Copyright is owned by the Author of the thesis. Permission is given for a copy to be downloaded by an individual for the purpose of research and private study only. The thesis may not be reproduced elsewhere without the permission of the Author.
User-Pays in New Zealand's Free Compulsory Education System

A thesis submitted in partial fulfilment of the requirements for the degree of
Master of Public Policy
Massey University
Albany, New Zealand

Sandra Gail Latimer
2002
Abstract

In 1989 New Zealand embarked on the reform of its compulsory education sector. The resulting model, known as Tomorrow's Schools, decentralised administration and gave each individual school its own Board of Trustees responsible for managing the school's finances. Since then, the cost to parents for their children's compulsory education has increased considerably.

This thesis examines schools' behaviour when requesting and collecting money from parents and caregivers, compliance of this behaviour with Ministry of Education policy and the changes over time in the amounts of money raised locally by schools.

Schools' compliance with Ministry of Education policy is generally poor. Many schools do not tell parents that donations are voluntary and charge parents for items not allowed under Ministry policy, including photocopying, use of information technology equipment and subject fees for subjects which do not have a take home component. Costs to parents are lowest in small schools and rural schools. Larger primary schools request and collect more in donations from parents and are more likely to exclude children from participation because of non-payment, and this was consistent across decile groups. Parents with children in large/urban high-decile schools pay most.

Secondary education is much more expensive to parents than is primary education and parents expressed concern about this and about children being excluded from curricular and extra-curricular activities because of parental inability to pay. In addition, compliance with Ministry policy appears to be lower in secondary schools.

Decile-related funding has caused some higher-decile schools to conclude that government no longer fully funds them and they must raise additional money from parents. Schools turn to parent communities to make up any shortfall in funding, and there are indications of erosion in belief in the ideal of a free compulsory education.
Acknowledgements

There are many people to be acknowledged for their contributions to this research project.

First must be the people who agreed to be subjects of the research. Without them I would have no material. Thank you to the principals of the schools who participated in the School Survey, to the parents who gave of their time and shared their views and experiences in the focus groups, and to all the people who supplied information to the National Council of Women of New Zealand in their 1999 survey. Thank you to the National Council of Women of New Zealand for the use of data collected by their membership and for advice and support in the design phase of the School Survey.

For financial support, thanks go to the New Zealand Federation of Graduate Women for the Harriette Jenkins Award, and to the Massey University Social Policy & Social Work Graduate Research Fund.

Thank you to the many officials of the Ministry of Education who patiently answered my many questions and responded to my numerous requests for data and statistics, and to those in the schools I contacted for advice and information.

Thank you to Dr Michael Belgrave for supervision, to Ailsa for support, advice and encouragement over cups of coffee, to those friends who read and commented on the drafts, and especially to Bob for his editing skills and for his love and support over the two years of work.
TABLE OF CONTENTS

LIST OF TABLES .......................................................................................................................... VI

LIST OF FIGURES ........................................................................................................................ VII

1 INTRODUCTION ........................................................................................................................... 1

2 HISTORY ........................................................................................................................................ 7

2.1 HISTORY OF COMPULSORY EDUCATION IN NEW ZEALAND .............................................. 7
  2.1.1 The Colonial Period .................................................................................................................. 7
  2.1.2 The Provincial Period ............................................................................................................... 8
  2.1.3 The Education Act 1877 ......................................................................................................... 12
  2.1.4 Development of Post Primary Education .............................................................................. 15
  2.1.5 Further Developments ........................................................................................................... 16
  2.1.6 The Post War Era 1944-1989 ............................................................................................... 18

2.2 TOMORROW'S SCHOOLS ........................................................................................................ 20

3 POLICY ........................................................................................................................................ 23

3.1 INTRODUCTION ........................................................................................................................ 23

3.2 MINISTRY OF EDUCATION POLICY ......................................................................................... 23
  3.2.1 Circular 1998 125 ................................................................................................................... 23
  3.2.2 Issues Identified in the Updated Circular .............................................................................. 25
  3.2.3 Communicating and Monitoring the Policy ........................................................................... 30

3.3 COMMENT ON THE POLICY .................................................................................................... 31

4 LITERATURE REVIEW ................................................................................................................. 33

4.1 INTRODUCTION ........................................................................................................................ 33

4.2 NEWSPAPER REPORTS ON FEES ISSUES ................................................................................ 33
  4.2.1 Pressure on Parents .................................................................................................................. 34
  4.2.2 What Parents Pay for ............................................................................................................. 37
  4.2.3 School Funding Issues ......................................................................................................... 42

4.3 RESEARCH INTO SCHOOLS' LOCAL FUNDING ...................................................................... 45
  4.3.1 Consumers Institute Surveys ................................................................................................. 45
  4.3.2 Richardson Epplett Study of Schools Operations Grants ..................................................... 47
  4.3.3 ESRA Reports ......................................................................................................................... 48
  4.3.4 Wellington Community Law Society Pilot Project ................................................................. 50
  4.3.5 Ten Years On: How the Schools View Education Reform .................................................... 52
  4.3.6 When Schools Compete: A Cautionary Tale ....................................................................... 54

4.4 NCWNZ 1999 SURVEY .......................................................................................................... 58

4.5 CONCLUSION ............................................................................................................................ 59
8 FINDINGS – PARENT FOCUS GROUPS ........................................... 149

8.1 FOCUS GROUP SESSIONS .................................................. 149
  8.1.1 Focus Group One ................................................. 149
  8.1.2 Focus Group Two ................................................ 154
  8.1.3 Focus Group Three ............................................. 159
  8.1.4 Focus Group Four ............................................... 165
8.2 SUMMARY ........................................................................ 170

9 ANALYSIS ......................................................................... 172

  9.1 INTRODUCTION .............................................................. 172
  9.2 USER-PAYS IN OUR FREE COMPULSORY EDUCATION SYSTEM ... 172
  9.3 MINISTRY OF EDUCATION POLICY AND SCHOOLS’ COMPLIANCE .. 175
  9.4 THE SCHOOL DONATION ............................................. 178
  9.5 DECILE-RELATED FUNDING ........................................... 180
  9.6 URBAN/LARGE AND RURAL/SMALL SCHOOLS ................. 184
  9.7 THE HIGHER COST OF SECONDARY EDUCATION ............ 186
  9.8 SCHOOLS’ FINANCIAL REPORTING ................................ 188

10 CONCLUSIONS AND RECOMMENDATIONS ............................. 190

  10.1 THE POLICY ENVIRONMENT ........................................ 190
  10.2 OTHER ISSUES ............................................................ 192

REFERENCES ......................................................................... 193

APPENDIX ONE ....................................................................... 196

APPENDIX TWO ..................................................................... 199

APPENDIX THREE ................................................................... 206

APPENDIX FOUR .................................................................... 209
List of Tables

Table | Page
-----|------
Table 1: Headings and subheadings for reporting revenue and expenses | 73
Table 2: Schools revenue and expenses 1999 | 81
Table 3: Schools Local Funds revenue and expenses by source of revenue 1999 | 82
Table 4: School revenue and expenses per student 1999 | 82
Table 5: Local revenue and expenses per student by source of revenue 1999 | 83
Table 6: Primary schools Local Funds revenue by source 1995 and 1999 (adjusted) | 104
Table 7: Secondary schools Local Funds revenue by source 1995 and 1999 (adjusted) | 105
Table 8: Primary school donation median amount requested by decile group | 118
Table 9: Primary school median donation request and % collected | 119
Table 10: Primary school donation request and collection rate by area type | 119
Table 11: Primary school median donation requested by roll size | 120
Table 12: Primary school % donations collected by roll size | 120
Table 13: Median donation collected per student in primary schools in 2000 | 120
Table 14: Median donation amount per student by size of schools in primary schools in 2000 | 121
Table 15: Secondary school median donation request and % collected | 125
Table 16: Secondary school donation request and collection rate by area type | 126
Table 17: Median donation amount per student in secondary schools in 2000 | 126
Table 18: Secondary schools median percent of activity fees collected | 127
Table 19: Decile of schools in the document analysis | 139
Table 20: Roll size of schools in the document analysis | 140
Table 21: Region of schools in document analysis | 140
Table 22: Area type of schools in the document analysis | 141
Table 23: Level of schools in the document analysis | 141
Table 24: Institutional authority of schools in the document analysis | 141
Table 25: Type of document | 142
## List of Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1: Local Funds revenue by source and school sector 1999</td>
<td>84</td>
</tr>
<tr>
<td>Figure 2: Primary schools revenue per student by decile group 1999</td>
<td>84</td>
</tr>
<tr>
<td>Figure 3: Secondary schools revenue per student by decile group 1999</td>
<td>85</td>
</tr>
<tr>
<td>Figure 4: Primary schools Local Funds revenue per student by decile group and source 1999</td>
<td>86</td>
</tr>
<tr>
<td>Figure 5: Secondary schools Local Funds revenue per student by decile group and source 1999</td>
<td>87</td>
</tr>
<tr>
<td>Figure 6: Primary schools Local Funds revenue and expenses 1999</td>
<td>87</td>
</tr>
<tr>
<td>Figure 7: Secondary schools Local Funds revenue and expenses 1999</td>
<td>88</td>
</tr>
<tr>
<td>Figure 8: Primary school Operations Grants &amp; Local Funds revenue per student 1999</td>
<td>89</td>
</tr>
<tr>
<td>Figure 9: Secondary school Operations Grants and Local Funds revenue per student 1999</td>
<td>90</td>
</tr>
<tr>
<td>Figure 10: Primary school Operations Grants and Local Funds revenue by size of school 1999</td>
<td>91</td>
</tr>
<tr>
<td>Figure 11: Secondary schools Operations Grants and Local Funds by size of school 1999</td>
<td>91</td>
</tr>
<tr>
<td>Figure 12: Primary school Local Funds revenue by size of school 1999</td>
<td>92</td>
</tr>
<tr>
<td>Figure 13: Secondary school Local Funds revenue by size of school 1999</td>
<td>93</td>
</tr>
<tr>
<td>Figure 14: Primary schools revenue per student 1994-1999 (adjusted)</td>
<td>95</td>
</tr>
<tr>
<td>Figure 15: Secondary schools revenue per student 1994-1999 (adjusted)</td>
<td>96</td>
</tr>
<tr>
<td>Figure 16: Local Funds revenue per student 1994-1999 (adjusted)</td>
<td>96</td>
</tr>
<tr>
<td>Figure 17: Primary schools Local Funds revenue per student and percent of total revenue 1994-1999 (adjusted)</td>
<td>97</td>
</tr>
<tr>
<td>Figure 18: Secondary schools Local Funds revenue per student and percent of total revenue 1994-1999 (adjusted)</td>
<td>97</td>
</tr>
<tr>
<td>Figure 19: Primary school Local Funds revenue by source 1994-1999 (adjusted)</td>
<td>98</td>
</tr>
<tr>
<td>Figure 20: Secondary school Local Funds revenue by source 1994-1999 (adjusted)</td>
<td>99</td>
</tr>
</tbody>
</table>
Figure 21: Primary school Operations Grants and Local Funds Revenue 1995-1999 (adjusted)  
Figure 22: Primary school Operations Grants and Local Funds Revenue 1995-1999 (adjusted)  
Figure 23: Primary schools government grants per student by decile group 1994 and 1999 (adjusted)  
Figure 24: Secondary schools government grants per student by decile group 1994 and 1999 (adjusted)  
Figure 25: Primary schools Local Funds revenue per student by decile group 1994 and 1999 (adjusted)  
Figure 26: Secondary schools Local Funds revenue per student by decile group 1994 and 1999 (adjusted)  
Figure 27: Primary school Operations Grants by decile group 1995-1999 (adjusted)  
Figure 28: Secondary school Operations Grants by decile group 1995-1999 (adjusted)  
Figure 29: Primary school success in collection of donations  
Figure 30: Primary school collection of donations by decile group