

Thank you for your email of 10 September 2018 to the Ministry of Education requesting the following information:

In the cabinet paper on Ministry's website seeking approval for axing of the scholarship, it was stated that there have been long-standing concerns about the efficacy of the Aspire Scholarships.

1. *Can you provide any papers/documents setting out these long-standing concerns and their sources?*
2. *Any written record of any consultation with stakeholders before the decision to axe the scholarships was made.*
3. *The current cost of the scholarships.*
4. *The cost savings from axing of the scholarships.*
5. *The ethnicity of the current recipients.*
6. *Any data or information about the achievements of scholarship recipients since its inception.*

Your request has been considered under the Official Information Act 1982 (the Act). I apologise for the delay in responding.

1. Can you provide any papers/documents setting out these long-standing concerns and their sources?

I am providing you with six documents relating to Aspire Scholarships. I have attached these and a document table outlining my decision on their release as **Appendix A**. Where I have withheld information it has been done so under section 9(2)(a) of the Act, to protect the privacy of natural persons.

I am also withholding the annexes from *Briefing Note: Communications plan for Aspire Scholarships* under section 9(2)(g)(i) of the Act, to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between Ministers of the Crown or members of an organisation or officers and employees of any department or organisation in the course of their duty.

2. Any written record of any consultation with stakeholders before the decision to axe the scholarships was made.

The decision to discontinue the scholarship was a signalled commitment by the current government, and no consultation was held with stakeholders before the decision to redirect the funds to help strengthen state and state-integrated schools. Therefore, I am refusing this part of your request under section 18(e) of the Act as the information does not exist.

3. The current cost of the scholarships

Calendar Year	2018	2019	2020	2021	2022	2023	Total
Student Numbers	247	213	174	117	52	0	
Total Costs*	\$4,075,500	\$3,514,500	\$2,871,000	\$1,930,500	\$858,000	-	\$13,249,500

*Total costs are based on \$16,500 being the maximum amount awarded for the scholarship (not all private schools charge 100% of scholarships).

4. The estimated cost savings from axing of the scholarships.

\$m – increase/(decrease)						
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 & out years
Operating impact	(0.331)	(0.993)	(1.725)	(2.731)	(3.697)	(4.126)

The full savings of \$4.126 million per annum are not realised until the 2023/24 financial year, with scholarship holders in Year 9 in 2018 expected to finish their schooling at the end of 2022.

5. The ethnicity of the current recipients.

Students that receive Aspire Scholarship during 2018	
Ethnicity	No of students
Māori	76
Pacific	96
Asian	18
Middle Eastern, Latin American and African (MELAA)	3
Other	2
European/Pākehā	107
Total Number of students	250

Please note students who identified in more than one ethnic group have been counted in each ethnic group, but only once in the "Total Number of Students". Ethnic groups should not be summed as this could lead to double counting of some students.

6. Any data or information about the achievements of scholarship recipients since its inception.

A big proportion of Aspire Scholars set qualifications other than NCEA such as the Cambridge qualification. The Ministry only captures these other qualifications when students leave school and as a result this data is not available for students still at school.

Aspire scholars*** who are still at school	275
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The highest level of NCEA qualification or equivalent for students that received Aspire scholarship and completed their schooling

Level Obtained	No of students
Below Level 1 Qualification	30
Level 1 Qualification	36
Level 2 Qualification	74
Level 3 or above	188
Aspire scholars*** that finished school	328

***Aspire Scholars are any students that received Aspire scholarship funding since the beginning of the programme in 2010.

You may be interested to read the Education Report: *Funding arrangements for private schools* that was released as a part of the Ministry's Budget 2018 announcements on our website at: <http://education.govt.nz/assets/Documents/Ministry/Budgets/Budget2018/R-17-1102697-ER-Funding-Arrangements-for-Private-Schools.pdf>.

Please note, the Ministry now proactively publishes OIA responses on our website. As such, we may publish this response on our website after five working days. Your name and contact details will be removed.

Thank you again for your email. You have the right to ask an Ombudsman to review this decision. You can do this by writing to info@ombudsman.parliament.nz or Office of the Ombudsman, PO Box 10152, Wellington 6143.

Yours sincerely



Katrina Casey
Deputy Secretary
Sector Enablement and Support

Appendix A

Documents Relating to Aspire Scholarships

#	Date	Title	Decision on release
1	19/09/2013	Education Report: Private School Funding Review - Options Paper ¹	Information withheld under section 9(2)(a) of the Act
2	15/07/2016	Memo: Policy issues raised in the Review of the Aspire Scholarship Programme	Released in full
3	10/10/2016	Education Report: Stocktake of allowances, scholarships and awards for students in schooling	Information withheld under section 9(2)(a) of the Act
4	22/11/2016	Briefing Note: Information about scholarships and allowances: Boarding Allowances and Puāwaitanga and Aspire Scholarships	Released in full
5	15/02/2018	Briefing Note: Communications plan for Aspire Scholarships	Information withheld under sections 9(2)(a) and 9(2)(g)(i) of the Act
6		Rationale for discontinuing the Aspire scholarships scheme	Released in full

1. Please note that this report was withdrawn by then Minister of Education Hon Hekia Parata and was not progressed further.

ORIGINAL SENT TO
19 SEP 2013
MINISTERS OFFICE



RECEIVED
19 SEP 2013

Education Report: Private School Funding Review – Options Paper

Date:	19 September 2013	Priority:	High
Security Level:	(In Confidence)	METIS No:	810874

Action Sought

Addressee	Action Sought	Deadline
Minister of Education	Note this report responds to your request for a review of private school funding Indicate options for further work	4 October 2013
Enclosure: Yes / No (select as appropriate)		Round robin: Yes / No (select as appropriate)

Contact for telephone discussion (if required)

Name	Position	Telephone	1 st Contact
Pauline Nesdale	Senior Manager	[REDACTED]	s 9(2)(a) OIA
Kieran Forde	Drafter		

The following departments/agencies have seen this report:

Minister to Complete (please circle)

1 = very poor 2 = poor 3 = acceptable
4 = good 5 = very good

Minister's Office to Complete:

☐ Approved

☐ Declined

☐ Noted

☐ Needs change

☐ Seen

☐ Overtaken by events

☐ See minister's notes

☒ Withdrawn

☐ Signed

Comments:

As discussed - Ministry
consenting without prejudice
discussion.
DFC.

27 NOV 2013

RECEIVED

27 NOV 2013

MINISTRY OF EDUCATION
TE TĀHUU O TE MĀTAURANGA
NATIONAL OFFICE
MINISTERS UNIT

Education Report: Private School Funding Review: Options paper

Executive summary

You have asked us to undertake a review of private school funding. This report provides you with an analysis of the sector and it identifies and evaluates options for change to the funding arrangements.

Over the past decade the private schooling sector has changed considerably, going through a period of growth, and since 2008, a period of decline in enrolments and the number of private schools.

The decline in enrolments, coupled with rising costs, is having a significant impact on the financial position of schools. Analysis of the financial statements of 32 schools indicates that many schools have experienced a significant fall in their operating surpluses between 2010 and 2012. We consider that 24 of the 32 schools are currently facing short term liquidity challenges. Our assessment is that pressures for requests for an increase in government funding for private schools are building.

The majority of government funding for private schools is allocated through a per-student subsidy that operates within a capped total funding pool. This pool has not been increased since 2010. We have identified the following options for changes to this approach:

- A. A one-off increase in the amount of the capped pool, allowing a one-off increase in per-student subsidy rates
- B. Removing the overall funding cap, and providing a one-off increase in per-student subsidy rates
- C. Removing the cap, increasing the value of the per-student subsidy and establishing a mechanism that maintains the real value of the subsidy over time
- D. Removing the cap, establishing a differentiated subsidy rate for schools based on 'need' measured by socio-economic advantage/disadvantage of the student population
- E. Removing the cap and introducing a two tier funding model:
 - Tier one schools funded as per option B or C, and
 - Tier two schools funded at a higher rate in exchange for changes to their operating framework, including increased accountability to government and controls on the fees they can charge

We recommend either option B or option C. Option B would improve funding certainty for private schools to a limited degree. It would lead to an automatic increase in total spending on private schooling if total enrolments grew.

Option C would provide private schools with significantly increased funding certainty over time, assisting them to manage financial pressures and better cope with an environment of falling demand. Over time it would involve higher government expenditure on private schools compared to Option B. Option C is likely to be strongly supported by Independent Schools of New Zealand.

Option D would add complexity to the funding arrangements and would not consistently target higher levels of funding to those schools facing the greatest viability pressures. We expect divided views on the value of this approach within the sector.

Option E provides a possible mechanism to address the viability concerns of particular schools. However, depending on the 'tier two' level of subsidy, there is a risk that the students in these schools could be educated at a lower cost in state schools. A key challenge for this arrangement would be to restrict the number of schools that have 'tier two' status, and avoid it becoming the default funding mechanism.

We also seek your views on whether you wish us to review the Aspire scholarship. We recommend a limited review of the key design elements, rather than a wide ranging review that would consider whether an arrangement such as Aspire is a useful element of an overall funding arrangement for private schools.

While a significant expansion of the Aspire scheme may help the sector to 'fill' spare capacity, it would be a high cost strategy for meeting the needs of priority learners. In terms of design, there is pressure from the sector to expand the scheme to primary students, increase the value of the scholarship and loosen the asset and income thresholds for eligible students. Loosening these thresholds would make it more difficult to target the scholarships to priority learners.

Recommendations

We recommend that you

- a. **note** that this report responds to your request for a review of government funding for private schools
- b. **note** that the private school sector is coming under increasing financial pressure as a whole, with the situation particularly acute for some schools
- c. **Indicate** which of the following options you would like officials to undertake further work on:

Option A: A one-off increase in the amount of the capped pool, allowing a one-off increase in per-student subsidy rates

YES/NO

Option B: Removing the overall funding cap, and providing a one-off increase in per-student subsidy rates

YES/NO (Ministry preferred option)

Option C: Removing the cap, increasing the value of the per-student subsidy and establishing a mechanism to protect its real value over time

YES/NO (Ministry preferred option)

Option D: Removing the cap, establishing a differentiated subsidy rate for schools based on 'need' measured by social-economic advantage/disadvantage of the student population

YES/NO

Option E: Removing the cap and introducing a two tier funding model that provides a higher level of funding for some schools together with restrictions on their ability to charge fees and increased accountability

YES/NO

- d. **direct** officials to undertake a review of the Aspire Scholarship scheme

AGREE / DISAGREE

- e. **direct** officials, subsequent to your agreement to recommendation (d) above, to undertake either:

- i. a wide-ranging review, that considers whether an arrangement such as Aspire is a useful element of an overall funding arrangement for private schools

AGREE / DISAGREE

Or

- ii. a limited review, which makes recommendations on the key design elements

AGREE / DISAGREE (Ministry recommended option)

- f. **agree** that officials consult with Independent Schools of New Zealand on the options for changes to the funding model (as agreed in recommendation c) and on the Aspire scholarship if a review is to be undertaken

AGREE / DISAGREE

- g. **note** that, because changes would be a Budget decision, consultation will not include discussion of the specific value of the per-student subsidy

- h. **note** that the proprietor's of the 6 schools currently seeking to integrate into the state sector have been notified that their applications are on hold until you have considered this paper



Ben O'Meara
Group Manager
Schooling Policy

NOTED / APPROVED

Hon Hekia Parata
Minister of Education

___/___/___

Education Report: Private School Funding Review: Options paper

1. This report analyses the current private school funding model, identifies options for change and seeks your feedback on the options that you would like us to develop further.

Current Funding arrangements for private schools

2. Funding for private schools is provided at the discretion of the Minister of Education under Section 35 N (3) of the Education Act (1989).
3. At present funding is provided through a capped pool of \$45.7 million (GST exclusive) per annum¹ that comprises funding for:
 - a per-student subsidy - \$41.575 million per annum
 - the Aspire Scholarship scheme - \$4.125 million per annum.
4. The per student subsidy is applied in a uniform way across all private schools. The subsidy is differentiated by year level. In 2012 it ranges from \$1,157 for students in years 1 - 6 to \$2,463 for students in years 11 – 15 (GST inc). However, because of the total \$45.7 million funding cap, the amounts vary from year to year depending on the total number of private school enrolments.
5. The Aspire Scholarship scheme was introduced in 2009 as part of the coalition agreement with ACT New Zealand. The scheme provides scholarships for up to 250 secondary level students. It is open to students from households that have an annual income of less than \$65,000 and a household net worth of less than \$200,000.
6. The scholarship contributes up to \$15,000 per student, per year towards fees and up to \$1,500 per student, per year for course related costs. It remains valid until the student leaves school.²

The case for government funding

7. The case for government funding for private schools and the design of any funding model needs to be considered in the context of:
 - the Government's constitutional and legislative responsibilities to provide secular, free and accessible education for all children and young people aged 6 - 16. Meeting these obligations has led to the provision of a core network of state schools. It also distinguishes the arrangements for schooling from early childhood and tertiary education.
 - other elements of the legislative and policy framework for private schools. Relatively low levels of funding for private schools sit alongside relatively low regulatory barriers to establishment, low levels of state accountability with large degrees of freedom – about what is taught, to whom and at what cost.

¹ There is also a small amount of additional funding for Kiwisport and the implementation of NCEA. High special needs students attending private schools receive ORS funding.

² Schools also receive the general per student subsidy for these students.

Appendix One compares the regulatory and funding arrangements for private schools with those for state, state-integrated and partnership schools.

8. Not all countries or educational jurisdictions provide government funding for private schools (e.g. the United Kingdom). The rationale, approach, and level of funding vary significantly between countries (refer Appendix Two).
9. In the New Zealand context, a number of rationales are advanced for funding for private schools.

A lever to improve system performance

10. It is suggested that providing funding to private schools has the potential to raise overall student achievement because of the quality of provision in these schools, and indirectly by creating competitive pressures on other schools to raise achievement.
11. At the individual level, placing a low performing student into a high performing school (state or private) can have a positive effect on their achievement. It is this phenomenon that underpins the concept of voucher and scholarship schemes.
12. On average, students in private secondary schools have higher rates of NCEA Level 2 achievement than students in state and state-integrated schools.³ However, in relation to performance on PISA, the OECD has concluded that achievement in private schools was no different from state schools once the socio-economic profile of students is taken into account.⁴
13. At a system level, OECD studies indicate that market mechanisms can potentially have positive effects on student achievement, but that these effects are small.⁵ They may also impose costs on the state system.⁶

Encourage diversity in provision and support parental choice

14. Government funding for private schools can support greater diversity in the provision and the range of schooling choices for parents. It can make private schools more viable, and potentially more accessible, by enabling them to be less reliant on fee revenue.
15. In practice, however, this depends on the extent to which funding is used to reduce fees (rather than to fund higher cost provision).⁷

³ In 2012, 95% of leavers from private schools had achieved NCEA Level 2 or above compared to 88% for state-integrated schools and 74% for state schools. At the primary level, we have no comparable data as private schools do not report against National Standards.

⁴ Commentary by Andreas Schiecher, Parliamentary Breakfast, 9 July, 2013.

⁵ *Market Mechanisms in Education: An Analytical Review of Empirical Research on Market Mechanisms in Education* (Centre for Educational Research and Innovation, OECD, 2010).

⁶ In jurisdictions where state schools face significant competition from private schools, governments have tended to invest more in state schools to maintain their attractiveness to parents. This has been the case in Victoria (Australia) where approximately 40% of students attend private (including Catholic) secondary schools.

⁷ Research in Australia found that despite significant increases in subsidies to non-government schools, fees have increased at a high rate. J Lyre and J Hirschberg *What is a*

16. Further, unless they are fully funded by government the ability of some families to exercise the choice to access private schools is constrained. It may also be constrained by individual schools' admission policies. This creates a risk that funding for private schools, while improving access for some, contributes to greater social segregation.⁸

Assist with the costs of compulsory education⁹

17. Providing a subsidy for private schooling can reduce the total level of government spending on school education by leveraging a 'private contribution' to the costs of schooling.
18. Where the purpose of the subsidy is to leverage these fiscal benefits, the focus becomes the extent to which additional expenditure on the subsidy is expected to be offset by savings generated by avoiding further reductions, or facilitating increases, in private school enrolments.

Current situation

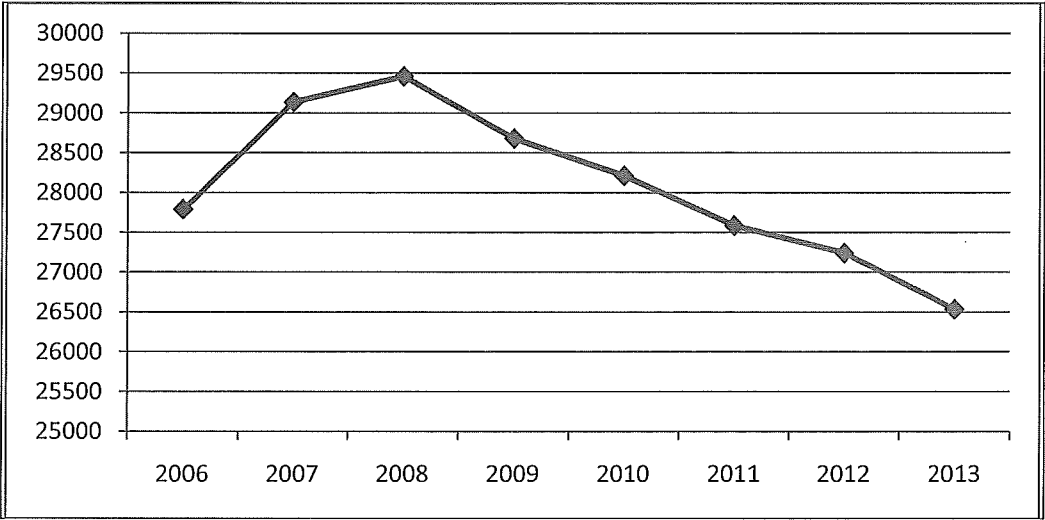
19. Total private school enrolments grew in the period 2000 - 2008, but have since been in decline (refer graph below). In 2013 there are 26,536 domestic students enrolled in 85 private schools. This represents approximately 3.5% of the total school population.
20. Currently 21 schools, each with rolls in excess of 500 students, account for 72% of sector enrolments. There are 33 schools with less than 100 students.
21. Private school enrolments are concentrated in the three main urban areas with 42% of enrolments in the greater Auckland area, 20% in Christchurch and 11% in the greater Wellington area.

high school worth? A model of Australian private secondary school fees, Melbourne University (2012).

⁸ According to the OECD the introduction of extensive reforms in Chile resulted in middle class flight to private schools and increased segregation along socio-economic lines.

⁹ The argument that a subsidy is justified because parents are taxpayers is not a strong rationale in itself. While taxpayers who choose to send their children to private schools are contributing to the cost of state education, there is no principle in our taxation system whereby a taxpayer can obtain a refund or have their tax diverted if they do not use a publicly funded service.

Private School Enrolments (Domestic) 2006 to 2013



22. In the eight-year period to 2008 the overall number of schools remained constant. There was, however, considerable volatility with 29 mergers and closures and 3 integrations. This is in part a reflection of the changes in the composition of the sector and the relatively low entry requirements governing it.
23. Since 2008 there have been further mergers and closures but the total number of private schools has decreased by 6 (with 3 schools integrated). The total number of domestic students enrolled in private schools has decreased by 1,757 or 6.2%.
24. In 2013, 51 schools have a lower roll than in 2008. 11 schools have a roll that is at least 100 students less than in 2008 (refer table below): ¹⁰

School*	Reduction in school roll (2008 – 2013)	Percentage Reduction
Chilton St James School	241	37%
St George's Preparatory School	162	66%
St Mark's Church School (Mt Victoria)	160	44%
Diocesan School For Girls	156	10%
Kristin School	154	10%
Samuel Marsden Collegiate School (Karori)	147	22%
Hamilton Christian School	127	32%
Springbank School	116	41%
Selwyn House School	112	38%
St Michael's Church School	108	56%
St Cuthbert's College	106	7%

(* Of the schools listed above, Hamilton Christian School has applied for integration and St George's Preparatory School and St Mark's Church School have had applications for integration declined)

¹⁰ The roll for Saint Kentigern Girls' School has fallen significantly but this is associated with the closure of its secondary component. ACG Senior College and ACG Strahallen have had a reduction in their rolls, but this appears to be associated with the restructure of the ACG schools.

25. The schools most exposed to this decline in enrolments would appear to be the higher fee schools and those that have primary level students. (An important contributing factor has been the sector-wide trend to lower years 1 - 6 enrolments). Christchurch schools also experienced a notable fall in enrolments in 2012 following the earthquakes.
26. An analysis of the financial statements of 32¹¹ private schools lodged with the Charities Commission shows that the financial position of the sector weakened over the period 2010 to 2012.¹² In 2012, the 32 schools accounted for approximately 38% of total enrolments. We consider that the analysis is likely to be indicative of pressures within the overall sector.
27. Overall, there was a significant reduction in the total net operating surplus of this group of schools. The aggregated net operating surplus of these schools, excluding Dilworth School,¹³ has fallen from \$16.5 million in 2010 to \$11.1 million in 2012 (a decrease of 32%).
28. Only seven schools had a higher operating 'surplus' in 2012, but in four cases this was an improvement against a net operating deficit in 2010.¹⁴ A number of schools experienced a fall in operating surplus notwithstanding increases in enrolments.¹⁵ Eight schools had an operating deficit in 2012.¹⁶
29. The deterioration in operating surpluses is impacting on schools' cash flow and working capital positions. We consider that 24 of the 32 schools analysed face short term liquidity challenges.

Policy Options

30. The private school sector as a whole is coming under increasing financial pressure, with the situation more acute for some schools. The reduction in the real value of the per-student subsidy since 2010 is likely to have contributed to this situation. Flat real family incomes and increased uncertainty about income and employment security are also likely to have been important. Analysis of enrolment data at the individual school level also suggests that some schools are facing structural changes in the demand for schooling in their area.
31. The table below provides a high level assessment of options for change to the funding model for private schools in light of current pressures within the sector.

¹¹ One set of accounts was submitted for Samuel Marsden Karori and Samuel Marsden Whitby and for St Kentigern Girls' School, St Kentigern Primary School and St Kentigern College.

¹² Many private schools are registered as charities for taxation purposes. The Charities Act 2005 requires all registered charities to file an annual return including a statement of financial performance.

¹³ Dilworth School, which is not dependent on fee revenue and had an increase in enrolments, experienced a very substantial deterioration in its operating surplus over this period. If Dilworth is included, the aggregated net operating surplus has fallen from \$23.8 million in 2010 to \$6.4 million in 2012 (a decrease of 73%).

¹⁴ Two of these schools continued to have a net operating deficit in 2012.

¹⁵ E.g. Scots College.

¹⁶ The largest was Dilworth at \$4.7 million, followed by Chilton St James at \$0.7 million.

Option	Description	Advantages	Disadvantages	Further Work/Key Policy Decisions	Likely Stakeholder Perspectives*
A	One-off increase in the value of the capped pool, allowing a one-off increase in per student subsidy rates	<p>Modest increase would mitigate pressures on some schools in the short term. However, extent of positive impact on enrolments is uncertain</p> <p>Provides total control of government expenditure on the private school sector – a specific decision is required for any increase in spending</p>	<p>Would be insufficient to address viability pressures on particular schools</p> <p>Does not provide funding certainty for schools – is not a sustainable solution:</p> <ul style="list-style-type: none"> •subsidy rate changes with changes in total sector enrolments •real value of subsidy falls over time <p>Unlikely to support growth in enrolments especially in an environment of flat or declining real family incomes</p>	Set new value of the pool, reset rates	Increase would be welcomed by private school sector, but would not meet aspirations for change to funding model
B	Remove overall cap, and provide one-off increase in per student subsidy rates	<p>Modest increase would mitigate pressures on some schools in short term – however, extent of positive impact on enrolments is uncertain</p> <p>Improved funding certainty for schools</p> <ul style="list-style-type: none"> •value of subsidy unchanged by changes in total sector enrolments <p>Provides sound control of spending on private school sector - specific government decision required to increase subsidy rates, but spending automatically increases if growth in sector enrolments</p>	<p>Would be insufficient to address viability pressures on particular schools</p> <p>Real value of subsidy falls over time – is not a sustainable solution</p>	Set new value of subsidy rates	Private school sector would prefer over option A, but would not fully meet aspirations for change
C	<p>Remove cap, increase value of subsidy, and either</p> <ul style="list-style-type: none"> • establish indexing formula (similar to partnership schools) <p>or</p> <ul style="list-style-type: none"> • set subsidy as fixed percentage of a measure of average per student government spending in state schools 	<p>Has potential to mitigate financial pressures for some schools on an ongoing basis – however, extent of positive impact on enrolments is uncertain</p> <p>Improved funding certainty for schools</p> <ul style="list-style-type: none"> • value of subsidy unchanged by changes to total sector enrolments • real value more likely to be maintained over time <p>Avoids the need for large 'catch up' increases</p>	<p>Would be insufficient to address viability pressures on particular schools</p> <p>Provides less control of government spending on private schools compared to options A and B. Increases in the value of subsidy rates are not subject to specific government decisions (increase in expenditure on state schools, e.g. as a result of collective agreements, would automatically flow through to subsidy rates)</p>	<p>Set new value of subsidy rates</p> <p>Choose methodology for automatic adjustment, either</p> <ul style="list-style-type: none"> • Set indexation formula or • Determine specific measure of average per student government expenditure in state schools (i.e. what is counted) and set percentage 	Depending on rate, this is likely to fully meet private school sector aspirations

D	<p>Remove cap, establish differentiated subsidy rate for schools based on a measure of social economic advantage/disadvantage of the student population¹⁷</p> <p>Rates set and adjusted according to either option B (specific government decision) or C (automatic adjustments)</p>	<p>Would deliver significant increases in funding to particular schools (e.g. Dilworth, Destiny, possibly some small Christian schools) but likely to represent a small share of current sector enrolments</p> <p>Potentially supports overall growth of private school sector enrolments; especially growth of lower fee schools.</p>	<p>Would not necessarily deliver significant funding increases to particular schools facing acute viability pressures</p> <p>More costly than A, B or C. Would need to provide some increase in subsidy levels for all schools as part of reform process given current financial pressures in the sector</p> <p>Depending on maximum subsidy rate, a risk that students at schools receiving the highest subsidy could be educated at a lower cost in state schools.</p> <p>Higher administration costs than A, B or C</p>	<p>Detail design of SES measure, and systems development</p> <p>Set funding range – e.g. 20% to 60% of average state school costs</p> <p>Consideration of need for changes to the policy framework for schools receiving higher funding levels</p>	<p>Concept has not been tested with private school sector –potentially divided views within sector</p> <p>Public discussion desirable to support policy change</p>
E	<p>Two tier funding model</p> <ul style="list-style-type: none"> • Tier one schools funded as per option B or C • Tier two schools funded at higher rate in exchange for changes to their operating framework <p>Changes for tier two schools could include control of fees; increased accountability requirements (e.g. suspensions, requirement to report against national standards, more rigorous ERO review)</p> <p>Schools allocated to tier two at discretion of Minister</p>	<p>Allows modest increase for most schools, with higher level of funding directed to specific schools facing serious viability pressures</p>	<p>Risk that students in tier two schools could be educated at a lower cost in state schools¹⁸</p> <p>High fee schools entering tier two would need to significantly restructure provision to lower their cost structure</p> <p>Risk that difficult to limit number of schools at tier two – some low fee schools might readily accept restrictions in exchange for higher funding. Potentially lead to significant increase in funding on private schools</p> <p>Schools receiving tier two funding may not be perceived as deserving by sector, or community</p> <p>Increase in administrative costs</p>	<p>Policy work to</p> <ul style="list-style-type: none"> • identify criteria for schools to enter tier two • confirm and operationalise specific restrictions (regulation of fees likely to be an area of particular complexity) 	<p>Concept has not been tested with private school sector; likely divided views. Likely parallels drawn between tier two schools and integration.</p>

- Higher rates of funding for private schools are likely to be opposed by state sector stakeholders

¹⁷ This is the funding model that has operated in Australia. An alternative mechanism would be a schools resource index.

¹⁸ This depends on the level of the tier two subsidy and the specific location of school.

32. We recommend that you consider either Option B or C.
33. Option B would provide schools with some improvement in funding certainty, assisting them to manage financial pressures. While it would lead to an automatic increase in government spending if total private school enrolments grow, the demand driven nature of this funding would be no different from funding for state schools. Further, at current (and likely future) per student subsidy levels, any increase in private school enrolments would contribute to reduced overall government spending on schooling. If enrolments in the sector fall (as is currently occurring) there would be a corresponding reduction in spending on private schooling, partly offsetting the additional costs to the government of educating additional students in the state sector.
34. Option C would provide private schools with significantly increased funding certainty, by substantially protecting the real value of the subsidy over time. A consistent level of per student subsidy over time compared to government funding for state schools also aligns with objectives of accessibility and choice. An automatic adjustment of funding rates would, however, be more costly over time. In the absence of an automatic mechanism increases to subsidy rates are likely to be put off until 'significant pressure' builds for an increase.
35. We do not suggest taking forward option D at this time. It would involve added complexity and additional fiscal cost without addressing concerns about the viability of particular schools in a consistent and targeted way. However, over the longer term it would be more likely to support the growth of private schooling, especially lower fee schools.
36. While option E provides a possible mechanism to address the viability concerns around particular schools, consideration of this option in the context of Wanganui Collegiate suggests the tier two subsidy is likely to need to be set at a high level to ensure the viability of particular schools. The higher the subsidy, the less the benefits of this approach relative to integration, apart from the greater flexibility it provides for the Government to have an 'exit' strategy.
37. A significant risk is that pressure would build for an increasing number of schools to be funded at tier two, with it becoming the default mechanism.

Aspire Scholarship

38. In regard to the Aspire Scholarship we could undertake:
- a wide-ranging review, that considers whether an arrangement such as Aspire is a useful element of an overall funding arrangement for private schools or
 - a limited review that makes recommendations on the key design elements.
39. The Aspire Scholarship is intended to improve access to private schools for low income households. At the same time, by creating the demand for 250 additional places, it contributes to the viability of particular schools. While the scholarship is allocated on the basis of a ballot, it would appear that certain schools are actively marketing it. As a result more prospective students participate in the ballot, raising the probability of the school enrolling Aspire scholarship holders.

40. The sector has also raised with you the 'concept' that they have some 2000 spare places that the Government could use to 'educate' priority learners. The expansion of the Aspire Scholarship, or something similar, would go some way to achieving this.
41. However, at the current value of the Aspire scholarship this would represent a high cost strategy for better meeting the needs of priority learners. The combined value of the scholarship and the per student subsidy the school also attracts for these students (approximately \$18,500) is greater than what the Government spends on the vast majority of priority students in state schools. A scholarship mechanism, involving an application process, broad eligibility thresholds, and ballot arrangement with the principal of the private school having the flexibility to accept or not accept a scholarship holder is not an effective mechanism for tightly targeting support to particular students at risk or who are not achieving in the state sector.
42. An alternative to the scholarship arrangement would be for the Ministry (or other Government department) to directly contract with private schools to educate specific at risk students. The potential for this to be used at scale to fill 'spare capacity' while meeting the needs of the individual students would be limited because individual schools are likely to:
- offer a limited number of places (to not fundamentally change the character of the school)
 - want the Government to fund these students on a full cost basis (and potentially also have access to special education support)
 - want to retain the right to have the final say on admission.
- Further, unless boarding options (and the associated additional costs) are considered, there is likely to be a geographic mismatch between spare capacity and need.
43. A more limited review of Aspire would focus on the key design elements of coverage (possible extension to the primary level), the value of the scholarship and the income and asset thresholds. We understand Independent Schools of New Zealand would like increased flexibility in these areas.
44. Indications are that, at its current level, the scholarship is falling behind the cost of tuition fees. Independent Schools of New Zealand suggest that combined with the current income and asset thresholds this is leading to instances where families are unable to meet the additional costs of attending a private school, and getting into debt with the school. While the real value of thresholds has declined since the scheme was introduced in 2008, significant loosening would mean that it was less targeted to priority learner groups.

Next steps

45. Once we have your feedback, we propose to consult with the Independent Schools of New Zealand and other relevant stakeholders on the specific funding model options that you would like explored further. Given the Budget context, this would not include specific discussion of the value of any increase in the subsidy, although we would seek to confirm our analysis of financial pressures within the sector.
46. We would also undertake the further policy and design work outlined in the options table.
47. The options identified in this paper all require additional funding that would need to be sought in Budget 2014. This additional funding would be counted against your operating allocation and would need to be considered against a range of other initiatives during the budget process.

Appendix One: Funding, Governance and Regulatory regimes in New Zealand

	State Schools	State Integrated Schools	Partnership schools	Private schools
<i>Entry</i>	In response to statutory obligations, access considerations and demographic change	At the discretion of the Government	At the discretion of the Government	All applicants who meet the criteria must be registered
<i>Governance</i>	Board of Trustees consisting mostly of elected parent representatives and the principal	Board of Trustees consisting mostly of elected parent representatives, proprietors representatives and the principal	Governance model determined by sponsor	Governance model determined by the managers
<i>Contract with the state</i>	A charter	An Integration Agreement and a charter	A contract with the Sponsor	Does not have one
<i>State sector accountability</i>	Government sets expectations through the NEGs and the NAGs. Boards implement these through a prescribed planning and reporting cycle. Must report annually.	Same as state schools	Sponsor signs fixed term contract with the Crown to deliver specified school-level targets. Must report annually	Must continue to meet registration standards. Must report annually on audited income and expenditure statements only
<i>Admissions</i>	Required to accept all students for whom this is their nearest appropriate state school. Capacity rationed through zoning	Preference is given to those students who subscribe to the special character of the school. Limits placed on the number of non 'special character' students Can also have an enrolment scheme	Required to accept all students that apply for entrance (up to a set capacity) Students then chosen by ballot	Set by the school, able to select students
<i>Curriculum</i>	Must use <i>The New Zealand Curriculum (NZC)</i> or <i>Te Marautanga o Aotearoa (TMoA)</i>	Same as state schools	Can choose own curriculum framework	Can choose own curriculum framework
<i>Fees</i>	Cannot charge fees	Cannot charge fees but can charge attendance dues linked to capital costs	Cannot charge fees	Able to charge fees at a level determined by the school

State funding	Fully state funded	Same as state schools except for capital Proprietors fund capital works except for major maintenance and some network capacity where this reduces costs to the Crown	Receive similar funding to an equivalent state school but through a cashed up model	State funding limited. A secondary source of funding
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Appendix Two – International Comparison (2011)

Country	Government funding levels - % of state student funding	Accountability/requirements	Proportion of students in private schooling
New Zealand	23%	Must meet minimum registration requirements such as registered teacher and 'fit and proper managers'.	3.5%
Australia	Socio-economic status of students determines funding. Ranges between 13.7% and 70% of federal funding levels.	Private schools must sign an agreement with the Government agreeing to comply with conditions such as educational and financial performance and accountability requirements.	34%
Sweden	100%	Education provided by private schools must fulfil the general goals of compulsory schooling. Private schools follow the same curricular as municipal schools. Not permitted to charge fees.	10% in compulsory schooling 20% in upper secondary schooling
Finland	100%	Private schools follow the same legislation and national core curricula as public schools. Tuition must be free.	3%
Denmark	85%	Teaching measures must equal those of municipal schools.	18%
Norway	85%	Either private schools must constitute a religious alternative, a pedagogical alternative that is generally recognised, or follow internationally certified curriculum.	3% in primary and lower secondary 7% in upper secondary

MEMO

To: Mary Pupich
From: Olga Berezovsky
Cc:
Date: July 15, 2016
Subject: Policy issues raised in the Review of the Aspire Scholarship Programme

Purpose

This memo summarises key policy issues identified in the review of the Aspire Scholarship Programme.

Operational findings from the review and proposed solutions are provided to you in a separate memo.

Background

The Aspire Scholarship Programme is designed to improve educational choice for students from low-income and low net-worth families who want to attend an independent private secondary school by providing an annual scholarship. The scholarship contributes up to \$15,000 per year for private secondary school tuition fees, and up to \$1,500 per year for course related costs.

The logic model for the programme is described in Annex A.

In the context of budget savings, previous advice has questioned whether the programme should be continued. There has also been concern about programme uptake and attrition of Scholars dropping out of the programme. Reflecting these concerns, a review of the programme was commissioned by the Student Support team to be completed in time of the 2018 funding round.

The main purpose of the review was to identify policy, delivery and practice issues to improve the effectiveness of the programme. The secondary purpose was to provide information to policy teams to determine programme effectiveness.

The review explored the following questions:

- Have the desired objectives and outcomes for the programme been achieved?
- Is the programme design fit for purpose?
- What improvements can be made to operational design, delivery and practice to make the programme more effective?

Three key sources of information have been used to inform these questions:

- A survey of all eligible 53 independent schools, with a response rate of just over 50%. Twenty were Independent Schools of New Zealand (ISNZ) affiliated schools, with the remaining seven mainly small Christian schools. (See Annex B for a summary of school responses).
- A survey of 472 families who have received an Aspire scholarship, with a response rate of 27%. (See Annex C for a summary of family responses).
- Administrative data collected by Ministry of Education for Aspire Scholars (See Annex D for Aspire profile information)

The Independent Schools of NZ (ISNZ) has also prepared a separate submission to the review. ISNZ comment, over and above that summarised as part of the surveys, are included in this memo.

Key Review Findings Relevant to Policy

A Programme Effectiveness

The programme is contributing to its objective of improving access by low income and low net worth families to a private secondary education.

Four hundred and seventy two scholarships have been offered and taken up since the first funding round in 2009. A further 63 have been offered for 2017.

Once offered a scholarship, 89% of recipients take up the offer and enrol in a private secondary school, and most are able enrol in their first choice of school. For the 6% who were not able to enrol in their school of first choice, reasons included the scholarship not meeting the full in-house costs of education, distance and cost of travel between home and school, and schools not accepting their enrolment.

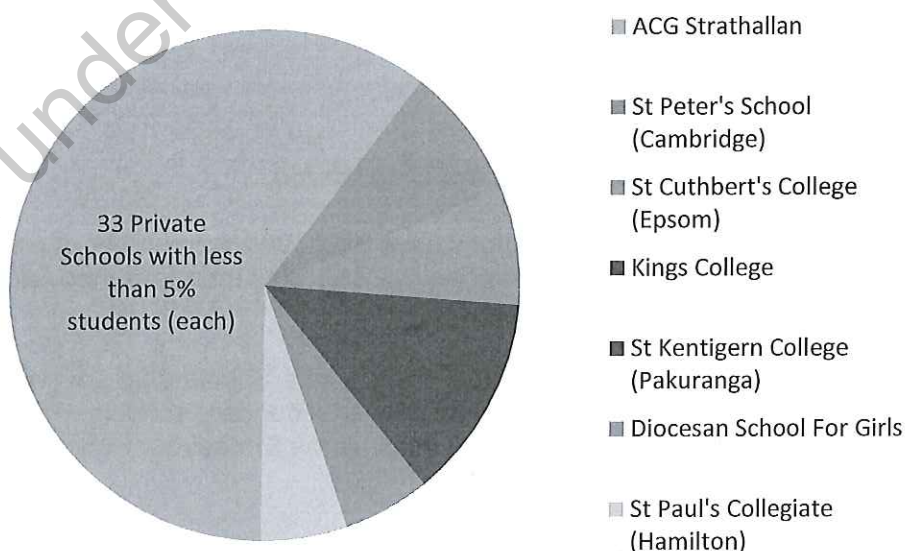
Eighty five percent of respondents would not have attended a private secondary school had their application not been successful, compared with 7% who said they would have.

Families are enrolling in particular schools, and the spread of Aspire scholars have become more concentrated in schools over time.

There have been 60 private, fully registered, secondary and composite schools operating over the life time of the programme. Thirty three of these have enrolled Aspire scholars.

Three schools have received a quarter of all Aspire enrolments, and seven schools half of all enrolments.

Aspire Scholar Enrolments by School 2010 - 2016



In 2010, the first year of the programme, 33 schools enrolled Aspire scholars. In contrast, 15 schools enrolled 2016 scholars.

See Annex D for detail and further profile information.

The size of appropriation limits the effectiveness of the programme...

A fixed appropriation of \$4,126,000 since 2012/13 means that at any one point of time, a maximum of 250 scholars can be supported. On average, if a student attends a school for 5 years, this means that 50 new Aspire scholarships are offered on an annual basis. ISNZ is concerned that the policy impact is very small relative to the potential demand of the programme¹.

...and there has been an underspend in each year.

Scholarship places have not been fully filled and there has been an underspend in each year. Operational readiness is likely to have impacted on the uptake of the programme in the first year, but since 2013/14 this underspend has been increasing.

Financial year	Budget	Spend	Under spend as % of Budget	Number of scholars enrolled by calendar year
2009/10		1,003,148		126
2010/11		2,368,586		75
2011/12	3,714,000	3,303,644	11.0	70
2012/13	4,126,000	3,960,588	4.0	52
2013/14	4,126,000	3,915,639	5.1	35
2014/15	4,126,000	3,836,826	7.0	56
2015/16	4,126,000	3,822,409	7.9	58
TOTAL		22,210,840		472

NB Financial data to 30 June 2016. Number of enrolments do not include subsequent withdrawals from the programme.

There is no single driver of the underspend.

Evidence points to demand by families for the programme....

For the last two years the number of applications have exceeded the number of places available (e.g. this year the programme was oversubscribed by 38%), and there are many enquiries to the Aspire team following closure of the funding round.

Demand would be higher if not for the low profile of the Aspire Scholarship programme. There is demonstrated demand for scholarships offered by private secondary schools which support the attendance of low income families.² Scholarships such as the Endeavour Scholarship are significantly over subscribed.

¹ ISNZ cites Ministry of Education 2015 data, 'Each year, students entering secondary in decile 1-5 schools, total 21330. That means just 0.2 have educational choice via the Aspire scholarship'.

² For example, Dilworth College accepts only 1 in 5 applications it receives for fully subsidised boarding scholarships. St Cuthbert's means tested Endeavour Scholarship accepts 1 in 18 applications.

...however enrolled scholars have been withdrawing, and the reasons for this vary.

Provisional results show that sixteen percent of scholars awarded a scholarship between 2010-2016 left the programme prior to the end of year 13. The table shows that just over 40 percent of those departures were in year 12³:

Year Level	Number of scholars	Percentage
9	6	7.89%
10	16	21.05%
11	12	15.79%
12	32	42.11%
13	10	13.16%
Total	76	100.00%

When families do leave, the reasons are wide ranging. They leave for reasons including academic difficulty, cultural differences e.g. feeling out of place or culture not valued, emotional distress, mistreatment, standard of schooling, or families moving to a location with no private secondary to transfer to. A key challenge for families participating in the programme is meeting the additional costs of education not covered by the scholarship, but this does not appear as a factor in withdrawals from the programme.

Operational factors are also likely to impact on the annual spend for the appropriation.

When scholars leave the programme they can be replaced by eligible candidates on a waitlist. The timing of replacements impacts the budget, and if the waitlist is short (as was the case for the 2015/16 year) the full complement of scholars cannot be taken up until the next funding round.

B Programme Design Issues

Maximum funding levels for the Scholarship do not cover the costs of a private education in many schools....

For many schools, the scholarship only subsidises the full cost of an independent secondary education which includes tuition fees, course related costs and disbursements related to extra-curricular activities.

Two thirds of schools, especially those affiliated with ISNZ said that tuition costs were not met by the scholarship and just over half of schools said course related costs are also not covered. Schools report an average of \$5000 shortfall in tuition fees.⁴

Costs in the first year of education could be considerable (e.g. in one school, first year course related costs totalled \$4000) and may increase in the senior years of education. For Aspire students who boarded costs of attendance were even greater.

The situation for smaller schools is different, especially Christian schools, where scholarship levels cover fees and course related costs are generally considered sufficient.

...and financial thresholds for eligibility criteria are thought by schools to be too low.

³ Provisional results: not to be used for external purposes until confirmed by peer review.

⁴ 'ISNZ Submission of the Review of the Aspire Programme May, 2016'

Schools thought that the financial thresholds for applicants were too low. Current scholars and their families were not able to meet the costs of their private education above those paid by the scholarship. They noted that these costs increased if scholars lived at a distance from school and paid for transport or boarding costs.

There was also concern that financial thresholds had not been adjusted to the Consumer Price Index over time, or since recent increases in housing prices (especially in Auckland) which would have made previously eligible families ineligible as they became 'asset-rich'.

Some schools and the ISNZ also believe the scope of eligibility criteria could be broadened to improve educational outcomes.

The programme's current focus is on improving access by low income families to a private secondary education. A scholar's potential for academic achievement, or a child's personal attributes, does not affect their eligibility to receive support.

Schools and the ISNZ indicate an interest in widening the eligibility criteria of the programme beyond its original intent.

Suggestions for change from schools include:

- focus the limited resource more effectively by supporting candidates who demonstrate a minimum level of academic merit so that they are ready and able to engage;
- broaden eligibility to include primary aged children so that they are ready for secondary school in a private secondary setting; and
- focus on Maori and Pasifica.

ISNZ suggests that the programme could be more consistent with Government goals, and better target underachievers in the education system. There may also be scope to improve suitability of candidates to ensure that they are motivated, engaged and well supported.

ISNZ also strongly recommends the inclusion of primary and/or intermediate Aspire Scholarships to maximise the impact on financially disadvantaged children. Opening up the programme to these preparatory schools would also support struggling parents, and schools where rolls may be static or falling.

Affordability is the key challenge for families taking part in the Aspire Scholarship programme.

For 80% of families, the scholarship did not cover the financial costs of their child(ren) attending a private secondary school. Most families who faced extra costs reported that it was difficult or very difficult to meet these. Costs were rising on an annual basis and start-up costs in the first year were a particular problem with some families. In addition to these 'in-house' costs, transport and boarding costs when students lived at a distance from home could be very expensive (e.g. \$4000 p.a. for bus travel).

Aspire families are finding ways to address the funding shortfalls...

Families are reducing spending, working more, and taking up loans/credit to cover shortfalls. Families and friends are also providing a range of supports including personal loans and providing work for scholars. To manage costs, there are examples of scholars limiting their extra-curricular activities.

...and many schools are helping with affordability....

Many schools are helping with affordability where the scholarship does not meet costs, for by example, waiving or discounting shortfalls, paying boarding fees, providing discounted resources or supporting payment plans so that expenses can be paid over time. The assistance can be substantial, up to \$6000 in some cases.

ISNZ is concerned that the barriers to access are very high for whanau as it places unacceptable expectations on them.

...but not all schools are able to top up Aspire Scholarships.

ISNZ believes that less affluent schools do not participate in the programme as they cannot afford to top up costs not met by the scholarship.

Other challenges impact on the experience of Aspire Scholars.

While the cost of a private sector education is the key concern, there are other challenges for families. Scholars and/or their families can feel different to their peers or stigmatised for not being able to afford the extras at the school. There are issues when scholars transition from their former school into the new one. There are also cultural differences that challenge families: there were examples where families said that schools lacked cultural awareness and engagement, and this impacted on their child's experience.

Despite challenges, 97% of families are happy or more than happy with the decision to take up the Aspire Scholarship.

The main reasons for this were the opportunity to access perceived benefits of a private sector education (including better teachers and curriculum, smaller class sizes, co-curricular activities, desirable peer groups and networks) and the results/outcomes achieved by the scholar (either at school or after their secondary years).

Policy issue identified through the operational review – how to calculate income

Clarification from policy is needed to confirm the scope of gross household income, in particular whether it includes non-taxable benefits and allowances from WINZ, lump sums or one off payments, child maintenance and scholarships/awards (including siblings who have an Aspire Scholarship). Currently a mix of household payments are included when calculating gross household income.

C Programme Impact

Just over 90% of families believe their child's progress and achievement has/had been better on the Aspire Scholarship.

Over half of these families believed the reason for this was a higher quality education and teaching environment. That the school set higher expectations than the state option, and that the scholar had learned attitudes and behaviours which supported learning and success were also considered important factors. There was also belief that scholars recognised the opportunity that the scholarship presented and worked harder or better.

Provisional analysis of achievement results for 2010-2014 students whose last schooling was as an Aspire scholar show that their NCEA results were on par or better than national

leaver's results, and that this was most marked for those who achieved NCEA Level 3 or above⁵.

Apart from educational achievement, families believe their scholars benefit from the programme in other ways

Many scholars were described as having improved values, attitudes and behaviours which support their learning or their becoming more well-rounded individuals. Making positive friendships and connections was seen as beneficial e.g. creating opportunities to access new experiences, or to see how others think and act. Access to extra-curricular activities not previously available was also seen by many as a benefit of a private school education.

Private schools also believe the Aspire Scholarship programme benefits students.

Almost all schools who responded thought that scholars benefit from aspects of a 'quality education' that would otherwise not be available to them if not for the funding. Fewer schools described the impact of this environment on their scholars. When they did, the impact was thought to be transformational, or it could lift the performance of students so that they could attend tertiary education.

ISNZ also reported benefits to the 'broader communities' where a private education for just one family member could influence the whole whānau to place a higher value on education.

There are benefits for schools as well.

Of those schools who commented on the benefits to their school, most of these related to diversity. Scholars were thought to add to the diversity of schools, whether socio-economic or cultural, bringing with them the 'real world'.

ISNZ also notes the importance of Aspire scholarships to the less financially strong schools.

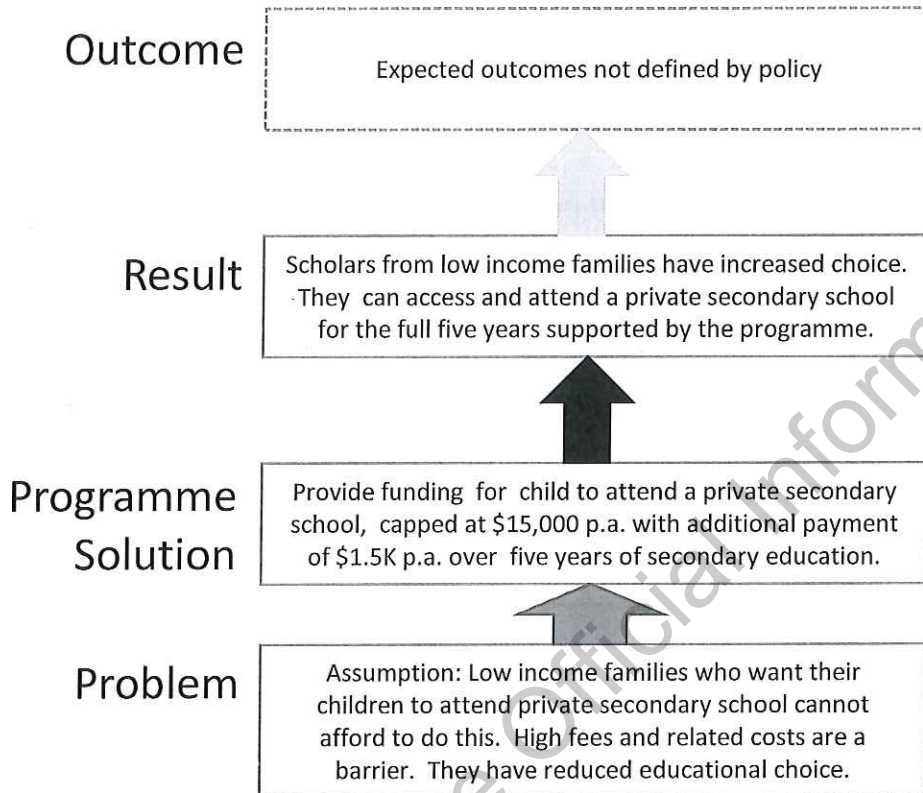
D Independent School's Support of the Programme

While independent schools and the ISNZ value and generally support the programme's overall intent, they invite further engagement and policy work on the objectives and design of the programme. They also ask whether there are alternatives to the scholarship programme to improve educational choice. See Annex E for their submission to the Review.

⁵ Data available once per reviewed

ANNEX A PROGRAMME MODEL

ASPIRE SCHOLARSHIP PROGRAMME MODEL



ANNEX B SUMMARY OF INDEPENDENT SCHOOL SURVEY RESPONSES

Who received this survey?

The survey was sent to 53 independent schools eligible for the programme. Twenty three of these schools are not members of the Independent Schools of NZ (ISNZ).

Who responded?

Of the 28 valid responses, 20 were from ISNZ affiliated private secondary schools. The remaining seven were mainly small independent Christian schools as well a small independent Auckland school.

Question: Prior to receiving this survey, were you aware of the Aspire Scholarship programme run by the Ministry of Education?

All 28 respondents were aware of the programme.

Question: Do Aspire Scholars attend your school or have attended your school in the past?

With the exception of two, all respondents had experience of an Aspire scholar attending their school.

Question: Does Aspire Scholarship funding for fees cover the annual tuition fees for your school?

38.5% of 26 respondents answered 'yes'.
61.5% of 26 respondents answered 'no'.

Question: Does Aspire Scholarship funding for course related costs cover those costs at your school? Up to \$1500 p.a. is available for tuition fees.

46.2% of 26 respondents answered 'yes'.
53.8% of 26 respondents answered 'no'.

Those schools where the Aspire Scholarship covered fees were Christian schools, a small independent school not aligned with the ISNZ, as well as a small clutch of ISNZ schools.

Question: If the scholarship does not meet annual fees and/or course related costs, has the school supported the Aspire Scholar so that they can attend? **(26 respondents)**

Schools that helped with affordability did so in a number of ways. They did this by:

- Waiving or discounting funding shortfalls for tuition and extra-curricular activities. Schools are paying for the costs of education beyond that covered by the scholarship. In some cases this can be up to and beyond \$6,000 for annual fees.⁶

⁶ School tuition fees can be as high as \$21,224

- Subsidising or full payment of boarding fees for Aspire families who live rurally or at a distance from the school
- Paying the difference through other school funds available e.g. trust funds
- Providing payment plans for costs incurred over and above those covered by the scholarship e.g. IT devices
- Providing resources such as second hand uniforms

Question: What's working well with the Aspire Scholarship programme?
(25 respondents)

Nearly all schools responding to this question thought that the programme was achieving results for scholars. There was belief that by providing access to a quality independent schools education, scholars were in the main achieving. Examples were given of student success. Mentions were also made that scholars added to the diversity of the schools and brought with them skills in areas outside of the classroom.

Question: Do you have comment to make on how the Ministry of Education makes payment of Aspire Scholarship funding to schools and families?
(23 respondents)

Of the 14 respondents who provided critical comment, most were concerned that Course Related Costs were being paid directly to families rather than directly to schools. It could be difficult for low income families to use the funds for the purpose intended (ie on the child's school needs), and this caused payment issues. Payment directly to schools was preferred by these schools.

A small school said that it was preferred if payments were consistently made early in the term. Another had experienced problems with families transferring schools leaving behind sundry expenses.

Question: Where can the Aspire Scholarship programme be improved?
(26 respondents)

The key areas identified were:

- Maximum funding levels for scholarship (11 respondents)

Schools were concerned that the maximum level of scholarship funding did not cover the costs of fully taking part in an independent schools education. These costs included tuition fees, course related costs, and disbursements related to extra-curricular activities including camps and music lessons. Costs in the first year of education could be considerable (e.g. in one school, first year course related costs totalled \$4000) and may increase in the senior years of education. Some were concerned for Aspire students who boarded as their costs of attendance were even greater.

- Size of appropriation (4 respondents)

A few schools thought that the number of scholarship places offered on an annual basis was insufficient. The number limits the benefits of the programme, including the potential to impact on the tail of underachievers or 'lifting low income earners from poverty'.

- Scope of eligibility criteria (8 respondents)

Respondents had various views on extending/changing the scope of eligibility criteria, including supporting candidates who:

- can demonstrate a minimum level of academic achievement so that they are ready and able to engage at an independent school and make the most of the opportunity;
- are Maori and Pacifica;
- are primary school aged so that they are ready for their secondary years;
- are at any age group in the senior years.

- Financial thresholds for eligibility criteria (8 respondents)

The financial thresholds for applicants were thought to be too low. These have not changed since the programme was started and so have not been adjusted to the CPI or increases in housing prices. This means that low income/net worth families eligible under the existing criteria are not able to pay the full costs of the private education. These costs increase if scholars live at a distance from school.

There were comments that the financial thresholds were particularly unrealistic for Auckland.

- Awareness and profile of the programme (8 respondents)

Schools report that there is a low awareness of the programme by those eligible for it. Suggestions to improve awareness of the programme included:

- increased advertising and publicity e.g. through lower decile schools
- linking with feeder schools so that they buy into the programme
- partnering with iwi groups e.g. Tainui partners successfully in the Waikato and "now many Aspire kids are going to private schools in the Waikato".

Comment was made about the low number of Aspire scholars in the South Island, especially Christchurch. There was also concern about incumbents reapplying because they knew how to do it rather than of because of need.

- Payment of Course Related Costs to parents (5 respondents)

These respondents were mainly concerned that Course Related Costs were being paid directly to families rather than directly to schools. It could be difficult for low income families to use the funds for the purpose intended ie on the child's school needs. A question was how might the CRC be protected as *"while there was a need to empower families it is also true that many are not skilled in financial matters"*.

Minor comment

- Monitoring and reporting of scholars and their success

Comments were received about the need to monitor students to support success. Monitoring might be done by schools and/or government.

One thought was that schools should be accountable and report on the success of scholars to government. Another referenced school testing data of children in their early years. Respondents also asked for improved transparency about who the programme supported and how effective it was.

- Quality of application form

The form is very difficult for families to fill in, and this can act as a barrier to applying.

- Varying funding levels over the year

A request was made to allow funding adjustments in an individual's scholarship once a student's tuition needs were assessed in term 1 of the year.

Question: In general, do you believe the Aspire Scholarship programme benefits your school?

(26 respondents)

Of those who commented on the benefits to the school, most of these related to diversity. Scholars were thought to add to the diversity of schools, whether socio-economic or cultural bringing with them the 'real world'. There were mentions of breaking down barriers created by those differences, by encouraging relationships with the wider community or developing empathy, understanding and tolerance.

A couple of schools commented that it caused them to positively reflect on their values or their way of doing things. *"We get students from different walks of life and cultures ...that certainly help us understand and manage diversity. The students become part of our learning culture...."* Another noted how teachers enjoyed teaching Aspire students who could offer different perspectives.

Question: From the school's perspective, in general what are the benefits (or otherwise) of being an Aspire Scholar?

(25 respondents)

Most respondents thought the main benefits to Aspire Scholars related to aspects of a 'quality education' which would otherwise not be available. This environment included extra tuition; curricular and non-curricular activities; class sizes; institutional environments where success and learning is developed, supported and celebrated; monitoring for improvement; access to a more diverse peer group; pastoral care; and networks.

Fewer schools described the impact of this environment on their scholars. In one case it was 'transformational'. For another it offered alternative pathways for girls who would have disengaged if it had not been for the school. A third school talked about raising the achievement of scholars who arrived in the bottom third academically but who then go on to attend tertiary institutions *"seven Aspire scholars have completed their secondary education, ...and six are enrolled in tertiary institutions"*.

Only one school commented on the difficulties scholars and their families can face. The pressure to succeed could be hard, they could feel 'behind the scenes' if they did not have what other girls had, and parents generally found it hard.

**Question: Do you have any final feedback on the Aspire Scholarship programme?
(22 respondents)**

Half of the final comments endorsed and supported of the programme's overall intent.

Most responses to this question reiterated issues already raised in the body of their responses and are not repeated here.

Final new comment:

- The closing date for the Aspire Scholarship applications is too early for some families who only start thinking about secondary schooling in term three prior to enrolment. As a result parents find out about the programme well after the closing date and cannot apply. The closing date should align with common enrolment dates for state secondary schools.
- Some Aspire scholars are applying late (in December) and this means they are missing out on subject choices and orientation.
- Aspire students need transitioning support to meet, form groups and understand the changes they may expect when moving into an independent secondary school environment.
- Concern that not all independent schools are suitable institutions to qualify for an Aspire Scholarship. Minimum standards should be set e.g. ISNZ membership standard.
- An example of St Cuthbert's Endeavour Scholarship was provided. This is a means tested scholarship, with other criteria including academic merit. Scholars achieve a 100% scholarship. There are 70 applicants for 4 positions. Those who are not successful may be eligible for the Aspire scholarship.

ANNEX C SUMMARY OF INDIVIDUAL SURVEY RESPONSES FROM FAMILIES WHO RECEIVED AN ASPIRE SCHOLARSHIP

Who received this survey?

All past and present scholarship families were contacted as part of the survey (472 families).

Who responded?

Of the 472 families who were sent a survey 126 were returned (a response rate of 27%).

Respondents were a mix of current and past scholarship families, representing a fairly even spread of entry years into the programme. 31% of respondents were no longer at secondary school.

KEY FOCUS: UNDERSTANDING REASONS FOR APPLYING FOR THE SCHOLARSHIP

Question: Why did you apply for an Aspire Scholarship? **(124 respondents)**

The main reasons were:

- Scholarship made a private education more affordable (56)
- Scholarship was an opportunity for a quality, good or better education (53)
- Private education suited the scholar better than a local or state school (23).

A few commented that the local school was not 'as good' or was a poor option (e.g. the local school was under statutory management or that there were behavioural issues at the school that their child would not cope with). A few respondents believed that their high achieving/gifted child would not suit the local school. There were mentions of families wanting their child to experience life outside of small towns. In one case, a private education was considered an option because mainstream education had not worked out.

- Scholar wanted to go the private secondary school (10)
- Private education would maximise the scholars potential (9)
- Private education offered a better future (9)

Examples included a family who did not want their child to be 'another Maori boy walking the streets of Auckland'. Another wanted their child to be around other inspirational children.

- Private education offered better social opportunities, including meeting people from other cultures (3)
- Private education provided better role models who were motivated or driven (3)
- School teacher recommended a private education (3)
- Families wanted to continue their private primary education into secondary (2)

KEY FOCUS: UNDERSTANDING THE CHALLENGES FACED BY PARTICIPATING FAMILIES/SCHOLARS

Question: Are there any challenges for families/scholars of having an Aspire Scholarship and attending a private secondary school?
(114 respondents)

The range of challenges were:

- Meeting the extra costs of education over those funded by the scholarship (50).

These costs included expenses related to extra-curricular activities (e.g. overseas trips), uniforms and requirements to use technology in schools. Start up costs in the first year was a particular problem, and a few respondents noted that costs have been rising on an annual basis. Many examples were given of how affordability limits children's participation in school activities.

- Meeting transport costs between home and school (13).

Travelling to school on the bus as a day student could be expensive, as was travelling between home and an out of area school between terms. ... "it cost around \$620 per term just for the bus"... "my eldest boarded at the discretion of the principal which meant I avoided the cost of bus travel which was \$4000 per year".

- Meeting accommodation costs if the school is out of the local area and boarding is necessary (8)
- Concern that the scholar has been, or could be, viewed negatively or differently to non-scholarship children (8)
- Scholar or family feeling different or stigmatised by not being able to afford the extras or being different to peers (6)
- Transitional issues (6). These issues included longer days, not being part of existing friendship groups, workload stretch, and not being adequately prepared for the 'step-up from intermediate'.
- Cultural differences (5)

A few respondents thought their schools lacked cultural awareness and engagement: there was nil opportunity to explore cultural uniqueness or there was disregard to Maori tikanga. There was a view that adjustment was needed to the wealthy children and families attending the school, and comment was made in the way a school viewed the balance between community/family life and school life.

- Family concern that their scholar value the educational opportunity (4)
- Travel time to school's out of area (3)
- Not being able to offer the scholarship to other family members (1)
- Pastoral care offered by the school could have been better (1)

Question: As an Aspire Scholar, was the school your child attended the first choice of private secondary school?

93.6% (of 117 respondents) said 'yes'

6.4% (of 117 respondents) said 'no'

Reasons for not attending their first choice were:

- Scholarship did not cover all in-school costs (e.g. uniforms, tuition, technology requirements) (5)
- Distance to school and related travel time and transport costs prohibitive in some way (3)
- School did not accept enrolment (2)
- Could not afford non-refundable waitlist fee (1)

Question: If your child left the Aspire Scholarship programme before the end of their secondary education, please explain their reasons for leavings (15 respondents)

A wide range of issues were given, including:

- Academic difficulty or expectations from the school to do better (3)
- Cultural difference (feeling 'out of place in a sea of white faces') or culture not being acknowledged (2)
- Significant emotional distress related to the change of attending or the pressure of being poor (2)
- Choosing an alternative pathway to education (2)

- Family moving to a new location where there is no independent secondary school (1)
- "Institutional mistreatment" (1)
- Bullying at the school (1)
- Lack of peer group at the small school (1)
- Standard of schooling (1)
- Scholar deciding to have more fun in her last year of secondary education (1)

KEY FOCUS: ADEQUACY OF SCHOLARSHIP FUNDING LEVEL AND HOW FAMILIES RESPOND

Question: Did/does the Aspire Scholarship cover the financial costs of your child attending the private secondary school?

20% of 120 respondents said 'yes'
80% of 120 respondents said 'no'

Question: How difficult is it to meet the additional costs of attending a private secondary school?

26.4% of 120 respondents said 'very difficult'
52.7% of 120 respondents said 'difficult'
12.1 % of 120 respondents said 'neither difficult nor easy'
5.5% of 120 respondents said 'easy'
3.3% of 120 respondents said 'very easy'

Question: Please describe how you met the additional costs of attending the private secondary school
(96 respondents)

- Schools are meeting shortfalls in funding, waiving additional costs, or reducing the costs of education to families (26)

Examples included boarding costs being met by the school, sponsorship or donor support, discount rates for school resources, and options being provided for leasing technology rather than buying technology. Some schools also make it easier for payments to be made over time by organising payment plans.

- Reduced family spending (21)

Many examples were given of families cutting back or "going without" on non-essentials (such as family entertainment, trips and new clothes), as well as essentials such as power and food. One respondent had moved in with family to reduce costs, while another "grew a big garden and the family ate more wild food". Families talked about budgeting to control their costs.

- Family is working more (21)

Respondents were working more hours to earn more and make up the costs of education. A pay rise helped one respondent. There were mentions of students taking up part time work to cover aspects of their education.

- Family and friends providing support. (24)

This included specific support for the scholar (e.g. personal loans, paying for bus fares, topping up course and boarding related costs, providing work for the scholar, and private boarding), as well as support for the immediate family of scholars (e.g. making dinner and providing clothes, providing accommodation). Siblings and grandparents are providing financial support.

- Loans (including remortgaging) and using credit (17)
- Scholar limiting their extra-curricular activities at school (6)
- Fundraising (4)
- Selling possessions (4)
- Seeking other funding e.g. grants, scholarships, sponsorships such as Variety Kiwi Kids, McKenzie Youth Education Fund (3)
- Other agency support e.g. WINZ for clothing and food grants (3)

KEY FOCUS: THE VALUE AND OUTCOMES FROM THE ASPIRE SCHOLARSHIP

Question: Overall, how happy are you with the decision to take up the Aspire Scholarship?

85% of 120 respondents said 'very happy'

11.7% of 120 respondents said 'happy'

1.7% of 120 respondents said 'neither happy nor unhappy'

1.7% of 120 respondents said unhappy

For those who answered very happy or happy the main reasons for this were:

- Access to opportunities associated with a private school education (72)

These opportunities were varied but included access to better teachers and curriculum, smaller class sizes, extra and co-curricular activities, a peer group motivated to succeed and peer-networking.

- Results/outcomes achieved for the scholar (32)

Many examples of achievement were given, including finishing as a high performer at the school, scholars successfully engaging with tertiary level study or taking up sports scholarships at overseas universities. There were mentions of scholars breaking the cycle of poverty, or breaking new ground "it was an amazing experience for her and who she is today – a successful young Maori woman, the first mokupuna in both whanau of 100 plus cousins to have attended university...".

- Improved affordability provided by the scholarship (13)

For those who answered neutrally or that they were unhappy, the reasons included were:

- Lack of cultural engagement and support as a Pasifika scholar
- Unaffordability
- Being bullied
- Scholar leaving school with no qualifications, despite asking for help
- Not being able to deal with not having what others had

Question: Do you think your child's progress and achievement has/had been better or worse on the Aspire Scholarship? If better or worse, please explain why you think this is.

74.4% (of 117 respondents) said 'much better'
16.2 % (of 117 respondents) said 'a little better'
4.3 % (of 117 respondents) said 'neither better or worse'
1.7 % (of 117 respondents) said 'a little worse'
3.4 % (of 117 respondents) said 'a lot worse'

For those 108 who answered 'better', reasons given for this were:

- Higher quality learning and teaching environment (42)

Respondents described qualities including smaller class sizes or school, a better curriculum, extra attention to the child including resources for struggling children, quality of teaching and the way achievement was acknowledged.

- Scholar recognises the scholarship as an opportunity and thus works better/harder (11)

Of those who thought this, this comment was typical: "he knows he is blessed to have this opportunity. Because of his gratitude and understanding of this opportunity he puts in 100%....takes nothing for granted".

- Independent secondary school sets higher educational expectations than the local/state option (11)
- Scholar has learnt attitudes and behaviours which support learning and success (9)

- Peers at the school model aspirational and motivating behaviours (4)

A few families commented that their scholars were encouraged to achieve as they could see others doing this.

- Less financial pressure so that the scholar can focus on achievement (3)

Other minor reasons described included:

- Scholar attended an all girls school
- Not having to transition to another school when entering secondary
- Pastoral care

Of those 6 who answered 'worse', the range of reasons included:

- Scholar mistreated and not catered for by the school
- An average learning environment compared to the state school attended after leaving
- Too much pressure to achieve
- Scholar felt alone, unsettled and depressed, and in one case suicidal.

Question: Apart from educational outcomes, has your child experienced any other benefits or outcomes as an Aspire Scholar?
(111 respondents)

- Positive changes in values, attitudes and behaviours (40)

Many scholars were described as having better confidence and self-esteem, maturity or having a sense of responsibility. Changes in behaviour included scholars having better self-control (e.g. meeting deadlines) and self-reliance, developing a can-do way of thinking, or striving to be the best they could be. Examples were provided where scholars improved their social or leadership skills. Scholars also became good role models or more rounded individuals.

- Making positive friendships, connections/networks (28 respondents)

Many described the good friendships formed, as well as related benefits. This included access to new experiences "friends take him to places I cannot afford", and learning about other people and how they thought and behaved, "he has learnt how the capitalists work...how money talks". There was mention of how friendships helped one scholar to go on and find good work.

- Access to, and in some cases excelling in, extra-curricular activities e.g. drama, sports programmes, school trips. (27 respondents) e.g. "performing is an area ...awoken a giant within"

Other benefits mentioned by respondents were:

- Accessing a school with culture, principles and values (3)
- Pastoral care (3)

- Knowing early on in life what success can bring (1)
- Positive impact on the family in general (1)

Question: If your application for the Aspire Scholarship had not been successful, would your child still have attended a private secondary school?

84.7% of 124 respondents said 'no'

7.3% of 124 respondents said 'yes'

8.1% of 124 respondents said 'don't know'

The majority of respondents said that they would not have attended a private secondary if their scholarship application had not been successful.

KEY FOCUS: EXPERIENCES OF HOW THE PROGRAMME IS RUN

Question: Did you experience any problems with the application process or form when you applied?

90.1% (of 121 respondents) said 'no'

7.4% (of 121 respondents) said 'yes'

Nearly all respondents who said 'yes' identified difficulty with gathering compliance documents to support their application as their issue. One respondent commented that the time frame to enrol at a private school once the scholarship was awarded was too short and created a lot of stress.

Question: Have you had any problems with the way the scholarship payments have been paid?

11.6% (of 121 respondents) said 'yes'

86.8% (of 121 respondents) said 'no'

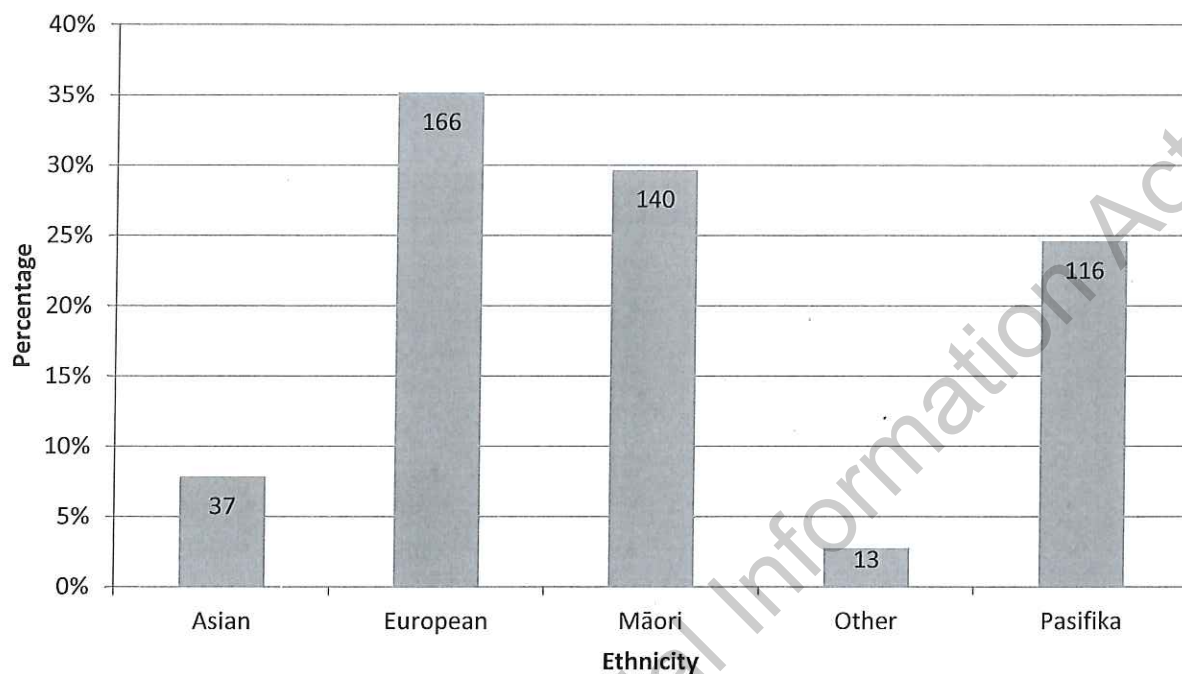
Problems related to:

- The late timing of course related costs in term 1. Without funding families are less able to take advantage of discounts, sales, cheaper second hand uniform opportunities before the start of term. (6)
- Administrative errors e.g. payment being made late or directly to the school instead of the family. (5)
- Difficulty claiming back disbursements covered by course related costs. (2)
- Confusion as to how the Aspire payment processes work (1)

ANNEX D ASPIRE PROFILE INFORMATION

Source data: Ministry of Education administrative data

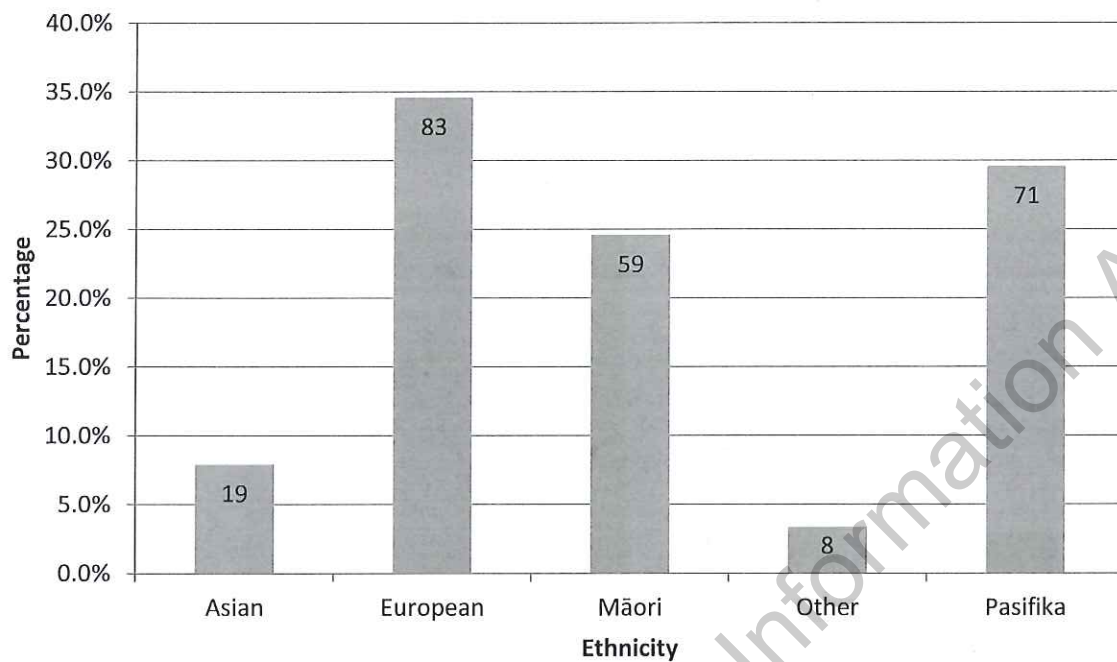
Aspire Scholars by Ethnicity from 2010-2016



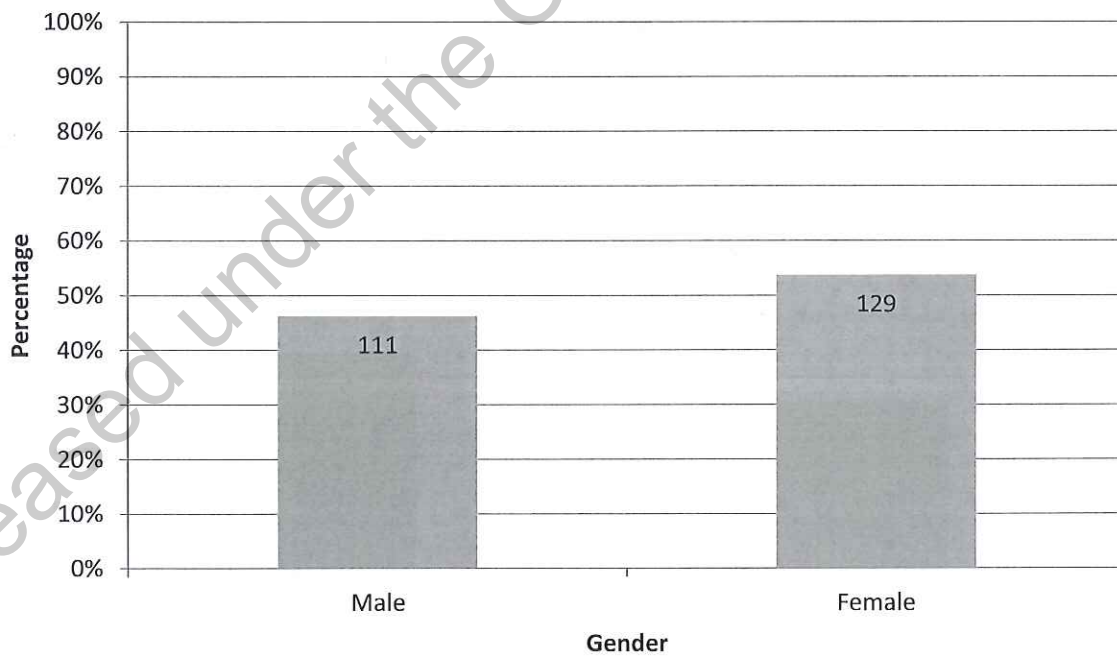
Aspire Scholars by Gender from 2010-2016



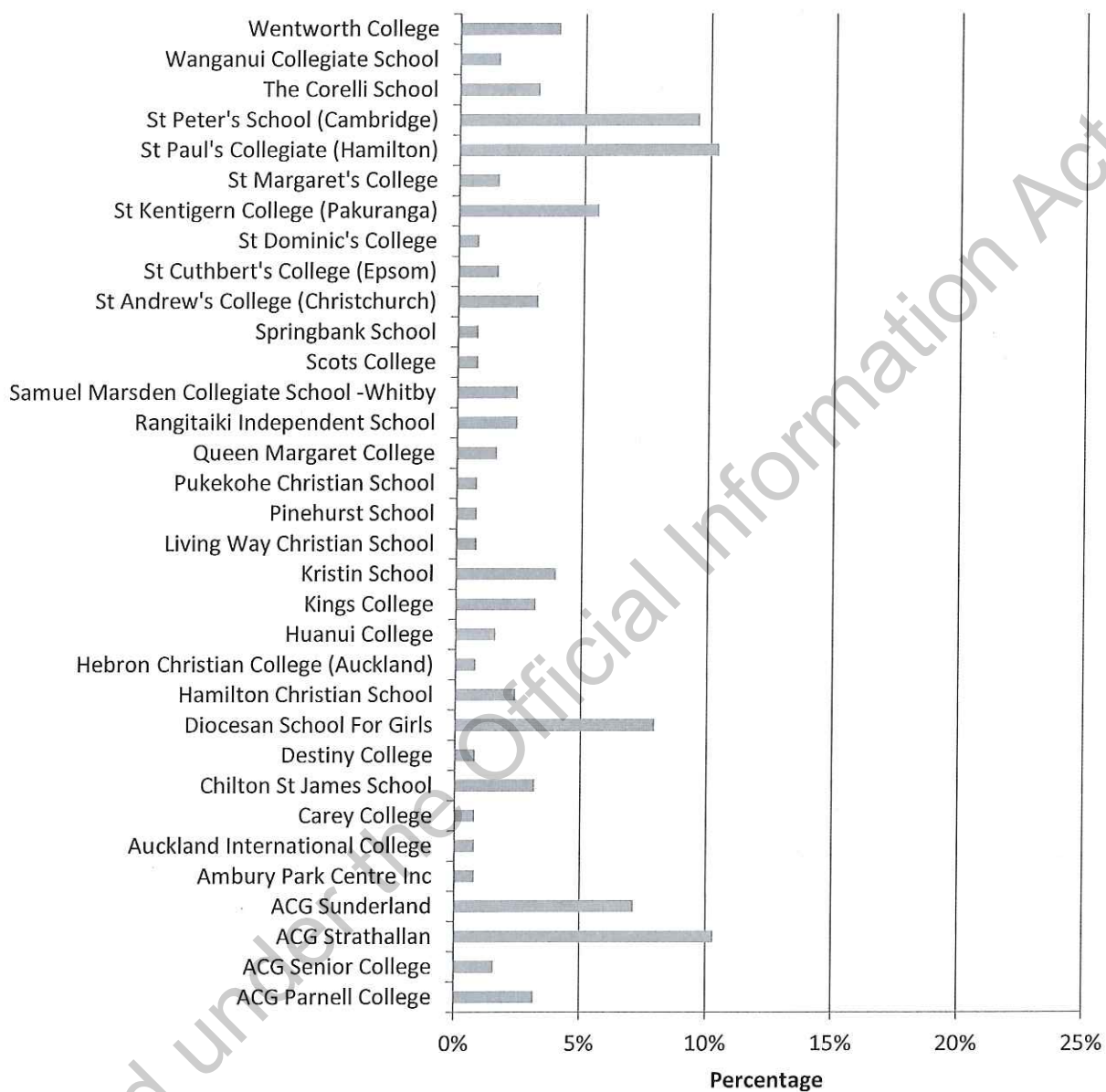
Current Aspire Scholars by Ethnicity (14 July 2016)



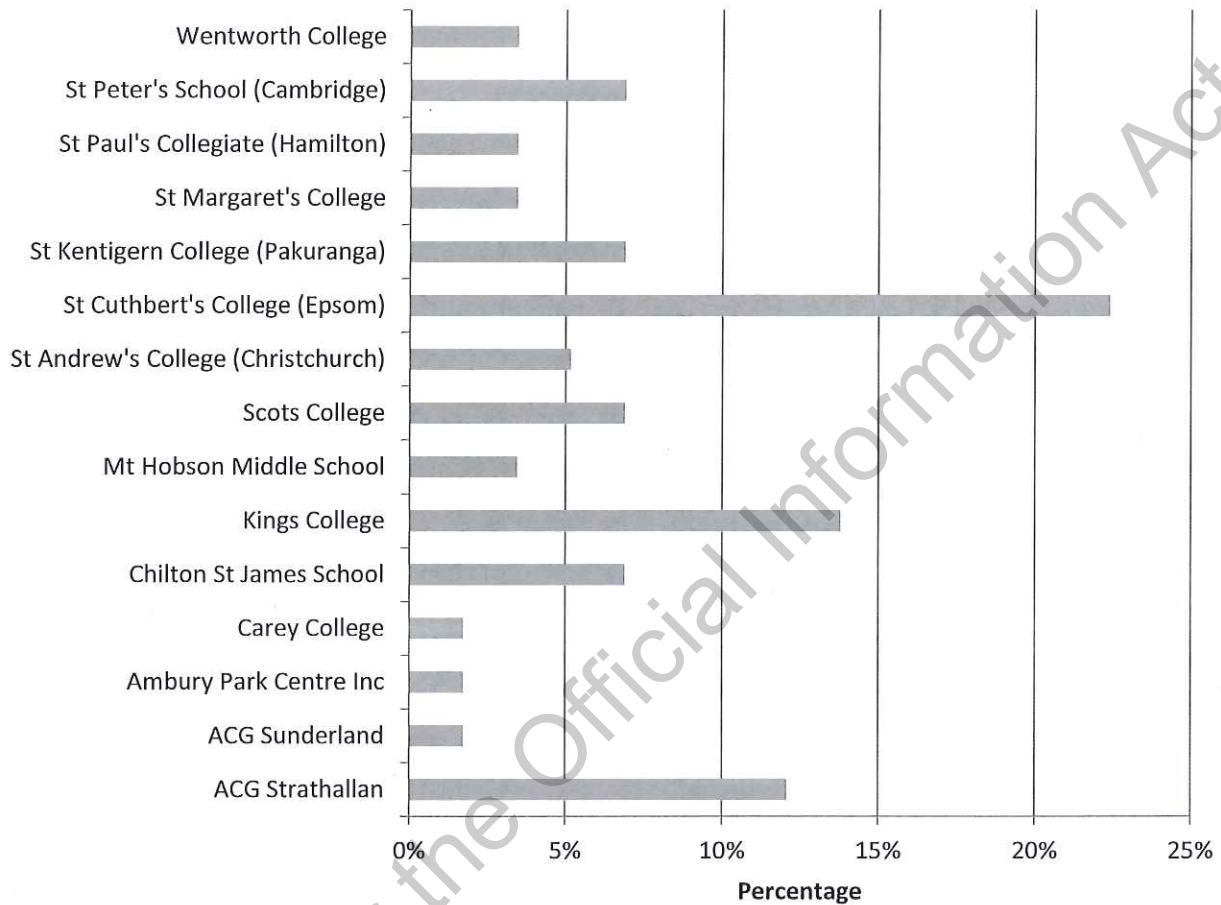
Current Aspire Scholars by Gender (14 July 2016)



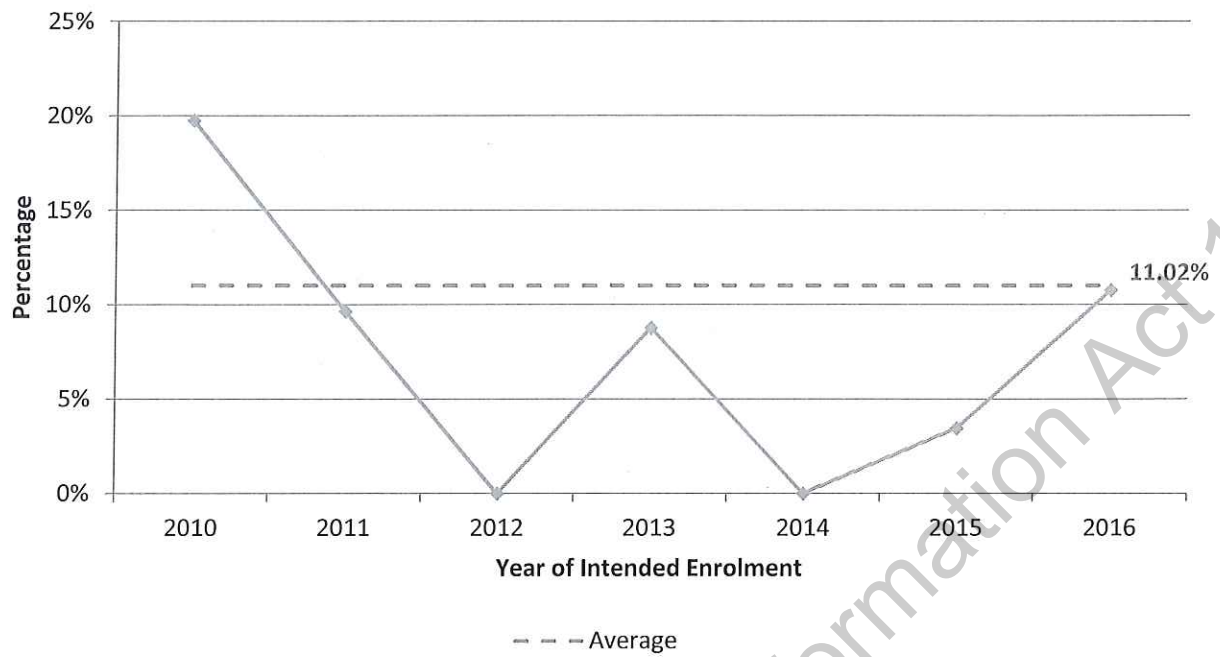
Where did 2010 Aspire Scholars Enrol?

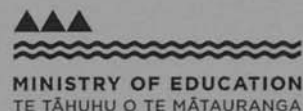


Where did 2016 Aspire Scholars enrol?



Aspire Scholarships Offered and Turned Down





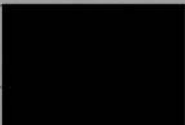
Education Report: Stocktake of allowances, scholarships and awards for students in schooling

Date:	10 October 2016	Priority:	Medium
Security Level:	In Confidence	METIS No:	1028136

Action Sought

Addressee	Action Sought	Deadline
Minister of Education	<p>Note that this report provides a stocktake of allowances, scholarships or awards that are available to students in the schooling sector.</p> <p>Note that, with the potential exception of the Aspire Scholarships, we envisage that these allowances, scholarships or awards would continue to sit alongside any future school funding model.</p> <p>Note that as part of the proposed changes to the per-student subsidy for private schools there is an opportunity to reconsider the future of the Aspire Scholarship arrangement.</p>	
Enclosure: No		Round robin: No

Contact for telephone discussion (if required)

Name	Position	1 st Contact
Geoff Short	Acting Deputy Secretary Strategy, Planning and Governance	 s 9(2)(a) OIA
Damian Edwards	Associate Deputy Secretary	✓

The following departments/agencies have seen this report:

Minister to Complete (please circle) 1 = very poor 2 = poor 3 = acceptable
4 = good 5 = very good

Minister's Office to Complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input checked="" type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by events |
| <input type="checkbox"/> See minister's notes | <input type="checkbox"/> Withdrawn |
| <input type="checkbox"/> Signed | |

Comments:

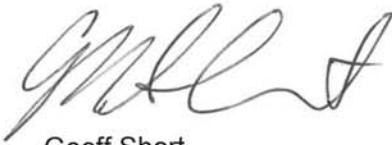
Further advice due to the office on 11 November, as discussed with Mary Phipps a team.

Education Report: Stocktake of allowances, scholarships and awards for students in schooling

Recommendations

We recommend that you

- a. **note** that this report provides a stocktake of allowances, scholarships and awards that are available to students in the schooling sector
- b. **note** that, with the potential exception of the Aspire Scholarships, we envisage that these allowances, scholarships and awards would continue to sit alongside any future school funding model
- c. **note** that as part of the proposed changes to the per-student subsidy for private schools there is an opportunity to reconsider the future of the Aspire Scholarship arrangement.



Geoff Short
Acting Deputy Secretary
Strategy, Planning and Governance

NOTED / APPROVED

Hon Hekia Parata
Minister of Education

Education Report: Stocktake of allowances, scholarships and awards for students in schooling

Purpose of report

1. This report provides a stocktake of the current policies for, and uptake of, allowances, scholarships and awards to assist students to access schooling.

Background

2. You requested a stocktake of the allowances, scholarships and awards available to students in the schooling sector and how these aligned with the scope of the Review of Funding Systems at a clinic in early September.

Allowances, scholarships and awards available to students

3. The broad purpose of the allowances, scholarships and awards described in this briefing is to provide financial assistance to enable students to access appropriate schooling.
4. We have categorised the allowances, scholarships and awards into three groups: those that
 - a respond to students' personal circumstances:
 - i. Boarding allowances
 - ii. Conveyance allowance
 - b provide educational choice to students:
 - i. Home schooling allowances
 - ii. Puāwaitanga scholarships
 - c Provide specific educational experience:
 - i. United World Colleges Scholarships
 - ii. Language Immersion Award Student Programme
5. The other allowances, scholarships and awards are directly funded by the Crown, with a total budget of \$24.519 million in 2015/16. This is shown in the table below.

Table 1: Budgeted allocations for allowances, scholarships and awards

	\$ million
Boarding allowances	11.319
Aspire Scholarships	4.126
Home schooling allowance	3.764
Conveyance allowance	3.896
Puāwaitanga Scholarships	1.152
Language Immersion Award Student Programme	0.212
United World Colleges Scholarships	0.050

- 6 A summary of the purpose, eligibility criteria, funding, uptake and any recent policy work for each of the allowances, scholarships and awards is set out in the attached appendices.

Relevance to the Funding Systems Review

- 7 We envisage that these allowances, scholarships and awards would continue to sit outside the general school funding model, with the potential exception of the Aspire Scholarship.
- 8 Boarding allowances and the conveyance allowance facilitate access to schooling for particular children. They do not relate to the provision or management of teaching and learning programmes for children and young people; which is the particular focus of the Review of Funding Systems.
- 9 The Puāwaitanga Scholarships represent a tailored intervention that supports the educational viability of Māori boarding schools. Such targeted support could not be delivered through a funding model that applies to all schools.
- 10 The Funding Review provides a potential opportunity to reconsider the value of the Aspire Scholarship arrangement. Broader sector support for the proposed change to the private school per-student subsidy may be contingent on the termination of the Aspire arrangement.
- 11 The Funding Review Advisory Group members who conditionally supported the proposal to link the per-child subsidy for private schools to the per-child funding amount for state and state-integrated schools, did so on the basis that any increase in funding to private schools would not be at the expense of current or future funding to state or state-integrated schools. Some members of the Advisory Group consider that the positioning of the Aspire Scholarship scheme signals that educational success depends on children and young people having a private education, and that as currently designed it is inconsistent with an equitable funding system.

Interaction with other Government strategic changes

- 12 Students receiving a boarding allowance under the multiple barriers category may also be considered within the scope of the new Ministry for Vulnerable Children.

Current and future Ministry work

- 13 We undertake on a regular basis service improvement reviews of these allowances and scholarship funds to ensure they continue to be fit for purpose.
- 14 Currently, the Aspire Scholarships, Puāwaitanga Scholarships and Boarding Allowances are being reviewed. Independent schools and the families of past and present scholarship holders have provided input to the service improvement review of Aspire Scholarships. This could have created expectations in the

independent school sector about the future of Aspire. These would need to be managed in future engagement around changes to the per-student subsidy.

- 15 The United World Colleges Scholarships are underpinned by specific regulations.¹ These regulations do not align with the current selection and payment processes. As part of our regulatory work programme we propose to review whether regulations are required and report back on the appropriate action (ie, update or rescind the regulations).
- 16 We are also beginning to monitor NCEA achievement data for recipients of Boarding Allowances, the Aspire Scholarships and the Puāwaitanga Scholarships.

¹ The United World Colleges Scholarships Regulations 1980.

Boarding Allowances

Purpose

The allowance assists students living in remote areas or facing other barriers (eg, at risk home environments) to access schooling.

Recent history

In 2014, the Boarding Bursaries and Mapihi Pounamu appropriations were merged to create the Boarding Allowance appropriation (METIS 824541 refers). This change was made to ensure eligibility is fairer, more consistent and improves support to priority students facing barriers to education.

Eligibility

To be eligible for a boarding allowance the student must satisfy criteria related to either access or multiple barriers. Students can be supported for up to five years.

Access barrier: the student lives an unreasonable distance from an appropriate school and the government school transport programme does not provide a solution. An unreasonable distance is defined as more than 60km and:

- the closest school transport is unreasonable (20km), or
- the student has to travel longer than 60 minutes one way, or
- the student has to be driven an unreasonable distance (60 km).

Multiple barriers: a student must have more than one of the following:

- poor participation at school
- poor relationships
- behavioural issues
- low educational achievement
- environment (eg, lacks family support, exposed to physical or psychological harm, or multiple community or government agencies are involved).

In some instances, a boarding school is recommended for a student as part of a Family Group Conference Plan or court proceedings, and an application is submitted to the Ministry. Students with custody or guardianship orders under the Children, Young Persons and Their Families Act 1989 are not eligible for boarding allowances, but may have their boarding needs met by Child, Youth and Family or the Ministry of Health.

Number of students

The number of students with boarding allowances has increased over the last three years, reflecting the progressive implementation of the new arrangements.

Table 1: Number of students by category

Year	Multiple Barriers	Access Barriers	Total
2016	760	630	1390
2015	813	638	1451
2014	509	501	1010

Level of assistance

The level of support depends on the eligibility criteria as shown in the table below.

In addition to the allowance to cover boarding costs, additional funding is provided for a student's pastoral care while boarding. Travel support can also be provided for four return trips for students whose home is on Great Barrier, Pitt or Chatham Islands.²

Table 2: Level of assistance based on barrier and type of board

Barrier	Type of Board	Boarding allowance	Additional funding	Total
Access	Boarding hostel or private board	\$3,200	\$920 – travel costs for Great Barrier Island. For Chatham and Pitt Islands, payment is on invoice.	\$3,200 + travel costs
Multiple	Boarding hostel	\$7,500	\$500 – pastoral care	\$8,000
	Private board	\$4,000		\$4,500

Schools receive the funding at the start of each term, including funding for any private board providers. Payments for private board are made to the parent/caregiver by the school.

Total expenditure

In 2016/17 expenditure of \$11.319m has been budgeted for boarding allowances. This amount is unchanged since 2014/15.

Actual expenditure in both 2014/2015 and 2015/2016 was some \$2.5 million below this level, as shown below

Table 3: Expenditure per year

Financial Year	Budget	Actual	Variance
2015/16	\$11.319m	\$8.799m	\$2.520m
2014/15	\$11.319m	\$8.904m	\$2.414m

Service improvement review

An internal service improvement review is underway and will be completed by the end of 2016/17. This will enable a better understanding of the factors influencing demand for the programme, including sensitivity of demand to the level of the allowance relative to boarding costs and whether other agencies dealing with at risk children are aware of the boarding allowance.

² Travel costs for Great Barrier Island students are calculated on the average airfares between the Island and Auckland. Payments are made each term along with the student's boarding allowance payments. For students from Pitt and Chatham Islands, the Ministry pays the cost of boat and plane fares on invoice from providers.

Conveyance Allowances

Purpose

The allowance forms a component of the wider school transport policy.

It provides financial support to assist parents and caregivers to meet transport costs to school, in situations where the eligibility criteria for the school transport programme are satisfied but it is not economic for the Crown to directly provide this service. A common situation is where there are insufficient students to make a bus route viable.

Eligibility

Different criteria apply for special education students and other students.

Special education students

To be eligible for the conveyance allowance the student must:

- be enrolled at their closest state, state-integrated school, or educational setting that can meet their special education needs
- be aged 5 to 21 years old, and
- meet the mobility or safety criteria.³

Mobility criterion: the student must have mobility needs that prevent the student travelling independently to and from school.

Safety criterion: a safety need that prevents a student travelling independently to and from school. A safety need is where there is significant risk of harm or danger to the student or to others during the journey to and from school.

Other students

To be eligible for the conveyance allowance:

- the student must attend the closest state or state integrated school where they can enrol,
- live more than the required minimum distance from that school, and
- there must be no suitable public transport available.

In the case of students in years 1-8, the student must live at least 3.2 kms from the closest school they can enrol at. For students in years 9 and over, they must live at least 4.8 kms away.

These distance criteria were changed in 2013. Previously the lower distance threshold applied up to the age of 10 years. This meant that children could become ineligible for assistance when there has been no change in their school situation.

³ Special education transport assistance is not available if the student is on ACC or is boarding at a residential school.

Number of students

The table below shows the number of students that received the conveyance allowance over the last three years. The number of special education students has increased, while the number of other students has decreased.

Table 4: Number of students

Financial Year	Non-special education	Special education
2015/16	5,382	1,409
2014/15	6,480	1,329
2013/14	7,065	1,330

Level of assistance⁴

The level of assistance provided to each student depends on the distance to the closest school where they can enrol or the closest school that can meet the student's special education needs.

The rate is 27c per km to a daily cap of:

- \$4.72 per school day for non-special education students
- \$20 per school day for special education students.

The rate was last changed in 1986.

Total expenditure

This expenditure is demand driven and is influenced by the availability of other services provided by the Ministry.

Table 5: Expenditure per year

Financial Year	Non-special education	Special education
2015/16	\$2.689m	\$1.207m
2014/15	\$3.156m	\$1.127m
2013/14	\$3.402m	\$1.100m

⁴ The non-special education conveyance allowance is paid quarterly in arrears, and the special education conveyance allowance is paid monthly in arrears, both on confirmation of attendance for the applicable period from the students' school.

Appendix 2: Allowances and scholarships that provide educational choice

Home Schooling Allowance

Purpose

The allowance provides financial support for home educators (parents or legal guardian) who are approved to educate their children at home.

Eligibility

Approvals are required to education children aged between 5 and 16 at home. The applicant must satisfy the Ministry that their child will be taught at least as regularly and as well as they would be in a registered school. This includes showing how any special education needs will be met.

Number of students

The table below shows the number of students who are home educated. The number has remained constant over the last three years.

Table 1: Number of students

School Year	
2015	5,558
2014	5,555
2013	5,521

Level of assistance⁵

The level of assistance provided is based on the number of children that are home educated. The annual allowance paid per child is:

- \$743.00 first child
- \$632.00 second child
- \$521.00 third child
- \$372.00 subsequent child.

There has been no change to the value since it was implemented in 1990.

Children with special education needs can access support from the Ministry's specialist services. Some services are not available to home educators as they are designed to support teachers in a school setting (e.g., Resource Teachers: Learning and Behaviour and Literacy).

⁵ The allowance is paid in instalments in mid-May and mid-November each year for the preceding six months. The timing of the payments has changed from June and December to allow the Ministry to follow up on late returns and late payments. This change is why the total budget for 2015 has increased over previous years as all the reconciliation is now completed in the correct school year.

Total expenditure

The expenditure is demand driven and has been relatively stable as shown in the table below.

Table 2: Expenditure per year

School Year	
2015	\$3.764m
2014	\$3.554m
2013	\$3.581m

Puāwaitanga Scholarships

Purpose

This annual scholarship assists students, who demonstrate leadership potential, to attend one of the five Māori boarding schools (Hato Paora College, Hato Petera College, Hukarere Girls College, St Joseph's Māori Girls College, Te Aute College).

Number of students and eligibility criteria

Up to 90 students per year hold scholarships across all eligible schools.^{6 7}

Each school is responsible for setting its own criteria for students applying for a Puāwaitanga Scholarship in line with the following principles set by the Ministry:

- leadership skills and potential
- academic achievement and potential
- cultural strengths
- sporting skills.

Students are not eligible for a boarding allowance if they are receiving a Puāwaitanga Scholarship.

Level of assistance⁸

Each student is assisted up to \$16,500 for boarding fees and attendance dues. This is dependent on what the school charges. The scholarship total includes a putea of \$1,500 for each recipient to support the implementation of the student's individual education plan.

Total expenditure

Since introduction, the annual budget has been \$1.152m. An annual hui of scholarship holders is also supported through this budget. This focuses on building leadership skills.

The actual expenditure over the two financial years since introduction has been below the budgeted amount, as shown below.

Table 3: Expenditure per year

Financial Year	Budget	Actual	Variance
2015/16	\$1.152m	\$1.087m	\$0.065m
2014/15	\$1.152m	\$1.083m	\$0.069m

⁶ Fifteen scholarships were also allocated to Turakina Māori Girls College. Since its closure at the end of 2015, scholarship holders are able to continue their scholarships provided they go to one of the other Puāwaitanga scholarship schools.

⁷ If a student leaves during the year, the remainder of the scholarship is offered to another student.

⁸ The Ministry pays the scholarship in quarterly instalments to the school, to avoid overpayment if the student leaves. The \$1,500 putea for each scholarship holder is paid to the school and drawn on by students after consultation with the Principal.

Service improvement review

An internal review of the programme is underway. This will:

- investigate factors leading to the under spend of the budget (e.g., whether the scholarship is sufficient to cover the boarding and attendance fees)
- consider how to distribute the 15 scholarships previously allocated to Turakina Māori Girls College
- consider alternative allocation mechanisms for all eligible schools (e.g. a contestable fund or annual application).

Aspire Scholarships

Purpose

This scholarship aims to improve educational choice for students from low-income and low net-worth families who want to attend a private secondary school.

Eligibility

To be eligible for an Aspire Scholarship, the student must meet the following criteria and then be selected from a ballot.

The criteria are:

- the student will be in year 9 in the first year of enrolment
- the primary caregiver(s) have a combined:
 - annual gross income of \$56,000 or less (not including Working for Families tax credits)
 - net worth of \$200,000 or less (excluding household items such as kitchen appliances and furniture)
- the student or their primary caregiver(s) are not beneficiaries of any trusts (exceptions will be considered on a case by case basis)
- the student is a New Zealand citizen or a permanent resident.

Successful applicants are responsible for applying for enrolment at their preferred schools. If the student cannot find a suitable school the scholarship is terminated. The scholarship is retained for a maximum of 5 years (Year 9 to Year 13) while the student remains enrolled in a private secondary school.

Number of students

The budget allows a maximum of 250 scholarship holders to be supported each year. Over the last three school years, the number of students with a scholarship has reduced, as shown in the table below. An internal review is investigating reasons for this reduction.

Table 4: Number of scholarship holders

School Year	
2015	234
2014	243
2013	248

The number of new scholarships awarded increased significantly in 2015 and has remained steady since then, as shown in the table below.

Table 5: Number of new scholarship holders

School Year	
2016	58
2015	56
2014	35

Level of assistance⁹

Each scholarship is valued at \$15,000 per year for tuition fees (term, enrolment, application and other compulsory attendance fees directly related to a student's tuition). The family is responsible for any remaining school fees.

A maximum of \$1,500 per year is also paid towards course related costs. If the student chooses to board, the family may use this \$1,500 towards the cost of boarding, but the family is otherwise responsible for boarding costs. Families can apply for the Boarding Allowance scheme to cover boarding costs, but must meet the criteria of that scheme.

Total expenditure

The budget of \$4.126m has been fixed since 2012/13. The budget has been under spent each year and the proportion has increased as shown in the table below.

Table 6: Expenditure per year

Financial Year	Budget	Actual	Variance
2015/16	\$4.126m	\$3.822m	\$0.304m
2014/15	\$4.126m	\$3.837m	\$0.289m
2013/14	\$4.126m	\$3.916m	\$0.210m

Service improvement review

An internal review of the programme is underway to identify policy, delivery and practice issues to improve its effectiveness. Feedback has been gathered from independent schools and families to inform the review. The review is due to be completed in time for the 2018 funding round.

⁹ The Ministry pays the tuition fees to the school at the beginning of each term. Course related costs are paid to the family by February; the family may nominate the school to receive and manage the \$1,500.

Appendix 4: Scholarships and awards to provide specific educational experiences

United World College Scholarships

Purpose

The scholarships assist a small number of students to attend a United World College for a two year period.¹⁰

Eligibility

The scholarships are primarily intended for students who will be in Year 12 in the year of application, though Year 11 and Year 13 students may also be considered.

Students must be a New Zealand citizen, who hold or are eligible to hold a NZ passport, and:

- have been resident in New Zealand for the full school year prior to application and will remain resident throughout the selection process
- have minimum of 75% of Excellent and Merit grades for NCEA achievement standards, or be in their school's top 5% in academics
- are 16 years, but not yet 18 years, by the September of the year of application
- be available for an interview in person.

Selection and payment of the scholarships is managed by the New Zealand National Committee for United World Colleges based on merit and following Ministry guidelines that selection should be fair, equitable and have diversity.

Number of students

Each year three new students on average are provided a two year scholarship. The number of new scholarships per year depends on the costs of the scholarships offered to the New Zealand National Committee in that year.

Level of assistance

There is a maximum of \$10,000 per scholarship. The level of assistance depends on the scholarships that are offered to the NZ National Committee.

Assistance varies from:

- full scholarships (including fees, airfares and pocket money)
- full fee scholarships (family meets costs of airfares and/or pocket money)
- part scholarships (family meets some of the costs of fees as well as airfares and pocket money) of varying percentages.

Total expenditure

Each year total funding of \$50,000 is provided to the National Committee. The National Committee submits an application each year for the total grant. The grant has been \$50,000 since at least 1997/98 financial year.

¹⁰ Scholarship holders sit examinations for the International Baccalaureate at the end of the two years. This qualification is recognised for university entrance.

Proposed review of regulatory basis for scholarships

The United World Colleges Scholarships Regulations 1980 underpin the grant. These regulations do not align with the current selection and payment processes. As part of our regulatory work programme we propose to review whether regulations are required and report back on the appropriate action (ie, update or rescind the regulations).

Released under the Official Information Act 1982

Language Immersion Award Student Programme

Purpose

The award provides students with immersion experiences of up to six months to countries where languages that they learn in New Zealand schools are spoken to increase their fluency, knowledge of the host culture and develop international awareness and competency in crossing cultures.

Eligibility

Students applying for an award must:

- be learning one of the following languages at school or at Te Kura, at Years 11 or 12 (i.e. French, German, Spanish, Japanese, Chinese, Gagana Samoan, Cook Island Māori, Gagana Tokelauan, Tongan, Vagahau Niue or Korean)
- be at least 16 years old on the date of departure
- be a New Zealand citizen or have permanent residency
- have the written endorsement of their language teacher and principal.

The awards are managed and delivered by the AFS Intercultural Programmes NZ (Inc) on behalf of the Ministry.¹¹ The selection process takes into account the number of students studying the language across New Zealand schools, gender, geographical spread, and school type and decile. No more than one student per school per language can receive an award each period.

Number of students

Approximately 15 students a year receive these awards.

Level of assistance

Each scholarship is valued at approximately \$14,000 for:

- school fees (excludes stationery), administration, airfares, service costs, health insurance and additional insurance costs, visas, internal travel
- actual and reasonable travel costs to interviews are reimbursed to applicants on production of receipts.

The host family, local school, and the local AFS volunteers are responsible for living costs, providing an orientation programme and support for the student, and arranging activities.

Total expenditure

A budget of \$212,496 per year is available to fund student award costs.

A budget of \$139,699 per year is allocated for professional fees and expenses for the AFS Intercultural Programmes New Zealand (Inc) to manage these awards as well as teacher awards.

¹¹ AFS was previously referred to as American Field Service.

Feedback on awards

Students provide three formal reports to AFS Intercultural Programmes New Zealand (Inc) and the Ministry during and after their experience to assess the impact on their education and personal communication. The Ministry may use this data to monitor the ongoing effectiveness of the awards.

Released under the Official Information Act 1982

Briefing Note: Information about scholarships and allowances: Boarding Allowances and Puāwaitanga and Aspire Scholarships

Date:	22 November 2016	Priority:	Medium
Security Level:	In Confidence	METIS	1033966
Approved by:	Kim Shannon	DDI:	04 463 8384

Purpose

1. This report provides information on how Boarding Allowances and the Puāwaitanga and Aspire scholarships are aligned to students' needs. Your office has asked:
 - a Are the scholarships and allowances reaching the children and young people that they were intended to reach?
 - b Is the quantum of each allowance sufficient in the current and, to the extent possible, future funding settings, to achieve the objectives of the allowance/scholarship?
 - c To what degree are the scholarships/allowances well correlated to need? What is the correlation between the scholarship recipients and those children and young people who we know are at risk? Noting that not all allowances and scholarships are intended to address access issues arising from disadvantage.
2. Answering the last question relies on data matching with the Integrated Data Infrastructure (IDI) dataset which is managed by New Zealand Statistics. This analysis is underway.

Overview

3. The objectives and target groups of the three schemes discussed in this report are all different. We are confident that each scheme reaches its intended target group.
4. In regard to Boarding Allowances, we question whether the value of the scheme is sufficient to achieve the original objectives. The value of the Boarding Allowance (\$3,200 for access and \$7,500 for the multiple barriers allowance) means that only between 20% to 50% of boarding costs are met by the allowance (based on an annual boarding fee of \$15,000). Parents, and sometimes schools, are meeting the shortfall.
5. We are not directly considering Boarding Allowances and the Puāwaitanga Scholarship within the Review of Education Funding Systems. We envisage these arrangements continuing to sit alongside the general school funding model.

6. Boarding Allowances facilitate access to appropriate schooling options for particular children, by subsidising the cost of boarding. This is complemented by government funding for the schooling the child receives, which is the focus of the review.
7. Puāwaitanga Scholarships are a tailored intervention to support the continued viability of Māori Boarding schools. It would not be possible to provide such tailored support through a funding model that applies to all schools.
8. As previously advised (METIS 1028136 refers), the Review of Education Funding Systems provides a potential opportunity to reconsider the need for Aspire Scholarships given the proposed change to the funding arrangements for independent schools. Questions are also emerging around the continued viability of the scheme at current funding levels with the value of the scholarship compared to fee levels a concern to families and participating schools.

Boarding Allowances

9. There are two types of Boarding Allowances – access and multiple barriers.

Boarding Allowance – Access

Objective:

To allow students who live a long distance from a local school, where there is no school transport solution, or a very long journey to a local school, to access education by going to boarding school.

Target Group:

Mainly secondary school students, though in some cases primary aged students are eligible.

Does it reach the intended children and young people?

Yes. Only students who meet the application eligibility criteria receive the allowance.

“Too far away” from school is defined as living an unreasonable distance from the nearest appropriate school (eg more than 60km) and:

- the closest school transport service to get to their nearest school is unreasonable (eg 20km), or
- they have to travel longer than 60 minutes one way to their nearest school each day, or
- they have to drive an unreasonable distance (eg 60km) to the nearest school.

\$ value per student:

\$3,200 per year (\$800 per term)

Is the \$ value sufficient to achieve the original objectives?

This question is currently being considered as part of a service-level review to be completed by March 2017. Generally the allowance covers only a small share of boarding costs. The allowance is insufficient for families who are struggling, for example grandparents who are raising grandchildren or single parents on a benefit.

For families on Great Barrier and Chatham Islands, the Ministry also contributes to the cost of travel to and from the mainland, but most of these families will need to contribute to the cost of boarding. Some families cannot afford to do this and their children remain on the Island and enrol in Te Kura. This is not always the best educational option for the student.

There has been no CPI adjustment to the allowance to take account of rising costs, including boarding fees charged by schools.

Boarding Allowance – Multiple Barriers

Objective:

To enable children who face difficulties in their life, that make it hard to attend or do well in their local school, to go to a boarding school.

Target Group:

Mainly secondary school students. In some cases primary aged students are eligible.

Does it reach the intended children and young people?

Yes. Children and young people are eligible for this funding if they demonstrate that they are experiencing more than one of the following:

- poor participation at school
- poor relationships
- behaviour issues
- low educational achievement
- poor environment at home or in their community.

The rubric used to assess eligibility is attached as appendix 1.

We think that some students who would be eligible for and would benefit from this allowance may not apply because their family cannot afford to make up the shortfall between the allowance and boarding costs.

\$ value per student:

\$7,500 per year towards the cost of boarding in a hostel, plus \$500 for extra costs (such as pastoral care or counselling), or \$4,000 per year towards the cost of private board, plus \$500 for extra costs.

Is the \$ value sufficient to achieve the original objectives?

This question is currently being considered as part of a service-level review to be completed by March 2017. This funding is only a partial contribution to the total cost of boarding and some families may struggle to make up the shortfall.

We are aware of families that have incurred debt in order to fund boarding costs and of other families where children have been removed from the hostel, disrupting their education and putting them further at risk.

There has been no CPI adjustment to the allowance to take account of rising costs, including boarding rates charged by school.

Puāwaitanga Scholarship

Objective:

To enable students with high potential to attend one of the five Māori boarding schools. Scholarships are offered to young people who demonstrate leadership potential, based on each school's own criteria, which may include: leadership skills and potential, academic achievement and potential, cultural strengths, sporting skills.

The scholarship scheme aims to:

- enable the schools to become a school of choice for a wider variety of learners, helping whānau to meet costs which may otherwise be out of reach, and as a result
- increase the rolls and therefore the financial viability of the Māori boarding schools.

Target Group:

Māori students showing leadership potential. Each of the five Māori boarding schools is able to award 15 scholarships.

Does it reach the intended children and young people?

Schools set their own criteria (within the parameters of the Memorandum of Understanding they have with the Ministry), and select the recipients for their school. The annual reports submitted by the schools indicate the scholarship is being used for students with leadership potential.

\$ value per student:

Up to \$15,000 per year to cover the full cost of boarding, as well as the cost of attendance dues.

None of the eligible schools are awarding to the upper limit of the scholarship. The highest annual payment is currently just over \$13,000. In addition, each student is provided an annual pūtea of \$1,500 to assist them with their educational goals (eg laptop, sports uniform).

Is the \$ value sufficient to achieve the original objectives?

Yes. The funding is sufficient to cover the costs of boarding and to support students while they attend a Māori boarding school.

Aspire Scholarship

Objective:

To improve education choice for secondary level students from low-income and low net-worth families by enabling access to an education provided by an independent school.

Target Group:

Year 9 students from low-income/low net worth families.

Does it reach the intended children and young people?

Yes. Financial eligibility criteria are used to assess applications. Only families who verify their finances with official and current documentation are eligible. Recipients are awarded the scholarship by way of a ballot.

\$ value per student:

Up to \$15,000 per year for private secondary school tuition fees. In addition, each student is paid up to \$1,500 per year for course related costs.

Is the \$ value sufficient to achieve the original objectives?

In 2016 a service-level review of Aspire was completed. It found that the value of the scholarship is a concern to families and participating schools, and will increasingly impact on viability of the scheme if it is not increased.

When the scheme began in 2009, scholarship levels were set as an upper estimate of fees and associated costs to families of attending an independent school. A few schools charged more at the senior level, but it was thought that this would not limit the number of scholarships that would be taken up in the annual funding cycle.

Since 2009, the value of the scholarship has not increased but tuition fees have increased markedly.

The scholarship is increasingly viewed as a subsidy, and affordability is the key issue for families as well as for many schools who have been waiving the difference to ensure the scholarship recipient can attend. Families report they are reducing spending, working more and increasing debt to cover the shortfall.

Multiple barriers Boarding Allowance assessment rubric

BARRIER 1 – PARTICIPATION

Pts	Description
0	<ul style="list-style-type: none"> Fully involved in classroom activities Fully involved with positive extra-curricular activities Default for no story
1	<ul style="list-style-type: none"> Quiet, engages occasionally Mostly positive peer group interaction Team player but can have problems Perception of limited subject choice locally
2	<ul style="list-style-type: none"> Lacks confidence Lacks structure & boundaries Cautious in group situations Participates in most learning experiences
3	<ul style="list-style-type: none"> Immature attitude Signs of negativity Needs monitoring to complete work Needs motivation Struggles to cope with change Sometimes doesn't do homework or assignments Has skills to participate but needs to learn them Interacts fine but can get frustrated
4	<ul style="list-style-type: none"> Not always able to participate Struggles to join in with others Disengaged Poor transition between schools/classes Supports are in place to compensate for being unable to participate Participating declining
5	<ul style="list-style-type: none"> Sporadic engagement, easily distracted Not tolerant of others with fewer talents Often off-task Disrespectful, needs firm boundaries Difficulty at home hinders participation at school Erratic attendance
6	<ul style="list-style-type: none"> Poor social skills, small group of friends Not willing to engage in learning Timid/upset when teased Lacks co-ordination, difficulty in interacting Negative peer influence Poor attendance Sensitive to opinions, cannot handle or interpret Homework often not completed Transient Difficulty with community circumstance, hindering participation
7	<ul style="list-style-type: none"> Fears violence, cannot participate Participates in anti-social activities Struggles to learn to interact and take turns Drop in grades, not doing homework Frequent absences, truancy Isolates self, difficulty paying attention Bullied & difficulty maintaining peer relationships Struggles to be organised at school Transience affecting school work Non-compliant not wanting to do tasks, fails to follow curriculum
8	<ul style="list-style-type: none"> Physical issues hinder participation, tries but can't Has intensive assistance to participate Confrontational, stopping school work Marked decrease in participation noted Psychological/physical bullying Serious truant Unable to make friends, withdrawn Serious challenge to keep on track in self discipline Withdrawn solitary
9	<ul style="list-style-type: none"> Cannot handle changes in class routines Struggles to integrate Chronic truancy Substance abuse affecting attendance & school work Non enrolled Participation affected by psychological/mental disabilities eg dysbraxia, lower end autism
10	<ul style="list-style-type: none"> Cannot handle classroom environment, gets anxious when participating Non verbal Isolates self in class Severe autism (med/high end of scale)

BARRIER 2 – RELATIONSHIPS

Pts	Description
0	<ul style="list-style-type: none"> Benefit from small/single sex school Is a role model for siblings/or children Default for no story
1	<ul style="list-style-type: none"> Gets on with like minded peers but not necessarily with others
2	<ul style="list-style-type: none"> Few friends except close peers (trusting of friends) Negative peer group
3	<ul style="list-style-type: none"> Timid in relationships (including family) Hard to make friends & form relationships Beginning to form friends Form relationships with close relatives but not peers Difficulty forming relationships due to immaturity Has received threats
4	<ul style="list-style-type: none"> Wants to have more friends but struggles, cannot fully engage in relationships Male/female models lack boundaries at home Remedial support from other adults Easily influenced & forms inappropriate relationships Parent's background makes it hard for student to form relationships Strained relationships with family and peers
5	<ul style="list-style-type: none"> Ostracised, peers intolerant of student Doesn't handle conflict, doesn't want to go to school Victim of negative community connections/gangs Does not respect/is anxious of parents & adults Low self esteem affecting relationships with parents Negative peer relationships
6	<ul style="list-style-type: none"> Difficult forming bonds with others, reclusive Has social attitude but difficulty forming relationships Parents work, little or no connection/communication with children, rarely sees them Strained relationships with teachers Acts before thinking and can harm relationships Negative peer relationships eg challenging adults Victim of family's negative connections, gangs, domestic violence When in positive relationship with trusted people can cope, select trusted friends Does not have quality friends, easily led Struggles with peer/adult relationships Grieving for family member affecting relationships
7	<ul style="list-style-type: none"> Blames others & no responsibility for own actions Subject to ridicule, teasing, shuts down communication Relationships at home make it hard to go to school Others fed up with their behaviour & won't communicate with student May be a bully Actively involved with gangs/wrong group Unable to form friendships, doesn't know how to act appropriately, no social skills Anger issues affect relationships & communication Police involved in home relationships Takes inappropriate head of family member role, is a caregiver themselves Feared by others, so no relationship building Disputes at home led to living with relatives & socially isolated Poor choice of friends results in negative situations Severe grief from loss of close family member significantly affects family & forming relationships Rebels against rules
8	<ul style="list-style-type: none"> Volatile relationships at home, on-going Police involvement Destructive relationships with serious consequences Acts anti-socially with peer group Frequent transience, disrupted relationships led to not living with parents
9	<ul style="list-style-type: none"> Has detachment or psychological/emotional issues affecting relationship building/maintaining Violent relationships with peers & family Are rejected by family and peers Significant trust issues from previous incident affecting relationship building At-risk of going into CYF care, destructive home environment causing relationship issues
10	<ul style="list-style-type: none"> Traumatic incident led to damaging relationships & actions Inappropriate sexual relationships, maybe with older people

BARRIER 3 – BEHAVIOUR

Pts	Description
0	<ul style="list-style-type: none"> Well liked by peers, well behaved Complies fully with peers and adults Role model, leadership qualities Default for no story
1	<ul style="list-style-type: none"> Needs some structure & boundaries Quietly confident
2	<ul style="list-style-type: none"> Low tolerance for others Needs positive structure & boundaries Struggles to organise self
3	<ul style="list-style-type: none"> Dishonest behaviour Low self esteem, confidence Immature behaviour Learning positive behaviours
4	<ul style="list-style-type: none"> Passive behaviour towards or due to peers with underlying causes Disengaged behaviour Attention deficit Low self esteem which is reflective in behaviour Disruptive if things aren't working out, frustrated Refuses to complete tasks, difficult to manage
5	<ul style="list-style-type: none"> Passive/aggressive behaviour Avoidance strategies to avoid work in and out of class Attention deficit underlying causes (not taking meds) Passive, reclusive behaviour, fragile
6	<ul style="list-style-type: none"> Aggressive attitude toward peers Close relatives abusing drugs, alcohol, substances Student easily influenced by negative peers resulting in negative behaviour A few SDS, receiving IRF Bullies/bullied Violent outbursts, lashing out Very shy
7	<ul style="list-style-type: none"> Fights at school Receiving anger management intervention Victim of serious bullying RTLB intervention Couple of SDS Experimenting with drugs, alcohol, substances Negative compliant behaviour Highly anxious
8	<ul style="list-style-type: none"> Inappropriate behaviour for age group Thoughts of self harm (suicide ideation) Extreme grief Uncontrolled anger management, refuses interventions Victim of bullying, leads to aggressive behaviours Mental health issues eg OCD, bi-polar, depression Low self esteem due to health issues & compensates with negative behaviour & attention seeking Known to police Vulnerable student Student excluded
9	<ul style="list-style-type: none"> Implied/actual self harm behaviour On police radar for criminal behaviours Receiving mental health services (CAHMS) or multiple agency interventions
10	<ul style="list-style-type: none"> Frequent actual self harm Engaging in criminal activities eg theft Multiple exclusions and no school in local area accepting student

SDS: stand-down and suspension

IRF: Interim Response Fund

BARRIER 4 – ACHIEVEMENT

Pts	Description
0	<ul style="list-style-type: none"> · Above average NS in most subjects · High achiever · Excels · Default for no story
1	<ul style="list-style-type: none"> · Above NS in 2 out of 3 of the "R"s · One of the "R"s is at standard · Has potential · Achieving in most subjects
2	<ul style="list-style-type: none"> · Meets NS in 2 out of 3 of the "R"s
3	<ul style="list-style-type: none"> · Meets NS in all 3 "R"s · Adequate, average · Achieving, doing well · No learning issues
4	<ul style="list-style-type: none"> · Below NS in 1 out of 3 "R"s · Extra tuition · Underachieving, capable but struggling · Student transferred from Maori immersion (doing well) to mainstream, challenged
5	<ul style="list-style-type: none"> · Below NS in 2 out of 3 "R"s · Extra tuition · Sensory deficit · 1 or 2 learning difficulties eg dyslexia, ADHD · Some support received eg Kip McGrath, SPELD
6	<ul style="list-style-type: none"> · Below NS in 3 out of 3 "R"s · Extra tuition · Sensory deficit & well below achievement, even with sensory aids · Support agency involved eg RTLIT, RTLB · School did not provide support for a transition
7	<ul style="list-style-type: none"> · Significant underachievement in literacy & numeracy · Multiple learning difficulties eg autism · Learning interventions eg RTLIT, RTLB, IEP, teacher aide · 1-2 years behind peer age group
8	<ul style="list-style-type: none"> · 3 years behind NS in literacy and numeracy · Receiving SENCO support · Variety of support agencies in place eg ORS · Extreme learning disabilities eg global delay
9	<ul style="list-style-type: none"> · 4 years behind NS in literacy and numeracy · Serious disorder hindering achievement
10	<ul style="list-style-type: none"> · 5 years behind in literacy, numeracy · Assistive disability aids in place · Significant memory issues · Multiple serious disorders · Modified learning programs needed but not provided at nearest school

NS: National Standards

"R"s: reading, writing and maths

BARRIER 5 – ENVIRONMENT

Pts	Description
0	<ul style="list-style-type: none"> Concerns about issues in community but no direct affect on student Default for no story Concerns about school, decile, behaviour, reputation Drug & alcohol abuse in family
1	<ul style="list-style-type: none"> Small community not aiding support & learning Early birth or development issues but not major long-term effects
2	<ul style="list-style-type: none"> Different standards in separated family homes leads to confusion Low finances are challenging family Small school, limited peer age group or gender
3	<ul style="list-style-type: none"> Student perceives threat from environment or community Sibling issues Single parent struggling to cope with children Community unable to assist family in need
4	<ul style="list-style-type: none"> Transient family or transitioning issues Older sibling at home brings uncertainty & disruption Heavy gang influence in community Drug use normalised Community not conducive to educational achievement or parents' employment Few or no boundaries at home Travelling companions to school lead to disruption
5	<ul style="list-style-type: none"> Financial issues affect living in general eg getting to nearest school, medium issues Several issues including hygiene and organising life Agencies involved with family Turbulent home environment Lack of self direction from parents Children sent away from home
6	<ul style="list-style-type: none"> Sent to elderly grandparents or relatives to live due to underlying issues Problems with step parent, kicked out of home Parent has health issue & dependent on student leading to tensions at home Lacks male role model Large blended family with student feeling on the outer, disputes with step parent/siblings Subtle bullying and deviousness in community towards student Close peers in local area abusing substances, involved with gangs and wagging school Close whanau condone truancy for their means Medical condition not being managed at home Parent jailed (child themselves not involved) Refuses to help at home
7	<ul style="list-style-type: none"> Desperate need for positive role models, no cultural role models Parents work fulltime, no time for children Severe issues with hygiene, self management Parent jailed & child victim Student with sick grandparent, parent or sibling with issues arising Inappropriate family role, caring for siblings/parents Serious negative influence of siblings, parents, cousins eg substance abuse Violence in home or community seen or experienced by student, threats, physical abuse & assaults Parents with low literacy, numeracy & history of learning difficulties Family suicide & other issues affecting student Police interventions in home Immediate family gang members and affecting living of student Close family member died, student not coping Financial issues affect ability to keep family safe Frequently moving home Living conditions unhygienic, cramped & volatile

8	<ul style="list-style-type: none"> · Close family in gangs and influential. Police involvement and intervention, home dysfunctional · Financial situation where child withdrawn from school, family living in garage of relatives as cannot afford rent · Severe physical/mental issues making home environment difficult · Major input from multiple agencies 	<ul style="list-style-type: none"> · Frequent transience with D&A involved · Frequent police intervention and student not coping with anger management · Major issues with parents, student has to go · Violent home life · Student on drugs, alcohol and on the police radar · Parents on substances/have mental disorders & not caring for children
9	<ul style="list-style-type: none"> · Father/mother active gang member with major interventions by agencies such as police · Major parental mental health issues, substance abuse · Abusive, toxic home environment with frequent violence & substance abuse · Parent jailed, ready for release (child a victim) · Student sneaking out at night & sexually active · Father jailed for physical/emotional abuse, student fears for their life, doesn't want to go to school 	<ul style="list-style-type: none"> · Student physically violent, destroyed property, family want student out of the home · History of multi-agency interventions, family totally dysfunctional · On police radar, active in criminal activities · Eating disorder, sleep deprivation due to fear, memories, images, parent neglect · Child alone – no close family, fending for themselves, on IYB
10	<ul style="list-style-type: none"> · 2 or 3 combinations of 8 or above (eg transience, gangs, violence, inappropriate parenting & relationships) with major intervention of agencies & mental & emotional impacts on student · Both parents mentally/physically disabled and unable to provide appropriate care 	<ul style="list-style-type: none"> · Witnessed/subjected to suicide/physical violence. Student feeling mentally unstable, remorse and guilt · Parent returning from jail sentence where student was victim. Extreme end · Carrying out criminal activities, truanting, significant agency intervention

Briefing Note: Communications plan for Aspire Scholarships

To:	Hon Chris Hipkins, Minister of Education Hon Jenny Salesa, Associate Minister of Education		
Date:	15 February 2018	Priority:	High
Security Level:	Budget in confidence	METIS No:	1105571 s 9(2)(a) OIA
Key Contact:	Matt Radley	DDI:	
Messaging seen by Communications team:	Yes	Round Robin:	No

Summary

- You took a joint Cabinet paper to the Social Wellbeing Committee on 14 February 2018 to seek agreement on the arrangements for the termination of the Aspire Scholarships. This enabled a decision by Cabinet, and announcement of the decision, on 19 February.
- This briefing provides you with a communications plan, draft media statement and Q&As / reactives to support the announcement.



Dr David Wales
National Director Learning Support
Sector Enablement and Support

15/2/2018

Background

1. You took a joint Cabinet paper to the Social Wellbeing Committee on 14 February 2018 to seek agreement on the arrangements for the termination of the Aspire Scholarships. This enabled a decision by Cabinet, and announcement of the decision, on 19 February.

How the decision will be communicated

2. A draft media statement announcing the decision is enclosed as Annex 1.
3. The Ministry will write to the parents of students who currently hold Aspire Scholarships to assure them they will keep their scholarships for the remainder of their secondary schooling. The Ministry will also write to private schools to inform them of the changes. These letters will be sent directly after the announcement of the decision on 19 February.
4. Other communications channels that will be used to inform the general public and schools are the School Bulletin and an update on the Ministry's website.
5. A communications plan is enclosed as Annex 2, along with Q&As and reactives in Annex 3.

Key communication messages

6. The key communications messages are:
 - Subsidising access to private schools for a small number of children is not a priority for this Government.
 - The money used to fund Aspire places will instead be used to fund education for many more students in the state system.
 - Current Aspire Scholarship holders will not be disadvantaged by the decision, as the change involves not allocating any new scholarships.

Annexes

- Annex 1: 9(2)(g)(i)
- Annex 2: 9(2)(g)(i)
- Annex 3: 9(2)(g)(i)

Rationale for discontinuing the Aspire scholarships scheme

1. The Aspire scholarships were introduced in 2009 as part of the confidence and supply agreement with the ACT party. It was not introduced with any evidence base as to its effectiveness for improving educational outcomes.
2. The selection criteria for the scholarships relate to income and assets only. There are no criteria relating to ethnicity or any other factors. Scholarship recipients are selected by ballot depending on the number of applications and the number of places available that year. This means that the scholarship is very loosely targeted and relies more on self-selection from families.
3. Of the students who applied in 2017 (for take-up in 2018), 17.4% of applications came from students already attending private schools, including nine of the private schools eligible for take-up of the scholarship in Year 9. The spread of these applications by school decile was as follows:

Summary table of applications for Aspire scholarships for the 2018 school year		
Decile of school (for state and state-integrated schools)	# of applications total in 2018	% of applicant pool
1	10	9.2%
2	22	20.2%
3	10	9.2%
4	7	6.4%
5	7	6.4%
6	5	4.6%
7	4	3.7%
8	10	9.2%
9	8	7.3%
10	5	4.6%
Private (no decile)	19	17.4%
Located in Cook Islands (no decile)	2	1.8%
TOTAL APPLICATIONS	109	100.0%

Note: in 2018, 86 applications were eligible, 22 were ineligible, and 2 were incomplete.

4. Self-selection from families indicates that the students who receive Aspire scholarships come from families who place value on educational success, and would therefore be likely to succeed in the state schooling system as well.

5. Scholarship holders are not guaranteed admission to a private school. Private schools still have discretion over which pupils they admit. As there is often a gap between the amount provided by the scholarship (up to \$16,500) and the full cost of attending the private school, schools which offer to cover the shortfall for the student have an incentive to admit those students who are already prepared to succeed.
6. The programme has been successful for students who have taken up Aspire scholarships. Of all the Aspire school leavers from 2010-2015, 58% left school with NCEA Level 3 as their highest qualification, and a further 25% attained NCEA Level 2. In 2017, 59 new scholarships were taken up, with 27 students identifying as Pākehā, 23 as Pasifika, 19 as Māori and 4 as Asian (with some students belonging to more than one ethnic group).
7. As the scholarship relies on self-selection and there are only a very small number available, we believe it is not a cost-effective way to raise achievement for priority learners.