

The Treasury

Education Funding System Review Information Release

Release Document

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Treasury Report: Education Principles to Guide Reform Programme

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Action Sought

| | Action Sought | Deadline |
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| Minister of Finance (Hon Bill English) | Note the contents of this report. | Ahead of Cabinet Strategy Committee on Monday 27 th July 2015 |
| Associate Minister of Finance (Hon Steven Joyce) | Note the contents of this report. | Ahead of Cabinet Strategy Committee on Monday 27 th July 2015 |
| Associate Minister of Finance (Hon Paula Bennett) | Note the contents of this report. | Ahead of Cabinet Strategy Committee on Monday 27 th July 2015 |

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Actions for the Minister's Office Staff (if required)

Return the signed report to Treasury.

Enclosure: [Slide pack](#)

Treasury Report: Education Principles to Guide Reform Programme
(proposed redactions)

Executive Summary

This report sets out the principles that the Treasury is using to help guide thinking on the overall direction of education reform. We want to see the application of a social investment approach in education with early identification and intervention when learners go off track. Given the devolved and complex nature of the education system, this depends on teachers and schools continually learning how to better meet diverse needs. To enable and incentivise these learner-focused behaviours, institutional design should be underpinned by the following principles:

- System levers enable an adaptive system and drive a focus on continuous learning and improvement in policy and practice (and where relevant across the wider social sector).
- Institutional arrangements should ensure responsiveness to customer voices and needs (learners, parent and business).
- Responsibilities (funding, accountabilities and policy decision rights) should be aligned to the level where the relevant capabilities, incentives and information are strongest; with clarity and alignment of responsibility across multi-governance layers.
- System levers (e.g. funding system, evaluation system and regulations) need to be aligned towards learner outcomes.

Analysis of the current system against these principles suggests significant strengths to the existing devolved model in providing choice and flexibility to meet the needs of the local community. However, the devolved approach has made the sharing of learning and best practice more difficult, and a number of Board of Trustees lack the capability to drive achievement improvements and effective scrutiny over resourcing decisions. This has led to variability in outcomes, particularly for our most disadvantaged students.

We can do more to mitigate the limitations of a devolved model without losing its benefits. Given the complexity of the education system, bringing a learner focus to education depends upon enabling education to increasingly become a learning and adaptive system. Applying our institutional principles points to five key shifts to pursue through the education reform programme:

- Strengthen professional accountability through collaboration.
- A stronger Ministry of Education “stewardship” role.
- Clearer responsibilities across the system and social sector for long-term outcomes.
- More structured curriculum choice and design.
- Better use of data and evidence.

Together these shifts should support the embedding of social investment into the education system by strengthening: responsibilities for long-term outcomes; the mechanisms to support learning and best practice; the availability and use of data and evidence to inform investment and practice decisions locally; and the Ministry of Education’s stewardship role to monitor overall performance and support more effective resourcing decisions across the education pipeline.

There are a number of strands to the education work programme. The Cabinet Strategy Committee (STR) on Monday 27th July provides an opportunity to discuss:

- *What do you want the education system to look like in the future?* We propose a vision of a social investment system with early identification and intervention from across the social sector when or before learners go off track; system responsibility for learners' transitions through the pipeline and a system that is continually learning, particularly through collaboration how to better meet diverse needs.
- *How can the reform programme help you get there?* The work programme currently covers almost all the education system levers, so getting clarity on what is most important could help to focus effort or sequencing. We suggest a focus on how central government levers can incentivise and enable improving practice and capability across schools and Communities of Schools. This is an evolving model and there are a range of options around its future direction, which have yet to be discussed by Cabinet. [2]

Treasury considers it important for further analysis and advice to be provided on how CoS could evolve over time. The reform programme also needs to be complemented by an ongoing focus on supporting school capability, including in use of data and through professional learning and development (PLD).

- What does this mean for priorities in the reform programme? Our advice is to:
 - support an emergent strategy for CoS but develop a view on how you want it to evolve over time
 - focus the Act reforms on strengthening professional accountability for student achievement, with a greater stewardship role for MoE, and
 - [2]
- *What approach do you want to take to change?* We would support an evolutionary and adaptive approach to change. This approach is needed as a social investment approach depends upon changing the practice of school leaders and teachers. Education is a complex system and pulling central government levers often has little or unintended impacts on what happens in the classroom.

Recommended Action

We recommend that you **note** the contents of this report ahead of the Cabinet Strategy Committee meeting on Monday 27th July.

Grace Campbell-Macdonald
Manager, Education and Skills

Hon Bill English
Minister of Finance

Treasury Report: Education Principles to Guide Reform Programme (proposed redactions)

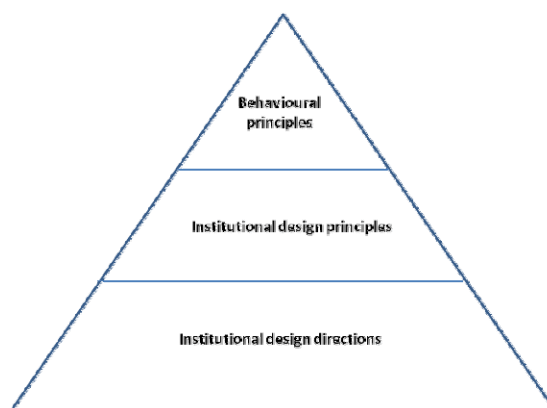
Purpose of Report

1. You asked for a briefing on the principles that the Treasury is applying to the education work programme. This note provides a description of those principles and articulates how we think they should guide the work programme.
2. The Cabinet Strategy Committee (STR) is meeting to discuss the direction of education reform on Monday 27th July. We have attached some background slides to support a discussion with you.
3. The rest of this report is split into 3 sections:
 - An overview of the approach we have taken to defining principles for the education system.
 - Analysis of the key directions we recommend focusing on through the reform programme, and key discussion points for STR.
 - Detailed analysis of the implications of the education principles for the education reform programme is provided in the annex.

Approach to defining principles

4. We have taken a broad approach to thinking about principles for the education system. Our thinking is shaped by:
 - The vision of a social investment or customer focus in the education system. This perspective implies a set of mind-sets, behaviours and actions that we want the education system to develop (which we call 'behavioural principles').
 - Analysis of the principles on which the current system is based and learning around how the current system is working (including through our design thinking on Māori retention in education) relative to those principles. Drawing conclusions from this evidence requires judgement as the counterfactual isn't known (although international comparisons can be helpful).
 - The application of institutional and behavioural economics, regulatory theory, and educational governance theory – particularly drawing on evolving and new thinking in these fields. Through these lenses we have developed a set of '*institutional design principles*' and flowing out of them a set of '*institutional design directions*'.

5. This approach has led us to a three tiered approach. At the top of the triangle are the behavioural principles that we think should guide the future direction of the education system. Below this are the institutional design principles that are needed in order to drive the desired behaviours; and below that are the reform directions or shifts that these institutional principles imply.



Behavioural principles

6. We want to see a learner-focused system that is continually learning how to better meet diverse needs. Achieving this shift depends upon enabling and incentivising the following behaviours:
- Commitment to all children reaching their potential.
 - Early identification and intervention when a child goes off track.
 - Clear responsibilities across a social sector which works together to provide needed services and support.
 - Shared responsibility (between institutions and social services) for a learner's transitions through the pipeline and into adulthood.
 - Practices and resourcing are responsive to learners' needs.
 - The system is continually learning and improving policy and practice.
7. The institutional structure of the education system, including central government levers, drives the incentives and capability for these behaviours. It is important to keep the behaviours we want to see in mind when reforming these levers.

Institutional design principles

8. We have identified four institutional design principles which we consider to be important in order to enable and incentivise the learner-focused behaviours of a social investment education system. These are:
- System levers enable an adaptive system and drive a focus on continuous learning and improvement in policy and practice (and where relevant across the wider social sector).
 - Institutional arrangements should ensure responsiveness to customer voices and needs (learners, parent and business).
 - Responsibilities (accountabilities, funding and policy decision rights) should be aligned to the level where the relevant capabilities, incentives and information are

strongest; with clarity and alignment of responsibility across multi-governance layers.

- System levers (e.g. funding system, evaluation system and regulations) need to be aligned towards learner outcomes.

Key directions for reform and approach to achieving change

9. Analysis of the status quo against these institutional design principles suggests that change to the system needs to be multi-faceted and adaptive. Such an approach requires a mix of:
 - **Adjustments to key institutional settings** (e.g. roles and responsibilities and incentives) that will enable or incentivise more effective and collaborative practice, policy and resourcing decisions; and, support the evolution of the CoS model.
 - **A focus on strengthening capability** (e.g. professional capability, use of data and evidence, sharing of information between each level of the system, Board of Trustee (BoT) capability, and professional accountability). This approach implies a more active stewardship role for the Ministry of Education. Such changes would both support existing schools as well as the evolution of CoS.
10. We would specifically emphasis the following directions to focus on through the reform programme and over the next few years:
 - 1) **Strengthen professional accountability through collaboration.**
 - a. A voluntary but enabling approach to developing CoS that support learning and sharing of best practice.
 - b. Increased expectations on schools or community of schools to strengthen professional accountability for student achievement, particularly through defining and reporting against their own achievement challenges.
 - c. Strengthen collaborative enquiry focused on improving outcomes through proposed PLD changes, including through the targeting of PLD to schools with the greatest achievement challenges.
 - d. Greater cross social sector collaboration.
 - 2) **A stronger Ministry “stewardship” role.**
 - a. Building the Ministry’s capacity to monitor the performance of schools as a portfolio and to identify strategic challenges.
 - b. Better utilisation of existing ERO and school reporting information.
 - c. Developing and using a wider range of intervention tools to support schools sooner in response to poor student outcomes.
 - d. Focus on how system should respond to achievement challenges across cohorts in a systematic way – a more systematic approach to targeting

across the pipeline and away from relying on the use of centrally led targeted programmes.

3) ***Clearer responsibilities across the system and social sector.***

- a. Clearer school (versus wider social sector) responsibilities in terms of achievement and wider social issues.
- b. A shift to provider responsibility for long-term outcomes.
- c. Greater clarity as to what is needed from school boards; and greater support to focus on school achievement.
- d. [2]

4) ***More structured choice across pathways.***

- a. Coherent learner pathways across ECE to primary to secondary school.
- b. Stronger choice architecture to support student decisions..
- c. Enabling stronger parent and business voices in the education system; and a stronger focus on student needs, to ensure student pathways meet learners own capabilities and aspirations.

5) ***Better use of data and evidence.***

- a. CoS lead to greater use of data and evidence to inform learning, investment and practice decisions.
- b. System accesses and uses data to drive improvement at all levels of the system.

Discussion points for STR

- 11. The Cabinet Strategy Committee are meeting on 27th July to discuss the education work programme. While the structure of the Minister of Education's work programme does not align neatly with our five focus areas (set out above) there is an opportunity within the work programme to focus on the five directions set out above.
- 12. We understand that the Minister of Education intends to test Cabinet's appetite around the scale and pace of change through three examples at the heart of the education reform programme:

[2]

- **Stronger accountability framework** – The key strategic decisions here are whether to: focus on school or CoS achievement challenges *or* increase the focus on government led targets; and what tools or incentives are used to underpin the framework. We would support a strengthening of bottom-up targets backed up and aligned to a few government targets. This is consistent with our focus on strengthening professional accountability at the school or community of school level and on strengthening the support and intervention framework, rather than harder sanctions or funding incentives. [3]
 - **Student focused funding model** – We understand that the Minister of Education is considering a range of potential options here including an aggregation of all funding into a pure per student amount.
 - While we can see some potential benefits to the greater focus on disadvantage or flexibility this could offer, this would be a significant change and we do not see large gains from shifting to a pure per student funding system without improvements to wider system settings and effectiveness of spending. We would be open to some level of increased flexibility (e.g. around a proportion of teacher allocations) or greater targeting to at risk students (e.g. at risk based funding across a student’s pathway through education, and greater Early Childhood Education targeting).
 - There is an opportunity for the funding review to consider options to better leverage teaching and leadership resources across the system (while the focus should be on the continued implementation of Investing in Educational Success (IES), consideration could also be given to the targeting of resources to those communities or schools with greatest needs).
13. We would support an evolutionary and adaptive approach to change. This approach is needed as a social investment approach depends upon changing the practice of school leaders and teachers. Treasury supports this approach because education is a complex system and pulling central government levers often has little or unintended impacts on what happens in the classroom. Overall we consider that an evolutionary or adaptive approach to change would also best mitigate the key risks to education reform, which are:
- Not enough time built in to adapt and learn given uncertainty about the impact of changes and what will work for whom.
- [2]
14. An adaptive approach provides an opportunity to line up the strategy to social investment as that work develops. The social investment framework could help provide greater coherency to the overall education reform strategy.

Annex: Analysis of principles - status quo and proposed future direction

Guiding principle 1: System settings should encourage best practice and learning across the entire education system (and where relevant across the wider social sector).

Analysis of status quo

Competition is a key feature of the current model

15. The current institutional model is based on the premise that innovation and learning will be partly driven through competition between schools; and partly driven by the profession itself leading its learning and development from within each school. Under this model the Ministry of Education has a role to help with the dissemination of best practice; and professional bodies have a role to ensure that the profession comes together to share and drive learning across the system.

Current model is characterised by multi-faceted accountability arrangements

16. The accountability framework is characterised by: accountability to parents and the community; internal school accountability mechanisms; accountability of the school principal to the Board of Trustees; and accountability to central government (either directly to the Ministry or via Education Review Office reviews). This is a mixed model of governance.
17. This model has supported a relatively high-performing system on average, but one with high variability in performance, particularly for disadvantaged students. The devolved system faces a number of challenges in the spread of best practice for a number of reasons:
 - Professional practices and systems within schools do not always support learning and best practice. Teachers own practice and engagement with learners is not clearly visible, which works against the transmission of learning and critical support for teachers.
 - Within an atomised network the number of professionals a teacher will interact is reliant on professional bodies. Where engagement is limited the number of ideas they are exposed to will be limited and variable across schools. This maintains an inherent bias in the system for less effective practices to persist.
 - The lack of formal structures to collaborate has meant that there is a relatively high barrier to engage across schools. Professional bodies have been limited in the extent to which they can drive best practice and learning across the system given the lack of these formal collaborative mechanisms.
 - There are limited incentives or system infrastructure for schools to engage with each other to share their ideas, data and learning. There can be perceived risks to sharing data particularly where it shows things aren't working. There are also limited incentives to engage in deeper forms of collaboration such as considering how resources can be shared to drive learning across institutions.
 - Anecdotal evidence indicates that we do not have enough highly effective school leaders across the whole system, and teaching quality is variable across the system (although there is limited data on actual quality, as opposed to teacher experience or qualification).

- Schools often do not face strong competitive pressure because there are often a limited number of schools in their immediate area; parent choice is often constrained by school roll/zoning policy; and there is limited consequence to failure (poor and mediocre schools survive while there are constraints on good schools expanding). Even more importantly, demand for education appears to be relatively non-responsive to quality in terms of achievement (at least above a certain level) with parents often more responsive to crude proxies of quality. This means that there is often no or little incentive for schools to focus their effort on challenging students (either because school rolls can be easily filled with other students or the perceived quality of that school is not impacted by the achievement of those students).
- Accountability/governance arrangements have not been effective at driving improvement where it is needed. Not all schools have effective systems to scrutinise and assess their progress against goals. In addition, central government isn't as effective as it could be at performing its 'stewardship' role to monitor and respond to performance issues. The centre only intervenes when schools are 'failing' and interventions have typically focused on finance and property failures rather than achievement.
- The current model was not established with cross-social sector collaboration in mind. It can be challenging for schools to have a range of relationships with other social sector service providers. However we know anecdotally that some school leaders are often spending a large proportion of their time dealing with family breakdown, health or housing issues. Greater clarity over roles and responsibilities is needed across the social sector. The Ministry of Education regional offices do play a role to engage across the social sector at the local level.

18. These issues have contributed to a system that is currently characterised by pockets of excellence but with significant variability in performance.

Proposed future direction:

Increased collaboration to support learning and best practice; strengthening professional accountability through collaboration; increased focus on life-long outcomes; better use of data at school level; stronger Ministry 'stewardship' role.

Collaboration, learning and best practice:

19. The Treasury supports the current shift towards greater collaboration through the implementation of CoS/learning. This has the potential to support the transmission of best practice across schools, enhance the pace of learning/innovation, and support better practices at key learner transition points (e.g. primary to secondary school). Depending on the future direction of the model we can also see some potential for greater cross-social sector collaboration – for example, enabling more strategic engagement with social workers in schools across a community.
20. The implementation of IES (through new roles) is providing a mechanism to better target existing teacher and leadership resources across the system. The proposed PLD changes will also support this through greater support to schools. We would support further analysis as to how IES roles could be expanded over time, for example, through greater targeting of roles to those Communities of Learning that have greatest need; or through providing greater flexibility for a community to create more lead

teacher roles. We would focus more on leadership and lifting teaching capability rather than shifting teachers around the system.

21. Collaboration needs to be more than people talking to each other. It needs to be based on jointly using data and evidence to support the achievement of cohorts of learners across a community (there are some positive signals that is being achieved through the first achievement challenge). Without these things in place there is a risk that CoS will fail to deliver the gains that are sought. There is also need for more thought around how to ensure the transmission of ideas and learning happens across communities, not just within them.
22. We would not emphasis strengthening competition further to support best practice and learning. We think it is important that the system: increases the consequences to poor performance; and strengthens the role of customer voice within schools (rather than between schools). We see benefit in maintaining a relatively small number of different models (e.g. Partnership Schools and Kura) in order to spark continual innovation or provide a focus on specific challenges, but the system needs to be better at transmitting this learning into mainstream schooling particularly for Māori.
23. Even under a community of schools model there will be a very large number of education providers/entities and, therefore, significant opportunity for innovation and learning across the system as a whole. [2]

There could

be a case to allow a number of different models to unfold (e.g. different size communities, different governance arrangements etc.) in order to learn, adapt and tailor to local circumstances. [2]

Life-long outcomes and accountabilities

24. There is also scope to strengthen the connection between the education system and life-long outcomes, including greater provision of information and data on where students end up (employment, welfare and other social measures). A number of issues need to be considered here including the level of responsibility the school system should or should not have for later life outcomes. While we do not yet know which measures or mechanisms should be used, the system as a whole would have a greater focus on whether it is effective at supporting positive long-term life-trajectories. Achieving this shift would take several years, but would ultimately lead to a much greater connection between the decisions a teacher makes in a classroom and the teacher's understanding of how that impacts on long-term outcomes.
25. There are also aspects of the accountability model that could be strengthened in the shorter-term. Government will have a continued role through BPS or other levers to focus the system on strategic challenges, with this reinforcing 'internal school accountability'. The Ministry as "system steward" should place greater emphasis on understanding the performance of the system as a whole; as well as identifying effective school systems and processes (which would require making better use of ERO reviews and school reporting to the Ministry). This would also help reinforce 'internal school accountability' – which is ultimately where scrutiny over the effectiveness of investments, policies and practices needs to take place and the level

where achievement goals and targets need to be set to focus effort and set expectations.

26. We would advise a focus on getting these key components of the existing accountability framework working better - as well as concentrating on the shift towards measuring lifelong outcomes - rather than harder incentives such as performance pay or performance related school funding; or high-stakes accountability such as value-add league tables (as these measures are more likely to lead to compliance, perverse incentives or have relatively weak link to a focus on 'improvement').
27. The Treasury would support greater use of value add tools within schools to support professional learning, but this should evolve through a bottom up process driven by schools or community of schools. There is a potential role for government to enable, incentivise or support this happening. Over time we would support increased parental information on the value add of schools, but this would need to follow the use of such tools being embedded in schools and their being greater confidence and evaluation around their use.

Guiding Principle 2: Institutional arrangements should ensure responsiveness to customer voices and needs (learners, parent and business)

Analysis of status quo

28. The existing model emphasises the role of parental voice at the school level, with the Board of Trustees being a key mechanism. Schools also use a range of mechanisms to engage with parents such as focus groups or newsletters. In addition, a number of ECE centres have developed alternative ways to maintain regular contact with their customers – for example, through phone apps. Over time we should expect such practices to be increasingly adopted by schools. A key challenge faced under the current system is that capability to engage with schools is mixed across communities.
29. The system is not always effective at responding to the needs of the learner as a customer, which can be a particular issue for Māori and Pasifika. The schooling model has traditionally been based on the premise that the 'learner' is a passive actor who is "taught to" and "moves through the schooling system", rather than one that is at the centre of the system with their own aspirations or views. This is both reflected in the way that the Education Act is framed, but more importantly it is a reflection of the cultural model and schooling mindset that has developed over the last 100 years. In addition, a range of actors are important to students when they make decisions about their own learning, including the role of their peers, parents, employers or other key people in their lives.
30. Some schools have formed relationships with business or tertiary providers to help aide students learning pathways, although this is not an explicit part of the model.

Proposed future direction

31. We would put emphasis on strengthening the voice and needs of the learner in the education system – we see this as particularly important for Māori and Pasifika but matters for all groups. A system that has learner voice in it would be more effective at responding to and tapping into learners own needs and aspirations. However, in practice a student's underlying needs are often difficult to surface – so interventions and practices need to be designed in a way that genuinely puts the student at the centre and are responsive to a student's actual experience.

32. It is important for schools and teachers to more effectively align their responsibilities with that of other actors (parents, community, employers, wider services etc.) that influence a learners choices. There is no simple lever available here, but we consider a more effective learning system will be quicker to adapt more effective pedagogical practices and policies and be more effective at utilising the new technological tools that will become increasingly available to teachers and schools to connect and be responsive to a wider range of actors.
33. The Treasury considers an important element of the existing system is the role of parents as customers to help drive improvement. The Treasury considers that “within school voice” has greater potential than “between school choice” so places emphasis on how to strengthen parent engagement with the school and school’s responsiveness to parents.
34. We would also emphasis the strengthening of links between the education system and business and wider community. There is no single way to achieve this, but consideration could be given to: ensuring their is alignment between curriculum and life-long learning needs; options around the make-up of Board of Trustees; and the Ministry of Education’s own external engagement in the policy process (including the role of MBIE).

Guiding principle 3: *Responsibilities (goal setting, funding and policy) should be aligned to the level where the relevant capabilities, incentives and information are strongest; with clarity and alignment of responsibility across multi-governance layers.*

Analysis of status quo

35. At the moment the system is predicated on there being strong capability at the individual school level (leadership, teachers, BoT’s), with key responsibilities over curriculum, resourcing, property management devolved to this level.
36. The existing model is also a multi-governance model with responsibilities diffused across different levels of governance. Examples of this are:
 - The ownership of data and evaluation where responsibilities are held both at the central government level, with the Education Review Office, and with schools and CoS.
 - Goal setting where achievement goals are both set centrally (BPS), at the individual school level and now by each Community of School (achievement challenges).
 - Some aspects of school property are devolved and others are centralised. School maintenance decisions are largely devolved to each individual school. However, the Ministry plays a greater role with major redevelopments.
37. There are significant strengths to this devolved model. In particular, flexibility around areas like curriculum and practice can lead to innovation and can be more responsive to learners’ needs and parent voice. If the institutional structures are correctly configured, this model will also be faster at transmitting better practice and learning across schools (than government directing this, which has the risk of greater information problems and trust issues in terms of implementation).
38. However, there are also some weaknesses to the existing arrangements:

- The reliance on capability at the local level can lead to variation in performance and limited protection for learners. While there is limited formal evidence, there is indications of mixed governance capability in key tasks, such as the monitoring of principal performance. For example, in one study only 22% of school principals believed that their board was professionally challenging and stimulating (Anderson¹).
- Significant flexibility over curriculum and curriculum pathways has led to more limited protection for disadvantaged students and greater variation in performance across and within schools. We are concerned that students may be taking courses that do not align with their own aspirations or capabilities;
- Schools and boards face a wide range of responsibilities, such as property and finance, which can be challenging to balance with a focus on student achievement.
- Schools and Boards have mixed capability to use data and evidence to set and measure progress towards achievement goals and support learning about what works for which students. Currently Ministry of Education regional offices are playing a role to support this, although it is unclear if this is sustainable over the medium-term or what an ongoing “support” role should look like.
- There is scope to more clearly define responsibilities across the different governance layers; as well as for better information flows and learning between the levels of the system. In particular data and evaluation information is not currently shared effectively between the different levels of governance.

Proposed future direction

Maintaining a highly devolved model around achievement; strengthening capability around data; consideration of shifting some responsibilities to community level; more structured curriculum choice.

39. We recognise the significant benefits of New Zealand’s highly devolved model. However, the implementation of CoS is demonstrating the potential of setting effective goals and achievement challenges across a community. The devolved model needs to be supported by a focus on strengthening capabilities at the school or community level (both at the leader, teacher and Board level).

[2] While the current balance between central direction and local flexibility seems about right, we would support policy work to consider how well the curriculum currently structures choices for learners and provides for core skills. There are other areas where there is greater scope for flexibility – the Education Act is currently prescriptive on a number of operational issues. [2]

[2]

1

Carol Anderson, “The New Zealand Principal’s Experience of the School Board as Employer: Survey Report to the New Zealand Principals’ Federation and the New Zealand Secondary Principals’ Council” (October 2009), p.50

42. [2] Treasury considers there is a need for greater clarity and expectations as to what is needed from the board – in particular emphasising the importance of a focus on achievement. We would support policy work to consider if there are some responsibilities that could be devolved away from the individual school level (e.g. some aspects of property management) to support a sharper focus on the learner at the local level. However, consideration would need to be given to the capability building needed at other governance levels and the ongoing operational costs involved.
43. We would also encourage a focus on strengthening capability around data and evaluation at all levels of the system. The Ministry is currently working on the introduction of a data dashboard to provide a common platform for data use across the system. Key issues will be around the capability to use this information and ensure it is connected to professional learning. It is currently unclear whether the current approach of support for schools to use data, through regional office support, is the most effective ongoing model. Further work could consider the range of approaches to support effective use of data and evaluation across the system.

Guiding principle 4: System levers (e.g. funding system, regulations, accountability, and evaluation systems) need to be aligned towards learner outcomes.

Analysis of status quo

44. System levers are currently largely focused on inputs or outputs rather than outcomes, and each part of the system is not well aligned with each other.
45. The funding system is based on inputs and there is relatively limited focus on the effectiveness of spending. Goals or outcomes expected from education spending are not well defined either centrally or at the local level and there is limited evaluation of education programmes. There is scope to strengthen the linkages between the funding system and other areas of the system (i.e. accountability system, evaluation system and the purpose of the Education Act). In addition, there could be greater alignment between the main operating funding model for schools and Ministry led interventions and programmes.
46. The Education Act currently does not have clear goals and priorities and does not have a strong learner or achievement focus. Accountability/governance arrangements are often not focused on student achievement. Not all schools have effective systems to scrutinise and assess their progress against goals. In addition, accountability, funding and intervention levers are complex and are more focused on inputs than outputs. Most importantly the different accountability levels do not connect to each other very effectively (e.g. opportunity to better use ERO school reviews or information from schools).

Proposed future direction

47. We would put an emphasis on ensuring that reform to the Education Act and funding system both align towards a stronger focus on learner outcomes. In practical terms this would be about ensuring the system is better able to direct resources to those students that need them; and different institutions are clear on their roles and responsibilities towards those outcomes.
48. There are some other aspects of the system that could be better aligned. Evaluation and use of data could be better aligned with funding decisions at both the central

government and local level. In addition, there is scope to ensure that specific investments and programmes that are currently made centrally are better aligned with core school funding.

49. A key area of focus is achieving greater alignment of investments and a coherent investment strategy across the pipeline, and therefore mitigating the need for less effective programmes or interventions when students are older. We would focus on consideration of greater targeting of ECE and more coherent pathways from ECE into primary school (also looking at what is needed to ensure students at primary school receive the right type of support needed to continue their learning progression).