



**Education Report:** Policy approvals for a Cabinet paper on replacing school deciles with the Equity Index

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	5 July 2019	<b>Priority:</b>	High
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1194848
<b>Drafter:</b>	Georgina Preston	<b>DDI:</b>	
<b>Key contact and number:</b>	Alanna Sullivan-Vaughan 9(2)(a)	<b>Round robin:</b>	No
<b>Messaging seen by Communications team:</b>	No		

**Purpose of report**

On 29 April 2019 [METIS1183599 refers] you indicated you wished to go to Cabinet in July 2019 to seek in principle agreement to shift from the school decile system to the Equity Index. This paper seeks your agreement to the attached draft Cabinet paper for this.

**Recommended Actions**

The Ministry of Education recommends you:

- a. **agree** to the attached Cabinet paper  
**Agree / Disagree**
- b. **agree** to distribute the Cabinet paper to your Ministerial colleagues for consultation as soon as possible, with feedback sought by 12 July  
**Agree / Disagree**
- c. **note** that the Ministry will undertake departmental consultation  
**Noted**
- d. **note** that we are aiming for the Social Wellbeing Committee meeting on 24 July and Cabinet on 29 July  
**Noted**

**Proactive Release Recommendation**

- e. **agree** that this Education Report will be proactively released once the decision to replace the decile system with the Equity Index is announced.  
**Agree / Disagree**



Damian Edwards  
Associate Deputy Secretary ESP

5/7/19

Hon Chris Hipkins  
Minister of Education

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## The proposal

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1. The attached Cabinet paper proposes that Cabinet agree in principle to replace the school decile system with the Equity Index.
2. The proposal will see an array of school resourcing allocated or weighted using the Equity Index instead of deciles. The intention is for the transition to this to commence from the start of school year 2021, however it is dependent on the revised index being finalised in August 2019.
3. School deciles are used more widely than simply school resourcing. The Ministry, other government agencies and non-governmental organisations also use them for resource allocation and service eligibility. We wish to include government agencies, NGOs and other stakeholders in the engagement process.
4. The Ministry of Education will support you to report back to Cabinet in November 2019.
5. For transition to commence in 2021, a Cabinet decision to move to the Equity index and Cabinet agreement to a pre-commitment to additional equity resourcing in Budget 2020 are both needed. Without these, implementation will be delayed by at least a year.
6. Additionally, a November decision allows the Ministry all of 2020 to finalise the design and implement the Equity index changes for 2021. The shift is significant for the Ministry's operations. A large number of processes and systems will need to be updated. There is a risk that if there is not adequate lead-in time to implement these changes, systems will not be ready for the 2022 school year. A November decision also gives schools certainty around the future funding landscape.

## Consultation and next steps

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7. If you agree to the attached Cabinet paper, the next step is to circulate it to your colleagues for Ministerial consultation. In order for the paper to go to the Social wellbeing committee on 24 July, feedback would be appreciated by Friday 12 July 2019.
8. We will consult government departments simultaneously with Ministerial consultation.
9. We will provide your office with a finalised Cabinet paper as soon as possible after 12 July. The paper will need to be lodged with Cabinet Office in the week beginning 15 July, to be considered by the Social Wellbeing Committee on 24 July.
10. As soon as Cabinet agrees and you have announced the agreement in principle, we will commence engagement with the Education sector and wider public on the replacement of the decile system with the Equity Index.

## Mitigating Stigma

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11. We will provide you further advice in July with options for externally presenting the Index's finalised output and mitigating the stigma associated with resourcing for socio-economic disadvantage.

## Annexes

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Annex 1: Draft Cabinet paper: Replacing School Deciles with the Equity Index