EDUCATION POLICY OUTLOOK: NEW ZEALAND

OECD

BETTER POLICIES FOR BETTER LIVES
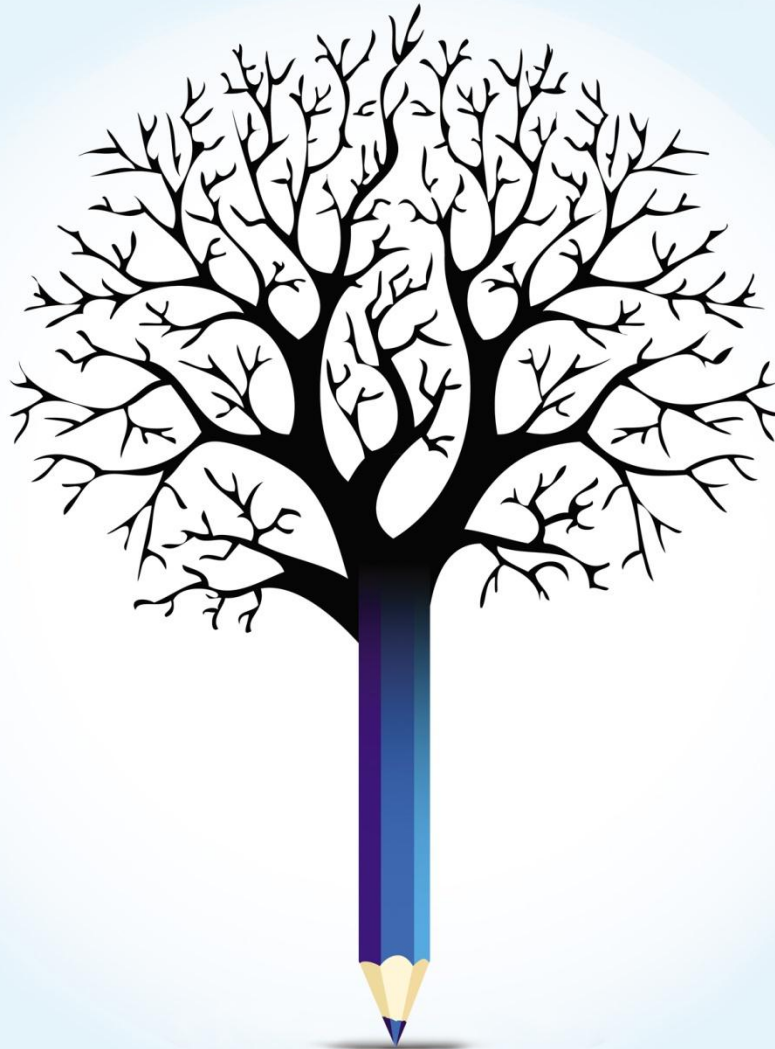
June 2013

EDUCATION POLICY PROFILE

This **policy profile on education** in New Zealand is part of the new *Education Policy Outlook* series, which will present comparative analysis of education policies and reforms across OECD countries. Building on the substantial comparative and sectorial policy knowledge base available within the OECD, the series will result in a biannual publication (first volume in 2014). It will develop a comparative outlook on education policy by providing: a) analysis of individual countries' educational context, challenges and policies (education policy profiles) and of international trends and b) comparative insight on policies and reforms on selected topics.

Designed **for policy makers, analysts and practitioners** who seek information and analysis of education policy taking into account the importance of national context, the country policy profiles will offer constructive analysis of education policy in a comparative format. Each profile will review the current context and situation of the country's education system and examine its challenges and policy responses, according to six policy levers that support improvement:

- Students: How to raise outcomes for all in terms of 1) equity and quality and 2) preparing students for the future

- Institutions: How to raise quality through 3) school improvement and 4) evaluation and assessment

- System: How the system is organised to deliver education policy in terms of 5) governance and 6) funding.

Some country policy profiles will contain spotlight boxes on selected policy issues. They are meant to draw attention to specific policies that are promising or showing positive results and may be relevant for other countries.

Special thanks to the New Zealand government for their active input during consultations and their constructive feedback on this report and also to Deborah Roseveare, Head of the OECD Skills Beyond Schools Division, for her review and comments.

Authors: This country policy profile was prepared by Beatriz Pont, Diana Toledo Figueroa, Juliana Zapata (main drafter) and Sylvain Fraccola (statistics and design), from the Education Policy Outlook team, which is part of the Policy Advice and Implementation Division, led by Richard Yelland. Editorial support was provided by Lynda Hawe and Susan Copeland. This profile builds on the knowledge and expertise of many project teams across the OECD's Directorate for Education and Skills, to whom we are grateful.

Sources: This country profile draws on OECD indicators from the Programme for International Student Assessment (PISA), the Teaching and Learning International Survey (TALIS) and the annual publication *Education at a Glance*, and refers to country and thematic studies such as OECD work on early childhood education and care, teachers, school leadership, evaluation and assessment for improving school outcomes, equity and quality in education, governing complex education systems, vocational education and training, and tertiary education.

Most of the figures quoted in the different sections refer to Annex B, which presents a table of the main indicators for the different sources used throughout the country profile. Hyperlinks to the reference publications are included throughout the text for ease of reading, and also in the References and further reading section, which lists both OECD and non-OECD sources.

More information is available from the OECD Directorate for Education and Skills (www.oecd.org/edu) and its web pages on Education Policy Outlook (www.oecd.org/edu/policyoutlook.htm).

TABLE OF CONTENTS

Figures

Spotlight

HIGHLIGHTS

New Zealand's educational context

Students: New Zealand has been a top PISA performer since 2000, with students performing above the OECD average in reading, science and mathematics. New Zealand has an inclusive early childhood education curriculum, national standards, comprehensive schooling until the age of 16, low levels of grade repetition, and flexible options in upper secondary education.

Individuals in New Zealand have higher tertiary education attainment than the OECD average, and upper secondary education attainment is around the OECD average. Many vocational education and training programmes are offered in post-compulsory education. Labour market perspectives for students are positive, and during the financial crisis (2008-11), the number of 15-29 year-olds not in education and not employed remained below the OECD average.

Institutions: A highly devolved self-managing school system like that in New Zealand gives school leaders and teachers much autonomy, which requires capacity and professional development to meet responsibilities and use of evaluation and assessment tools to improve student learning.

Governance and funding: Schools and universities are among the most autonomous across OECD countries. Schools are managed by school boards with a focus on student achievement. The government sets annual objectives in a Statement of Intent for its central education agencies, and the Ministry of Education develops a national policy framework. Funding aims to support free schooling, and, while tertiary study involves cost to the student, significant financial support is available.

Key issues

The average impact of socio-economic background on student's performance is above the OECD average, and large performance and completion gaps persist within the student population. Moreover, Māori and Pasifika students represent more than one-third of the student population, and diversity of the student population is increasing, while they face lower outcomes and may be less likely to complete their secondary education. System-level policies, schools and post-secondary schools should focus on improving the educational success of students from diverse backgrounds and delivering quality education across all schools.

Recent policy responses

Recent policies have focused on developing specific plans to support Māori and Pasifika students' performance, including the Pasifika Education Strategy, a Māori Education Strategy and specific Māori-medium education. A recent reform is looking to provide more choice for students through the development of new partnership schools, which will need to be managed to ensure equity.

A number of reforms in vocational education and training have focused on preventing early school leaving and ensuring upper secondary completion and beyond, including trades academies and the Youth Guarantee.

To clarify learning objectives, expectations and provide support to improve performance, New Zealand has also defined National Standards (2010) and the National Curriculum (2010), and is developing a Student Achievement Function to support schools (2011).

New Zealand achieves higher-than-average scores in PISA 2009 (521 mean score compared to the OECD average of 493) and the impact of socio-economic status on attainment (17%) was higher than the OECD average of 14% (Figure 1).

Figure 1. Student performance in reading and relationship between student performance and the economic, social and cultural status (ESCS), for 15-year-olds, PISA 2009
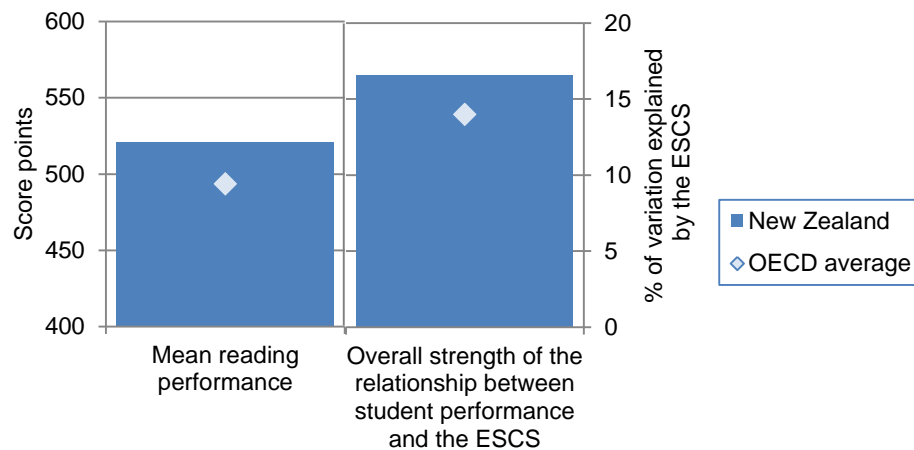
Source: OECD (2010), *PISA 2009 Results: What Students Know and Can Do: Student Performance in Reading, Mathematics and Science (Volume I),* OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264091450-en.

Secondary education attainment in New Zealand is lower than the OECD average while tertiary education is higher (Figure 2). 80% of 25-34 year-olds have attained secondary education (compared to the OECD average of 82%), and 46% have attained tertiary education (compared to the OECD average of 39%).

Figure 2. Upper secondary and tertiary attainment for 25-34 year-olds, 2011
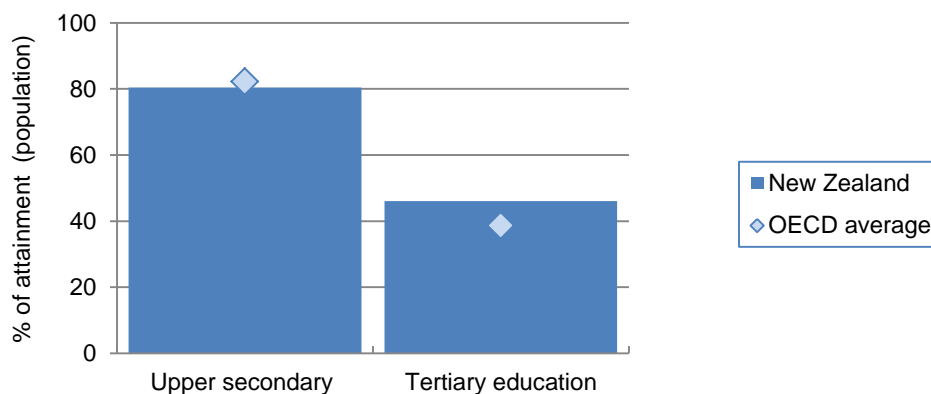
Source: OECD (2013), *Education at a Glance 2013: OECD Indicators*, OECD Publishing, Paris, http://dx.doi.org/10.1787/eag-2013-en**Error! Hyperlink reference not valid.**.

EQUITY AND QUALITY: TOWARDS INCLUSIVE EDUCATION
IN A CONTEXT OF INCREASING DIVERSITY

Equity indicators show that New Zealand is one of the highest PISA performers, but students' background and gender matter in results and there are large performance gaps between the top and the lowest performers. Fewer than 14.3% of students performed below proficiency Level 2 in reading (compared to the OECD average of 18.1%) (see Figure 3). At the same time, students' socio-economic background has more impact on their performance in PISA than the average across OECD countries. Among high performing countries, New Zealand had the widest range of scores between the bottom 5% and the top 5%.

Inclusive policies in **early childhood education** (ECE) aim for more equity in the education system. In 2010, most 3-year-olds (86%) were enrolled in ECE (ISCED 0), and this increases to 95% at age 4, one year before primary school (ISCED 1). The ECE curriculum framework, *Te Whāriki* (1996), provides a bicultural framework focused on the individual child, and family and community involvement as an integral part of the curriculum, encouraging respect for diversity.

Schools are socially diverse and there is comprehensive schooling, but **system level practices** such as school choice can hinder equity if not properly managed. New Zealand has comprehensive schooling until age 16, and low grade repetition rates (5.1%), which can result in a more equitable system. According to PISA 2009, more disadvantaged students attend schools of mixed socio-economic background in New Zealand than the OECD average. Students can attend the school of their choice, space permitting, with funding following the student. Open school choice, if not well managed with policies to mitigate its negative impact, can generate further inequities. PISA data shows that grouping by ability for some subjects is common. According to OECD research, this can have a negative impact on students with lower academic performance if extensively practiced.

Increasing diversity needs to go hand in hand with more education equity. In 2009, almost one-third of students in New Zealand's schools were Māori (22%) and Pasifika (10%). By 2015, over half of students will identify with multiple, non-European ethnic heritages. Evidence shows that large performance gaps remain across ethnic groups. Despite improvements, there are lower performance and lower attainment rates for Pasifika and Māori students than for their peers.

> **The challenge: Promoting system-level policies that can improve the educational success of students from diverse backgrounds, especially Māori and Pasifika students.**
>
> **Recent policies and practices**
>
> The government has set a target to ensure that in 2016, 98% of children starting school will have participated in quality ECE (Better Public Services). It is reviewing the funding system (2015) to ensure alignment with priorities.
>
> To support Māori students' needs, New Zealand delivers Māori-medium education, with certain subjects taught in Māori language (3% of the student population). *Ka Hikitia - Managing for Success: the Māori Education Strategy 2008-2012* set as one of its goals the "Young people engaged in learning" focus to engage 14-18 year-old Māori students in education. Set for an initial period of five years with progress monitored annually, *Tātaiako: Cultural Competencies for Teachers of Māori Learners* (2012) is a resource to improve teaching of Māori learners by developing cultural competences for teachers in ECE, primary and secondary schools.
>
> The *Pasifika Education Plan 2013-2017* sets out the government's strategic direction for Pasifika education. It seeks to increase accountability for Pasifika students' success and make improvements in practice, harnessed in greater focus on the use of achievement information as part of more effective community engagement to address underperformance. It is set for an initial five years, with progress monitored annually.
>
> Reforms that can impact equity have been introduced through the *Education Amendment Bill 2012*. These include the introduction of more school choice with a new type of school to ensure options for Māori learners (Partnership Schools/*Kura Hourua*), third-party leasing arrangements for ECE centres and the assignment of a National Student Number to children at a younger age than before to allow earlier interventions.

Figure 3. Mean score in reading performance and percentage of low and top performers, for 15-year-olds, PISA 2009
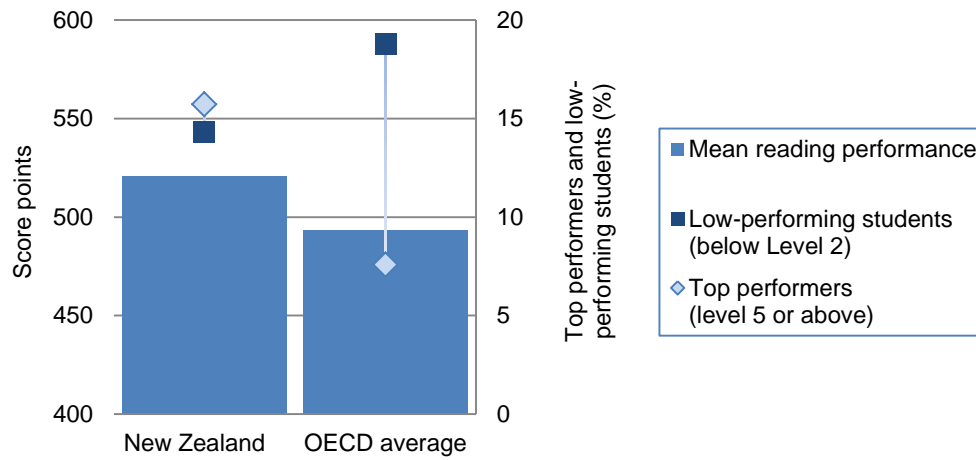
PREPARING STUDENTS FOR THE FUTURE: STRONG LABOUR MARKET PERSPECTIVES AND HIGH TERTIARY GRADUATION RATES

Labour market perspectives play an important role in the decision to stay in education. In New Zealand, unemployment rates across education levels are below the OECD average. More youth combine school with work than in the OECD average (see Figure 4). However, in 2011, the proportion of 15-29 year-olds not in education and not employed (14.3%) is below the OECD average (15.8%), and evidence points to difficulties in finding a job or returning to education. Improving youth outcomes requires policies to address skills and support transitions to the labour market.

New Zealand is fostering policies to fight dropout in **upper secondary education**, as the completion rate is 18 percentage points below the OECD average. At age 16 (year 11), students have flexibility to choose subjects of the National Certificate of Educational Achievement (NCEA) based on their interest and ability. Achieving NCEA 3 level of qualifications provides access to post-secondary or tertiary education, as does passing exams, or direct entry after age 21. Careers New Zealand provides career support and guidance services for individuals and schools, and schools employ specialist career advisers. Still, a slightly smaller share of 25-34 year-olds in New Zealand (80%) has attained upper secondary education compared to the OECD average of 82% (see Figure 2). The government indicates lower and Pasifika students' academic performance and completion rates in NCEA level 3. Completing this level can help prepare youth for employment or further learning.

Vocational education and training (VET) offers various options in post-compulsory education. The New Zealand Qualifications Framework (NZQF) allows students to earn credits towards vocational qualifications in both schooling and tertiary contexts. Upper secondary students can explore vocational courses in an integrated general academic programme. Students in tertiary education can study vocational programmes at 18 institutes of technology and polytechnics, 3 Māori tertiary institutions (*wananga*), and private training establishments. Workers can gain vocational qualifications related to their jobs through industry training, which is part of the tertiary education system. Industry training covers apprenticeships, foundation education for low-skilled workers and continuing VET.

Tertiary education in New Zealand includes all post-compulsory education and training programmes, such as full-time academic study, work-related training and research, and foundation education. With one of the highest attainment levels across OECD countries (see Figure 2), about 15.6% of all tertiary students are foreigners. Individuals in New Zealand are more likely to graduate from an academic programme (type-A, 52%) than from a vocational programme (type-B, 29%) although both graduation rates are well above the OECD average (39% type-A and 11% type-B).

> **The challenge: Engaging students to complete studies in upper secondary, VET and beyond and ensure effective transitions to the labour market.**
>
> ### Recent policies and practices
>
> To ensure more vocational qualifications, the *Trades Academies* (2009) target upper secondary students interested in careers in trades or technology by collaborating with schools, tertiary institutions, industry training organisations and employers. The Service Academies (2009) is a similar initiative with military-style programmes to encourage students to stay in education and training or enter the labour market. The Gateway initiative aims to strengthen students' pathways from school to workplace learning.
>
> The *Youth Guarantee* (2010) aims to engage 16-17 year-olds in tuition-free education or training. About 7 500 places are funded in 150 tertiary education organisations. An initial evaluation found an increase in participation.
>
> Ongoing policies, such as the *Secondary Tertiary Alignment Resource,* (STAR, 1992) propose to engage at-risk students in upper secondary education by giving them the opportunity to attend tuition-free courses. Funding is given to schools to support trustees and school leaders in better meeting students' needs.
>
> The *Tertiary Education Strategy 2010-15* sets the government's strategic direction and priorities to target priority groups, improve system performance and support high quality research that helps to drive innovation.

Figure 4. Percentage of 15-29 year-olds in education and not in education, by educational attainment and work status, 2011
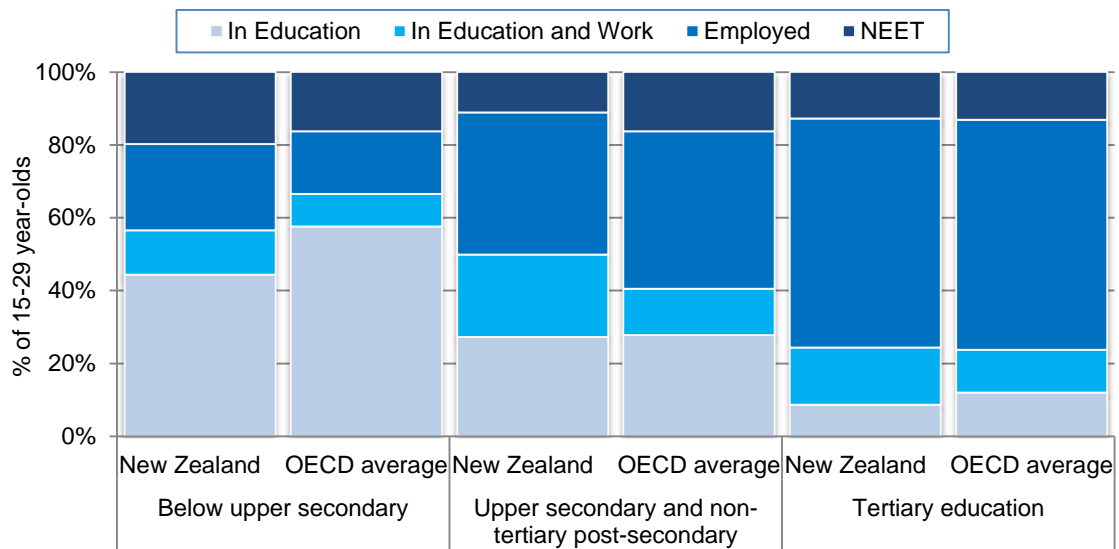
NEET: Neither Employed, nor in Education and Training

Source: OECD (2013), *Education at a Glance 2013: OECD Indicators*, OECD Publishing, Paris, http://dx.doi.org/10.1787/eag-2013-en.

SCHOOL IMPROVEMENT: SCHOOL LEADERS AND TEACHERS HAVE AUTONOMY TO STEER STUDENTS' LEARNING

The key to raising achievement in New Zealand's 2 581 schools (more than 760 000 students) is to develop the conditions for school leaders and teachers to succeed. Particular to New Zealand is the fact that around 17 000 of the students study in 155 schools in the Māori-medium education sector (curriculum is in Māori language for at least 51% of the time). Overall, New Zealand's **learning environments** are similar to those in other OECD countries, with students reporting good relations with their teachers and motivation from their teachers to read, but also slightly more negative classroom climates than the OECD average. Principals views on student behaviour are similar to those of principals in other OECD countries (see Figure 5).

School leaders have wide ranging responsibilities, within a framework of considerable autonomy. New Zealand school principals have three main functions: executive (implementing School Board policy), instructional (leading school staff) and informational (reporting on school achievement). According to PISA 2009, about 68% of students are in schools where school principals reported they observe instruction in classrooms (compared to the OECD average of 50%), and 98% of students have school principals who use student results to develop the school's educational goals (compared to the OECD average of 75%). School principals are often responsible for selecting, appraising and appointing teachers (a role delegated by the Board of Trustees) and, in small schools, they may also teach. They are appointed by the Board of Trustees according to their criteria. While training is not mandatory, there are programmes to assist with the development of school leadership skills; one for those who aspire to become principals, and one for new or first-time principals. Given the high degree of school autonomy, ensuring school leadership preparation and training can contribute to strengthening capacity across schools in New Zealand.

Teachers have much professional autonomy, and strengthening their capacity can help improve students' learning outcomes. New Zealand teachers have the fourth highest teaching time among OECD countries (in 2011, 935 hours per academic year in primary school, compared to the OECD average of 790 hours). The ratio of teachers' salaries to the earnings of tertiary-educated workers is above the OECD average. Teachers are expected to analyse students and their needs, and select teaching strategies and materials aligned with the National Curriculum. Their participation in professional development activities varies across schools and depends on the quality of school leaders and school boards. Given the strong link between teacher performance and student outcomes, ensuring teachers' capability and capacity to respond to the needs of all learners, including Māori and Pasifika, could help improve achievement.

> **The challenge: Strengthening the capacity of school leaders and teachers to deliver quality education in all schools.**
>
> ### Recent policies and practices
>
> The *Student Achievement Function* (2010) was created in the Ministry of Education to work with schools to raise achievement with a focus on literacy and numeracy. The aim is to support schools in the implementation of the New Zealand Curriculum and use of the National Standards. A central team will provide training and professional development and Student Achievement Advisors will work with schools, based on regions.
>
> The *Registered Teacher Criteria* (2010-13) set a minimum standard for teaching in New Zealand.
>
> A *National Standards* policy has been introduced to establish national expectations for literacy and numeracy. It will help schools identify students who are not progressing as expected so they can be supported to accelerate learning with additional or different help (see Spotlight 1).
>
> *Positive Behaviour for Learning* (2012) is an initiative to support education organisations that includes programmes and initiatives for schools, teachers and parents.

Figure 5. The learning environment, PISA 2009
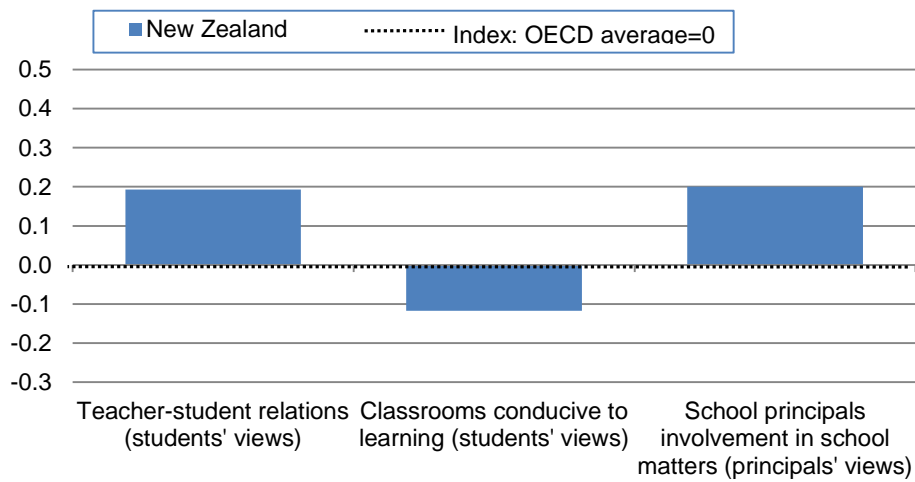
Source: OECD (2010), *PISA 2009 Results: What Makes a School Successful? Resources, Policies and Practices (Volume IV)*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264091559-en.

EVALUATION AND ASSESSMENT TO IMPROVE STUDENT OUTCOMES: TRUST PLAYS A KEY ROLE

Defining evaluation and assessment strategies is important for improving student outcomes and developing a better and more equitable school system. New Zealand's **evaluation and assessment framework** has various components that provide evidence for policy making (see Figure 6). The Ministry of Education (MoE) oversees the education system and sets evaluation and assessment guidelines. The Education Review Office (ERO), the New Zealand Qualifications Authority (NZQA), and the New Zealand Teachers Council (NZTC) evaluate and assess different aspects of the education system.

System evaluations use international and national student assessments, data collected from primary and secondary schools, and ERO's thematic reviews. The MoE has created the Education Indicators Framework, which monitors trends in student outcomes and tracks achievement of sub-groups. Accountability data collected by the MoE, such as school annual reports, can be further exploited to support school improvement.

Schools and school leaders are trusted to conduct self-reviews, and the ERO does external school evaluations. The Boards of Trustees ensure that schools implement self-reviews and deliver annual plans and reports. External school assessments by the ERO are in accordance with school's developmental needs. The community and the MoE receive internal and external school evaluations.

Teacher appraisals are mandatory and guided by two well-established standards: the Registered Teacher Criteria and the professional standards of the Guidelines on Performance Management Systems. Alignment is important for clear understanding of what teachers should know and be able to do throughout their career. The Education Review Office evaluates school systems and practices as part of their review process, which can include planning and decisions about professional development that result from teacher appraisal.

Student assessment is developed internally by schools. Assessment in relation to national expectations (National Standards and Māori medium standards [see Spotlight 1]) is underpinned by assessment for learning principles and practice. It relies on the professional judgments of teachers across a range of information, including day-to-day teaching and learning, and the use of nationally validated assessment tools. In the Māori medium, this process is called *Mātaiako*, which refers to observation and evaluation of learning taking place, capturing the activities and helping learners to move along that pathway. Students' qualifications in upper secondary education are assessed internally and externally by the NZQA, based on the New Zealand Qualifications Framework.

The challenge: Consolidating the components of evaluation and assessment in a clearly mapped framework and ensuring the capacity of all players to evaluate.

Recent policies and practices

Comprised of the *New Zealand Curriculum* (2007, implemented from 2010) and *Te Marautanga o Aotearoa* (2008, implemented from 2011), the National Curriculum outlines outcomes, values, principles, key competencies, learning areas and achievement objectives to guide and direct teaching and learning in English and Māori medium. Schools adapt this national framework to their needs.

National standards for primary schools have been recently introduced to support and enhance the national curriculum by providing clarity around progress and achievement expected (see Spotlight 1).

A review of the *National Certificate of Educational Achievement* (NCEA) was conducted by the MoE and the NZQA to align NCEA achievement standards with the national curriculum.

The *New Zealand Qualifications Framework* (2010) has been followed with a targeted review of qualifications which aims to reduce duplication and proliferation of certificate and diploma qualifications, and to ensure that the system is easy to understand for students and employers.

The *National Monitoring Study of Student Achievement* (2012) aims to survey, assess and understand student achievement of 9-13 year-olds using the New Zealand Curriculum.

Public Achievement Information aims for greater public transparency and more effective use of information at all levels of the system to support improved learning. The MoE publishes student achievement data and other information.

Figure 6. Percentage of students in schools where the principal reported assessments of students in national modal grade for 15-year-olds, PISA 2009
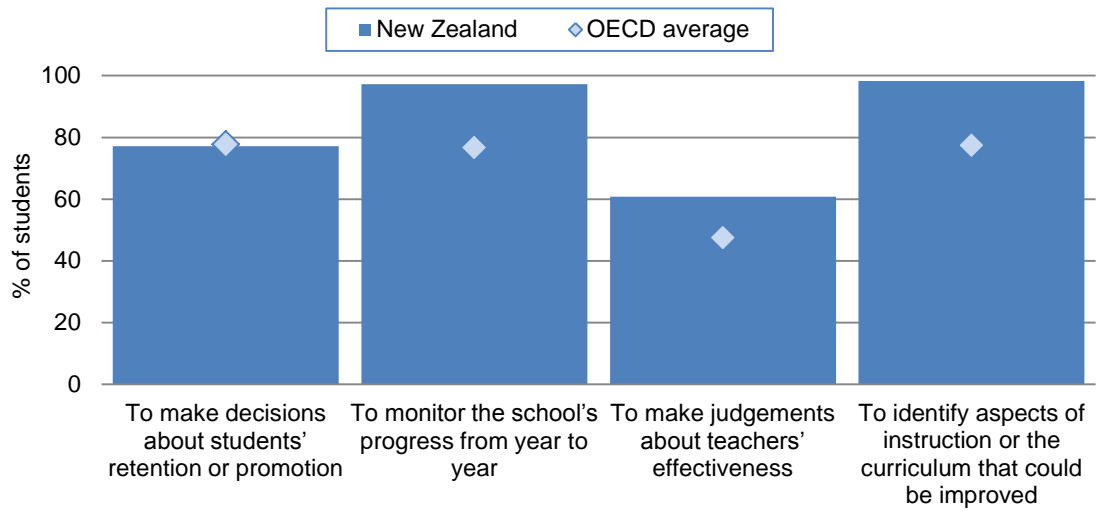
Source: OECD (2010), *PISA 2009 Results: What Makes a School Successful? Resources, Policies and Practices (Volume IV)*, OECD Publishing, Paris http://dx.doi.org/10.1787/9789264091559-en.

Spotlight 1. Setting national standards for diverse learners

In a context of decentralisation and school autonomy, there is a greater need to provide clarity of expectations for students across OECD countries. Different efforts have focused on evaluation and assessment and more directly on setting educational goals and student learning objectives more clearly. Setting standards has been part of this trend. In New Zealand, standards have been set to clarify national expectations and identify and support students who are not on track for success. More concretely, New Zealand's standards describe what students should know and be able to do at each level of their schooling in order to access and meet the demands of all learning areas of the curriculum:

- The _National Standards_ (2010) were introduced for primary school years 1-8 (approximately 5-13 year-olds) to support schools and students using the New Zealand Curriculum. They establish national expectations in mathematics, reading and writing.

- _National Standards for Māori-medium education_ (_Ngā Whenaketanga Rumaki Māori)_ (2010) were introduced for years 1-10 to support schools and students using the national curriculum for Māori-medium education (_Te Marautanga o Aotearoa_). They establish national expectations for oral language (_korero_), reading (_pāanui_), writing (_tuhituhi_) and mathematics (_pāngarau_).

To implement these standards, assessment tools have been developed, aligned to standards and professional development opportunities for teachers, school leaders and trustees. Assessments in relation to national expectations are made at least twice a year. The first assessment is termed a "progress towards" assessment and the second, a final assessment. Teachers are expected to make professional judgments on achievement, drawing on both formal and informal information, in light of descriptions provided in concrete examples of what achievement looks like at different levels. Assessment information is gathered as an integral part of day-to-day teaching and learning and used to report individual student progress to parents twice a year.

The primary purpose of the National Standards policy in New Zealand is to guide teaching and learning in the classroom. While the expectation is that teachers are responsive to the unique learning and learner contexts of every student, the standards are intended as signposts at yearly intervals to enable early identification of students who are not progressing as well as might be expected and ensure a timely response in the form of different or additional support.

National Administration Guidelines set out the requirements for self-review and reporting against the National Standards. Student achievement information contributes to school review, enabling schools to take their students' progress in relation to national expectations into account when planning school programmes and deciding school goals and targets. School planning is reflected in each school's annual charter, and achievement outcomes, including achievement data by year level, gender and ethnicity (Māori and Pasifika), are included in each school's annual report. At system level, student achievement data is used to inform decision-making in relation to goals and targets, policy development and the allocation of resources across the system to support student learning.

GOVERNANCE: STAKEHOLDER AUTOMONY
WITHIN A NATIONAL FRAMEWORK

The government sets education policy and the Ministry of Education develops it. The Ministry **oversees the education system**, develops curriculum and assessment standards for students and teachers, intervenes in instances of school failure, provides funding and leads cross-government initiatives. Every year, the Ministry sets objectives in a Statement of Intent, a planning and accountability document with a five-year horizon. Other bodies help shape national education policy:

- The Education Review Office evaluates and reports on quality of education.
- The New Zealand Qualifications Authority develops the Qualifications Framework, oversees the National Certificate of Educational Achievement, and ensures quality of qualifications and of tertiary education organisations outside the university sector.
- The New Zealand Teachers Council is responsible for maintaining professional standards of the teaching profession.
- Careers New Zealand provides advice on career planning, jobs and training.
- The Tertiary Education Commission manages tertiary education funding and provides support to tertiary education institutions and organisations.
- Other stakeholders include the School Trustees Association, the Council for Educational Research, principals' associations, principals' and teachers' unions, and specific types of school associations and groups from business and cultural sectors.

Schools in New Zealand are among the **most autonomous schools** across OECD countries. Since 1988, there has been a devolution of management responsibilities to schools along with increased power for the Ministry to intervene in failing schools since 2001. In 2007, 24% of decisions at lower secondary level were taken centrally, with schools taking the remaining 76% of decisions (see Figure 7 for 2010 OECD average). From available data, only English and Dutch schools had higher decision-making capacity.

Different levels of education have **different governance arrangements**. Elected governing boards run individual early childhood education providers, and are responsible for staffing, financial management, compliance, reporting, and setting and measuring performance targets. Boards of Trustees govern each school. Elected every three years, they are accountable to the central government and the community. They are responsible for maintaining the school charter and short-term and long-term plans, ensuring compliance with the National Education Guidelines, setting the school's education policies, managing finances and employing staff, and holding principal and staff accountable for performance. Tertiary education institutions are accountable to the Tertiary Education Commission for delivery on their investment plans. They are governed by councils whose functions and duties include governing their institution and appointing its vice-chancellor or chief executive.

The challenge: Guiding the system and ensuring the capacity of Boards of Trustees to formulate and implement education policy consistently across educational institutions.

Recent policies and practices

The government's Better Public Services programme (2011) presented ten public sector commitments to achieve within three to five years, including three related to education:

- by 2016, 98% of children starting school will have participated in quality early childhood education
- by 2017, 85% of 18-year-olds will have NCEA level 2 or an equivalent qualification
- by 2017, 55% of 25-34 year olds will have a qualification at level 4 or above.

The Ministry Statement of Intent (2012-17) set two priority areas: 1) improve education outcomes for Māori and Pasifika, disadvantaged and special needs learners; 2) maximise education's contribution to the economy.

The *Education Amendment Bill* (2012) defines a focus on students' education as the key function of school boards, setting clear expectations for boards and ensuring that student achievement is at the heart of their role.

The Ministry has developed the *Education Counts* website, which includes all education information as a one-stop online space with access to statistics, quantitative information and research, and detailed information on all schools in the country.

Figure 7. Percentage of decisions taken in public lower secondary schools at each level of government, 2010
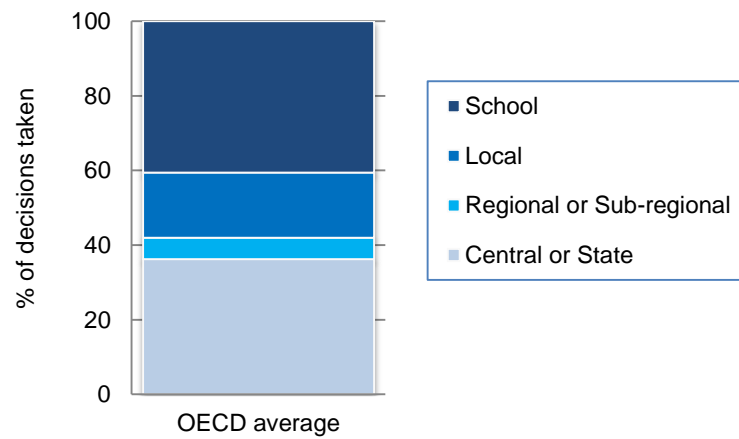
FUNDING: HIGH PUBLIC AND PRIVATE SPENDING, STRONG STUDENT SUPPORT FOR TERTIARY EDUCATION

New Zealand **invests more on educational institutions** than the OECD average. Expenditure on educational institutions at all levels is 7.3% of GDP, above the OECD average of 6.3% (see Figure 8). Between 2005 and 2010, New Zealand has increased its spending by 0.8 percentage points, above the OECD average of 0.4 percentage points. As in most OECD countries, a large portion of expenditure on educational institutions comes from public sources (82.6%, compared to the OECD average of 83.6%). Private expenditure on educational institutions is 17.4%, above the OECD average of 16.4%.

New Zealand spends comparatively more per full-time student than other OECD countries in early childhood education and post-secondary non-tertiary education, but comparatively less per student at other levels of education. **Annual per-student expenditure** over all levels (from primary to tertiary education) was USD 8 192 in 2010. This is below the OECD average of USD 9 313 per student, because the proportion of school-age children in New Zealand's population is higher than the OECD average. From 2005 to 2010, expenditure per student increased by 19% in primary, secondary and post-secondary non-tertiary education, while enrolment stayed constant (compared to the OECD average decrease of 3%). In the case of tertiary education, expenditure per student decreased by 4% while enrolment increased by 33% compared to the OECD averages of 8% and 13% respectively).

Funding is provided by the Ministry of Education (at ECE and school level) and via the Tertiary Education Commission (TEC), which is responsible for post-school education. The Ministry provides **funding for public schools** based on the number of students and their grade levels, the socio-economic status of the community, and the school's location. The Board of Trustees manages funding for its school and is audited by the government and the Education Review Office. Rural schools and schools catering to students from lower socio-economic backgrounds can receive adjustments. The government can also provide in-kind resourcing such as for ICT support and broadband access. Schools are also able to raise funds locally.

In **tertiary education**, the TEC funds eligible organisations, and there is considerable private funding. Tertiary education organisations and industry tertiary organisations develop and submit investment plans to the TEC for funding approval. The TEC then monitors delivery on these plans. Students receive financial support through allowances and the Student Loan Scheme. In New Zealand, 46.6% of public expenditure in tertiary education in 2010 was directed as financial aid to students, more than double the OECD average of 21.7%.

In 2012, **budget changes** and new initiatives took place at all levels of education. In early childhood education, more funding was allocated to meet increased participation targets for students from disadvantaged backgrounds (low socio-economic status, special needs, Māori and Pasifika). In primary and secondary education, funding prioritised aligning achievement standards for the different curricula, addressing student needs, extra staffing in large schools and improving technological and physical infrastructure. At the tertiary level, funding increases aimed to maintain or improve the provision of education and research (especially in science and engineering) and to maintain financial support for students who need it most. Also at this level, the government promoted the need to save and optimise funds by focusing eligibility for student loans and allowances on students who most need support and eliminating low priority programmes.

> **The challenge: Ensuring that resources effectively meet the demands of students at different education levels.**

> ### Recent policies and practices
>
> The *Aspire Scholarship* (2009) is additional funding from the government to increase access for low-income families to attend private secondary schools.
>
> The *Student Achievement Component* is an investment approach used by the government to fund tertiary education, in part linked to educational performance of the institution. It is based on four indicators: progression, retention, course completions and qualification completions. Industry training organisations will also have performance-linked funding.
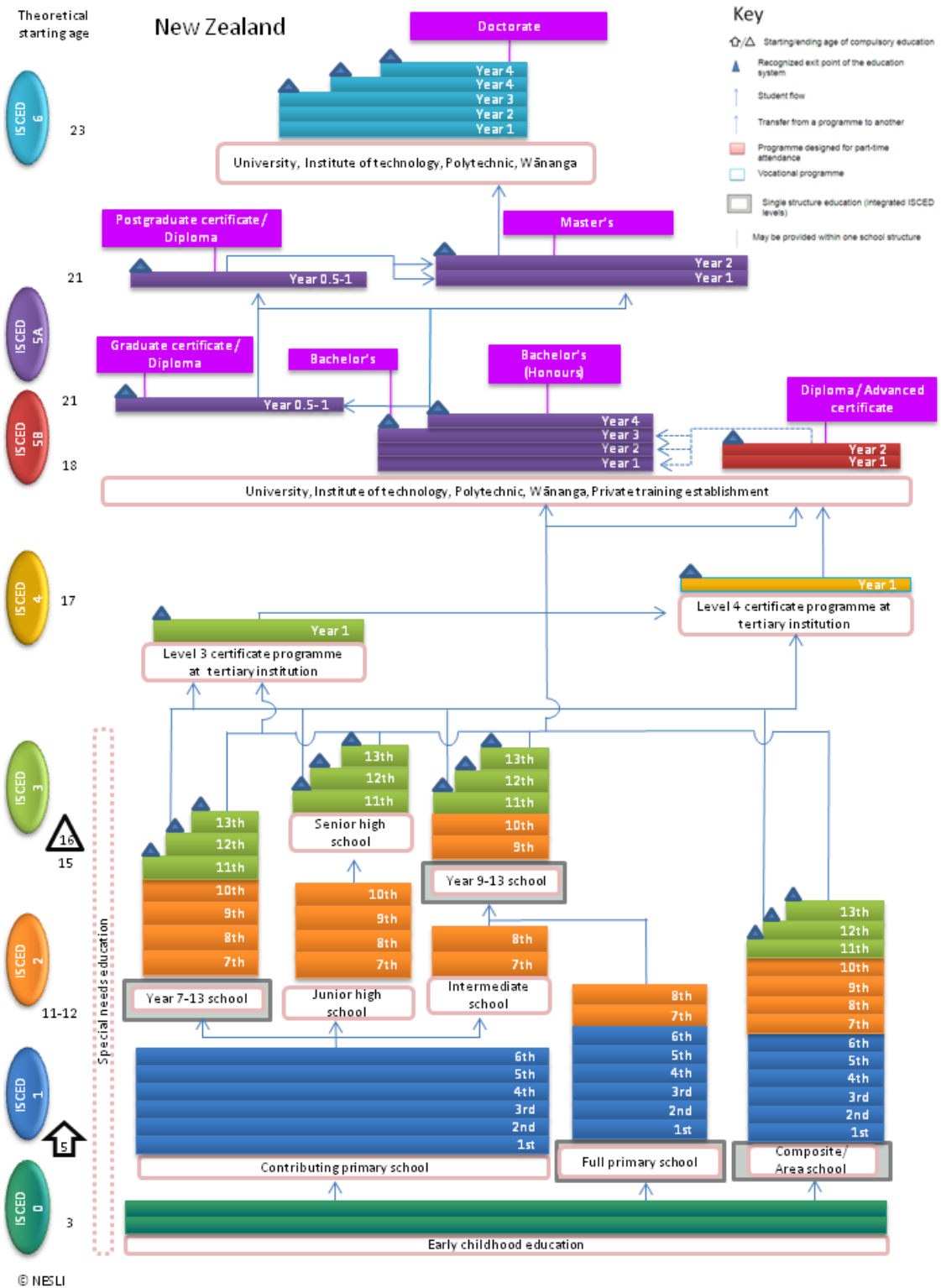
Figure 8. Expenditure on educational institutions as a percentage of GDP, by level of education, 2010
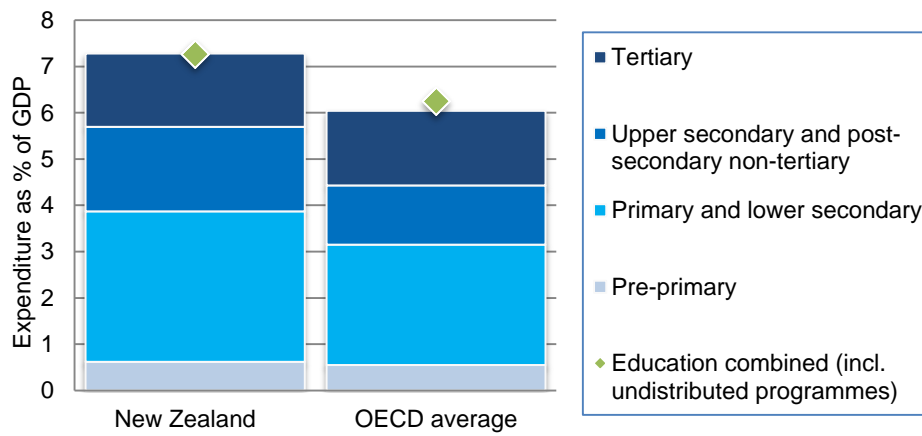
ANNEX A: STRUCTURE OF NEW ZEALAND'S EDUCATION SYSTEM

© NESLI

ANNEX B. STATISTICS

#	List of key Indicators	New Zealand	Average or total	Min	Max
	Background information				
Political context					
1	Public expenditure on education as a percentage of GDP, 2010 (EAG 2013)	7.2 %	5.8 %	3.8 %	8.8 %
Economy					
2	GDP per capita, 2010, in equivalent USD converted using PPPs (EAG2013)	29 629		15 195	84 672
3	GDP growth 2011 (OECD National Accounts)	0.5 %	1.8 %	-7.1 %	8.5 %
Society					
4	Population density, Inhab/km2, 2010 (OECD Statistics)	16.7	138	2.9	492
5	Young people, aged less than 15, 2010 (OECD Statistics)	20.5 %	17.3 %	13 %	28.1 %
6	Foreign-born population, 2009 (OECD Statistics)	22.7 %	14.1 %	0.8 %	36.9 %
	Education outcomes				
7	Mean reading performance (PISA 2009)	521	493	425	539
8	Change in Mean reading performance, 2000-09 (PISA 2009)	-8	1	-31	40
9	Change in Mean mathematics performance, 2003-09 (PISA 2009)	-4	0	-24	33
10	Change in Mean science performance, 2006-09 (PISA 2009)	2	3	-12	30
11	Enrolment rates in early childhood education and primary education, ages 3 and 4, 2011 (EAG 2013)	90 %	74.4 %	11.6 %	98 %
12	Population that has attained below upper secondary education, 25-64 year-olds, 2011 (EAG 2013)	26 %	25 %	7 %	68 %
13	Population that has attained at least upper secondary education, 25-34 year-olds, 2011 (EAG 2013)	80 %	82 %	43 %	98 %
14	Population that has attained tertiary education, 25-34 year-olds (EAG 2013)	46 %	39 %	19 %	64 %
15	Population whose highest level of education is vocational upper secondary or post-secondary non-tertiary, 2011 (EAG 2013)	25 %	33.5 %	8.4 %	73.9 %
16	***Unemployment rates, 25-64 year-olds, 2011 (EAG 2013)***				
	Below upper secondary	6.5 %	12.6 %	2.7 %	39.3 %
	Upper secondary and post-secondary non-tertiary	4.4 %	7.3 %	2.2 %	19.2 %
	Tertiary education	3.6 %	4.8 %	1.5 %	12.8 %
	Students: Raising outcomes				
Policy lever 1: Equity and quality					
17	First age of selection in the education system (PISA 2009)	16	14	10	16
18	***Proficiency levels on the reading scale (PISA 2009)***				
	Students below Level 2	14.3 %	18.8 %	5.8 %	40.1 %
	Students at level 5 or above	15.7 %	7.6 %	0.4 %	15.7 %
19	***Between- and within-school variance in reading performance (PISA 2009)***				
	Between schools	2 622	3 616	665	6 695
	Within schools	8 228	5 591	2 795	8 290
20	Students reporting that they have repeated at least a grade in primary, lower secondary or upper secondary schools (PISA 2009)	5.1 %	13 %	0 %	36.9 %

#	List of key Indicators	New Zealand	average or total	Min	Max
21	Variance in student performance explained by student socio-economic status (PISA 2009)	17 %	14 %	6 %	26 %
22	Difference in reading performance between native students and students with an immigrant background, after accounting for socio-economic status (PISA 2009)	14.0	27	-17.0	85.0
23	Gender differences in student performance on the reading scale (PISA 2009)	-46	-39	-55	-22
Policy lever 2: Preparing students for the future					
	Upper secondary graduation rates, 2011 (EAG 2013)				
24	General programmes	m	50 %	18 %	82 %
	Pre-vocational/ vocational programmes	m	47 %	4 %	99 %
25	Change in upper secondary graduation rates (average annual growth rate 1995-2011), (EAG 2013)	m	0.6 %	-1 %	3.6 %
	Graduation rates, first-time graduates, 2011 (EAG 2013)				
	Tertiary-type 5A	52 %	40 %	21 %	60 %
26	Tertiary-type 5B	29 %	11 %	0 %	29 %
	Tertiary-type 5A (average annual growth rate 1995-2011)	2.7 %	4 %	-1 %	11 %
	Tertiary-type 5B (average annual growth rate 1995-2011)	5.5 %	0 %	-20 %	14 %
27	Youth population not in education, employment or training 15-29 year olds, 2011 (EAG 2013)	14.3 %	15.8 %	6.9 %	34.6 %
Institutions: Improving schools					
Policy lever 3: School improvement					
28	Index of teacher-student relations based on students' reports (PISA 2009)	0.19	0	-0.42	0.44
29	Index of disciplinary climate based on students' reports (PISA 2009)	-0.12	0	-0.40	0.75
	Teachers younger than 40 years-old, 2011 (EAG 2013)				
30	Primary education	35.6 %	41 %	15 %	60 %
	Lower secondary education	34.9 %	39 %	11 %	56 %
	Upper secondary education	32.8 %	34 %	7 %	47 %
	Number of teaching hours per year in public institutions, 2011 (EAG 2013)				
31	Primary education	935	790	589	1 120
	Lower secondary education	848 %	709	415	1 120
	Upper secondary education	760	664	369	1 120
	Ratio of teachers' salaries to earnings for full-time, full-year adult workers with tertiary education, 2011 (EAG 2013)				
32	Primary education	1.03 %	0.82	0.44	1.34
	Lower secondary education	1.05 %	0.85	0.44	1.34
	Upper secondary education	1.08 %	0.89	0.44	1.40
33	Change in teachers' salaries between 2000 and 2011 in lower secondary education (2000 = 100), (EAG 2013)	2.72 %	16 %	-9 %	103 %
34	Impact of teacher appraisal and feedback upon teaching, 2007-08 (TALIS 2008)	Not participating	33.9 %	10.9 %	69.1 %
35	Teachers who wanted to participate in more development than they did in the previous 18 months, 2007-08 (TALIS 2008)	Not participating	55 %	31 %	85 %
36	School principals' views of their involvement in school matters, Mean Index, (PISA 2009)	0.20	-0.02	-1.29	1.03

#	List of key Indicators	New Zealand	average or total	Min	Max
	Policy lever 4: Evaluation and assessment to improve student outcomes				
37	**Assessment purposes (PISA 2009)**				
	To make decisions about students' retention or promotion	77.2 %	78 %	1 %	100 %
	To monitor the school's progress from year to year	97.2 %	77 %	35 %	98 %
	To make judgements about teachers' effectiveness	60.8 %	47 %	8 %	85 %
	To identify aspects of instruction or the curriculum that could be improved	98.3 %	77 %	47 %	98 %
38	**Frequency and source of teacher appraisal and feedback, 2007-08 (TALIS 2008)**				
	Once every two years or less	Not participating	35.8 %	13.8 %	65.6 %
	At least once per year	Not participating	52.2 %	27.6 %	68.6 %
	Monthly or more than once per month	Not participating	12 %	3.3 %	29.8 %
	Systems: Organising the system				
	Policy lever 5: Governance				
39	**Decisions taken at each level of government in public lower secondary education, 2011 (EAG 2012)**				
	Central or state government	0 %	36 %	0 %	87 %
	Regional or sub-regional government	m	6 %	0 %	36 %
	Local government	m	17 %	4 %	100 %
	School government	m	41 %	5 %	86 %
	Policy lever 6: Funding				
40	**Annual expenditure per student by educational Institutions, for all services, in equivalent USD converted using PPPs for GDP, 2010 (EAG 2013)**				
	Pre-primary education	11 495	6 762	2 280	20 958
	Primary education	6 842	7 974	1 860	21 240
	Secondary education	8 170	9 014	2 470	17 633
	Tertiary education	10 418	13 528	6 501	25 576
41	**Relative proportions of public and private expenditure on educational institutions, 2010 (EAG 2013)**				
	Public sources	82.6 %	83.6 %	57.9 %	97.6 %
	All private sources	17.4 %	16.4 %	2.4 %	42.1 %
	Public sources, index of change in expenditure on educational institutions (2000-2010)	138	136	101	195
	All private sources, index of change in expenditure on educational institutions (2000-2010)	m	211	104	790

Note: The average, minimums and maximums refer to OECD countries except in TALIS where they refer to participating countries. "m" refers to data not available.
PISA values that are statistically significant are indicated in bold.

REFERENCES AND FURTHER READING

Education Information and Analysis Group/Group Maori (2010), "*Nga Haeata Matauranga* – The Annual Report on Maori Education, 2008/09", Ministry of Education, Wellington, http://www.educationcounts.govt.nz/publications/series/5851/75954/foundation-years.

Eurydice (2012), "Education in the News"*,* National Foundation for Educational Research, http://www.nfer.ac.uk/nfer/index.cfm?03E5E02C-C29E-AD4D-0F9B-1586BD18095D.

Ministry of Education: http://www.minedu.govt.nz.

Ministry of Education, Budget 2012, http://www.minedu.govt.nz/theMinistry/Budget/Budget2012.aspx.

Ministry of Education, Youth Guarantee, http://youthguarantee.net.nz.

Ministry of Education (2007), "Improving School Leadership: Country Background Report for New Zealand", http://www.oecd.org/education/preschoolandschool/38740175.pdf.

Ministry of Education (2008), "The New Zealand Education System: An overview", http://www.minedu.govt.nz/~/media/MinEdu/Files/EducationSectors/InternationalEducation/ForInternationalStudentsAndParents/NZEdSysOverview.pdf.

Ministry of Education (n.d.), "*Te Whāriki*", Ministry of Education's early childhood curriculum policy statement, http://www.educate.ece.govt.nz/learning/curriculumAndLearning/TeWhariki.aspx.

Ministry of Education (2010), "OECD Review on Evaluation and Assessment Frameworks for Improving School Outcomes: New Zealand Country Background Report", Ministry of Education, Wellington, http://www.oecd.org/education/preschoolandschool/47797042.pdf.

Ministry of Education (n.d.), "*Ka Hikitia* – Managing for Success: The Maori Education Strategy 2008-2012", http://www.minedu.govt.nz/theMinistry/PolicyAndStrategy/KaHikitia.aspx.

Nusche, D. et al. (2012), *OECD Reviews of Evaluation and Assessment in Education: New Zealand,* OECD Publishing, Paris, http://www.oecd.org/education/preschoolandschool/49681441.pdf.

New Zealand Council for Educational Research (1999), "Impact of education reforms", Cathy Wylie, http://www.nzcer.org.nz/research/impact-education-reforms.

OECD (2008), *Education at a Glance 2008: OECD Education Indicators*, OECD Publishing, Paris, www.oecd.org/edu/eag2008.

OECD (2009), *Creating Effective Teaching and Learning Environments: First Results from TALIS*, OECD Publishing, Paris, http://www.oecd.org/dataoecd/17/51/43023606.pdf.

OECD (2010), *PISA 2009 Results: What Students Know and Can Do – Student Performance in Reading, Mathematics and Science (Volume I)*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264091450-en.

OECD (2010), *PISA 2009 Results: Overcoming Social Background – Equity in Learning Opportunities and Outcomes (Volume II)*, OECD Publishing, http://dx.doi.org/10.1787/9789264091504-en.

OECD (2010), *PISA 2009 results: What makes a school successful? Resources, Policies and Practices (Volume IV)*, OECD, Paris, http://dx.doi.org/10.1787/9789264091559-en.

OECD (2010), OECD Economic Surveys - Country Index,
http://www.oecd.org/eco/surveys/listofeconomicsurveysofnewzealand.htm

OECD (2010), *Learning for Jobs*, OECD Publishing, Paris, http://www.oecd.org/ireland/44592419.pdf.

OECD (2011), "PISA In Focus 6: When students repeat grades or are transferred out of school: What does it mean for education systems?", http://www.oecd.org/pisa/pisainfocus/48363440.pdf.

OECD (2011), Economic Policy Reforms: Going for Growth 2011: Country Notes,
http://www.oecd.org/document/31/0,3746,en_2649_37443_47449183_1_1_1_37443,00.html (accessed 4 July 2012).

OECD (2012), *Equity and Quality in Education: Supporting Disadvantaged Students and Schools*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/9789264130852-en*.

OECD (2012), *Starting Strong III: A Quality Toolbox for Early Childhood Education and Care*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264123564-en and
http://www.oecd.org/edu/school/startingstrongiiiaqualitytoolboxforecec.htm

OECD (2012), *Education at a Glance 2012: OECD Education Indicators*, OECD Publishing, Paris, http://dx.doi.org/10.1787/eag-2012-en.

OECD (2013), *Education at a Glance 2013: OECD Indicators*, OECD Publishing, Paris, http://dx.doi.org/10.1787/eag-2013-en

Tertiary Education Commission – *Te Amorangi Mātauranga Matua* (TEC): http://www.tec.govt.nz.