Learning Foundations: Children need to develop key skills and competencies as early as possible to fully participate in education and in society. The intermediate priorities are:

- increasing participation in high-quality early childhood education, particularly for children in low socio-economic communities, and for Māori and Pasifika children
- increasing literacy and numeracy achievement in primary school, so that children have the skills to access the rest of the school curriculum
- earlier identification of, and intervention for, children with special education needs or disabilities, so that wherever possible problems are addressed before they begin to impact on the child's education.

Participation, Engagement and Achievement in Education: Success in education means that students participate, are engaged, and achieve. This priority focuses on secondary schooling and the transition to tertiary education. The intermediate priorities are:

- increasing engagement and achievement in secondary education, so that young people stay at school longer, leave with higher-level qualifications, and acquire good foundations for work and further education
- more successful pathways into tertiary education and work, and supporting students and parents to make the best decisions about progression from secondary school
- higher levels of learning and achievement in tertiary education by the age of 25, particularly for qualifications at NCEA level 4 and above.

Māori Language Education: Strong Māori language education supports Māori cultural identity, strengthens te reo Māori, and enables students to choose to learn te reo in high-quality Māori-medium education settings. The intermediate priorities are:

- increasing numbers of high-quality teachers proficient in te reo Māori
- increasing effectiveness of teaching and learning in and through te reo Māori.

Education and Transformation: The education system needs to develop to meet the changing needs of society and the economy. The intermediate priorities are:

- building an education system for the 21st century
- increasing education's contribution to economic transformation and innovation through new knowledge, skills and research.

Organisational Success: improving the effectiveness and efficiency of the ministry's own performance will make us better able to deliver on government's priorities for education. The intermediate priority is:

- building leadership, accountability, relationships, competence and confidence.

Employment relations environment within the Ministry of Education

The ministry has approximately 2,100 staff (in full-time equivalents) of which 47 percent are union members. There are two unions, the Public Service Association and the New Zealand Educational Institute, and four collective agreements. The ministry was one of the first to sign up to the Partnership for Quality Agreement 3 with the Public Service Association. Relationships with the unions are reasonably positive.

Staff turnover is currently higher than desired, projected to be 16.5 percent for the 2008/09 year. The ministry is having difficulty recruiting to policy, finance, information technology and human resources positions, all of which are areas of shortage across the public service. We have an ageing workforce in Special Education, which will pose some workforce capacity issues in the near future.

MINISTRY OF EDUCATION ROLES AND RESPONSIBILITIES

Education sector leadership

The ministry is the government's lead advisor on the education system, shaping the broad educational direction across all education agencies. This means working closely with the other education agencies so that the government's goals are translated into a coherent set of activities that have the greatest possible impact on educational outcomes.

There are six education agencies:

- Ministry of Education
- Education Review Office
- Career Services
- New Zealand Qualifications Authority
- New Zealand Teachers Council
- Tertiary Education Commission

The Chief Executives of the six education agencies work to an agreed set of shared education sector outcomes, under the leadership of the Secretary for Education. These six agencies, plus the Correspondence School, also comprise the Education Agencies Leadership Forum, which provides collective strategic leadership and overall governance and oversight of the education system, and interagency work programmes.

A number of fora come under the oversight of this Leadership Forum, and focus on joint programmes of work:

- The Education Sector Leadership Group (Ministry of Education, the Tertiary Education Commission, and the New Zealand Qualifications Authority) provides strategic leadership in the tertiary sector
- The Standing Committee (also known as the Governance Group) for Ongoing Improvements to the National Certificate of Educational Achievement (Ministry of Education and the New Zealand Qualifications Authority, in consultation with the Tertiary Education Commission, Career Services and the Education Review Office)
- The Education Sector Information and Communications Technology Standing Committee (all six education agencies plus the Correspondence School, Ministry of Research, Science and Technology, and National Library of New Zealand) coordinates and oversees the development and use of ICT across the education sector. Education providers in New Zealand are making increased use of technology and are adopting innovative practices, but these practices are not evenly distributed. National coordination can deliver benefits through information sharing and economies of scale. The Education Sector ICT Standing Committee is the vehicle for achieving this in a way that best contributes to improved learning, achievement, and research outcomes.

In addition, the Ministry of Education fulfils the role of Crown monitoring agent for the four education Crown entities: the Tertiary Education Commission, the New Zealand Qualifications Authority, Career Services and the Teachers Council. In this role the ministry provides independent advice to the Minister on the performance of agencies. We advise

specifically on the alignment of agency plans with government directions, agencies' longer-term capability, and any risks to the delivery of agreed outputs. A full description of the role of each of these agencies is included in the section on Ministerial Responsibilities for Crown entities below.

Working with the early childhood education sector

The early childhood education (ECE) sector includes a range of private and community providers. Services requiring a full licence include: 618 kindergartens, 470 kōhanga reo, 466 playcentres, 1,932 centre-based services, and 227 home-based networks. There are 729 licence-exempt services, mainly parent-led playgroups.

Early childhood teachers are employed directly by the providers they work for. The providers have a variety of philosophies and approaches but work within a common early childhood curriculum: Te Whāriki. Government owns some early childhood education property through District Health Boards (DHBs), on school sites, some kindergartens and playcentres, but does not directly operate early childhood centres apart from a small number provided by DHBs in paediatric wards.

The Ministry of Education has a substantial operational role in the ECE sector. For example, we:

- establish the regulatory requirements, licences and charters for ECE services and administer related functions and interventions, involving more than 300 ECE services a year
- support the growth of the ECE network in areas of low participation or high population growth, by allocating grants to community groups to establish new or expand existing ECE services
- provide information and outreach programmes to assist families in areas of low participation to access ECE services and to support their children's continued attendance
- provide resources to support teaching, learning and assessment, and fund professional development programmes
- administer ECE teacher supply initiatives
- negotiate collective agreements for kindergarten teachers on behalf of government
- are the sole provider of early intervention services for children aged 0 to 5 years with developmental delay, disability, or behaviour difficulties.

Working with the school sector

The school sector includes a range of provision. This includes: 2,037 primary schools (including 123 intermediates); 353 secondary schools; 147 composite schools (which enrol both primary and secondary students and include the Correspondence School); and 47 special schools (which enrol a proportion of students with special education needs, although most students with special education needs are enrolled in mainstream schools).

Sixty-eight of these schools are designated as kura kaupapa Māori offering Māori immersion schooling. In addition, nearly 3,000 families choose to home-school their children.

The majority (83 percent) of schools in New Zealand are fully state owned and funded, where the New Zealand Curriculum provides the focus for learning. Thirteen percent are state integrated schools, which follow the curriculum and receive per-pupil funding from the state

but are privately owned and keep their own special character as part of their school programme. Four percent are independent schools, which are privately owned, charge attendance fees, must meet certain standards to be registered, and receive some funding subsidy from government.

Boards of trustees govern all state and integrated schools in New Zealand. These boards are made up of elected parent and community volunteers, the school principal, and a staff representative. Secondary school boards also include a student representative. Every board must establish a charter that complies with the National Education Guidelines.

The National Education Guidelines comprise a statement of goals for education in New Zealand, the New Zealand Curriculum and a set of administrative requirements. Boards use the Guidelines as the basis for their planning and reporting. The Education Act gives the Minister for Education the power to publish new Guidelines. They are a powerful lever, providing government with the means to focus boards on the most important outcomes for education.

The ministry has a substantial operational and delivery role in the school sector. For example, we:

- regulate to ensure the attendance of children and young people during the compulsory years of schooling
- develop curriculum and achievement standards and provide resources to support teaching, learning and assessment, and fund professional development programmes
- negotiate collective agreements, on behalf of government, for teachers in schools, principals, school support staff and special education staff
- determine and deliver funding to schools and administer the teachers' payroll
- are one of the providers of specialist services to school-aged children with special education needs
- intervene where schools are at risk in relation to financial viability, student achievement or student participation
- provide information about and support for education options to students, parents and communities
- manage all education property owned by the Crown (further details are provided in the property section below)
- administer a range of initiatives, such as the teacher supply initiatives, and the school transport network.

The government monitors the performance of early childhood services and schools through the Education Review Office, and maintains qualification standards through the New Zealand Qualifications Authority.

The school property portfolio

School property is owned by the Ministry of Education, representing the Crown's ownership interest in the school property portfolio. The state school property portfolio comprises approximately 2,150 state schools and 260 properties occupied by ECE services, making this the second-biggest property portfolio in Government. The portfolio has a capital value of \$10.3 billion at 30 June 2008, including \$6.6 billion worth of improvements. The total replacement value of the portfolio is approximately \$12.5 billion. Total capital expenditure

planned for 2008/09 on school property is \$483 million, which is funded through capital injections, depreciation, and school asset sales.

Management of school property is a partnership between the ministry and boards of trustees. We establish policies and provide funding for school property, and boards are responsible for the day-to-day management of their property.

In the medium term, we expect there will be a need to build new schools and classrooms in areas of high population growth. The number of five-year-olds in the population is forecast to grow by about 15 percent between 2008 and 2013. The greatest pressure on school property is expected in Auckland, Hamilton, Tauranga, Christchurch and Queenstown-Lakes.

To meet these pressures, we have implemented initiatives to improve the efficiency of property resourcing and the flexibility schools have in the use of this resourcing. These include the introduction of a 10 Year Property Plan and 5 year Property Agreement for funding capital projects in state schools. We have developed programmes such as Cash for Buildings, which will allow schools to rent property rather than being provided with new buildings, and we encourage more innovative uses of existing assets.

Working with the special education sector

There is no separate special education system in New Zealand. Children with disabilities and special education needs have the same right to attend their local school as any other child. All ECE services and schools, including special schools, operate under the same policy framework and are part of the broader network of education provision. Students receive special education support in a range of settings including in the home, ECE services, special schools, special education classes, mainstream schools and hospitals. Government, through the Ministry of Education, delivers special education services to over 35,000 children and families each year.

An estimated \$455 million is available for special education in the 2008/09 year. Over two thirds of this is given directly to schools to support students with moderate special education needs. The remainder is used to deliver special education services to support individual students with high needs.

The ministry employs:

- approximately 950 frontline specialist field staff, who work with children and their families. They include psychologists, speech language therapists, physiotherapists, occupational therapists, early intervention teachers, kaitakawaenga, advisors on deaf children and special education advisors
- approximately 1,000 part-time support workers (teacher aides) working in schools.

We are also responsible for providing policy advice, developing the special education workforce and negotiating collective agreements on behalf of government for special education staff.

Working with the tertiary education sector

The term tertiary education in New Zealand describes all post-school education and training. Tertiary providers include:

- 31 public institutions, comprising: eight universities, three wānanga and 20 institutes of technology and polytechnics
- 37 industry training organisations (as at the end of 2007)

- 734 registered and accredited private training establishments (as at October 2008), of which the Tertiary Education Commission typically funds between 350-400 at any one time
- 13 other tertiary education providers, which supply specialist tertiary education or tertiary education services
- up to 400 state schools that are funded for tertiary education within a secondary school context (such as the Gateway programme) or to deliver adult and community education
- 89 community organisations and 13 rural education activities programmes that deliver adult and community education.

The ministry:

- provides advice on strategic policy for the tertiary sector (including development of the Government's Tertiary Education Strategy) and on student support policy
- works with tertiary education agencies to implement government's strategic and policy goals
- monitors the effectiveness of the policies, changes in the system, and the overall performance of the tertiary sector against the government's strategy and desired outcomes
- supports Crown-Māori relationships in the tertiary sector and the performance of the system for Māori.

Financial support to students is provided by StudyLink, a service of the Ministry of Social Development. StudyLink is responsible for administration and delivery of student loans, student allowances and other income support to students while they are studying, and income support for students unable to find employment during vacation breaks.

Working with the international education sector

International education includes: the enrolment of more than 91,000 international students in the New Zealand education system; the international sale of education intellectual property and other services; and academic partnerships and student exchange programmes.

The ministry's key roles in international education are:

- coordinating the work of government agencies related to international education
- managing Vote funding for international education
- providing policy advice and supporting research, monitoring and evaluation of funded programmes
- supporting international students and the providers who enrol them, by administering the Code of Practice for the Pastoral Care of International Students in New Zealand
- international liaison, which includes providing information to other countries on New Zealand's education system, and promoting linkages and exchange.

Working with key stakeholders

The ministry currently enjoys formal relationships with 20 iwi and four national Māori education groups. By strengthening opportunities for iwi and whānau to be full participants in the education process, these relationships enable access to additional expertise and support focused on Māori educational achievement.

We also work with key education sector stakeholders on behalf of the government, including representative bodies, professional organisations and unions, non-governmental organisations and community groups. A supplementary briefing on key education sector groups has been prepared for you.

Working across government

Education outcomes are affected by the social and economic context within which learners, family and whānau are located. In turn, education outcomes have a strong influence on the ability of individuals to participate effectively in society and the economy.

The ministry works with other government agencies, non-government organisations and relevant stakeholder groups in order to strengthen the delivery of Government's education goals and contribute to wider government goals.

We participate in a number of cross-government fora, for instance:

- the Social Sector Forum (Ministry of Social Development, Ministry of Education, Ministry of Health, Ministry of Justice), chaired by the Chief Executive of the Ministry of Social Development, provides collective strategic leadership across the social sector
- the Taskforce for Action on Violence within Families (comprising of senior officials, the Children's Commissioner, non-government organisation representatives and the judiciary), which advises the Family Violence Ministerial team on initiatives to eliminate family violence and improve how family violence is handled
- the Skill New Zealand Forum (government agencies with Business New Zealand, the New Zealand Council of Trade Unions and the Industry Training Federation), which developed the *New Zealand Skills Strategy* to increase workforce skills and labour productivity
- the Innovation Chief Executives Group, which develops policy to improve innovation and economic performance. This group consists of the chief executives of the Ministry of Education, the Tertiary Education Commission, the Ministry of Research, Science and Technology, the Foundation for Research, Science and Technology, the Ministry of Economic Development and New Zealand Trade and Enterprise.

Examples of joint work across government agencies include:

- the Newborn Hearing Screening Programme and B4 School Checks, being delivered jointly with the Ministry of Health to ensure that children with special education needs are identified earlier and referred appropriately
- the Interagency Plan for Conduct Disorder/Severe Anti-Social Behaviour, bringing together the Ministry of Education, the Ministry of Social Development, and the Ministry of Health to work with parents and other agencies
- Mission On, involving the Ministry of Education, Sport & Recreation New Zealand, the Ministry of Health and the Ministry of Youth Development, to improve the health, wellbeing and educational achievement of young New Zealanders through better nutrition and increased physical activity
- the Tamaki Housing Project, which, among a range of goals, aims to identify opportunities to increase access to early childhood education and better engagement and achievement in schools for children and young people living in Tamaki
- the implementation of the Skills Strategy (led by the Department of Labour), including a joint review with the New Zealand Qualifications Authority of the qualifications system.

MAJOR DECISIONS DURING THE FIRST SIX MONTHS OF GOVERNMENT

Below we have summarised major decisions you will be asked to consider making during your first six months of government, ordered by the month we expect to approach you on these issues.

November/December 2008

Decisions you need to make in November/December

- *Decide on the status of three pieces of education legislation as part of deciding the parliamentary business to be proposed for reinstatement to the House.* The first is the status of the Education Amendment Bill No 3. Our advice will be that this is reinstated. If the Bill is reinstated there will be opportunities for you to consider making any amendments through the parliamentary process.

The others are: the status of the Education (Establishment of Universities) Amendment Bill, which we will recommend not be reinstated; and the Education (Establishment of Universities of Technology) Amendment Bill, which the Select Committee has recently recommended not proceed and we will recommend not be reinstated. The Order paper is usually finalised in January, so decisions on the status of these pieces of legislation will be needed before the order paper for legislation is agreed.

- *Decide the preliminary shape of Vote: Education approach to Budget 2009.*

Decisions you have discretion over making in November/December, although there is expectation within the education sector that a decision will be made and a decision at this time is preferable

[Withheld under Section 9(2)(f)(iv) of the Official Information Act]

- *Decide whether to develop a new Tertiary Education Strategy (TES) and, if so, determine the priorities to be included.* The Tertiary Education Strategy (2007-2012) incorporates the medium-term Statement of Tertiary Education Priorities (STEP) 2008-2010. These have shaped investment decisions for the current three-year funding round (2008-2010). As the period of the STEP concludes in 2010, it would be desirable to refresh the TES to inform the next round of investment guidance (2011-13). The development process is lengthy and carries time constraints associated with the legislative requirement to consult. A December decision on whether to develop a new TES would allow any process to be aligned with the tertiary funding round cycle and the government budget cycles.

Decisions you have discretion over making in November/December. While there is some expectation within the education sector that a decision will be made, there are no serious consequences of delaying these decisions until early in 2009

- *Consider whether to continue with any, or all, of the previous government's work programme on Schools Plus. A series of Cabinet report backs related to this work were requested by previous Cabinet Committees over the first half of 2009. If you decide to pursue some or all of this work we will provide you with advice as required. The major report backs requested by the previous government include: a report back on new funding formula for secondary schools, in November; further advice on Schools Plus policy and implementation including the review of Alternative Education, due in March; and recommendation on funding arrangements for senior secondary and tertiary providers, due in June.*
- *Consider whether to make decisions on the basis of the report of the review of integrated schools.*

[Withheld under Section 9(2)(f)(iv) of the Official Information Act]

The previous Minister made a commitment to try to signal a way forward before the start of the 2009 academic year.

- *Consider whether to take a paper to Cabinet seeking approval for changes to policy designed to increase access to early childhood education for Māori, Pasifika, and other children in areas of low participation and high population growth. Advice will be provided as a result of the review of the Discretionary Grants Scheme for early childhood services. The likelihood of decisions being made on this issue in December this year was published in the Pasifika Education Plan 2008-2012 and there is therefore some expectation within the sector of it being addressed.*
- *Consider whether to take a paper to Cabinet seeking approval to consult the ECE sector on licensing fees for the new early childhood regulatory system. The new system will apply from 1 December 2008 and no licensing fees have yet been set. Given that prior consultation with the sector before fees are set is necessary, there will inevitably be a period during which re-licensing does not attract fees. This will create a risk that services unable to re-license during the fee-free period will feel aggrieved. An early decision by you will limit this risk.*

[Withheld under Section 9(2)(f)(iv) of the Official Information Act]

January/February 2009

Decisions you have discretion over making in January/February, although there is expectation within the education sector that a decision will be made and a decision at this time is preferable

- *Decide on the long-term future of Residential Behaviour Schools and Health Camps following separate reviews into the quality of the provision in both these services.* These reviews reported in October this year. Recommendations in these reports have substantial implications for the future of these schools and the schools are waiting in expectation of a decision being made early in 2009. Therefore, consideration of this issue early in 2009 is preferable.
- *Consider taking a paper to Cabinet outlining high-level options for future direction of special education resourcing.* A review of special education resourcing was directed by Cabinet in mid 2007. The sector has been expressing concern about resourcing for some time and has considerable expectations of this review, and specifically of being consulted on this issue in the early part of 2009.

[Withheld under Section 9(2)(f)(iv) of the Official Information Act]

- *Consider a joint paper from the Ministry of Education and the New Zealand Qualifications Authority (NZQA) on the feasibility of endorsing achievement by subject in the National Certificate of Educational Achievement from 2010.* The previous Minister requested a report on this issue by February. If this change is approved, a February decision would enable NZQA to work toward implementation in 2010. A later decision would probably delay implementation until 2011.

Decisions you have discretion over making in January/February. While there is some expectation within the sector that a decision will be made on these issues in January or February, there are no serious consequences of delaying these decisions

- *Consider taking a paper to Cabinet seeking approval for revised Kura Kaupapa Māori Establishment Guidelines.* This proposal brings the establishment rules for kura into line with those for all other new schools. It removes the requirement for a new kura to be attached to an already established school, and provides establishment support. There is sector expectation, particularly for the schools concerned, that a decision will be made. The earlier a decision is made, the sooner two kura that are awaiting establishment can begin the establishment process.

Decisions you have discretion over making in January/February, with no particular consequences of delaying these decisions

- *Consider whether to proceed with a policy decision of the previous government to reduce adult:child ratios in ECE services in 2009 and 2010.* If you decide to progress this, we will provide you with advice on the changes needed to the ECE regulations necessary to give effect to this decision. A decision early in 2009 would allow the sector time to meet any additional staffing requirements, prior to the change on 1 July 2009.

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[Withheld under Section 9(2)(f)(iv) of the Official Information Act]

- *Consider taking a paper to Cabinet seeking approval for a new framework for Crown land asset transfers to tertiary education institutions.* The Crown transfers ownership of some surplus university land to Massey University in November. This establishes a precedent and other tertiary education institutions are likely to seek similar arrangements for asset transfers from the Crown.

March 2009

Decisions you have discretion over making in March, although there is expectation within the education sector that a decision will be made and a decision at this time is preferable

- *Consider board appointments to Crown entities.* There are a number of board members across the education Crown entities whose tenure expires in October or November 2008. There is a moratorium on board appointments for the election. The Crown Entities Act provides that the term of such members continues until a decision is made on their reappointment or replacement. However, by March the terms of these members would have been extended for up to six months. Details of the members whose tenure is due to expire are listed in the section on Ministerial responsibility for Crown entities below.

[Withheld under Section 9(2)(f)(iv) of the Official Information Act]

June 2009

Decisions you have discretion over making in June. While there is some expectation within the sector that a decision will be made in on these issues, there are no serious consequences of delaying these decisions

- *Consider whether to make decisions on some follow-up actions from the previous government's Review of Schools Operations Funding.* Two issues that have not been concluded are the reform and simplification of elements of the operational funding system and tracking of new compliance costs. This was a very high-profile review and the sector has some expectations that decisions will be made on these issues.
- *Consider whether there is a need for new schools or ECE services to cater for population growth.* Area reports for several parts of Auckland experiencing population growth will be completed toward the middle of next year for your consideration. While the sector is not aware of these specific reports, there is a general expectation of a government response to population growth. There is, however, considerable flexibility over the timing of any decision.

SIGNIFICANT RISKS WITHIN THE MINISTRY OR EDUCATION PORTFOLIO

There are a number of significant risks you should be aware of that may need your attention or require action in the first few months of government. These risks are summarised below and include funding risks, legal risks and risks to providers.

Funding Risks

- *Special Education funding pressures.* Early in 2009 we will provide you with a briefing on the results of the Special Education Resourcing Survey. The Special Education Resourcing Review commenced in mid 2007, and is scheduled to report back to Cabinet in early 2009. There are high expectations within the special education sector that it will result in increased funding in a number of areas.
- *Potential drop in the numbers of international students.* International student enrolments may fall as a consequence of the global financial crisis. The loss of international fee income may result in calls from providers for increased government contribution. We are monitoring the situation closely and will report back in early 2009 or earlier at your request.

Legal Risks

[Withheld under Section 9(2)(f)(iv) of the Official Information Act]

Provider Risks

- *High number of vacancies for primary teaching positions for the beginning of the 2009 school year.* We anticipate a peak in vacancies advertised at the end of each school year, as this is the time when teachers are most likely to move within the system. The number of vacancies currently advertised for the beginning of next year is larger than normal and is likely to be the result of primary schools planning to implement the 1:15 new entrant staffing entitlement from 2009. This means some schools will rely more heavily on beginning teachers or will manage class sizes to fit staffing levels. Sector groups are likely to call for government to do more to address issues of teacher supply. We are monitoring the situation and will report back in early 2009 or earlier at your request.
- *Recently published Education Review Office national evaluation reports raise quality concerns.* The Review of Resource Teachers Māori and the Review of the Quality of Teaching in Kura Kaupapa Māori both highlight concerns with the quality of provision and support in Māori-medium schooling.

- *Early Childhood Services not meeting licensing requirements.* Relicensing ECE services starting from 1 December may reveal some services are not meeting new requirements (such as 50 percent qualified teacher requirements, sleeping rooms). Services may need to be placed on transitional or provisional licenses to give them more time to meet the requirements.

[Withheld under Section 9(2)(f)(iv) of the Official Information Act]

Risks listed by the Treasury in the Pre-election Economic and Fiscal Update

The following additional fiscal risks have been reported in the Pre-election Economic and Fiscal Update published by the Treasury:

- government's agreement to amend the bargaining parameters for Education Caretakers and Cleaners and Groundstaff collective agreements (a reference is made to a potential decision about new bargaining parameters for other education collective agreements in the Decisions section above)
- the Waitangi Tribunal's recommendations for a capital injection for Te Wānanga o Raukawa Capital
- ECE staff:child ratio changes (we have included reference to the potential decision about this issue in the Decisions section above)
- school property capital injections to cover future roll growth and to establish new schools (we have included reference to the establishment of new schools in the Decisions section above)
- requests from tertiary education institutions for capital injections from the Tertiary Education Capital Investment Fund
- the possible expansion of vocational training being proposed by the Tertiary Education Commission
- the implications of the review of integrated schools on integrated schools property (we have included reference to the report of the integrated schools review in the Decisions section above)
- Schools Plus (we have included references to potential decisions associated with Schools Plus in the Decisions section above)
- the actions associated with the Inter-agency Plan for Conduct Disorder/Severe Antisocial Behaviour.

ACTS AND REGULATIONS ADMINISTERED IN THE MINISTRY OF EDUCATION

The ministry is responsible for the administration of the following substantive Acts and Regulations (minor legislation not included).

Acts

- Education Act 1964
- Education Act 1989
- Education Lands Act 1949
- Industry Training Act 1992
- Kitchener Memorial Scholarship Trust Act 1941
- Modern Apprenticeship Training Act 2000
- Music Teachers Act 1981
- Ngarimu VC and 28th (Maori) Battalion Memorial Scholarship Fund Act 1945
- NZ Council for Educational Research Act 1972
- NZ Library Association Act 1939
- Pacific Islands Polynesian Education Foundation Act 1972
- Private Schools Conditional Integration Act 1975
- Queen Elizabeth the Second Post-Graduate Fellowship of New Zealand Act 1963
- Queen Elizabeth the Second Technicians Study Award Act 1970
- Taranaki Scholarships Trust Board Act 1957

Regulations

The following substantive sets of regulations are in force and administered by the Ministry of Education.

- *Education (Early Childhood Centres) Regulations 1998*
These regulations set out licensing requirements for ECE centres including minimum safety standards (will remain in force for existing services until they relicense under the new regulations or until 2014, whichever is soonest).
- *Education (Home-based Care) Order 1992*
The order issues a code of practice for the arrangement of education and care for early childhood home-based care (will remain in force for existing services until they re-license under the new regulations or until 2014, whichever is soonest).
- *Education (Early Childhood Education Services) Regulations 2008*
From 1 December 2008, these provide a new licensing framework for ECE services and minimum standards for education and safety.
- *Education (Playgroups) Regulations 2008*
From 1 December 2008, these provide a new framework for the certification of playgroups and minimum standards for education and safety.
- *Licensing Criteria/Certification Criteria*
Licensing criteria have been promulgated for Early Childhood Education and Care Centres, Hospital Based Education and Care Services, Home Based Education and Care Services, Limited Attendance Centres and Kōhanga Reo. Certification criteria have been promulgated for playgroups.
- *Education (Hostels) Regulations 2005*
The regulations prescribe a system of licensing for school hostels and set minimum standards for hostel premises and facilities.
- *Education (2008 School Staffing) Order 2007*

The Order prescribed limitations on the number of teachers employed at state schools in 2008.

- *Education Bursaries Regulations 1984*
The regulations set the annual value of bursaries under the School Boarding Bursaries Regulations 1972, the Secondary School Technical Bursaries Regulations 1977, and the Secondary Schools Bursaries Regulations 1977. The regulations are still used as bursaries are awarded annually to eligible students.
- *Education (Export Education Levy) Regulations 2006*
The regulations impose an export education levy for the following academic year. The levy is payable by all providers who receive tuition fees from international students.
- *Education (School Attendance) Regulations 1951*
The regulations set out requirements for school attendance and schools registers for all schools, including private schools. They are still used regularly by the ministry.
- *Education (School Risk Management Scheme) Regulations 2003*
The regulations provide for a school risk management scheme. The main purpose of the scheme is to indemnify state school Boards of Trustees against accidental loss or damage to school contents.
- *Education (School Trustee Elections) Regulations 2000*
The regulations provide rules for the election of parent representatives, staff representatives, and student representatives, to school Boards of Trustees.
- *Education (Stand-down, Suspension, Exclusion, and Expulsion) Rules 1999*
The rules regulate the practice and procedure to be followed by boards, principals, students, parents of students, and other persons under sections 14–18 of the Education Act 1989.
- *Māori and Polynesian Scholarships Regulations 1973*
The regulations provides for scholarships to be awarded to Māori and Polynesian students. The Regulations are still used as scholarships are awarded annually to eligible students.

Various School Bursaries Regulations:

The regulations provide for the award of the bursaries to enable pupils to study.

- School Boarding Bursaries Regulations 1972
- Secondary School Academic Bursaries Regulations 1973
- Secondary School Technical Bursaries Regulations 1977
- Secondary School Bursaries Regulations 1977
- United World Colleges Scholarship Regulations 1980

MINISTERIAL RESPONSIBILITIES FOR CROWN ENTITIES

The four central Education Crown entities were established under the Education Act 1989, and are statutory entities. Statutory entities are corporate bodies that are established by or under an Act. There are three different types:

- Crown agents – these must give effect to government policy when directed by the responsible minister
- Autonomous Crown entities – these must have regard to government policy when directed by the responsible minister
- Independent Crown entities – these are generally independent of government policy.

Further details on individual organisations, including board membership, are set out below. A number of board members' tenure is due to expire between October and December 2008. There is a moratorium on board appointments during the election period. In this situation, section 32 of the Crown Entities Act provides that members should continue in office until a decision can be made about their reappointment or replacement.

New Zealand Qualifications Authority (Crown agent)

The New Zealand Qualifications Authority is a Crown agent established under section 248 of the Education Act 1989. The New Zealand Qualifications Authority:

- registers and monitors all national qualifications on the National Qualifications Framework
- administers national senior secondary school examinations (National Certificate of Educational Achievement and Scholarship)
- registers and monitors private providers of education and training to ensure they meet quality standards
- quality assures qualifications offered by tertiary education organisations outside the university subsector¹⁰
- administers a qualifications recognition service for overseas people wanting to live, work or study in New Zealand.

The New Zealand Qualifications Authority board comprises at least eight, but not more than 10 members appointed by the Minister of Education in accordance with section 28(1)(a) of the Crown Entities Act 2004.

Chair	Sue Suckling (Mar 2009) ¹¹
Board members	Angela Foulkes (Sep 2010)
	Warwick Bell (Mar 2009)
	John Morgan (Jul 2009)
	John Langley (Nov 2009)
	Keith Taylor (Sep 2010)
	Samantha Lundon (Oct 2010)

¹⁰ Note that in the case of institutes of technology and polytechnics, this role is delegated to Institutes of Technology and Polytechnics Quality.

¹¹ Dates in brackets indicate term expiry.

	Scott Davidson (Oct 2010)
	Alison McAlpine (Dec 2010)
	Shona Smith (Jul 2011)
CEO	Dr Karen Poutasi (from May 2006)
Responsible Minister	Minister of Education (Reports to Minister of Education copied to Minister for Tertiary Education)

Career Services (Crown agent)

Career Services is a Crown agent established under the provisions of the Education Act 1989 and the Education Amendment Act 1993. Career Services:

- establishes and maintains a database of information about occupations and about post-compulsory education and training
- makes that information available to the public and to institutions, private training establishments, students, and other interested bodies and people
- provides training and assistance to persons who advise about occupations and career advice and associated counselling relating to post-compulsory education and training
- provides support services to prepare students for employment, further education or training
- liaises with, and monitors the needs of, institutions, private training establishments, students and other bodies and persons with respect to information, training and advice relating to occupations, and career advice and associated counselling relating to post-compulsory education and training.

The Board comprises a chairperson and six members appointed by the Minister of Education.

Chair	Kaye Turner (Aug 2009)
Board members	Arthur Graves (Jul 2009)
	Marjolein Lips-Wiersma (Jul 2009)
	Brent Kennerley (Jul 2009)
	Trudie McNaughton (Jul 2010)
	Carl Pascoe (Dec 2010)
	Tina Wehipeihana-Wilson (Dec 2010)
CEO	Lester Oakes (from July 1998)
Responsible Minister	Minister of Education

New Zealand Teachers Council (Autonomous Crown entity)

The New Zealand Teachers Council is established under section 139 of the Education Act 1989 to provide professional leadership in teaching, enhance the professional status of teachers in schools and early childhood education, and contribute to a safe and high-quality teaching and learning environment for children and other learners. Teachers make up the majority of the Council and in this way have responsibility for leading and shaping the overall direction and standards for their profession. The functions of the Teachers Council are to:

- provide professional leadership
- encourage best practice in teaching
- establish and approve standards for initial teacher education programmes
- establish and maintain standards for qualifications that lead to teacher registration
- approve and monitor teacher education programmes
- exercise disciplinary functions relating to teacher misconduct and incompetence
- identify research priorities and, where appropriate, promote and sponsor research according to those priorities
- develop a code of ethics for the teaching profession.

The Council comprises eleven members. These include:

- four members appointed by the Minister
- one person appointed by the Minister on the nomination of the New Zealand Educational Institute
- one person appointed by the Minister on the nomination of the New Zealand Post Primary Teachers' Association; and
- one person appointed by the Minister on the nomination of the New Zealand School Trustees Association
- four elected members, each of whom must be a registered teacher holding a current practising certificate. These include:
 - one teacher representing the early childhood sector, elected by teachers from that sector
 - one teacher representing the primary sector, elected by teachers from that sector
 - one teacher representing the secondary sector, elected by teachers from that sector
 - one principal, elected by principals.

The Minister must appoint one of the members as chairperson. The term of office of every elected member is three years. There is currently one vacancy amongst the ministerial appointments.

Chair	Kathy Smith (Jan 2010) – Ministerial Appointment
Board members	Lyn Brash (Aug 2009) – Ministerial Appointment
	Margaret Franken (Aug 2009) – Ministerial Appointment
	Irene Symes (July 2010) – PPTA nominee
	Dianne Leggett (Nov 2008) – NZEI nominee
	Barbara Arnott (Jan 2011) – NZ School Trustees Association nominee
	Jenny Varney (Oct 2011) – elected – Early Childhood Sector
	Ken Wilson (Oct 2011) – elected – Primary Sector
	Megan Cassidy (Oct 2011) – elected – Secondary Sector
	Pat Newman (Oct 2011) – elected – Principals
CEO	Dr Peter Lind (from Feb 2004)

Responsible
Minister

Minister of Education

Tertiary Education Commission (Crown agent)

The Tertiary Education Commission is a Crown agent that operates within strategic and policy frameworks set by the government under section 159© of the Education Act 1989. The Tertiary Education Commission:

- implements the government's Tertiary Education Strategy 2007-12 (TES) incorporating the Statement of Tertiary Education Priorities 2008 – 2010 (STEP)
- allocates more than \$3 billion annually to tertiary education organisations
- works with tertiary education organisations to produce an investment plan that outlines how they will respond to government direction in the TES/STEP
- builds the capability and capacity of tertiary education and training to contribute to national economic and social goals
- monitors the financial, leadership and governance performance of public tertiary education organisations
- has overall responsibility for quality assurance (the Tertiary Education Commission commissions the New Zealand Qualifications Authority to undertake the quality assurance function for tertiary education organisations other than universities).

The Tertiary Education Commission is governed by a Board of Commissioners. The Commission comprises at least six, but not more than nine, members appointed by the Minister for Tertiary Education in accordance with section 28(1)(a) of the Crown Entities Act 2004 after consultation with the Minister of Māori Affairs.

Chair	David Shand (Aug 2010)
Deputy Chair	Kaye Turner (Dec 2008)
Board members	Bill Rosenberg(May 2011)
	Graeme Fraser (Dec 2008)
	John Blakey (Dec 2008)
	Jim Donovan (Dec 2008)
	Edna Tait (May 2009)
	Deirdre Dale (Aug 2010)
	Robin Hapi (Dec 2010)
CEO	Roy Sharp (from Aug 2008)
Responsible Minister	Minister for Tertiary Education