



# **SUBMISSION**

**to the**

**Productivity Commission**

**Inquiry on**

**More Effective Social Services**

**December 2014**

## **1. About PPTA**

**1.1.** PPTA represents approximately 17,500 secondary teachers, principals, and manual and technology teachers in New Zealand. Around 90% of eligible teachers choose to join PPTA.

**1.2.** Under our constitution, all PPTA activity is guided by the following objectives:

1.2.1. To advance the cause of education generally and of all phases of secondary and technical education in particular.

1.2.2. To uphold and maintain the just claims of its members individually and collectively.

1.2.3. To affirm and advance Te Tiriti O Waitangi.

## **2. General Comments**

**2.1.** PPTA welcomes the opportunity to submit on this inquiry, and would like to make an oral submission.

### **2.2. Support for CTU Submission**

2.2.1. PPTA supports the Council of Trade Unions' submission on this inquiry, and commends it to the reviewers for its wide ranging and comprehensive overview of the social sector from the perspective of the workers who provide these services.

### **2.3. How education fits with social services**

2.3.1. While recognising that education is specifically included in the terms of reference, it does not appear that the issues and context of the compulsory education sector are particularly addressed by the questions or focus of the inquiry.

2.3.2. In the broad sense, education is certainly a social service. However, the area of compulsory education, which is the focus of this submission,

has a particular role and place in society which means that the state approaches it differently from other parts of the social sector.

2.3.3. As a result of this, it is understandable that there are few questions or examples of issues that are closely relevant to the compulsory education sector in the discussion document; nevertheless, PPTA considers that it is worthwhile submitting , partially at least in the hope of clarifying where the differences lie between the education and social sectors

## **2.4. What is different about schools?**

2.4.1. Two crucial differences which will be explored in this submission are what the nature of 'quality' (and therefore 'effectiveness' and 'efficiency') in regards to compulsory education may mean, and what the role and obligations of the state are in regards to a 'service' (i.e. schooling) that citizens are compelled to attend.

2.4.2. As a result of these differences, this submission argues that it should not be the recommendation of this Inquiry that the compulsory education sector in general be treated by government similarly to other social services.

## **2.5. Risks of charter schools and the contracting for outcomes model**

2.5.1. Another focus of this submission is on partnership schools (commonly known as charter schools), which arguably represent an 'innovative approach' to delivery of social (educational) services.

# **3. *"The Social Services Landscape"***

## **3.1. Education, effectiveness and efficiency: Do schools support positive social outcomes?**

3.1.1. Question 1 of the Issues Paper for this inquiry contains an image titled 'The diversity of services supporting social outcomes'. In the centre of the image are listed 'social outcomes' which include, 'knowledge and skills',

‘paid work’, ‘economic standard of living’, ‘life satisfaction’, ‘leisure and recreation’, ‘cultural identity’ and ‘social connectedness’, amongst others.

3.1.2. The development of all of these desired outcomes is central to the work of education sector, both on an individual basis and on for the population as a whole. Yet schools are not listed as a ‘service’ supporting these outcomes.

3.1.3. The assessment of educational quality is a highly complex and contested field. It would be risky for this inquiry to make simple judgements about improvements to educational quality.

### **3.2. The New Zealand Curriculum – bringing together individual and social good**

3.2.1. Desirable outcomes from education reflect values positions which are often contested. Nevertheless, currently there is a reasonably broad agreement between the education sector, political leaders and the public that the desired outcomes of the New Zealand Curriculum strike a reasonable balance between individual and social good, and between utilitarian and less tangible goals.

# Vision

## What we want for our young people

Our vision is for young people:

- who will be creative, energetic, and enterprising
- who will seize the opportunities offered by new knowledge and technologies to secure a sustainable social, cultural, economic, and environmental future for our country
- who will work to create an Aotearoa New Zealand in which Māori and Pākehā recognise each other as full Treaty partners, and in which all cultures are valued for the contributions they bring
- who, in their school years, will continue to develop the values, knowledge, and competencies that will enable them to live full and satisfying lives
- who will be confident, connected, actively involved, and lifelong learners.

### Confident

Positive in their own identity  
Motivated and reliable  
Resourceful  
Enterprising and entrepreneurial  
Resilient



### Connected

Able to relate well to others  
Effective users of communication tools  
Connected to the land and environment  
Members of communities  
International citizens

### Actively involved

Participants in a range of life contexts  
Contributors to the well-being of New Zealand – social, cultural, economic, and environmental

### Lifelong learners

Literate and numerate  
Critical and creative thinkers  
Active seekers, users, and creators of knowledge  
Informed decision makers

3.2.2. Figure 1 New Zealand Curriculum Vision Statement

## 3.3. What is school quality?

3.3.1. As is clear from the desired outcomes above, it will often be difficult to make absolute judgements about how well these goals have been met. Throughout the education system, a number of proxies are used to attempt to make these judgements.

3.3.2. Ladd and Loeb point out that education that not only does education provide both private and public benefits, but also consumption and

investment benefits<sup>1</sup>. All of these factors need to be taken into account for a full assessment of educational quality.

3.3.3. They suggest that there are three proxies which are generally used to assess educational quality and these are:

- measures of resources
- evaluation of internal processes
- student outcomes.<sup>2</sup>

3.3.4. All of these three are used to some extent in the New Zealand setting, as described below, and all of the three have strengths and weaknesses.

### 3.4. Resources

3.4.1. In terms of measures of resources, the advantages of this method are that it is generally simple to undertake and allows direct comparisons to be made. While New Zealand's public spending on education follows a consistent formula nationwide, there is increasingly significant and widely variable level of locally raised funds which schools access too<sup>3</sup>.

3.4.2. Comparisons can be made between New Zealand's level of spending per student on compulsory education and other jurisdictions with OECD data. New Zealand spending on both primary and secondary education per student is below the OECD mean<sup>4</sup>; looking at this in relation to overall scores on international comparative tests such as PISA (also administered by the OECD) shows that New Zealand has a high value for money education system on an comparative basis. The only jurisdiction covered by PISA that spends less and outperforms New Zealand in the crucial reading performance tests is the outlier, Shanghai, while 20 spend

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<sup>1</sup> Ladd, H & Loeb, S. (2013) *The Challenges of Measuring School Quality: Implications for Educational Equity* Available from <http://cepa.stanford.edu/sites/default/files/The%20Challenges%20of%20Measuring%20School%20Quality.pdf>

<sup>2</sup> Lad, H. & Loeb, S. (2013)

<sup>3</sup> PPTA (2012) *A level playing field? The importance of locally raised funds to allow schools to meet students' needs*. Available from [http://ppta.org.nz/annual-conference/conference-papers/doc\\_download/1501-a-level-playing-field-the-importance-of-local-funding-in-financing-secondary-schools-to-meet](http://ppta.org.nz/annual-conference/conference-papers/doc_download/1501-a-level-playing-field-the-importance-of-local-funding-in-financing-secondary-schools-to-meet)

<sup>4</sup> Ministry of Education (2013) *Annual expenditure per student*. Available from <http://www.educationcounts.govt.nz/indicators/main/resource/2043>

more and perform worse<sup>5</sup>. This points to the third proxy – student outcomes, which will be covered below.

### **3.5. Internal processes**

3.5.1. Process and practices in education are also regularly used as a measure of or proxy for quality. As Ladd and Loeb write:

*“The processes approach to measuring school quality requires an understanding of how the benefits of education are produced. For example, in order to measure teacher quality, or the quality of school leadership, observers need to know what good teaching and good school leadership look like.”*<sup>6</sup>

3.5.2. In New Zealand we make judgements about educational processes both as an internal practice in schools (appraisal and attestation against external standards for pay progression and gaining and teaching certification, self-review against various standards promulgated by the Ministry of Education such as Kahikitea or the Careers Education Guidelines) and by external reviewers (the Education Review Office).

3.5.3. While the issue of ‘what good teaching and school leadership look like’ is by no means settled and uncontroversial, we are fortunate to have some resources which are reasonably widely accepted as sound bases for such judgements. Some of these include the Best Evidence Synthesis series produced by the Ministry of Education, and the Registered Teacher Criteria promulgated by the New Zealand Teachers Council.

### **3.6. Student outcomes**

3.6.1. Student outcomes are often emphasised as the most important measure of educational quality, as indicated by the BPS target of 85% of 18 year olds achieving NCEA level 2 or above. It is worth noting that

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<sup>5</sup> OECD (2012) *PISA in focus 13, Does money buy strong performance in PISA?* Available from <http://www.oecd.org/pisa/pisaproducts/pisainfocus/49685503.pdf>

<sup>6</sup> Ladd, H.& Loeb , S. (2013) p. 19

despite there being a value in qualifications in and of themselves, they are nonetheless a proxy for a number of longer term desirable outcomes – such as those reflected in the statement above from the New Zealand Curriculum.

### **3.7. Achievement data – two cautions**

3.7.1. Ladd and Loeb identify two problems with the use of achievement data as a proxy for educational quality. One of them is that what is measured in assessment data may not correlate with the long run desired outcomes of education, a risk that they identify particularly where testing is narrowly focussed. In New Zealand we to some extent avoid this problem with the NCEA being able to represent attainment and learning across the breadth of the curriculum – nevertheless there are still critiques that, for example, collaborative skills (in high demand from employers) are unable to be measured in an individualised assessment system).

3.7.2. The other, more significant problem with using assessment as a proxy for quality is that it is difficult to accurately determine the portion of a student's outcome that is the result of formal education, and what portion is the result of factors outside of the control of the school. On a general basis from 10% to around 60% of variation in assessment outcomes are claimed to be the result of in-school factors. Much vaunted 'value add' measures intended to overcome this problem used overseas continue to be dogged with controversy, and there is no significant move to introduce assessments which would enable such measures here, despite years of Treasury encouraging it.

3.7.3. The strengths and weaknesses of these three methods show how difficult it is to make judgements of educational quality, and should serve as a caution to the inquiry in regards to making claims about the current state of the sector, let alone recommendations for improvements.



### **3.8. Compulsion and equity**

3.8.1. The Education Act (1989) Part 3, Section 20 (1) requires that children between the ages of 6 and 16 are enrolled at school. This element of compulsion puts the education sector in a different situation from many other social services.

3.8.2. While the Education Act does not provide a rationale for compelling students to attend school, the history of the Act and the public education system demonstrates that free, compulsory and secular education was intended to provide equal opportunity for all students regardless of background. This goal holds true today.

3.8.3. As a result of this goal, and the responsibility that the state has to young people in schools, there is a wide range of legislation and regulation which governs the workings of schools. Many of these regulations are explicitly about schools' processes and practices – such as the National Administrative Guidelines which apply to Boards of Trustees.

### **3.9. Persistent inequality – a significant trend that will impact on the social sector**

3.9.1. Over the past 30 years, New Zealand has become an increasingly unequal society. For example, “New Zealand:

- Now has the widest income gaps since detailed records began in the early 1980's;
- From the mid-1980s to the mid-2000s the gap between rich and the rest has widened faster in New Zealand than in any other developed country;
- The average household in the top 10 per cent of New Zealand has nine times the income of one in the bottom 10 per cent; and

- The top 1 per cent of adults own 16 per cent of the country's total wealth, while the bottom half put together have just over 5 per cent."<sup>7</sup>

3.9.2. The Appendix below outlines a few key issues identified in the Salvation Army's *State of the Nation* reports released over the past six years, which reveal a disturbing trend in the growing inequality in New Zealand, which remain unaddressed and will put additional pressure on social services.

3.9.3. As teachers in the public education system, our members have first-hand knowledge of the impact that poverty and rising inequality, through unemployment and low wages, can have on students' learning and achievement. Child poverty, and inter-generational poverty, continues to be a problem and teachers' attempts to deal with the effects of poverty are well documented (for example, the effect that poverty has on students' cognitive abilities). The PPTA recently commissioned independent research by academics Liz Gordon and Brian Easton, which again demonstrated the well proven connection between socio-economic status, ethnicity, gender and achievement.<sup>8</sup>

## **4. "Institutional arrangements in the education sector"**

### **4.1. Devolution and fragmentation**

4.1.1. A long running challenge in the Education Sector in the post 1989 (Tomorrow's Schools) context has been fostering collaboration between autonomous, self-governing schools. (See further reading below).

4.1.2. NZCER's major review of the impact of the shift to a radically decentralised model noted significant trends which included:

- Increased workload for principals and teachers;

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<sup>7</sup> Rashbrooke, M. Ed. (2013) . *Inequality: A New Zealand Crisis* Wellington: Bridget Williams Books Ltd., pp 1- 2.

<sup>8</sup>Gordon, L (2013) *Who achieves what in secondary schooling? A conceptual and empirical analysis*. Available from <http://ppta.org.nz/index.php/resources/publication-list/2710-who-achieves-sec-schooling>

- Increased competition between schools;
- Some innovation took place as a result of new curriculum framework (not the new governance arrangements) , but barriers to innovation included lack of resources and avenues to share approaches
- Schools in low socio-economic areas were least likely to have gained from the reforms.<sup>9</sup>

## 4.2. Collaboration

4.2.1. The recently announced Investing in Educational Success (IES) policy, which creates funded structures for groups of schools to work together, is the most significant adjustment to the Tomorrow’s Schools model in at least 15 years. While there are no new governance or legislated accountability arrangements being instigated with IES, the incentive that the policy provides for collaboration is, in PPTA’s view, a good way to begin to challenge the fragmentation of the current system.

4.2.2. A crucial element of system change which the Investing in Educational Success model recognises is that robust partnership between government and the sector is vital. As a UNESCO report noted:

*“Without full involvement of teachers and their organisations – those most responsible for implementing reform – in key aspects of educational objectives and policies, education systems cannot hope to achieve quality education for all.”<sup>10</sup>*

4.2.3. The IES policy recognises that the main lever which teachers, school leaders and the Ministry of Education all have shared ownership of are teachers’ collective employment agreements, and it was through this mechanism that the main elements of IES have been introduced. This was an unusual step for a government to take, but it is PPTA’s belief that

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<sup>9</sup> NZCER, *Impact of education reforms, summary* Available from <http://www.nzcer.org.nz/research/impact-education-reforms>

<sup>10</sup> 145 ILO/UNESCO. (2003). *Committee of Experts on the Application of the Recommendations concerning Teaching*. Geneva and Paris: ILO/UNESCO (CEART), p. 7

by using this mechanism which guarantees a degree of teacher control over the initiative, that it will become more widely owned, and is more likely to lead to sustained and positive change.

### **4.3. Contracting for outcomes in the education sector – ‘Partnership schools’**

4.3.1. As the Productivity Commission’s discussion paper notes, a recent policy innovation in the education sector which appears to follow a ‘contracting for outcomes’ approach is the introduction of partnership schools.

4.3.2. While PPTA’s opposition to this policy is well documented, we would like to make the following points.

#### **4.3.3. Choice is not an effective policy setting to increase education equity and quality**

4.3.4. Partnership schools are schools of choice, with the stated goal of increasing the range of schooling options for parents and students in certain areas. Choice between schools is premised on a competitive/market model, and as Treasury notes:

*“The evidence suggests that schooling systems that use strongly competitive elements such as vouchers, avoiding school zoning and ‘charter schools’ do not produce systematically better outcomes. This is driven by the risks associated with the proliferation of small schools, lack of information for parents and government to assess quality and cost-effectiveness and... the use of market-power by schools in the selection of students (“cherry picking”).”<sup>11</sup>*

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<sup>11</sup>New Zealand Treasury (2011) *Treasury Report: Treasury Views on Competition/Contestability in the Provision of ACC, Education and Health Services*. Available from <http://www.treasury.govt.nz/publications/informationreleases/education/partnershipschools/pdfs/oia-20121116.pdf>

4.3.5. The OECD's PISA in Focus 42 Report states that "performance is unrelated to whether or not schools have to compete for students", and notes a negative effect of school choice in that "...in systems where parents can choose schools, and schools compete for enrolment, schools are often more socially segregated."<sup>12</sup>

#### 4.3.6. **The problem with contracted outcomes**

4.3.7. Noting the challenges with measuring educational quality and effectiveness described above, setting a simple measure of outcomes for schools is always going to be problematic. While the overarching outcomes established in the partnership school contracts are student achievement results, three problems are immediately apparent.

4.3.8. Determining to what extent the school is responsible for the results achieved

4.3.9. The incentive to exclude certain students (see "cherry picking" above)

4.3.10. Ensuring longer run educational goals are achieved as well as the proxies that are captured in achievement data.

#### 4.3.11. **The impact on the network of schools**

4.3.12. Roll decline in public schools (particularly those that are already close to marginal, as in some areas where current partnership schools have opened) will negatively impact on the educational options and resources available for students in those schools. Partnership schools have been opened in areas which already have significant surplus capacity in the schooling network, and some schools nearby with rapidly declining rolls.

#### 4.3.13. **Evaluation of the policy**

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<sup>12</sup> OECD, (2014). *PISA in Focus 42* Available from [http://www.oecd.org/pisa/pisaproducts/pisainfocus/PISA-in-Focus-N42-\(eng\)-FINAL.pdf](http://www.oecd.org/pisa/pisaproducts/pisainfocus/PISA-in-Focus-N42-(eng)-FINAL.pdf)

4.3.14. Without a matched cohort evaluation and comprehensive assessment of the impact on the local network of schools, claims about the efficacy of the partnership school policy cannot be substantiated. PPTA understands that neither of these elements will be included in the evaluation which is currently being designed.

4.3.15. **Segregation**

4.3.16. As the OECD notes, there is a real risk of social segregation when parental choice is used as a key policy driver in schooling, and in systems where charter schools are well-established this is a reality. The US based Civil Rights Project writes that, “Our analysis of the 40 states, the District of Columbia, and several dozen metropolitan areas with large enrolments of charter school students reveals that charter schools are more racially isolated than traditional public schools in virtually every state and large metropolitan area in the nation.”<sup>13</sup>

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<sup>13</sup> The Civil Right Project (2009) Choice without Equity. Available from <http://civilrightsproject.ucla.edu/research/k-12-education/integration-and-diversity/choice-without-equity-2009-report>

## **Further reading**

The texts below provide further information and some empirical evidence in relation to aspects of this submission. These only scratch the surface of the material available on each topic.

### ***Education and equity***

OECD, (2011) Equity and Quality in Education – Supporting Disadvantaged Students and Schools. Available from

<http://www.oecd.org/edu/school/equityandqualityineducation-supportingdisadvantagedstudentsandschools.htm>

PPTA (2013) Equipping schools to fight poverty – a community hub approach.

Available from <http://ppta.org.nz/resources/publication-list/2770-past-ppta-ann-conf-papers>

Child Poverty Action Group (2014) Compulsory Schooling and Child Poverty.

Available from <http://www.cpag.org.nz/in-focus/our-children-our-choice-priorities-for-policy-1/part-3-compulsory-schooling/>

### ***Teacher quality and performance***

Alton-Lee, A. (2003) Quality Teaching for Diverse Students in Schooling: Best Evidence Synthesis Iteration. Available from

<http://www.educationcounts.govt.nz/publications/series/2515/5959>

Hargreaves, A. & Fullan, M. (2012) Professional capital. Transforming teaching in every school. New York : Teachers College Press

PPTA (2012) Quality Teaching for Excellence and Equity. Available from

<http://ppta.org.nz/resources/publication-list/2427-quality-teaching-report>

Snook, I., O'Neil, J., Birks, S., Church, J. & Rawlins, P. (2013) The Assessment of Teacher Quality . An investigation into current issues in evaluating and rewarding teachers. Education Policy Response Group, Institute of Education, Massey University

## **The New Zealand Education System**

Wylie, C. (2012) *Vital Connections. Why we need more than self-managing schools.* Wellington : NZCER Press

Morris, J. & Patterson, R. (2013) *World Class Education? Why New Zealand must strengthen its teaching profession.* Available from <http://nzinitiative.org.nz/Research/New+Zealand+Initiative+Publications/Publications.html?uid=453>

Gordon, L. (2013) *Who achieves what in secondary schooling? A conceptual and empirical analysis* Available from [http://www.ppta.org.nz/membershipforms/doc\\_download/1648-who-achieves-what-in-secondary-schooling-a-conceptual-and-empirical-analysis](http://www.ppta.org.nz/membershipforms/doc_download/1648-who-achieves-what-in-secondary-schooling-a-conceptual-and-empirical-analysis)

## **Appendix**

- 2009 ***“It does appear that our recent social progress is quite fragile and might easily reverse with the deteriorating economic conditions that we and the rest of the world face. The best example of this is the recent advances in reducing rates of child poverty. Regrettably this progress was based mainly on the prospect of growing employment with policies such as Working for Families backing up this focus.”<sup>14</sup>***
- 2010 ***“There is no denying that the recession is taking a social toll. Unemployment is at five-year high, gains made over the past five years in reducing child poverty have probably been lost, and there are signs of a widening income gap between the well paid and the poorly paid.”<sup>15</sup>***
- 2011 ***“This report shows that child poverty rates have climbed back to where they were five years ago, that violence towards***

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<sup>14</sup> *Into troubled waters* (State of the Nation report, Salvation Army, February 2009), pg. 4.

<sup>15</sup> *A road to recovery* (State of the Nation report, Salvation Army, February 2010), pg. vi.



*children and youth unemployment are as bad as they were five years ago, and that the educational disadvantage suffered by Māori children continues and may even be getting worse.”<sup>16</sup>*

2012 *“We have two clear choices here: one is to continue the path we have been on more or less continuously for the past three decades, concentrating wealth and influence, and driving the marginalised further into the shadows with yet more restrictive welfare entitlements and a yet more punitive criminal justice system. The other is to act more inclusively and to work consciously and deliberately at ways of ensuring that the most marginalised New Zealanders, and in particular, many poor families and unemployed young people, feel as though they are valued and valuable members of our society.”<sup>17</sup>*

2013 *“The reality is that the New Zealand economy has crawled since the beginnings of the global financial crisis in late 2007: real per capita GDP has declined while total GDP on a production basis has grown by just over 3% in real terms over the past five years. In response, nearly 150,000 New Zealanders have left for Australia since late 2007—more than the population of our fourth largest city. Despite this exodus, almost 300,000 New Zealanders are jobless and official unemployment is at a 10-year high.*

*Yet the alarm bells are not ringing. The media is enthusiastic about rising house prices, and the Government remains singularly focused on reducing its deficit, while refusing to consider increasing taxes even to pay for the one-off costs of the Christchurch earthquake rebuild. Child poverty remains resolutely stuck at around 20% of New Zealand children, despite a Ministerial Committee on Poverty being established. Auckland’s housing shortage continues to grow and despite attempts to reform the effectiveness of Housing New Zealand, many households in need of decent housing don’t currently have those needs met—resulting in too many New Zealanders living in unhealthy, unaffordable and insecure accommodation.<sup>18</sup>*

*“... it’s naïve to believe and dishonest to suggest that these solutions do not require more tax dollars. The source of these extra tax dollars is, of course, a problem particularly considering the global economic situation. In our view the need for a society that is just and gives every citizen the right to participate economically and socially is so important, that ways must be found to find this additional tax revenue.”<sup>19</sup>*

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<sup>16</sup> *Stalled* (State of the Nation report, Salvation Army, February 2011), pp. v - vi.

<sup>17</sup> *The Growing Divide* (State of the Nation report, Salvation Army, February 2012), pg. viii.

<sup>18</sup> *She’ll Be Right* (State of the Nation report, Salvation Army, February 2013), pp. 7-8.

<sup>19</sup> *Ibid*, pg. 9.

2014 ***“The Salvation Army remains deeply concerned that, despite increased media attention and political activity in the areas of housing and child poverty in the past year, little has been achieved in reducing the rates and incidence of child poverty and our housing situation appears to have got worse. These two issues appear to have become perennial challenges for New Zealand, and as yet there are no signs that we are making any progress. They can be seen as time-bomb issues. The impact of not having effective policies that achieve real change in these areas will inevitably affect the future of our children and grandchildren.***

***This failure marks us as a society without sufficient passion to care for our children and their families.”<sup>20</sup>***

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<sup>20</sup> *Striking a better balance* (State of the Nation report, Salvation Army, February 2014), pg. 8.