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User-Pays in New Zealand's Free Compulsory Education System

A thesis submitted in partial fulfilment
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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.

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1 Introduction

When both of our children were in primary school, I found myself hoarding gold coins so that I would have the correct amount of money to send to school in response to the inevitable and ongoing requests for money for one purpose or another. When our older child reached secondary school some of the pressure came off the gold coins. The money now goes down the road to the high school in twenty-dollar bills. And this is in addition to the more significant payments by cheque of voluntary donations, subject fees and camp fees. What's going on here, I asked myself. Why does my children's "free" compulsory education cost me so much? And how on earth do families with a limited income and/or more children manage?

When I started looking around I saw other signs of stress: the school's enormous gratitude when a parent offered extra money to help pay camp fees for families having difficulty finding the money; a hasty adjustment to a PTA fundraising project after it was found that lower income families and families with more children were finding it too difficult to purchase their children's art work. In the wider community, the daily newspaper reported other events: a state school taken to task by the Ministry of Education for attempting to charge a **compulsory** school fee; contention between several secondary schools and the Ministry over whether students whose parents had not paid voluntary donations should be allowed to attend the school ball; a school upbraided by the Ministry for planning to turn unpaid accounts over to a debt collection agency.

For more than a century, state funded education has been a hallmark of developed countries and a cornerstone of their way of life. It forms the basis for the preservation of democratic institutions, creates a measure of social cohesion within society and provides the educated workforce needed to maintain economic well-being. New Zealand confirmed its place in this world with the enactment of the Education Act 1877 and has a long history of taxpayer-funded, state-provided compulsory education.

The economic reforms of the 1980s and 1990s brought a change in government policy with an emphasis on greater individual and family responsibility, less government,

lower taxes, more “user-pays” and choice for consumers. In the education sector this resulted in the implementation in 1989 of the model we know as Tomorrow’s Schools. School boards were disestablished and each individual school was given its own Board of Trustees responsible for managing the school’s finances.

The right to a free education was reiterated in the new Education Act which implemented these reforms. Section 3 of the Education Act 1989 states that ‘...every person who is not a foreign student is entitled to free enrolment and free education at any state school during the period beginning on the person’s 5th birthday and ending on the 1st day of January after the person’s 19th birthday’.

However, since 1989 the importance and amount of schools’ locally-raised funds (that is, not government-provided) has increased steadily. In 1999 New Zealand state and integrated schools raised \$90 million in revenue through donations and fundraising and collected from parents and caregivers some significant portion of the \$106 million raised in activity fees. These amounts do not include all of parents’ considerable contributions through fundraising and donations to capital projects such as school halls, as these monies are usually not reported as revenue but are instead included in schools’ balance sheets.

Schools have always raised money locally for projects. This is not new. What **is** new is the increase in its importance and in the amounts of money involved. New Zealand is now in a situation where there is significant tension between the law, which says that compulsory education is free, and common practice, whereby schools obtain a substantial amount of funding directly from parents and caregivers. What we say and what we do are two different things.

In addition to this ethical issue, how can we be sure that schools have the best interests of our children at heart when making decisions about the collection or use of local funds? Income from school lunchrooms is a case in point.

In the early 1990s, when my older child started school at the primary school in the area we then lived in, I was dismayed to find the lunchroom menu crowded with sweets and treats, everything from chippies to chocolate donuts to soft drinks. I wrote

to the principal, suggesting that there was a need for healthier food. The response was polite but firm. The lunchroom was an important source of revenue for the school and the menu included the things that children wanted to buy. This situation was not unique to that particular school, and so the Heart Foundation, with its programme to improve school lunchroom menus, became the advocate for childhood nutrition and healthy eating habits, rather than the schools and the parents who one would have expected to fulfil this role.

Here there is a conflict of interest between the nutritional well-being of the children and the financial well-being of the school. A similar conflict of interest occurs whenever a decision must be made about exclusion of children from participation in school life because of non-payment by parents.

The increased importance of schools' local funding raises another, broader issue. What is the state's responsibility in the provision of compulsory education? Is it the state's responsibility to provide a quality education for all New Zealand children? Or is it to provide only very basic funding, with responsibility for the provision of quality shifting to the local school community? Is it the state's responsibility to ensure that children are not disadvantaged by parental inability to pay? There is a lack of clarity on this fundamental issue of the state's role.

The implementation of Targeted Funding for Educational Achievement, or TFEA funding, in 1995 increased confusion. Often called decile-related funding because school communities were divided into 10 levels or deciles according to socio-economic status of families, this funding model changed the formulas for calculating schools' grants. It allocates more money on a per student basis to schools in lower socio-economic areas and less money to schools in better-off areas. The Ministry of Education position is that the extra funding is intended to compensate for the educational disadvantage experienced by students in lower socio-economic areas because of a lack of resources in the home. On the surface, it appears to be an admirable system to compensate for socio-economic deprivation.

However, TFEA funding has been taken by schools to be confirmation that Government no longer fully funds schools in medium and higher income areas and

that schools in these areas must now look to parents and the local community for operational funding. In this they are hampered by law and policy which proclaim that education is free. The funding level of schools in poorer areas has become the standard to which other schools aspire and this has increased pressure on parents and local communities for financial support for their school.

In another way, TFEA funding has proved to be a blunt tool. There can be, and usually is, considerable variation in the financial circumstances of families within a school's population, for example where the school's zone covers a large geographic region. However, schools in lower socio-economic areas receive more funding for their lower income families than do schools in higher socio-economic areas. Direct costs of schooling to lower income families varies according to the decile level assigned to their local school and not according to the income level of the family and its ability to pay.

In spite of the substantial increase in schools' local revenue, little has been published about its sources or the means used to obtain it. There is no regular monitoring of schools' compliance with government policy on direct charges to students. No systematic research has been conducted into schools' behaviour when requesting money from parents and caregivers or the consequences to families who cannot, or will not, pay. Are children and families being adversely affected?

This thesis is a piece of exploratory research aimed at filling some of the gaps. Its objectives are to describe schools' behaviour and experience in the collection of money from parents; to test these against some parents' views and experience with schools; and to make recommendations on policy in this area. The approach used includes both quantitative and qualitative research techniques. This includes a survey of a sample of New Zealand state and integrated schools, an analysis of schools' written communications to parents regarding voluntary donations and activity fees, focus groups with parents and an analysis of Ministry of Education published and unpublished data on schools' local revenue derived from school financial statements.

One further explanation of methodology is necessary. The National Council of Women of New Zealand (NCWNZ), concerned with affordability and accessibility of

education, conducted a survey through their membership in 1999 to gather information about voluntary donations and activity fees. They generously made the data from their survey available for use in this research. Because the NCWNZ survey functioned as a pilot study for my survey and because I include material from the NCWNZ survey in my analysis of schools' written communications to parents, I have incorporated a description of the methodology and findings of the NCWNZ research into the appropriate chapters of the thesis.

In a New Zealand school, the Board of Trustees is responsible for governance and for establishing the school's policy. The principal, as chief executive officer of the enterprise is responsible for its implementation. When discussing policy and practice relating to collection of money from parents and caregivers, it is the board and the principal who are accountable. However, rather than referring to 'the Board of Trustees and the principal' in this thesis, I have instead referred to 'the school' which has the advantage of being concise, and is, I believe the way the majority of parents continue to see the entity.

The thesis is arranged in 10 chapters. This chapter, the Introduction, presents the research topic, its background, its objectives and an overall description of the thesis.

Chapter 2 is a summary of the history of the development of compulsory education in New Zealand, focussing particularly on funding. This chapter was important to me because I did not grow up in New Zealand and neither experienced the school system here nor studied New Zealand history.

Chapter 3 discusses the Ministry of Education policy with regard to schools' requests for money from parents and caregivers. In this chapter, the policy, the way it is communicated and procedures for monitoring it are described.

Chapter 4 presents a review of the literature. It includes a survey of newspaper articles demonstrating problems with the policy and research into schools' operational funding and local revenue, and concludes with an introduction to the NCWNZ survey.

Chapter 5 describes the methodology used in this study. This includes a description of the source of the schools' financial data, the methodology used for the NCWNZ survey, the sampling methodology for the School Survey, the recruitment of participants for parent focus groups and a discussion of ethical considerations relating to the research.

Chapter 6 presents the findings of the analysis of schools' local funding derived from schools' financial statements.

Chapter 7 presents the findings of the NCWNZ survey, the School Survey and the analysis of schools' written communications to parents about donations and other fees.

Chapter 8 presents the findings of the focus groups with parents.

In Chapter 9 the findings of the research and the literature are drawn together and analysed.

Chapter 10 contains conclusions and recommendations. This chapter draws on the analysis in Chapter 9 to present recommendations for public policy and future research.

2 History

This chapter examines the development of the compulsory education sector in New Zealand. It focuses particularly on funding, and, where possible, on local funding. It is somewhat frustrating that, because the main source of funding is from Government, while there is acknowledgement of local support for schools and schemes to encourage local fundraising, there are few records of the amounts of money raised at the local level and little about its use. The chapter concludes with a description of Tomorrow's Schools.

2.1 History of Compulsory Education in New Zealand

New Zealand has had a national system of state-funded primary education since the Education Act 1877. This system had its beginning in the various educational models of the provincial governments and was also influenced by debates on the importance of education and the role of the state in education occurring in England, America and other developed and developing countries during this period.

2.1.1 The Colonial Period

Schooling for Maori and non-Maori developed in different models, with schooling for Maori becoming the responsibility of the state very early in the country's development as part of its native policy. The first experience of Maori with European schooling was with the mission schools early in the nineteenth century. Maori interest in education arose primarily from a desire to acquire European technology and the knowledge which produced it. The mission schools, interested in religious conversions, took the approach that the material prosperity of the European culture was directly connected to religion. All teaching was done using the Maori language and Maori literacy rates increased dramatically during the 1820s and 1830s. Interest decreased during the 1840s, partly because of the missionaries' insistence on teaching in Maori. As the European population increased, Maori need for English increased as well.

In this period, land endowment was a common method of funding education. The first legislation for education in the colony was "An Ordinance for appointing a Board of Trustees for the Management of Property to be set apart for the Education and

Advancement of the Native Race, 1844". This was followed in 1847 with "An Ordinance for promoting the Education of the Youth in the Colony of New Zealand". This legislation gave the Governor and his Executive Council the power to spend up to one twentieth of the Colony's revenue for the erection or support of schools for both Maori and non-Maori children. Schools were to be placed under the management of religious bodies, although they were to be open to government inspection. The scheme proposed by the 1847 Education Ordinance had little effect because of the deteriorating relationship between Maori and Europeans and the resulting Maori wars. Government funding began with the Education Ordinance Act 1847 and continued with the Native Schools Act 1858. Subsidies were given to denominational boarding schools on the condition that they taught English and provided industrial training. Boarding schools were preferred because they removed the children from the influence of their families and villages. Intellectual development was given low priority in the curriculum and the priorities were assimilation and industrial training.

2.1.2 The Provincial Period

Prior to 1853, schools for the European population, which charged fees for attendance, had been established by churches and private individuals. With the establishment of self-government by the Constitution Act 1853, the country was divided into provinces, and these were given the responsibility for education until their demise in 1876.

During the provincial period, as the population increased and it became clear that churches did not have sufficient resources to cope, each of the provinces set up its own system of primary education. Education at this time was seen both as a means of social control and a mechanism to improve a child's life chances. Early advocates of state-funded education cited reasons such as improved civil obedience, reduction of crime (and therefore police budgets), influence on character and conduct and the need for an informed electorate. The settlers' desire for an egalitarian society was also a force in the development of state education.

With the increasing involvement of government in education, there were four areas contributing to the debate about the design: administrative structure, funding, the safeguarding of the right of religious conscience of people and the issue of whether education should be compulsory. Views varied widely and the resulting provincial schemes varied according to the characteristics of the people who had settled in each province and the differing financial situations of the provinces. The main source of revenue for Provincial Councils was the sale of land, either waste land or land purchased from the Maori. The South Island provinces, with their more sparse Maori populations, were much wealthier than their North Island counterparts during this period.

Otago Province passed its first Educational Ordinance in 1856. This created a Board, with power to establish educational districts, and provide for the election of committees, inspection of schools and approval of teachers. Revenue was to be derived from an annual poll tax and from fees, which were to be set by the Board. Reflecting the Scottish background of the community, the Ordinance also provided for the establishment of a high school, a feature of Scottish education, and regulated religious instruction to ensure the dominance of the Presbyterian Church. New ordinances passed in 1861 and 1864 reduced the requirement for religious education and replaced the poll tax with a rate. This proved too difficult to collect and was abandoned in 1865, with funding then being derived from provincial revenue and fees. Provincial revenues were high in these years because of the availability of land for sale or lease by the Province and the discovery of gold.

Canterbury Province, settled primarily by immigrants from England, began by granting money directly to the heads of religious denominations, as was the pattern in England. However, a rapidly growing population put too great a strain on the system and, in 1863, control of education was removed from the churches and given to a Board. Education districts were established and committees elected. Committees were responsible for erecting schools, hiring teachers and fixing fees. The Board would provide three quarters of the cost of buildings and an annual operating grant. The committee could levy a rate to make up any shortfall in funding. Private schools were provided with a grant equalling half the teachers' salaries. In 1871 the Board undertook to provide five sixths of the cost of new buildings and fees were abolished

and replaced with an annual rate on householders and a capitation fee on children. In 1873 a new Act withdrew the funding to private schools.

The Nelson Province created the most successful system, one that was later modelled by the other provinces and became the basis for the national system. The Province set up educational districts, and a Central Board consisting of representatives of local committees, one per district. Funding, which was distributed by the Central Board, was provided by an annual levy on each household, plus a capitation levy of five shillings per child. Local Committees were responsible for management of the schools and the appointments of teachers, although the Central Board had the power to supersede them if necessary. Schools were open to all children and religious education was to be of an uncontroversial nature. Minority groups, such as Roman Catholics, were given the right to establish their own schools using their portion of the levy.

In Wellington, schools had been run by a number of churches and education was only affordable to the well-off. The Provincial Council's first Education Act gave the Superintendent the power to establish districts with elected committees. Committees were given the power to establish a rate to fund school maintenance. Schools were to be secular, open to all children and subject to inspection by a government inspector. A few schools were established in rural areas under this legislation but Wellington itself remained the domain of private and church schools which charged fees. A new Act in 1871, resembling the Nelson Act, provided funding through an annual rate on property and a capitation fee on children. In 1874 the capitation fee was dropped as uncollectable and a system of school fees was introduced.

Auckland Province initially adopted the approach of aiding voluntary efforts and the majority of schools were church-affiliated. The Province was to provide one half of the teachers' salaries and fees were to be no more than one shilling per week. Funding was to be provided out of money voted to the Provincial Council and this proved to be insufficient, the Province being very badly off financially as a result of the Maori Land Wars and the stagnation of land sales. Auckland Province is credited with having the worst educational system during this time. The increase in population and spread to rural areas following the end of the Maori wars put increasing pressure

on educational funding and made supporting church schools impracticable. The Education Act of 1869 made schools secular, set up a Board and provided for the establishment of districts. Local committees were to balance income from fees, donations and local subscriptions and they could also fix a local school rate if needed. The 1872 Act strengthened financial control and gave the Board the power to levy an annual rate if needed. An amendment in 1874 increased the capitation rate and established a tax on adult males who did not pay the property rate.

During the provincial period, the General Assembly had passed numerous reserve Acts which provided endowments for various schools and had also taken responsibility for the education of Maori. The Native Schools Act 1858 provided funding for a term of seven years to boards representing various religious bodies for the education of aboriginal people. This programme was not a success for several reasons connected to both the management of the schools and the circumstances of the Maori people. The 1867 Native Schools Act established a system of secular primary village day schools for Maori. As was the case 10 years later with the Education Act 1877, one of the main impetuses for this legislation was social control, seen as an urgent economic necessity following the wars in the earlier part of the decade. The other objective was the continued Europeanisation of the Maori (Coxon, 1994; Shuker, 1987).

The 1867 Act made provision for funding from the revenue of the Colony to subsidise the costs of buildings, land, books and teachers' salaries. Administration was the responsibility of the Colonial Secretary. Control was removed from the religious institutions and a government inspector was appointed. The natives were required to contribute one quarter of the costs, although this requirement was relaxed in the Native Schools Amendment Act 1874.

By the 1870s it had become apparent that the provincial systems of government were producing major inequalities and that an adequate funding source was a necessity if the state were to foster education. Statistics gathered in 1869 revealed that a substantial number of children were still not receiving any education. Public dissatisfaction with the education system was growing and at the same time the country was beginning to think like one nation. Debates in Britain and other countries

on universal education also had an effect. In 1871 a bill was introduced into the General Assembly which proposed that control of education be placed under a responsible minister, although there would still be boards, committees and districts. The measure proved contentious and was withdrawn a few months later. However, the central government did finally inherit the problem with the demise of the provinces in 1876. In October 1876 an Act was passed to allow for the continuation of the provincial education boards, and a comprehensive education bill dealing with primary education was introduced in July 1877.

2.1.3 The Education Act 1877

The Education Bill 1877 proposed the establishment of a Department of Education controlled by a Ministry of the Crown, headed by a permanent secretary and employing the inspectors of schools. This department would control the appropriations by parliament for the funding of education. The proposed Boards of Educational Districts were substantially the former Provincial Boards and School Committees were to be retained. Much of the power of the Boards, however, was shifted to the Department under this proposal.

The Bill proposed that the central government should pay for seven-eighths of the cost of funding education. The Government would make a grant to the Boards of £3 10s 0d from the consolidated fund for every child in attendance and a capitation grant of 10/- per child was to be collected directly from parents and spent by School Committees. This was a compromise between those who felt education should be free and those who felt that parents should contribute. School fees were abolished but parents still made a contribution to costs. However, income from educational endowments was to be subtracted from the amount of the grant, thereby disadvantaging Canterbury and Otago which had considerable revenue available to them for education. With regard to compulsory schooling, the Bill contained a clause which left compulsory attendance to the discretion of the School Committees. School Boards could, with the permission of the Department, establish district high schools which were to charge fees and they were empowered to make scholarships available to good students to attend these schools. On the question of religious education in schools, the Bill

proposed that schools open each day with the reading of the Bible and the Lord's Prayer. No aid was to be given to religious schools.

The Bill was vigorously debated and a number of significant changes were made. The employment of inspectors was moved from the Department to the Boards, a major victory for the provincialists. The public scholarships for secondary schooling were to be open to competition by all children of school age, not just those in state schools as had been proposed by the Bill. The grant per child increased to £3 15s and the capitation fees were removed making state education free. The provision for Bible reading and prayer was dropped and state education was made completely secular. Land and buildings used for state schooling were exempt from local rates.

The Bill then went to the Legislative Council for consideration. The Council did not agree that state education should be free to parents and struck down the appropriation clause. It also amended the Bill to reinstate Bible reading and prayer, changed the date of Committee elections and amended voting procedures for Boards. When the Bill went back to the House of Representatives, the House rejected most of the Council's amendments and the Education Act 1877 came into law making primary education in New Zealand free, secular and almost compulsory.

Richard Harker (cited in Coxon: p. 44), in his analysis of the parliamentary debates on the Education Bill 1877 identified four main arguments in favour of state-funded, universal education: social control, production of a discerning electorate, enhancement of productivity, and individual rights. Harker maintains that the Bill was successful only because all four arguments pointed towards the same solution.

On the contentious issue of religion in schools and state or church-run schools, there were three factions. There were the secularists who were against both religious instruction in schools and aid to denominational schools; those (chiefly Roman Catholics) who supported aid to denominational schools but were against religious instruction in schools; and those (chiefly Protestants) who wanted religious instruction in state schools but who opposed aid to denominational schools. New Zealand schools became secular because it appeared to be the only solution in the face of these divisions.

During the provincial period some provinces, especially Canterbury and Otago, had set aside large tracts of land, the income from which was to go to education. The Education Reserve Act 1877 decreed that three-quarters of this revenue should go to primary education and one quarter to secondary education. However, the amount was to be subtracted from the operating grant given to the district by the central government.

Much of the history of educational administration in New Zealand from this time recounts the power struggles between Boards, Committees and the Department and the centralisation of control of the system over time.

The main responsibility of the Department of Education was to distribute to Boards the capitation grants. The Department had the power to make regulations, but no power to enforce them. It did have the power to demand reports from Boards and did its best to use these as an enforcement tool. It also assumed responsibility for the endowed secondary schools. In 1879 the management of Native Schools was transferred to the Department.

The Boards were responsible for setting up school districts, appointing and removing teachers, establishing and providing for scholarships to secondary schools and school libraries and establishing and maintaining district high schools. They were to allocate grant monies given them by the Department for public libraries and were responsible for appointing inspectors.

The School Committees were to establish schools and have the management of educational matters in schools. They were responsible for providing and maintaining school houses, recommending teachers, managing the use of school buildings for other purposes, electing members to the Board and deciding whether or not to enforce the compulsory clause of the Act.

Government supported the Boards through the distribution of the statutory capitation allowance, plus additional monies in the form of supplementary building grants and special grants for scholarships, teacher training, school inspection costs and expenses

of School Committees. There was some retrenchment of this funding during the recessions of 1881 and 1888. It was noted that at this time the School Committees had a remarkable ability to increase their budgets by raising funds locally (Butchers, 1930: 39).

2.1.4 Development of Post Primary Education

One outcome of the two 1877 Acts was that the development of secondary education followed a very different course to that of primary education. Under the Education Reserve Act 1877, one quarter of income from educational endowments within each district was to be allocated to secondary schools. Following the 1877 legislation, the Government enacted a series of local Acts to reconstitute the existing secondary schools and endow new ones. By 1889 there were 25 such schools. This structure was heavily criticised because these schools, although publicly endowed, were fee-charging and, except for the few students who earned scholarships, were available only to the wealthy. Criticism increased with the development of preparatory departments within these schools and exclusive primary schools which developed in association with these schools, making them even more elite.

The Secondary Schools Act 1903 directed the endowed schools to use one fifth of their annual endowment for scholarships. The Minister was given power to inspect all secondary schools and to establish separate high schools. The endowments were nationalised by a system whereby schools in districts with smaller endowments received larger per capita grants. In 1908, regulations were issued granting a free place to any child of eligible age who obtained the required proficiency certificate and this resulted in a substantial increase in the number of children attending secondary school. The number of district high schools increased from 13 in 1900 to 610 in 1906 and four new endowed high schools were established.

During the 1880s interest in drawing and technical education grew and the Department wished to encourage its development, seeing the development of technical skills as a requirement for economic development. Because the primary school curriculum was prescribed by the legislation, these subjects could not be introduced in the primary schools. Art and technical schools began to develop in the

four main centres and there was some move to develop technical departments in the high schools, although this was limited as the endowed secondary schools showed little enthusiasm for moving away from their academic curriculum. The Manual and Technical Elementary Instruction Act 1895 added these topics to the primary school curriculum and authorised expenditure to be appropriated for these subjects in primary and secondary schools. The Act also gave the Education Department authority to inspect technical departments and schools and to withhold funds if deficiencies were found, powers which were missing in the 1877 Act.

Lack of uniformity of textbooks used throughout the country, and costs to parents for new ones when they moved between districts, prompted the Department in 1906 to begin production of a School Journal. In 1908 a Parliamentary vote was established to provide free textbooks for Standards I and II. Each year the next level was added until, in 1912, all standards were provided for. However, the Boards were most reluctant to use Department textbooks, and beginning in 1913 provision was made for class and school libraries instead. This was done on a capitation system, with an offer to match £ for £ money raised locally during the first two years.

Education for Maori followed yet another pattern. Under the Native Schools Sites Act 1880, Maori communities wishing the Government to establish schools were required to give two acres of land to the Government and contribute to the cost of construction of the school buildings. These conditions being met, the Department provided the buildings and the teachers. The most promising students were given free places at denominational boarding schools. This system was criticised as being expensive, which it was. However, many of the schools were small and in remote areas. As the European populations spread, these schools were sometimes handed over to local Boards, although this could be a problem if the Maori owners did not wish the land title to be transferred. In 1892 the syllabus was closely aligned with that of the primary schools but separate administration continued until 1969.

2.1.5 Further Developments

The Education Act 1914 further reduced the role of the Committees and the Boards. Boards were forbidden to transfer monies between their various funds as the

Department continued to be concerned that Boards were continuing to divert operating funds into building funds. The Department took over the responsibility for paying primary school teachers, and all primary school inspectors were transferred to the Department. The free place system for post primary education was confirmed and the duplicate system of national and Board scholarships was replaced with a national system, reducing the Board's funding even further. The Act failed to rationalise the structures of the post-primary sector with its varieties of schools and diverse management and governance structures. The Act did strengthen the role of Committees by extending to all public institutions the £ for £ subsidy previously available to secondary schools. The purpose of the subsidy was to promote local funding of grounds, buildings, equipment and amenities, and was pursued vigorously by Committees and the then-emerging parent-teacher associations. Alarmed at increasing expenditures under this provision, in 1921 the Department attempted to restrict the amount of money available under this subsidy but the public outcry forced it to back down the next year. The scheme was suspended in 1931 as a result of the depression-induced need to cut expenditure.

The late 1920s and the 1930s were characterised by debate over the necessity for the Boards themselves and the challenges of trying to fund and administer a growing secondary and technical sector.

Beeby maintains that, in the early part of the century, education was based on the Myth of the Survival of the Fittest, an educational myth being a somewhat ambiguous idea or vision which gives a sense of direction and expresses the relationship between events, ideas and outcomes which are not clearly understood. The schools' job was to educate and to select and examinations were the chief mechanism for selection. This myth was challenged somewhat by the Myth of the Education of the Whole Child in the 1920s but it was not seriously threatened until the first Labour government was elected in 1935. The requirement of a Certificate of Proficiency to attend secondary school was dropped in 1937, making secondary education available to many more children, and in 1939 the then Minister of Education, Peter Fraser, made his well-known and much quoted statement:

The Government's objective, broadly expressed, is that every person, whatever the level of his academic ability, whether he be rich or poor, whether he live in town or country, has the right, as a citizen, to a free education of a kind for which he is best fitted and to the fullest extent of his powers. (Commission of Education in New Zealand, 1962:11)

This marked the establishment of a free education as a right of citizenship and the beginning of what Beeby called the Myth of the Equality of Opportunity which was to guide developments in education until the late 1980s. (Beeby, 1986)

2.1.6 The Post War Era 1944-1989

The post war years were a time of expansion in the education sector. In 1944 the school-leaving age was raised to 15 years. Education regulations in 1945 provided for free places for students under the age of 19 years and from 1945 the structure and processes for funding of the compulsory education sector remained fairly stable until the reforms of the late 1980s. It is of note that an educational conference held in Auckland in 1946 reported that fees were being charged for materials for manual classes, school committees levied parents for various other expenses such as sports equipment and magazines and that parents often failed to realise that these levies were voluntary taxes (Cumming, 1978: 287).

In 1948 a new £ for £ subsidy scheme was introduced in primary schools to assist with acquisition and replacement of school equipment. There was a separate subsidy system for larger items such as assembly halls and swimming pools.

In 1962 a Commission on Education, known as the Currie Commission, gave support to the claim that equality of opportunity was the main aspiration of the educational system and the community and that the system was progressing towards that goal. A number of submissions to the Commission questioned whether the subsidy system, which required school committees to raise funds, was appropriate in a free and compulsory state education system, suggesting that as state funds paid such a large proportion of education costs, they should pay all costs. Submissions pointed out that many of the items primary schools acquired under the subsidy system, secondary

schools received through direct grants. They also pointed out inequalities of provision between different districts because of the subsidy scheme. Items covered by the subsidy scheme at the time included:

...apparatus for infant rooms and also for general classroom use, books for school use, filing cabinets, vacuum cleaners, duplicators, gramophones, sewing machines, electric megaphones, pianos, playground equipment, floor polishers, filmstrip and film projectors, radio equipment, tape recorders, seating for assembly halls, and typewriters. (Commission on Education in New Zealand, 1962, p. 152)

The Commission recommended that the subsidy scheme be retained because it generated so much local interest in education (there was no reference to the resulting savings to the Education vote). However, the Commission did recommend that some of the larger items including pianos, sewing machines, floor polishers and cleaners, ground maintenance equipment, filmstrip projectors and, under certain circumstances, typewriters be provided by direct grant. It was felt that the larger items should not be the responsibility of the local community.

Access to education expanded and expenditure increased. With the post-war baby boom, education spending doubled relative to GNP between 1950 and 1979, also 'reflecting the widely held belief that education was directly linked to the nation's growth and productivity.' (Shuker, 1987, p.65) The public continued to see the purpose of education as access to the job market and obtaining credentials continued to be important.

Economic recession in the 1970s and 1980s brought into power in 1984 the fourth Labour government with an agenda of economic reform. High unemployment and the need for more modern skills focussed attention on the economic purpose of education. A curriculum review highlighted unhappiness with the educational system although with widely divergent views. A left-wing critique highlighted the system's reproduction of inequalities of class, gender and ethnicity. At the same time, a growing new-right group was demanding back-to-basics education.

While references to the importance of parents in fund-raising ventures can be found (eg Ramsay, 1975), descriptions of the school system classified it as “centrally funded”. Information about amounts of money raised locally by local committees and Parent Teacher Associations (PTAs) prior to the Education Act 1989 is difficult to obtain because many such funds were held locally and not reported to the Department of Education. However, this changed with the Education Act 1989.

2.2 Tomorrow's Schools

In 1987 Treasury produced *Government Management*, its two-volume brief to the re-elected Labour government. The second volume was devoted to education policy and here Treasury maintained that education should be seen as a commodity which could be traded in the market place, not as a public good. Treasury also argued that state control and provision had led to poor performance, chiefly as a result of provider capture (Peters and Ollsen, 1999).

In 1988 the taskforce set up to review education produced its report *Administering for Excellence: Effective Administration in Education*, commonly known as the Picot Report. Its main recommendations were for the transfer of responsibility for education, employment of staff and management of assets, property and money from the state to elected school Boards of Trustees; increased emphasis on the market discipline of choice in the early childhood and compulsory sectors and the introduction of user-pays in the tertiary sector; and greater state control of standards through charters, assessment guidelines and the national curriculum (Peters and Ollsen, 1999).

Funding of compulsory education was changed radically with the Education Act 1989 which began the implementation of *Tomorrow's Schools: The Reform of Educational Administration in New Zealand*, the policy document outlining the Government's plans for reform of the compulsory sector. For the most part it adopted the recommendations of the Picot Report. Boards and other middle-layer agencies were abolished and the management structure of primary and secondary schools was standardised. Each school now has a parent-elected Board of Trustees responsible for the governance of the school, with management being delegated to the principal.

Each school receives an Operations Grant which covers maintenance within a 10 year cycle, provision of textbooks and resource materials, non-teaching staff, insurance, etc. The intention was to devolve teachers' salaries to schools as well (known as bulk funding or the fully funded option) but this proved controversial and the policy was recently removed from the agenda. Also removed was some of the competition for students with the reintroduction of schools zones for the 2001 school year.

Operations Grants are calculated by a formula consisting of components such as base funding grant determined by school type and size, a per pupil grant, remoteness of the school, a per pupil grant for utilities and maintenance. Smaller schools receive more on a per student basis than larger schools as, in theory, larger schools can achieve economies of scale on some expenses. Not included in the Operations Grant are teachers' salaries. Operations Grants are not expected to cover large capital costs such as new buildings, major vandalism or earthquake or storm damage, school transport or special needs. Establishing the operational grants for schools in 1989 was a difficult task, as many of the costs were not known, having previously been held in centralised budgets. The model of devolved responsibility may actually have increased schools costs as economies of scale were lost.

In 1995 the Ministry of Education introduced Targeted Funding for Educational Achievement, referred to as TFEA or decile-related funding because schools are divided into 10 levels or deciles according to census data for the areas from which they draw students and schools ethnicity data (Ministry of Education, 1997a). This funding model gives more money on a per student basis to schools in lower socio-economic (lower-decile) areas and less money to school in better off (higher-decile) areas. Its purpose, according to the Ministry of Education, is to lower barriers to learning that students from lower socio-economic communities face (Ministry of Education, 1999). Since its introduction in 1995 the number of elements of schools' funding linked to the TFEAs has increased, as has the number of deciles receiving at least some targeted funding.

New Zealand, first through its School Committees, Boards of Governors, Parent-Teacher Associations and now Boards of Trustees, has a long history of community involvement with, and local funding of, its schools. Early committees had powers to

set fees and raise local funds. Subsidy schemes to encourage local fundraising existed for much of the last century. There is also evidence of concern that this is an inappropriate feature of a state-funded education system; concerns of disparities between districts because of the subsidy system; and a concern at one point at least that parents did not realise that fees are voluntary. None of these things are new with Tomorrow's Schools.

In some ways, the Tomorrow's Schools model of educational administration has merely reversed the centralisation which occurred during the last century and returned control of schools to the local community. With this has gone some responsibility for local financing, although this is not officially part of the model.

Local financial support of schools has been an established part of the New Zealand educational landscape since its inception. However, the increased pressure in recent years on schools and parents to raise more local revenue, and the increased acceptance of user-pays resulting from the government reforms of the last decade, may have placed at risk the principle established in 1877 that compulsory state education should be free.

3 Policy

3.1 Introduction

This chapter describes the Ministry of Education policy on charges to parents for compulsory education and introduces some of the issues relating that policy. The Ministry policy document gives a good description of problems parents have experienced with schools prior to the issue of the document in its current format in 1998. The processes for the dissemination and monitoring of the policy are described and the chapter concludes with a discussion of the policy.

3.2 Ministry of Education Policy

This section describes the Ministry of Education policy on charges to parents. This is presented in some detail as it is against this policy that the responses to the School Survey and the schools' written communications to parents are evaluated.

3.2.1 Circular 1998/25

Ministry of Education Circular 1998/25 clarifies the rights of Boards of Trustees, parents and students regarding requests for donations and other payments to schools. The purpose of the Circular is to guide schools in formulation of policy relating to requests for financial contributions from parents. This policy is, therefore, the state's implementation of the Education Act's promise of free enrolment and free education for New Zealand children.

The Circular begins by reminding boards that Section 3 of the Education Act states that every person who is not a foreign student is entitled to free enrolment and free education at a state school from the person's 5th birthday until 1 January following the person's 19th birthday. This means that Boards of Trustees may not make the payment of a fee a prerequisite to enrolling or attending school for a domestic student. The only exception allowed is attendance dues at integrated schools (schools which were previously private and are now part of the state system although the facilities are not state-owned). Specifically, schools may not demand a fee to cover the cost of either tuition or materials used in provision of the curriculum. Schools may not

charge parents for things like heat, light and water charges for which the school receives an Operations Grant. Schools may not charge for information about enrolment.

With regard to donations, the Circular advises that, when specifying and collecting donations, schools should:

- State that the donation is voluntary;
- Not use terms such as *fee* or *levy* or any other word that implies that it is mandatory;
- State that a receipt will be given and that the donation qualifies for an income tax rebate;
- Describe the uses to which the money will be put;
- Explain clearly how and to whom payment is to be made;
- Invite parents to discuss the situation with the principal if they are having difficulty paying.

Because donations are exempt from GST, Boards must not include GST when specifying the amount of the annual donation.

Integrated schools must request attendance dues separately from any voluntary donations and it must be clear to parents which payments are mandatory and which are voluntary.

In addition to donations, there are other payments which schools may request from parents. In subjects with a practical component such as clothing or workshop technology, parents may be charged for materials where the end product belongs to the student. This charge cannot be compulsory, the only consequence being that if the charge is not paid, the child may not be allowed to take the finished project home. Outside of this, parents may not be charged for material used in the delivery of the curriculum.

Parents may be asked to pay admission charges for in-school activities such as visiting performers. Attendance at these activities must be considered voluntary and parents

have the option to not pay if they do not wish their child to attend. If the child attends, they may be expected to pay.

Parents may be asked to pay travel costs associated with trips away from the school which are part of the curriculum, provided staff have made every effort to minimise costs. If parents cannot or will not pay, the teacher should try to provide an alternative experience for the student to gain insight into that part of the curriculum. Students may not be excluded from field trips at the senior secondary school level because of parents' unwillingness or inability to pay.

Parents may be asked to pay for course workbooks but these charges cannot be made compulsory.

Students should not be publicly harassed or denied information or privileges because of unpaid donations or other money unpaid to the school.

3.2.2 Issues Identified in the Updated Circular

Circular 1998/25 replaced a previous set of guidelines published by the Ministry of Education in Circular 1994/31. An analysis of the difference between these two circulars is useful in identifying issues with school behaviour which arose between 1994 and 1998.

The Circular was not updated because of any one incident. Rather, it was the result of the number and type of questions received from parents seeking to clarify particular aspects. In addition, the Circular was several years old and the Ministry was starting to receive queries as to whether it was the most recent communication on the subject.

Generally, Circular 1998/25 follows the same format as the previous circular. Both are organised in the following sections: "The Right to Free Enrolment and Free Education", "School Donations", "Attendance Dues (Integrated Schools Only)", "Other Payments" and "Board Action in Cases of Non-payment". A new "Questions and Answers" section has been added to the end of the 1998 Circular which identifies and further clarifies problem areas.

There is no change in substance to the section “The Right to Free Enrolment and Free Education” between 1994 and 1998. In the “School Donations” section there is a terminology change, which continues through the remainder of the Circular. In the 1994 Circular, donations were referred to as ‘activity fees’. In the 1998 circular they are referred to only as ‘school donations’. A sentence has been added in this section telling schools that they should not refer to the school donation as an ‘activity fee’ or a ‘levy’ or use any other word which implies that payment is mandatory when requesting the donation from parents. The Ministry clearly saw a need to reinforce the fact with schools that the donation is voluntary.

There are two other additions to the section on School Donations. One is a sentence stating that Boards cannot demand payment of the donation to confirm enrolment. The other is a new paragraph clarifying that because Boards do not pay GST on schools donations, they must not add GST when specifying the amount of the annual donation.

There are no changes to the section on Attendance Dues.

There are several changes to the section on Other Payments. The first is that a paragraph encouraging Boards to develop and promulgate to their teaching staff policies about requesting and collecting money has been moved from the end of the section in the 1994 circular to the beginning of the section in the 1998 version, giving it more emphasis.

In the paragraph discussing charges when students attend another school for elements of the technology curriculum, a sentence has been added stating that parents cannot be expected to cover the cost of wear and tear on the equipment as the school will be funded for this in its operational grant. The paragraph explaining that parents may not be charged for delivery of the curriculum has been modified by dropping the term ‘subject fees’ and instead referring explicitly to materials used in the delivery of the curriculum. It also states that some schools try to recover these from parents and must not do so. A paragraph relating to programmes in English for Speakers of Other Languages (ESOL) has been moved to the Questions and Answers section.

The paragraph relating to secondary schools which offer tertiary education courses has been expanded to include a description of the two different approaches used by schools in this area. In one approach, where the tertiary courses are being offered as part of the school programme, parents cannot be asked to pay for these courses. In the other approach, where the school facilitates the enrolment by a student in a tertiary course, the student will be subject to the tertiary course fees. It is important the parents are informed of the circumstances.

The paragraph dealing with field trips and fieldwork has been expanded and modified. In 1994 the paragraph stated that students should not be excluded from these trips because of parental inability to pay. In 1998 the school is given more leeway. Parents can be expected to pay travel costs provided staff have made every effort to minimise these costs. In cases where parents cannot or will not pay, students should be provided with an alternative which will give some insight into the curriculum subject, but they can be excluded from the trip. Only students in senior secondary subjects cannot be excluded from field trips because of parental inability or unwillingness to pay.

In “Board Action in Cases on Non-payment”, the paragraph suggesting that it may be in order to withhold items such as the school magazine if they have been subsidised by activity fees (ie school donations) has been dropped in the 1998 Circular. The issue is dealt with in the Questions and Answers section.

The Questions and Answers section provides specific information about aspects of payments by parents which have been problematic. Topics are divided into issues relating to enrolment, to payment, to integrated schools, to curriculum delivery, to items provided through the school donation and to non-payment.

Issues relating to enrolment: There are two issues listed in this section. The first is that a school may not demand a fee from parents for interviews when they seek to enrol their child at school. The other is that a board cannot legally seek a bond from parents at the time of enrolment. A bond may be requested but cannot be made a condition of enrolment.

Issues relating to payment: There are three issues covered in this section. The first relates to the practice of some schools to request payment in advance for activities which occur during the year. The policy states that boards may request payment in advance but cannot insist on it. A parent may choose the 'pay as you go' approach. In particular, boards cannot demand payment in advance to confirm enrolment. The second issue is that boards cannot set a penalty for late payment of the school donation, although they may offer a rebate for early payment. The third issue relates to invoicing parents for money owed to the school. While it is acceptable for schools to invoice for unpaid debts such as for lost or damaged library books or stationery provided by the schools, the school donation should not be included on the invoice, or if it is it must be clearly marked as a voluntary donation. To invoice parents for 'school fees' at the beginning of the year is particularly misleading.

Issues relating to integrated schools: There is one issue in this section, relating to the right of an integrated school to fundraise by setting a charge known as a "proprietors' levy". The policy states that an integrated school may charge such a levy, but cannot make it compulsory. The charge must not be confused with attendance dues, which are enforceable. It would be better if the term 'levy' is not used.

Issues relating to curriculum delivery: This is the largest section, with 10 issues discussed. The first relates to a board's right to charge for ESOL programmes. Boards may not charge for a programme provided during school time. They may charge if the programme is offered outside of the curriculum but cannot require parents to enrol their children. The second issue is that schools may not charge parents for delivery of special education programmes, as they are resourced for this through government grants. The third issue relates to charging for photocopying. Schools may not charge for photocopying except in exceptional circumstances, for example when students produce and photocopy their own magazine. This is seen as a prime example of schools trying to recover costs for materials relating to the curriculum. The fourth issue is boards levying a charge for Secondary Tertiary Alignment Resource (STAR) programmes, special senior secondary programmes for which schools may apply for special funding. These are no different from any other part of the curriculum, and schools may charge only for a take-home component.

The fifth issue is boards charging for attendance at school camps. Here, boards may not charge if attendance is a compulsory part of the school's curriculum or part of the content of a particular course. Boards are reminded that the right to free education means that there must be no charges for delivery of the curriculum. It is reasonable, however, to ask parents to contribute to the cost of food and transportation. In cases where parents are unwilling or unable to pay, teachers should try to provide an appropriate alternative. In cases where attendance is voluntary, parents may be expected to pay.

The sixth issue relates to tuition from itinerant teachers of music. Itinerant teachers are resourced by the Ministry and students taught by them should not be charged tuition, although they may be charged for the hire of musical instruments.

The next issue is whether boards may levy a charge on parents for use of computer facilities. The answer is "no". A board may not charge parents money to implement an information technology plan at a school, nor may parents be charged for maintenance of computers. Enrolment in computer courses cannot be made conditional on parental contributions. Parents may not be charged for the cost of materials used in delivery of the curriculum.

A board may not charge parents for the delivery of a reading recovery programme.

On the issue of charging parents for the cost of project work, a board may do so as long as the finished product is taken home. This applies to subjects such as clothing or workshop technology. If the student takes ownership of the finished project, parents may be asked to pay for it. However, boards cannot insist that students take projects home. In addition, teachers should be wary of setting projects with high costs unless a low cost alternative is also available.

The last issue in this section deals with the purchase of workbooks. Schools cannot require students to purchase workbooks. It is not necessary to write the answers in the workbook, as they could be written in an exercise book and the workbook reused by other students in subsequent years.

Issues relating to items provided through the school donation: Here the question is whether schools can legally refuse to provide the student with items directly funded through the school donation if parents have not paid it. The answer is a qualified 'yes' (or perhaps a qualified 'no'), with a warning about the possible financial implications of doing so. The policy is that schools may not refuse to provide items if doing so results in unfair discrimination against some students. In addition, doing so may imply that the donation is not really a donation but a payment for goods and services. This may mean that the school could be required to charge GST on the amount and that parents would be unable to claim an income tax rebate on the amount. Furthermore, withholding the item may have other consequences. The example given is a student ID card which is also a library card. Withholding it would deny the student the right to use the library, a service available to other students.

Issues relating to non-payment: Here the issue of debt collectors is discussed. Schools may hand unpaid debts over to a debt collection agency but this may not include the school donation, which is voluntary.

In summary, most issues with charges to parents appear to fall into three general categories. One area relates to special subjects, including music, reading recovery, STAR courses, ESOL, field trips and education outside the classroom such as school camps. Another relates to schools demanding sums of money from parents at the beginning of the year, either to confirm enrolment, for administrative efficiency or by proprietors of integrated schools to fundraise. The third relates to examples of charging for delivery of the curriculum such as photocopying or use of computers and legitimate recovery of costs of materials used in technology courses. There is also the issue of what goods and services children may be denied if their parents do not pay the school donation.

3.2.3 Communicating and Monitoring the Policy

There is no direct communication between the Ministry of Education and parents on this topic. The Ministry informs schools of government policy via circulars. Schools are responsible for explaining the policy to parents and do so by means of newsletters,

prospectuses and other school publications. The Circular is posted on the Ministry of Education web site, www.minedu.govt.nz. However, as it is located among other administrative circulars and identified only as Circular 1998/25 it is not likely that many parents visiting the web site would recognise that it is of relevance to them.

Ministry monitoring of the policy is reactive. If parents are unhappy with a school's charges or behaviour, they may take up the matter with a liaison officer at the regional office of the Ministry of Education. However, parents are not told of this option by the Ministry in respect of this policy. Once a complaint is made to the Ministry, it will investigate the issue to ensure that the school is complying with the policy.

There is no routine monitoring of school communication with parents or school behaviour. The regional offices do not keep statistics on complaints relating to the policy and they are not monitored or reported on at the national level. Only if the media report on an issue is anything known about it outside of the school system.

3.3 Comment on the policy

There are a few observations worth noting about the policy. The first is that it is clear and schools should have little or no difficulty implementing it. One area of ambiguity is the interpretation of 'unfair discrimination' when deciding what may be denied to children whose parents do not pay the school donation. Otherwise, however, it is straightforward with a helpful questions and answers section.

However, it is left to schools to inform parents of the contents of the policy. Because schools also have an interest in maximising revenue, there may be a temptation to act outside the policy. This is especially true if the school does not agree with parts of the policy or is under some financial pressure. Because Ministry monitoring is reactive only and school communication with parents is not monitored, nor are statistics compiled, it is difficult to know how well the policy is implemented or how well it works for children and their families.

With regard to the school donation, it is of interest that the policy suggests that parents should be invited to discuss their situation with the school principal if they

have difficulty paying it. This suggests that the Ministry believes that parents are in some way accountable to the school for payment of, or explanation of non-payment of, what is after all, a voluntary contribution. It is not clear why a parent should be placed in this embarrassing situation, nor is the purpose of the discussion apparent.

Another point is that the key phrase in discussing what parents may be charged for is 'delivery of the curriculum'. Parents may not be charged for delivery of the curriculum. The difficulty for parents is knowing exactly what is included in the curriculum, and they must rely on the school to inform them. Hence the problems with parents being charged for all manner of special programmes such as reading recovery, special education, music, etc. plus charges for materials such as photocopying.

The policy of not paying for travel costs associated with curriculum-related field trips is itself an inconsistency. While it may be appropriate to ask parent to contribute to the cost of a field trip, it is not appropriate to exclude children from part of the curriculum because of parental inability to pay. This type of exclusion defeats the purpose of having a state-funded system which is that all children, regardless of their parents circumstances, have equal access to the curriculum (if not to a free education).

In describing its responsibility as 'funding the curriculum', the Ministry of Education policy has narrowed the promise of a free education contained in the Act. Only the strictly academic components are free, and not all of those. Extra-curricular activities such as sport and cultural events are not the affair of the state.

It is prudent for a state to put boundaries around its liability for funding a major responsibility such as education, and this interpretation of a free education may have been standard in New Zealand prior to Tomorrow's Schools. However, the increase in the number of curriculum-related field trips in new curricula and the increased opportunities for extra-curricular activities available to this generation of school children mean that the state is now responsible for less of a child's school experience than it has been for previous generations.

4 Literature Review

4.1 Introduction

While there has been research into trends in schools' collection of local revenue and adequacy of Operations Grants since the beginning of Tomorrow's Schools, there has been little research about the issues parents have with schools or schools' behaviour when collecting donations and activity fees. The best source of information at this time is newspaper accounts, and this chapter begins with a review of newspaper articles about school fees and school funding in the major daily newspapers. This section broadly examines the topic including the relationship between government funding and local funding of schools, the additional curriculum responsibilities placed on schools, the increase in charges to parents over time and some of the problems faced by parents and caregivers who have difficulty paying.

This is followed by a review of recent research on the topic. This includes several studies into the adequacy of schools' Operations Grants and the increase in local funds revenue during the 1990s, two Consumer Institute surveys of school fees, the findings of a Wellington Community Law Society pilot study and information from an evaluation of Tomorrow's Schools by two overseas researchers. The chapter concludes with an introduction to the NCWNZ 1999 survey of its membership for information on schools' collection of donations and activity fees

4.2 Newspaper Reports on Fees Issues

A review of articles relating to schools fees and funding in New Zealand's major daily newspapers provides insight into some of the stress points in the system. This is not, of course, comprehensive, as it includes a limited number of newspapers and only those situations which the press notices and decides are newsworthy. It does, however, give a useful illustration of some of the issues. The articles have been divided into three general categories: Pressure on Parents, What Parents Pay For and School Funding Issues, although there is, of course, some overlap between categories.

4.2.1 Pressure on Parents

One area of interest is the various techniques employed by schools to increase the number of parents paying the school donation, usually called 'school fees' in the newspapers. Early in the decade, some schools began withholding school leaving certificates from students. A variety of approaches were found in schools in Dunedin and Auckland, with some schools distinguishing between voluntary and compulsory payments and others not, and schools withholding either reports or leaving certificates for unpaid accounts. One school expressed concern that some low income parents struggled to pay while others did not even bother to contact the school (*Otago Daily Times*, 17 December 1992, p.3) (*New Zealand Herald*, 8 August 1994, p.1). A Christchurch school reported that while it would not withhold certificates, it did feel a need to put pressure on parents to pay or to cut non-government funded programmes such as sport (*The Press*, 15 December 1992, p.9). A school Board of Trustees was forced to issue a testimonial to a student after the student's lawyer pointed out that the school charter prohibited students being penalised for their parents' actions (*Otago Daily Times*, 17 February 1994, p.5).

A technique used by some schools was to publicise names of parents who had, or had not, paid. One primary school proposed to display the names of parents who had not paid but was discouraged by the Privacy Act (*Timaru Herald*, 6 August 1996, p.4). Another primary school abandoned plans to publish the names of parents who had paid fees following objections from those parents (*The Daily News*, 28 October 1998, p.2). Other schools are reported to have read out at assembly the name of students who had not yet paid their donations (*The Evening Post*, 24 February, 2001, p.32).

Another approach is to refuse to let students attend the school ball if their school donation is not paid. This practice was reported as early as 1996 (*Timaru Herald*, 6 August 1996, p.4) and was employed by schools in Hamilton and Auckland a few years later (*Waikato Times*, 21 July 1999, p.2; *Dominion*, 10 August 1999, p.3). In this case the Secondary Principals Association defended the schools' right to deny students ball tickets (*New Zealand Herald*, 11 August, 1999, p.A3). Commentary on this situation follows two threads. One is that it is not appropriate to punish students, as it is not students but their parents who pay school fees. The other is the unfairness

of a situation where the children whose parents do not pay are being subsidised by those who do pay. The principal at one of the schools involved pointed out that the school relied on the fees to pay for books, computers, sport, music and drama and that students should either pay the fees or work them off. The Ministry of Education's position is that schools must not use school balls as a lever to push parents into paying voluntary donations. The schools involved do not feel that this constitutes unfair discrimination.

An Auckland primary school which planned to hand unpaid 'levies' over to a debt collection agency reconsidered under pressure from the Ministry of Education, although the School Trustees Association president reported that other schools had used debt collection agencies (*Waikato Times*, 6 March 1998, p.3). Examination of the unpaid charges showed that the majority of them were not legal, as they were for materials used in provision of the normal curriculum (*The Press*, 6 March 1999, p.7). More recently, a Rotorua school in financial difficulty threatened to take legal action over unpaid schools fees, and hired a debt collector to collect outstanding debts. One parent reported that students had been told they couldn't participate in certain activities until fees were paid and some students weren't allowed to continue certain modules of school work. School fees for her two children for that year had been more than \$700. The board chairman noted that unpaid school fees made up a substantial portion of the school's \$137,374 deficit. The Ministry reported that it would investigate, but that it appeared that the school's actions were outside the Education Act policy guidelines (*Bay of Plenty Times*, 26 March 2001).

Another Auckland primary school denied it was attempting to shame parents into a fee increase from \$88 to around \$300 by pointing out that the increase was per week "less than a bottle of wine, two packets of cigarettes, Sky TV...". The school insisted the increase in the donation was necessary or class sizes would increase. The Ministry of Education reiterated that school fees are a donation and are not enforceable (*Sunday News*, 22 November 1998, p.5).

An Auckland intermediate school made the news twice in two weeks, first for labelling a portion of its very high voluntary donation as compulsory (\$700 requested, \$450 compulsory) and a few weeks later for telling children who were not going to

camp that they had to stay home. On the fee issue, the principal stated that parents who could not pay would not be penalised, but would be sent reminder notices as it was important that they realised their children were being subsidised by others. That particular school had received less government money because of a Ministry upgrade to its decile status (*New Zealand Herald*, 27 November, 1998, p.A14) (*Evening Post*, 11 December 1998, p.9). The \$450 compulsory component included such things as a sports uniform, school camp, a Recovery, Extension and Enrichment programme and printing (*New Zealand Herald*, 25 November 1998, p.A9).

An Auckland college was reprimanded by the Ministry for asking parents to bring the school's donation of \$500 with them to the evening enrolment session to confirm their child's enrolment at the school (*New Zealand Herald*, 14 September 2000, p.A6). An editorial comment the next day suggested that such bullying by schools is common and one solution would be to force schools to use a standard donation form which sets out in plain English that the donation is voluntary. That many schools see it as a fee, not a donation, was illustrated by the case of a parent who had not paid the donation of \$84 requested by a primary school. The school sent a letter 'asking if he thought it fair some parents should be subsidising the education of kids who had not paid.' The parent sent in a donation of \$90 and subsequently received, unasked for, \$6 change. The school regarded the amount as overpayment of a fee rather than a more generous donation (*New Zealand Herald*, 15 September 2000, p.A4).

To summarise, a few schools have gone to considerable lengths to increase the rate of payment of the donation using techniques which contravene Ministry policy. There is an indication that schools feel that parents have an obligation to pay the donation, that it really is not, and should not be, voluntary. Techniques include embarrassment to families and consequences to children. One of the pressures brought to bear on parents is the view that children of parents who do not pay are being subsidised by parents who do.

4.2.2 What Parents Pay for

Newspapers frequently publish articles at the beginning of the school year giving information about various charges at schools in their areas and the costs parents may be expected to pay. These types of articles appear to have been more frequent since the mid 1990s, and can contain illuminating detail about what parents are asked to pay for and why. One early article in 1990 records that educating secondary school students is more expensive because of examination fees and field trips, and concerns about the cost of field trips were reported by several schools across the country, especially field trips required by the new geography curriculum. One school reported that, because of escalating costs to parents, it was not increasing its school fee that year, although other schools were (*Dominion Sunday Times*, 28 January 1990, p.19). Another newspaper reported that school fees in affluent areas had soared under Tomorrow's Schools, while parents in poorer areas were not facing increases. The New Zealand Educational Institute (NZEI), the primary school teachers' union, expressed concern that rich schools were getting richer and poor schools were getting poorer (*Auckland Star*, 9 February 1990, p.A1).

An article in 1994 reported that Wellington schools were finding that parents were having difficulty finding the money for senior exam fees and several schools had accumulated bad debts in this respect (*Dominion*, 10 August 1994, p.3).

An article in *The Evening Post* in 1996 entitled 'Parents Pay for Free Education' records a growing pressure on parents for money. It reported extensively on costs at Wellington schools including school fees and, at secondary schools, uniforms, stationery and other costs as well. The article reported that Ministry of Education figures showed that parental contributions to education were increasing, 25% in 1990 and 29% in 1993. One college had labelled their donation 'Community subsidisation for Government under-funding'. Fees/donations were reported as covering all course costs, sports club levies, books and equipment for the library, computer and school magazines. Most schools charged additional fees for technology courses and some charged fees for information technology. Information technology was mentioned as one of the new areas needing funding. One principal commented that if charges were voluntary, it was usually the middle class parents who refused to pay. The principal

of one school is reported as saying "Education is supposed to be free, secular and compulsory. Well, it's compulsory." (*The Evening Post*, 27 March, 1996, p.13).

In 1997 concern arose at a Palmerston North City Council subcommittee meeting that large school fees were creating a barrier to children from low-income families playing sport. The incident which triggered the concern was a child dropped from a first-rank school sports team because a parent could not pay the sports fee within the two-week deadline. The article itself demonstrated some confusion between a sports fee, which could be mandatory, and the school fee, which is voluntary. Research by the city newspaper revealed wide variation in how schools handled sports fees and in the amounts charged. Some schools charged all students a sports fee, whether they played or not, some charged only when students participated and other did not charge at all. Some schools had a 'no pay no play' policy but encouraged parents to come and see them if they had difficulty paying the fee. Costs also varied considerably between different sports. The secondary school sports director of the Manawatu Sports Foundation did not think kids were missing out on sport because of fees as numbers were up all the time. He felt it was a matter of families setting priorities (*The Evening Standard*, 19 June 1997, p. 1).

An article covering school costs in the Wellington area at the beginning of the 1998 school year commented on what a difficult time it was for parents financially and gave advice obtained from a budgeting service. For low income families having difficulties paying the school donation, the bureau advised weekly automatic payments (*The Evening Post*, 28 January, 1999, p.2). In spite of the fact that it is a voluntary payment, there was no suggestion that families who struggle might not pay.

In June 1998, Social Welfare Minister Roger Sowery announced that he had ordered his Department to pay school fees for all children in its care. Some areas of the service had decided not to pay school fees but it was now a national policy to pay them (*Dominion*, 8 June 1998, p. 2). Here is another indication of the growing importance of school fees to school budgets and the view that the schools should receive a donation for every child, regardless of circumstances.

An article in the New Plymouth daily paper reported on charges to parents in Taranaki schools in late 1998. Two intermediate schools reported charging a compulsory fee

for technocraft courses as well as requesting a voluntary donation. At one school it was a flat \$15 and the other depended on the course. Fees were needed because the Operations Grant did not provide money for 'extra things'. A third intermediate school reported a \$35 charge for photocopying and theatre visits in addition to the school fee/donation request (*The Daily News*, 27 November 1998, p.2). Here is evidence of schools not complying with the Ministry policy, as schools may not have compulsory charges for photocopying and technology subjects.

In a letter to the Auckland daily paper at the beginning of the 2000 school year, a parent described his dismay at being presented a bill for \$426.95 when registering his son at intermediate school. The bill included the cost of the basic summer uniform, stationery, waterwise and activity fees and a donation of \$120. This parent was concerned because he had observed that for many parents at the meeting 'the shock was traumatic and the sum obviously beyond reach'. While recognising that no child would be denied an education because parents could not afford it, he protested at the embarrassment, humiliation and loss of self esteem seen on the faces of these parents and was unhappy that 'they and thousands of other New Zealanders depend on charity for their children's education' (*New Zealand Herald*, 5-6 February 2000, p.A19).

In an editorial comment in mid 2000, one parent questioned why her children seem to spend so much time out of the classroom: 'Nowadays, hardly a week goes by without notices coming home for soccer days, hockey days, puppet-show trips, Celtic musician afternoons, fire station outings, visits to ancient pa sites, swimming sports, African storyteller mornings...'. The explanation given by the headmaster was that many outings are necessary because they are part of the new social studies curriculum (*New Zealand Herald*, 21 June 2000, p.A18). This parent was concerned about a lack of time devoted to education basics, not about the cost of the activities. However, the article serves to illustrate the point that new curriculum requirements, besides placing expectations on schools, have created additional costs for parents, as travel costs are not funded by the state.

In a reaction to reports about a \$500 fee being requested by an Auckland school, the Nelson daily paper reported information about fees in Nelson schools. These ranged from \$90 to \$120. One school reported that students did not receive the school magazine if parents did not pay, but that was the only restriction. Another school

reported increasing its fees this year to continue developing its information and technology curriculum. Schools mentioned encouraging parents who had difficulty paying to pay over time. It was noted that schools in high-decile areas receive less funding and often needed parent support to provide the expected standard of education (*The Nelson Mail*, 18 September 2000). Points to note are that more money is needed from parents for information technology, there is no suggestion that parents who have difficulty paying not pay what is after all a voluntary fee and that schools, particularly high-decile ones, have difficulty in meeting expectations without additional funding from parents.

School fees also came under scrutiny in Christchurch following the report of an Auckland school charging parents a \$500 fee. Fees in Christchurch schools ranged from \$40 to \$200. One school reported that without its fees it would offer \$200,000 less service to the community. Another said that the fees paid for support staff, buildings and curriculum resources, and losing them would impact heavily on the school (*The Press*, 15 September 2000). Schools stated that school fees are not funding extras at these schools, they are funding the curriculum.

At the beginning of the 2000 school year *The Evening Post* again ran an article reviewing school costs in the Wellington area. It explained that school fees are voluntary donations, but most schools would not be able to operate if parents did not pay them. One principal reported that most schools also set additional fees for individual subjects to cover course materials costs. One college offered an outdoor education course which includes a \$200 fee. However, the principal pointed out that students were well aware of the cost before they chose the subject (*The Evening Post*, 30 January 2000, p.4). Again, fees are portrayed as necessary for schools to function. In addition, this article illustrated the issue that some courses are available only to students whose families can afford the fees.

In its 2001 beginning of the year article, *The Evening Post* explained that schools ask parents for money to help cover running costs. Parent donations are spent on things the Government Operations Grant does not cover, such as maintaining and upgrading computer equipment, improving the school library and producing the school magazine (*The Evening Post*, 24 Feb 2002, p.32). Donations are not just for extra amenities, they are to help cover running costs.

Difficulty in paying school fees is specifically mentioned in articles discussing financial hardship in a more general sense. Three examples are given here. In the first, the Palmerston North Methodist Social Services director, in a comment on the then recent budget remarked "We have people who don't send their kids to school because they are embarrassed by their poverty...They can't pay their school fees." (*The Evening Standard*, 27 June 1997, p.1). At the Pacific Waves Conference in Christchurch, members of Pacific Island groups identified reducing the cost of school fees as one of the priorities for the Government (*The Press*, 7 August, 2000). The support group 'Grandparents raising Grandchildren', in its complaint to the Government that grandparents did not get the financial support that foster families did through CYFS, mentioned school costs specifically: "Grandchildren may not be able to go on that all-important school trip, pay school fees or have a school uniform." (*The Evening Post*, 23 June 2001, p.32). School fees, which are supposed to be voluntary, have become one of the hardships of lower income people.

There are several themes which run through this set of articles. One is the wide variation of amounts requested of parents by different schools and the lack of standardisation in the way the schools charge parents, for example, for sports fees, raising the question of whether families are being treated equitably. There is the issue of children being excluded from participation because of parental inability to pay. Another theme is the increasing amounts being charged to parents, particularly in higher income areas and the increasing importance of this money to the schools. Some of the costs to parents are associated with new curriculum requirements such as social studies and information technology. There are also examples of unlawful charges, for example, compulsory technocraft fees and photocopying. There is the complaint that people who can afford to pay do not. Again, as in the previous section, many schools do not consider the donation to be voluntary, but necessary, and both schools and a budgeting service suggest payment over time if families find it difficult. No one suggests not paying. Even CYFS considers fees to be mandatory and necessary. School fees and activity fees have become one of the burdens of low-income families. Again there is the issue of those who cannot pay being subsidised by those who can, expanded to include the embarrassment and loss of self-esteem of parents who cannot meet the charges.

4.2.3 School Funding Issues

The majority of articles about school funding fall into two general categories - debate about the adequacy of operation funding, and concerns about decile-related funding formulas. The demise of bulk funding also makes its appearance. The articles presented here demonstrate the direct link between the schools' perceived shortfall of funding and the collection of money from parents and caregivers.

In 1995 an article expressed concern that education was in danger of becoming two-tiered because of the large amounts of money some schools were able to collect from schools fees, whereas schools in poorer areas were unable to raise much money this way (*Dominion*, 10 March 1995, p.5). This echoes the concern expressed by the NZEI in the 1990 *Auckland Star* article mentioned in the previous section. Decile-related funding was implemented in 1995. Before that, schools in higher income areas were steadily increasing their local revenue while schools in lower income areas had few or no sources of additional revenue.

Several newspaper articles during the last half of the 1990s expressed concern that operational funding was not keeping pace with inflation and new curriculum requirements such as information technology, increasing the need for local funds. In 1996 *The Timaru Herald* reported that South Canterbury schools were finding their operational budgets inadequate to meet the demands of the new technology changes. One school had recently had to raise \$115,000 for this purpose. Many schools were reported to be struggling and a growing number were turning to overseas students as a source of income. One school reported that the shortfall was placing too much stress on the community as they were budgeting for 20% of their income to come from fundraising (*The Timaru Herald*, 2 August 1996, p.4). A school trustees meeting in Nelson in 1997 resulted in a number of articles about the inadequacy of operational grants identified by a report presented to the meeting (*The Nelson Mail*, 30 August 1997, p.1); (*Dominion*, 30 August 1997, p. 13); (*The Timaru Herald*, 8 September 1997, p. 3).

In February 1999 Government failure to meet school operational costs was again in the news in the Christchurch papers, with interviews with school principals as the school year commenced. This was in reaction to news of an Auckland college selling

the naming rights for its new swimming pool for \$300,000. One high school reported that it needed to raise \$380,000 a year in running costs and would consider similar arrangements if the opportunity arose. The new unfunded information technology requirement is again mentioned as an issue. In this article, the schools also take issue with decile-related funding, a dissatisfaction which escalated over the next two years. The issue was that higher-decile schools have to raise so much more in local funds in order to operate (*The Press*, 4 February 1999, p. 8).

In March 2000 the Minister of Information Technology, Paul Swain, when commenting on the annual technology survey noted the low number of computers in schools. Use of internet services was also low. The Ministry concluded that the Government needed to improve this and suggested that the Government should use its bulk purchasing power to assist schools to purchase computers, rather than leaving them all to struggle on their own (*New Zealand Herald*, 28 March 2000, p.C8). Government failure to fund the information technology curriculum and the decentralised model of administration in Tomorrow's Schools have clearly restricted the purchasing of computers by schools.

In September 2000, Christchurch school principals were interviewed about their reliance on school fees. While all said they couldn't manage without them, higher-decile schools reported that fees were increasingly paying for more than 'extras'. Because higher-decile schools don't get any special funding, they felt they were increasingly being asked to deliver the curriculum through donations. Lower-decile schools also insisted that they relied heavily on fees, in spite of their extra funding (*The Press*, 15 September 2000).

On the positive side of decile funding, a primary school in Invercargill was able to declare itself a fee-free school as a result of the extra funds it received as a low-decile school (*The Southland Times*, 6 February 2001, p.3).

The *New Zealand Herald* published a survey of school fees at one hundred and eleven North Island schools at the beginning of the 2001 school year. It found that most schools requested a fee between \$50 and \$200. Only four schools did not request a donation. Fifteen schools had increased the amount requested this year, one by as much as \$80, and one Northland school reported giving up asking for a donation. The

demise of bulk funding was reported as causing some schools to increase their donation by more than 10%. Other reasons given by schools for increases were inflation and the cost of technology. One school principal also raised the issue of decile-related funding, saying that the Government talked about school fees being voluntary and then saying that decile 10 schools represent wealthy communities whose parents can afford to pay. The Minister of Education stated that education was well funded by international standards and that donations were not essential to the curriculum (*New Zealand Herald*, 10-11 February 2001, p.A1).

In April 2001 the Auckland daily paper published the results of a survey it conducted in schools north of Taupo regarding the numbers of computers at each school. The article reported that most schools struggled to find the money for computers and it appeared that foreign student fees had funded many of the computers in the classrooms. The Minister of Education agreed that schools were not adequately resourced in this area but said that because of technology advances they probably never would be. One principal commented that without donations from parents and foreign student fees he would be running a third-world school. Ministry of Education figures showed that the number of foreign fee paying students increased from 1,824 in 1993 to 7,191 in 2000 (*New Zealand Herald*, 28-29 April, p. A13).

Also in April 2001 Christchurch schools were again debating the decile-related funding system, with high-decile schools claiming that the funding scale was too wide, as lower-decile schools can get up to \$650 per student more than high-decile schools. This put too much pressure on families in higher-decile schools to fundraise. A low-decile school defended the system, saying that it didn't have the capacity to fundraise and had learning and behaviour problems that were not as prevalent at higher-decile schools (*The Press*, 20 April 2001, p.7).

A similar article appears in the Auckland paper in July. Here it was noted that the differential between lowest and highest decile schools was \$700 per student and that the difference was nearly \$720 for larger schools. Principals from high-decile schools complained that the government was expecting their communities to fund the gap. The view was that everyone recognised that lower-decile school needed more money but that the gap was too great (*New Zealand Herald*, 14-15 July, 2001, p.A7).

In August 2001 the *Waikato Times* published an article reviewing various schools' approaches to fundraising and commenting on the amount of time and energy parents are putting into it. Here principals of higher-decile schools commented on the large amount of fundraising that higher-decile schools are now obliged to do because of an inequitable funding formula and the need for a government review of the adequacy of school funding (*Waikato Times*, 18 August 2001, p.13).

In these articles, schools complain about an increasing reliance on fundraising, school fees and overseas students. Earlier in the decade concerns were expressed that schools in lower income areas are unable to raise the amount of money locally that schools in higher income areas can. Decile-related funding was introduced in 1995 and by the end of the decade schools in higher-decile areas claim that they are dependent on local revenue to fund school operations. The amounts of money involved are large – schools mention figures of hundreds of thousands of dollars. Higher-decile schools complain that the government expects their communities to fund the gap while the Ministry denies that local funds are necessary and will not let them make charges compulsory. Some lower-decile schools also report that they too are dependent on their local communities. The demise of bulk funding caused some schools to increase their school fees, as did inflation and information technology projects. Many schools have turned to revenue from foreign students for funding. The Ministry of Education's position is that funding is adequate to deliver the curriculum (although not the computers). However, when there is a funding deficit, for whatever reason, schools inevitably turn to their parent community to make up the shortfall, witnessed by a steady increase in school fees and fundraising.

This section has canvassed the issues as they appear through newspaper reports. The next is a review of studies examining what has been happening to school budgets, school fees and schools' local funding during this time.

4.3 Research into Schools' Local Funding

4.3.1 Consumers Institute Surveys

In 1990 a Consumers Institute investigation reported increases in school fees and the situation regarding school operating budgets in the first year of Tomorrow's Schools.

In the resulting article (Consumer, 1990) the Institute reported on the difficulty both boards and government were having in ascertaining whether their budgets were adequate at that stage and that it was not clear whether higher fees were justified. However, the Institute's position was that if higher fees were needed the next year when the system had settled down, then a follow-up investigation was required. It advised parents against accepting a position of propping up inadequate school budgets.

We also say that parents should make it quite clear both to government and to boards of trustees that the principle of paying fees to meet budget deficits is not acceptable. Any donation asked should be tagged for extra school amenities and not to subsidise Government funds (Consumer, 1990, p. 21).

The Institute also advocated schools being accountable to parents for the way the donation was spent. That is, schools should state what the donation is wanted for when requesting it and at the end of the year schools should send parents an account showing how the donated money was spent. In addition, they warned that paying high fees might help the school in the short term but that in the long term it could become the norm, paving the way for compulsory fees in state schools.

Besides uncertainty of funding, schools expressed concern about the field trips required by the new geography curriculum, for which they were not funded and for which parents would have to pay.

In 1993 and again in 1997 the Consumer's Institute surveyed 41 schools and reported on the amounts schools were asking (Consumer, 1994; 1998). Schools were from both large and small centres, and wealthy and poorer areas. Of the primary schools surveyed in 1993, the highest fee was \$66, and three schools had no fee. Secondary schools' fees ranged from \$30 to \$255. In 1997, only one of the primary schools had no fee, the highest primary school fee was \$110, an increase of 66%, and the highest secondary school fee was \$450, an increase of 76%. Thirty-three of the 41 schools had increased their fees. Schools in poorer areas had the lowest fees and the poorest payment rates. Payment rates ranged from 30% to 90%.

In spite of the substantial increase in fees, there was no suggestion either in 1994 or 1998 that schools' operating budgets be reviewed. Nor was there any repetition of the suggestion that schools account to parents for the way they spend donation money. Instead, in 1994 while lamenting the fact that government funding does not cover many things that parents consider essential, the Institute recommended that parents pay the fees if they could afford it, talk to the school if they couldn't and if they thought that fees were too high to complain to their Board of Trustees. The main reasons for parents paying fees were to avoid having their children miss out or having them subsidised by others. In 1998 there was no mention of taking concerns about high fees to Boards of Trustees, nor was there any question on the adequacy of government funding. The only recommendation is that parents pay the fees because the money contributes to the quality of education. And if they genuinely can't pay, contact the school and don't feel embarrassed.

The 1998 investigation found that the law is too vague for precise interpretation. However, it reported that the schools could probably legally exclude children from extra-curricular activities for non-payment of fees. They thought schools were on shaky ground legally if they tried to use debt collectors, excluded students from curriculum-related trips or activities for non-payment of fees or withheld reports and certificates for non-payment of voluntary fees. The Youth Law Project reported that despite publicity some schools still try to break the law over fees.

By 1998 the Consumers Institute appears to regard school fees as a fact of life. In fact, it demonstrated a surprising change of position between 1990 and 1998. After 1990 the Institute did not speak on behalf of consumers regarding accountability of schools to parents on spending of voluntary donations and adequacy of Operations Grants. Instead it took the view of schools that 'user-pays' is necessary.

4.3.2 Richardson Epplett Study of Schools Operations Grants

A 1994 nation-wide survey of 230 schools, conducted by a Hastings accountant and school trustee, Preston Epplett, concluded that all boards were using community funding to make up shortfalls in government Operations Grants, with figures ranging from 20% in small schools to 25% in large schools. The study examined school

spending on items to be covered by the Operations Grant; that is, expenditure for essential items, not luxury or additional items. The study showed that, partly as a result of constraints on operating budgets, most schools were not making adequate provision for deferred maintenance and that the Ministry guidelines for financial reporting did not require them to do so. This had the effect of overstating assets or equity of schools. In addition, some schools were also accounting for funds raised for special projects as revenue, which had the effect of making their financial situation appear healthier than it actually was.

The study also highlighted an issue with reporting standards in schools' financial statements. Although the Ministry had issued guidelines for financial reporting, most schools had variations on that model and there were the extremes of some having volumes of information to some showing very little detail at all (Richardson Epplett and Partners, 1994); (Epplett, 1995).

4.3.3 ESRA Reports

In 1997 the New Zealand School Trustees Association commissioned a review of schools' funding from Economic and Social Research Associates (ESRA) and educational researcher Cathy Wylie (ESRA, 1997). The report concluded that Operations Grants had not kept pace with inflation and that schools were relying more on local funding, particularly activity fees. In addition, 30% of schools, mostly secondary, incurred operating deficits in 1995 and the number of working capital deficits had more than doubled between 1992 and 1995. The report found that, if local funds had stayed at their 1993 level, the school sector would have been \$51 million in deficit in 1995 instead of showing a profit of \$33 million. The report questioned whether the Government was still committed to financing a free compulsory education system.

In 1999 the New Zealand Educational Institute commissioned a series of three reports from ESRA analysing the data and information available with the publication of *New Zealand Schools Nga Kura o Aotearoa 1998*, the Ministry of Education's annual report on the compulsory school sector. These reports presented an analysis of data from 1994 to 1997 from the annual report and unpublished data from the School Accounts Audit and Tracking System (SAATS). SAATS was the database system

used by the Ministry of Education to record and report on data supplied in schools' financial statements each year.

The first ESRA report (ESRA, 1999a) provided analysis and comment on the Ministry of Education annual report. It noted that government funding as a percentage of total funding declined every year between 1992 and 1997 and that schools' local funding increased significantly during that period.

The second report (ESRA, 1999b) provides an analysis of unpublished local funds data and a description of the database used to produce these figures. Analysis showed that income raised locally varies considerably as to its nature and purpose. Income such as activity fees relates closely to curriculum and educational matters, while trading and investment income result from more commercial activities. Over the four years under analysis, activity fees increased by 49% overall and remained the largest source of local income. Fundraising increased by 88% during the period and trading increased by 27%. Income from school fees (voluntary donations) declined 30%, suggesting that there was some basis for the concern that schools had shifted their local income-raising approach from a donation basis to a user charge basis. The largest increase was in revenue from foreign fee-paying students.

The report challenges the Ministry of Education position expressed in the annual report that it is more accurate to look at net local funds (that is, subtract local funds expenses from local funds revenue) rather than gross local funds. It asserts that this view is put forward chiefly because the Ministry wishes to minimise the importance of local funding and results in an unbalanced comparison of gross revenue in one category and net revenue in the other. More importantly, this approach ignores the complex relationships which exist between local funds revenue and expenses. Just as local funds income varies in its nature, so does the causal relationship between income and costs, depending on the source of the income. While one would expect a modest profit margin on trading activities, the report questions whether there should be a profit on activities at all (it was 58% in 1997). It suggests that schools may be using activity fees to raise income that they are not lawfully entitled to raise in other ways, or that schools may not be correctly matching costs and revenues.

The report concludes that increases in local funding were used to fund an increased expenditure in learning resources and that there are indications of an increased reliance on fundraising and user charges to cope with the decline in the contribution of government funding.

The third report (ESRA, 1999c) removes funding for teachers salaries from the figures and provides an analysis of funds under the control of Boards of Trustees – local funds and Operations Grants. This analysis demonstrated that, once teachers' salaries are ignored, parents and the local community pay for just under one third of what happens in the school sector. Under these circumstances, it was not surprising that there was a trend away from voluntary donations to fundraising and activity fees as boards seek to improve their income and their control over that income.

4.3.4 Wellington Community Law Society Pilot Project

From May 1999 to May 2000 the Wellington Community Law Centre operated a pilot project called 'Communities Supporting Schools and Parents'. (Wellington Community Law Centre, 2000) One component of this pilot was an 0800 information and advocacy telephone line for parents. The Parent Legal Information Line for School Issues (PLINFO) demonstrated that parents at times needed access both to information about their and their children's legal rights and obligations within the school system, and to advocacy to help them present this case within a school system. The greatest concern identified by the pilot of PLINFO was that not all New Zealand children have equal access to all levels of the school system. Children were being excluded from the curriculum for a number of reasons, including special needs, school fees and course costs, and suspensions, exclusions and expulsions.

Complaints about school fees were summarised into five main categories:

Failure of schools to inform parents in a way that can be easily understood of the fact that donations are voluntary: Parents complained that they were not informed that donations were voluntary or if they were the word 'voluntary' was hidden amongst other words and the meaning obscure. Case studies included a request for the donation in the form of an invoice with the donations called School Fees.

Students being punished for non-payment of fees: This included situations such as a school refusing to send out reports or issue leavers' certificates, etc., and not allowing students to attend the school ball. A case study was given of a child who had been refused an ID card because the voluntary donation was not paid. Without the card the child could not use the library or the school bus.

The scope and meaning of curriculum: Boards may not demand a fee for provision of the curriculum, except for materials for a take home component. However, difficulties arise over whether or not activities such as school camps and field trips are part of the curriculum. Sometimes schools refer to them as extra-curricular, even though students can be disadvantaged if they do not participate. One case study was a fun day at a primary school, where a solo parent, on being unable to pay \$5 for each child, was asked to keep the children home on the day. Another was of a school camp with excessive costs, much of which was found to be for supervision of the children, and not for food, travel and lodging which is what a parent might reasonably be expected to pay for.

Potential costs discourage equal access of all students to the curriculum: Children from low income families are sometimes discouraged from taking subjects which have higher costs, for example high materials fees. Art and computer studies are given as examples. An example was also given of a school frightening a low-income parent by asking them to sign a form accepting liability if anything went wrong when their child used the school network/internet service. The difficulty low-income parents have of meeting extra costs means that not all children have equal access to all subjects.

The means by which schools pursue payment: Parents were unhappy about accounts being referred to debt collection agencies, sometime for quite small amounts, for example \$17. A case study is given where a school had requested access to the parents' financial records when the parents said they could not afford to pay the donation.

The project found that the meaning of 'free' education as stated in the Education Act 1989 is being interpreted widely by different schools in spite of information distributed by the Ministry of Education. It concluded that circulars and guidelines are not sufficient to ensure students receive the free education they are entitled to, and that rules and regulations are required.

It is of note that the majority of case studies presented in the report were situations explicitly forbidden by the Ministry policy.

4.3.5 Ten Years On: How the Schools View Education Reform

Pertinent research in this area has been done by Cathy Wylie for the New Zealand Council for Educational Research. This study of primary and intermediate schools, reported in *Ten Years On: How the Schools View Education Reform*, is similar to studies conducted in 1991, 1993 and 1996. It includes research into schools' views on adequacy of Operations Grants, their ability to raise local funds and parents' estimates of money spent on their children's education.

Despite recent increases in the operational grant, the majority of principals reported that their government funding was inadequate for their needs and the number has increased steadily over time. In 1999, 87% of principals and 65% of trustees found their funding inadequate, compared with 20% of both principals and trustees in 1990. Wylie suggests that this may reflect increased expectation on and of schools including such things as mandatory curriculum changes and changes in assessment and schools' efforts to become more responsive to students' needs. The views of inadequacy were unrelated to decile, but were related to school size and location. Principals of rural schools and of smaller schools were more likely to find their operational funding adequate.

Seventy-four percent of trustees said their school had faced financial issues or problems during the last two years. The main responses to problems were to put more effort into fundraising (26%), seek outside sponsorship (15%), to cut back spending in some areas (21%) or to cut back spending across the board (20%). These were much the same as those reported in 1996 and 1993, except that in 1993 more schools

increased fundraising (38%) and fewer sought outside sponsorship (10%). Fifty-nine percent of trustees reported that they would like to see more parental involvement in fundraising, compared to 26% in 1993.

Most schools also applied for additional government funding and many schools sought financial support from corporate sponsorships or philanthropic trusts. The proportion applying for the Financial Assistance Programme had doubled since 1996, probably reflecting the increased funding made available for the scheme. This programme matches schools-raised funds with Ministry of Education funds to enable schools to bypass the national priority list for capital works.

The decentralisation of school management has increased local fundraising efforts and some principals at high-decile schools feel they have become dependent on parental contributions. The number of schools which could raise \$15,500 in a year through their own efforts has almost quadrupled over the last 10 years. (Some care must be taken in interpreting this as the figure is not inflation adjusted.)

Sources of local funding have remained consistent since the 1991 survey. Direct fundraising contributes about 53% of local funds, school fees around 27%, donations/grants/sponsorships around 20%, investments about 19%, activity fees 13%, foreign fee paying students (at 24 schools) 10% and hiring out of school facilities around 8%.

The study found that 26% of schools did not charge a school fee, and these were more likely to be rural schools and schools with small rolls. In 1989, fees ranged from \$2 to \$160 per student with only 29% of schools with fees asking more than \$20. In 1999, fees ranged from \$5 to \$280 with 69% of schools with fees asking for more than \$20. Fees increased with school decile and were lower in schools with a higher proportion of Maori enrolment. Fully funded schools, that is, those where the board controlled the teachers' salaries as well as the Operations Grant, tended to have higher fees. Only 26% of schools managed to collect the fees from all or almost all of their families and lower-decile schools had lowest payment rates.

Parents' estimates of their spending on their child's education averaged \$187 in 1991, \$304 in 1993 and \$491 in 1996. In 1999 the average was \$493, an increase of 164% over 1991, but changing little from 1996, suggesting that parental contributions to education have reached their limit. Spending by parents in professional occupations and in unskilled work had increased, spending had remained the same for parents in skilled work and spending by parents who were unemployed or on a benefit had decreased.

Parental involvement with schools has declined from 86% in 1989 to 65% in 1999, probably reflecting the growth in women's employment during the decade and the need for families to have two incomes. Parental involvement was highest in schools with rolls under 100 and rural schools and declined as school size increased. However, parental involvement increased with decile in categories such as contributions to fundraising, helping in the classroom, helping with school trips and being on the school PTA/council. Parents in lower-decile areas reported having less time to help at schools.

4.3.6 When Schools Compete: A Cautionary Tale

When Schools Compete: A Cautionary Tale (Fiske and Ladd, 2000) contains the findings of a study conducted by two American researchers into the impact of the Tomorrow's Schools reforms in order to identify lessons learned for the benefit of other countries considering educational reforms. Their approach included a literature review, analysis of Ministry of Education data, visits to 46 state primary and secondary schools chiefly in the main urban areas of Auckland, Wellington and Christchurch, and interviews with policy makers. The study reviews the reform process and the school system, with some focus on the aspects of parental choice, competition and enrolment schemes. Of interest here is the analysis of government operational funding and its relationship to local funds.

Fiske and Ladd note that, under Tomorrow's Schools, schools are encouraged to raise local funds to supplement their Operations Grants and that while local fundraising happened before the reforms, it has assumed additional importance under self-

governing schools. They identify the main sources of local revenue as student activity fees, fund-raising events, trading activities and foreign fee-paying students.

Fiske and Ladd found that student fees (that is, voluntary donations) are requested by most schools, and vary from nominal amounts to as much as \$500. The money is used for a variety of purposes including student activities, teachers' aides, computers and enrichment programmes. Most schools adjust the amount for families with more than one child. The proportion of parents paying fees varies widely with higher-decile schools more able to collect the requested amount.

The researchers' somewhat ironic language used in describing the collecting of voluntary donations demonstrates an outsider's recognition of the inconsistency between the policy and practice. They note that 'to maintain the fiction of free public education, schools are prohibited from making fees compulsory' and refer to donations as 'the stated nontuitions' and 'these "voluntary" fees' (Fiske and Ladd, 2000, p.83).

The analysis of Ministry of Education data from schools' financial statements for 1996 shows that amounts of local funding vary widely between deciles (statistics for deciles 1, 4, 7, and 10 are presented), increase with decile and are much higher in secondary schools than primary schools. They comment that trading activities do not generate a large profit for schools, while much more net revenue is obtained from activity fees.

The question of adequacy of the operations budget was examined. School budgets were established at the beginning of the reforms by the pragmatic approach of allocating to schools the amount spent before the reforms based on the analysis of spending patterns in a representative sample of schools. Subsequent research into schools' operational spending to determine what an adequate education in a well performing school should cost, proved to not be feasible, as relationships between educational inputs and outputs are not well understood. In addition, one Ministry official explained that issues about adequacy can be too politically explosive to discuss, as was the case with the new technology guidelines, which, if funded adequately would have cost the Ministry about NZ\$700,000 for new computers. This

is approximately the total amount of the sector's Operations Grant (Fiske and Ladd, 2000, p.152).

An analysis of Operations Grants for all schools from 1990 to 1998 shows that when expressed in inflation-adjusted dollars and taking out programmes moved from the salaries grant into Operations Grant during the period, operational funding actually declined between 1990 and 1996 from \$689 to \$631 per pupil. After 1996, funding increased but did not rise to 1990 levels until 1998. The Ministry used the 1998 figure to emphasise its commitment to adequate operational funding but the researchers make three points which indicate that operational funding is still likely to be below the 1990 level. The first is that because operational funding is targeted to needy schools, the gains do not help the typical or average school. Second, because of other changes related to the broader economic reforms of this time period, the price of goods purchased by schools is likely to have gone up more than the rate of inflation. Third, schools have more to do than they did in 1990.

The researchers' observation that schools are increasingly relying on local funds provided further support for the conclusion that government funding has become less adequate over time. Discussions with school officials led the researchers to conclude that local funds are not being used for frills but are being used to supplement the basic budget, and they question the appropriateness of user charges in these circumstances. In closing their chapter on funding of schools, Fiske and Ladd conclude:

Another serious issue concerns the appropriateness of relying on user fees and charges to subsidise functions at the core of the educational enterprise. In one sense, fees and charges are a natural extension of self-governing schools. But serious equity issues arise, especially when the basic funding level is not adequate (Fiske and Ladd, 2000, p.177).

One other finding relevant here relates to the disadvantage to low-income families of a user-pays environment. The researchers make the point when discussing constraints on parental choice (zoning had not yet been reintroduced at the time the study was done) but it is equally applicable to lower income families who live in the zone of a school of a medium or high-decile.

...student fees in the higher-decile schools are not inconsequential...many schools charge substantial sums. While such fees are not technically compulsory, and indeed are waived for some students, their existence puts the low-decile family in the difficult and embarrassing position of having to ask for special treatment. Moreover, high-decile schools are also likely to impose charges on students that do not show up in the official fees, such as the cost of school trips and athletic equipment; these are expenses that schools serving poorer constituencies cannot expect to recoup from parents (Fiske and Ladd, 2000, p.208).

The fact is that lower income families can face embarrassment and financial hardship because of significant user charges in higher-decile schools.

The studies by Richardson Epplett, ESRA, Wylie, and Fiske and Ladd identify inadequate and shrinking school operating budgets. Operations budgets at the beginning of Tomorrow's Schools were created by the simple expediency of allocating money spent before the reforms directly to schools. Not all costs were known as they had previously been held in centralised budgets. In addition, operating budgets declined between 1990 and 1996, and did not regain 1990 levels until 1998. However, they may not have been adequate in 1990 as decentralisation created more work for schools and some efficiencies of centralisation were lost. In the primary sector, Wylie found that views of adequacy of funding were not related to decile but were related to school size and geographic location. Smaller schools and rural schools were more likely to view their funding as adequate. Fiske and Ladd noted that increases in operational funding have been targeted to low-decile schools and that the average school has not benefited from the increases. Schools' financial accounting and reporting has in some ways disguised problems, including reporting special project money as revenue and failure to provide for deferred maintenance. In addition, inconsistency in use of Local Funds categories in financial reporting has made it difficult to clearly identify the source of local funds. During this time, schools have had new curriculum requirements placed upon them, the most difficult financially being that of information technology, which was not adequately funded.

Corresponding to the increasingly difficult financial environment in schools through the 1990s is an increase in schools' local funds revenue, particularly fundraising, activity fees and revenue from foreign students. Between 1994 and 1997, revenue from fundraising increased 88%, revenue from activity fees increased 49% and revenue from school fees decreased by 30% suggesting a shift to user-pays policies in schools. In 1997, local funds made up just under a third of school income excluding teachers' salaries. Both the Consumers Institute and Wylie identify an increase in costs to parents, both in the amount requested as a donation and in the total amount parents pay.

The anomaly of voluntary donations which are not really voluntary is identified by Fiske and Ladd. They also point out the equity issue of user charges when basic funding is not adequate and the difficulty lower income families will have if children attend a higher-decile school. In the Wellington Community Law Society report there is evidence of problems for children relating to non-payment of fees and donations and of schools' non-compliance with Ministry policy and the conclusion that circulars and guidelines are not adequate to protect children's rights.

The next section introduces the NCWNZ survey, the findings of which were used extensively in the design of the research for this thesis.

4.4 NCWNZ 1999 Survey

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing affiliated groups of nationally-organised societies throughout New Zealand. The Council has since its earliest days been an advocate of free education, the first resolution on this topic having been put forward in 1897 and reiterated again in 1899. At the time of the implementation of Tomorrow's Schools in 1989, NCWNZ called on Government to review the funding proposed for primary and secondary schools to ensure that that no school was forced to operate on an budget inadequate for its needs (NCWNZ, 1996).

In November 1998 NCWNZ wrote to the then Minister of Education, Mr Wyatt Creech, expressing concern at a newspaper report (*New Zealand Herald*, 25

November) that an Auckland state school proposed to charge fees of \$700 per student, \$450 of which would be compulsory. NCWNZ also queried why schools should need to collect donations from parents and urged the Minister to review the operational funding of schools to ensure that it was adequate.

The Minister's reply that the school in question had been spoken to and that he routinely reviewed school operational grants did little to reassure NCWNZ. As a result of increasing concern about the cost to parents for compulsory schooling, the NCWNZ Education Standing Committee decided in 1999 to collect information from the membership about school donations and other fees charged to parents by the schools. NCWNZ delegates obtained information from schools, parents and family members. The findings of the survey increased the concern of the Education Standing Committee about the extent of user-pays in schools and they resolved to have the matter investigated further. A summary of the survey findings was reported back to members in October 1999 and the Education Standing Committee, with permission from the National Executive, resolved to have a scientific survey of schools conducted. The methodology of the survey is described in Chapter 5 and findings are reported in Chapter 7.

4.5 Conclusion

This chapter has described the growing problems relating to funding of the compulsory school sector since the implementation of Tomorrow's Schools. For schools it has meant increased responsibilities without a corresponding increase in government funding and an increasing reliance on donations, activity fees, fundraising and foreign student fees in order to meet expectations. In recent years this reliance on the school community appears to have been more difficult for higher-decile schools. Schools have responded variously, with some clearly acting outside of Ministry policy and many refusing to accept, given their situation, that donations should be voluntary, a circumstance foretold by the Consumers' Institute at the beginning of the decade. The newspaper articles show evidence of consumer anxiety about school behaviour and these concerns are confirmed in the literature. For parents and caregivers, it has meant increasing costs and the necessity of supporting more school fundraising, pressure to pay, the possibility of embarrassment and loss of self-esteem for those

who cannot pay, and most importantly, the risk that children may be excluded from full participation in school life because of the financial circumstances of their family.

It is not surprising that there are difficulties. All the ingredients are present - a state school system which encourages local fundraising, decentralised school administration with little monitoring of policy implementation by the Ministry, shrinking school operating grants and increased curriculum responsibilities for schools. And this against a backdrop of economic policy which emphasised greater individual and family responsibility, less government involvement, lower taxes and more user-pays.

Under this set of circumstances, it is to the credit of schools and Boards of Trustees that the issues are not greater than they have been. And of course, somewhat ironically, it is the tremendous support New Zealand local communities give and have always given to their schools that has made the situation possible in the first place.

5 Research Design and Methodology

5.1 Introduction

This chapter describes the methodology of the four main components of this research. The first is an analysis of Ministry of Education published and unpublished data on schools' local revenue derived from school financial statements. The second is the NCWNZ survey of its membership for information on schools' collection of donations and activity fees. The third component is a survey of 500 state and integrated schools, and the fourth consists of a series of focus groups with parents.

5.2 Schools Financial Data

Under the Public Finance Act 1989, school Boards of Trustees are required to publish annual reports of their financial and service performance. The financial accounts are prepared on an accrual accounting basis consistent with Generally Accepted Accounting Practice (GAAP). The audited accounts are forwarded to the Ministry of Education, which creates a national database of financial data from them. Financial performance of the education sector is reported each year in the Ministry publication *New Zealand Schools Nga Kura o Aotearoa: A Report on the Compulsory Schools Sector in New Zealand*.

The analysis in this thesis uses data from the annual Ministry publications and unpublished data from the national database obtained from the Data Management and Analysis Division of the Ministry of Education.

Information about the process of categorising Local Funds data and processing it for input into the national database was obtained from Ministry of Education financial advisers and verified through discussion with two Auckland schools and an agency which supplies financial services to schools, including preparation of financial statements.

5.3 NCWNZ Survey

This section describes the methodology used by the Education Standing Committee for the NCWNZ survey.

In early 1999 the Education Standing Committee of the NCWNZ resolved to conduct a survey via its membership to gather information about the voluntary schools donation and other charges to parents. The vehicle used to distribute the survey was the NCWNZ monthly newsletter, the *Circular*, which is distributed to all members and has a distribution of approximately 1,700 copies per month. At the time of the survey there were 35 branches covering all parts of New Zealand, from Kerikeri to Southland. The *Circular* is also distributed to 43 affiliated nationally organised societies. The questions appeared in *Circular 421* in April 1999 and were as follows:

SCHOOL 'DONATIONS'

The Education Standing Committee is interested in gathering information about 'voluntary school donations'. The terms 'schools fees' or 'activity fees' may be used to describe the same thing. Please answer these questions about your local primary, intermediate and/or secondary school. Identify which type of school you are reporting on.

1. What reasons are parents given by the school when requesting this 'donation'?
2. What is the 'voluntary donation' fee for one child? For two or more children in the same family?
3. What are parents told the money will be used for?
4. Are parents informed that the 'donation', suitably receipted, qualifies for an income tax rebate?
5. If possible, find out what other 'extras' parents are asked to pay for during the school year:

What are they?

What do they have to pay for each?

What happens if the parents are unable to pay?

(NCWNZ, 1999a, p. 15)

Replies were to be sent to the convenor of the Education Standing Committee, Dorothy Meyer, by 31 May 1999.

Different approaches were used by the various delegates for collecting the information. Some contacted schools in their local area for information. They then either sent the schools' responses directly to the Education Standing Committee or summarised the responses into a report which was then submitted. Others approached parents for information, some with a questionnaire to be completed which was then submitted, and others used an interview process and wrote a summary report. Besides responses to the survey questions, delegates also collected and sent copies of school newsletters and invoices which had been received by parents or sent to delegates by schools. Delegates' reports included their own reactions to what they had discovered and reports on parent experiences. The variety of approaches produced a wealth of information on the topic with some challenges for analysis.

5.4 School Survey

This section describes the design of the School Survey.

5.4.1 Sampling Methodology

Data for selecting a sample of schools was obtained from the Data Management and Analysis division of the Ministry of Education in the form of an Excel file containing information on all state and state-integrated schools excluding Kura Kaupapa Maori schools and the Correspondence School in Wellington. There were a total of 2,651 schools in this file. Data elements included institution number and name, type of school, school mailing address and phone/fax number, decile level, area type, Maori enrolment percentage and roll size. An additional Excel file provided the name of the principal and the school's district and region for 2,639 of these schools.

Schools were numbered and identified by their order in the Excel file. Schools were selected for the sample by using the random number function in Excel to generate 500 unique numbers between one and 2,651.

The questionnaire was mailed out to schools in mid-August 2000. Included with the questionnaire were a covering letter, an information sheet explaining the research project and a reply-paid envelope that returned the responses to the office of the School of Social Policy and Social Work at Massey University.

5.4.2 The Questionnaire

The questionnaire asked schools to supply information about their Local Funds for the 2000 school year. Part A included questions about the school donation. Donations were defined to be 'those monies paid voluntarily by parents/caregivers and for which a tax receipt may be issued'. Questions included how much was requested, what proportion of parents pay, the consequences to children if the donation was not paid and the methods the school used to encourage payment. Part B included questions about activity fees. Activity fees were defined as 'the monies charged to parents/caregivers for specific activities e.g. materials fees, school camp fees, school trips, school sports, etc.' Questions were asked about the amount charged to parents in activity fees, the amount paid, consequences of non-payment, assistance available to those who have difficulty paying and policy in setting the fee amount. Part C requested the school to include with the returned questionnaire a copy of the school's information sheet or newsletter used to inform parents about school fees. At the end of the questionnaire was a space for comments. A copy of the questionnaire can be found in Appendix One.

Design of the questionnaire was greatly assisted by the data collected by NCWNZ. Information included in the responses to the NCWNZ questions enabled the development of response categories for the questions and identified the terminology in use in the schools. This made the questionnaire easier for the respondent to complete and the researcher to code and analyse.

A preliminary version of the questionnaire was discussed with a nucleus group of the NCWNZ Education Standing Committee who gave advice on questionnaire content and structure. The draft questionnaire was piloted at a primary, an intermediate and a secondary school. Several changes were made to the wording following this. These reviews also identified that the environment surrounding the collection of activity fees

is complex and diverse and that data on the financial amounts might be difficult to collect through the questions in the questionnaire. However, as activity fees were only one component of the questionnaire and in view of the need to keep the questionnaire to a reasonable length, it was felt that it was not possible to improve the questions in this section.

5.5 Parent Focus Groups

5.5.1 Purpose and Design

The purpose of conducting parent focus groups was to complement and test the findings of the School Survey.

The experience and views of parents on paying donations and activity fees and participating in fundraising were sought through PTAs. While PTA members do not represent a cross sample of parent views, they are more likely to be aware of what is happening within the schools and to have an interest in the topic. PTAs have a specific role, and therefore provide a reasonably uniform sample of people who have a specific relationship and experience with schools. Focus group participants could also include other parents interested in the topic who had been invited by the PTA to participate.

The intent was to conduct six focus groups within the Auckland region. While it would have been preferable to conduct groups in other areas of New Zealand this was prohibited by cost. Two of the groups were to be in rural areas and four in urban areas. It was hoped to include a range of decile levels and both primary and secondary schools in order to canvass as wide a range of opinion as possible.

The initial plan was to recruit focus groups from schools which participated in the School Survey as these might have a higher interest in the topic. However, in view of the difficulty experienced in making contact with PTAs in urban areas and in the interests of maintaining confidentiality of participating schools, PTAs from other schools were included as well.

5.5.2 Recruiting Participants

The initial plan was to obtain contact details for the chair of the PTA at various schools and send them a letter and a copy of the information sheet to explain the project and invite participation. Telephone calls to schools established that urban schools regard information about PTA members as confidential and most will not release contact details of the PTA chair. This was not the case with the rural schools. Consequently all correspondence had to be sent via the school office and it was not possible to discuss the research project personally with a PTA member unless he or she chose to make contact with the researcher.

Letters addressed to the chair of the PTA and copies of the information sheet were first sent to six schools to gauge potential interest in the research and to develop a process for communication. Two of the schools were in rural areas and four were urban. Both rural schools responded to the letter and one subsequently went ahead with a focus group. There was not enough parent interest at the second rural school. No response was received from the four urban schools, in spite of follow-up phone calls. The PTA chair at the rural school which was interested in participating commented that interest and energy were likely to be higher at the beginning of a school year than at the end (the letters were sent in November). Consequently further efforts to arrange focus groups were delayed until the following February.

Phoning schools and leaving a message asking the PTA chair to call the researcher proved to be ineffective. It was not possible to know whether the non response resulted from the message not being passed on, from lack of interest or from insufficient information. However, phoning schools did reveal that schools in deciles 1 to 3 were less likely to have a PTA. Of six low-decile schools phoned, five did not have a PTA or parent support group of any sort.

On the advice of a school principal, a one-page flyer addressed to the chair of the PTA was mailed to 40 schools in urban Auckland. The flyer described the research project briefly and invited parents to participate in a focus group giving their views on donations, activity fees and fundraising. A short description of the focus group process was included and contact details provided for those who were interested in

more information. Follow-up phone calls were made via the school office to 36 of the 40 schools. This method proved more successful than mailing a detailed letter and information sheet.

Of the 36 school PTAs approached through this process, six were too busy with projects or were not interested, four were having difficulty keeping their PTA going because of a lack of interested parents, three had no PTA or parent group, at two the PTA was in a hiatus because of the recent Board of Trustee elections and 18 PTAs did not respond to the follow-up phone call. Three PTAs agreed to participate in the project.

These urban groups together with the rural PTA mentioned earlier made a total of four focus groups.

5.5.3 Group Process

Once a PTA had agreed to participate, the contact person was sent a letter describing the project and copies of the focus group information sheets to give to members. Extra copies of the information sheet were taken to the focus group session in case a member had not received one.

At the beginning of each focus group session, after reviewing the information sheet, participants were requested to sign the Focus Group Consent Form. All did so, and all agreed to the request to audio-tape the sessions.

Each focus group session began with participants being asked to comment on two sets of charts. The first showed the total amount of local revenue collected by primary and secondary schools in New Zealand from 1992 to 1998. The second showed the total amount of local revenue by source (donations, school fees, trading, etc.) between 1995 and 1998. Participants were asked to comment on whether the charts looked the way they would have expected and whether the patterns reflected their experience. This served to get participants thinking about the sources of local revenue at the school and to see their experience as part of a wider picture.

Parents were then asked to discuss their own experiences and views on donations, activity fees and fundraising in that order. They were encouraged to include in the discussion other schools their children had attended or were attending. To close the session they were asked for their views on what they felt government should be doing in this area in the future.

5.5.4 Data Collection and Analysis

All focus group sessions were audio-taped. A transcript of each session was created from the tape and two copies sent to the contact person of the PTA for circulation and comment by the group. A summary of the discussion and the key findings was then prepared and sent to the group for comment.

5.6 *Ethical Considerations of the Research*

5.6.1 Ethical Principles in Research Involving Human Subjects

The major ethical principles to be adhered to when conducting research involving human subjects are those of informed consent of the participants, confidentiality of the data and the individuals providing it, minimising of harm to participants, researchers and others, truthfulness and social sensitivity to the age, gender culture, religion and social class of the subjects.

Informed consent occurs when the intended participant has been provided with the fundamental information about a research activity and their participation in it. This includes a comprehensive explanation of the nature and purpose of the research and the possible hazards relating to participation. An intended participant must also be made aware that he or she has the right to decline to participate, to refuse to answer any question, to withdraw from the study at any time, to ask questions at any time during participation, to provide information on the understanding that her/his name will not be used without permission and to be given access to a summary of the findings when the study is concluded.

Management of a research project and publication of results must ensure the confidentiality of participants and the privacy of individuals, institutions, communities

and ethnic groups. Data storage arrangements must ensure safe custody of the data. Risks to participants should be identified, as should any procedures available to minimise or remove these risks (Massey University Human Ethics Committee, 2000).

The research project was approved by the Massey University Human Ethics Committee.

Copies of the letter to schools, the information sheets, the one-page flyer and the informed consent form can be found in Appendix Two.

5.6.2 Ethical Considerations Relating to the School Survey

The main issue for schools participating in this research was confidentiality of information to protect the institution, the board and the principal. Seeking financial contributions from parents can be a sensitive issue in itself. In addition, not all schools adhere to Ministry of Education policy in this area and assurance was needed that there would be no repercussions for disclosing this to the researcher. It is also the case that schools might not be aware that they are not compliant with policy.

Besides assurance of confidentiality, schools also needed to be supplied with sufficient information to be able to give informed consent to participation. An information sheet was prepared for this purpose and mailed to the schools with a covering letter.

Schools could also gain some assurance of confidentiality from the fact that the survey included 500 schools. This is a sufficiently large sample to decrease the likelihood of any one school being identifiable.

Care was taken to protect confidentiality when including written comments from the questionnaires in the thesis. Where particular details or words might lead to the possibility of the writer being identified, these were omitted or replaced. This was also done when quoting from school newsletters and other documents supplied to the researcher. Where text has been modified, replacement words have been enclosed in square brackets.

5.6.3 Ethical Considerations Relating to the Parent Focus Groups

The main ethical considerations for the parent focus groups were confidentiality of information and informed consent. Confidentiality included protection of the identity of the school to which the group belonged, thereby protecting the identity of the group. There was a slight risk to participants if other participants did not maintain confidentiality about the group discussions. There was also an issue with negative remarks about the management of the school, as publishing these could damage the relationship.

An information sheet was prepared to inform potential participants about the objectives and design of the study and the focus group process. All participants were asked to sign a consent form.

A cultural reference group was established by the researcher and her supervisor in the event that advice was needed on focus groups which included people of Maori or Pacific Island culture. No issues arose which required this group.

Care was taken to protect confidentiality when summarising the focus group discussions, particularly when including direct quotes from the transcripts. Where particular details or words might lead to the possibility of the participant or the school being identified, these were omitted or replaced. Where text has been modified, replacement words have been enclosed in square brackets.

5.6.4 Ethical Considerations Relating to use of the NCWNZ data.

Written permission to use the NCWNZ data was given by NCWNZ, provided that their input was acknowledged, that anonymity is maintained in relation to the use of any of the responses sent to the NCWNZ Education Convenor and that the NCWNZ be allowed to use any conclusions of the research in support of any case the NCWNZ might wish to take to the Ministry of Education following publication of the thesis.

Where NCWNZ material has been used, the source has been acknowledged. In addition, the convenor of the NCWNZ Education Standing Committee has read and approved all material included here about the NCWNZ and its survey.

Care has been taken to protect confidentiality when discussing responses to the NCWNZ survey or comments from NCWNZ delegates, particularly when including direct quotes from the material. Where particular details or words might lead to the possibility of the participant or the school being identified, these were omitted or replaced. Where text has been modified, replacement words have been enclosed in square brackets.

6 Findings – Schools’ Financial Data

6.1 Introduction

This chapter presents an analysis of schools’ local funds as reported in school financial statements. It is divided into three sections. The first describes the categories used for collecting and reporting money raised locally, the data collection process, issues with the data and the process and the Ministry of Education reporting of information on schools’ local funds. This is followed by a presentation of the data for 1999, the most recent year available at this time. Lastly, an analysis is given of the trends in collection of local funds from 1994 to 1999.

6.2 Schools’ reporting of Local Funds revenue and expenses

Each year schools must prepare and publish a set of financial accounts. These must be compiled on an accrual accounting basis consistent with Generally Accepted Accounting Practice (GAAP) and are also to be constructed using a reporting model developed for the purpose by the Ministry of Education.

The instructions for preparing financial statements are found in the Ministry publication *School Accounting and Reporting Requirements* issued in December 1997 (Ministry of Education, 1997b) and are updated from time to time by Ministry circulars.

Revenue is reported under the three main categories of Grants, Investments and Local Funds. Expenses are categorised as Administration, Depreciation, Learning Resources, Local Funds and Property Management.

Headings and typical subheadings for reporting Local Funds revenue are shown on the table below.

Table 1: Headings and subheadings for reporting revenue and expenses

Heading	Subheading
Revenue	
Trading	After school care Canteen and/or lunches Stationery sales Sale of clothing
Fundraising	Galas and other money raising activities Other donations Parent donations PTA donations
Activities	Class trips Class materials Continuing Education Hire of facilities Overseas students Student activities
Expenses	
Trading	Cost of sales Wages Other direct expenses Insurance Overheads
Fundraising	Direct expenses for fundraising activities
Activities	All direct expenses for these activities

(Ministry of Education, 1997b, p.18-19)

Once a school's financial statement has been approved by the auditor, four copies in paper format are sent to the regional office of the Ministry of Education. The financial adviser at each regional office is responsible for reviewing, summarising and inputting of data into an electronic format. The data from each region is then imported into the national database used to report the financial performance of the school sector as a whole.

There is some variation in how schools report revenue from Local Funds and in the amount of detail included in financial statements. The Ministry of Education financial advisers standardise the categories where possible when preparing data from financial statements for input. However, the level of detail provided by the schools is not

always sufficient and there is some inconsistency within the categories. This issue is discussed further in the next section. In addition, there may be some inconsistencies introduced by financial advisers working independently in each regional office.

Until 1999, schools' financial statements were summarised and input into a Ministry of Education database known as the School Accounts Audit and Tracking System (SAAT). It had the following categories for reporting Local Funds revenue: Trading, Fundraising, Activities, School Fees, Overseas Student Fees and Other. Categories used for reporting Local Funds expenses were: Trading, Fundraising, Activities and Other.

In 1999 the Ministry of Education initiated a project to improve the quality of the data and refine the categories for reporting. SAAT was replaced and upgraded with the Financial Information Database for Schools (FIDS). Reporting categories for Local Funds revenue include Activity Fees, Donations (with subcategories Other, Parent groups and Past students), Fundraising, Overseas Students, Trading Sales and Other. Local Funds expenses remained much the same: Activities, Fundraising, Trading and Other.

One result of this initiative is that comparability has been lost between 1998 and 1999 data in the Fundraising and Donations (previously School Fees) categories. It appears that some items classified as Fundraising in 1998 were treated as Donations in 1999. However, these two subcategories appear to be comparable between years when combined.

6.3 Data Issues

There are a number of issues with this data relating to the design of the collection and consistency of reporting.

The data collection has been created for the purpose of monitoring and reporting on schools' financial management and performance. As the Ministry comments 'Examination of these accounts gives a picture of how well the schools did at managing their money from an accounting point of view.' (Ministry of Education, 2000, p.91).

There is a difference between data collected to fulfil an accounting requirement and the data one might choose to collect to monitor or evaluate policy. Because this data set was created for a different purpose, it has limitations as a tool to describe what is happening in the area of local funding of compulsory education. Money collected from parents relating to the compulsory education of their children, both curriculum or non-curriculum aspects, is not reported separately from money relating to other roles schools have in the community, such as provision of community education or rental of the school facilities.

There have been changes in categories of Local Funds revenue and expenses over the period under study which presents some challenges for trend analysis. During the first years of Tomorrow's Schools financial reporting systems had to be established in all schools and school staff needed to gain expertise in preparing accounts, as financial reporting had been done by boards under the previous model. There was also development work to establish categories to be used for reporting and to introduce some standardisation in the reporting of approximately 2,600 state and integrated schools.

Data quality is an issue. The Richardson Epplett study identified consistency issues within schools' reporting practices. These included variations on the reporting model promulgated by the Ministry of Education and varying amounts of detail, with the extreme of having volumes of information to showing very little detail at all (Richardson Epplett, 1994). In an analysis of Ministry of Education data from schools' financial statements for 1996, Fiske and Ladd noted that many schools appear to report voluntary fees as activity fees because of the small or zero amounts recorded in the School Fees category. They found that activity fees per student were much higher in decile 4 than the other deciles. Phone calls to some decile 4 schools led them to the conclusion that these schools were recording revenue from overseas fee-paying students in the Activity Fees category. There were also indications that some decile 7 schools were reporting revenue from overseas students as School Fees. The researchers concluded that there were consistency problems within the categories but that the total figures were probably correct (Fiske and Ladd, 2000).

A comparison of 1999 FIDS data with data supplied by 16 schools who participated in the School Survey revealed that four of the 16 had reported the money raised by the school donation in the Activities category. Three of the four were secondary schools. This is an area which clearly bears further investigation.

There are a number of other anomalies it is useful to know about when interpreting statistics generated from this data. Those described here should be regarded as indicative and are not likely to be comprehensive.

For PTA fundraising projects, expenses are normally managed within the PTA bank account and do not appear on the schools' financial statements. A donation from the PTA might be categorised under Fundraising or under Donations – parent groups. It is possible that PTA donations moved from Fundraising in 1998 to Donations in 1999, although the increase might also be due to some other reason.

The Activities category includes such things as book club orders, school camps, school trips and subject fees such as technocraft fees and sports fees, although one of the Auckland schools spoken to reported including subject fees in Donations. For secondary schools, Activities also includes community education revenue and expenses, money which is unrelated to compulsory education. Some schools also collect fees for sport organisations, and these are simply passed on to the organisation, thus increasing Activities revenue and expenses with amounts of money that are not related to the schools' activities.

In Activities, as with Trading and Donations, all incoming money is supposed to be included in revenue and the associated spending or direct costs included in expenses. There has been some difficulty with schools wanting to net the amounts before reporting them and the Ministry has put some energy into correcting this behaviour. However, one of the Auckland schools spoken to reported that it did not include amounts for field trips which netted to zero, so it would appear that this practice still occurs.

Trading includes money from schools' more commercial activities. These include such things as uniform sales, operating a lunchroom and stationery and book sales.

Variations will occur. For example, some schools sell new uniforms themselves and at others schools uniforms are purchased from local shops. If a school has outsourced its lunchroom, the item may appear in Other as hireage rather than in Trading. Revenue from workbooks, a curriculum item purchased by parents, is usually included in Stationery, a sub-category of Trading, although one Auckland school reported including it in Activity fees, seeing workbooks as class materials.

'Other' includes miscellaneous items such as hire of school facilities, revenue from signage and as mentioned above, revenue from an outsourced lunchroom.

Reporting of money raised for special projects is an area which can include reasonably large amounts of money and which may be reported differently depending on the school and the circumstances. Generally, it appears that if money is being raised for a special project which will conclude within one financial year, it is reported in the statement of revenue and expenses. If the project spans more than one financial year, the revenue is instead recorded as a liability on the balance sheet. This can result in money raised for similar purposes being handled in different ways. If the money is reported as revenue it might appear in Activities, Donations, Fundraising or Other, depending on how the money was raised and where the school chooses to show it. As pointed out previously (Epplett, 1995), including this money in the revenue statement will have the effect of making the school's financial position look better than it is.

Because some Local Funds revenue categories also have corresponding expense categories there are some anomalies in the way that similar activities and resource expenses are reported. For example, if the school pays for a field trip from its Operations Grant or from Donations, the expenses relating to the field trip will be included in Learning resources. However, if a parent pays for the field trip, the expense will be allocated to Activities expenses or not reported at all if the school nets these revenue and expenses. Similarly, if the school supplies a workbook, the cost will be included in Learning resources. If a parent pays for the workbook the cost will be included in Trading expenses or, at the school mentioned above, in Activities expenses. An unidentified but reasonably large component of Local Funds expenses is money spent on curricular and extra-curricular activities and resources.

The lack of standardisation of Local Funds revenue and expenses is one of the challenges of a model with decentralised administration, as is the higher transaction cost associated with every school managing its own financial affairs, preparing its own financial statements and paying for the audit of these statements. There is also the cost and possibility of error involved in summarising and manually entering the data for close to 3,000 schools. That there are still significant difficulties with this aspect a decade after schools began doing their own financial reporting, indicates that it may be a larger undertaking than the architects of Tomorrow's Schools had anticipated.

It is of concern that there should be these types of problems given that the amounts of money involved are very large – there was \$320 million in Local Funds revenue in 1999. Statistics produced from this data collection should be interpreted cautiously, keeping in mind these limitations. However, despite these shortcomings, the data does help to quantify the changes in the amounts parents pay and have paid for their children's schooling during the time period for which data is available.

6.4 Reporting of Local Funds in New Zealand Schools Nga Kura o

Aotearoa

At the national level, financial information about schools is reported each year in the Ministry of Education publication *New Zealand Schools Nga Kura o Aotearoa: A Report on the Compulsory Schools Sector in New Zealand*. Because of the time needed to prepare and audit financial statements, the financial information is from the previous year. For example, the volume reporting on the 2000 school year details the financial performance of schools in 1999.

Information about Local Funds is found in tables reporting on the financial performance of primary and secondary schools and is provided both in total and on a per student basis. Nineteen-ninety-two is the first year for which aggregate financial data is available (reported in the 1993 volume) and per student information was not included until 1994 (reported in the 1995 volume). Until the introduction of decile funding, analysis was given by size of school roll. From the 1994 financial year until

1998, analysis by decile group was included. In reporting the 1999 financial year, analysis by decile was omitted.

Little information about local funding of schools is reported. Tables include a figure for total Local Funds revenue and one for expenses for primary and secondary schools. No breakdown of amounts by the source of revenue or type of expenditure is given.

Comment was first made specifically about Local Funds revenue and expenses in reporting of the 1995 accounts, that is the 1996 volume, and indicated that the Ministry was feeling under some pressure because of the rate of increase in Local Funds. The view was put forward that Local Funds expenses are actually the costs associated with raising the Local Funds revenue and the figures should be netted before comparing increases in local revenue with increases in revenue from government grants. There was no acknowledgment that Local Funds expenses could be money spent on school activities, as can be seen in the following text:

The costs associated with generating local funds are equivalent to approximately 40 percent of income received from local sources. When costs are netted out 60 percent of Local Funds remained available in both primary and secondary schools in 1995. When calculated net of local funds costs, income from local sources increased by \$13 million in primary schools and \$22 million in secondary schools between 1993 and 1995. (Ministry of Education, 1996: 44)

While netting figures might possibly be an appropriate technique for Trading, it is not for Activities where much of the expenditure is related to school curricular and non-curricular events. However, comments that Local Funds expenses are the cost of raising Local Funds revenue have appeared each year since the 1996 volume. The commentary now supplies some description of what is included in Local Funds revenue. The 2000 volume contained the following:

Local funds arise from donations, trading activities, fundraising and (particularly for secondary schools) international students fees. (Ministry of Education, 2000: 52)

It is noteworthy that the category Activities, which includes parent contributions to their children's education for such things as subject fees, camp fees, money for field trips and exam fees is not mentioned in this list. The Ministry appears to be avoiding any reference to user-pays. In 1999, Activities made up 30% of Local Funds revenue in primary schools and 35% in secondary schools, hardly insignificant amounts. Activities are obliquely referred to as 'other self-funding activities' when discussing Local Funds expenses. (Ministry of Education, 2000: 52)

In summary, public reporting of information about Local Funds has been minimal. The Ministry has adopted the approach of trying to minimise the importance of Local Funds revenue to schools' operations and avoiding reference to Activities, which is the main user-pays component of schools' revenue.

6.5 Schools' Financial Data 1999

This section describes schools' financial data for 1999, using published and unpublished data.

The majority of revenue in New Zealand schools comes from government grants and the major expense is teacher salaries. In 1999, Local Funds revenue accounted for 11% of total schools' revenue, while Government grants accounted for 88%. As can be seen in the table below, Local Funds are a greater part of the revenue stream for secondary schools than for primary schools.

Table 2: Schools revenue and expenses 1999

	Primary Schools		Secondary Schools	
	\$m	%	\$m	%
Revenue				
Government grants	1,523.1	91.2	1,140.2	85.1
Investments	11.3	0.7	8.4	0.6
Local funds	133.9	8.0	185.7	13.9
Other revenue	2.6	0.2	5.6	0.4
Total	1,670.9	100.0	1,340.0	100.0
Expenses				
Administration	122.6	7.5	93.8	7.0
Depreciation	55.5	3.4	47.9	3.6
Learning resources	1,274.2	77.8	1,007.0	75.3
Local funds	55.2	3.4	88.1	6.6
Property management	129.4	7.9	98.3	7.4
Reserve transfers	0.7	0.0	1.9	0.1
Total	1,637.7	100.0	1,337.0	100.0

New Zealand Schools 2000, p. 90

The table below shows the source of Local Funds revenue and categories of expenses. Activities account for the largest amount of revenue, followed by Donations and Fundraising in the primary school sector and Trading sales and Overseas Students in the secondary school sector. The Donations figures shown on this table are the total for the category. Parent donations are reported as \$10.7 million in primary schools and \$8.4 million in secondary schools.

Table 3: Schools Local Funds revenue and expenses by source of revenue 1999

	Primary Schools		Secondary Schools	
	\$m	%	\$m	%
Local Funds revenue				
Activities	40.2	30.0	65.5	35.3
Donations	29.6	22.1	17.5	9.4
Fundraising	29.7	22.2	13.6	7.3
Other	5.8	4.3	22.3	12.0
Overseas students	1.0	0.7	28.8	15.5
Trading sales	27.7	20.7	38.1	20.5
Total	133.9	100.0	185.7	100.0
Local Funds expenses				
Activities	24.8	44.9	30.4	34.5
Fundraising	4.9	8.9	1.9	2.2
Other	2.4	4.3	22.0	25.0
Trading cost of goods sold	23.1	41.9	33.7	38.3
Total	55.2	100.0	88.1	100.0

Source: Ministry of Education unpublished data

When examining school financial data for comparative purposes, it is useful to look at the amounts per student, rather than total figures. Government funding is related by formula to the number of students, and changes over time or across groups may reflect variation in the number of students rather than different levels of funding. The table below shows total school revenue and expenses on a per student basis for 1999.

Table 4: School revenue and expenses per student 1999

Revenue	Primary Schools	Secondary Schools
	\$ per student	\$ per student
Government grants	3,426	4,603
Investments	25	34
Local funds	301	750
Other revenue	6	23
Total	3,758	5,409
Expenses		
Administration	276	379
Depreciation	125	193
Learning resources	2,866	4,065
Local funds	124	356
Property management	291	397
Reserve transfers	2	8
Total	3,684	5,397

Source: New Zealand Schools, 2000, p. 91

There are almost twice as many students in the primary school sector as there are in the secondary school sector, so although greater amounts of money are spent in the primary sector, per student funding is higher in secondary schools than it is in primary schools. Local Funds revenue at \$750 per student in the secondary schools is more than twice the \$301 per student in primary schools.

The table below shows Local Funds revenue and expenses by source on a per student basis. When examined on a per student basis, the relative importance of categories becomes clear. Fundraising is the only item greater in the primary sector than the secondary.

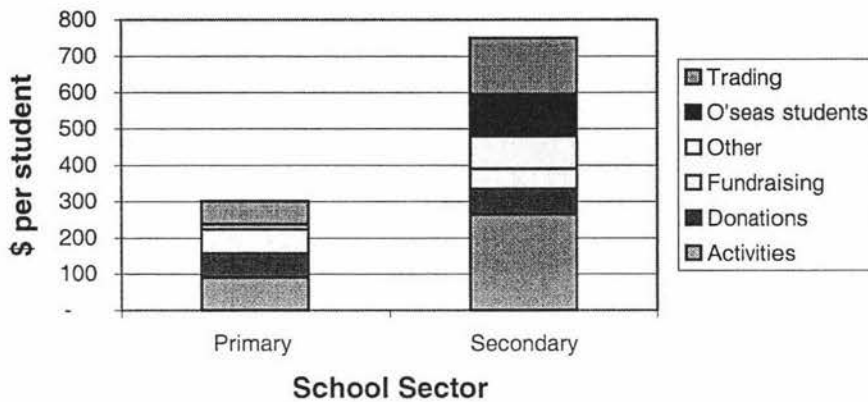
Table 5: Local revenue and expenses per student by source of revenue 1999

	Primary Schools \$ per student	Secondary Schools \$ per student
Local Funds revenue		
Activities fees	90	264
Donations	67	71
Fundraising	67	55
Other	13	90
Overseas students	2	116
Trading sales	62	154
Total	301	750
Local Funds expenses		
Activities	56	123
Fundraising	11	8
Other	5	89
Trading cost of goods sold	52	136
Total	124	355

Source: Ministry of Education unpublished data.

This difference between primary and secondary Local Funds revenue per student shown on this table is illustrated on the chart below.

Figure 1: Local Funds revenue by source and school sector 1999

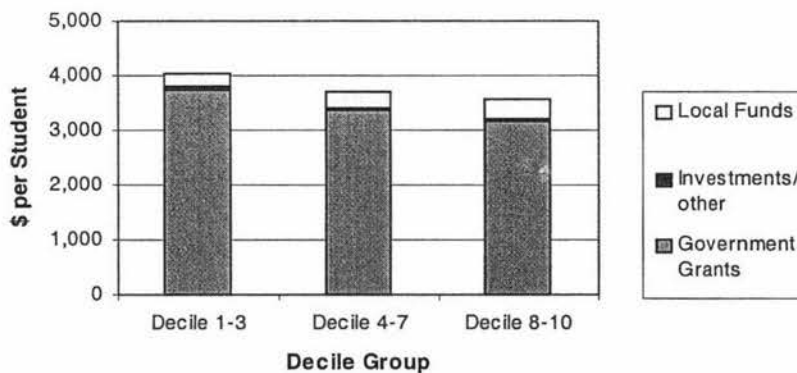


Source: Ministry of Education unpublished data

Funding varies according to the decile level of the school and it is useful to look at revenue on a decile basis. This analysis is normally presented with schools grouped by decile into deciles 1-3, 4-7 and 8-10, with 1-3 being the lowest income areas and 8-10 being the highest.

The table below shows revenue by source for primary schools within the three decile groups. Primary schools overall raised \$301 per student in local revenue. This was \$253 per student in low-decile schools, \$290 in medium-decile schools and \$365 per student in high-decile schools. Per student government grants were \$3,749 in low-decile schools, \$3,372 in medium-decile schools and \$3,163 in high-decile schools.

Figure 2: Primary schools revenue per student by decile group 1999



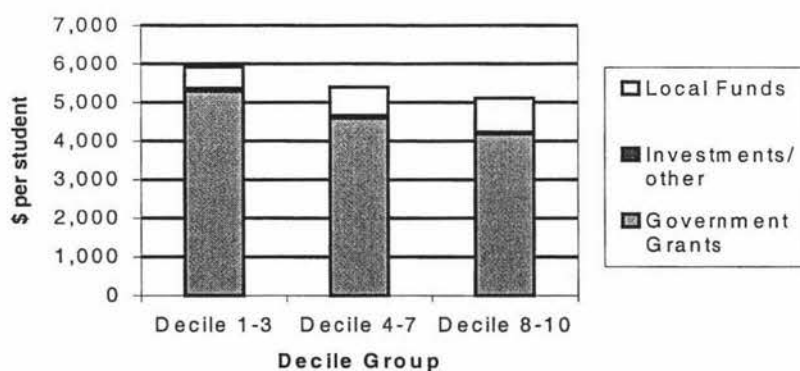
Source: Ministry of Education unpublished data.

Even with \$100 per student more in Local Funds, high-decile primary schools received \$500 less in total revenue per student. Low-decile schools received \$4,037 per student in total revenue, medium-decile schools received \$3,693 and high-decile schools received \$3,556. Local Funds revenue made up 8% of total primary schools' revenue in 1999. By decile group it was 6% of low-decile schools' total revenue, 8% of medium-decile schools' revenue, and 10% of high-decile schools' revenue.

A similar picture is presented when examining secondary school revenue. Government grants were \$1,000 higher per student in low-decile schools than they were in higher-decile schools. Local Funds revenue were \$883 per student in high-decile schools, \$740 in medium-decile schools and \$556 per student in low-decile schools. Per student government grants were \$5,296 in low-decile schools, \$4,598 in medium-decile schools and \$4,182 in high-decile schools.

Low-decile schools received a total of \$5,918 per student, medium-decile schools received \$5,395 and high-decile schools received \$5,115. Local Funds revenue made up 14% of total secondary school revenue in 1999. By decile group it was 9% of low-decile schools' revenue, 14% of medium-decile schools' revenue, and 17% of high-decile schools' revenue.

Figure 3: Secondary schools revenue per student by decile group 1999

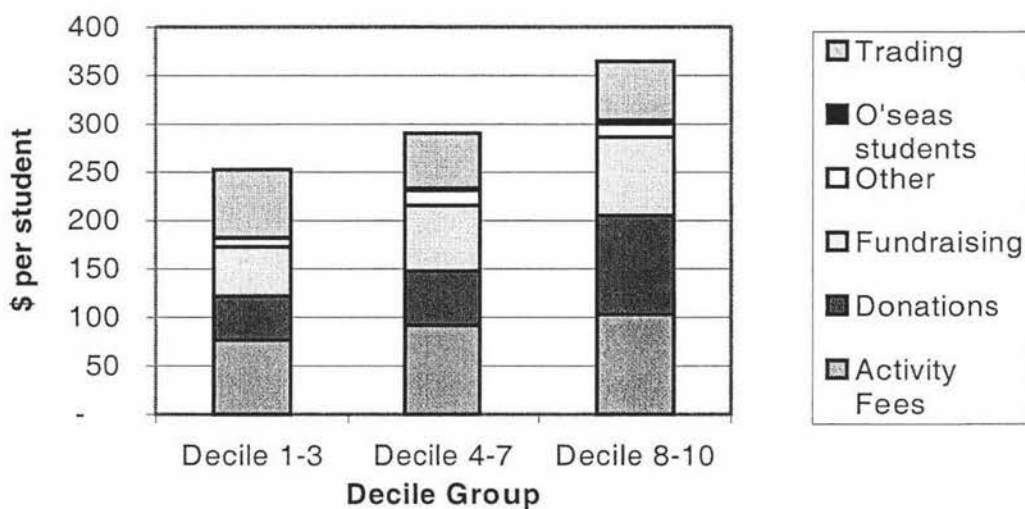


Source: Ministry of Education unpublished data

As can be seen on the chart below, the main differences in the source of Local Funds revenue between decile groups in primary schools are in Activity fees, Donations and

Fundraising. Donations were from \$45 per student in low-decile schools, \$56 in medium-decile schools and \$103 in high-decile schools. Similarly, Activity fees were \$76, \$92 and \$103 and Fundraising were \$51, \$68 and \$81 respectively. Donations from parent groups, a subcategory of Donations showed a greater difference between high and low-decile schools. Donations from parent groups were \$10 per student in low-decile schools, \$17 in medium-decile schools and \$48 in high-decile schools.

Figure 4: Primary schools Local Funds revenue per student by decile group and source 1999

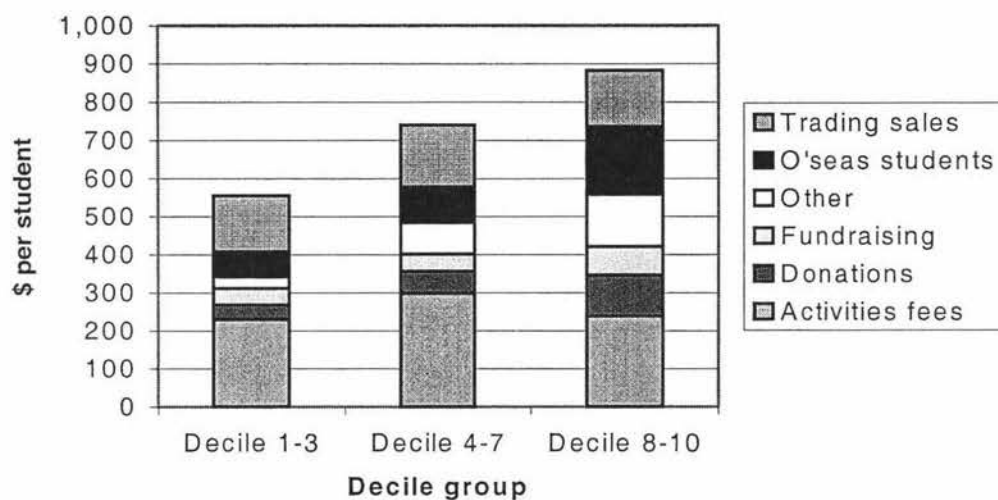


Source: Ministry of Education unpublished data

The source of Local Funds revenue in the secondary school sector presents a different picture from that of the primary schools. Donations were \$38 per student in low-decile schools, \$58 in medium-decile schools and \$108 in high-decile schools. Donations from parents group (the subcategory) were \$15 per student in low-decile schools, \$24 in medium-decile schools and \$59 in high-decile schools. Overseas students were \$66 per student in low-decile schools, \$94 in medium-decile schools and \$178 in high-decile schools. Fundraising was \$43 per student in low-decile schools, \$45 in medium-decile schools and \$75 in high-decile schools. Activities were from \$230 per student in low-decile schools, \$298 in medium-decile schools and \$238 in high-decile schools. The fact that Activities per student figures were highest in medium-decile schools suggests that the same schools in this category are still

reporting Overseas Student revenue as Activities, an anomaly in the 1996 data set identified by Fiske and Ladd.

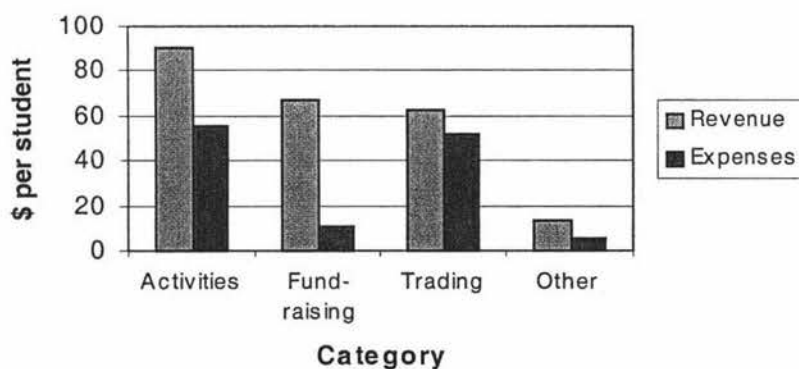
Figure 5: Secondary schools Local Funds revenue per student by decile group and source 1999



Source: Ministry of Education unpublished data

As mentioned earlier, Activities, Fundraising, Trading and Other have corresponding expense categories. For primary schools in 1999, these were \$56 per student for Activities, \$11 for Fundraising, \$52 for Trading and \$5 for Other. Local Funds revenue and expenses for primary schools are shown on the chart below.

Figure 6: Primary schools Local Funds revenue and expenses 1999



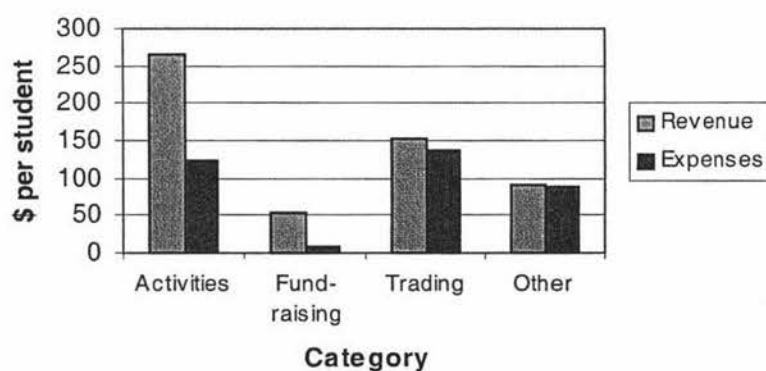
Source: Ministry of Education unpublished data

Expenses for Activities were 62% of revenue, for Fundraising they were 17%, for Trading 84% and for Other 41%. On a decile basis, there was little difference between groups for Fundraising. For Activities, expenses were 60% of revenue in low-decile schools, 58% in medium-decile schools and 67% in high-decile schools. These percentages will have been affected if revenue and expenses have been netted. For Trading, expenses were 87% of revenue in low and medium-decile schools and 76% in high-decile schools, indicating that high-decile schools may be making more of a profit on Trading.

Without a better understanding of what is included in the Activities category, it is difficult to comment on the figures. However, as was mentioned in the ESRA report, it is of concern that there appears to be such a considerable amount of profit in this category. This is an area which needs further investigation as it is the main user-pays component of Tomorrow's Schools, where children may be excluded for parental inability to pay. Trading, on the other hand, makes less of a profit and this is appropriate as in many schools, trading activities such as uniforms and lunchrooms are conducted by monopoly suppliers.

Secondary schools present a somewhat different picture. Expenses were \$123 per student for Activities, \$8 for Fundraising, \$136 for Trading and \$89 for Other. Revenue and expense figures for secondary schools are shown on the chart below.

Figure 7: Secondary schools Local Funds revenue and expenses 1999



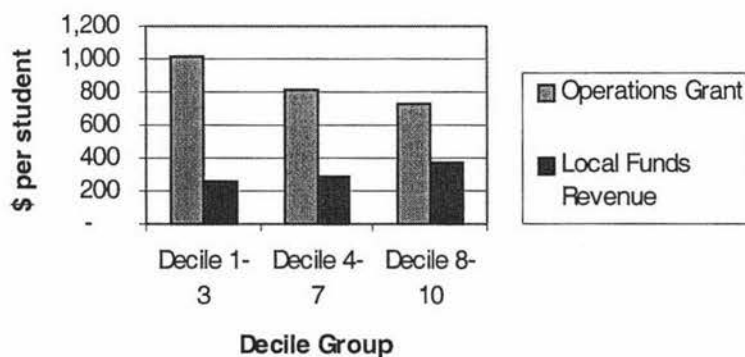
Source: Ministry of Education unpublished data

Activities appear even more profitable than in primary schools. Expenses for Activities were 46% of revenue, for Fundraising they were 14%, for Trading 88% and for Other 99%. On a decile basis, expenses for Activities were 46% of revenue in low-decile schools, 43% in medium-decile schools and 53% in high-decile schools. Expenses for Fundraising were from 8% of revenue in low-decile schools, 14% in medium-decile schools and 18% in high-decile schools. For Trading, expenses were 90% of revenue for low-decile schools, 93% for medium-decile schools and 80% for high-decile schools, indicating, as was the case with primary schools, that high-decile schools may be making more of a profit on Trading.

The lower proportion of expenses for Activities in decile 4-7 schools may have resulted from revenue from overseas students being included in this category. These percentages will also have been affected if revenue and expenses have been netted.

While Local Funds revenue is often described as a percentage of total revenue, another approach is to compare it to Operations Grants, on the supposition that schools do not fundraise for money to supplement teacher salaries but for money to run the school. In 1999 primary schools received \$847 per student in Operations Grants. This was \$1,009 per student in low-decile schools, \$814 in medium-decile schools and \$725 in high-decile schools. The chart below compares Local Funds revenue with Operations Grants for the three decile groups.

Figure 8: Primary school Operations Grants & Local Funds revenue per student 1999

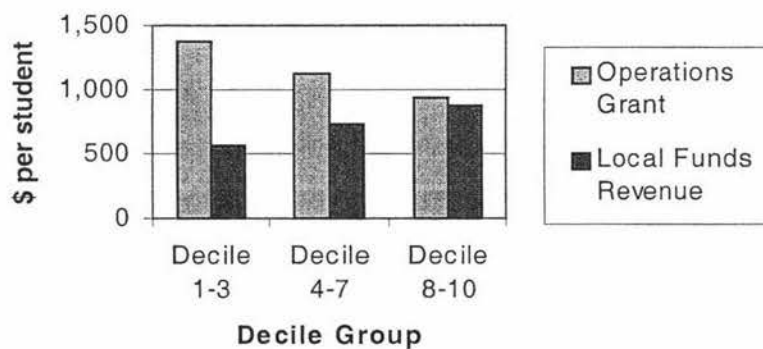


Source: Ministry of Education unpublished data

Local Funds revenue is 25% of the Operations Grant in low-decile schools, 36% in medium-decile schools and 50% in high-decile schools.

In secondary schools the Operations Grant was \$1,117 per student in 1999. This was distributed as \$1,380 per student in low-decile schools, \$1,129 in medium-decile schools and \$939 in high-decile schools. The chart below compares Operations Grants with Local Funds revenue for secondary schools. High-decile schools raise almost as much in Local Funds revenue as they receive in Operations Grants. Local Funds revenue is 40% of the Operations Grant in low-decile schools, 66% in medium-decile schools and 94% in high-decile schools.

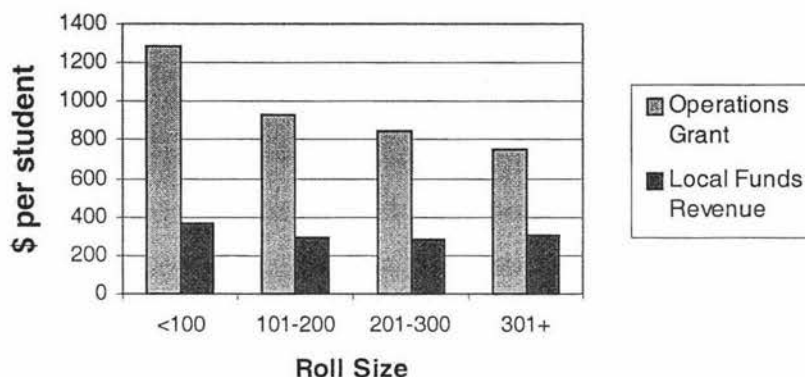
Figure 9: Secondary school Operations Grants and Local Funds revenue per student 1999



Source: Ministry of Education unpublished data

Because the Operations Grants are based on roll size as well as on decile, it is useful to look at the relationship between Operations Grants and Local Funds revenue by size of school. These are shown for primary schools on the chart below. The Operations Grant decreases from \$1,290 per student in schools with fewer than 100 students to \$748 in schools with 300 or more students. Local Funds revenue does not increase on a per student basis as roll size increases. Schools with fewer than 100 students raised \$361 per student, schools with 101 to 200 students raised \$293, schools with 201-300 students raised \$283 and schools with 300 or more students raised \$300.

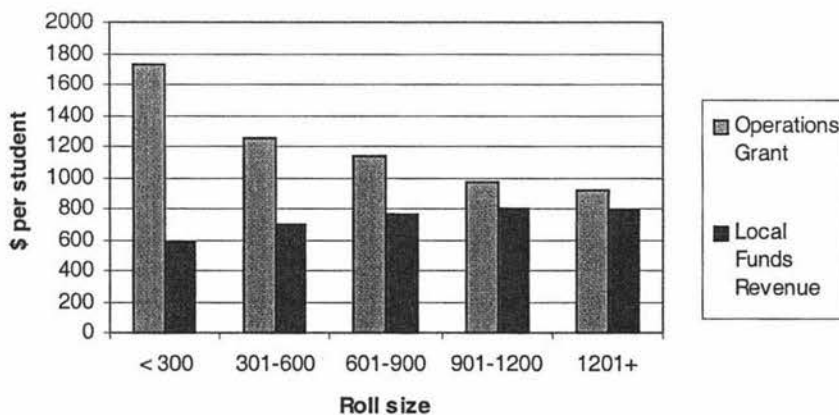
Figure 10: Primary school Operations Grants and Local Funds revenue by size of school 1999



Source: Ministry of Education unpublished data

A different picture emerges for secondary schools, as can be seen on the chart below. Operating grants decline as roll size increases, from \$1,734 per student in schools with fewer than 300 students to \$920 per student in schools 1200 students or more. Local Funds revenue per student increases from \$581 per student in schools less than 300 students to \$804 in schools with roll size 901 to 1200 students and decreases to \$783 per student in schools with more than 1200 students.

Figure 11: Secondary schools Operations Grants and Local Funds by size of school 1999

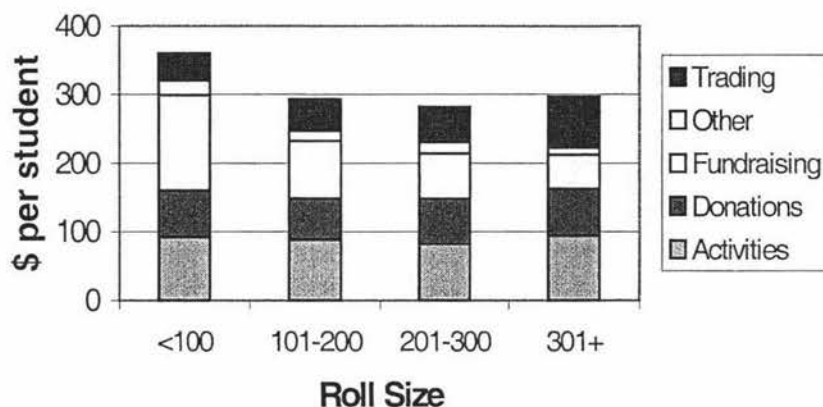


Source: Ministry of Education unpublished data

When looking at Operating grants and Local Funds revenue per student by size of school, it is important to remember this revenue also varies by decile. This means that within any category of school size higher-decile schools will have less revenue from Operating grants and more from Local Funds.

The sources of revenue vary according to the size of school, as can be seen on the chart below.

Figure 12: Primary school Local Funds revenue by size of school 1999



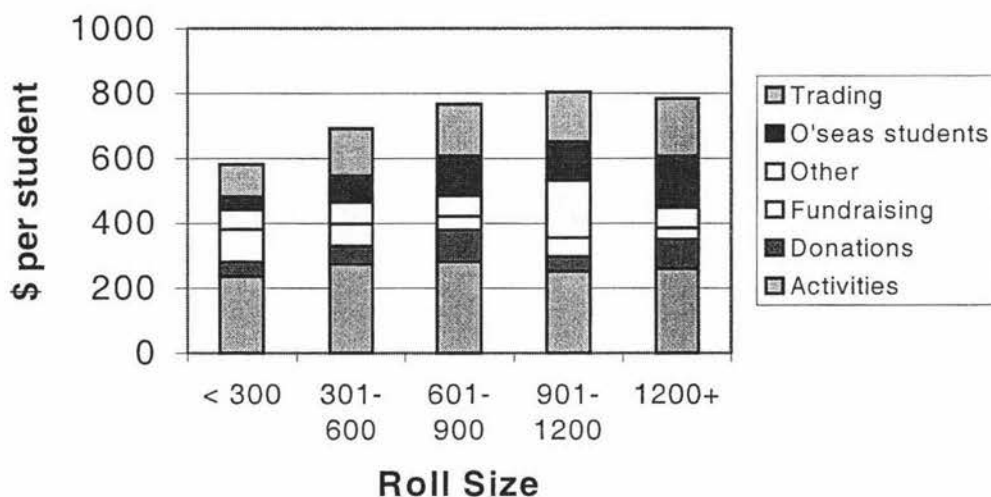
Source: Ministry of Education unpublished data

In primary schools, the main variation in Local Funds revenue by size of school was in Fundraising which accounted for \$139 per student in schools with fewer than 100 students and declined to \$50 in schools with rolls of 301 or more students. Activity fees and Donations did not vary much on a per student basis by size of school. Activity fees were \$92 in schools of fewer than 100 students, \$88 in schools of 101 to 200 students, \$82 in schools of 201 to 300 students and \$94 in schools of 301 or more students. Donations were \$68 in schools of less than 100 students, \$60 in schools of 101-200 students, \$66 in schools of 201 to 300 students and \$68 in schools of 301 or more students. However, the Donations from parent groups were \$11 in schools of less than 100 students, \$14 in schools of 101-200 students, \$19 in schools of 201 to 300 students and \$31 in schools of 301 or more students. Revenue per student from Trading increased from \$40 in small schools to \$74 in the largest school category.

However, not all of the increase translated into profit as there was a corresponding increase in trading costs from \$35 in small schools to \$65 in large schools.

Source of revenue by size of school in the secondary sector is shown on the chart below. This is very different from the pattern found in the primary sector.

Figure 13: Secondary school Local Funds revenue by size of school 1999



Source: Ministry of Education unpublished data

As in primary schools, Fundraising decreased with size of school from \$101 per student in the smallest schools to \$35 per student in the largest schools. Similarly, Trading revenue per student increased from \$99 to \$175, but again not all of the increase translated into profit as there was a corresponding increase in expenses from \$92 in small schools to \$141 in large schools. Revenue from Overseas Students increased from \$41 per student in small schools to \$159 per student in the largest schools. Activities and Donations did appear to be related to the size of the school, as they were highest in schools with a roll size of 601 to 900 students and less in larger and smaller schools without showing any particular pattern. Donations from parents were \$10 in schools of 300 students or less, \$15 in schools with 301 to 600 students, \$51 in schools with 601 to 900 students, \$26 in schools with 901 to 1200 students and \$49 in schools with 1200 or more students. Other income varied from \$61 to \$66 per student in all categories except schools with a roll size of 901 to 1200

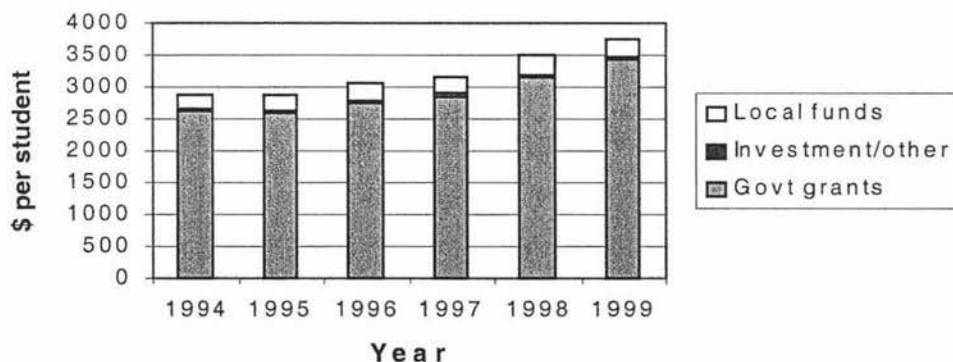
students where it is \$177 per student, suggesting an anomaly in the data – either a variation on what is included in Other or a data error.

6.6 Trends 1994-1999

This section contains an analysis of schools financial data from 1994 to 1999. All figures have been adjusted for inflation using Statistics New Zealand's Consumer Price Index as at the June quarter each year and are presented in 1999 dollars. All figures are on a per student basis.

Funding per student increased for both primary and secondary schools between 1994 and 1999, although the increase was greater in primary schools. The main increase was in teachers' salaries. The chart below shows primary schools revenue per student from 1994 to 1999. The increase in government grants between 1997 and 1998 was mainly in grants for teachers' salaries. The increase between 1998 and 1999 was mainly the effect of fully funded options grants. Government grants increased 31% from \$2,625 per student in 1994 to \$3,426 in 1999. Local funds increased from \$226 to \$301, an increase of 33%. Investments and other miscellaneous items fluctuated throughout the time period but remained reasonably constant. This small category is included here for completeness only.

Figure 14: Primary schools revenue per student 1994-1999 (adjusted)

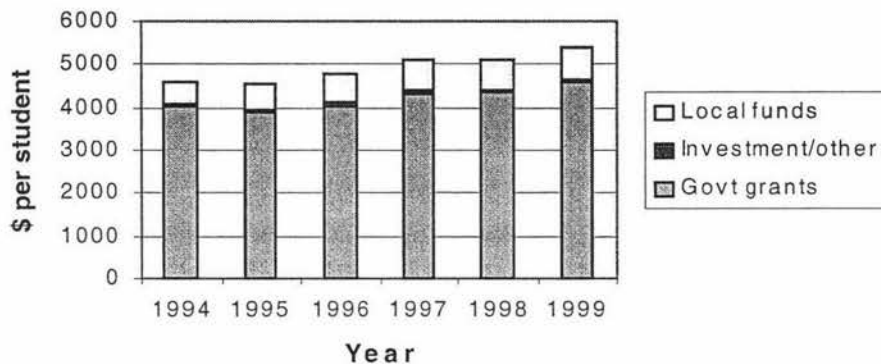


Source: *New Zealand Schools*, 1995-2000

The chart below gives a similar view of secondary schools revenue. The increase in government grants between 1996 and 1997 was mainly in teachers' salaries, while the increase between 1998 and 1999 was, like primary schools, mainly the effect of fully funded options grants. Government grants increased 14% from \$4,037 per student in

1994 to \$4,603 in 1999. Local funds increased from \$517 to \$750, an increase of 45%.

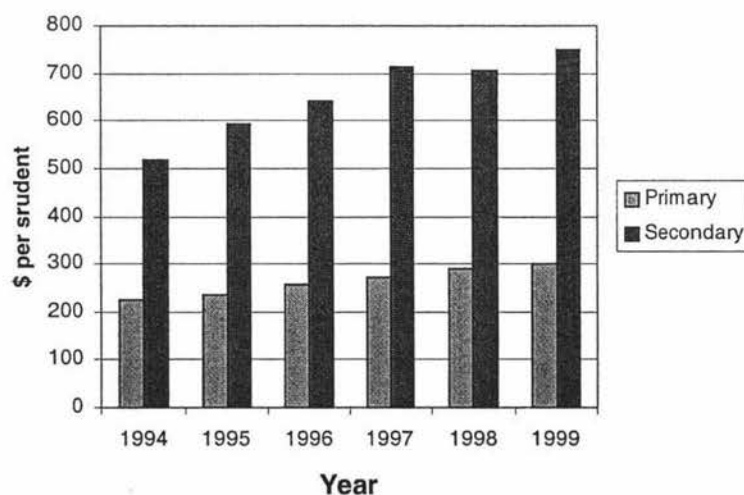
Figure 15: Secondary schools revenue per student 1994-1999 (adjusted)



Source: *New Zealand Schools, 1995-2000*

Like government grants, schools' Local Funds revenue also increased between 1994 and 1999, some years at a faster rate than government grants. The chart below shows the increase in Local Funds revenue per student between 1994 and 1999 in both the primary and secondary school sectors. Both the amount per student and the rate of increase were greater in secondary schools.

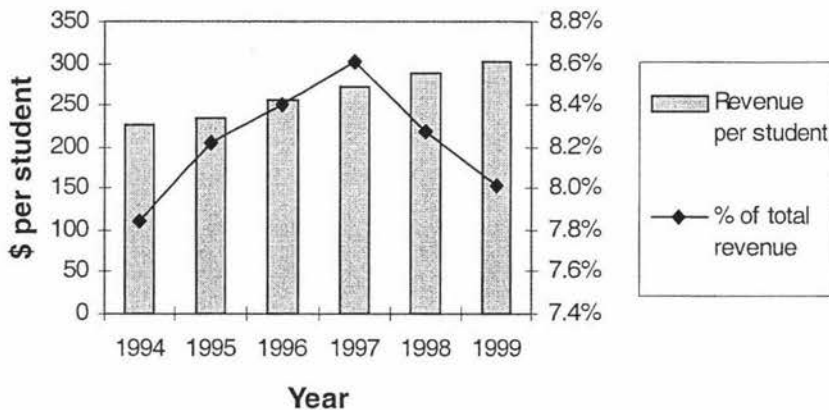
Figure 16: Local Funds revenue per student 1994-1999 (adjusted)



Source: *New Zealand Schools, 1995-2000*

The chart below shows the increase in primary school Local Funds revenue and the percentage it formed of primary schools' total revenue from 1994 to 1999. Local Funds revenue increased from 7.8% of total revenue to 8.6% in 1997, and declined again to 8% by 1999.

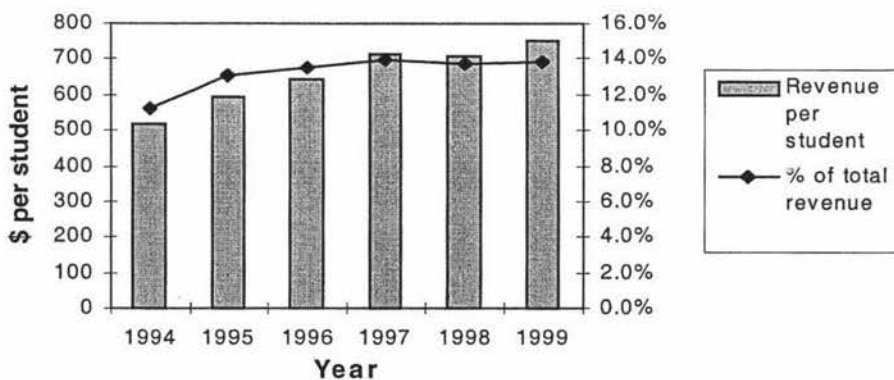
Figure 17: Primary schools Local Funds revenue per student and percent of total revenue 1994-1999 (adjusted)



Source: *New Zealand Schools, 1995-2000*

The pattern is somewhat different for secondary schools. Local Funds revenue made up 11% of total revenue in 1994 and increased to 14% by 1997. It remained constant at that level in 1999.

Figure 18: Secondary schools Local Funds revenue per student and percent of total revenue 1994-1999 (adjusted)

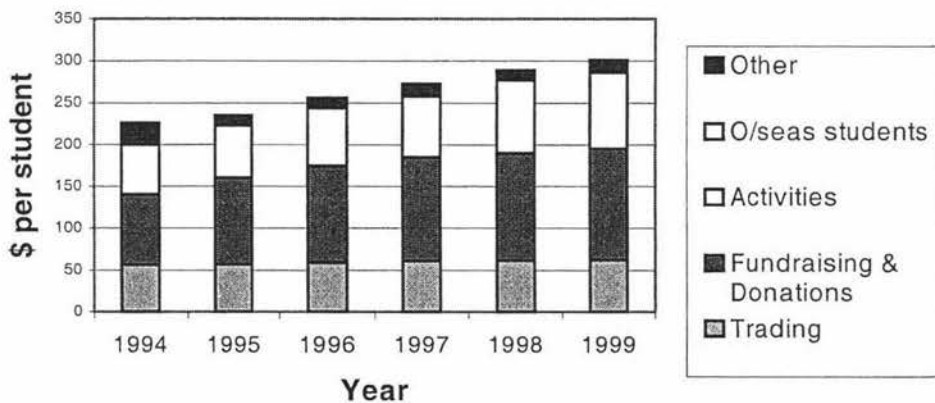


Source: *New Zealand Schools, 1995-2000*

Changes in the source of Local Funds revenue are shown on the following two charts. Because of the lack of comparability in Donations and Fundraising categories between 1998 and 1999, these categories have been combined in this analysis.

In primary schools, while revenue from Trading increased by 10% from \$56 to \$62 in the 5-year period, revenue from Activities increased by 51% from \$60 to \$90 and revenue from Fundraising & Donations increased by 59% from \$84 to \$133. Revenue from Overseas Students increased from \$1 to \$2, and remains a small source of revenue in the primary sector. The combined category of Activities, Fundraising and Donations, which are mainly contributions from parents, increased by 56% during the period, from \$144 to \$224.

Figure 19: Primary school Local Funds revenue by source 1994-1999 (adjusted)

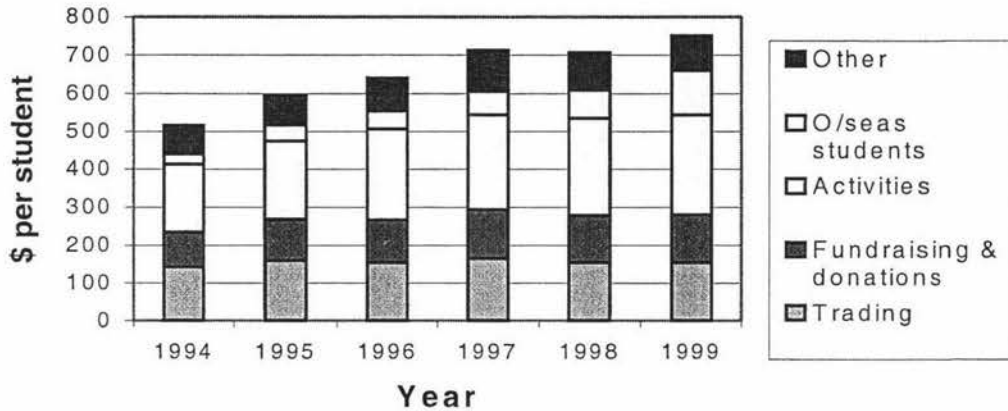


Source: Ministry of Education unpublished data

The changes in the secondary sector are somewhat different. Revenue from Trading increased by 8% from \$142 to \$154. Revenue from Fundraising and Donations increased by 37% from \$92 to \$126, from Activities by 47% from \$179 to \$264 and from Overseas Students by 325% from \$27 to \$116. Revenue from Other increased from \$75 per student in 1994 to \$106 in 1997, decreasing to \$90 in 1999 indicating changes to what was included in this category. The combined category of Activities, Fundraising and Donations, which are mainly contributions from parents, increased by 44% during the period, from \$271 to \$390. This combined category of Activities,

Fundraising and Donations for the primary and secondary sectors together increased from \$415 to \$614 per student, an increase of 48%.

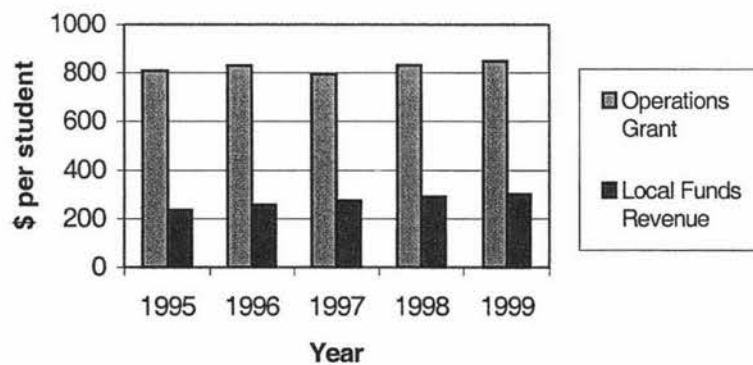
Figure 20: Secondary school Local Funds revenue by source 1994-1999 (adjusted)



Source: Ministry of Education unpublished data

The following two charts below compare the change in Operations Grants between 1995 and 1999 with changes in Local Funds Revenue for the same period (prior to 1995 Operations Grants were calculated on a different basis and are not comparable). In primary schools, the Operations Grant increased by 5%, from \$808 per student to \$847. During this period Local Funds Revenue increased 28% from \$235 to \$301.

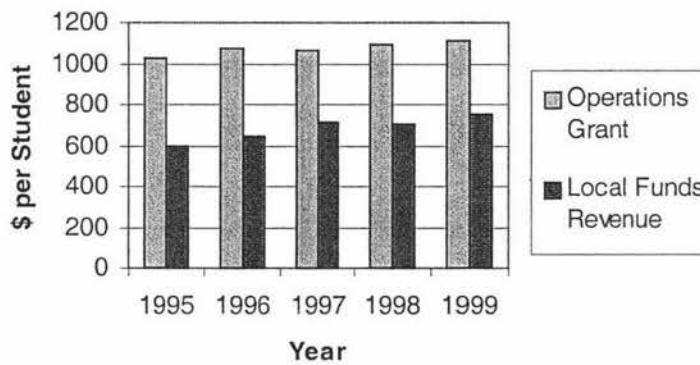
Figure 21: Primary school Operations Grant and Local Funds Revenue 1995-1999 (adjusted)



Source: Ministry of Education unpublished data

In secondary schools, Operations Grants increased 9%, from \$1,022 per student to \$1,177. During this period Local Funds Revenue increased 26%, from \$595 to \$750.

Figure 22: Primary school Operations Grant and Local Funds Revenue 1995-1999 (adjusted)



Source: Ministry of Education unpublished data

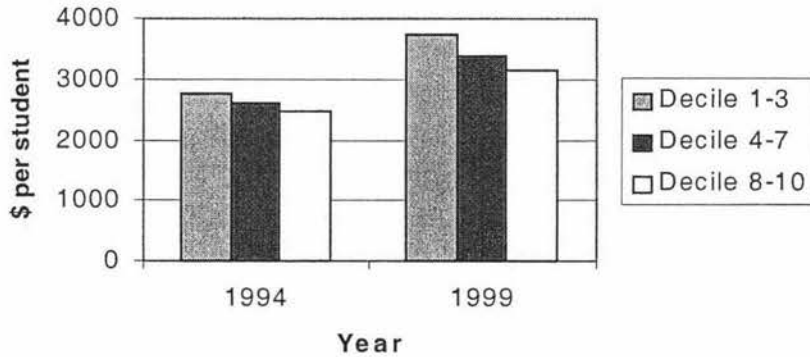
Targeted Funding for Educational Achievement (TFEA) was first implemented in 1995. In that year, the decile was calculated using a slightly different methodology from that which was used in subsequent years, and a substantial number of schools changed decile between 1995 and 1996. In 1998 all deciles were recalculated based on the 1996 census data, and some schools changed decile at this time. In addition, a school may request a review of their decile ranking in any year. The number of deciles receiving some targeted funding has increased from three deciles in 1995 to nine deciles currently. The number of elements linked to TFEA has increased over time and the effect of this was a steady shift in funding to low-decile schools between 1994 and 1999.

The following two charts include 1994 figures on a decile basis. It is important to remember that school funding was not allocated on a decile basis in 1994. These figures have been obtained by applying the 1995 decile ranking of the schools to the

1994 data. 1994 is the baseline year against which the changes in decile funding can be measured.

The chart below the change in government funding per student in primary schools between 1994 and 1999 by decile group.

Figure 23: Primary schools government grants per student by decile group 1994 and 1999 (adjusted)

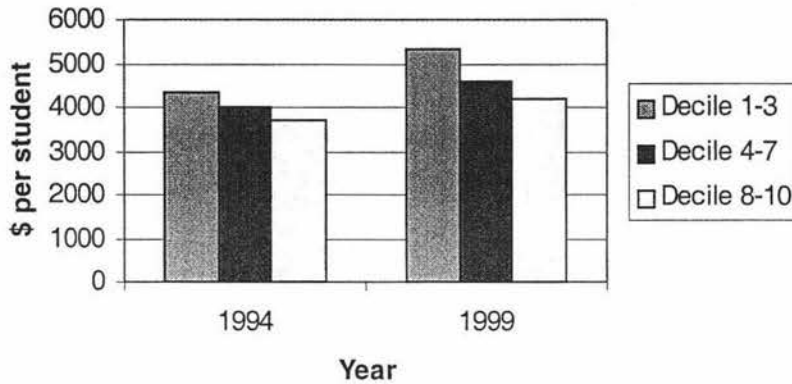


Source: Ministry of Education unpublished data

Government funding of low-decile schools has increased at a faster rate than for medium and high-decile schools. Government funding per student increased by 36% for low-decile schools during the time period, from \$2,765 per student to \$3,749. Funding for medium-decile schools increased 30% from \$2,592 to \$3,372. Funding for high-decile schools increased 28% from \$2,470 to \$3,163. While high-decile schools received 89% of low-decile school grants per student in 1994, they received 84% in 1999.

The secondary schools sector presents a similar picture, with somewhat greater differences between high and low-decile schools over time. The chart below shows government grants per student in secondary schools for the three decile groups in 1994 and 1999.

Figure 24: Secondary schools government grants per student by decile group 1994 and 1999 (adjusted)



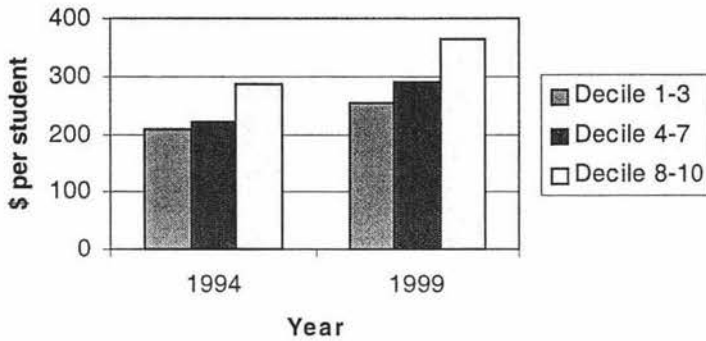
Source: Ministry of Education unpublished data

Government funding of low-decile schools has increased at a faster rate than for higher-decile schools. Government funding per student increased by 22% for low-decile schools during the time period, from \$4,326 per student to \$5,296. Funding for medium-decile schools increased 14% from \$4,020 to \$4,598. Funding for high-decile schools increased 13% from \$3,692 to \$4,182. In 1999 high-decile schools received less government funding on a per student basis than low-decile schools received in 1994.

While high-decile schools received 85% of what low-decile schools received in 1994, in 1999 they received only 79% of low-decile school government grants on a per student basis.

Trends in Local Funds revenue in primary schools over the time period presents the opposite picture as can be seen on the chart below.

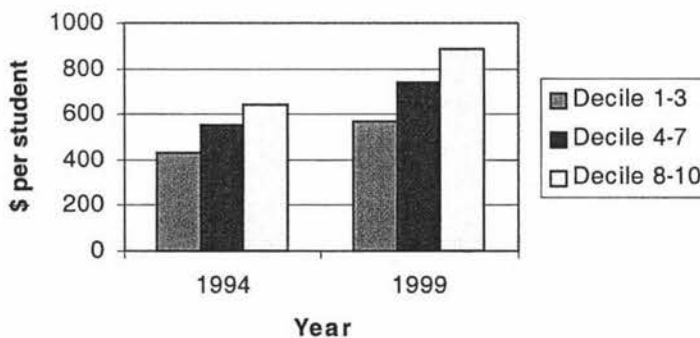
Figure 25: Primary schools Local Funds revenue per student by decile group 1994 and 1999 (adjusted)



Source: Ministry of Education unpublished data

During this time period, Local Funds revenue increased by 21% for low-decile schools, from \$209 per student to \$253. In medium-decile schools it increased by 31% from \$222 to \$290. The increase for high-decile schools was 27%, from \$286 to \$365. The increase in Local Funds revenue in medium and high-decile schools has not been large enough to compensate for the slower rate of increase in government grants. In 1994 high-decile schools received 93% of the total revenue received by low-decile schools and medium-decile schools received 94%. In 1999 these figures were 88% and 91% respectively. As with primary schools, Local Funds revenue for secondary schools increased at a faster rate in medium and high-decile schools than in low-decile schools

Figure 26: Secondary schools Local Funds revenue per student by decile group 1994 and 1999 (adjusted)



Source: Ministry of Education unpublished data

During this time period, Local Funds revenue increased by 31% for low-decile schools, from \$433 per student to \$566. In medium-decile schools it increased by 33% from \$555 to \$740 and in high-decile schools by 37%, from \$646 to \$883.

Examining changes in Local Funds revenue by source and by decile group is difficult because of inconsistencies in the data between categories and over time. However, the following table shows the per student amounts in 1995 and 1999 for selected categories. Nineteen-ninety-four data was not available at this level of detail. These figures should be viewed with some caution but can probably be regarded as indicative.

Table 6: Primary schools Local Funds revenue by source 1995 and 1999 (adjusted)

	1995 \$ per student	1999 \$ per student	% change
Activities			
Decile 1-3	55	76	38%
Decile 4-7	65	92	41%
Decile 8-10	70	103	48%
Fundraising & Donations			
Decile 1-3	76	96	27%
Decile 4-7	97	124	27%
Decile 8-10	151	183	21%

Source: Ministry of Education unpublished data

While there have been substantial increases in amounts in all decile groups in primary schools, the greater increase in Activities in high-decile schools and corresponding lower rate of increase in Fundraising and Donations suggests that higher-decile schools may have shifted to more of a user-pays approach than have medium and low-decile schools.

The changes in secondary schools Local Funds revenue have been different from the primary schools, as can be seen on the table below.

Table 7: Secondary schools Local Funds revenue by source 1995 and 1999 (adjusted)

Secondary Schools	1995	1999	% change
	\$ per student	\$ per student	
Activities			
Decile 1-3	180	230	28%
Decile 4-7	225	298	33%
Decile 8-10	201	238	19%
Fundraising & Donations			
Decile 1-3	73	81	11%
Decile 4-7	106	103	-2%
Decile 8-10	154	183	19%
Overseas student fees			
Decile 1-3	31	66	114%
Decile 4-7	40	94	136%
Decile 8-10	63	178	184%

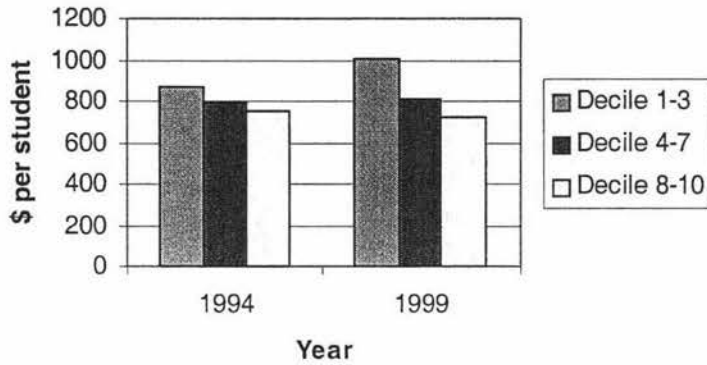
Source: Ministry of Education unpublished data

Here the patterns are much less consistent and may simply reflect problems with the data. On the surface it would appear that medium-decile secondary schools are now more reliant on revenue from Activities (unless this also includes revenue from Overseas Students and Donations) and high-decile schools on revenue from Overseas Students and Fundraising and Donations.

It is in examining Operations Grants by decile group over time that one of the main effects of decile funding is demonstrated. The following two charts show operational funding by decile group in 1995 and 1999 in primary and secondary schools.

In the primary sector, Operations Grants for low-decile schools increased by 16%, from \$866 to \$1,009. In medium-decile schools the increase was 3%, from \$789 to \$814. In high-decile schools the Operations Grant declined by 2% from \$750 to \$725. In 1995, Operations Grants in high-decile school were 87% of those in low-decile schools. In 1999 this had reduced to 72%.

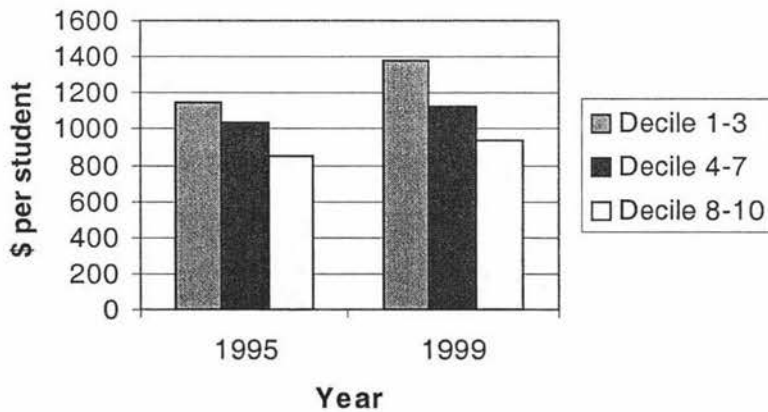
Figure 27: Primary school Operations Grants by decile group 1995-1999 (adjusted)



Source: Ministry of Education unpublished data

In the secondary sector, Operations Grants for low-decile schools increased by 21%, from \$1,143 to \$1,380. In medium-decile schools the increase was 9%, from \$1,033 to \$1,129. In high-decile schools the Operations Grant increased by 11% from \$848 to \$939. In 1995, Operations Grants in high-decile schools were 74% of those in low-decile schools. In 1999 this had reduced to 68%.

Figure 28: Secondary school Operations Grants by decile group 1995-1999 (adjusted)



Source: Ministry of Education unpublished data

7 Findings – NCWNZ and School Surveys

7.1 Introduction

This chapter describes the findings of the NCWNZ survey, the School Survey and the analysis of schools' written communication to parents about the school donation and activity fees.

7.2 NCWNZ Survey

7.2.1 Response Statistics

Information was collected by the NCWNZ and its affiliated organisations across New Zealand. Responses were received from:

North Island – Auckland, Counties Manakau, Dargaville, Eastern Bay of Plenty, Horowhenua, Hutt Valley, Kapiti Coast, Kerikeri, Levin, Manawatu, North Shore, Porirua, Rotorua, South Auckland, Taranaki, Tauranga, Te Aroha, Thames, Wellington and Whangarei.

South Island - Ashburton, Christchurch, Dunedin, Gore, Greymouth, Invercargill, Nelson, Oamaru, Southland, Timaru and Westland.

More than one response was received from some areas. The responses covered both state and integrated schools. Individual data was received for 220 primary schools and 67 secondary schools. Responses covered both urban and rural schools in the North and South Islands.

School newsletters and invoices, where the schools are identifiable, are included in the analysis of schools' written communication to parents later in this chapter, along with similar documents collected in the School Survey. Documents from schools, where the school could not be identified or where the response is a communication from the school to an NCWNZ delegate, are included in the NCWNZ findings.

7.2.2 Donations

In the responses provided by schools, the most frequently given reason for requesting donations was to supplement government funding. Some schools stated that operational grants were inadequate and others reported that their costs were escalating faster than their funding. Some comments on the inadequacy of funding are as follows:

The government funds the school according to its perceived ability to get financial or other assistance from the community. (BOT Chair)

Our school is starved of funds. PTA (of which I am chair) is currently contributing \$2-3000/yr for library books + doing all the school landscaping – no funds for this. (Parent)

Government Operational Funding does not cover the costs of all the requirements a school needs to provide the best education for our children and we are forced to get additional funding from parents either by contributions and/or fundraising. (School)

Often specific items were named as not being funded by the government. Primary schools reported using the donation for photocopying and paper costs, classroom resources, computers, sporting equipment, cultural activities and some school trips. In secondary schools, frequently listed items were sporting equipment, additional library books, information technology and the school magazine. Parent responses generally confirmed the school responses, reporting that donations were used to subsidise government funding or to make up a short-fall in government funding. Not all schools explained what the donations were used for. Parent responses showed that while some parents were aware of the uses the money was put to, others were not.

We are not sure now what the donation was supposed to cover because the kids always bring home notices requiring money for school trips and extracurricular activities. (Parent)

In the primary sector, thirty-one (15%) schools did not request a donation, relying on community support and involvement. Eighty-two schools (37%) requested less than \$50, sixty (28%) requested between \$50 and \$99 and 11% requested between \$100 and \$150 per child. Ten percent requested \$150 or more. In the secondary sector, donation requests ranged from \$10 to \$450 with 52% between \$50 and \$100.

In response to whether parents were informed that the donation, suitably receipted, qualifies for an income tax rebate, it appeared that about half the parents were aware of this.

There were comments made by parents about the pressure schools put on them to pay the donation. In some cases the pressure had come at enrolment time, which is less likely to be an issue now that zoning has been re-introduced.

...ability to pay was discussed in enrolment interview. I felt there was an implication that parents not willing to pay 'donation' might not be accepted.
(Parent)

Some schools are demanding school fees as a part of the enrolment package offered. I could name three of these in our immediate areas – two of which our own children attend. (NCWNZ delegate)

Outside of the enrolment situation, there were reports of pressure put on parents to pay in money or in time to schools. One parent commented that the name of the voluntary donation should be changed because it's not really voluntary. Another commented that 'you don't really have a choice as you are made to feel obliged to pay'. One NCWNZ delegate reported the following from a group of parents with whom she discussed the questions:

Some schools ask parents who are not able to pay their fees to donate an equivalent amount of time to the school in fundraising activities. It was felt that this failed to recognise that those who cannot afford fees are already working twice as hard to meet basic needs of their children and often on their own. (NCWNZ delegate)

7.2.3 Activity Fees

The most frequently mentioned 'extras' requiring payment in the primary sector were trips/cultural activities (45%), camps (40%), sporting activities (25%), photocopying (15%), electives/technocraft (14%), swimming (12%) and extra-curricular activities (9%). In the secondary sector there were similar requests for classroom materials and activities, sporting and extra-curricular activities such as camps, trips and cultural events. There were also subject fees. One NCWNZ delegate who worked as a relieving teacher commented on the difficult issue of workbooks or course books, which are optional but, unlike textbooks, must be paid for before the students receive them.

Most parents who had no difficulty paying the fees did not know what options were available if they were not able to meet this obligation. Those who were aware of the options listed them as to pay over time, subsidy by the school and referral to Income Support. A few responses noted that parents are often not aware that subsidy by the school was available.

Some schools and parents reported that there were no consequences to children if parents could not or would not pay. Some schools reported that part payment was accepted or that they had a fund to subsidise those families which had difficulty paying. Other responses indicated that the children simply missed out.

The Stationery/Paper Charge/Technology Fees and Sports Fees are paid for and then your child is provided with or can attend the appropriate activity. There is no leniency. (Parent)

If parents are unable to pay these extras you are expected to make a visit to the Principal to explain the situation, the school does help out. If you choose not to see the Principal the child just misses out on trips/camps, etc. (Parent)

In fairness to all, some students may not be able to participate in some activities, nor study some subjects if fees are not paid. (School)

Other consequences of not being able to pay included the withholding of testimonials and certificates and missing out on school camps.

7.2.4 Other Issues

There were a number of other issues raised by parents, by schools and by the NCWNZ delegates collecting the data. One NCWNZ delegate observed that the smaller schools in her area relied more heavily on fundraising and community support, while the larger schools operated more like businesses, had invoicing systems and sent 'accounts' to parents. Several delegates expressed surprise at the extent of the charges now being made on parents for their children's schooling.

I was really aghast when I heard the amount the parent with three children was paying out. (NCWNZ delegate)

17 March 1999... the ring I had this morning was from one of our delegates about her grandson, one of four children attending school. He is at Intermediate... So a grand of \$204 total so far for ONE OF THE CHILDREN at school... Where did 'free education' go to?... PS The mother of the four children has gone back to work so as to be able to pay the children's fees. (NCWNZ delegate)

I am told by one parent who struggles that the donations started as an option to PTA funding. It seems to me it's almost Big Business. (NCWNZ delegate)

There were several reports of parents having difficulty paying the amounts requested.

I pay for trips, camps, etc as they happen and leave the 'school fees' until the end of the school year when I sometimes am able to pay them and sometimes not. (Parent)

This mother of three children in different schools is paying out something every week for the schools. There are things like school uniforms on top of that. It is very tough. (NCWNZ delegate)

I am the aunt of a solo parent and our household has paid all the high school fees, sports fees and any camps, etc. plus school certificate costs for her children... How many more families are doing this? My niece would never have been able to pay these costs. (NCWNZ delegate)

Some mothers felt there is insufficient warning given by the school about upcoming activities. People struggling on a low income need more than a fortnight to budget for trips and often their children miss out. (NCWNZ delegate)

Some responses showed frustration with the fact that some people did not accept that education was no longer free and that, when people refuse to contribute, they must be subsidised by others.

There are parents who are genuine and cannot find the money, and there are parents who do not care and will not pay even if they can afford to. These people have the mistaken idea that education is free and the Government should foot the bill. They are wrong on both counts, and the school has to find the additional funds from fundraising, etc. (School)

Families that can't or won't pay [activity fees] are generally paid for by the school. Often these are the same parents that do not pay the school fees [donation] either... Often the school pays, pays, pays for particular families who do not contribute in any way. It's not the child's fault, but a line has to be drawn now and then. (NCWNZ delegate)

There were also comments by parents and delegates that some children were subsidised by others.

I think the teachers themselves quietly cover for children unable to pay or else the children simply do not attend special events. (Parent)

Two parents had paid for other pupils to go on school trips and all knew or thought the teachers paid personally for some children who could not afford to pay. (NCWNZ delegate)

Quite a few children whose parents have difficulty paying are subsidised by more affluent church members. (NCWNZ delegate)

The high cost of school uniforms was an issue for parents, particularly those with children at secondary school level. The cost of information technology came in for special mention as it has been a pressure point in school budgets in recent years. One school had introduced an additional donation request to cover the cost of computer technology. Other comments included:

The biggest concern is that no funding has been given schools to provide computer equipment for children and this is a very expensive cost. (School)

High School pupil... parents now buying some of the text books needed as the school supplies only one copy between three pupils to work from. Parents seemed to think that the money needed to buy text books was being used to buy computers. (NCWNZ delegate)

Funds are used to supplement resources provided through government funding, which is inadequate. For example, Information Technology is a curriculum requirement, but no government funding is available to purchase hardware for use by pupils. (Parent)

The issue of priorities and expectations was also raised. One issue was that the proceeds of fundraising do not always go where all parents would wish. The other was that schools sometimes have unrealistic expectations about what parents can pay for and include more expensive school trips than parents felt was necessary.

Fundraising gala netted \$16,000 which was spent on gardens, mostly a mosaic at the front entrance which does nothing for their education. Yes it looks very pretty but I would think the children hardly notice, I suppose it is all about keeping up appearances. (Parent)

Some mothers queried the need to have so many trips that required payment. On average, there would be two trips per term, ranging in cost from \$7-20. While these sums are not large, many women who were on low incomes struggle to finance this level of activity. It was felt that schools should focus less on expensive trips outside of [the area], and instead familiarise children with activities and recreational facilities within their own communities. (NCWNZ delegate)

One NCWNZ delegate noted that school procedures are not always adequate to protect the privacy of the students.

...the class teacher is aware of non-payers which seems to me to border on an invasion of privacy rights though of course withholding of magazine or other extras will reveal this in the same way. (NCWNZ delegate)

7.2.5 Summary

There are a number of issues raised by the findings of the NCWNZ survey. Tension emerges between the Education Act, which promises free education, and the view that school funding is inadequate for the purpose and that money from parents is therefore necessary. This view is expressed by schools, parents, a Board of Trustees chairperson and by NCWNZ delegates themselves. Frustration was expressed that some people do not pay because they believe education is free. There was also the issue that those who do not pay are subsidised by those who do.

The main reasons for requesting donations were to supplement government funding because funding was inadequate or because costs were increasing faster than funding. Specific items to be funded by donations are library books, landscaping, photocopying and paper costs, classroom resources, sporting equipment, information technology, cultural events, school trips and the school magazine. Information technology was

mentioned frequently as a source of funds and one school had apparently diverted funds from textbooks to buy computers. Photocopying and paper costs were frequently mentioned although according to the Ministry of Education policy guidelines, schools are funded for these costs. There is evidence that schools put pressure on parents to pay the donation, including making it a condition of enrolment, and suggesting that parents who cannot pay donate their time to the school instead. Parents' comments indicated that they feel the donation is not voluntary.

Activity fees are most frequently charged for cultural events, sporting activities, camps, classroom materials, school trips, swimming, photocopying, workbooks and subject fees. Photocopying was mentioned frequently, in spite of the fact that charging for photocopying is prohibited by Ministry policy. There are reports that children are excluded from activities, sports, camps and some subject options if fees are not paid. Other consequences included withholding testimonials and certificates. Sometimes children are subsidised by teachers, other parents, other family members or wealthier members of the community so that they do not miss out. That is, charity is necessary within the state school system to ensure that children of poorer families are able to participate.

One delegate noted that while smaller schools relied on fundraising and community support, larger schools operated like businesses. Some delegates were unpleasantly surprised at the amounts now being charged to parents for their children's schooling. There were accounts of lower income parents struggling to pay the amounts and complaints that schools had unrealistic expectations of what parents could afford. The difficulty here is that expenses for trips, etc. will be set at a level which the majority of parents can afford and lower income families will be disadvantaged in this environment.

7.3 School Survey

This section describes the findings of the School Survey. Primary and secondary schools are discussed separately. This is followed by an analysis of the comments section of the questionnaire and here responses from primary and secondary schools are combined, as comments from the two levels of schools were similar. The section concludes with a summary of the main findings.

7.3.1 Analysis Categories

Schools were classified according to the categories supplied by the Ministry of Education. These include decile level, roll size, area type, institutional type, local body region and institutional authority. Decile level is a socio-economic indicator, ranging from 1 to 10, with 1 being the lowest, and 10 being the highest. For roll size, schools were grouped according to the number of students into the categories less than 35, 35 to 99, 100 to 199, 200 to 299 and 300 or more. Area types include rural (population less than 1,000), minor urban (1,000 to 9,999), secondary urban (10,000 to 30,000) and main urban (population greater than 30,000). Institutional type is the educational level of the school, for example, full primary, contributing, intermediate, composite. These were further grouped into the categories primary and secondary. Institutional authority is whether the school is a state school or an integrated school.

7.3.2 Overall Response Rate on the School Survey

Of 500 schools surveyed, both primary and secondary schools, 304 schools responded. Of these, six declined to participate and 298 completed the questionnaire giving a response rate of 60%. One questionnaire returned with its identification number removed was not used. Responses were representative of the schools using a chi-square goodness-of-fit test at the 95% level of confidence for decile level, roll size, area type, institutional type, local body region and institutional authority. Response statistics can be found in Appendix Three.

7.3.3 Primary Schools

Of the 500 schools to which questionnaires were sent, 422 were primary schools (primary includes contributing, full primary, intermediate and special schools). Of the

256 (61%) which responded, three declined to participate and 253 (60%) completed the questionnaire. This included 97 contributing schools, 136 full primary schools, 14 intermediate schools and six special schools. Two hundred and thirty were state schools and 23 were integrated schools. Twenty-eight had fewer than 35 students, 65 schools had 35 to 99 students, 58 had 100 to 199 students, 35 had 200 to 299 students and 67 had 300 or more students.

From Ministry of Education regions in the South Island, there were 24 responses from the Canterbury region, eight from Marlborough, two from Nelson, 15 from Otago, eight from Southland, four from Tasman and three from West Coast. On the North Island there were 48 schools from Auckland, 20 from Bay of Plenty, two from Gisborne, 15 from Hawkes Bay, 22 from Manawatu/Wanganui, 14 from Northland, 10 from Taranaki, 34 from Waikato and 23 from Wellington. There was one response from the Chatham Islands. On the South Island the response rate was 58 % with 64 of 110 schools participating, and 188 of 310 North Island schools responded (61%).

There were 121 responses from main urban centres, 16 from secondary urban centres, 16 from minor urban centres and 100 from rural centres.

Fifty-four percent of schools in deciles 1 to 3 participated, 61% of schools in decile 4 to seven participated and 65% of schools in deciles eight to 10 participated.

7.3.3.1 Donations

Of the 253 participating primary schools, 58 (23%) did not request a donation. Forty-three of those which did not request a donation (74%) were from rural or minor urban areas across all decile levels. Fourteen of these schools did not collect any activity fees either. While 37% of schools from rural and minor urban areas did not request donations, only 11% of schools from secondary and main urban centres were in this category. Schools in rural and minor urban areas tend to be smaller schools and it was not clear whether the geographic location or school size, or a combination of these two factors influenced the approach. These schools commented that community support and fundraising made collecting fees unnecessary.

Of the 195 schools which did request a donation, two did not supply information about the amount, 43 (22%) requested less than \$25, 75 (38%) requested \$25 to \$49, 27 (14%) requested \$50 to \$99, 26 (13%) requested \$100 to \$199 and eight (4%) requested \$200 or more.

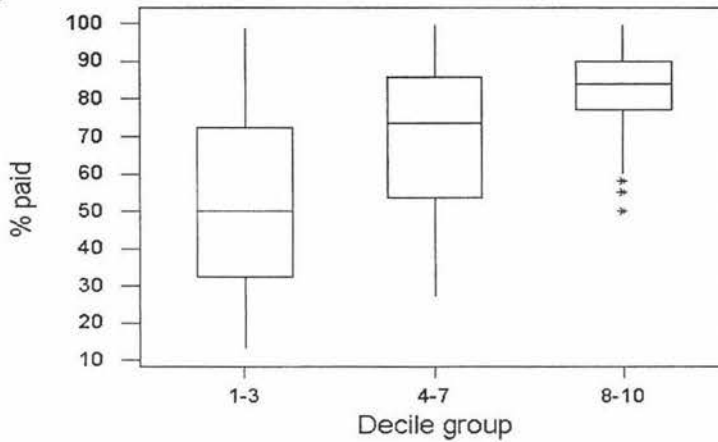
The amount of money requested by schools increased with decile level, as can be seen in the table below.

Table 8: Primary school donation median amount requested by decile group

Decile group	Amount of Donation Requested					No. of schools
	0	<\$50	\$50-\$99	\$100-\$199	\$200+	
1-3	22	40	3	1	0	66
4-7	19	55	20	5	1	100
8-10	17	23	18	20	7	85
Total	58	118	41	26	8	251
	Percent					
1-3	33%	61%	5%	2%	0%	100%
4-7	19%	55%	20%	5%	1%	100%
8-10	20%	27%	21%	24%	8%	100%
Total	23%	47%	16%	10%	3%	100%

Ability to collect donations also increased with decile level. In deciles 1 to 3, 44% of schools collected less than 50% and only 17% collected more than 80%. In deciles 4 to 7, 21% collected less than 50%, and 60% collected more than 80%. In deciles 8 to 10, no school collected less than 50% and 73% collected more than 80%. Ten schools did not supply data.

The box plot below shows the success of collection by decile group. The horizontal line through the middle of the box denotes the median and the upper and lower boundaries of the box are the quartiles. An asterisk denotes an outlier, that is an observation which lies outside the normal range.

Figure 29: Primary school success in collection of donations

The table below shows the median amount requested and percent collected by decile.

Table 9: Primary school median donation request and % collected

Decile group	Median donation (\$)	Range (\$)	Median % collected	Range (%)
1-3	20	0-120	50	13-99
4-7	30	0-600	74	27-100
8-10	50	0-300	84	50-100
All	30		75	

The amount requested by decile group was higher in main and secondary urban areas (population 10,000 or more) than it was in minor urban and rural areas, as can be seen in the table below. However, collection rates were better in the more rural areas.

Table 10: Primary school donation request and collection rate by area type

Decile group	Main & Secondary Urban		Minor Urban & Rural	
	Median donation (\$)	Median % collected	Median donation (\$)	Median % collected
1-3	20	50	0	70
4-7	43	60	25	80
8-10	100	80	23	90
All	40	70	20	80

The amount requested also increased by size of school, although success with collection did not, as can be seen on the following two tables.

Table 11: Primary school median donation requested by roll size

Roll Size	< 99	100-199	200-299	300+
Decile group				
1-3	10	10	20	30
4-7	20	30	30	60
8-10	24	40	90	100
All	20	25	35	60

Table 12: Primary school % donations collected by roll size

Roll Size	< 99	100-199	200-299	300+
Decile group				
1-3	65	45	56	50
4-7	80	75	60	50
8-10	90	87	80	81
All	81	75	75	70

The majority of schools (65%) made an adjustment to the amount requested if there were more than one child in the family. The most usual method was to set a maximum amount per family (48%), followed by requesting a smaller donation for each additional child (17%).

Schools were asked to supply an estimate of the amount they expected to collect in parent donations during 2000. All but seven schools did so, and for those seven schools an amount was estimated based on the data supplied for amount of donation requested, percent of donations paid and the school roll. The following table shows the median amount per student paid by parents in donations, based on the schools' estimates. Parents in high-decile schools in main urban areas paid a substantial amount more in donations than did parents in other areas.

Table 13: Median donation collected per student in primary schools in 2000

	Main urban	Sec. urban	Minor urban	Rural	Total
Decile 1-3	7	12	0	5	7
Decile 4-7	25	18	19	15	19
Decile 8-10	72	36	0	21	38
Total	27	19	6	13	18

Parents in larger schools, particularly those with a roll of 300 students or more, also paid more, as can be seen on the table below.

Table 14: Median donation amount per student by size of schools in primary schools in 2000

	< 100	100-199	200-299	300+	Total
Decile 1-3	4	1	8	11	7
Decile 4-7	14	21	18	26	19
Decile 8-10	20	27	61	78	38
Total	10	14	21	29	18

Based on the median donation per student for each decile group and school size, and the number of students on school rolls in each of these categories as at 1 July 2000, parents of children in primary schools paid an estimated \$13.7 million in donations in 2000. Based on the median per student figures by area type in Table 13, parents paid an estimated \$12.9 million. School roll statistics can be found in Appendix Four.

A large majority of schools (94%) reported that there were no consequences to children if the donation was not paid. Five schools (3%) reported that children must pay for activities if the donation was not paid. No other consequence was mentioned by more than one school.

In terms of encouraging payment of the donation, 162 schools (83%) put reminders in school newsletters, 133 schools (58%) sent invoices to parents, 85 schools (44%) sent a letter and/or donation envelope home to parents, 77 schools (39%) made payment easier (for example, EFTPOS or paying over time), 58 schools (30%) offered incentives, 11 schools (6%) carried the unpaid amount forward to the next year, seven schools (4%) withheld exam marks or report cards and seven schools (4%) withheld testimonials and certificates.

7.3.3.2 Activity Fees

Schools were asked to estimate the amount of money they expected to collect through activities charged to parents/caregivers during the year. Activity fees were defined on the questionnaire as any money charged to parents for specific activities, for example materials fees, school camp fees, schools trips and schools sports. These could either be collected at the beginning of the year or charged throughout the year.

Forty-one schools reported that they did not collect any activity fees. Thirty of these schools (73%) were from rural or minor urban areas across all decile levels and they

tended to be smaller schools. While 26% of schools from rural and minor urban areas did not request activity fees, only 8% of schools from secondary and major urban centres were in this category.

Schools found reporting the amount of money collected as activity fees to be very difficult and many comments were made to this effect. Twenty-three schools noted the amounts were too variable year to year and level to level and were usually collected only when the activity occurred. A further six schools commented that the amount would be too difficult to estimate.

Seven schools interpreted the question as asking about profit raised from activity fees, rather than the amount of revenue and did not report an amount or reported it to be zero.

Cost only recovered, no extra finance for the school.

These collections result in a zero balance.

There were indications that schools did not all follow the definition included in the questionnaire but worked to their own understanding of the phrase 'activity fee'.

We do not charge an activity fee – we do charge for E.O.T.C. [Education Outside the Classroom] and this amount varies from level to level.

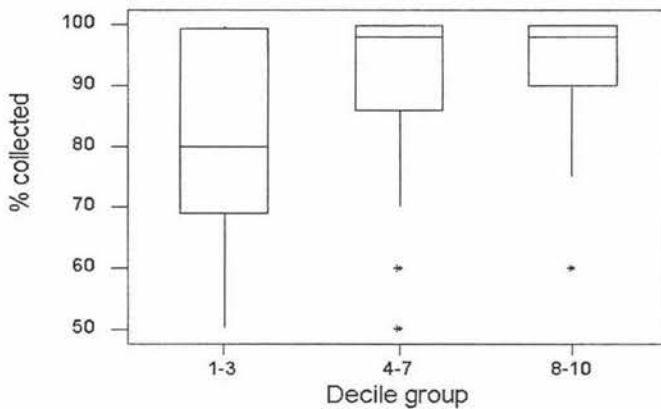
Parents pay for school camps, trips away at the time – no activity fees.

We charge no fees. Parents pay for outside activities i.e. trips, camps, etc. as they go.

Of the 212 schools which did collect activity fees, 52 (25%) did not supply any estimate of the amount. Of the 160 schools which supplied an estimate, 107 (67%) provided an estimate for the school and 53 (33%) provided estimates on a per pupil basis. The data provided was not robust enough to be used.

Success with the collection of activity fees improved with decile and was better than with the collection of donations. While 87% of all schools who responded to this question were able to collect 80% or more of activity fees, only 53% of decile 1 and 2 schools and 75% of decile 3 schools were able to collect this much. Fifty-five schools did not supply data on collection success. The box plot below shows collection rates by decile group.

Figure 30: Primary school collection of donations by decile group



Of the 212 schools who collected activity fees, 101 (48%) reported that there were no consequences to children if the fees were not paid. While 37% of state schools reported no consequences, 65% of integrated schools were in this category.

The main consequences of not paying activity fees were children missing out on the activity (30%), children missing out on a school trip (25%) and children missing out on school camp (19%). Larger schools were more likely to exclude children because of non-payment of activity fees than were smaller schools. While 15% of schools with a roll less than 99 students reported that children would miss out on an activity, 26% of schools with a roll of 100 to 199 students and 43% of schools with a roll of 200 students or more were in this category. While 19% of schools with less than 99 students excluded children from schools trips and 18% of schools with a roll of 100 to 199 students did so, 32% of schools with a roll of 200 students or more were in this category. And while only 6% of schools with a roll less than 99 reported excluding children from camp, 22% of schools 100 to 199 and 26% of schools 200 students or

more were in this category. Thirteen schools added a comment on this section of the questionnaire that consequences were not always invoked because family circumstances were taken into account. The majority of these were low-decile schools.

In terms of other consequences, 22 schools (10%) carried the amount forward to the next year, four schools (2%) did not allow a child to take a project home, and three schools (1%) reported handing unpaid accounts to a debt collection agency.

In reporting assistance available to families having difficulty paying activity fees, 143 (67%) of the 212 schools which collected activity fees reported that the school had a discretionary fund available and 51 schools (24%) had a local trust or community fund they could apply to. Seventeen schools (8%) had referred families to CYF, 35 (17%) allowed families to spread payments over time and 17 schools (8%) reported other assistance such as a private benefactor or approaching the PTA.

When pricing activities, 157 schools (74%) priced at cost, 33 (16%) priced at cost plus a bit more to break even, and 28 (13%) priced at less than cost.

7.3.4 Secondary Schools

There were 78 secondary schools included in the survey. Forty-eight schools responded (62%), with three declining to participate and 45 (58%) participating in the survey. This included 29 Year 9 to 15 schools, 13 Year 7 to 15 schools, two composite and one restricted composite schools. Thirty-six were state schools and nine were integrated schools. Four schools had a roll of 200 to 299 students, and the remaining 41 had a roll of 300 students or more.

From the South Island, there were seven schools from the Canterbury Region, five from Otago Region and one each from Southland and West Coast Regions. On the North Island, 11 were from the Auckland Region, one from Bay of Plenty, four from Hawkes Bay, three from Manawatu-Wanganui, two from Northland, two from Taranaki, three from Waikato and five from Wellington. Participation was higher on

the South Island with 14 of 22 schools (64%) participating, compared with 31 of 56 North Island schools (55%).

Twenty-five responses were from main urban centres, six were from secondary urban centres, 11 were from minor urban centres, and three were from rural centres. Sixty-three percent of schools in deciles 1 to 3 participated, 60% of schools in decile 4 to 7 participated and 52% of schools in deciles 8 to 10 participated.

7.3.4.1 Donations

One school did not supply data on the amount of its donation. Of the remaining 44 schools, two schools (5%), both decile 1, did not request a donation, seven schools (16%) requested less than \$50, 20 (45%) requested \$50 to \$99, 11 (25%) requested \$100 to \$199 and four (9%) requested more than \$200.

The amount of donation requested increased with the decile level and was higher than for primary schools. Decile 1 schools did not request a donation, decile 2 schools requested \$25 to \$74, decile 3 and 4 schools requested \$25 to \$99, deciles 5 to 7 requested \$25 to \$199 and decile 8 to 10 requested \$50 to \$200 or more.

Ability to collect donations improved with decile level. Of the 29 schools in deciles 2 to 7, five collected less than 50% of donations requested, seven collected 50% to 59%, four collected 60% to 69%, nine collected 70% to 79% and four collected 80% to 89%. In deciles 8 to 10, four of the 12 schools (33%) were able to collect 80% to 89% of donations and five schools (42%) were able to collect 90% or more. The table below shows median amounts requested and percentages collected by decile group.

Table 15: Secondary school median donation request and % collected

Decile group	Median donation (\$)	Range (\$)	Median % collected	Range (%)
1-3	40	0-90	50	30-75
4-7	75	30-170	70	8-82
8-10	115	50-900	82	65-100
All	75		70	

As was the case with primary schools, the amounts requested were higher in more urban areas, as was the rate of collection. Because of the smaller number of schools

in the secondary schools data, and because secondary schools are not as homogeneous as primary schools (there are a number of special character schools, for example), the relationship between size of schools and size of donation was not clear.

Table 16: Secondary school donation request and collection rate by area type

Decile group	Main & Secondary Urban		Minor Urban & Rural	
	Median donation (\$)	Median % collected	Median donation (\$)	Median % collected
1-3	50	50	35	50
4-7	80	70	60	68
8-10	165	93	66	80
All	85	75	53	70

Eleven schools (26%) did not make an adjustment to the amount requested if there were more than one child from a family at the school. Seventeen schools (40%) set a maximum amount per family, and the remainder (33%) asked for a smaller donation for each additional child.

All schools supplied an estimate of the amount they expected to collect in parent donations during 2000. The following table shows the median amount per student paid by parents in donations based on the schools' estimates. As was the case with primary schools, parents in main urban areas paid a substantial amount more in donations than parents in other areas.

Table 17: Median donation amount per student in secondary schools in 2000

	Main urban	Sec. urban	Minor urban	Rural	Total
Decile 1-3	26	25	11	15	19
Decile 4-7	55	33	23	37	42
Decile 8-10	163	36	55	-	80
Total	55	33	28	32	42

Based on the median donation per student for each decile group and area type, and the number of students on school rolls in each of these categories as at 1 July 2000, parents of children in secondary schools paid an estimated \$18.1 million in donations in 2000. When combining this estimate with the estimated amounts for the primary sector, parent donations totalled an estimated \$31.0 to \$31.8 million for the year.

The most common consequence of not paying a donation was that the child did not receive a year book/school magazine or had to pay for it separately. This occurred in 27 schools (60%) across all decile levels. Ten schools (22%) carried forward unpaid donations to the next year. No other consequences were mentioned by more than one school.

In terms of encouraging payment of the donation, 36 schools (80%) sent invoices to parents, 33 (73%) put reminders in school newsletters, 25 (56%) sent letters to parents and 11 (24%) offered incentives.

7.3.4.2 Activity Fees

Two schools reported that they did not collect activity fees. Five schools (11%) did not supply data. For the 38 schools which provided an estimate of the amount they expected to collect, the results were extremely variable, indicating that schools had probably used different definitions and included different items in the estimate. Also, because secondary students have more class options than do primary school students it is likely to be more difficult for schools to provide estimates. Three schools commented on the difficulty of estimating activity fees and one commented that 'trips are charged to cover all costs so they balanced to nil after the trip'.

Success in collecting activity fees improved with decile level and was better than collecting donations. While 75% of all schools were able to collect 80% or more of activity fees, 94% of schools in deciles 4-10 and only 25% of schools in deciles 1-3 were able to collect this much. Four schools did not supply data. The table below shows median percentages collected in urban and rural areas.

Table 18: Secondary schools median percent of activity fees collected

Decile group	All Schools	Main & Secondary Urban	Minor Urban & Rural
1-3	73	75	60
4-7	94	90	96
8-10	97	95	99
All	95	90	96

Of the 43 schools which collected activity fees, nine reported that there was no consequence to the children if activity fees were not paid. Of these, five were

integrated schools. In terms of the consequences of not paying activity fees, 21 schools (49%) carried the amount forward to next year, 17 schools (40%) did not let the child take the project home, 11 schools (26%) reported that the child missed out on the activity, eight schools (19%) reported that the child did not receive the year book/school magazine, seven schools (16%) reported that the child missed a school trip and six schools (14%) reported that the child would miss out on a school camp. Five schools (12%) reported handing accounts to a debt collector, five (12%) reported that the child would not receive a student ID card, four (9%) reported that the child would not be allowed to take the subject and four (9%) that testimonials and certificates would be withheld. One school reported withholding certificates or reports.

Three schools added a comment to this section of the questionnaire that consequences were not always invoked. One commented that it depended on whether an effort was being made by the family to meet costs. The two other schools did not explain in what circumstances consequences might be waived.

Thirty-eight (88%) of the 43 schools which collected activity fees reported that the school had a discretionary fund available to assist families who were having difficulty paying activity fees and 17 schools (40%) had a local trust or community fund they could apply to. Eleven schools (26%) had referred families to CYF, five (12%) allowed families to spread payments over time, and five schools reported other assistance such as a private benefactor or approaching the PTA.

The majority of schools (87%) price activities at cost although five reported pricing activities at cost plus a bit more to break even, and three reported pricing activities at less than cost.

7.3.5 School Comments

The questionnaire invited schools to comment on their experience of collecting local funding from parents and 171 schools (57%) did so. Of these, 147 were primary schools and 24 were secondary schools.

Decile 1 and 2 schools commented on the impossibility of collecting any money locally. Two had recently given up requesting a donation, and a third was considering dropping the request in the next year. Two schools had paid for children's stationery that year and one reported supplying meals for some children. Another school pointed out how important decile-related funding is to low-decile schools.

Sorry for such a non-return. We are a decile one school and have to accept our school community cannot contribute financially. The time spent trying to collect fees & donations cost more than we actually received. Not only do we have no fees of any sort, we provide stationery, free lunches for some students & breakfasts in winter. (Decile 1 school)

We are a very low-decile school & our parents just do not have money to spare. Decile-related funding eg TFEA funding is vital to allow our children to have equity of access. (Decile 2 school)

Higher-decile schools commented on the pressure put on them and their communities by decile-related funding. They felt that they needed an enormous amount of local funding to bring themselves up to the level of the low-decile schools, and some schools felt that the amounts needed were now so large as to be unobtainable.

The funding of schools by Govt on a decile basis has put a huge pressure upon the upper decile based primary schools... We receive \$250,000 less than a neighbouring school of similar size. \$38,000 in fees does not go far in providing remedial reading, maths and Maori. (Decile 10 school)

We are a decile 9 school so need a considerable amount of local funding to bring our income to that of lower decile schools. Our families are now paying as much as they possible can. (Decile 9 school)

It is an ongoing concern for BOT [the Board of Trustees]. Fees budgets are seldom met. We are a decile 7 school and we will never catch up with lower decile school funding. (Decile 7 school)

In this area there is an expectation to pay higher fees as schools are disadvantaged funding-wise by high-decile rating. (Decile 10 school)

Schools also commented on the tension between an Education Act which states that compulsory education is free and the schools' dependence on local funding. The belief that education should be free was also one of the main reasons cited for parents' refusal to pay donations.

Most parents pay the school donation knowing that there will be insufficient funding provided by the government to Decile 10 schools... There is a degree of resentment amongst the parent community. It is perceived that the government funds decile 10 schools in the expectation that the parent community will make up the shortfall. In theory, education in N.Z. is supposed to be free. However, in fact it is not. It is far from free to families who live in a decile 10 area. In addition, the fundraising burden on our community is immense! (Decile 10 school)

School fee donations unpaid are usually because the parents believe education should be free. (Decile 5 school)

Another reason given for parents' refusal to pay is that they feel they already pay through taxes and resent having to pay twice for something that they believe should be free.

It's hard work. Some parents still feel that education should be free & are annoyed at higher taxes but still need to fund schools themselves. (Decile 10 school)

Some parents are reluctant to pay more fees as they feel they already pay enough tax for 'free education'. (Decile 10 school)

There were comments about the inadequacy of government funding.

Approximately \$22,000 in Local Funds needed to keep school accounts viable. Increasing each year. (Decile 4 school)

This school runs at a \$79-81,000 deficit over Govt funding per year - Decile 10. The balance must be fund raised. (Decile 10 school)

It is extremely hard to run a school with major development work - we need fees from parents plus some fees from fee-paying students. (Decile 8 school)

Some schools, and these were not in the highest deciles, expressed frustration with the fact that although they rely heavily on parent donations to make up shortfalls in funding, the government refuses to make these compulsory.

Much time is devoted to collecting fees/donations. Not helped by Govt's constant mantra that the 'donation' is just that & parents need not pay. (Decile 6 school)

Much dissatisfaction over Govt attitude to school donations! We can't draw blood out of a stone. We end up punishing ourselves. (Decile 3 school)

Makes things hard when it is legally voluntary but a practical essential. (Decile 3 school)

One frequently made comment, across all decile levels, was that there is a certain section of the community which never pays donations and is thereby subsidised by those who do. Schools commented that often those who refused to pay were not usually the poorest and that, on the other hand, many who find it difficult want to pay their fair share and struggle to do so.

Parents know you can't make it compulsory and so don't bother even if they're financially able - yet still expect extra programmes for their children, etc. Other parents struggle and yet pay the voluntary donation. (Decile 3 school)

The inequality of parent attitude. Some (that can pay) refuse to acknowledge and pay and parents (that can't pay) anxious to meet their commitment. (Decile 7 school)

It is a mammoth task! There are some parents who just refuse to pay anything - and these are those who can pay - while others who find it difficult pay a small amount each week. (Decile 9 school)

Another set of comments pointed out that there are lower income families within any school community, regardless of its decile rating, and that these families found it particularly difficult to respond to the school's need for local funding.

Often very difficult, family circumstances vary enormously. School relies heavily on additional funding from parents. It is the curriculum that suffers if funding is cut. (Decile 6 school)

We have a reasonable percentage of our families on benefits. Is becoming more difficult to collect fees. (Decile 6 school)

The funding of schools by Govt on a decile basis has put a huge pressure upon the upper decile based primary schools. All schools have learning needs and not all students will come from the decile bracket of the school. (Decile 10 school)

Most parents pay the school donation knowing that there will be insufficient funding provided by the government to Decile 10 schools. However, there are a significant number of solo parents who do not have the money. (Decile 10 School)

Some schools commented that they had moved away from voluntary donations to activity fees, as these were proving easier to collect.

We keep our fees [donations] at a very low level. Any visits, camps, etc. are paid for at the time and are not part of fees. (Decile 2 school)

Extremely poor rate of donation when we asked for it (up to end of 97).
Extremely high rate of compliance with activity fees. (Decile 4 school)

Some parents are reluctant to pay voluntary donations but most are happy to pay reasonable costs for activities. A small minority 'forget' very easily to pay anything. We will not penalise for parental inability to pay - we will penalise for deliberate flouting of the activity fee. (Decile 5 school)

It is becoming more user-pays system. Each activity is assessed, budgeted and then parents are asked for support. In the past the school has provided most of the activities, at no cost to families. (Decile 7 school)

I believe it is getting harder to extract the voluntary levy although we get a very high return on activity fees as they are drip extracted and parents don't like to see their child miss out on activities. (Decile 10 school)

A few schools mentioned specifically the difficulty they had collecting technology fees and commented that there were repercussions for children.

Very time consuming just collecting manual fees. It is usually the child/children who misses out that could benefit from manual technology. (Decile 1 school)

Very, very difficult. We have huge problems getting Yr 7/8 to pay technocraft fees of \$30 for materials used. If not paid by families the school has to pay the college. This year we are withdrawing privileges such as socials for children who have not paid. (Decile 4 school)

Parents under the impression that schools are free, therefore not obliged to pay anything. This includes specialist [technology] fees which the school has to pay the cost of if not paid. (Decile 4 school)

The issue of the difficulty of meeting parental and community expectations on current operating budgets was also raised.

Our parents believe that the school requires an additional [several hundred dollars] per child to provide the education they expect. I hate collecting school fees! (Decile 10 school)

Fees are set to meet parent expectations, so we are still behind the 8 ball. Of increasing consideration is the inability of the state to provide a level equal to parent/community/employer expectation. State funding is still based on the premise of 1 class X 30 kids type formula, but the reality is an increasingly diverse range of organisational structures is required. Consequence: being a need for either donations (from a mostly nationally - low income work force) or other funding source... Ultimately 'you get what you pay for'. World class education costs, NZ doesn't have the resources to provide for same any longer. (Decile 8 school)

However, not all schools made negative comments. There were comments from schools that they had no problems collecting Local Funds and several schools shared their recipes for success. The most frequent comment was that it is important not to set the amount of donations or activity fees too high, and that a lower amount with more people paying will net the school more money overall. One school does not inform parents that the donation is voluntary.

If we keep fees low and encourage parents to pay small amounts at a time the majority pay. I do not stress about non-payment as it is legally a donation but I do not tell parents this. (Decile 2 school)

We are a low decile school with a low socio-economic area so try to keep fees, etc. as reasonable as is viable. Most parents do pay. (Decile 3 school)

We have found that most of our families could not meet the full cost of outings, etc. By subsidising that cost and charging only a partial amount we actually receive more funds. (Decile 3 school)

We have had quite large donations up 'til this year which weren't capped. We weren't getting very good payment. Now they are lowered and capped we are getting more parents pay. (Decile 7 school)

Collection of funds is generally very good. We have kept our fee [donation] at a constant level for over 6 years. It is low compared to many schools and this helps with the total percentage paid. Any fees are for actual costs incurred. We ensure they are the lowest possible and we will sometimes fundraise to off set the costs, e.g. school camp for Y6 students. (Decile 6 school)

We try to set a reasonable donation amount and in return get a positive response from parents. (Decile 10 school)

Several schools explained that good community support for fundraising made donations and activity fees unnecessary. As was identified in the analysis of questionnaire data on the collection of donations and activity fees, this was particularly the case with rural schools, as the following comments from rural schools show.

We do not charge or expect school fees or activity fees. Our PTA raises any money required over and above our operations grant. (Decile 1 school)

Instead of school donations we hold a community Fun Day which raises approx. \$2,000 each year. (Decile 7 school)

We have excellent community support and our whole community fundraises each year - by picking hay raising between \$7-10,000, so that's why we have no school fees. (Decile 9 school)

Very supportive rural community. We fundraise \$20,000 annually for a third part-time teacher. Not all wealthy or cash-rich! Try to keep 1 trip, 1 entertainment/show per term. (Decile 10 school)

Another reason for not needing money from parents was the use of volunteer labour. This appeared to happen in rural schools and in some lower decile schools.

Instead of school fees our school has a cleaning scheme where parents work voluntarily - for this no fees are paid. Everything is fine. (Decile 1 rural school)

We have little opportunity to collect school fees, etc. as our parents have little money available for this, however we do receive a great deal of support from the community. Parents volunteer their help ie classrooms, gardens, etc. Our community is very supportive and involve themselves fully in all other areas. (Decile 1 main urban school)

We have a very supportive community who are always willing to provide voluntary labour or donations for funding special projects. However the BOT is committed to meeting the costs of day to day activities from Operations Grant. ie at no further cost to parents. (Decile 3 rural school)

Our parents are under considerable stress as it is. The school does not wish to add to this stress. Families who place a high value on education pay over and above what is required by supportive actions. (Decile 4 secondary urban school)

We don't have school fees [donations] because parents contribute in other ways - working bees, grounds maintenance, odd jobs, etc. We charge for trips, etc. but only at cost. We've never had people refuse to pay. Our system works well. (Decile 10 rural school)

Schools also mentioned that flexibility of approach and giving parents the ability to pay over time were key to improving collection rates.

Normally if money is required for sports trips etc. costs are kept to a minimum and if not able to be paid at the time can be paid over several weeks. We have

three families with 4 children each and as most families are on a benefit we need to be quite flexible in payment arrangements. (Decile 2 school)

Most parents/caregivers are happy to pay if you allow them to slowly - \$5/week. (Decile 4 school)

Generally most parents are willing to pay and they appreciate the opportunity to make time payments. (Decile 7 school)

The installation of EFTPOS and term by term payment has resulted in increased collection. However, we work hard to maintain high levels of collection. Approx 10% offer 'green dollar' payments ie voluntary labour. (Decile 8 school)

These comments demonstrate that schools' circumstances vary enormously, as do their attitudes and their ability to collect Local Funds from parents and caregivers.

7.3.6 Summary

There are a number of key findings in this survey. Donations and activity fees are less likely to be requested in low-decile schools, in rural areas and by smaller schools in the primary sector and by low-decile schools in the secondary sector. In both sectors, the amounts sought for donations and activity fees increased with decile, as did success in collecting, and success at collecting activity fees was better than collecting donations. Within decile groups, amounts requested were higher in urban areas than in rural. When donations were not paid, 6% of primary schools and 22% of secondary schools carried the amounts forward to the next year, indicating that they did not view the donations to be voluntary. Sixty percent of secondary schools reported withholding the school magazine from children when the donation was not paid, in spite of the warning in the Ministry policy circular that donations may become liable to GST if they are used to provide specific goods and services.

All schools found it difficult to quantify the amounts charged to parents in activity fees. In the primary sector, larger schools are more likely to have activity fees, and

are more likely to exclude children from participation if these fees are not paid. The main consequences of non-payment in the primary sector are: children missing out on the activity (30%), a school trip (25%) or school camp (19%) and 10% of schools carried the amount forward to the next year. There were a greater number of consequences in the secondary sector and a different weighting. In secondary schools the main consequences were: carrying amount forward to the next year (49%), not letting the child take a project home (40%), missing out on the activity (26%), withholding the school magazine (19%), missing a school trip (16%) and missing camp (14%). Twelve percent of secondary schools handed unpaid accounts to a debt collector, compared to 1% of primary schools, and secondary schools also reported withholding student ID card (12%), refusing to allow the child to take a subject (9%) and withholding testimonials and certificates (9%).

In both primary and secondary school sectors, integrated schools were less likely to have consequences for children for non-payment of activity fees. A large majority of schools have a discretionary fund available if families have difficulty paying activity fees. Several low-decile schools commented that consequences were not always invoked, depending on the family's circumstances.

7.4 Analysis of School Written Communications to Parents

This section describes the findings of the analysis of school written communication to parents about donations and activity fees. These documents came from two sources. The majority were collected through the School Survey. An additional set was collected in the NCWNZ survey. Because the documents from these two sources were very similar, the majority being school newsletters or general letters to parents, and because analysis of the two sets of document resulted in similar findings, they are presented here in a combined analysis. A description of the schools is provided first, followed by an analysis of the documents' compliance with the Ministry of Education policy.

7.4.1 Description of Schools

The questionnaire sent to schools requested respondents to return with the questionnaire a copy of an information sheet or newsletter used to inform parents about donations and activity fees. Seventy-five schools responded to this request and documentation from 68 schools was found to be complete enough for analysis. These documents relate to the 2000 school year. Two of those where documentation was inadequate were also found in the NCWNZ material. The NCWNZ material contained documents from 33 identifiable schools and these pertain to the 1999 school year.

The following table shows the decile range of the schools included in the document analysis. Although all deciles are represented, a greater proportion of the documents are from medium and high-decile schools. That there are fewer low-decile schools, and in fact only two decile 1 schools, may be explained in part by the fact that many decile 1 schools do not request donations.

Table 19: Decile of schools in the document analysis

Decile	School Survey		NCWNZ Survey		Total		All Schools	
	No.	%	No.	%	No.	%	No.	%
Decile 1-3	13	19%	4	12%	17	17%	753	29%
Decile 4-7	26	38%	20	61%	46	46%	1,044	41%
Decile 8-10	29	43%	9	27%	38	38%	764	30%
Total	68		33		101		2,561	

As can be seen on the table below, smaller schools are under-represented in the sample, and large schools are over-represented. The documents from the NCWNZ survey were all from larger schools.

Table 20: Roll size of schools in the document analysis

Roll Size	School Survey		NCWNZ Survey		Total		All Schools	
	No.	%	No.	%	No.	%	No.	%
<35	2	3%	-		2	2%	261	10%
35-99	12	18%	-		12	12%	556	22%
100-199	14	21%	-		14	14%	495	19%
200-299	12	18%	4	12%	16	16%	383	15%
300+	28	41%	29	88%	57	56%	866	34%
Total	68		33		101		2,561	

The table below shows the region in which the schools are located. Most regions in the country are represented in the sample of documents. Wellington Region is somewhat over-represented.

Table 21: Region of schools in document analysis

Region	School Survey		NCWNZ Survey		Total		All Schools	
	No.	%	No.	%	No.	%	No.	%
Auckland	13	19%	3	9%	16	16%	462	18%
Bay of Plenty	3	4%	2	6%	5	5%	140	5%
Canterbury	3	4%	4	12%	7	7%	312	12%
Hawkes Bay	5	7%	1	3%	6	6%	139	5%
Man-Wang	5	7%	0	0%	5	5%	220	9%
Northland	5	7%	0	0%	5	5%	148	6%
Otago	4	6%	3	9%	7	7%	166	6%
Southland	0	0%	5	15%	5	5%	107	4%
Taranaki	4	6%	0	0%	4	4%	117	5%
Tasman	2	3%	0	0%	2	2%	34	1%
Waikato	11	16%	3	9%	14	14%	311	12%
Wellington	12	18%	11	33%	23	23%	250	10%
West Coast	1	1%	1	3%	2	2%	46	2%
Others							109	4%
Total	68		33		101		2,651	

Schools from rural and minor urban areas are under-represented in the analysis, as is shown in the following table. This may be partly because these schools are less likely to request donations.

Table 22: Area type of schools in the document analysis

Area Type	School Survey		NCWNZ Survey		Total		All Schools	
	No.	%	No.	%	No.	%	No.	%
Rural	18	26%	3	9%	21	21%	853	33%
Minor Urban	5	7%	4	12%	9	9%	280	11%
Secondary Urban	5	7%	11	33%	16	16%	175	7%
Main Urban	40	59%	15	45%	55	54%	1,253	49%
Total	68		33		101		2,561	

Because the majority of documents from the NCWNZ survey were from secondary schools, there are proportionally more of these in the document sample. However, because only 15% of schools are secondary, having a greater number of secondary school documents was helpful in identifying any patterns in secondary schools' behaviour.

Table 23: Level of schools in the document analysis

Level	School Survey		NCWNZ Survey		Total		All Schools	
	No.	%	No.	%	No.	%	No.	%
Primary	57	84%	12	36%	69	68%	2,178	85%
Secondary	11	16%	21	64%	32	32%	383	15%
Total	68		33		101		2,561	

There is a slight under-representation of integrated schools in the sample. However, the numbers involved are very small.

Table 24: Institutional authority of schools in the document analysis

Institutional Authority	School Survey		NCWNZ Survey		Total		All Schools	
	No.	%	No.	%	No.	%	No.	%
State	61	90%	32	97%	93	92%	2,235	87%
Integrated	7	10%	1	3%	8	8%	326	13%
Total	68		33		101		2,561	

In summary, the sample of school documents has good coverage from schools around the country. Fewer documents were obtained from low-decile schools, smaller schools and rural schools.

7.4.2 Findings of the Analysis

The majority of the documents were copies of school newsletters or circulars to parents. There were also excerpts from school information handbooks, enrolment

packs and policy manuals, templates for invoices and personalised letters to parents and primary school book/stationery lists. Because the NCWNZ material was obtained from parents, it included copies of actual invoices sent to parents and it also contained lists of subject fees from secondary schools. These proved to be a valuable source of information about the behaviour of secondary schools.

Table 25: Type of document

Document Type	School Survey		NCWNZ Survey		Total	
	No.	%	No.	%	No.	%
Book/Stationery List	5	7%			5	5%
Enrolment Pack/ Information Book	6	9%	1	3%	7	7%
Enrolment Pack/Letter	1	1%			1	1%
Invoice/Personalised letter	2	3%	8	24%	10	10%
Newsletter/General Letter	50	74%	20	61%	70	69%
Letter plus Book List	1	1%			1	1%
Newsletter plus Invoice			4	12%	4	4%
Policy/Procedure Manual	3	4%			3	3%
Total	68		33		101	

7.4.2.1 Communication requesting donations

Of the 101 schools, six did not request a donation, leaving 95 to analyse for compliance to the Ministry Circular's guide to requesting donations. In general, compliance was low. Only 28 (29%) schools stated that the donation was voluntary and 28 (29%) did not use mandatory words such as 'fee' or 'levy'. Only 11 schools (12%) complied with both these requirements. While 84% of secondary schools used mandatory words such as 'fee' or 'levy' only 63% of primary schools did so.

Of the 10 invoices or personalised letters, eight used the terms 'fee' or 'levy', a practice described as particularly misleading by the Circular. One enterprising school invoiced parents for both the school levy and a donation.

Communication about the tax rebate was somewhat better. Thirty-three schools (35%) stated that a receipt would be given and 41 schools (43%) stated that the donation was eligible for a tax rebate. Twenty-nine schools (29%) did both. The schools which mentioned the receipt but not the tax rebate made general statements saying receipts would be issued but with no clear purpose except the implied one of

proof of payment. Fifty-six percent of primary schools and 57% of larger schools (roll of 300 students or more) stated that the donation was eligible for a tax rebate.

Schools did much better at explaining what the donations would be used for, as this can provide an incentive for parents to pay. Sixty-five schools (68%) provided this information. Again, primary schools and larger schools did better in this category. Sixty-three percent of primary schools and 73% of schools with rolls 300 students or more provided this information. Thirty-five schools (37%) included information about how and to whom to pay.

The most common reason given for requesting a donation was to supplement government funding which was often described as or implied to be inadequate. Frequently mentioned items included library resources, teaching resources, sports equipment, computer hardware and software, sporting and cultural activities and photocopying. Some schools were very blunt about the perceived inadequacy of government operational grants:

The Board has the unenviable task of setting an annual budget to meet the school's requirements knowing that the amount of funding provided by the Government sources alone is not enough. (Decile 9 school)

Schools cannot survive on the money that the Ministry of Education provides for us, and so we have to rely on fund-raising events put on by the P.T.A. and our school fee charge. (Decile 7 school)

Government funding does not cover the full cost of operating the school and local funds are necessary. (Decile 8 school)

Each year we must ask parents for fees. In this age of 'user-pays', you will appreciate that education can no longer be considered 'free'. There are three kinds of fees, - school activity fees, class materials fees and technology fees. (Decile 2 school)

Although the Ministry of Education’s justification for TFEA funding is to compensate for the disadvantage that students from low socio-economic communities face, some higher-decile school used the decile-related funding formula as a reason for requesting donations:

Some may not realise that schools such as [school name] get significantly less from the government than other schools. The difference is substantial – over \$190,000 per year... (Decile 9 school)

Government funding for schools continues to be adjusted according to the wealth of the local area and as such [school name] continues to be slightly under-funded for its operational requirements. (Decile 10 school)

Being a Decile 10 school means we are ineligible for the extra funding which lower decile schools receive... The Government’s reasoning is that in high socio-economic areas the community will support the school, but refuses to give us the means to enforce school fees... The myth of “Free Education” has been just that for many decades now and education is definitely “User-Pays”. (Decile 10 school)

Only 15 schools (16%) included a statement that parents should see the principal if they were having difficulty paying the donation. Six schools adapted the invitation to strengthen the understanding that the donation is not voluntary, but expected. Four of these schools had rolls of 300 students or more and the other two had rolls 200 to 299 students. Three were primary schools and three were secondary. These schools invited parents who were having difficulty paying the option of paying over time, or paying in some other way. Examples are:

If you are likely to have difficulty in making payment, please contact the school office to make arrangements to pay by instalment. (Decile 5 school)

In cases of genuine hardship it is suggested that parents contact the Principal to discuss in confidence alternative methods of meeting this cost. (Decile 8 school)

There were documents available from eight state-integrated schools. One of these did not collect donations. Of the seven that did, there was no confusion between donations and attendance dues. Those that collected attendance dues described them clearly in a separate paragraph. However, only two of these seven schools (29%) stated that the donation was voluntary.

7.4.2.2 Other charges to parents

In terms of other charges being made to parents, documentation was not sufficient to establish whether schools were correctly charging parents for materials. However, it was possible to note when documents did include inappropriate charges. Thirty-one of the 101 schools (31%) supplied documentation demonstrating that they were charging parents for items not permitted by Ministry of Education policy. In this category were 47% of secondary schools and 23% of primary schools across all decile groups.

The most common of these was photocopying. Seventeen schools charged for photocopying and a further eight schools charged parents a paper fee for the cost of paper used in photocopying or printing, comprising 25% of the sample. Twenty-two percent of primary schools and 31% of secondary schools were in this category. Amounts varied from \$2.50 to \$25 per year per student. The Ministry Circular explicitly states that charging parents for photocopying is inappropriate as schools are funded for photocopying and this should be seen as part of the normal business of curriculum delivery. The following are examples of the schools' explanation of this charge:

At the beginning of each year on the stationery list we have set a photocopier charge of \$10. This as an "actual" cost covering photocopying usage to support classroom teachers in their delivery of the curriculum, particularly English which is significant. (Decile 10 school)

The Paper Fee goes towards, but does not fully cover the cost of photocopying worksheets, newsletters and notices. (Decile 10 school)

Two secondary schools charged students for postage, and two charged for copyright. These were medium and low-decile schools with rolls 300 students or more.

There was also evidence in some schools' documents that they had extended the ability to charge for the take home component of technology classes to include other materials charges. The majority of these were secondary schools. Two trends were apparent. One was to charge for the use of computer technology and consumables such as printer cartridges and the other was the practice of extending charges to include materials used in all subjects, not just technology subjects with a take home component.

Six schools charged for the use of computer technology. Of these, five were secondary schools (16% of secondary schools). All were in main urban areas, one was a low-decile school, four were medium-decile and one was high-decile. Five had rolls of 300 students or more and one had a roll of 200 to 299 students. Many schools found the acquisition of computer technology during the last decade to be challenging financially and this is apparent in the explanations for these charges:

Computing Basic User Fee – These facilities have placed great demands on the College Budget in terms of increased use of computer-related resources e.g. paper, printer cartridge costs associated with computer printing, and internet access costs...hence the computer basic user fee of \$10.00. (Decile 10 school)

The school has one of the most up-to-the-minute computer network facilities...The fee we charge covers the use of facilities, the paper and ink for the printers and the diskettes the students use. (Decile 2 school)

In the area of general charges for materials, 10 schools' documentation showed inappropriate charges. Nine were secondary schools (28% of secondary schools). All were schools with a roll of 300 students or more. Secondary schools' documents included lists of subject fees for all subjects, not just technology subjects with a take-home component. There was often no explanation for these amounts. The primary

school was on-charging consumables as well as setting mandatory charges for trips and performances.

The following practical subjects have fees to cover the cost of materials: Art... Agriculture... Science... Chemistry... Physics... Biology... Technology... (Decile 7 school)

Activities/Consumables levy: As a result of consultation with parents last year it was decided to charge an annual levy to cover costs collected during the year for some paper, consumables, photocopying and laminating, class trips, activities and school performances. The costs are calculated for each area of the school and are set accordingly. (Decile 10 school)

No school suggested that non-payment of technology fees was an option if parents chose to have their child not bring the project home. In addition, the underlying assumption was that fees would be paid in advance at the beginning of the year, not at the time the material was used.

Activity fees cover swimming, visiting performances to the school, a trip away from the school, sunscreen and other incidentals as highlighted on the original account. This is a compulsory item that was due in February or when your child started school. (Decile 7 school)

Curriculum Fees: Full details of the curriculum fees were included in the 1999 Junior and Senior Curriculum Handbooks... Parents are reminded that your student's enrolment in these courses were made on the clear assumption that all course fees would be paid. Non-payment of these fees directly affects the revenue available to that particular curriculum department.

One state school charged a building levy of \$35 per student and there was one example of a school charging GST on the donation component of an invoice.

In summary, schools' compliance with the Ministry Circular appears to be very low. Fewer than 30% of schools told parents that the donation is voluntary. Fewer than

half told parents that the donation was eligible for a tax rebate. 30% of schools appear to be charging parents inappropriately for materials used in delivery of the curriculum. The latter appears to be more of an issue in secondary schools and includes fees for use of information technology and for curriculum subjects which do not have a take home component as well as direct charges for consumables such as photocopying, paper and postage.

8 Findings – Parent Focus Groups

8.1 Focus Group Sessions

This chapter presents the findings of the four parent focus groups. These are identified by numbering them from one to four; however there is no significance to the number assigned to each. Two were organised through the PTA at primary schools and two at secondary schools. One school was a decile 4, two were decile 6 schools and one was decile 7.

8.1.1 Focus Group One

Focus Group One was held with parents at a primary school in a rural area outside of Auckland. The group included some parents from outside of the PTA. All participants had children at the primary school, two had children at secondary school, and one had a child in kindergarten. One parent was on the primary school's Board of Trustees.

In commenting on the charts, the parents felt that the trends reflected their own experience with schools, as there was more user-pays in the system now and inflation was also a factor. The setting of an activity fee had made costs more explicit. Parents are now aware that they pay for photocopying and art supplies, for example. The cost of activities had increased, partly because of inflation and partly because places which in the past had been free now charged a 'door fee'. There was also a feeling that parents expect more of schools than they did in the past, including such things as art supplies and computers.

The parents were happy with the situation at the primary school. The school has kept its voluntary donation request low, so that everyone can pay. There were no consequences if it was not paid and such information was kept confidential. One parent commented that they did seem to be paying for more things than they used to. However, all parents generally found that their primary school was affordable and inclusive of all children and families. For more expensive activities such as school camps, the school did extra fundraising to keep costs down so that all children could attend.

Fundraising was felt to be well organised and well conducted. It centres around three major events during the year plus other, smaller activities such as sausage sizzles and selling refreshments at sports days. The events tend to be social functions as well as fundraising ventures and because it is a small community everyone knows each other and knows who can help in what circumstances. As one parent put it:

The advantage of a small school is they come to know what everybody can do - they know not to ask me to cook! But they do say can you manage a kilo and a half of pre-grated cheese from the supermarket.

The PTA raises about \$3,000 each year, which enables the school to balance its budget. Normally, fundraising is not targeted to a particular item, but put in the budget as a balancing item. However, because people like to know what the money has been spent on, it is usually earmarked for tangible things such as new library books. Last year, fundraising had gone particularly well and there was extra money to buy two computers. In previous years, fundraising had supplied such things as heating for the swimming pool and a pool cover.

One family had moved to this area from Auckland and this parent found their situation at a rural primary school to be much better. In terms of voluntary donations, this family now pays for all its children the amount requested for one child at the Auckland primary school. The parent had found the Auckland school too focussed on raising money and had questioned the priorities. Fundraising in that school had also been much more intensive and the family had found this very difficult.

The school we were at was never satisfied and the headmaster's attitude was that there was so much funding available and he felt that it was their responsibility to access as much funding as they could, irrespective of what they needed. Ironically the things that they were choosing to buy with funding were not the things like upgrading the toilets, since the school had doubled in size and there were still the same number of toilets and also practical things were ignored.

At Auckland we had to do raffles and selling of chocolates or pencils and things like that and hot cross buns and photos. Just all that sort of stuff. It was never-ending. And it's really hard having six kids. There's lots of reasons why it's hard having six kids but on this particular issue, who are you selling to?

While parents found primary schooling affordable, they found that secondary schooling was much more expensive. This included the high cost of uniforms, a much higher voluntary donation and a number of subject or option fees.

The request for donations and fees at the beginning of the year put a strain on budgets for the families with more children and those with children in secondary school. The size of the secondary school requests for money caused particular comment.

I just opened my bills from the high school and it was something like \$400 for two children.

You just run a bill. You know, that's the worst thing. I've just been sent an invoice for the year of \$250 but I'm just not going to hand over \$250 in the first term. I want to feel that I've got a bit more control if I pay so much per term and feel as if I can say yes, he did well this term, here's your school fees. Psychologically I think, well, that's a hell of a lot of money!

Along with the request for a donation, the secondary school invoices also included subject fees for options. The use of the word 'option' was commented on as children must select a certain number of options and some of them are compulsory: 'a \$40 option that's not really an option, because it's food technology and everybody in Form 1 has to do it'. The parents had also found that the older the child, the more expensive the options fees.

Uniforms were felt to be expensive for what was needed and the parents resented the fact that the school made a profit on selling to them. They had no choice but to send their children to that school and the school is the only provider of the uniform.

And having specialist school uniforms that you can only buy from a particular place at a stupid price – no, I'm not interested. I'd rather have a generic pair of shorts with a [school] logo on it so that nobody wants to steal it.

One solo parent with three children who did not pay the secondary school voluntary donation had found that it was the school's policy to roll the amount on to the next year and to not issue reports if it was not paid. This parent had paid specific activities fees but had then found that the school did not consider this to be sufficient.

I feel it is quite legitimate not to pay [the voluntary donation], depending on your circumstances. And so coming from that base, with the high school where the bill is \$400 or whatever, I took the hard costs out of mine which was \$15 for that, photocopying, PE and then that came to a certain amount. They kindly roll the balance on for you. And then they ring you on the telephone to brow-beat you. And then if you don't pay it you don't get any report.

I'm supporting three kids... I didn't think we should have to pay it, but I understand that's an issue with Wellington and not the school board or the school management. So I paid the \$15 for the book and the \$32 for this and the \$5 for that and the photocopying and all the little ones they're sneaking in in the meantime now. And their point from that is, OK, so you're prepared to pay just the bits your children want? As in, you're just coming in here and picking the eyes out of it. And that's like getting shot from both sides, from my point of view. Because I was saying that I don't approve of this funding system and I can't afford it but I will pay the share that I know you attach to my children.

The secondary school was also criticised because information about who had paid the donation and who had not was not kept confidential. The school withheld yearbooks from those children for whom the voluntary donation had not been paid and where the yearbook had not paid for it separately, and did this in a very public manner.

What they did is they line them up in alphabetical order in each class (this is the younger one) and they went in and they gave him a book or they said oh,

sorry you haven't paid your fees, you don't get a book. And then at lunch time all the kids went out and signed the books you know, because they all wanted to sign each others books, and if you hadn't paid your fees well, you sat there without your book.

Other concerns about the secondary school were that it had added a cafeteria because it felt this was needed for the overseas students and had acquired a dark room for its community education programme. Parents felt that these items were unnecessary for their children's education but that they were having to pay for them through the donations and fees.

The parent who also had a child in kindergarten found the cost of attendance there to be even greater than secondary school. The combination of fees for kindergarten and fees for college put a considerable strain on the family budget. The lack of funding for early childhood education was apparent in the description of the fees and constant fundraising required of families.

Kindy I find totally offensive because it's \$3 per session, five sessions a week, you're actually speaking of \$100 per term, \$400 each year, and with [our oldest child] doing activities at college at \$250... With kindy I do pay some kindy fees, but I pay when we can afford to pay and I do not pay \$100 per term, there's no way in this world I can do that. But too, with kindy, they're constantly fundraising. Those boxes (*pointing to a stack of boxes against the wall*) are chocolates to be sold. It goes from the bulbs to the chocolates to the something else, you know, it's a constant thing and you're also producing cakes for the cake stall and you're manning the cake stalls.

In summary, the group felt that their primary school situation was a healthy one, with affordable costs and fundraising activities which were not too burdensome and which fostered community spirit. One parent who had experience of a primary school in Auckland commented on how much more affordable primary schooling was in a rural area and how the urban school had been so focussed on generating revenue.

Parents expressed concerns about costs of secondary schooling and early childhood education. These were found to put significant strain on the family budget. In secondary school, the costs were high and increased with the age of the child. There was some concern that parents had to pay for amenities acquired for the community education programme and for overseas students.

The secondary school contravenes Ministry of Education policy by charging for photocopying, embarrassing students over non-payment of the donation by the method used to distribute yearbooks and failing to issue reports to parents if the donation is not paid. The school has put what appears to be excessive pressure on a parent to pay the donation even after she said she could not afford to pay it.

8.1.2 Focus Group Two

Focus Group Two was organised by the PTA of a secondary school in Auckland. Members of the group included PTA and non-PTA parents. Several people had children at primary or intermediate schools as well as at the secondary school.

In commenting on the charts there was some surprise that revenue from Local Funds had increased as much as it had in the secondary school sector, as that had not been the experience of this particular school. Parents felt that the situation at their school had not changed all that much. Other comments were that the increase would include inflation and also reflect the broadening range of services offered by schools.

This school requests a voluntary donation, and parents also pay subject fees and fees for activities such as sports and trips. There are also extra activities now like the Australian Maths test, the National Bank Maths Challenge and Future Problem Solving. Parents in the group had found that sports fees had increased substantially in the last few years.

In a discussion of participation rates at the school, the group agreed that while there are people who encourage their children to participate and will pay for them to do so, there is also a section of the school community who do not encourage their children and will not be prepared to pay for things. However, there is also a section which

participates less because cost is a barrier. And while this problem exists in any school community, it happens more frequently at secondary schools because costs are higher there. This means that there will be more parents who cannot afford the fees and that the school will not be able to pay the costs either.

I think more so at secondary. It's because they're much larger. At primary level, I think the school will often pick up the tab because the cost of trips is so minimal in comparison to going away on field trips that may be 2 or 3 days at secondary school at \$130 plus, so the school won't pick up a tab like that, but they will at primary because they're only \$5.

Regarding the methods of collecting fees and donations, one parent with a child at an intermediate school explained that this school summarises all these at the beginning of the year and asked parents for only one amount. This is easier to deal with because you at least knew where you were. This parent found the secondary school process to be difficult because of the uncertainty. Another parent reported that a local primary school also requested all donations and activity fees at the beginning of the year in a lump sum.

Our local primary does that. They have the fees plus the stationery. Everything just goes in - you just pay one lump sum. They don't call it a donation. It's a sum but on your receipt your donation is itemised, it's not the \$300 that you're made to pay, it's donation \$100 or whatever \$120 or something like that but everything else is taken out because otherwise you would get in trouble with tax too. You've got a receipt for the activities.

However, the group agreed that at the secondary level it would be too difficult to itemise all the costs at the beginning because there are so many choices and options are not all known at the beginning. Opportunities to attend things come up during the year. And as the child goes up in levels the number of choices increases and the costs increase as well. Many parents wouldn't be able to pay all the costs at once and psychologically it was probably better not to see the total.

Choices increase as you go up. And the amount of money involved goes up as you go up. We may be able to afford to pay a lump sum but an awful lot of people can't afford to pay a lump sum and they would never be able to afford to pay at the beginning of the year with all their costs together. They wouldn't ever do it.

If you saw the total cost in one hit, you'd take your kid out of school straight away!

One parent commented that friends in the Bay of Plenty pay only \$25 per year for a donation and that there seemed to be considerable variation geographically in the amounts requested. The group agreed that the amount requested had to be appropriate for what people were able to pay. In addition, schools have different financial needs depending on factors such as historical costs, age of buildings and the rating policies of the local council.

The group felt that the system of donations and activity fees worked as well as could be expected at their school. The amount requested for a donation was reasonable, although there would always be people who were unwilling to pay it because it was voluntary. In particular, it is difficult to convince people to pay for future generations, which is in effect what is being asked for with some funding requests.

The parents felt that government funding was unfair because it gave priority to schools which were in growth situations. Their school is in an area which is not growing and although the Education Review Office (ERO) had rated some of the school's facilities as substandard, the government was not willing to fund the necessary upgrades. However, schools in growth situations, such as a neighbouring higher-decile school, appeared to be able to get extra funding easily. This situation was seen to be inequitable and would also make their school less viable in the future.

One of the problems with this area is that we are literally a no-growth area because of our geographical situation... Our roll is not going to increase and the government doesn't see the need to increase or improve our children's facilities. Some of our school facilities have been rated by ERO as being

substandard. But no money is provided by the government, so that our children, who are as entitled to anything good as [the neighbouring] College are not getting the same sort of support from the government as [the neighbouring] College.

And so the college has to fundraise in some way to provide those facilities to the tune of \$30,000 so our kids can get facilities that other kids consider normal. And so that's where some of the funds are going, to try and raise this huge amount of money and to put aside a sensible amount of money to upgrade those facilities and upgrade our computers.

They're our kids and they are as entitled to have decent music facilities and decent gym facilities as any other school in the country... We'll lose kids to those schools with better facilities because those kids want to go where those facilities are available.

Another weakness in the method of funding schools identified by the group was the fact that while schools must account very carefully for money received in operational grants, high-decile schools which were able to collect large amounts of money in fees did not need to account as carefully for how this money was spent. And while schools do have to account to government as a funder, they do not have the same accountability to parents as funders.

Schools in lower-decile areas do get extra funding, TFEA funding, but how do you take away the disparity? ERO comes along and says 'How did you use that to pay that team there, did you employ teacher aides? And get resources for the children with special needs'.

Because the school that doesn't get TFEA funding gets huge amounts of fees because they're in a decile 10 area, ERO doesn't come along to them and say 'How did you use your fees?'. They can use it in any way they like so the whole funding system and the fact that schools have to have the fees actually makes schools unequal.

They [lower-decile schools] are accountable in a much greater way than schools who get their money from the parents... You have to account to the government but you don't have to account to the parents.

This group found that fundraising is more difficult in secondary schools than it is in primary or intermediate schools because secondary schools are larger and relationships become more impersonal. Getting community involvement, not just for fundraising, is more difficult. Also, in secondary schools, teachers do not have one class for most of the time. Teachers are more specialised and each child will have several different teachers. Tracking children and money becomes more difficult.

I think the nature of the fundraising changes at a secondary level, because of the age of the pupils in lots of ways, and the fact that the teacher has the children not in a class with a teacher but scattered with different teachers throughout the day; whereas fundraising at primary and intermediate means that all the money goes in to one teacher for whatever the activity is you're using to fundraise.

The majority of the group felt that the government needed to fund education properly through taxation. There was a consensus that more money from the community was not going to be an option and that funding through taxation was a fairer system and less likely to create gaps. Concern was also expressed about the government's reliance on funds from overseas students to fund schools. Education benefits all of society and needs to be viewed more broadly than just a problem for today's parents.

I can't see a way round having improvements come through an increase in taxation in the future because it's not only the students who are at the school who are going to gain from everybody receiving a good education. It's the whole society that you're living in, so that you want everybody to be contributing towards it, not just the parents of the particular children at the time.

Another comment was that the government must fund new initiatives properly and should not expect schools to implement new things on existing budgets. Two

examples of new initiatives not properly funded were the new curriculums and information technology.

In summary, this group reported that costs in secondary schools were such that some of the children were at times excluded from participation by the inability of parents to pay. Costs increased as children moved into higher levels. While paying throughout the year was inconvenient for some, many people would not be able to pay the required amounts at one time. In fact, it was probably better not to know what the total cost was.

The group also had concerns about the funding of education. They felt distribution of funding was inequitable because a neighbouring high-decile school was able to obtain money for new facilities while their children missed out. They pointed out that schools which are able to collect large amounts through donations are not as accountable as schools in lower-decile areas. This is because schools do not need to account to parents in the same way as they do to government on how money is spent.

They were unhappy with the overall level of educational funding and felt that the government should not be allowed to introduce new initiatives, such as the new curriculums and the information technology requirements, without proper funding. Getting more money from the community was not seen as an option and there was discomfort with the current reliance on revenue from overseas students. They felt schools should be funded properly through taxation, as this is a more equitable system which is less likely to produce gaps. Education benefits all of society and needs to be viewed more broadly than just a problem for today's parents.

8.1.3 Focus Group Three

Focus Group Three was PTA members from an urban primary school. All focus group participants had children at the primary school and one had had children in secondary school and had experience being on the PTA of a secondary school.

In commenting on the charts, the parents felt that the trends reflected their own experience and that amounts collected through fees and fundraising had doubled in

recent times. They expressed concern at the amount of money schools now need to get from parents and fundraising.

The PTA was concerned that this year for the first time money from fundraising had been used to fund the core curriculum by purchasing textbooks which the Board felt unable to pay for from the operational budget. This problem had arisen because of the new regulations saying that boards had to fund for depreciation and because of the loss of bulk funding. In the past, the proceeds from fundraising have always been used for extras, not basics. This year the Board is looking at ways to improve the collection of the voluntary donation to help make up for the loss of bulk funding.

The group felt it was important that the Board and the PTA have a common understanding of what the PTA raises funds for. The PTA has a policy that the hours of time invested have to be reflected in the benefit to the school, either socially or financially. Parents drop out when the time contributed doesn't translate into benefits for the kids and it takes time away from family. Money raised is for extras, for example, extras to add to the basic teaching resources or money to provide an outing for the safety patrol at the end of the year. The PTA has raised money for such items as sports equipment, audio-visual equipment, extra classroom materials and books and the new school hall.

This primary school requests both a voluntary donation and a compulsory activity fee which includes photocopying. There are no consequences if the donation is not paid and there are parents at the school who cannot afford to pay it. The parents thought that there were also no consequences if the activity fee was not paid, although all of them had paid it so they were not certain. The PTA covers for families who cannot afford the camp fees and complementary tickets were available for their current fundraising event for those parents who could not afford them.

The parent who had been on a secondary school PTA commented that that group always had the principal and the deputy principal at their meetings as well as members of the Board, so it was a much more supportive environment. The secondary school PTA's main functions were running the uniform shop and assisting with communication with parents. For example, they brought in speakers to explain

what was happening in the different curriculum areas and were able to advise parents on who to talk to if there was a problem. Fundraising was less important.

This parent's experience was that costs to parents are much higher at secondary school than at primary school. This cost increase is across everything and includes the cost of school uniforms, donations and activity fees as well as stationery, equipment such as calculators and sports uniforms and equipment.

Uniforms are expensive and were not seen as value for money.

And I think if you compare the cost of the quality of the fabric in the school uniform, the fact that they're making the same garment year after year after year after year, they're not sourcing anything new, they're just doing the same thing and the prices go up and the quality comes down. And uniform expenses at those older levels are big and the kids grow fast, especially the boys, they grow out of their uniform sizes at a great rate of knots and that's expensive.

Requests for money at secondary school were continuous, and parents with more than one child can find it especially difficult. Children in lower income families are prevented from taking some subjects if they have high subject fees. After-school supervision is also a problem when both parents work.

At secondary school if you've got a kid whose parents don't earn much but they're very creative then it's photography and those subjects that they'd be prevented from doing because of the cost. Science field trips. Suddenly they need \$20 to go to some swamp and examine some bugs. But this is regular. It comes home every day, every week. If you've got two or three kids at secondary school, there's just constant requests for large sums of money. I mean \$20 plus, whereas at primary level they come home and they need 80 cents for a new Maths book. It's not the \$2 coins you're handing over, it's the \$20 notes and the cheques, large cheques, that are just constant at times.

One participant who had some experience with schools in the United States commented on how more money is available to fund school sports there. Teachers

can receive a coaching stipend as well as a salary. Sports teams would practise every day after school, so after school supervision was not such an issue. The programmes are of a higher quality. This parent's involvement with a secondary school sports programme had highlighted problems of quality and the ability of students to participate.

As I mentioned earlier, about helping out by driving the basketball team to the ASB stadium where they have three games going at once with a running clock for all three and supposedly, they're supposed to have referees. Half the time the referees don't show up so you've got to referee your own game or have one referee and it's 'mickey mouse' and the kids, I don't think get any quality out of it, it's just sort of an activity. So to me it's very frustrating. Without appropriate funding you're going to get this 'mickey mouse' kind of operation where the referees don't show up, the coaches don't show up, the players got to get their own transportation to some of the venues and there's no spectators because they don't see a quality match, they see a bunch of disorganised kids running around.

The group saw sport as being very important as a healthy interest for kids. One parent commented that if more was spent on school sport it might translate into spending less on the court system. Concern was expressed that children who might most benefit from participation could be excluded because of the cost.

I see sports important at secondary level for giving kids healthy interests. We've seen the statistics on alcohol use and all the rest of it and I think sports is a good positive way of dealing with that because if they're busy and interested they're not looking for other ways of getting a buzz and that's another thing, ... Sports gear costs money, travelling costs... volunteer drivers, volunteer referees, volunteer coaches and they have a sports uniform and they have sports equipment and it all costs a lot of money depending on the sport. A lot of their sports clothing doesn't last long because it has a hard life.

The extra money that parents put into their children's education is for improved quality and for activities which the school system does not provide. This disadvantages lower income families.

We send our kids for extra tuition, we're lucky we can afford to but we feel that they're just not getting as much as they need at our school. I don't know whether it's a funding issue or a curriculum issue or what but we do pay for [our son] to go to extra maths tutoring and they each have swimming lessons and [our daughter] goes to gymnastics and a lot of these things that should be covered in school aren't and the parents that can't afford it, their kids are getting further and further behind and it's going to be a real problem.

The group felt that more funding for education was necessary and needed to include extracurricular activities like sport and art. One parent wondered whether the country would go along with more taxation which is what would be needed. Another parent mentioned voting for Labour at the last election because they had promised more funding for Health and Education, but this didn't seem to have happened. More user-pays was not seen to be an answer.

And user-pays, I think that's starting to get stretched. And user-pays unfortunately is not very fair really for the lower income families.

There was a general feeling that the Tomorrow's Schools model had not served schools well in this area. They felt that the education sector had been fragmented and economies of scale had been lost. Schools were isolated by the structure and left to manage on their own.

One thing I've thought about lately, how much of a waste of resources to have every school have its own board. It seems to me if you did some amalgamation and got some really top people running the school instead of just five to seven parents from the local neighbourhood, most of whom have little or no experience in education or running a school, maybe you could somehow find some savings there by putting some schools together. You know, you'd have economy of scale, you'd have some skilled people running them and maybe that's one way to improve schools. Once you put the schools

together you can hire a professional (they call them superintendents) that has the skills like a CEO and has the knowledge to make improvements ... Tomorrow's Schools, if you ask me, has been a monumental failure. All it's done is split up the whole education system and let everybody fend for themselves.

The group felt that lower-decile schools were most disadvantaged under the current system, even though they received extra funding. They pointed out that lower-decile schools have little opportunity to collect Local Funds and will find it more difficult to get appropriate expertise on their Boards of Trustees.

And it's polarising. The lower socio-economic groups with less resources go down and the other end of the scale can come up and it's going to just become wider and wider and what school you go to is going to determine your education level.

Other concerns included the lack of choice of schools in rural areas and the difficulty recruiting good teachers in smaller centres. The latter was seen as a problem for the whole country. It was felt that teachers in New Zealand are relatively poorly paid compared to other countries and with poor provision for pensions.

In summary, this PTA had, for the first time, found its funds used to purchase curriculum materials as a result of the school's loss of revenue through the demise of bulk funding and a new requirement to fund for depreciation. The board is also looking at ways to improve revenue from the donation to make up for the loss of revenue. It charges for photocopying, which contravenes Ministry policy. On the positive side, the school is inclusive and children do not miss out if their parents cannot pay.

The cost of secondary schooling is reported as being higher than primary, with continuous requests for money and larger amounts than those of primary schools. Children from lower income families are sometimes excluded from taking expensive options and from participation in sport and are also disadvantaged when their parents cannot pay for activities which the school does not offer such as extra maths tuition

and gymnastics. The group believed that more funding was needed for education and that this should include extra-curricular activities such as sport. The reliance on user-pays was seen as unfair to lower income families and was probably at its limit now anyway.

The group was also unhappy with the model of Tomorrow's Schools. It was seen to have fragmented the school system, leaving schools to fend for themselves, destroying economies of scale and creating disparities between wealthier and poorer communities.

8.1.4 Focus Group Four

Focus Group Four was the PTA of a secondary school in the urban Auckland area. The group included PTA parents and a representative of the teaching staff.

When commenting on the charts, the group found revenue from school fees in secondary schools smaller than they would have expected and they were surprised at how large the activity fees category was. The small amount of fundraising in secondary schools reflected their own experience. The teacher representative commented on how much the amount requested as a voluntary donation at their school had increased during the time she had taught. It had increased from \$20 to more than \$150 during the 1990s.

Parents in the group had heard comments about schools which refused to let children participate in some activities if the voluntary donation was not paid, but none of them were aware of this happening in the schools their children attended. One parent had been unable to pay the voluntary donation at this school the previous year and there had been no repercussions.

At this secondary school, parents paid a lump sum of money at the beginning of the year including the voluntary donation, money for an ID card and subject fees. Other amounts were charged during the year as activities came up. One participant had recently returned from Japan and found the system there easier to deal with. There, all costs were known at the beginning of the year and payments were made by

automatic payments throughout the year. The group agreed that not all costs were known at the beginning of the year, but discussed the possibility of introducing an automatic payment system at the school to assist parents with making payments.

Parents commented that, at primary schools, the requests for money were more frequent but the amounts were much smaller. At the secondary level the requests were less frequent but the amounts were much larger. The larger amounts were more difficult to find, but sometimes the smaller ones were as well.

We actually feel that high school is less constant asking for money than Primary and Intermediate. I always found that at Primary more, it would be at least once a week if not more, \$3 for this, \$1 for that, \$10 for that EVERY week, every single week. Intermediate I don't find quite so bad. It would be starting with bigger chunks.

Earlier this year [my daughter] came in and said 'Oh, I need a science book' and it was, like, \$29 I think. But they needed it right then. It was just at the beginning of exams. So yes, things come up. And it was another \$30 just slipped in, urgently.

I find it harder to find the bigger sums even if they're not as frequent. Five dollars or \$10 you can scrape together, but \$30...

At this point another parent commented: 'Oh, \$5, \$10 is my parking to go to work'. Even smaller amounts can cause difficulty in household expenditure.

Concern was expressed for senior students trying to find money for exam fees. They are encouraged to pay by instalment if it helps but if they are unable to find the money they are not able to sit the exams.

I'm a bit worried about seniors. From now on until the end of the year they've got to pay their school cert and bursary and its hundreds of dollars. They're told they can pay them, trickle them in from now on.

And they miss out. And if they don't pay they just don't sit exams.

Another problem with requests for money was getting the money to school. It was not always possible to get to the school office, and sending it with the students was not always a reliable system either, as some tended to forget.

It's the age of the pupil. For parents who don't have to have contact with the school at high school, trying to get money into the school through the students is really quite hard. It sits in bags for weeks.

The school has a hardship fund which students and families may apply to if they are unable to pay fees. Notices are placed in the school newsletter. Having the fund available keeps children from missing out. However, the group agreed that there are people who would find applying to the fund for money a very difficult and embarrassing thing to do.

Yes, I remember reading in the newsletter about hardship grants and there was a date and times where you could go and apply or see the office and I thought, 'Oh, I just couldn't do that. I just couldn't do it'. I'm sure that's not an option for a lot of people.

The school maintains confidentiality about who has paid voluntary donations and who has not. Similarly any grants from the hardship fund are kept confidential.

The group agreed that the second hand uniform shop was very helpful for making uniforms affordable to lower income families, as uniforms are a large expense.

The PTA has greatly improved its success in fundraising during the last few years, and is also improving the level of parent/community participation in school functions. The teachers have started giving the PTA 'wish lists' of things they need which the operational grant cannot cover. The PTA has replaced curtains and purchased such things as mathematical equipment, sound equipment, lights for the drama room and sport shorts for the school's sports teams. For larger items such as a sound system and lighting for the hall, they apply for grants.

The PTA has also been working to increase the participation of parents and the community in supporting school events and had recently hosted a successful cultural night which was well attended.

That's something we've spent two years sort of pushing too, getting more parents into school, not just for fundraising, but just getting them into the school – involved. So we've been putting money into teas and coffees and open nights and parent teacher meeting nights and that sort of thing... We're hoping that getting the community into the school will boost the feeling and there may be spin-offs for fundraising.

It was acknowledged, however, that it is very difficult to get parents involved in fundraising in secondary schools.

The group expressed dissatisfaction with the funding of education. The dissatisfaction came not just because they felt that funding was too low but that schools who know how to work the system or have contacts in the Ministry of Education are able to get more funding.

One parent had previously been on the board of a primary school where one of the Board members had had a contact within the Ministry and always seemed to get money for property-related projects.

I believe there is a way of playing the system. I was on the board at my children's primary school, and although I wasn't into property, (it was quite a low-decile primary school we were at) yet the money that they could source.. It was almost like at the meeting 'You leave that up to me, I'll get hold of ...' And there's a certain architect or there's a certain someone in the Ministry and you got him on your side it was really surprising how creatively money could be sourced. Just the way of saying it, but you've got to know how to play the system. So if you have someone who knows how to do that.... It's the 'who you know', or the ways of working it round, or what you ask them.

In this geographic area, disparity has developed between schools. Some always manage to get extra funding and were doing well and some managed to get only the operational grants available to their decile level. The schools who managed to do better had principals who had previously worked in the Ministry.

But when you look at the principals at the schools, often the places that do a big turn-around and get the big amounts of money often the principals when you look back where they've come from, they've spent some time in the Ministry. There are two high schools not very far from here. I'm not saying it's corrupt, but it's back to that 'who you know'. And if you know what buttons to push and you have the dialogue already open with people in the Ministry...

The group also noted that the make-up of the Board of Trustees was important. If a school had professional people on the board, they were better positioned to apply for grants and lobby for money.

The make-up of Boards of Trustees must have a lot to do with it too, because you've got some with lawyers and accountants on them and they know how to go about things. That has a whole lot to do with it and in some of these low-decile schools they don't have these professional people on boards.

The competitive aspect of the Tomorrow's Schools model was also criticised. It was seen as destructive in that schools get better at the expense of other schools. There are no incentives or structures in place to encourage schools to help each other out. In fact, the opposite is true.

Everything I see about Tomorrow's Schools goes back to the competitiveness model. Everything about it is competitive, and when you have educational institutions competing against each other I don't see anything good. Because you have teachers competing against each other so you have no collegiality, there's no discussion, there's no sharing with each other... Because if they're competing for students they're not going to let the school down the road know what they're doing right with getting all those students in.

And that's what takes students to the seemingly good schools because they have the property that makes it look good and they have the ability to put out statistics that makes it look like it's an achieving school and it just goes on and on and on. And it just gets worse and worse for the other schools.

This focus group had concerns about the cost of secondary schooling. Amounts of money requested were larger and more difficult for parents to find, whereas requests for money at primary school tended to be more frequent but for much smaller amounts. The donation had increased from \$20 to more than \$150 over the decade. Some senior students had difficulty finding money for exam fees.

The school has a hardship fund, but one parent who had been unable to pay the donation the previous year stated that she would have found it too difficult and embarrassing to approach the school for money from this fund and that this would be the case for many other parents.

The group believed that funding for education, besides being too low, is not equitably distributed. Schools with contacts in the Ministry were able to access funds unobtainable by other schools. The group was also unhappy with aspects of Tomorrow's Schools including disparities created by the varying calibre of Boards of Trustees, particularly a problem for lower-decile areas, and the competitive aspects which meant that some schools got better at the expense of other schools.

8.2 Summary

Several themes emerged from the comments of the parents at the four focus groups. There were few negative comments about primary schools. Education at the primary school level was found to be affordable, although one group expressed some concern about the quality of instruction and limited scope of what was covered at this level. The demise of bulk funding and the need to fund for depreciation had caused the board at one school to ask the PTA to fund the purchase of textbooks. This board was also hoping to increase revenue from donations to help improve its position.

All groups expressed concerns about the affordability of secondary education. Here feedback was that costs are much higher, requests for money are constant throughout the year and for large amounts and some parents have difficulty finding money for all these requests. Children are excluded from participation in both curricular and extra-curricular activities because of cost and costs are higher at the senior levels. One group had experience with a secondary school which did not maintain confidentiality about who had paid the donation and put pressure on parents to pay what is supposed to be a voluntary donation. This school also contravened Ministry policy in a number of ways including charging for photocopying and refusing to issue reports.

Fundraising is possible in the primary school environment but is very difficult at the secondary schools level. Participants believe that user-pays has reached its limit and, as a funding system, is not equitable for lower-income families. Funding from taxation is the best way to ensure fairness. School funding was seen to be inadequate and two of the groups saw the manner of its allocation as inequitable.

The Tomorrow's Schools model came in for criticism in three of the four groups. It was seen to have fragmented the school system, leaving schools to fend for themselves and negating opportunities for economies of scale. The parents believe it creates and increases disparities between lower and higher socio-economic groups. The competitive aspect of the model was seen as destructive as schools improved their situations at the expense of other schools.

9 Analysis

9.1 Introduction

Tomorrow's Schools is a model which promotes the raising of money locally. Local revenue supplies Boards of Trustees with discretionary spending and the ability to undertake special projects. The model enables local initiatives which would have been difficult or impossible under a centralised administration. This can be a positive force for the school and for the community.

Most governments would be happy with a system which encourages local contributions to education and relies less heavily on revenue from tax.

However, all models have weaknesses as well as strengths and Tomorrow's Schools is no exception. The issues identified by this research relate to the method of funding schools, and fall into three inter-related categories. The first is that the incentive to raise local revenue from parents has contributed to the erosion of children's access to a free education. The second is the question of the adequacy of schools' Operations Grants, and the third is equity issues arising from the variation in the level of local funding found in different schools and the way this is affected by (and possibly affects) the distribution of government funding.

The following analysis brings together the findings of the literature review and the research into a discussion of these issues.

9.2 User-pays in our free compulsory education system

There can be no doubt that the incidence of user-pays increased substantially in New Zealand schools since the inception of Tomorrow's Schools. The analysis of schools' financial data showed an increase of 56% in primary schools and 44% in secondary schools in amounts collected in donations, activity fees and fundraising in the five years between 1994 and 1999. The increase was 48% across the school sector as a whole. The Consumers Institute noted that increases actually began five years earlier in 1990, so costs to parents will have increased more, and perhaps significantly more, than 48% over the course of the decade. (see also Section 9.4)

Tomorrow's Schools placed a new set of expectations upon schools. With the decentralisation of management, schools assumed new responsibilities and had to bear the associated costs. Boards of Trustees had expectations of what they could do to improve the school. There have been increased expectations on and of schools including such things as mandatory curriculum changes and changes in assessment. Parents also had expectations. Fulfilling increased expectations generally requires additional money, and schools have more control over the raising of local funds than they do over funding from government.

It was not the purpose of this research to establish the adequacy of schools' Operations Grants. Questions of sufficiency cannot be answered by looking at historical funding patterns and percentage increases in grants. However, the issue cannot be ignored. The perception that Operations Grants are inadequate for the purpose is one of the main drivers behind the user-pays mindset found in many schools' behaviours.

There have been various circumstances which have contributed to the desire, and many schools would say the need, for additional funding above government grants. Examples arising from national policy are the demise of bulk funding, smaller government grants to some schools through decile-related funding and the need to implement the information technology curriculum and other curriculum changes. At the local level there can be a drive to improve facilities or services for students, sometimes motivated or necessitated by the need to compete for students.

The increase in parent contributions demonstrates that, in these circumstances, the parent community has been one of the main sources of this extra revenue. Parents are now significant funders of compulsory education.

Where parents contribute willingly, without disadvantage to children's access to education or families' financial situations, there is perhaps no issue. However, as the NCWNZ survey, the School Survey and analysis of schools' written communications to parents have shown, some of this increased revenue has been achieved by user-pays

practices which contravene Ministry policy, create hardship for some families and exclude some children from full participation in school life.

Comments in the School Survey showed that some schools moved from donations to activity fees because they had better success with payment. One school commented that the environment had become more user-pays as parents were now charged for many activities previously paid for by the Operations Grant.

Comments by parents and schools in the NCWNZ survey described situations where children are excluded from trips, camps, participation in sports and from taking some subjects for non-payment of fees. There are examples of families struggling to pay, and of children being subsidised by teachers, other parents and other benefactors so that they do not miss out. Comments noted that in some schools if the parent explained their lack of ability to pay to the principal, then the schools would 'help out'. However, not all schools were this lenient. Case studies by the Wellington Community Law Society demonstrated that there are schools which place financial well-being above the well-being of their children.

There are also incidents of exclusion which cannot be justified (or excused) on the basis of the school's financial well-being. An example is the case study where a principal asked a solo parent to keep two children at home from a primary school 'Fun Day' when the parent was unable to pay \$5 per child. The lack of a payment of \$10 to the school by this parent would not place the school at risk financially.

While the NCWNZ and School Survey provided some information about types of exclusions, there is no research as yet on how many children are being excluded from participation, or how frequently this occurs, and nothing is known about the effect of such exclusion upon the children who experience it. Although the state has limited its responsibility to delivery of the curriculum, the ability to participate fully in school life, including camps, trips and sports is important for a child's growth. No agency within the system has the responsibility of monitoring the quality of a child's overall school experience. Yet it is a child's total school experience which is significant for his or her development, not just the curriculum component.

When schools rely on payments from parents to fund activities, there is a conflict of interest between the school's financial advantage and the well-being of children whose parents cannot pay the amounts requested. The advantage of funding compulsory education through taxation is that it avoids this dilemma. However, there is a culture now in some schools where 'no pay – no play' policies are accepted as the norm. There is an obvious and irreconcilable conflict between this environment and the promise in the Education Act of a free compulsory education. It is not surprising that there were many comments in both the NCWNZ survey and the School Survey about this tension.

9.3 Ministry of Education policy and schools' compliance

Ministry policy is that the state is responsible for funding the delivery of the curriculum, and that parents may not be charged for delivery of the curriculum, with the exception of the travel cost of field trips for students below the senior secondary level. Parents may be charged for materials used in the take home component of a technology class and for non-curriculum activities. If parents do not pay the materials fee, the child may not be allowed to take the project home. Children may be excluded from non-curriculum activities if parents cannot or will not pay.

As the state has determined that its responsibility is to fund the curriculum, schools should not be allowed to exclude children from any curriculum-related activity. While it may be appropriate to request parents to contribute towards costs of a field trip, it is not appropriate to exclude a child because parents cannot or will not pay. All children, regardless of their parents' circumstances, should have equal access to the curriculum.

The main source of information on schools' compliance with Ministry policy comes from the analysis of schools' written communication with parents regarding donations and activity fees.

On this basis, compliance is not high. Only 29% of schools told parents that the donation was voluntary and only 29% (although not all the same schools) did not use mandatory terms such as 'fee' or 'levy'. Only 12% did both. 84% of secondary

schools and 63% of primary schools used terms such as 'fee' or 'levy'. Invoices were particularly poor in this regard, with eight of 10 schools not complying with the policy. Only 29% of schools told parents that the donation was eligible for a tax rebate and that a receipt would be given.

At least 30% of schools were charging parents inappropriately for materials used in delivering the curriculum. The most common of these was photocopying and paper, charged by 25% of schools. This comprised 22% of primary schools and 31% of secondary schools. 28% of secondary schools were charging a subject or option fee for non-technology subjects such as chemistry, physics and biology, and 16% of secondary schools were charging for use of computer technology.

There are other examples of non-compliance. Comments by two schools in the School Survey indicated that they did not regard fees for technocraft as optional, that is, that parents need not pay them if the children do not take the project home. At one school, children could not take the subject if fees were not paid, and at another, privileges such as attending socials were being withheld for non-payment of these fees. Schools' written communications showed that most schools regarded subject fees as compulsory.

Focus Group One gives an example of a secondary school which pressures parents to pay the donation, and which does not maintain confidentiality about who has or has not paid when handing out yearbooks. The issue of confidentiality was also raised by an NCWNZ delegate who found that the class teachers at one school knew who had or had not paid.

Sixty percent of secondary schools reported withholding the school magazine from children when the donation was not paid, in spite of the warning in the Ministry Circular that donations may become liable to GST if they are used to provide specific goods and services.

The level of non-compliance found in the schools' written communication to parents is possible because parents' source of information about the policy is the schools

themselves, and because compliance is not monitored in any systematic way by the Ministry of Education.

The Wellington Community Law Society pilot project found that parents at times needed access both to information about their and their children's legal rights and obligations within the school system, and to advocacy to help them present this case within a school system. The pilot project concluded that circulars and guidelines were not sufficient to ensure students receive the free education they are entitled to. The current research has shown that, in the case of requests for donations and fees, there is a lack of adequate information for parents. However, it is possible that if parents had access to information about their children's rights as described by the policy, and if schools were obliged to formally acknowledge and demonstrate to the Ministry their compliance with the policy, circulars and guidelines would be adequate.

It is not possible that a school could fail to understand the policy. The Circular is clear, with many specific examples. Therefore failure to adhere to policy must result either from a school being unaware of the contents of the Circular, or from a conscious decision not to comply with the policy. Given the clarity of the law and the policy, the extent of the lack of compliance suggests defiance rather than ignorance, and this is indicated by schools' hostility to what they see as impossible constraints on their financial viability.

The unhappiness of some schools with the policy is seen in their comments in the NCWNZ survey and the School Survey and in the written communications to parents. One set of comments complains that although the donation is necessary for operating the schools, the government will not let schools make it compulsory. Another set of comments is on the theme that parents do not pay because they believe education is free, but that education is not free and that it has not been free for some time. The tone of these comments sometimes expresses anger, sometimes frustration and sometimes regret. But all assert a reality that is different from legislation and policy.

9.4 The school donation

It was customary for schools to ask parents for an annual donation prior to the educational reforms of 1989. However, with the implementation of Tomorrow's Schools there was an immediate increase in the amounts requested, as noted by the Consumers Institute in 1990, and increases continued throughout the decade. The Consumers Institute surveys showed the amounts requested increased on average 66% in primary schools and 76% in secondary schools in the four years between 1993 and 1997. The teacher representative in one of the PTA focus groups reported that the donation at that urban secondary school increased from \$20 to more than \$150 during the 1990s. An NCWNZ delegate remarked that she had been told that while the donation began as an alternative to PTA funding, it now appeared to be almost 'Big Business'.

Unfortunately the schools' financial data is not of sufficient quality to inform the discussion of amounts. Analysis of donation amounts over time is confounded by the lack of comparability between 1998 and 1999. There are also indications that many schools report money received from donations in the Activities category. In 1999, the schools' financial data showed \$10.7 million received in parent donations in primary schools and \$8.4 million in secondary schools. Estimates based on the School Survey are \$12.9 to \$13.7 million in primary schools and \$18.1 million in secondary schools.

The increase in the school donation and local revenue from other sources coincided with a decline in school operating grants identified by Fiske and Ladd, and ESRA. Epplett in 1994 established that schools' local funds were being used, not for amenities for the schools, but to supplement operating grants. This was confirmed by Fiske and Ladd in 2000, although the Ministry of Education continues to insist that government grants are sufficient to deliver the curriculum.

Indications of the importance to schools of revenue from donations can be found in several sources. There is the pressure put on parents to pay, recounted in the newspaper articles and by parents in Focus Group One. There is the Department of Social Welfare's decision in 1998 to pay the school donation for all children in its care. The NCWNZ survey reported that there were schools making payment of the

donation a condition of enrolment. Some schools, in their written communication to parents, were very blunt and outspoken about the inadequacy of government funding and their need for donations to operate the school. Comments in the School Survey indicated that some schools put considerable amounts of time and energy into collecting donations.

Through comments in the School Survey, schools raised the issue of parents who do not pay the donation being subsidised by those who do. Schools also commented that those who do not pay are often not the poorest, and that some who struggle financially pay, while others who could easily pay do not.

With the increased importance of the school donation for balancing schools' budgets, there is also evidence of unwillingness on the part of some schools to accept that it should be voluntary. Comments in the School Survey expressed schools' frustration with the fact that they rely on the donation to operate but that the government does not let them make it compulsory. Fiske and Ladd noted and remarked on this tension.

The Ministry of Education, when it reissued the policy in 1998, took pains to stress its voluntary nature by dropping the term 'activity fee', which had been used in 1994, in favour of 'school donation' and by directing schools to do the same in their communication with parents. It also attempted to address the thorny issue of schools' withholding good and services from students whose parents or caregivers had not paid the donation.

In the analysis of schools' written communication to parents, only 29% told parents that the donation was voluntary. Six percent of primary schools and 22% of secondary schools carry unpaid donations forward to the next year, indicating that they see these as a debt. Parents in the NCWNZ survey remarked that they did not feel that they had any choice but to pay the donation and some low-income parents reported that schools asked them to contribute more time to the school if they could not afford the donation.

In 1990 the Consumers Institute advised parents against accepting a situation where they were propping up inadequate school operating grants, and that paying fees to

meet budget deficits was not acceptable. It warned that doing so might help schools in the short term, but the danger was that it could become the norm, paving the way for compulsory fees in state schools. Twelve years later it appears possible that parent donations may indeed be propping up operating budgets at some schools. Unless stakeholders in the sector are prepared to reaffirm the voluntary nature of the donation, the Consumers Institute's prophecy may yet be fulfilled.

The Consumers Institute advocated that schools be accountable to parents for the way the donation is spent, and that each school should send a detailed statement to parents at the end of each year for this purpose. This would enable parents to see whether or not the donation was being used to supplement operating grants. The issue of accountability, or rather the lack of it, was raised in Focus Group Three. The parents pointed out that high-decile schools which raise large amounts of money from donations are not as accountable for how this money is spent as are schools which get their money from government funding. Given the very large amounts of money currently raised through parent donations, particularly in large, high-decile schools, it is appropriate that schools be accountable to parents as funders. In the interests of transparency, schools should also account to parents for the way in which materials fees are spent.

Given the significance of school donations to schools' financial situations, it is important that the government and the compulsory education sector reaffirm the voluntary nature of the donation, and school must be accountable to parents for the way they collect and use these funds.

9.5 Decile-related funding

With the implementation of Tomorrow's Schools, schools immediately began increasing their local revenue. As Fiske and Ladd noted, this is a model which encourages local fundraising. Concerns appeared in newspaper articles prior to 1995 that education was becoming two tiered because schools in poorer areas were unable to access the local revenue that was available to schools in wealthier areas. The official purpose of decile-related funding, according to the Ministry of Education, is to lower barriers to learning which students from lower socio-economic communities

face. (Section 2.2) It does appear, however, that it was also introduced in part to compensate schools in low socio-economic areas for their lack of opportunity to raise local funds.

In the School Survey, low-decile schools commented on the impossibility of collecting money from parents. A few low-decile schools mentioned that they had recently given up attempting to collect a donation because it cost more to collect than they actually received. One decile 1 school explained that, rather than collecting local funds, they supplied free stationery, lunches and some breakfasts in winter.

The School Survey, the Consumer Institute surveys and research by Wylie have all shown that the ability to collect local funds increases with decile, as do the amounts collected. This is confirmed in the analysis of the schools' financial data. The higher the decile level of the school, the more parents contribute in fundraising, donations and activity fees for their children's education. Comments in the School Survey indicate that some parents of children at high-decile schools felt they were having to pay twice, through tax, and through donations and fees.

Each year since the introduction of decile-related funding, progressively more money on a per student basis has been directed to low-decile schools. Newspaper reports, comments in the NCWNZ survey, the School Survey and the schools' written communication to parents show that higher-decile schools are acutely aware of exactly how much less funding they are getting. They have become increasingly vocal about what they see as an inequitable situation. At issue is not so much the principle underpinning decile-related funding but the magnitude of the difference now found between funding of high-decile and low-decile schools.

In 1999, per student government grants (operating grants plus teachers' salaries) to high-decile schools were 84% of those to low-decile schools in the primary sector, and 79% in the secondary sector. Medium and high-decile schools, even with substantial revenue from local communities (and, in secondary schools, from overseas students), were unable to achieve the level of per student funding available to low-decile schools. After taking local revenue into account, the total per student funding

of high-decile schools was 88% of low-decile schools in the primary sector and 86% in the secondary sector.

The situation was even more extreme when examining schools' operating grants. Per student Operations Grants to high-decile primary schools were 72% of those to low-decile schools in the primary sector and 68% in the secondary. These had decreased from 87% and 74% respectively in 1995. Excluding teachers' salaries, local funds revenue now pays for 33% of the services delivered in high-decile primary schools and 48% of the services delivered in high-decile secondary schools.

The funding level of schools in lower-decile areas has become the standard to which other schools aspire, despite the Ministry's assertion that schools in lower socio-economic areas need more funding to compensate for disadvantage. Decile-related funding has had the unfortunate effect of establishing local funding as a necessary component of budgets in higher-decile schools. Ever-increasing amounts of local revenue are sought as higher-decile schools respond to what they see as a need to 'catch up'. (see Sections 7.3.5, 7.4.2.1)

The introduction of decile-related funding has been taken by some schools as confirmation that government no longer fully funds schools in medium and higher income areas and that schools in these areas must now look to their parents and local community for operational funding. In attempting to do this, these schools are, of course, hampered by law and policy which proclaim that education is free.

If the only purpose of decile-related funding is to compensate for inequities relating to socio-economic status, and if government grants to schools in higher-decile areas are adequate to deliver the curriculum, the differences in funding levels among high, medium and low-decile schools are not necessarily inappropriate. However, if, as schools in higher-decile areas are claiming, their operating grants are not adequate, the higher payments made by parents with children in medium and high-decile schools take on the appearance of an unofficial tax on a specific section of the population. In this type of funding environment it is critical that government funding be adequate.

There is another equity issue created by decile-related funding that was raised by schools in the School Survey. In their comments, schools in medium and high-decile areas expressed concern for the financial difficulties faced by the lower-income parents within their community regarding schools' requests for money. One example is a decile 6 school whose zone included a number of beneficiaries. Another is a decile 10 school with a number of solo parents. This issue was also identified by Fiske and Ladd, who commented on the difficulty low-income families have in a higher-decile school, not only because of the higher school donation but because higher-decile schools also have other fees (for example for activities and sports equipment) which are not found in schools in poorer areas.

One aspect of this issue can be demonstrated by the example of low-income families living in a New Zealand Housing estate in Northcote, a suburb of North Shore City. The children attend Onepoto Primary School, which is rated decile 1. When they are older, they attend Northcote Intermediate School, which is decile 6. They then go to secondary school at Northcote College, which is decile 9. While the family income does not change, nor the place of residence, the children move from a highly subsidised environment through to one with almost no subsidy at all. While this situation may be one of the more extreme, there will be similar occurrences throughout New Zealand.

Within any school's home zone there will be families with lower than usual incomes. In addition, family circumstances can change. Families can move into a low-income situation through loss of employment, family breakdown, illness or death. Because costs to parents for their children's schooling are higher in higher socio-economic areas, low-income families living in these areas will be unfairly disadvantaged.

The difficulty with decile-related funding is that the extra entitlement is not attached to families who have low incomes, but to schools through assessment based on geographic areas. This creates a situation whereby poor people only receive the extra entitlement if they live in a poor area.

If the variation in funding between deciles and the amounts of local funding raised by high-decile schools were smaller, these shortcomings would be of lesser impact. But

because local funding has become so significant under Tomorrow's Schools, the inequities cannot be ignored.

9.6 Urban/large and rural/small schools

An area which requires further investigation is the difference in behaviour between urban/large schools and rural/small schools. Because most urban schools are large schools and most smaller schools are found in rural areas it is difficult to know which attributes determine behaviour. Furthermore, smaller schools tend to be lower-decile schools.

Wylie, in her 1999 survey, noted that principals of rural and small schools were more likely to find their funding to be adequate. Rural and smaller schools were also more likely to not request a donation.

The School Survey found that 37% of rural and minor urban primary schools did not request a donation while only 11% of schools in secondary and main urban centres did not. Many of the rural schools reported that community fundraising was sufficient to fund any extras wanted for the school. Analysis of schools' financial data showed that smaller schools received more on a per student basis in government revenue and raised less in local funds. Rural schools do not have a user-pays environment which excludes children from participation.

In both primary and secondary schools the size of donation requested and the amount collected were higher in schools in larger centres. This pattern was consistent across decile groups. Within a decile group, an urban school will request and collect more money than a rural school. However, parents with children in high-decile schools in main urban centres paid substantially more than did any other parents.

In the primary sector, larger schools also requested and collected more from parents than did smaller schools within the same decile group.

The School Survey also found that larger primary schools were more likely to exclude children from participation because of non-payment of activity fees than were smaller schools, and this was consistent across decile groups.

In the NCWNZ survey, one delegate observed that the smaller schools in her area relied more heavily on fundraising and community support, while the larger schools operated more like businesses, had invoicing systems and sent 'accounts' to parents.

In Focus Group One, a parent recounted the difference in the family's circumstances at a primary school in a main urban centre and the school in the rural area where they now live. The urban school had requested a much larger donation and been heavily focussed on fundraising and other revenue generation. The family had found their city experience expensive and fatiguing compared with their current situation in a rural school.

Schooling in large/urban schools is more expensive for families. And in the primary sector, children in large/urban schools are more likely to be excluded from full participation in school life than are their rural counterparts if their parents are unable to pay activity fees.

Further research is needed to understand fully the reasons for this inequity, and there may be several different factors influencing schools' behaviour. It could be that large/urban schools are more impersonal. They may be concerned about the greater financial risk they carry if a culture of non-payment develops. However, one factor which must be considered is the formula for determining schools' operating grants.

Schools' operating grants decrease as the school roll increases, on the assumption that there are economies of scale achieved in larger schools. The formula also includes an additional funding component for rural schools.

The resulting per student operating grants were illustrated in the analysis of schools' financial data. In primary schools in 1999, schools with 301 or more students received \$748 per student in Operations Grants, 58% of the \$1,290 per student received by schools with 100 students or less. In secondary schools, schools with

1201 or more students received \$920, 53% of the \$1,734 received by schools with 300 students or less. Given the observed differences in behaviour between large and small schools, questions must be asked as to whether the economies of scale assumed by the formula for determining Operations Grants are actually achievable.

Operating grants also decrease as decile increases. In primary schools in 1999, high-decile schools received \$725 per student, 72% of the \$1,009 received by low-decile schools. In secondary schools, high-decile schools received \$939 per student, 53% of the \$1,380 received by low-decile schools. This suggests that large, high-decile primary schools received something in the order of \$539 per student and large, high-decile secondary schools \$626.

This may well explain the higher cost of schooling to parents with children in large/urban schools and the substantially higher donations requested and collected by large/urban high-decile schools.

9.7 The higher cost of secondary education

The higher cost to parents of secondary education was identified in several places within the study findings.

All four focus groups expressed concerns about the cost of secondary education. Here feedback was that costs are much higher than in primary schools, including a larger school donation plus subject or option fees, more expensive school uniforms and stationery, equipment such as calculators, and sports uniforms and equipment. Requests for money continue throughout the year and these ad-hoc requests are for larger amounts of money than in the primary sector.

Subject or option fees are higher at the senior levels. One group registered concern for senior students trying to find money for exam fees and those who cannot pay the exam fees are not allowed to sit the exams. Some parents have difficulty finding money for all these requests. Children are excluded from participation in both curricular and extra-curricular activities because of non-payment. High subject fees for some subjects prohibit some children from taking these options.

The Wellington Community Law Society project also identified that the difficulty low-income parents have of meeting these extra costs means that not all children have equal access to all subjects.

The School Survey findings showed that the amount requested as a school donation is higher in the secondary sector than in the primary. Secondary schools requested a median amount of \$96 per student compared to \$30 in primary schools, and they collected \$42 per student compared to \$18 in the primary sector. Only 26% of secondary schools adjusted the amount requested from families with more than one child at the school, compared to 65% of primary schools.

The analysis of schools' written communications to parents shows that secondary schools were less likely to tell parents that the donation is voluntary, and were more likely to call it a 'levy' or a 'fee'. Of secondary schools, 47% were found to be charging parents for delivery of the curriculum compared to 23% of primary schools. Parents were being charged for photocopying, consumables such as paper, information technology and fees for subjects which do not have a take-home component.

Confirmation of higher costs to parents was found in the schools' financial data. In 1999, local revenue per student was \$750 in secondary schools compared to \$301 in primary schools. In those categories where money is most likely to be collected from parents, namely donations, activity fees and fundraising, the amounts were \$390 and \$224 respectively. Per student amounts were higher for secondary schools in all local revenue categories except fundraising. Secondary schools' local revenue per student was 112% of primary schools' in 1999, and in donations, activity fees and fundraising, secondary schools raised 59% more than primary schools.

This does not appear to be a recent issue, as in 1994 the respective per student figures for donations, activity fees and fundraising were \$271 and \$144, a slightly greater difference. The fact that some secondary schools now receive a substantial amount of revenue from overseas students may have helped to slow the increase in the amount charged to parents.

It is unclear why costs to parents should be greater for secondary schooling than they are for primary schooling, and why parents should have to pay more for senior secondary subjects. It may be that secondary schools' costs have increased more than primary schools' costs during recent years. However, the cost of secondary schooling is now causing hardship for families and placing some subjects out of the reach of children in lower-income families and families with more children. Higher costs for senior secondary subjects combined with the cost of exams may now be discouraging children in lower-income families and from larger families from obtaining a secondary school qualification.

9.8 Schools' financial reporting

The logical place to find information about money being paid by parents for their children's compulsory education is in the schools' financial statements. Unfortunately the way financial statements are currently structured means they are poorly suited for the task. Schools do not report the money paid by parents and caregivers for activities separately from other types of activities such as community adult education.

There are also quality issues with this data due to lack of standardisation in schools' reporting. For example, some schools report school donations in the Activities category. Some Activities money may not be reported at all if the school reports revenue for activities net of expenses.

The method of compiling the national statistics is cumbersome, and creates opportunity for inconsistency of interpretation and error. Accounts are kept and statements individually prepared by each of the almost 3,000 schools in the sector. Financial statements are filed in paper format, and are interpreted, summarised and entered into the database by financial advisers in the various regional offices of the Ministry of Education. There are too many opportunities for inconsistency and error.

As this is the only source for information about what parents pay, it is important that the data quality and the processes be improved. At a minimum, reporting categories

must be standardised and, in the Activities category, money collected from parents for compulsory education should be reported separately from other revenue. The financial reporting should be automated and schools should report to the Ministry in a standardised electronic format.

At the very least, school donations should be obtainable from this source. Because of the complexity of the environment and volume of transactions in the Activities category, it is possible that it may need to be monitored by auditing rather than through financial reporting. Whatever mechanism is used, there must be monitoring of policy implementation and the effects of this on parents and schools.

The Ministry is aware of the quality problems and has been working on this issue for some years. However, it does not appear that much progress has been made. More resources and a firmer stance are likely to be necessary.

10 Conclusions and Recommendations

10.1 The Policy Environment

Tomorrow's Schools is a model which promotes and rewards the raising of money from local sources. If New Zealand is to maintain its long tradition of a right to free compulsory education for its citizens, adequate safeguards are needed to protect this right within the reformed education sector.

The first and best safeguard is a strong commitment on the part of the state to the statutory right of a free compulsory education.

There must also be a framework where policy on monetary charges to parents is clear and accepted by stakeholders in the sector, most importantly by schools and parents, and where such policy is routinely monitored and evaluated to ensure that it is properly implemented and its effects are as intended.

While New Zealand has a policy, articulated in Circular 1998/25, it is not well implemented by schools and is poorly communicated to parents. Monitoring is reactive only and evaluation does not occur. Much of the information needed for evaluation, such as the amount of money paid by parents, and the uses made of it by the schools, is unavailable or of poor quality.

There are also areas of the policy which need review, and these relate to the exclusion of children from curriculum activities. This may happen on field trips, and also occurs in secondary schools in subjects such as Art, Photography and Outdoor Education classes which have high materials charges or subject fees. In these situations the principle of all children having equal access to the curriculum is at odds with the custom of having parents pay for travel costs and for materials in take-home projects.

The poor implementation of the policy and lack of systematic monitoring by the Ministry of Education has enabled and contributed to the development of a culture whereby many schools, when they need or want more money than is provided by their

government grants, turn to their parent community with the expectation that parents should fund the shortfall. This in turn has led to erosion in some schools of belief in the ideal of a free compulsory education.

In order to rectify this situation, the following are needed:

Stakeholders in the compulsory education sector must reaffirm their commitment to the principle of free compulsory education and the responsibility of state education to create and maintain an environment which is inclusive of all children, regardless of parental ability or willingness to pay.

Parents must receive accurate and complete information about the policy. This includes information on the voluntary nature of the school donation, on what parents may and may not be charged for and on the permitted consequences of non-payment, if any. Parents should also be informed that they may appeal to the Ministry of Education if they believe they are being charged inappropriately and they are unable to resolve the issue with the school itself. The Ministry of Education should prepare the information for parents for mandatory distribution by schools. Monitoring of this policy should be proactive and schools should be obliged to demonstrate that they comply with policy.

Schools must become more accountable for the money they collect from parents. This is particularly the case in large, high-decile schools where the sums of money are very large, but the principle applies generally to all schools. At a minimum accountability should include information for parents each year on the use of money raised through the school donation, and a financial report demonstrating that money collected in materials fees was used for the purpose for which it was collected.

Financial reporting of schools' local funds must be standardised. Money collected from parents through the school donation and through subject fees and activity fees should be reported separately from other sources of revenue. The sector should investigate standardised software and electronic reporting of financial data to the Ministry. This will initially require more resources and a higher priority than it has been given in the past. The high transaction costs in a decentralised model whereby

every school manages its own financial affairs and does its own financial reporting cannot be avoided. However, they can be minimised if the process is improved, and this will also result in improvement in the quality of information available for monitoring and evaluation.

Some schools, particularly those which are currently non-compliant with the policy, are likely to disagree with this approach, seeing a possible loss of income, a loss of autonomy and increased administration costs. However, some of this resistance may diminish if steps are taken to resolve the other issues identified by this research.

10.2 Other Issues

There are three related concerns raised by this study which require further investigation. The first is the high cost to parents of schooling at the secondary level. The second is the higher cost to parents of schooling in large/urban schools and the greater likelihood of these schools excluding children from participation because of non-payment by parents. The third area for investigation is the equity issues created by the decile-related funding system, including the much higher costs to parents of schooling in high-decile schools and the resulting extra disadvantage experienced by low-income families whose children attend higher-decile schools.

These three issues are inter-related because they are all linked to the question of the adequacy of schools' Operations Grants and the methodology for calculating those grants. It is important that these be reviewed to ensure that Operations Grants are sufficient. Specific areas to investigate are the cost of educating secondary students, the cost of operating larger schools and the cost of operating higher-decile schools.

With decile-related funding, the issue would appear to be not so much the system itself as the magnitude of the differential between funding of higher and lower-decile schools. This has become one of the main reasons why some higher-decile schools feel they need more money from parents. It is possible that the disparity between funding of lower and higher-decile schools will need to be reduced.

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Appendix One

School Locally Raised Funds - Contributions from Parents and Caregivers	
<i>Please answer the following questions for the 2000 School Year</i>	No.
Part A: Parent Donations – Donations are those monies paid <u>voluntarily</u> by parents/caregivers and for which a tax receipt may be issued.	
1. How much does your school request as a donation for one child?	\$
2. What amount is suggested if there is more than one child per family?	\$
3. What % of children have their donation paid?	%
4. Please estimate the amount your school will collect in parent/caregiver donations this year.	\$
5. How has the amount collected in voluntary donations changed from last year?	
1 <input type="checkbox"/> Stayed the same 2 <input type="checkbox"/> Increased ____% 3 <input type="checkbox"/> Decreased ____%	
6. What are the consequences to the family if the donation is not paid? (please tick those which apply)	
1 <input type="checkbox"/> No consequences	6 <input type="checkbox"/> Amount carried forward to the next year
2 <input type="checkbox"/> Child does not receive a year book/school magazine	7 <input type="checkbox"/> Exam results/report cards withheld
3 <input type="checkbox"/> Child does not receive school diary	8 <input type="checkbox"/> Testimonials and certificates withheld
4 <input type="checkbox"/> Child refused Student ID card	9 <input type="checkbox"/> Other, please specify _____
5 <input type="checkbox"/> Parent or child is asked to do extra volunteer work	10 <input type="checkbox"/> Other, please specify _____
7. What approach is used by the school to encourage parents to pay the donation (please tick those which apply)	
1 <input type="checkbox"/> Offer incentives eg reduce amount if paid early or early payment goes into draw for prize	6 <input type="checkbox"/> Make payment easier eg EFTPOS, spread payment out over time
2 <input type="checkbox"/> Reminder in school news letters	7 <input type="checkbox"/> Other, please specify _____
3 <input type="checkbox"/> Account invoice sent to parents	_____
4 <input type="checkbox"/> Letter sent to parents	8 <input type="checkbox"/> Other, please specify _____
5 <input type="checkbox"/> Amount carried forward to next year	_____
Part B: Activity fees - Activity fees are the monies charged to parents/caregivers for specific activities eg. materials fees, school camp fees, school trips, school sports, etc. These may be collected as one amount at the beginning of the year, or charged to parents throughout the year, or both.	
8. Please estimate the amount your school expects to collect through activity fees charged to parents/caregivers this year.	\$
9. For each \$100 billed to parents/caregivers in activity fees this year, how much do you expect to collect?	\$

School Locally Raised Funds - Contributions from Parents and Caregivers	
10. How has the amount collected from parents through activity fees changed from last year?	
1 <input type="checkbox"/> Stayed the same	
2 <input type="checkbox"/> Increased ____%	
3 <input type="checkbox"/> Decreased ____%	
11. What are the consequences to the family if activity fees are not paid? (please tick those which apply)	
1 <input type="checkbox"/> No consequences	10 <input type="checkbox"/> Child not allowed to take the subject
2 <input type="checkbox"/> Child does not receive a year book/school magazine	11 <input type="checkbox"/> Account referred to a debt collection agency
3 <input type="checkbox"/> Child does not receive school diary	12 <input type="checkbox"/> Amount carried forward to the next year
4 <input type="checkbox"/> Child misses out on school trip	13 <input type="checkbox"/> Exam results/report cards withheld
5 <input type="checkbox"/> Child does not go to camp	14 <input type="checkbox"/> Testimonials and certificates withheld
6 <input type="checkbox"/> Child misses out on the activity	15 <input type="checkbox"/> Other, please specify _____
7 <input type="checkbox"/> Child cannot take the project home	_____
8 <input type="checkbox"/> Child not issued with Student ID card.	_____
9 <input type="checkbox"/> Parent or child asked to do extra volunteer work	16 <input type="checkbox"/> Other, please specify _____

12. What assistance is available to families who have difficulty paying activity fees? (please tick those which apply)	
1 <input type="checkbox"/> No assistance available	5 <input type="checkbox"/> Other, please specify _____
2 <input type="checkbox"/> School has a discretionary fund	_____
3 <input type="checkbox"/> Local trust fund available eg Rotary	_____
4 <input type="checkbox"/> Family referred to CYF	
13. Which of the following approaches are used when setting the fee for activities? (please tick those which apply)	
1 <input type="checkbox"/> Charged at cost	4 <input type="checkbox"/> Other, please specify _____
2 <input type="checkbox"/> Charged at cost plus a bit extra to cover non-payment by some (breakeven)	_____
3 <input type="checkbox"/> Aim to make a profit to apply to other activities	5 <input type="checkbox"/> Other, please specify _____

Part C: Information on School Fees	
<i>Many schools have an information sheet to inform parents/caregivers of the school fees. If your school has one please enclose a copy with this questionnaire, or a copy of a school newsletter containing this information.</i>	
Have you any comments about your school's experience with collecting local funding from parents?	

Thank you for participating in this survey

Please return the questionnaire in the pre-paid envelope to Massey University School of Social Policy and Social Work, Private Bag 102 904, North Shore MSC, Auckland

Appendix Two

29 August 2000

«Pr_Name», «Title»
«School»
«Address1»
«Address2»
«Address3» «Address4»

Dear Sir/Madam

School Locally Raised Funds – Parent and Caregiver Contributions

In the last decade, money raised locally for schools has become an increasingly important part of school revenue. Local funding has increased at a greater rate than state funding, putting both schools and communities under pressure.

As part of my study towards a Master of Public Policy degree, I am conducting research into some of the effects of this need for increased local funding. Your school is one of 500 randomly selected to participate in a confidential survey.

I hope you will take the opportunity to assist understanding of this important aspect of New Zealand's school system. All you have to do is complete a short questionnaire and return it in the self-addressed, reply-paid envelope.

All participants will receive a summary of the survey findings.

Thank you very much for your assistance.

Sincerely

Sandy Latimer

**SCHOOL LOCALLY RAISED FUNDS
CONTRIBUTIONS FROM PARENTS AND CAREGIVERS**

INFORMATION SHEET

This research project is being conducted by Sandy Latimer, student in the Master of Public Policy program at Massey University, Albany campus in partial fulfilment of the degree requirements. Dr Michael Belgrave of the School of Social Policy and Social Work is supervising the project.

In the last decade, money raised locally for schools has become an increasingly important part of school revenue, as local funding has increased at a greater rate than state funding, putting both schools and communities under pressure. This project seeks to quantify the amounts paid by parents and families in schools from different socio-economic and geographical locations. The data for the study is being collected by a survey of a stratified random sample of state and integrated schools and through focus groups with parents.

Your school is one of 500 schools invited to participate in the survey. Schools have been selected to ensure a representative sample of different geographic locations, decile ranking and roll size.

The attached questionnaire contains questions about the amounts of money you request from parents and the approach you use to request and obtain this money. The questionnaire will take approximately fifteen minutes to half an hour of your time to complete.

The information will be summarised at the national level by decile ranking, roll size and geographic region. All information will be treated as confidential, and individual schools will not be identified in the study. All participating schools will be sent a summary of the study's findings.

Participation in the survey is voluntary and you have the right to refuse to answer any of the questions. Completing and returning the questionnaire will be taken as consent to include your school in the study. However, should you decide to participate, you have the right to withdraw at any time until three months before the submission of the thesis, by contacting either Sandy Latimer or Dr Michael Belgrave.

I will also be approaching some Parent Teacher Associations from participating schools in the Auckland area about participating in a focus group session to discuss their experiences and views on raising money locally for schools.

This research has been approved by the Massey University Ethics Committee. Should you have any questions or concerns regarding ethics, please contact Dr O'Brien, Chairperson of the Ethics Committee, at Massey University Albany Campus, (09) 443-9765.

Should you require more information or if you have any questions, the researcher, Sandy Latimer, can be contacted through the University on (09) 443-9765. Dr Belgrave can be contacted on (09) 443-9769.

COST TO PARENTS OF EDUCATING CHILDREN IN THE COMPULSORY YEARS

INFORMATION SHEET

This research project is being conducted by Sandy Latimer, student in the Master of Public Policy program at Massey University, Albany campus in partial fulfilment of the degree requirements. Dr Michael Belgrave of the School of Social and Cultural Studies is supervising the project.

In the last decade, the amount of money parents and caregivers are asked for by schools for their children's schooling has increased, and locally-raised funding has increased faster than state funding. This project aims to quantify the amounts paid by parents and families in schools from different areas and geographical locations, and to examine some of the issues resulting from more individual funding versus state funding of education.

The data for the study is being collected by a survey of a sample of state and integrated schools and focus groups with parents from some of the participating schools. Six focus groups are being conducted in different geographic areas.

You are invited to participate in a focus group. A focus group is a group of approximately 6 people who participate in a guided discussion with the researcher. Topics the group will discuss are the amounts of money you and other parents contribute to your child's school, the different approaches the school uses to raise money and how this affects families. I estimate that the discussion will take approximately one hour.

No participants in the focus groups or related schools will be individually identified in the research findings, although, of course, participants in a focus group will be known to each other. All information will be treated as confidential by the researcher and supervisor, and participants are also requested to keep the discussion confidential to members of the group. There is a slight risk of negative effects to group members if participants do not maintain confidentiality.

A transcript of the focus group session will be sent to the participants for review. If participants agree, the focus group session will be audio-taped to assist with the correct recording of information. The transcriber of the audio-tape will sign an agreement to treat all information as confidential. Each focus group participant may receive their own copy of the transcript if they wish.

The information will be used to describe parents' experiences with the school's requests for money, and the effect that this has on families. All participants will be given a summary of the studies findings.

You have the right to:

- to decline to participate;
- to refuse to answer any particular questions;
- to withdraw from the study at any time up to 3 months before submission of the thesis by contacting either Sandy Latimer or Dr Michael Belgrave;
- to ask any questions about the study at any time during participation;
- to provide information on the understanding that your name will not be used unless you give permission to the researcher;
- to be given access to a summary of the findings of the study when it is concluded.

This research has been approved by the Massey University Ethics Committee. Should you have any questions or concerns regarding ethics, please contact Dr O'Brien, Chairperson of the Ethics Committee, at Massey University Albany Campus, (09) 441-9062.

Should you require more information about this project, please contact either Sandy Latimer on (09) 410-3456 or Dr Michael Belgrave on (09) 443-9769.

March 2001

Chairperson
Parent Support/Fundraising Group
«School»
«Address1»
«Address2»
«Address3» «Address4»

Wanted: Parent Views on School Donations, Activity Fees and Fundraising

During the last decade, the amount of money parents and caregivers are asked for by schools for their children's schooling has increased. Schools are now much more reliant on parent contributions, and locally-raised funding has increased faster than state funding, putting both schools and communities under pressure. Do you in your parent support group have views on this? I'd like to talk to you about this issue as part of my research into local funding of schools which I am conducting as part of a Masters degree in Public Policy.

How would this happen? At a focus group session - around 6 people is a good number.

How long would it take? About an hour of your time (depending on how much you have to say!).

When and where? A time and location of your choosing.

If you interested in participating or would like more information please contact me on 09-410-3456 or leave a message with Rachel on 09-441-9062. I look forward to hearing from you!

Sandy Latimer

COST TO PARENTS OF EDUCATING CHILDREN IN THE COMPULSORY YEARS

CONSENT FORM

I have read the Information Sheet and have had the details of the study explained to me. My questions have been answered to my satisfaction, and I understand that I may ask further questions at any time.

I understand that I have the right to withdraw from the focus group discussions at any time and to decline to answer any particular questions. I may withdraw from the study at any time up until 3 months before submission of the thesis by contacting either Sandy Latimer or Dr Michael Belgrave.

I agree to provide information to the researcher on the understanding that my name will not be used without my permission. I understand that the information will be used only for this research and publications arising from this research project.

I agree/do not agree to the interview being audio taped. *(please delete one)*

I agree to keep confidential the information discussed within the focus group session.

I agree to participate in this study under the conditions set out in the Information Sheet.

Signed:

Name:

Date:

Appendix Three

School Survey Respondent Statistics

Decile Level of Schools

Decile	Schools		Sample		Respondents	
1	252	10%	47	9%	23	8%
2	248	10%	48	10%	25	8%
3	253	10%	48	10%	30	10%
4	280	11%	54	11%	36	12%
5	246	10%	43	9%	21	7%
6	262	10%	54	11%	34	11%
7	256	10%	49	10%	30	10%
8	274	11%	62	12%	34	11%
9	247	10%	49	10%	34	11%
10	243	9%	46	9%	31	10%
Total	2,561		500		298	

Educational Region of Schools

Region	Schools		Sample		Respondents	
Auckland	462	18%	98	20%	59	20%
Bay of Plenty	140	5%	39	8%	21	7%
Canterbury	312	12%	51	10%	31	10%
Chatham Is	4	0%	2	0%	1	0%
Gisborne	54	2%	7	1%	2	1%
Hawkes Bay	139	5%	31	6%	19	6%
Man/Wang	220	9%	37	7%	25	8%
Marlborough	32	1%	9	2%	8	3%
Nelson	19	1%	5	1%	2	1%
Northland	148	6%	30	6%	16	5%
Otago	166	6%	36	7%	20	7%
Southland	107	4%	21	4%	9	3%
Taranaki	117	5%	16	3%	12	4%
Tasman	34	1%	5	1%	4	1%
Waikato	311	12%	63	13%	37	12%
Wellington	250	10%	45	9%	28	9%
West Coast	46	2%	5	1%	4	1%
Total	2,561		500		298	

Educational Level of Schools

Level	Schools		Sample		Respondents	
Composite (Y1-15)	56	2%	7	1%	2	1%
Contributing	856	33%	161	32%	97	33%
Primary	1146	45%	228	46%	136	46%
Intermediate	133	5%	22	4%	14	5%
Rest Comp (Y7-10)	7	0%	2	0%	1	0%
Secondary (Y7-15)	88	3%	20	4%	13	4%
Secondary (Y9-15)	232	9%	49	10%	29	10%
Special	43	2%	11	2%	6	2%
Total	2,561		500		298	

Roll Size of Schools

Roll Size	Schools		Sample		Respondents	
<35	261	10%	53	11%	28	9%
35-99	556	22%	105	21%	65	22%
100-199	495	19%	96	19%	58	19%
200-299	383	15%	70	14%	39	13%
300+	866	34%	176	35%	108	36%
Total	2,561		500		298	

Institutional Authority of Schools

Authority	Schools		Sample		Respondents	
State	2,235	87%	444	89%	266	89%
State: Integrated	326	13%	56	11%	32	11%
	2,561		500		298	

Area Type of Schools

Area Type	Schools		Sample		Respondents	
Rural	853	33%	172	34%	103	35%
Minor Urban	280	11%	49	10%	27	9%
Secondary Urban	175	7%	34	7%	22	7%
Main Urban	1,253	49%	245	49%	146	49%
Total	2,561		500		298	

Appendix Four

School Enrolment Statistics

Number of students enrolled at state (including integrated) primary schools, 1 July 2000

	Roll 1-50	51-100	101-200	201-300	301-500	501+	TOTAL
Decile 1-3	3,467	7,538	27,271	28,019	49,652	21,954	137,901
Decile 4-7	5,265	10,563	25,703	31,141	63,387	33,980	170,039
Decile 8-10	4,293	8,427	18,967	23,230	46,315	37,535	138,767
TOTAL	13,025	26,528	71,941	82,390	159,354	93,469	446,707

Includes primary, intermediate and restricted composite schools

Number of students enrolled at state (including integrated) primary schools, 1 July 2000

	Main urban	Secondary urban	Minor urban	Rural	TOTAL
Decile 1-3	98,626	8,713	18,710	11,852	137,901
Decile 4-7	106,084	20,629	18,384	24,942	170,039
Decile 8-10	106,193	6,522	5,155	20,897	138,767
TOTAL	310,903	35,864	42,249	57,691	446,707

Includes primary, intermediate and restricted composite schools

Number of students enrolled at state (including integrated) secondary schools, 1 July 2000

	Main urban	Secondary urban	Minor urban	Rural	TOTAL
Decile 1-3	32,450	2,724	11,691	3,973	50,838
Decile 4-7	74,406	13,524	19,406	7,168	114,504
Decile 8-10	68,823	5,373	7,013	2,107	83,316
TOTAL	175,679	21,621	38,110	13,248	248,658

Includes secondary and composite/area schools