



CPAG 2023 Policy Brief on school funding

Fund school and early childhood education for equitable outcomes

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VISION

All tamariki will grow up surrounded by loving, thriving whānau within supportive communities where there are resources, opportunities and systems to enable them to live self-determined lives and futures.

CPAG acknowledges that tamariki Māori and whānau have unique rights as tangata whenua, affirmed within He Whakaputanga and Te Tiriti o Waitangi. The significant inequities in well-being outcomes and child poverty for tamariki Māori are the result of ongoing colonisation, systemic racism and neglect. Reducing child poverty in Aotearoa requires our country to address the inequitable distribution of power and resources that prevents Māori from flourishing.

ISSUES — THE CURRENT REALITY

Educational attainment in Aotearoa New Zealand is deeply inequitable; our attainment disparities are much higher than those of comparable countries.¹

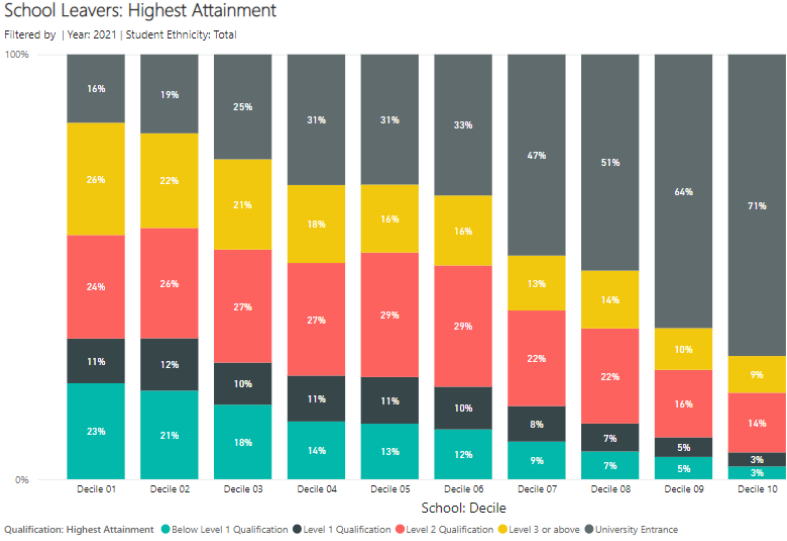
On average, the more socio-economic advantage a student has in New Zealand, the higher the level of their educational attainment, and the higher their test results across reading literacy, numeracy and science.²

Rates of regular attendance at school³, and likelihood of attaining qualifications (Figure 1)⁴, are both strongly correlated to socio-economic circumstances.

Māori students and Pacific students are less likely than most students to have socio-economic advantage, and this has a severe effect on Māori and Pacific educational attainment,⁵ particularly in mainstream schools.ⁱ

ⁱ Māori students in Māori Medium Education have similar levels of educational attainment to students overall.

Figure 1: The greater the socio-economic advantages, the more likely the student is to attain University Entrance, the highest school qualification.



Decile 1 – least advantaged; Decile 10 – most advantaged Source: Education Counts.⁶

Educational attainment empowers students with a broader range of higher education and life opportunities and is associated with positive health and employment outcomes and less likelihood of interaction with the justice system.⁷

Not supporting students to reach their full educational potential often means locking them and their families into inter-generational poverty. In addition, this costs Aotearoa New Zealand as a whole, because of the unrealised potential of many of these children.

BARRIERS REQUIRING POLICY ACTIONS:

Students locked into circumstances of socio-economic deprivation often face multiple systemic barriers to educational attainment such as: hunger, poor nutrition, lack of access to healthcare including mental health care; and lack of stable, warm, uncrowded housing with comfortable and quiet areas for sleeping and study areas.⁸

School-based initiatives can mitigate many of these challenges in a wide range of ways as reported by the Tomorrow’s Schools Independent Taskforce (32 recommendations in 8 key areas).⁹ One area —funding to reduce inequities – is the topic of this brief. Despite the increase in funding since the start of 2023, using the new Equity Index, schools are not provided with sufficient government funds to raise educational attainment enough for these children.

A key reason why disparities in educational attainment are higher in New Zealand than in other comparable countries is that New Zealand state investment in educational equity is low compared to other countries.

The Minister of Education in 2019 acknowledged that schools and services are “not adequately equipped” to meet the needs of students who are socio-economically disadvantaged.¹⁰ Education equity funding (aiming to raise educational achievement for these students) was only 2.9% of New Zealand operational resourcing in 2019, whereas comparable overseas jurisdictions allocation was approximately double that or more, at 6% (NZ equivalent \$340m).¹¹

In 2019, the Taskforce to Review Tomorrow’s Schools stated that “it is unlikely that we will see a real lift in the performance of disadvantaged learners/ākonga unless we provide substantially more support to ensure that all the schools/kura that serve them are of high quality and have access to the resources that they need.”¹²

They recommended an increase in Equity Funding to a minimum of 10% of both operational and staffing resourcing for schools and kura, in order to meaningfully address society’s structural educational inequities. But this level of funding hasn’t been provided.

Current Government actions don’t go nearly far enough

Budget 2022 introduced the Equity Index¹³ as a replacement for decile-based targeted funding in schools. This is a positive move, as its increased accuracy will ensure more students facing socio-economic disadvantage benefit from equity funding.

There are also plans to implement the Equity Index funding model for early childhood care and education (ECCE), which currently has an early childhood equity index (EQI) based on outdated 2006 data.

Extending the Equity Index to ECCE is also positive – provided it is extended solely to community-based providers, not those who profit financially. This would ensure expenditure transparency and Ministry oversight over the equity funding spend, for example to improve quality of provision via paying for qualified staff at parity rates, and better ratios of staff to children.

Extending the state equity funding to private and for-profit ECCE providers would come with a high risk that it would be captured as profit by some (See CPAG 2023 Policy Briefs at www.cpag.org.nz/policybriefs).¹⁴

However, the level of school equity funding is still below where it needs to be to reach the Tomorrows Schools Taskforce recommendation of 10% of total operational and staffing expenditure. The 2022 Budget that introduced Equity Funding increased the amount spent previously on decile-related funding, 2.9% of operational spending, by only 50%, taking it to around 4.3%.

Introducing Equity Index funding for ECCE needs to be added to the Government’s Vote Education funding.

RECOMMENDED POLICY ACTIONS

- Increase Equity Index funding to 10% of operational and staffing funding, as per the Tomorrow Schools Taskforce recommendation,

- Extend the Equity Index model to not-for-profit/ community-based early childhood education as a priority.
- Do not extend equity funding to for-profit ECCE services, as quality, efficacy, transparency and value for the public expenditure cannot be guaranteed.

IMPACTS AND INDICATORS

If implemented, these actions would be steps towards moving Aotearoa to be a nation where all children and families flourish free from poverty.

Indicators of effectiveness would be

- Higher educational attainment, attendance and retention for students who are socio-economically disadvantaged
- More equitable educational attainment, attendance and retention

Making education equitable is relevant to New Zealand:

- meeting its targets for UN Sustainable Development Goal 4: “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all”¹⁵
- meeting its obligations under the United Nations Declaration on the Rights of Indigenous Peoples¹⁶
- meeting its obligations under the UN Convention on the Rights of the Child¹⁷

Making education equitable is an essential step towards the national vision “that New Zealand be the best place in the world for children and young people”¹⁸

References

¹Tomorrow’s Schools Independent Taskforce (2019) [Our Schooling Futures: Stronger Together Whiria Ngā Kura Tūātitini Final report by the Tomorrow’s Schools Independent Taskforce](#). Ministry of Education: NZ Sept 2019.

² Education Counts (2023a) “[Literacy and Numeracy](#)” webpage. Ministry of Education: NZ.

³ Ministry of Education (2022 [misdated 2021]) [Education Indicator – Student Engagement/ Participation: Students and ākonga attending school and kura regularly - Term 2, 2022](#). Min Ed: NZ.

⁴ Education Counts (2023b) “[School leaver’s attainment](#)” [interactive dashboard](#). Ministry of Education: NZ. (2021 figures)

⁵ See for example, Ministry of Education (2022) [Education Indicator – Education and Learning Outcomes: School leavers with NCEA Level 1 or above \[in 2021\]](#). Min Ed: NZ.

⁶ [Education Counts \(2023b\)](#)

⁷ Ministry of Education (2019) [Cabinet paper - Replacing Education Deciles with the Equity Index \[for social wellbeing committee\]](#). 11 Sept 2019. Min Ed:NZ. par 63

⁸ For prevention recommendations, see CPAG 2023 policy briefs on nutrition, income assistance, housing and healthcare at www.cpag.org.nz/policybriefs.

⁹ [Tomorrow's Schools Independent Taskforce \(2019\)](#)

¹⁰ [Ministry of Education \(2019\)](#)

¹¹ [Ministry of Education \(2019\)](#). See also Gorard, S., Siddiqui, N. & See, B.H. (2022) Assessing the impact of Pupil Premium funding on primary school segregation and attainment, *Research Papers in Education*, 37:6, 992-1019.

¹² [Tomorrow's Schools Independent Taskforce \(2019\)](#) p71

¹³ Ministry of Education (2023). [The Equity Index](#) webpage. Min Ed: NZ

¹⁴ See CPAG 2023 policy brief on ECCE for reasons why community-based provision should be encouraged over private provision of ECCE at www.cpag.org.nz/policybriefs.

¹⁵ United Nations (2015) sdgs.un.org/goals

¹⁶ Charters, C., Te Aho, F., & Mason, C. (2022). [Thematic Report: The Rights of Tamariki Maori in Aotearoa New Zealand: New Zealand's Sixth Periodic Review under the UN Convention on the Rights of the Child](#).

¹⁷ Wensley D. (2023) Are the rights of children experiencing poverty in Aotearoa being observed? CPAG

¹⁸ NZ Government (2019). [Child and Youth Wellbeing Strategy](#)