

Decile funding discussion

Herald on Sunday and Minister of Education

M = Minister J = Jonathan Milne

J – I have just got one question I would like to ask and then I'll leave you with Russell and I'm presuming you're probably tight on time as well, before you think "bloody Herald swallowing up all our time" ... I've been talking to Florence about this and also been speaking to Ruth Laugeson at the Ministry, who is a former colleague of mine. Decile Review, what the hell is going on? A few months ... I mean I know there has been publicity and speculation about what you guys plan to do with that system but a few months ago the Ministry was saying that they'll be reviewing deciles in February ... after seven years they'll be reviewing deciles for every school in the country, this year 2014 and now they're not saying that ...

M – No no, there are two things that are occurring here and they could sound that they're controversial but they're not. So decile ratings are set once the Census results are in, that's what the Ministry meant about that, they do need to review all of the schools against the new census information – so that is occurring.....

J – Well, is it?

M – Well yeah, they're in the process of doing that....

J – They've refused to confirm that saying that they haven't timetabled it yet ... well hang on the census is rolling out over the next few months and the last bit of data is in October and we can't get an answer as to whether they're going to do this or not because they refuse to answer us...

M – Whose the 'they' you're talking to?

J – Ruth Laugeson, a comms person

M – but the part of it that I'm more particularly interested in and that I have said is that deciles are well intentioned but they're a blunt instrument and schools will tell you that over and over again as well, because it averages a group of schools based on census data. But you know in a decile 9 school you can have families with really significant needs but decile 10 gives them a different funding platform, and similarly with decile 1. Deciles in the middle 4, 5 and 6 are the ones that average out the most. So it is well intentioned in that it was to look at how did we fund in the way that we recognise particular challenges and I think that we need to look at the overall funding mechanism. Because the way Vote Education has been constructed is that 87 per cent of it is demand driven. Like, I have ... when more people use ECE the more subsidy available. The longer we attract kids to stay at school, which we are bound and determined to do, the more costs are incurred. The more we want modern learning environments, the more property costs us and so forth. And so there's very little flexibility in the vote for being able to invest in new initiatives and so forth. So we do need to have an overhaul of that and that is something that I'm pretty keen for us to look at. But it's a long job. And because it is so complicated about what choices you might make. One of the things about the decile system is that it is simple.

J - So do you anticipate getting rid of the decile system? In the longer term, or do you anticipate tinkering with it?

M – I don't want to pre-empt an outcome but I am interested in instead focussing on looking more towards what are the educational outcomes that we are trying to achieve; how do we create more incentives that are focused on delivering improvement as well as outcomes. ---So, --- Having had a look at a lot of the educational systems that have been really successful and cherry picking characteristics that we think we might want to incorporate here – one of the systems that have been most successful in closing the equity excellence gap are the ones that have strongly incentivised a focus on what difference have I made in my teaching and learning in this 6 month period – not just what's the final result - are these kids above or at the national standards or have these kids passed NCEA ...but when this kid came into my classroom at this point and now at this point what learning difference can I absolutely see has occurred as a result of my teaching...

J – the progress they have made ...

M - Yeah, the consistency and the progress. And so, the more these systems overseas, for instance, Shanghai has been really good at that, Singapore has been really good at that – for all the criticisms they have tended to get about Asian countries being about rote learning, it's not true. They do a lot of innovative stuff and they have put a lot more effort into understanding what value does quality teaching add in a classroom in real time. And the more they do that, the more reputation that derives from that the more you *spawn* a system that is focused on if I can make this difference over time.

J – Yeah, but none of this explains to me how are you going to fund it. Are you still going to fund through schools?

M – Yeah, we're still going to fund through schools and we are still funding through schools.

J – If you're going to fund through schools – you have to work out which school gets more money than other schools?

M – Well, you've got to work out which school is delivering achievement. Which schools are focussing on how they raise the quality of their teaching and leadership practice and how is that translating into kids demonstrating that they're learning more, those are some of the features. Other features....

J – Performance payments for schools?

M – Well, that's what I'm saying, it's complicated because other parts of it is how are schools working well with kids with special needs and that takes much more resources in many cases; how are schools delivering the curriculum in terms of languages; how do we become more of a multilingual country given that we want to trade more with countries where English isn't their first language. So there isn't just one dimension or another, that's why I'm saying it's complicated

J – so –obviously no decisions are made but you're talking about contracting schools to deliver outcomes. There will be a different range of different outcomes.....

M – Well, all I'm saying at the moment is almost every school complains that they don't get enough money, almost every school does that. And yet we're at the highest funding we've ever been at \$9.7 billion and so we have to find – and we still don't have achievement at 85% or 100% that we need to be at – so we have to be looking at how can we organise what we do have available to us to more consistently generate achievement. What are the things that we need to do? And that's a discussion that many more people than me need to be involved in. So we've got a decile funding system and we will continue with that until we have a system that is better than that. In terms of the decile funding that also includes, for instance, we pay through you, taxpayers, \$120million of decile funding in 2012, I don't have the figures for 2013 yet and yet we can't tie that to having made a lot of difference to achievement. So we are probably going to be looking at understanding what is it that that is being spent on to help build the base for so what do we need to do better.

J – If I'm understanding you correctly, and tell me if I'm getting this wrong because it sounds fascinating what you're saying to me but it might be I'm misunderstanding it– You are talking about pegging funding to delivering progress ... outcomes?

M – What I'm talking about is that at the moment we fund into our 2500 schools and for every 2 out of 5 education dollars it goes on property, for instance, and I can unpack the other three dollars for you but what we're wanting at the other end is achievement, kids having learnt well and secured qualifications and so forth. But at the moment, those systems aren't actually pegged together. All I'm saying is that everybody says that decile funding doesn't really work. Similarly, there's complaints about the professional learning and development system, yet that's costing \$350 million over four years – so that's a lot of money going in that people are saying that still doesn't help them deliver education better or achievement better. So the system we've got, is the system we've got, and we're continuing with it. But there is sufficient indication that it's not satisfactory and we need to be looking for something else and I want to have that discussion and to start developing it ... but it is complicated.

So that's why I can't sit here saying to you, yes the system that we would go to is this, that or the next thing, or even, whether we would go to a different system as oppose to refining the system we've got now with a better fit with what's required.

J – In the decile system, it's been seven years since last review because of the delayed census. So most schools, apart from those that have sought an independent review, have been pegged at the same decile for seven years – some of them will have a massive shock, won't they? I mean, I live in Maugakiekie, Sam's electorate, on the slopes of One Tree Hill, there are schools there I'm guessing and it is guess work, that are probably going to go up from decile 3 to decile 6 or 7 and they're coming to ...

M – Well, that's exactly it, at the moment we've been maintaining parity and we've been maintaining the operational grant, notwithstanding deciles. The decile funding by the way is less than 12 pc of all the funding that goes to schools so although there's quite a lot of discussion about it 88 pc isn't pegged to decile.

J – But that's most of the funding that they their control...

M – No, no, operational grants is what they control and we have generally been funding at about CPI or just ahead of it – so and then there's funding for special needs; and funding for PLD and then there's 5YA for building, and \$700 million for connecting up to schools – so decile funding is the tail bit we've talked about a lot but it does not wag the dog, that is the school.

J – Its still going to be six, or even seven figures for some schools to change?

M – Possibly

J – isn't that going to be a shock?

M – Well, we haven't gone through the process.....

J – For every school that goes down, presumably one will go up

M – Well, under that current system, yeah. That's why I'm saying, it's well-intentioned but it is blunt.

J – That review — it will it go ahead this year

M – Well, we're focused pretty much on Budget discussions – but that hasn't been my priority is the actual application of the census to the decile funding rank because it relates to the smallest portion of funding. By definition it is. It hasn't been a priority because, for instance, the priority has been how do we invest into the profession, how do we get a better data framework, how do we get the \$700 million that we put into digital literacy working well, —

J – So is it going to go ahead this year – that decile review across the country?

M - I can't give you a firm answer on that