Proceedings of the

Self-Managing Schools Conference – What's Best For Our Children?

NZCER
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Edited by Cathy Wylie

New Zealand Council
for Educational Research

New Zealand Council
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P O Box 3237
Wellington
New Zealand

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BACKGROUND

Self-Managing Schools: What's best for our children? is the third of NZCER's semi-annual conferences on research into educational policy. Its origin lies in the keen interest being shown by people in schools, politicians and policymakers in the concept and practicality of self-managing schools/school based management, and in particular the question of full bulk funding for schools; relevant data emerging from NZCER's 1990 survey of the impact of the Tomorrow's Schools reforms; and the fact that NZCER provides an independent venue for the discussion of such policy issues.

We decided to depart from the usual format for research-based conferences in order to encourage as much constructive debate as possible on the day: papers from nine invited 'key players' were circulated beforehand, allowing these people to focus on core issues, and engage in discussion about their views and the reasons for them. The key players were the Ministry of Education, Treasury, State Services Commission, School Trustees Association, PPTA, NZEI, a Maori viewpoint from the Rakuamonga school Board of Trustees, the Labour spokesperson on Education, and the Business Roundtable. The main research contributions to the day were a report from Cathy Wylie on relevant data (and their reception) from the 1990 survey, and brief presentations from Noeline Alcorn, Hugh Lauder, and David Stewart. The conference was opened with an address from the Minister of Education.

Much of the afternoon was taken up with a plenary session, chaired by Ian Livingstone, in which we tried to clarify areas of agreement and disagreement. These are outlined in the summary of the session, and press release after the conference at the end of the proceedings.

Participation was by invitation to ensure that numbers were not so large that discussion was inhibited; each 'key player' organization was invited to send two or three other participants beside their speaker, and invitations were sent to other organizations and people who were known to have an interest in the area.

The conference presentations and discussions were tape-recorded. I have included the transcripts of the sessions, with some editing from the participants and myself. Not only do they give us a lively and fascinating insight into the issue of self-managing schools, but they also cover the wider debates behind it about the nature of education and educational institutions, quality and equality.

Cathy Wylie

PROGRAMME

9am	Mihi Ian Livingstone, Director, NZCER
9.05	Opening speech from the Minister of Education, Hon Dr Lockwood Smith
9.45	Setting the debate in the context of recent NZ research Cathy Wylie, NZCER
10.30	Morning Tea
10.45	Core Issues and Initial Responses Graye Shattky, STA Roger Kerr, Business Roundtable Joe Harawira, Raukaumanga School Board of Trustees Martin Cooney, PPTA David Greig, Treasury Margaret Austin, Opposition Spokesperson for Education Catherine Gibson, Ministry of Education Marijke Robinson, SSC, Peter Whatt, NZEI
12.45pm	Lunch
1.30	Comments on papers and material from the morning from researchers: Hugh Lauder, Victoria University Noeline Alcorn, Auckland University David Stewart, Massey University Cathy Wylie, NZCER
2.15	Plenary Session: discussion of major issues arising to establish: * what common ground exists; * what issues remain.
4.15	Afternoon Tea
4.30	Plenary Session resumed

Ian Livingstone chaired the conference for the day, apart from the session on Core Issues and Responses, which was chaired by Cathy Wylie

PARTICIPANTS

Hon Dr Lockwood Smith	Minister of Education
Noeline Alcorn	Centre for Continuing Education, Auckland University
David Stewart	Education Research & Development Centre, Massey University
Joe Harawira	Raukaumanga School Board of Trustees
Anne Jackson	Department of Prime Minister and Cabinet
Elizabeth Eppel	Department of Prime Minister and Cabinet
David Greig	Treasury
Tony Marais	Treasury
David Tripp	Treasury
Jean Packman	NZ Principals' Federation
Neil Pitches	Wellington Area Principals' Association
Marijke Robinson	State Services Commission
Gerald Minee	State Services Commission
Margaret Austin	Opposition Spokesperson on Education
Ruth Mansell	Wellington College of Education
C.E. Beeby	
Phil Capper	
Val Fergusson	Educational Review Office
Paul Vincent	Educational Review Office
Owen Jennings	Federated Farmers
Gay Simpkin	Post-Primary Teachers Association
John Grant	Post-Primary Teachers Association
Felicity Parnell	Post-Primary Teachers Association
Martin Cooney	Post-Primary Teachers Association
Roger Kerr	Business Roundtable
Ann Henare	Business Roundtable
Carl Hansen	Business Roundtable
Graye Shattky	School Trustees Association
Anne Pattillo	School Trustees Association
Jan Poole	School Trustees Association
Hugh Lauder	Education Department, Victoria University
Catherine Gibson	Ministry of Education
Eddie Clark	Ministry of Education
Vince Catherwood	Ministry of Education
Alan Burton	Ministry of Education
Ken Rae	NZ Education Administration Society
Cath Roberts	Wellington College of Education
Rosslyn Noonan	NZ Educational Institute
Helen Duncan	NZ Educational Institute
Peter Whatt	NZ Educational Institute
Cathie Penetito	NZ Educational Institute
Neil Scotts	Research & Statistics Division, Ministry of Education
Ian Livingstone	NZCER
Geraldine McDonald	NZCER
Cathy Wylie	NZCER
Daphne Ropiha	NZCER
June Vize	NZCER
Lesley Smith	NZCER
Sally Boyd	NZCER

OPENING ADDRESS

THE HON. DR LOCKWOOD SMITH

Ian Livingstone, Council Director, Educationalists of all kinds.

Thank you for the opportunity to speak at this conference on 'Self-Managing schools'. I congratulate the council on its initiative in convening this Third Conference on Research in Education Policy.

What drives this Government in education is the goal of ensuring all our young people acquire the knowledge, understanding and skills needed to take their full place in society, equipped to succeed in the modern competitive economy.

Young New Zealanders must be ready to meet the challenges and competitive realities of the world of the nineties, and of the twenty first century.

The question becomes the extent to which the achievement of this goal can be enhanced by self management.

That overly centralised systems can stultify development was emphasized by Judith Aitken of the Ministry of Women's Affairs in a recent speech to the School Trustees Association Annual Conference.

She said that for years the education family was a well defined tribal system in which the department was the hub of a wheel, the education boards were the spokes and the unions, notably the PPTA, the NZEI and others from the tertiary and early childhood sectors, formed the surrounding rim. Few decisions were taken without direct collaboration and consultation with the whole family.

She said no initiative, such as that which took place in the mid to late 1970s on improving women's access to and performance in education, was permitted to breathe unless the entire tribe was gathered. Yet the tribe moved relatively slowly.

She commented that its dominance in one of the most important economic and social sectors of New Zealand may not necessarily have been fully recognised, but its actual power over a very wide range of public decisions was enormous.

Perhaps in more measured tones, the Picot Report '**Administering for Excellence**' in 1988 stated that:

> The structure is a creaky cumbersome affair. It is not the result of an overall plan or design, but has taken on its present shape by increments and accretion. Such a haphazard collection of administrative arrangements is not suited to the rapidly changing late 20th century.

Both of these comments emphasize the tendency for a centralized system with particular groups dominating the decision making, to stifle responsiveness and development.

In fact, the Picot report identified a number of weaknesses in the then current administration of education.

These included:

- Over-centralisation of the decisionmaking;
- Complexity;
- Lack of information and choice;
- Feelings of powerlessness;
- A lack of priorities at the centre;
- A lack of accountability;
- Rule-bound procedures;
- Absence of incentives to manage effectively;
- Inadequate management of property;
- Restrictions on effective financial planning.

Given this analysis, the committee proposed in its solution a focus on the school, which with increased self management was to become the basic 'building block' of the new education system.

It promoted:

- The learning institution as the basic unit of the education system, with increased control over its resources;

- A board of trustees as the governing body;

- Each institution to set its own objectives within national guidelines, reflecting the needs of the community as clearly set out in its charter;

- The learning institution to be accountable to a review agency for government funds spent on education, and in meeting the objectives of its charter.

The then national Opposition agreed with the general direction of the Picot proposals.

However, with the implementation of **Tomorrow's Schools** the direction wavered with too much control remaining at the centre; too much resource remained tied up in central structures.

Impossible timelines were set resulting in unnecessary stress, which fell particularly on trustees and principals.

I understand the New Zealand Council for Educational Research will release today the full text of its project report, **The Impact of Tomorrow's Schools on Primary and Intermediate Schools.**

A preliminary release in March certainly focused attention on the points of stress that I have noted.

I faced in the House an alarmist parliamentary question on whether this 1990 research showed that in 1992 '75% of school trustees did not intend to seek re-election'.

In my reply, I noted that the report indeed stated on page 5:

> "Only a quarter of eligible trustees intend standing again. 33% would not stand again and 28% were unsure."

I was also able to observe, using the March summary of statistics from the NZCER research, that a table concerning job satisfaction of trustees showed:

> For 7% job satisfaction has 'substantially increased'
> For 16% it had 'increased somewhat'
> For 13% it was 'high and stayed the same'
> For 30% it was 'medium and stayed the same'
> For 5% it was 'low and stayed the same'
> For 12% it had 'decreased somewhat'
> For 8% it had 'substantially decreased'

Those statistics could be read, I suggest, as 66% showing medium satisfaction or better.

The Ministry of Education advised against ready acceptance of the statistics then presented in a preliminary manner, on the following grounds:

- Numbers in the samples should be stated;
- Issues of non-response needed to be further explored;
- The parents sample was drawn from what was already a sample, in a manner not detailed;
- Caveats were required to discourage readers from placing too much weight on the absolute values of the statistics, certain to be biased on some of the dimensions of interest.

I understand the Ministry's misgivings were also conveyed to the researcher, Cathy Wylie of NZCER.

I look forward to receipt of the full report, and to establish whether these reservations expressed in April have been accepted.

Movement towards self management of schools is not a solely New Zealand phenomenon.

In the Journal **Canadian Administrator** of March 1991, Holdaway and Ratsoy of the University of Alberta report on the major types of changes affecting the management of schools, and the principals of those schools.

They identify societal changes, professional changes, and organizational change, all impacting on the governance and professional leadership of schools.

They found that in the spheres of professional and organization changes, there was:

- Greater emphasis on effectiveness in schools and teachers;
- Increased emphasis on mainstreaming;
- More open enrolment policies and use of marketing practices to attract students;
- Increasing autonomy for schools;
- Increasing use of testing;
- Improved student records and better reporting practices;
- More involvement of the principal in hiring and in evaluation of teachers.

Holdaway and Ratsoy identified and described increased autonomy for schools in Britain, New Zealand, Australia, the United States and Canada.

The autonomy of schools discussed in their paper included issues of personnel management such as appointment, leave and appraisals.

Issues of financial management included school-based budgeting, and programme-based budgeting.

They noted that greater autonomy provided for 'an enhanced ability to shape the school's future and the quality of its teaching and learning through more direct control over vital resources'.

And that is why this conference is so important.

New Zealand schools have moved significantly towards self management.

There is, however, still some way to go.

Prior to the election the National Government had developed a clearly focused and coherent education policy.

Four key planks included:

- The Parents as First Teachers policy responding to research which showed the vital educational importance of language development during the first 3 years of a child's life;

- The Achievement Initiative designed to provide clearer learning goals in the compulsory curriculum and a system to better respond to the learning needs of students;

- The National Certificate to provide a more rational qualifications framework and to better link school to tertiary education and the workplace;

- And the Study Right designed to minimize the barriers to young people entering tertiary education.

The building blocks of this coherent policy are being put in place right now, and discussion documents covering two of those key planks have already been released for public consultation - **Designing the Framework** and the **Draft National Curriculum of New Zealand**.

On being elected however, the Government faced an emergency with the deficit, the gap between our income as a Government and the escalating, and in many cases, unauthorized demands upon that income - $300 million worth in education alone.

In its final months in office, the previous government departed significantly from prudent financial management. Massive expenditures proposed and under way had not been budgeted for.

The Cabinet Expenditure Control Committee considered Vote: Education and as a result commissioned a number of reviews ranging across the early childhood, schools and tertiary sectors.

It had become clear that education problems could no longer be addressed by simply throwing more money at them. All the money we had plus a whole lot more we didn't have, but borrowed, had already been thrown.

That reality has focused the mind. If we are to achieve the educational outcomes we seek we have to foster flexibility and responsiveness in the school system.

Nothing in the reviews convinced me that New Zealand was different from Canada, that the published findings of Holdaway and Ratsoy of March this year, were wrong in asserting the quality of teaching and learning could be enhanced through schools having more direct control over vital resources.

Bureaucracy and rigid administrative systems seemed time and time again to conspire against the achievement of enhanced educational outcomes we all seek.

It became increasingly clear to me that if we were to achieve maximum educational value for the limited numbers of dollars this country now has, those deciding how they should be spent should be those who have the strongest reasons to be concerned about the consequences. That means those at school level whose children stand to benefit or not.

Self management currently applies only to management of a school's operational activities grant, and to a limited extent, personnel management within a school.

If we are serious about educational outcomes; if we are serious about achievement, we should be serious also about schools being able to utilize all the resources allocated for maximum educational effectiveness.

The final but major component of self management, therefore, is the devolution of the teacher salaries grant, the bulk of the funding resource available to schools.

This component was separated from the policy package that made up the Picot reforms and was not implemented as intended in 1989. It is not some new initiative of this government.

On becoming Minister, I sought a thorough investigation of all the implications of this policy.

Officers of the Ministry of Education have invested considerable amounts of time and energy into this investigation, looking at overseas experiences, and exploring the literature on the concept of self management of schools.

Factors such as the structure and nature of the New Zealand school system, the size of schools, administrative requirements, and personnel and financial accountability structures, have been examined.

The feasibility of a number of options for self management of schools has been explored and this work is continuing.

The Ministry team has briefed a number of education sector groups at critical points in the process of policy investigation since late 1990, including the School Trustees Association and the unions, and provided me with two major reports.

The first report has been made public and has been seen either in its entirety or as a summary document by boards of trustees and by the teacher groups.

The second report, which was prepared whilst the consultative group was working with the Ministry team, has been presented to me and has been considered by the Cabinet Strategy Committee.

The consultative group was also invited, based on their work with the Ministry and in consultation with their respective organizations, to pass their views on to me.

I have received their collective report and I am awaiting a report from the School Trustees Association sometime after 20 July.

It is my considered view that it is desirable to proceed further with this element of self management, but in a voluntary, and reasonably measured way.

Schools and boards could be given the opportunity to opt into bulk salary funding with the right to manage both operational and salaries grants as one bulk fund with all the flexibility and discretion that makes possible.

I can assure you, however, that no policies that do not enhance self management will be implemented and no options for bulk salary funding will be imposed on schools next year.

I am determined to ensure that, in any implementation of this policy initiative, careful consideration will be given to all of the administrative and educational implications.

I am equally determined that decisions on self management should be made on good information and that the matter should not be pre-judged.

Administrative difficulties associated with the handling of teacher salaries at the school level need not eventuate. A central payroll system can continue to service teacher salary payments.

The education service centres can continue to administer salaries on schools' behalf as happens at the present time.

Work at the school level would be similar to the present situation but the control over salary expenditure could bring to the school all of the advantages from flexibility, discretion and control of resource allocation.

The benefits are there to enhance the performance of the school and the quality of learning for the pupils.

There are a number of advantages for schools and pupils if the self-managing concept is introduced.

Schools will be able to structure staffing in a way that better meets the particular learning needs of their pupils.

Teachers all round the country say to me, with respect to their special education pupils, why do you dish us out teacher aide hours (that is if there are any left over after the bureaucratic procedures in deciding who should receive them are completed) when we may need specialist teaching for a given child?

The solution is simple. Instead of dictating teacher aide hours from the centre, we should resource the school to obtain the kind of help the child or children need.

Boards have better information about individual school needs that does the central system, unless vast sums of money are to be spent in the central system trying to determine those needs.

The mix of teaching and other support staff that is most appropriate varies from one school to another. Self management would enable decisions to be made with respect to priorities such as teacher librarians or more remedial reading input.

Self management enables the board of trustees to balance priorities between such matters as using computing and video technology to enhance the influence of an exceptional lead teacher, or employ particular kinds of assistance to address particular goals and objectives.

Self management would strengthen school-staff relationships, and provide mechanisms for outstanding teacher commitment and performance to be rewarded.

And finally, schools could be staffed more fairly than at present. One of the anomalies of the present system is that schools in better areas may attract more senior teachers and so enjoy a greater share of taxpayers' money per pupil for its teaching programmes. I can't imagine that those interested in equity find that reality acceptable.

Perhaps one of the most extraordinary arguments against self management is one that teachers would suddenly be unable to cooperate with each other and that the collegial nature of teaching would be lost.

Most successful operations have a high degree of team work because success depends on it and effective team work is rewarded.

Why schools should be incapable of such common sense, is something I have never quite understood.

Your considered analysis at this conference of the benefits, and disadvantages, will be most helpful in the development towards full self management.

It is my objective to ensure school boards have maximum authority in the governance and administration of their schools, with minimum bureaucratic workload.

Up until now, excessive central control has imposed an unnecessary work burden on those working in the schools, and on their boards of trustees. I'm working on reducing that.

The Government has, this year, passed two pieces of legislation that will have a significant impact on school management over time.

The Employment Contracts Act has been passed.

It doesn't of itself change employment arrangements in schools.

However, it does provide the potential for negotiated changes in the future.

As 'employer party' the State Services Commission continues to be required to consult with the representatives of employing boards and with the Ministry of Education.

Changes have to be negotiated, so the unions will be involved.

You will be aware that the Government agreed to the State Service Commission concluding a 'nil for nil' roll-over salary agreement with the education sector unions.

This was decided on to allow time for adjustment to the new regime and to promote the orderly ongoing management of our schools.

However, there are significant issues of management and industrial relations still to be resolved.

The other legislation passed into law this month is the Education Amendment Act.

It is a forerunner of the more extensive legislation I propose for later this year to address a wider range of issues.

The act focuses on enrolment policy across all sectors of schooling, primary, intermediate and secondary, offering more choice and freedom from bureaucratic control.

The act has shifted the initiative to adopt an enrolment scheme to the board of trustees but limits the procedure to situations of threatened overcrowding in a school. It enhances self management.

The act introduces greater flexibility into enrolment procedures for Forms One and Two pupils where, until now, requirements have been more constraining than elsewhere in the education system.

I note from **The Lauder Report** of June 1991, that these moves are all part of some grand plot to not only marketize education, but heaven forbid, to privatize it.

I read in the report that,

> This Government has no consistent policy relating education to the labour market and the conclusion we are inevitably faced with is that the marketization of education should be seen as of a piece with the reduction in welfare benefits and the employment contracts act, namely that the aim of this Government is to create a low skilled, low morale workforce for a low wage economy.

Self management is not about marketization. Self management is not about rhetoric - either rhetoric from the right or from the left.

Prejudice is still prejudice even if it is tarted up to masquerade under a cloak of academic respectability.

This Government does plan enhanced self management for schools. It's not just a matter of teachers' salaries, there are issues of greater flexibility for boards of trustees in both their size and structure and who may stand.

Current restrictions lock out valuable expertise and result in the ridiculous situation of schools with 20 or 2,000 pupils having exactly the same size and structure of board.

In some communities Boards are showing great initiative. I have been impressed by schools in the Levin area exploring possibilities for redeveloping school structures more appropriate to the needs of the student population in their community.

I will be removing any impediments that would prevent my acceptance of proposals arising from such local consultation and consideration that could come up with new school structures such as Forms 1 - 4 Junior Highs and Senior Colleges.

Initiative like these have been debated on many occasions, but when attempts have been made to develop them as nationwide policies, they founded for the good reason that they don't meet the needs of every community in the country.

These are all elements of self management, enhancing our ability to respond effectively to the differing educational needs of our diverse communities.

In closing, I would like to reflect on a comment made by Graye Shattky, President of our School Trustees Association.

Writing personally for this conference he said, and I quote,

> The most significant feature of the Tomorrow's Schools reforms has been the speed with which many Boards of Trustees have moved beyond their initial concerns for operational costs such as property maintenance, learning materials and cleaning, to focus on the quality of the teaching and learning that is taking place in their schools.
>
> Trustees increasingly are asking what do students need to learn, how can they ensure that learning is most effective and what, if any, changes to learning are required in their school.
>
> Inevitably such questions lead to considerations about the resources available for learning and what degree of control the school has over those resources to use them in the most appropriate manner.

I agree with Graye Shattky when he said,

> If school management is to be limited to managing operational resources which amount to only 15% to 20% of the total, then there is little likelihood that management will have any effect on learning.

I would take it one step further.

If we continue to restrict self management to managing only 15% to 20% of the total resource, we will lose from boards of trustees people who are genuinely concerned for their children's learning, for they can still not influence it. Neither will attract to Boards of Trustees people with perhaps some of the greatest talent to contribute because they will not put up with the frustration of being able to influence so little.

I look forward to this conference raising the debate on self management.

The concept has the potential to significantly enhance educational opportunity for our children. It also has risks.

It is of such significance it deserves better than the rhetoric of marketization and privatization. It deserves considered analysis as to how the advantages can be captured.

To enhance educational achievement and the disadvantages avoided through such careful analysis and planning.

This is a valuable conference. I wish you well and look forward to receiving your proceedings.

QUESTIONS AFTER THE MINISTER'S SPEECH:

Joe Harawira asked what action was being taken to ensure that Maori education was going to be successful, and who was the Minister consulting.

The Minister replied that there were a range of mechanisms for consulting with Maori people throughout New Zealand: the Runanga Matua which advises the Minister, Wahanga Maori in the Ministry and appointments of Maori people, and the Maori Education Foundation. It was his conclusion that these arrangements for input from Maori people into education were not working adequately, and he was looking at how to better incorporate input from Maoridom into education planning.

As an example, when he took some Maori language funding and wanted it allocate it to help Maori children coming through the Kohanga Reo programme who might miss out on Maori language by going to a school that might not have immersion Maori langauge classes, he invited the Maori Education Foundation to distribute the money to schools, and none of it went to the South Island. The decisionmaking had been left to the Maori people. He was concerned that there be balanced and adequate input into Maori education decisionmaking.

Maori educational achievement was one of the greatest issues facing New Zealand, not only for Maori people, for whom educational underachievement was a tragedy, but also for New Zealand. We would not succeed if a significant section of the population was not achieving educationally. There were a number of ways to approach the issue: to foster Maori initiative, to solve the problem in their way, like Kohanga Reo, like Kura Kaupapa Maori; to make more analysis of how exactly things were going wrong; to empower Maori people still more to support Maori parents through the vital early years of a child's life. We had to examine whether Kohanga Reo was fully achieving that yet, because of the clear research evidence that the first three years of a child's life, and the family environment in which it develops its language then, were so critical to subsequent educational achievement. The Government was shortly to invest quite a substantial sum of money to further research the problems, because it was important to respond in a very carefully thought through way to this major issue.

Peter Whatt asked how, in a self-managing environment, with school staffing resources smoothed and spread across the whole sector, was provision to be made for resources to be given to schools with a disproportionate number of special needs children?

The Minister noted that severely disabled children would need individual attention addressed to their needs; he would add the gifted to those children needing significant extra input to assist with their learning. The Government did not propose to smooth the staffing resource throughout all schools; it would detect where these students were through its Achievement Initiative policy so that it could direct additional resources to meet their need. It would not try to specify how the resource should be used in schools. To some extent this was done now through discretionary allocation of resources on the basis of socio-economic status and ethnic background of parent populations. The Government considered that learning need was the real issue. The present system would be left in place until the Achievement Initiative was running, and then additional resources would be directed to meet learning need, which crossed all racial and socio-economic backgrounds. It was vital that the Government could respond and direct resources to learning need.

Neale Pitches asked about the concept that more management discretion was needed in schools, which would be delivered by giving schools the right to pay their own staff. Schools presently recruited, appointed, inducted, developed and promoted staff, and also had control of the (teacher) competency provisions in a pretty effective framework of two terms scrutiny of competency. It seemed to him that schools already had an enormous amount of local control, yet what resources did they have for this in comparison to similar sized organizations elsewhere? What further advantages would come from bulk salary funding?

Second, whose responsibility was the planned supply of teachers to New Zealand schools? Was it schools', or the Government's responsibility?

Third, whose responsibility was it to control the quality of teachers available to schools?

Fourth, it was important to have in schools a stable management environment, not change-free, but free of mountains and troughs, free of instant changes in policy: planned, sequential and sensible.

Finally, while schools would love flexibility, flexibility cost. Flexibility in schools meant staffing, and that could not be done cheaply.

The Minister questioned whether flexibility cost. He gave the change in polytechnic funding as an example, moving from specific funding for specific purpose and use of money given even if the institution did not really want what the funding was for, because otherwise the funding would be lost to the institution. That system was very inefficient and costly. What flexibility enabled polytechnics, and schools, to do, was to set their own priorities, to spend the money on what was most important, not on what the central system made it available for. As an example of the need for further change, he instanced the recent Lake Brunner incident where a school saw more danger to its children's health in the poor state of its playground than in its heating system, which the central system insisted was the priority. The people who were going to suffer the consequences most still did not have real say in the spending of money. He believed that flexibility would enable schools to address their priorities.

He fully accepted the view that too great a change and too rapid a change was a problem. Schools had been through a lot of change. School self management, however, was not something which this Government had plucked out of the air. It was a proposal put up in 1988. It had been three years in the melting pot, and people had been considering it since then.

Too rapid a change was undesirable, and that was why the Government wanted to give schools more control over change, such as the Education Amendment Act.

With respect to the planned supply of teachers, he thought it more important to make sure there was an adequate supply. Trying to plan the teacher supply had led to mistakes, for example, part of the problem of the present shortage of younger teachers, who might be considered cheaper, was because a few years before the National government had restricted entry to teachers' colleges. He thought also that teaching was having to compete more to attract people with relevant skills. Freeing up salary mechanisms was one way to attract those people. Opening up entry to the colleges of education would help expand the supply quite radically. A person with teacher training was a very valuable person in today's

economy, and with upskilling becoming a critical part of that economy, lots of businesses were looking for people who were trained in training people.

He wanted schools to have control, as they now did, over who they appointed, so they could make a quality judgement themselves as to who they were appointing. There was too much quality control at the end of who got into teacher training, and this reduced choice at the school level. There needed to be greater opportunity for a greater range of people to enter teacher training. He trusted the teacher colleges to graduate people of good quality.

What schools did not have control over at the moment was whether they needed a certain kind of person. At present schools were staffed on a fairly rigid formula.

John Grant noted that while it was a rigid formula in terms of numbers, schools had vast control over the deployment of their staff, with few restrictions on teacher-pupil ratios, for example.

The Minister felt secondary schools had more flexibility than did primary schools. There were possibilities in education such as expanding the influence of some of the brilliant physics teachers in the country, while some schools did not even have a physics teacher. He was interested in expanding the power and impact of our great teachers. If schools had control over their resources, they could use interactive video to enhance the achievement of their students. It could be better for schools to enhance the influence of one of their top teachers, and it cost money to do that, rather than appoint someone who was not satisfactory.

Neale Pitches commented that while the Principals' Association was all for school decisionmaking authority, it was not convinced that the current proposal would give the flexibility the Minister talked about, because there was no evidence that there was the money in the country and in the education system to support flexibility. The previous moves to bulk funding of the operational grant had freed up the responsibility to schools to spend less on their buildings if they wanted to maintain their teaching and learning programme. That was the qualitative move which had been made, and it had demonstrated how bulk funding could shift the making of unpalatable decisions from government to community.

The Minister noted that people did not want to return to the old system, that they liked having their operational grant bulk funded, though they had been nervous of it initially. He saw the benefits all around the country. What he wanted to affirm was that people in schools should not allow the Government to impose something on them, or hang round their necks something which gave them more work without the flexibility principals said they needed. If the Government did eventually go down this track (of full bulk funding), it needed to take on board exactly what had been said, because otherwise we would get the worst of all worlds. He had spoken of the risks - he did not think that it would all be easy street, or wonderful. There were risks, there were disadvantages which Government must plan against. Government would have to accept even greater responsibility under such a system to ensure that the needs of the disadvantaged were looked after even better than they were at the moment.

SETTING THE SCHOOL SELF MANAGEMENT DEBATE IN THE CONTEXT OF RECENT NZ RESEARCH

CATHY WYLIE, NZCER

What I have done for this section is to go through the conference papers, start to identify where I thought the common threads were, and look at some of the results of the NZCER survey report which are relevant.

In the last two years I have been involved in the two national longitudinal studies of the impact of Tomorrow's Schools: the NZCER survey, and the University of Waikato based set of case studies. At times I have felt immensely privileged to be in my position as a researcher, to bear witness to the changes at the school level, because what a researcher can do is to bring out the voice that is often unheard in situations such as this. At other times I have cursed what seemed the good idea at the time of following through the reforms. There will be bad news in any reform, as the Minister pointed out, and the messenger of bad news is not always welcome, or believed. Even good or neutral news is discounted if it doesn't suit the hearer. That's one of the difficulties that researchers face, that no matter how systematically we do our research, however much we look at the overseas literature and try to bring that to bear, our work can still be discounted by prejudice. However, it is the responsibility of researchers to take courage, to show what is happening, and, if possible, why, and what it means for the future.

I would like to focus today on a particular issue that emerged when we released the highlights from this survey in late March this year.

I was intrigued by what the media picked up from that survey: the focus seemed to be on whether trustees would stand again, or not, and the fact that some people were uncertain was ignored. I suppose the fact that relationships inside most of the schools in the survey seemed to be harmonious, that people were working out how to work together in the new, radical framework for New Zealand, wasn't considered 'sexy' enough; it was often ignored. The fact that most of the parents in the survey were satisfied with the general quality of their children's schooling was not 'sexy' enough either.

But it is the findings which relate to school self management that I want to briefly touch on this morning, looking particularly at two matters.

First, I have come to the view that trustees are actually quite confident in their role. People outside want to tell them that they are not doing a good job, that they need other expertise on their board. You might find it interesting that the number of treasurers who have been co-opted onto boards has halved in the last year. When trustees spoke of their achievements over the last year, getting a financial system in place is at the top. They're worried about the **amount** of finance, but not about managing the finance. The question for them is the resources available to schools, not just whether they have control over them.

Second, although trustees are confident, and I think overall the parents in our survey showed confidence in their trustees, parents also feel that there is not enough feedback for them from their trustees. Parent consultation, and feedback to them, is one issue which needs to be resolved. If a board takes a particular stand, it is important that they have consulted with all their parents, and that may be even more crucial if they look at the voluntary adoption of full bulk funding. A board would be very rash to jump in by itself.

One point that comes through from parents and trustees as well as school staff is that they feel the changes have meant that people have had to pay more attention to administration than to learning. Though the NZCER survey was carried out at the end of last year, from conversations with people about the results, and discussions with others involved in the University of Waikato study, I don't see any great change since. People are still dominated by the administrative issues. If there are further changes in the wind, and there have already been some from the Education Amendment Act, then I wonder if that predominance of administration concern will continue, and detract from the attention to children's learning which attracted most trustees to their work.

Coming now to the controversial issue which we are here today to discuss, I want to look at trustees' views on bulk funding.

Our survey shows that 79% of the trustees said they did not want bulk funding, 9% did, and the rest were uncertain.

I should say here that I had a very interesting reaction to the presentation of this material. I was told that trustees didn't understand the issues. That seemed to me, I have to say, a very paternalistic response. If we're talking about school self management, and we say that the people who have the responsibility for managing schools don't understand the issues, haven't thought them through, then I wonder, how can we trust our schools to such people?

I was also told that trustees had simply picked up what the teacher unions were discussing at schools, without thinking about it for themselves. Again, if that is the case, trustees are too gullible, or too stupid to be running our schools. We can't just dismiss trustees' views because they coincide with teachers' views about bulk funding.

Trustees' reasons for not introducing bulk funding were: the workload was already big enough; it was government's responsibility, not trustees; 'we are amateurs, part-timers'; it will have negative effects on trustee relations with staff, and it will increase inequities between schools.

Those are also the issues, common themes, which I picked up from the prepared papers for this conference.

First, the need for **balance, or complementary roles between national and local realms, between government and volunteers**. No-one has suggested that schools be totally self-governing. That seems a very important distinction, between self management, and self-government. Nobody has suggested that schools be responsible for everything. It has been said that the government is responsible for setting the guidelines for curriculum, seeing that standards are met, and for funding. That means that there are certain things which fall outside a school's control, and which dictate the environment in which schools will be operating. Schools will not have total control over their environment. Nor should they have, in a national education system.

The importance of good relations at school level: I'm translating here somewhat from the discussion in some papers as to how to get the most out of school staff and parent volunteers. You can call that efficiency, you can also call it good school-staff relationships. It links in with the common identification of teachers as being at the heart of the reform, and if it doesn't work with them, it won't work at all. Good school relationships are crucial to the success of the reforms. Trustees were saying the same thing, that good relationships were important, and it is worth noting that they gave the achievement of these in their school almost top billing with getting a financial system up and running in their identification of their major achievements in the past year. Trustees are the ones at the school level who have to make the reforms work, in contrast to some of us here today, who do not have to make our views work. So it is important to heed the voice of those who are going to make these reforms successful, or not.

Workload, and **paperwork** both appear on trustees' list of dissatisfactions with their work. A common theme in the papers for today was **accountability**, that boards of trustees have to be accountable for their use of public funds. I don't think that full bulk funding is going to diminish the amount of paperwork confronting boards. There is always paperwork when you get public money, and the system that the Minister foreshadowed this morning of targeting funding on the basis of achievement at the school level could create quite a lot more paperwork.

Trustees identified inequity between schools as an issue with full bulk funding. Our survey results show that the inequalities between schools that were identified as part of the problems leading to the **Tomorrow's Schools** reforms have not gone away in the first 18 months. The schools that have most trouble with resources, and most trouble getting voluntary help in some areas, are the schools with high Maori enrolment, and schools serving working class or low-to-middle income communities. Those were the very schools that it was hoped these reforms might help. So far the gap seems only to have widened between schools.

These are also the schools serving communities with educational disadvantage. A study done for the Ministry of Education last year showed a very clear linkage between various socio-economic and ethnic indicators in the community served by a school, and School Certificate results.

There is agreement I think here today that school self management, based on full bulk funding, means increased competition between schools. That means winners and losers. We have to ask do we want a system that gives winners and losers, given the possibility that those who are already losers are likely to lose even more? How will that enable us to provide the kind of quality education for all our children which the Minister emphasized this morning?

The research on school effectiveness and popularity shows they are not the same; that the schools that win aren't always the best or most effective schools, and that losers can lose through no fault of their own, for example, by being in the wrong location. The research on parent choice of schools in Britain emphasizes location, as well as parental views of quality which often don't match how well the schools are actually performing. There is the additional complication that school performance varies quite markedly from year to year, and from subject to subject. It's very hard for parents to choose a very good school - it's very hard for researchers.

There is a question here, then, that if school self management needs competition, winners and losers, do we let the old losers continue to lose? I would add that trustees of schools with high Maori enrolment have an expectation of change, a trust in the reforms to spur change, which has not been matched by the resources which have come to those schools.

Funding comes first in the list of trustees' views of the issues facing them. Both the Business Roundtable and the unions in their papers identified cost containment, or the ability to cap funds, as entailed in the full bulk funding model of school self management. We need to look at this: does full bulk funding mean less money for schools? And if so, how, and why? I would say from the concern with finance which comes through the NZCER survey results that people at schools would need to have demonstrated to them that full bulk funding would not mean either an immediate or gradual cutting of funds to them. They will not be convinced that they should go down that route unless it can be shown to them that they will not lose any resources. The material from the Ministry analysis included in the NZEI paper is therefore worrying, because it does seem to show that some schools would lose out, those schools serving the educationally disadvantaged groups in our community.

Another finding from our survey which is germane to today's discussion is that there was really no sign from trustee or principal responses that there was an interest in flexibility for the sake of flexibility. There is a provision at the moment for schools to apply to the Minister for special use of their operational funding for staffing, and about 2% of primary and intermediate schools have applied to do that. You would think it would be a lot more if people were really chafing at the bit.

One of the concerns that people at schools have is that if flexibility means Hobson's choice rather than real choice, they're not really interested. If it means that they have to decide between two priorities that are of equal importance, then that's not real choice, as people understand the word. One of the sources of trustee satisfaction is seeing that things are working at the school, or that they can see some improvement. There was a link between

trustee satisfaction with their work, and their willingness to stand again: there will be problems here if in fact trustees cannot see improvements after getting further flexibility.

Trustees were asked what issues were facing their boards, and what changes they would make to **Tomorrow's Schools**; flexibility over staffing was not one of the issues they identified. Only 5% of trustees actually identified more school autonomy. I think people are enjoying the self management they already have at the school, and there is, as pointed out, a high degree of control over staff which already exists at school level, including primary schools, where the decision can be made to use one of the teachers as a reading recovery resource. That flexibility to decide where to use staff, already exists.

The material from this survey, the University of Waikato study, and the study of school-community consultation being carried out at the University of Auckland point to the need, at present, to leave well alone. The fallout from too swift an implementation has to be grappled with by people at the school level, and as the Minister noted this morning, there are major changes in the wings for assessment, curriculum, and identification of learning needs. I have a real concern that administration will continue to dominate the school scene, and that will mean less ability at school level to make those other reforms work. We might have to prioritize at the national level as well. What do we most want? What is most important?

This brings me to the criteria by which we could assess the value of different models of school self management. From the survey results, I would say that trustees were satisfied with the self management they already have; they do not see themselves as not managing the school. As the Minister pointed out, there is no reform without cost or benefits. The material from overseas would give pause for thought about running too swiftly down the track of full bulk funding. The question is whether a full cost-benefit analysis will be done before we go down this track, including the effect on other schools' provision if individual schools volunteer. Experiments cannot take place in isolation. We need to look at how big the costs and benefits will be, and will they occur for one group at the expense of others.

There appears to be agreement from the papers that the over-riding criteria for deciding whether or not to go down this path is whether it is relevant to educational goals, if it will benefit children's learning, and whether schools remain or become effective. This gives a starting point to develop a fuller set of criteria by which to decide what path we should take.

SELF MANAGEMENT FOR SCHOOLS - A PERSONAL PERSPECTIVE

GRAYE SHATTKY, STA

In presenting this paper I am only too well aware that the School Trustees Association has chosen to remain above the debate on self management and bulk funding, viewing itself on the one hand as an impartial promoter of discussion and on the other, as the final arbiter (by virtue of members' expressed views) of further change in the way schools are managed. Unfortunately the climate is such that any comment from me on these matters is very likely to be construed as the Association moving away from that objective position. I make it clear that the views expressed in this brief paper are mine alone.

Whilst I have not seen a recent list of acceptances for the conference, I am concerned that it is all too likely to provide just another opportunity for those who have already taken a position, to restate their fixed opinions and to gain some legitimacy by having them publicised under the Council's name. With respect, what seems to have been lost sight of is that self management is not a matter for academic debate between the providers of education, but a practical, real-time issue which requires the consumers of education to decide how much they will participate in the management of their schools.

At the heart of this debate lies the question of educational quality and a widening concern that what our schools are providing is in too many cases neither relevant nor responsive to the present and future needs of our children. I agree with Dr Judith Aitken that education has long been dominated more by considerations of teaching rather than of learning. It therefore does no harm at all to recognize publicly that teachers as a group have taken on an industrial as well as an educative role; while I do not question the legitimacy of that industrial role, I suggest it is inevitable that teacher views as expressed by their unions, are coloured by self-interest.

Trustees by definition, are concerned with questions of power, responsibility and structure only so far as those concepts affect the interest of students. If it can be shown clearly that schools are more effective when decisions about what happens in schools are shared between teachers and parents, then there is every reason for school trustees and teachers to welcome change even though such changes challenge tradition and the status quo.

Most boards and teachers have adopted an attitude towards self management and its companion bogey bulk funding, based on their individual perceptions of what those terms mean to them. Because our perceptions vary so greatly, I am convinced that in many cases we are arguing past each other; that what I consider to be self management bears little relationship to what someone else infers from the term. The first objective must surely be to reach agreement on the meaning of the terms we are using!

For me, the most significant feature of the **Tomorrow's Schools** reforms has been the speed with which many boards of trustees have moved beyond their initial concerns for operational costs such as property maintenance, learning materials, and cleaning, to focus on the quality of the teaching and learning that is taking place in their schools. Trustees increasingly are asking what do students need to learn, how can they ensure that learning is most effective and

what, if any, changes to learning are required in their school. Inevitably such questions lead to considerations about the resources available for learning and what degree of control the school has over those resources to use them in the most appropriate manner.

If it is right that school boards should be identifying learning priorities for students, then it follows that boards must be empowered to allocate resources to meet those needs. As it seems certain that, for the short-term at least, resources are unlikely to be markedly increased, schools may need to shift resources from traditional areas to meet new priorities. A major criticism of the previous centralized system of education management is that it was too slow to react to emerging needs, let alone able to predict future patterns. Self management means for me that schools are able to take the initiative and implement changes at the point where and when the need is recognised.

If school management is to be limited to managing operational resources which amount to only 15-20% of the total, then there is little likelihood that management will have any effect on learning. It is the staff of a school which creates learning or educational outcomes and it is essential that this human resource be managed wisely, efficiently and effectively. In order to achieve improved educational outcomes, school managements need to be constantly reviewing and changing teacher selection and deployment, what teachers teach, and how they teach.

I can understand that this concept creates anxiety amongst teachers who fear that changes will be affected by declaring staff redundant and employing others with new skills. Such fears ignore the fact that schools and communities desire to secure quality teachers on a long term basis, recognizing that teaching is more about loyalty, support and commitment to students than it is about specific skill areas. Like any successful enterprise, self-managing schools will need to establish as one of their highest priorities, appropriate professional development plans for their staff; such a commitment to staff development will automatically ensure that the school benefits from the increased professionalism of its teachers.

I suspect however that when all is done, reactions to proposals for further devolution of responsibility will vary from school to school and from community to community; what is appropriate for one will not necessarily serve others. I make clear my personal belief that the School Trustees Association will champion the right of any school to choose its own path, and that it will vigorously oppose efforts to contain all schools within a similar mould. I challenge the intellectual arrogance of those who would have all conform to their views of the way things should be, e.g. the PPTA's recent stand against trials for bulk funding and its implied threat to take action against schools who might dare to see things differently.

The idea that there might be different perspectives leads me to comment on the notion that there exists a sinister conspiracy to relieve the State of its responsibility for education and to 'privatize' our schools. I don't deny that there are individuals who both separately and collectively advocate ideas that might lead in that direction; however I have seen no evidence and heard no suggestion that some cabal is masterminding a move by the Government to reduce state expenditure on education, adopt a 'user pays' approach or to 'privatize' New Zealand education.

Even were that idea to be a fact, the School Trustees Association potentially provides all the protection that is necessary. I simply believe that the majority of New Zealanders accept as an axiom that every Kiwi deserves 'a fair go' and that the State has an obligation to require and compel the education, up to a certain standard, of every citizen. Should the State attempt to avoid or discard that obligation, the outcry of more than a million parents through this Association could not be ignored by any government.

I trust that in presenting my personal views as best I may, I have removed any doubts some may have regarding my agenda. Like all trustees, I am committed to that which is in the best interest of New Zealand education, by which means we will bequeath the future to our children.

GRAYE SHATTKY

SCHOOL TRUSTEES ASSOCIATION

The STA membership sees me as capable of representing a very diverse number of views. The reason I am standing here is because I represent to you the commitment of all trustees to children, their commitment to the future of this country. While all here individually have a stake in NZ education, represented here is more the education industry or the vested interest in education: the real stakeholders are the children of New Zealand, and perhaps their parents.

As I read through all the papers, I couldn't see there the answers to the questions which the parents and laypeople out there want to know. Running through many of those papers is a defensive attitude of education as it has been, as it is. There's a feeling that any major change that may be contemplated will not necessarily benefit education or could damage what we already have. On the one hand, we have Mr Elley and Mr Irving, who are providing research findings which talk about the value, the benefit which is already achieved by the system. I certainly don't question their research or their findings. But I contrast that on the other hand with the feelings that are reflected to me as I move around this country talking to trustees, talking to teachers, that they could do better, that there is a need to do better. Now there's a gulf there that we've got to be looking at. I have to question the relevance of OECD statistics to NZ, what relevance does a comparison of those countries with ourselves have to the needs of our children, of our country, in the immediate future?

Almost without exception, the papers for the conference refer to the learning needs of children. But too many of the papers mentioned those, then revert to talking about the requirements of teachers, and as you'll have noted in my paper, we must come clearly from the point of view of what children need. I don't expect we'll define what their needs are today, but if we can establish a method for determining that, then we will have achieved something valuable.

I've talked in my paper about a concern by teacher representatives for teacher interests, and that's something which people may wish to take up with me. I would like to disagree with respect with Mrs Austin who suggested that some trustees are confusing power and partnership. I think this debate is all about power, it's about power for people to share in the responsibilities of making decisions over things which affect their lives. I certainly get very angry when I see blatant attempts to pervert or prostitute that power, and I've alluded to one of the teacher unions which I understand is calling on their teachers not to discuss bulk funding with boards of trustees, to report their boards of trustees to the union if a board is considering [volunteering for bulk funding], to take action against boards or schools should bulk funding be contemplated.

I personally believe that the process of developing our schools lies in the ability for schools to make decisions for themselves. I've got an open mind, and if I can take back to my membership arguments that would convince us that there are other ways of doing it, then I would be very pleased to do so.

Ruth Mansell: I question your apparent pitting of parents against teachers, and the differences in their interests that you claim. You say that STA as the collective voice of the trustees can be trusted to act only in the interest of students, and to provide all the protection that is needed for properly funded education, and yet you also claim that teacher unions, which are the chosen collective voice of teachers, are inevitably coloured by self-interest. On these grounds, it seems to me that you might be denying that teachers can be trusted to play a constructive role in the partnership. From my experience as a parent, as a teacher, and working with various boards of trustees, I don't actually think that this is what it's like in schools. I don't think that's a logical division of interest, I don't think it can be substantiated, and I don't think it reflects the attitudes and beliefs that most parents have. At the school level, so far, there seems to be a healthy climate of trust between teachers and parents. I wonder what reason you have to believe that one group can be motivated by self-interest while another group is not. Don't you think that to keep on asserting this could be potentially quite destructive of the good relations we still have in schools between parents and teachers?

Graye Shattky: That's a very fair question. Any perception of anything I'm saying in terms of denigrating teachers is totally wrong. There's nothing I'm aware that I've said that would do that. I do draw a very definite distinction between teachers and principals as vital elements in the tripartite partnership that we rely on to conduct the affairs of schools, and the organizations that represent them in an industrial sense. We have to accept in this situation where there are changing loci of power that organisations will fight to retain their influence, and we're all involved in a process which is changing influence from the traditional centre. I'm not just pointing at unions: I can see it manifest in the desire in the Ministry to retain vestiges of control. Please do not believe that I or my organization or anybody in it wants to drive a barrier between teachers and trustees. That's certainly not the intention. I see that (partnership) as the most important element - the single element which drives the management system we're all involved in.

Geraldine McDonald: I was reminded of the proposals that are current in the UK at the moment, dealing with this issue of relations between teachers and the equivalent of our boards of trustees. A survey found that the composition of these boards included 40% of people who had had, or still had, some connection with the educational enterprise. The Government was considering introducing legislation which would debar teachers from serving on boards of governors of schools that their own children attended. I wonder what your view would be on that?

Graye Shattky: This is an issue which has been discussed in trustee circles, but I can say that any suggestion that we follow down that path was resoundingly defeated at our conference. I do have concern about the possibility of boards being captured by teachers, but those concerns are far outweighed by the necessity to value the rights of teachers as parents. So as far as I'm aware, there will be no move to attempt to do what has been attempted elsewhere.

Gay Simpkin: I would like to correct a matter of fact with you. Any concern and any material that has been sent to schools from the PPTA has always been brought to the attention of boards. We have always included an extra copy of reports or kits for the board chairperson. If our members have any issue or concern, our first suggestion to them is to raise that with their board. As far as our members are concerned, they regard their

relationship with their own board as being very, very important, and it generally is a relationship which allows them to bring such matters to the board.

Graye Shattky: I'm not questioning the process, but the actual advice or decisionmaking which has been conducted by your organization in this regard. Certainly, my phone is ringing every day with trustee concern about what perhaps is implicit in being sent to your branches and to boards.

Joe Harawira: What measures are being taken to ensure that the interests of Maori trustees are being catered for (in STA), and represented by STA?

Graye Shattky: STA is a very young organisation. At its inaugural conference just over a year ago, there was a very strong move by conference to bring Maori representation into the Council of the organization so that the Maori voice would be heard. As an interim arrangement, the Maori Council and the Maori Women's Welfare League were each asked to provide representation, and charged by that inaugural conference in the course of the year that followed, to develop processes by which Maori trustees could elect in whatever process was appropriate to Maori people, their own representatives. I have to say with a degree of criticism that that challenge, or task, was not properly taken up, and so at our recent conference in May, it was very much a last moment affair. The result was that two Maori people were elected by Maori trustees at our conference to represent Maoridom, and to provide a Maori voice on Council. That's not the end of the affair. The question of how the Maori voice is heard, and more importantly, how it has an effect on the decisionmaking, policymaking of STA continues to be a major issue and concern for us. The conference did authorise Council to look to the appointment of a kaumatua, and that will be developed by our Maori representatives over the following year. They have also been charged with widening the electoral base for Maori representation. Representation in itself is not sufficient, of course: we have to be sure that those representatives then are communicating with and providing (material) to STA, and having an effect in Council regarding the concerns of Maori people.

NEW ZEALAND COUNCIL FOR EDUCATIONAL RESEARCH

CONFERENCE ON SELF-MANAGING SCHOOLS

BUSINESS ROUNDTABLE

* The Picot report identified many of the key weaknesses in education administration:

> "There is an overly high degree of centralisation in our education system."
>
> "Centralisation of decision making also creates problems of information and incentives in relation to the decision maker."
>
> "Another feature of an overcentralised system is that decision making tends to be slow."
>
> "A highly centralised system is particularly vulnerable to the influence of pressure group politics."
>
> "...minority groups miss... out, as their views will not be heard... The more centralised the system, the more important it is to have muscle at the centre... [T]he administrative system remains at best paternalistic to those not well attuned to the prevailing professional and bureaucratic norms."

* The report argued for decentralisation of educational decision making within a framework of national objectives. This represented a useful advance.

* However, the Picot vision was flawed in that it focused excessively on self-management of schools by parent representatives. Parents should not necessarily have to run schools to obtain superior education for their children. The report gave insufficient emphasis to the importance of competition and choice as the normal means of satisfying consumer demands most effectively.

* The *Tomorrow's Schools* decisions were also watered down in their implementation. This has been well documented in the Sexton report. Too much central bureaucracy has been retained at the expense of resources that should go to schools.

* Steps to correct these weaknesses are now underway, for example the abolition of zoning and the examination of moves to bulk fund teacher salaries. The latter issue is considered in Annex I. The arguments for bulk funding turn on ways of running schools more efficiently in the interests of better education. They have nothing to do with the amount or source of education funding.

* Questions deserving separate consideration include the composition of boards of trustees and their role as employers. Consistent with widespread moves in both the public and private sectors, now facilitated by the Employment Contracts Act, there is a case for boards of trustees becoming the employer of all school staff within each board's school and for greater use of performance pay, subject-related pay differentials and individual teacher contracts. This would help improve the professional status of teachers.

* Even with such moves, educational choice and opportunity could still be unduly restricted, especially for parents and children from poorer socio-economic backgrounds. As Norman Macrae, former deputy-editor of *The Economist*, recently put it:

> "Most of any equalisation between Surrey and Slagheap has come in customer-dictated businesses such as supermarkets. Sainsbury or hi-fi stores offer similar choices in both places, but producer-dictated medical care and schools are much better in Surrey than Slagheap, because good doctors and teachers find Surrey a nicer place to live. Hospitals [and schools] actually boast that they are not supermarkets - i.e., that they do not provide competitively what poorer people want.

There would be advantages, particularly for such groups, in further moves towards per pupil funding and competition within and between the public and private school sectors, along the lines outlined in the article in Annex II.

R L Kerr

BULK FUNDING OF TEACHER SALARIES

Introduction

Recent reviews of New Zealand[1] education have made a strong case for greater decentralisation of education administration and self-management of individual public schools. The changes recommended include the establishment of local boards of trustees, agreed charters for each school and the delegation of decision-making over school operations. Underlying these changes is the view that parents and local communities have stronger incentives and better information to determine education needs and ensure performance than education providers and central government agencies. They are also an integral part of a process of moving to a system which allows greater competition between schools and greater parental choice over education offerings.

The Picot concepts of self-management were considerably watered down in their implementation in the face of resistance from established education interests. Moreover, they relied too heavily on elected parental and interest group representation on boards rather than the exercise of choice by parents within a more competitive education system.

Considerable frustration has been expressed by trustees over their restricted ability to make important decisions about school management. Over time capable people may be discouraged from serving as trustees and the present system may become unviable. Remedying these weaknesses involves providing schools with greater autonomy over resource decisions, linking funding directly to enrolments and ultimately allowing public and private education suppliers to compete on even terms for students. Bulk funding of teacher salaries is an essential part of such a programme.

The Case for Bulk Funding

At present school boards of trustees have effective control only over the smaller component of school expenditure represented by the operational grant. Staff are the crucial resource both in financial terms and in terms of their impact on the quality of education. The advantages of allowing boards to control staffing resources on the basis of bulk funding of teacher salaries are as follows:

(i) Boards have better information about individual school needs and would be able to make more efficient decisions over such matters as:

- teacher to student ratios
- the mix of senior and junior staff
- the mix of teaching and other support staff (e.g. library, remedial reading)
- the relative numbers of full time and part time staff.

(ii) Decisions on staffing could be made by boards in relation to operational expenditure (e.g. whether priority should be given to a library assistant or computer equipment). At present flexibility exists only in the direction of operational to staffing expenditure, and on a very restrictive basis. To allow these trade-offs to be made, the salary and operational grants should be combined.

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1 In particular, *Administering for Excellence: Report of the Taskforce to Review Education Administration,* (Picot Report), 1988 and Stuart Sexton, *New Zealand Schools: An Evaluation of Recent Reforms and Future Directions,* New Zealand Business Roundtable, 1990.

(iii) Additional funding raised by schools could be applied to either staffing or operational needs.

(iv) Vesting staffing decisions with boards would strengthen school-staff relationships and incentives for teacher performance, even without more far-reaching changes to employment arrangements.

(v) Financial controls over education spending would be more effective. The weakness of present arrangements has been demonstrated by the recent over-expenditure on teacher salaries.

(vi) Financial allocations to schools would be more fairly based. At present effective per pupil funding varies because of factors such as differences in teacher seniority.

(vii) Bulk funding would provide a basis for a subsequent review of teacher employment arrangements. There is a good case for moving away from inflexible, centrally determined awards, in line with the general employment changes being promoted by the government with the Employment Contracts Bill.

In order to maximise flexibility, the preferable bulk funding option is to relate funding directly to student rolls. There may be a case for a small number of bands of per pupil funding according to the costs of education for different age groups. Any special grants (e.g. for handicapped children) could be paid as a supplement to the standard per pupil allocation. There may also be a need to modify the formula for very small schools e.g. by way of a minimum grant. However, to achieve a system which is efficiency-driven rather than cost-based, such variations should be kept to a minimum. Considerations of administrative efficiency also point to the cash-based and direct funding options wherever possible.

Objections to Bulk Funding

Most of the objections raised against bulk funding are considered spurious. They appear to have little to do with educational goals. Rather, they reflect the self-interest of teacher unions and central bureaucracies in maintaining their power and resisting moves to transfer control to the local level.

(i) It is claimed that bulk funding would place an undue administrative burden on schools. This is not credible. It is noteworthy that private school administration is considerably more complex since it involves the collection of individual fees rather than a bulk payment on, say, a monthly basis. School personnel administration is not a complex function. Automatic payment systems operated by banks and other payroll services would be used by most schools in the same way as other organisations. The savings made by cutting down on centralised salary administration could be reallocated to schools to enable them to hire or train administrative personnel, or to contract for services.

(ii) Teacher unions have argued that moves towards making schools responsible for employment would encourage individualistic and non-cooperative behaviour and 'pit teacher against teacher'. Again the example of private schools demonstrates the absurdity of this claim. Schools are no different from many other autonomous organisations, including commercial firms, whose performance is dependent on cooperative team effort. Such attributes would be an important aspect of teacher performance assessment in any successful school. This claim can be seen as a transparent attempt to resist stronger forms of performance assessment and accountability.

(iii) It has been suggested that bulk funding would lead schools to substitute junior teachers for more expensive experienced staff. This would be irrational. Consumers place emphasis on *value*, not low costs or prices per se. A more consumer-driven system would rightly focus on gaining greatest value from the education dollar. It would appropriately value experience, apply appropriate differentials for teaching quality and create incentives for quality to be upgraded.

(iv) Claims have been made that school boards are not competent to handle staff employment matters. This overlooks the point that boards are now responsible for appointing principals, and that most other staff appointments would be handled by principals under delegations from the board. Again the fact that private schools handle all employment matters independently as a matter of course exposes the emptiness of these claims.

(v) It has been argued that the government would be at risk of individual boards negotiating 'irresponsible' pay deals, exceeding their budgets and becoming insolvent. Recent experience suggests the current centralised system is not immune from budgetary blowouts. Strict financial controls would minimise any such risks and existing legislation allows the government to take remedial action in the event of school mismanagement. Such arguments may be motivated by a desire by central agencies to maintain a centralised wage fixing role, which is not conducive to encouraging sound and responsible management on the part of schools.

Implementation of Bulk Funding

In contrast to these largely spurious objections to bulk funding, there are some legitimate concerns about any transition from current arrangements. It is clearly desirable to allow boards time to set up effective arrangements for staff administration. On the basis that overall funding levels are maintained, there will be a mix of 'winners' and 'losers' amongst schools from a change to student-based funding, depending on their present staffing profile. Some issues such as the implications of a general bulk funding formula for small rural schools or special education may need specific solutions.

These problems are clearly not insuperable and it is submitted that they should not be allowed to obstruct a reasonably rapid move to bulk funding. The ability of boards to make more efficient decisions over staffing and operational expenditure will mitigate the problems of those schools which face reduced allocations. These efficiency gains (as well as greater fairness in allocations) are the objectives of a switch to bulk funding, and efforts to move in this direction should not be thwarted by the fact that there will inevitably be one-off winners and losers.

There may be a case for phasing in bulk funding over a period of perhaps 1-2 years, starting with schools that are best placed to handle it. While larger schools, particularly in the secondary sector, may fall into this category, other schools should not be excluded. Small schools which face no staffing adjustments should have little difficulty picking up the administrative responsibilities. It would be undesirable to introduce bulk funding on a 'trialling' basis as opponents of the policy would be likely to go to considerable lengths to undermine its prospects of success.

Conclusion

Current reforms aimed at improving education performance by transferring responsibility for school administration from the central level to parents and local communities are currently at an unsatisfactory and unstable stage. A move to bulk funding of teacher salaries on a 'funding first', cash and direct basis wherever possible, and to combine the staffing and operational grants, is crucial to the success of a strategy based on self-management of schools. The benefits of a move to bulk funding would be enhanced by other changes to the environment in which schools operate. In particular, there is a case for reviewing:

- governance arrangements for schools, in particular problems of continuity and expertise on boards of trustees, and the conflict of interest which could arise if staff representatives or parents engaged as teachers at the school are engaged in employment decisions;

- monitoring of school performance, through mechanisms such as external examinations, more information on school achievements and the reintroduction of a form of inspectorate;

- ways of increasing competition between schools, such as the current moves on zoning and moves to per pupil or voucher-based funding which would allow direct competition between public and private schools.

However, these are separate issues which would not be prejudged by a move to bulk funding.

The objections that have been raised to bulk funding are not convincing and appear to be motivated by interests other than the educational interests of children. It is submitted that the government should confirm its policy of adopting bulk funding and introduce it on a basis consistent with achieving a smooth but relatively rapid transition.

NEW ZEALAND BUSINESS ROUNDTABLE
1 May 1991

Champion of Choice

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SHAKING UP MILWAUKEE'S SCHOOLS

POLLY WILLIAMS

INTERVIEWED BY JOHN H. FUND

This fall the Milwaukee Public Schools begin the nation's first experiment in education vouchers for low-income children. Polly Williams, the Wisconsin state representative who made it happen, was inspired by an idea proposed three decades ago by Nobel laureate Milton Friedman and promoted in recent years by conservatives in the White House and state legislatures. To gain approval for the plan, Williams formed a coalition with her Republican colleagues against the liberal establishment. Yet Williams is a Democrat who twice served as Jesse Jackson's state campaign manager.

Under the choice plan, a five-year pilot project, about 1,000 low-income children will receive vouchers of up to $2,500 that can be used at nonsectarian private schools. The money, which will be subtracted from the city's public-school budget, will mean new opportunities for students and greater competition for the state system. If the program works, other states—some of which already allow students to choose among public schools—can be expected to follow suit.

Born in Belzoni, Mississippi, Williams moved to Milwaukee with her family at age 10. She attended the city's public schools but later sent her four children to a local private school known for its high standards and insistence on parental involvement. At 52, she is completing her fifth term as a legislator.

John H. Fund, an editorial writer for the Wall Street Journal, interviewed Williams at a hotel in downtown Milwaukee.

Reason: What obstacles did the education establishment throw up to stop your choice plan?

Williams: They tried everything to stop me. After they were convinced choice couldn't be stopped, they tried to hijack the issue and came up with their own version of choice. It basically created another bureaucracy which would have supervised the whole choice process and strangled it. The Milwaukee Public Schools would have selected the students for the choice program, not the parents. Students would have been picked if they met enough of the seven negative criteria they set up. If you were in a family of alcoholics, had a brother in prison and a pregnant teenage sister, and were inarticulate, you would have been a perfect candidate for their choice plan. In other words, a program they hoped would fail.

MIKE LUCK

This fake choice plan was the product of a white, do-good liberal legislator named Barbara Nostein. Liberals backed her; they weren't for my bill. We finally won when we got 200 parents to testify for three hours in favor of my bill. In good conscience, my colleagues could not vote against those parents.

Reason: The Milwaukee Public Schools spend $6,000 a year per student on education. That's a lot of money.

Williams: Well, that money isn't going to the kids. It's going to a system that doesn't educate them and to a bunch of bureaucrats. A lot of the money goes out the tailpipes of buses, trucking kids halfway across town so they can sit next to white kids. The average ride for a Milwaukee kid is 45 minutes. That has nothing to do with education.

Reason: Why is busing still used in Milwaukee after all these years? I understand the court order has lapsed.

Williams: They have destroyed or failed to build new schools in the inner city. If busing ended tomorrow, there would be 40,000 kids downtown and 20,000 places in school for them. They have built new, fancy magnet schools next to the suburbs to entice white kids across the city line in buses. They are busing kids from one black elementary district in this area to 104 different schools. A group of African-American parents is going to propose we modify this busing madness and start building schools kids can walk to again.

Reason: These magnet schools—can blacks go to them?

Williams: Not many. Even if they are in African-American neighborhoods they are largely filled with whites from the suburbs. People attack my plan for subsidizing private schools. Well, these magnet schools are private education at public expense. I simply say that my black parents want the same choice they do. None of the people who oppose my plan lack choice in education themselves. They have no idea what the lack of choice in education means, the damage it does when you have to go to an inferior school that will trap you for life.

Reason: Why do white liberals insist on busing instead of choice?

Williams: It's more feel-good politics for them. They think their kids are having a neat cultural experience by going to school with African-American kids. But they don't want to really relate to them; they just want to take them out to the playground with their kids so they can point to some black kids and say, "See, those are different people you should be nice to." It reminds me of a zoo. It has nothing to do with education. The theory is that if black kids sit next to white kids, they will learn better; it's insulting. I thought these people were liberals!

Reason: You castigate liberals a lot. But aren't you a liberal Democrat?

Williams: Labels do not tell you much about me. I'm not a liberal; I believe in what works. I often vote against the state budget because there are things in there I don't think should be funded.

White liberals feel guilty about blacks, and they do things to convince themselves they are helping blacks. It's feel-good politics, which is really just helping themselves. Poor people become the trophies of white social engineers.

We have to be saved from our saviors. They have been feeding us pablum for so long, we are finally tired and demand some real meat. We want self-sufficiency, self-determination, and self-reliance, not a handout.

Reason: How do you get along with your colleagues in the legislature?

Williams: I am respected and listened to, but I must tell you that I have a better rapport with conservative Democrats and Republicans than I do with my liberal colleagues. We all agree on self-determination for minorities, and they aren't so obsessed with guilt and giving away money. I get along fine with Jack Kemp and Newt Gingrich.

Reason: Do you think they are sincere in wanting to help blacks?

Williams: I don't care. I think they are, but they don't have to be. They just have to sincerely want to push my agenda.

Reason: Suppose a conservative legislator came to you and said: "Polly, these welfare programs are a mess. Let's change them to a voucher approach. But to get Republican votes, I have to cut 30 percent of the budget out. The rest goes in cash payments directly to the poor, and they choose how to use it." What would you say?

Williams: I would go along with that. The money is wasted now, and I think it couldn't be more wasted if people spent it themselves. This paternalistic idea that poor people can't make choices is ridiculous. Poor people are some of the best shoppers, most skilled at stretching a dollar, you'll ever see.

Reason: You fell on hard times for a while. What happened?

Williams: I divorced in 1971, and our family income fell from $20,000 a year to $8,000 a year. I had to go on public assistance for a while. I didn't like it, and neither did my kids.

Reason: Why?

Williams: They were embarrassed. They were raised to think there was a real stigma to public assistance. They would refuse to go shopping with me when I used food stamps. After I got back on my feet, I finished college at night school. I became very active in community organizations, and eventually, in 1978, I ran for the state legislature. I lost, but I came back and won in 1980.

Reason: What impact did segregation have on you?

Williams: In the South it was always understood that you were different. You would only be served in a store after all the white people had been served. In Milwaukee, I remember trying to buy something and standing aside when a white person came up to the counter. The clerk asked me what I wanted and served me first. It was a culture shock. There was discrimination here, but it wasn't a way of life.

Reason: Judging from your comments on busing, I take it you don't think much of integration?

Williams: Integration comes in time for those who want it. A lot of African-Americans, including myself, don't believe in it. We had a civil rights revolution so we would have an equal chance at the good things in life, not to blend into white society.

Reason: What are your views on affirmative action?

Williams: Well, in theory I could see some affirmative action if it went to the people who really needed it—at the very bottom: But it never does that; it goes to people who don't need

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The poverty industry is worried that kids will get a better education in schools that cost half as much. In their shoes, I'd be worried too.

it, who can make it largely on their own. And it carries with it the stigma that whatever position you succeed in getting, people think you got there because of favoritism. That can be very destructive.

Reason: What is your opinion of those black politicians, such as the mayors of Baltimore and Hartford, Connecticut, who say that the costs of the drug war are too high?

Williams: I agree with them that we have to decriminalize drugs. Three things would happen. We would make sure innocent people are no longer gunned down by drug gangs. And we would take the profit out of selling that poison. Right now, 80 percent of the cocaine money comes from yuppies. They are the ones consuming it, and they drive into our neighborhoods to buy it.

The business leaders of any major city are also willing to keep the status quo. Look at the banks, car dealers, and condo projects. Drug money is in all of them. Lastly, ending the drug war would mean the police would no longer have an excuse to come in and dominate black neighborhoods.

Reason: You were Jesse Jackson's campaign manager in Wisconsin. What does he think of choice in education?

Williams: He has never told me I shouldn't be doing this. When he has been asked, he has simply said he doesn't know enough to comment. I think he would agree with what I am doing here.

Reason: The Milwaukee papers have been very critical of your plan. So has most of the white establishment and the NAACP. Why do you think that is?

Williams: The Milwaukee papers used to be among my biggest supporters. I was their darling. Then I started asking questions and speaking up in the legislature. They didn't like that. They have been awfully unfriendly lately. A cartoon in the paper showed me with a bandit mask on holding up a public school official and demanding he surrender money to this fat, white guy from the private schools. If that isn't a cheap stereotype, I don't know what is.

The NAACP—I don't know why they oppose the plan. I guess they are just too tied in with the old system and way of doing things. This choice plan does nothing for the local power structure. It helps the people that everyone forgot—poor, inner-city kids who want a better life.

Reason: What do you say to those who think you are out to destroy the public schools?

Williams: I want the public schools to work. I think they should work at $6,000 a year per student. Maybe if they had some competition they would have an incentive to work better. But if teachers and school bureaucrats are so worried about losing their jobs, why don't they just go out and do them a little better?

Reason: Tell us about the private schools that will participate in the choice program.

Williams: There are about six to eight schools that want to join. For many it is a sacrifice, since we had to compromise and make the voucher only $2,500 a year, and parents cannot supplement the voucher with their own money. Many of these schools have costs of $3,000 or $3,300 a year.

My kids went to Urban Day School, which was started as a nonreligious school by some Catholic sisters. All of these schools are nonreligious, so there is no separation of church and state problem. They all have different races going to them.

Urban Day and the others go up to the eighth grade, and there is real discipline and learning there. Many kids who leave them and go on to public high school are shocked at the differences. Still, some 90 percent of kids who go to any of these schools finish high school, and most go on to college. They also tend to stay out of trouble.

And these schools do more than provide a good education. They help instill pride in the African-American heritage through history and other courses the public schools aren't interested in.

Reason: Why did you insist on a plan to let kids attend private schools? Why not just improve the public schools?

Williams: We've tried to do that for years, and the best we get is, "Well, we're the experts, you are just parents." We're tired of that excuse. Look, if you go to a doctor and you stay sick, at some point don't you have a right to a second opinion? The choice plan is our second opinion. The folks who run the poverty industry in this town are worried that kids will get a better education at schools that cost half the amount they spend on the public schools. In their shoes, I'd be worried too. ■

ROGER KERR

BUSINESS ROUNDTABLE

I welcome this chance to take part in the Council's seminar. I think we're in very serious need of opportunities to have some dispassionate debate about some of the issues in the education area. As the Minister already indicated, there have been some contributions that don't fall into that category. I was amazed to read the sentence that he referred to in Hugh Lauder's paper, namely that the aim of the present Government is to create, and I quote "a low skilled, low morale workforce for a low wage economy". My general assessment of Professor Lauder's paper was that it was more in the category of a polemic rather than a dispassionate academic inquiry. The use of words like 'ideological', 'right-wing', and 'New Right' that pervaded it tells it all. It is bizarre to suggest that a lot of the arguments that have been presented for choice or competition in the education field are driven by so-called ideology of that sort.

I'm sure that any of you who follow the academic discussion will be familiar with perhaps the most referenced book on education in the United States that came out last year by Chubb and Moe, **Politics, Markets, and America's Schools**. This argued for more autonomy, parent-student choice, and competition between schools. It was published by the Brookings Institute, an impeccably Democratic left-wing leaning institution, if you believe that terms like left and right have any significance. I attach to my paper the story of the Milwaukee voucher experiment, promoted by Polly Williams, a black, Democrat, and campaign manager for Jesse Jackson, amongst other things. Quite clearly these directions in the education are seen as important and are advocated by a wide spectrum, including less advantaged groups.

Similarly, in the PPTA paper contributed to this conference, I read that "the promise of a move away from central government control has been seen as a useful development by those who are ideologically opposed to state provision and/or funding of education." I'd like to ask whether anybody in the room is ideologically opposed to state provision or funding of education. Certainly I'm not in that category. Have we got anyone here? [No hands were put up in the audience.] We haven't. I think what we're seeing is another myth, or strawperson if you like, being put up. I haven't met anybody that holds the view claimed by the PPTA. That reinforces the point that what we should concentrate on are the real arguments that are at issue here.

In education, what we're seeing now is simply the reflection of movements worldwide in the private sector as well as the public sector in recent years towards the recognition that bureaucratic, centrally-run systems are simply not successful in delivering a lot of things that our communities want.

The whole issue as I see it is about how we can get institutional arrangements which will do a better job, and that better job in this context is about better education. No-one is interested in slagging the quality of New Zealand education; no-one is interested in teacher-bashing. The issue is simply our performance at the moment. Can we do better?

Right across the economy in recent years from sectors like manufacturing, the ports, SOEs, and the core state sector, we have had a healthy debate which has concluded that our

economic performance has suffered from the fact that we have had excessive controls, regulation, and bureaucracy. A lot of things that we could be doing better have been identified and acted upon.

I don't think it's necessary to go over much of the history of the debate. In education Picot contributed a good deal to it, of course. The thing that I would like to emphasize about the Picot analysis is the way that centralised systems particularly work against minority interests - Maori interests, for example. You've got to have power at the centre, you've got to have political influence if you're going to be a winner in political systems. Hence I don't think it's surprising that blacks like Polly Williams in the United States are in the forefront of movements for decentralisation and consumer choice.

In my view it's not a matter as some have suggested today of saying, 'Well, don't we have flexibility in our system at the moment?' Of course we have some flexibility. The real questions are 'Have we got sufficient flexibility to deliver the sort of outcomes that we want?', 'why should we be restricting forms of flexibility that are available to us?' It's not a matter of saying, as Cathy Wylie said, that you can apply to have some of your operational grant transferred into a salary grant. We well know the bureaucratic procedures that are involved if you go down that track; people know they'd face a Lake Brunner situation. They do not do it. The real question therefore is whether there is any point in having these artificial compartmentalizations which limit the way boards in schools can organize their affairs.

On bulk funding, what I would basically like to say is that the world runs on forms of bulk funding. If one thinks of private sector organizations, you're looking at dollars that walk through the door. In the public sector, you're looking at organizations that are basically bulk funded. No sector outside education has externally determined staffing. Once again the question has to be whether there is any reason to treat the education sector as different. I think of my own organization which comprises a small office of four people, myself and three others, probably about the typical size of hundreds of small schools in this country. Personnel administration is absolutely minimal in the organization. The notion that this is a difficult thing to handle, that you need specialist skills and so forth, is very difficult to comprehend. Fixing salaries is a matter of minutes in the course of a year, not even hours. Mine is fixed by my board; I'm responsible for all the rest. I actually delegate the responsibility in respect of one of the administrative people in the office. Everybody's on an individual contract, and it would never come into our minds to want to do it otherwise. That's not to say that there's anything wrong with collective contracts where they're appropriate. Salary administration, nothing to it. It costs us almost nothing, we've contracted the job out to an accountancy firm. Payroll arrangements are bank orders, which are simple procedures with modern technology. Skills: I think it's an insult to boards of trustees to suggest they don't have the skills to do this kind of job. Nor is it credible to suggest that chief executives of schools in this country have reached that position without being able to handle such responsibilities of this kind.

Therefore I believe there is every reason, for the efficiency arguments that I laid out in my paper, to go down the bulk funding track. I think we've also got some extraordinary inequities that are hard to justify in our system at the moment because of the way schools are funded. Schools like Auckland Grammar, where you've got a high experience/salary profile, receive more on a per pupil basis than less privileged schools. They would be one of the

losers in a short term sense from a move to bulk funding. I find it difficult to see why they should be in the sort of privileged position that they are at the moment.

The whole issue as I see it is whether there is a more efficient way to run things. Can we make the education dollar go further? The education dollar as we all know is going to be under pressure for some very considerable time. That's the very situation where we want to have all methods of management open to school administrators to get the most education value for the dollar.

Cathy Wylie: A matter of clarification: none of the requests to shift operational funding to salaries has been refused. They've all been granted without any hassle at all.

Roger Kerr: That's been our experience with all sorts of regulation in New Zealand. We used to have that statement made about foreign investment, for example. We professed we had a liberal foreign investment regime. People were deterred, simply because you have to go through the hassle of applications. In practice the policy was highly restrictive.

Rosslyn Noonan: Could you confirm that the Business Roundtable is fully committed to a publically funded and provided system of national education.

Roger Kerr: Yes, certainly.

Rosslyn Noonan: As a follow-up question, then, the Business Roundtable therefore rejects the Sexton/West views that essentially there is a question mark over whether there is any responsibility on the part of the state to provide education and that education is essentially parents' responsibility.

Roger Kerr: Sexton didn't say that at all. He wasn't calling into question the public funding of the compulsory level of education.

Rosslyn Noonan: Yet he raised the question of whether ultimately it was not a fundamental responsibility of the state, and you are rejecting that, and your organization rejects that?

Roger Kerr: Yes of course, absolutely.

Rosslyn Noonan: Could I also just clarify that you said you're not aware of anybody agitating what some of us have called moves to privatization. So how would you classify the Treasury and SSC briefing papers promoting essentially private provision of education?

Roger Kerr: They're here, and I think it's best to address that question to them. Private provision however is a separate question from who pays.

Rosslyn Noonan: You don't necessarily see the extension of private provision of education as incompatible with supporting publically funded and provided education.

Roger Kerr: I've got no fixed view on what the size of the private education sector should

be. It's small in our country; it's larger in Australia, and larger again in Japan. I've got no particular pre-occupation with what its size should be.

Rosslyn Noonan: Would you want to assess that though against which system gets overall the best results for the most students?

Roger Kerr: Correct. That's what I'd want to assess.

Phil Capper: What you're saying is that you support state funding, but you'd not necessarily support full state provision of education.

Roger Kerr: That's correct. I presume that there is nobody here that does, that wants to eliminate the private sector in education?

Phil Capper: I'd like to ask you about the passage in your paper where you express doubts about whether parents should exercise influence over what schools do as member of a governing board. You say that parents should exercise choice as consumers and that consumers do not need to be managers. If that is what you do believe, what form of school governance do you favour?

Roger Kerr: I think the whole purpose of production is to supply consumers' needs. Consumers should drive the system. There were plenty of people in the past who questioned that. Manufacturers thought that policy should be organised to suit their needs. What we've recognised rather more now is that it is consumers' interests that matter, and we should try to design systems that satisfy their needs. So it's the same logic that I'm applying in education. I'm saying that in terms of supplying consumers' needs, all our daily needs that we have as individuals and families, we don't typically want to be the producers of those goods and services. We want good shoes, for example, but we don't want to have to run shoe factories. So I would place the emphasis on competition amongst schools. I've got nothing against parent involvement on school boards. I think that in any model of education that you can imagine, you would see parents on boards. The question is whether that is that the key factor or the only factor that you need to focus on, in terms of getting superior education.

Phil Capper: What management model would you advocate?

Roger Kerr: The maximization of competition, which is what we rely on generally as consumers.

Phil Capper: For management on site.

Roger Kerr: We're talking autonomy here I think, in terms of schools being responsive to their communities, with communities having as much choice as possible.

Phil Capper: So you see the principal's role as analogous to that of a managing director of a company?

Roger Kerr: I'm thinking of a fairly conventional kind of governance/management model.

The Self Managing School - Considerations for Māori

Joe Harawira

Raukaumanga School Board of Trustees

Since the introduction of Tomorrow's Schools and the change to the administration of a bulk fund by the new boards of trustees a number of trends have emerged;

1 - Māori Participation in Decision Making

Under Tomorrow's Schools there is a continuing failure on the part of most schools to develop a partnership with the Māori community and to increase Māori participation in decision making. While the charter development process engendered increased consultation over that development period the consultation has dropped away since and the increase in participation in decision making has not been realised. Māori board members, often on their own on the board, are often usually treated in an advisory capacity on Māori matters only. There have been reported cases of schools abusing the Māori language factor fund. The widespread reports of 'Kiwi' suspensions and increasing numbers of expulsions of Māori children are both implications of the devolution of control to the school site without taking account of the particular needs of Māori children.

As these schools assume greater control over their financial management what controls and accountability measures will be put in place to ensure that the needs of the Māori children are being served equitably? What measures will be taken to ensure there is participation by Māori in school decision making?

2 - Skills Range brought to the Board of Trustees

Because the Māori population is over-represented in the low socio-economic scale it is apparent that schools with a high Māori population, in many cases, now have boards of trustees that do not have an accountant or financial adviser amongst them. Most schools either have their accounts managed without charge by a professional on the school board or, and particularly in the case of secondary schools, rely on the existing bursar or the bursar works in cooperation with a member of the board. These options are less likely to be available to a school where there is a high Māori population and therefore costs are incurred in paying someone to do the job which disadvantages these schools. The smaller the school the higher the relative cost.

These problems will be worsened if schools are to expand their fiscal responsibilities to take in salaries administration and individual negotiation.

3 - The Increasing Disparity Emerging with School Fees/Donations and School Activity Fees

Since the establishment of boards of trustees the difference between what schools charge for school fees/donation and activity fees has clearly widened. At the start of this year school fees/donations for primary schools in the Waikato ranged from zero to over one hundred dollars per child. That difference alone virtually accounts for the Māori language factor amount as well as the Special Needs amount for a school if the whole school population were Māori. That is not

taking into account the difference charged within schools for activity fees as this is also likely to affect schools with varying socio-economic backgrounds in different ways.

Another factor which has developed as a direct result of the introduction of Tomorrow's Schools is the growing emphasis on fund-raising by schools in an increasing effort to supplement their bulk funds. The ability of a school, such as one school in the Waikato where 80% of the parent population is on a welfare benefit of one kind or another, to raise funds in this way as opposed to a school with a strong socio-economic base are obvious.

The Special Needs grant which is there to negate this difference falls well short of the differences now appearing in terms of school fees/donations, school activity fees and fundraising in schools. Obviously the inequity of the system is already apparent and the disparity of funds available to schools of comparable populations is there now. This disparity would grow under full bulk funding including salaries.

4 - Staff Shortages

Schools running dual medium, and immersion programmes in particular, still face a major shortage of suitably skilled staff and consequently a high staff turnover and relief teacher problems also. Despite the moves in some Colleges of Education to remedy this situation the proliferation of new programmes in schools is ensuring that demand will out-strip supply into the foreseeable future.

Associated with this is the increased costs of advertising for teachers (usually required in two languages by newspapers i.e. the relevant language, Māori, and a translation into English for the piece of mind of newspaper managers, at the school's cost) and a lot of time spent by the principal trying to find teachers and suitable relievers. Massive increases in the number of teachers graduating from suitable programmes is an urgent priority.

Another example of an increased cost in this area is the Waikato school who, in an effort to solve this problem, has paid a student's Teachers' College fees with the understanding that the student will be 'bonded' to the school on completion of the Certificate. The school is paying that amount because of a problem inherent in the system.

There is also an inherent disparity in the number of Māori teachers and principals in the system. It is clear that an increase in the numbers of Māori participating in the education of Māori children is important. Concepts such as role models and cultural empathy will implicitly lead to enhanced educational experiences for Māori children if the numbers of Māori teachers and principals were to move further towards representing the student populations (21% of primary and 15% of secondary school students). Affirmative action programmes at Colleges of Education must be encouraged further.

5 - Resource Shortages

An on-going problem in dual medium and immersion programmes in Māori is a lack of resources. There is obviously no way that any equity is going to be obtained between resources available in Māori and English by Learning Media with a policy of 15% production in Māori. Many of the resources produced out of that 15% are actually of little or no use in bilingual and immersion programmes and are targeted instead at taha Māori programmes serving both Māori and Pākehā children. The manufacture of resources in Māori is generally the job of teachers with parent assistance, and a small number of Resource Teachers of Māori. Resources made in this way invariably lead to higher costs per item for the school which is again disadvantaged.

Māori language factor funding must also be targeted to immersion and dual medium programmes in order to use the money more effectively and increase accountability of the funds use.

6 - Kaiārahi Reo and Kaiāwhina

Many schools running immersion programmes use up all of their Māori Language funding on the placement of a Kaiāwhina or Kaiārahi Reo - the amount of funding normally only supporting a part-time assistant. It is generally recognised that dual medium and immersion programmes require a lower teacher/pupil ratio in the classroom however the only recognition of this is a small number of Kaiārahi Reo funded by the Ministry and the Māori Language fund which for most schools pays somebody for two or three hours per day. There is an urgent need for more Kaiārahi Reo, paid for by the Ministry, and not taken out of the Māori Language funding which is also there for the provision of resources and equipment.

Bulk Funding of Salaries and the Employment Contracts Act

All of the above are factors within these schools at present. The question of bulk funding of salaries as a new part of school administration prompts a range of questions which build on the above and must take into account the effect of the Employment Contracts Act.

7 - How much time will be spent on the administration/negotiation of salaries?

As mentioned above the schools under discussion already have a higher staff turnover than normal with the resultant higher costs and time spent by the principal and board on appointments and recruitment. How much higher will the cost in time for the principal be? How much more time will be required of trustees in schools where trustees are part of the selection panel? Will more financial skills be required to oversee the management of funding for salaries, skills which have been shown above to be lacking in many schools like these, and therefore lead to increased costs?

8 - How will the salary levels in areas of teacher shortages be affected?

It is clear that the number of teachers suitable for these schools fall well short of the demand for them. Will schools move to a position whereby they must negotiate new salary levels as an incentive to attract these teachers to their school? If so, will areas of teacher shortages be recognised with higher salary funding levels? How will the already higher cost of advertising for staff be recognised?

9 - Will schools be able to fund teachers' salaries from other parts of the bulk fund?

This question has major implications (See 2 above) with regard to the disparity amongst schools in terms of their ability to raise funds in their community. If teachers' salaries were able to be funded out of the general fund then the ability of different schools to attract teachers with incentives would widen. Schools with high Māori populations would be further disadvantaged.

10 - How are the Kaiārahi Reo, Kaiāwhina and Resource Teachers salaries to be handled?

Will the funding of these positions still be centralised or will the funding for them be apportioned to schools on the basis of need? Will Kaiuawhina working in schools still recieve no Ministry funding and continue to be paid from the Māori Language fund? How will the provision of resources by individual schools through Resource Teachers and Kaiāwhina be recognised in the funding of salaries?

11 - Cultural considerations

With the possible move to the negotiation of contracts there are possible implications for Māori staff in terms of their ability to negotiate salaries on their own behalf. How will the cultural concept of whakaiti translate in terms of the ability of Māori teachers to negotiate salaries? Will they be disadvantaged and will this have an impact on the retention of Māori teachers in the long term?

Schools run on a whānau kaupapa will be compromised by the imposition of salary negotiation under the Act. In such schools group or whānau concepts are integral and include staff. The promotion of individualism and competition are in total opposition to the whole school concept and is likely to divide the whānau and negate cooperation.

Further Questions for the Proponents

a) What measures will be taken to ensure the principles of the Treaty of Waitangi are incorporated into school life? How will Māori participation in decision making in schools, more important than ever with bulk funding, be ensured? What accountability measures will be put in place to monitor school activities to ensure the needs of Māori children are met?

b) What consideration will be made for affirmative action in schools to address the problems of resource shortages and greater teacher support requirements in immersion and dual medium programmes - Māori - under full bulk funding? How will this be done? Who will do it?

c) How will the problem of growing inequity in the funds available to different schools be solved? Is the continued development toward social class divisions between schools acceptable?

JOE HARAWIRA

RAUKAUMANGA SCHOOL BOARD OF TRUSTEES

The report that I'm about to present is not my personal view, but my whanau back in Huntly, the Raukaumanga Board of Trustees, and that of the Advisers on Maori education.

The concept of schools managing themselves, setting their own priorities, and directing their resources to meet and achieve their goals is fine in theory, and no doubt possible in some schools, who can organise large amounts of time, commitment, and expertise and funds. But for other schools, it is proving to be a never ending nightmare. The other schools I am referring to are small rural schools, the schools who have low socio-economic families. The key to the daily survival of most schools is the principal, who is called upon to do far more in today's schools than ever envisaged.

That principal is a curriculum person whose main drive in teaching is just that, teaching: empowering children in the skills, attitudes, and vision to extend their horizon. The principals are first and foremost teachers essentially concerned with the excellence of the curriculum for their students. Why then, does this, the most important part of the school's function, appear to be relegated to a slot of relative unimportance compared to what normally now fills their daily timetable?

The real conflict for us comes when the principal is Maori. And the philosophy, the kaupapa of the school, is Maori. I refer to Maori because that is what I am involved in. This could quite well pertain to other cultures in New Zealand as well. There is no principal in the country more dedicated to making the system work for the benefit of the students than these principals in those sorts of schools. But they have a greater handicap because, more often than not, their schools are in very low socio-economic areas, where not only funds are hard to come by, but key expertise and energies are also very hard to come by.

This horrendous lack of essential resources, which are taken for granted in most other schools, is leading to a crisis on our hands. The reason this is not coming to the public attention is that dedication, and pride of Maori, are determined to make things work for Maori. But the odds are continually stacked against us.

More special needs funding could buy in more support. People, and more of them, dedicated to making things work, are the key. But to take tremendous advantage of this Maori goodwill by not making our schools a special case, will continue to undermine our effort.

Tino Rangatiratanga is about doing it our way, and by us. But we need the funds and resources to help create a level playing field whereby we can manage our kaupapa ourselves, and in doing so, succeed in producing a system that finally is successful for Maori.

The paper that we put together has key points that cover Maori participation in decisionmaking and the skills range for boards of trustees, especially for schools such as ours. Right now they are struggling, because they are untrained parents, low socio-economic parents, parents who are on benefits, parents who if this bulk funding comes in - we're down the drain. We're doomed to failure.

There is also the increasing disparity emerging with school fees/donations, and school activity fees; staff shortages, and for schools such as ours running dual medium, total immersion programmes, things are not happening quickly enough. With the advent of the Maori language becoming an official language of New Zealand, the only official language of New Zealand, and the advent of the Kohanga Reo, there is more need for dual medium, total immersion programmes to be set up. We haven't got the staffing to be able to implement those programmes for success at the moment. What we believe needs to happen is that colleges of education need to take on training programmes to upskill our young Maori teachers to be able to cater for the needs of children whose parents want them to be able to have te Reo Maori and the tikanga.

Resource shortage is something that is holding us back. If we look at the situation now in schools, for instance, school publications, which are put out by the Learning Media section of the Ministry, all of their publications should be translated into Maori, and into all the other languages that we have in New Zealand. Because it's an equity thing: equity of input requires equity of outcome. Fifteen percent of Learning Media publications, that's the target for Maori resources in a year, and that is three journals, two He Purapura series, with a couple of tapes, and a couple of other things. Compare that with all the other resources which the normal school is getting in their school to cater for the dominant culture.

Bulk funding of salaries and the employment contracts: how much time will be spent in the administration and negotiation of salaries? The schools I'm discussing already have higher than normal staff turnover, resulting in higher costs, and time spent by principal and board in appointment and recruitment. How much higher will the cost in time for the principal be? How much more time will be required of trustees in schools where trustees are part of the selection panel? Will more financial skills be required, which are already lacking in many schools? How will salary levels in areas of teacher shortage be affected?

We have to take into consideration culture. Not just Maori culture. The Treaty of Waitangi was signed as a partnership between Maori and non-Maori: a **partnership**. Is that partnership happening now for us?

Daphne Ropiha: Would you support a separate Maori Education Authority to handle the bulk funding, knowing and understanding what Maori education is about, and if so, is it the Pakeha criteria for such funding that is the problem?

Joe Harawira: I support not a separate, but an autonomous Maori Education Authority to discuss and to decide things to do with Maori.

Graye Shattky: I ask this question out of a genuine desire to know, and I don't want you to take it as expressing any vested or set position, but if we accept that New Zealand is no more really than the size and population of nothing more than a middle-sized city in Europe or the United States, then we probably don't have the resources that a major city of that nature has. In your vision of separate, autonomous organization, where do you visualise the resources coming from, given if we split the resources, to do separate things, then the resources are not going to be as effective as when they were used to do things for all?

Joe Harawira: I visualize these resources coming from government.

Graye Shattky: But there is a limit. That's a reality that we're all facing.

Joe Harawira: Yes, there is a limit. It's just a matter of getting your priorities right.

We are on about true partnership in terms of the Treaty of Waitangi. When the Treaty of Waitangi is mentioned, the hair on the back of the neck stands up. Why? Basically because of a lack of understanding and knowledge of what the treaty is about. What we are on about is getting equitable outcomes for Maori in terms of that partnership.

Cathy Wylie: I wonder whether we can see whether there are people who do not believe that we should get equitable outcomes for Maori in our education?

[No-one from the conference raised their hand.]

SELF MANAGING SCHOOLS
(SCHOOL BASED MANAGEMENT)

A DISCUSSION PAPER BY THE NEW ZEALAND POST PRIMARY TEACHERS' ASSOCIATION

WHAT AND WHY

'School Based Management' is a generic term, originating in the United States, to describe a range of strategies whose prime objective is to give organizational reality to the proposition contained in Picot that the closer any educational decision is made to a student served by that decision, the more likely it is to serve the needs of the student. In theoretical usage it is indistinguishable from the Anglo-Australian term 'Self Managing Schools'. However in practice 'Self Managing Schools' has become a confusing label because it has become attached to both the Caldwell and Spinks notion, which is a conservative version (focusing on management within the school rather than administrative reform of the system), and the British Education Reform Act, which is at the radical end of the spectrum (emphasizing fundamental administrative devolution within the system as a whole).

We therefore choose to use the term 'School Based Management' because in New Zealand it attaches less to any particular operational models.

The concept is simple - a single objective and an easily comprehended strategy for achieving it. However it leaves wide open the questions of what degree of devolution is likely to result in what level of better student outcomes, and how one is to evaluate what, if any, improved outcomes actually occurred.

The proposition was further complicated in Picot by the consequential assertions that administrative devolution would permit the reduction of the central bureaucracies and the re-allocation to schools of funds thereby released; and that school controlled budgeting would result in more efficient use of educational funds. These are wholly more contentious propositions.

As a consequence School Based Management in New Zealand has been seen by many different groups as the answer to problems of education policy which interest them, whereas this is not the case in most other countries.

1) ***The promise of greater efficiency and a cheaper bureaucracy has been seen as a way of assisting in the control of educational expenditure.***

2) ***The promise of site-based personnel management has been seen as a way of controlling and managing teachers more firmly.***

3) ***The promise of bulk funding of locally managed institutions has been seen as a way for central government to escape from the problem of the unexpected demands for additional funds which sometimes arise from central formula determined funding.***

4) ***The promise of a move away from central government control has been seen as a useful development by those who are ideologically opposed to state provision and/or funding of education.***

5) ***The promise of a management based approach to educational reform is seen as a way of introducing a supposedly much needed business approach to the running of schools.***

Yet none of these things necessarily follow from the original conception of SBM, and actual experience in other countries suggests that if these additional tasks are attached to it the effects will be positively harmful to student outcomes.

In particular we note the contradiction embedded in the linkage between quality (responsiveness to student need) and efficiency (cost containment) through the same mechanism. Both are laudable aims, but recent debate in New Zealand has given the impression that specific elements of SBM which have has their goal cost containment will in fact improve quality. This is not so.

The reality is that SBM programmes which maintain their focus on the goal of improved quality do not result in any cost savings at all. At best they are cost neutral, but more often they require increased expenditure, particularly during the implementation phase.

PPTA therefore believes that an acceptable system of SBM will be one which produces better school responsiveness to individual student needs, and that no other standard should be used for evaluating it. Cost containment strategies belong in a different debate. SBM strategies which begin with a requirement of cost containment should not be considered.

THE ENVIRONMENT IN WHICH SBM OPERATES BEST

Given the basic condition outlined above, in what circumstances might we expect SBM to thrive? There has been much evaluation of the considerable experience of SBM, particularly in North America, but also in Europe. It should be noted that the usual language problem has cut New Zealand off from consideration of the significant German experience of self

management of educational policy within highly centralized systemic administrative structures.

A very important point is that notwithstanding the fact that self managing schools have been operating in some parts of North America for 35 years, and in the current understanding of the notion for 12 (in Edmonton), there is to date no evidence at all of improved student outcomes (or of cost savings). Where evidence of success is cited it is usually in the form of enhanced teacher morale through greater professional autonomy, and of more appropriate purchasing policies.

A huge amount of research has been carried out into SBM. It is mainly input oriented because of the absence of outcome evidence. The overwhelming evidence indicates that the following things are required if SBM is to gain acceptance:

1) ***A partnership between the central authority and teacher unions. Nowhere has SBM been successfully implemented in the face of teacher union opposition. However where the objectives of SBM are capable of attracting a tripartite partnership between the legislative and administrative authorities and the education unions, then successful implementation ensues. Model schemes in the USA, such as that in Dade County, or elsewhere, such as in Bavaria, are all operated with teacher union support and participation. Long forgotten failures, such as that in San Antonio, were imposed over teacher opposition. Current problems such as those being experienced in England, are characterized by teacher/management conflict.***

In brief the research evidence indicates that successful schemes require implementation through negotiated employment collective agreements, and cannot be imposed by legislative or administrative fiat.

2) ***Delegation of authority to schools to define roles, select staff, and create appropriate learning environments. This is effectively what occurs in New Zealand at present. New Zealand secondary school boards have selected their own principals since 1877 and primary schools now do the same thing - a circumstance which still is not the case in the most celebrated SBM scheme to date in Edmonton. New Zealand schools now select their own staffs and have considerable latitude in determining the mix and allocation of staff, including the number and nature of management positions.***

This level of autonomy currently enjoyed by New Zealand schools is consistent with the models of major theorists such as Caldwell and Spinks.

In practical terms this represents a very considerable degree of devolution unmatched in any other SBM environment other than England and Wales. It creates puzzlement, especially in North America, where observers have difficulty in understanding how New Zealand can maintain strategic teacher supply planning to a satisfactory level.

The answer, of course, is our staffing formulae, which maintains and guarantees system wide staffing standards. England is systematically abandoning similar protections, and this appears

to be close in New Zealand as well. The results in England have been disastrous, with a large scale loss of teaching positions and mal-distribution becoming more and more apparent.

The PPTA remains committed to a guarantee of quality throughout a universal public education system. On the basis of available evidence and common sense it would be unable to participate positively in any SBM scheme which was not underpinned by central staffing guarantees and protections to individual schools.

3) ***Promote and develop shared decision making. The weight of evidence is now that SBM has to proceed hand in hand with Shared Decision Making (SDM). Early experiments with SBM gave pre-eminence to political and administrative goals. This seems to be the circumstance in which the current NZ moves are taking place, but elsewhere this approach has long been abandoned in favour of the goal of providing teachers with the authority, flexibility, and resources they need to effect educational change.***

Such a shift has rendered elements which assist in the hierarchical control and management of teachers redundant. Principals, teachers, and administrators need training in how to operate within such a model.

As a recent American visitor put it ***"We used to operate on the assumption that teachers were a problem. We now know that teachers have a problem, and need help".***

4) ***Clear and unequivocal communication of goals and commitments from authorities to practitioners. In many instances SBM has been introduced apparently more because it is the fashion than because it represents a thought through answer to identified problems. Because different forms of SBM are appropriate to different sets of goals and priorities it is essential that these are understood at every level of the system so that operational responses are appropriate.***

Problems also arise if the stated reasons for introducing SBM are not the same as the unstated ones. For example if the stated reasons give pre-eminence to improved student outcomes, whilst the unstated priority is cost containment, then the precise model selected will be incongruent with the goals the work force are expecting to work towards, thus causing confusion, demoralization, and disaffection.

Such incongruity and such consequences are a common cause of SBM failure. They are usually indicated by apparent paradoxes in practical planning, and on this basis there is good reason to suppose that the objectives towards which policy makers are applying SBM in New Zealand are not those of better education for students originally given precedence in Picot.

5) ***Encouragement of experimentation and risk taking. In particular by helping rather than punishing in the event of failure. One of the alleged benefits of SBM is that educational diversity will result.***

Whether or not this is so depends on many other factors, some of them far more influential in achieving diversity than SBM. In particular risk encouraging participatory school management is essential. Failure punishing controlling and hierarchical management is a guarantee that diversity will not occur.

In fact the former approach to school management produces diversity without SBM, but the latter style cannot be overcome by SBM if a goal is diversity.

6) ***Provision of adequate professional development and training. This is seen as the single most important practical requirement, and involves considerable transitional expenditure. It also includes the provision of time for teachers and principals to develop new work practices.***

7) ***Making effective school leadership and good support pre-eminent in the culture of the school and the system. One of the features of a centralized system is that support for teachers and instructional leadership comes from central agencies. It is not possible to remove those functions of central agencies and expect alternative local sources of help to arise spontaneously. Those who will be expected to replace the old centre will themselves have to be supported and trained over a considerable period.***

Achieving this requires that SBM and central support agencies must run parallel for a long time before local level management resources become self-generating. How long this period might be is not known because no successful system of SBM has yet reached that point. Given that the longest experience so far is 12 years, it can be expected to last at least that period of time.

Systems which remove central support and leadership precipitately (usually because of cost) invariably collapse.

8) ***Recognition that implementation of SBM takes time. There is a strong correlation between speed, rigidity, and failure in SBM schemes. Enduring projects have been implemented in an evolutionary manner over 5 or 10 years, with continuous reappraisal and amendment taking place in this period. This is partly because of the intrinsic complexity of the enterprise, and the need for substantial attitudinal change amongst personnel, but it is also because desire for speed is often associated with the illegitimate imperative for immediate funding reform which results in ill-conceived schemes anyway.***

Contra-indicated are work site based industrial negotiations, direct parental management of staff, and excessive devolution of day to day administrative tasks all three of which remain part of the debate in the current New Zealand reforms. Work site industrial negotiations are seen as both an unwarrantable burden on management whose primary responsibility is viewed as instructional leadership, and as destructive of the kinds of relationships which are sought for schools. Direct parental management of staff is seen as inconsistent with the pursuit of sound educational goals and destructive of the kinds of participatory partnership

which are sought through SBM. Excessive devolution of administrative responsibility is seen as inefficient and as deflecting management from their professional leadership priorities.

POSITIVE AND NEGATIVE OUTCOMES

Positive Outcomes

As we have indicated there are no indicators yet available which tell us whether SBM does result in improved student outcomes. If all the conditions outlined above are met the positive outcomes have been identified as improved staff morale, and greater parental confidence in the school. It should be noted, however, that much of this research comes from the USA where levels of parental confidence in their local school have always been lower than is the case in New Zealand.

A further positive outcome may be that more appropriate and effective use is made of funds for capital purchases. One of the main arguments for SBM is that it enables this to happen. In the cases where it does happen it is observed that whereas more appropriate resource purchase decisions are often made, this does not mean that there are cost savings to be found in the process.

However such benefits do not happen spontaneously, and they also bear risks. For good resource acquisition decisions to be made at the school level, suitable training of personnel is essential.

Major risks tend to be system specific, but a typical example which would need to be monitored in New Zealand concerns text book publication. New Zealand is a tiny market, and publishers include local content in their lists or in local editions of international texts because in the past they have had the reasonable certainty of central curriculum prescriptions guaranteeing system wide sales. There are already indications that publishers are adopting a wait and see attitude before deciding to continue their commitment to local texts.

Positive outcomes at the system level may be a smaller bureaucracy in the long term and if proper preparation for its removal has occurred, but it is important not to be attracted to this for financial reasons, as the cost of providing the same services through a devolved system are the same or higher. The advantages that may accrue are not financial, but lie in the potential for individual schools to obtain more easily resources tailored to their own needs.

As has been indicated the positive (or negative) outcomes for children remain unproven, but in a well found scheme there are demonstrable benefits in improved school climate.

Negative Outcomes.

Negative outcomes depend very much on the model being applied. If the conditions for implementation outlined above are not met then all manner of negative outcomes might ensue. The emerging experience in England, where self management falls into almost every trap, is very instructive.

However, whereas almost every SBM scheme meets with a level of initial enthusiasm at the school site level immediately after implementation because of the perceived freedom it brings (even if it evaporates later), there is also invariably a loss of system integrity.

This is universally leading to a concomitant and apparently paradoxical increase in central regulation of the curriculum. As we have noted central curriculum determination is essential in any system of universal public education, but when increased political control is accompanied by a downgrading of bureaucracy and consultative processes, the result is additional political control of what constitutes cultural and social formation.

Less tractable is a loss of equity. The freedom which self management brings allows schools serving wealthier and more skilled communities to extend the quality of their service even further ahead of poorer schools than has always been the case to some extent. This can only be overcome by sophisticated compensatory funding mechanisms.

We have mentioned the potential for improved school climate, but ill-founded schemes clearly have the capacity to dramatically damage school climate. However it may not be SBM itself which does this, but the underlying assumptions that inform the scheme in a particular place. For example the collapse of teacher morale and the damaging effects of this in England are well known, but the dominating factor is the implementation of reform in an environment of mistrust of or by teachers. At least some schools and local authorities in England have managed to subvert the prevailing attitude and modify the way they operate SBM schemes so that at least things get no worse.

ISSUES REQUIRING RESOLUTION

We have already hinted at the key issue requiring resolution - what is SBM for? Useful debate can take place if all parties agree that the aim is improved student learning, as was originally stated in the Picot Report. The test for all participants is to ask whether they remain committed to SBM regardless of the level of resourcing (up or down) which eventually proves necessary to make SBM work for improved student outcomes.

Connected is the major issue of whether the state is prepared to commit the implementation training funding that is an absolutely necessary prerequisite for success. Without this commitment no scheme - however well conceived in other ways - can possibly succeed.

The conceptual base has to be clear. The Americans have already discovered, the English are discovering, and the Germans never thought otherwise than, that SBM schemes which assume that teachers need to be controlled and managed (hierarchically) are doomed to failure.

It is further necessary that the end vision is common. SBM can be viewed as a step towards participatory democracy in education policy by parents and communities, or towards state withdrawal from education provision. It is not the place of this paper to argue the philosophy of state provision. It is well known that PPTA believes in state provision and funding, and therefore it believes that any scheme of SBM should seek to enhance such a service. As a step towards state withdrawal it is anathema.

In respect of this last point it should be noted that New Zealand is unusual in linking SBM so closely to issues of school governance. In most places SBM has been considered as a device for empowering teachers and improving school management rather than as a means of empowering parents. As a consequence New Zealand debates on SBM are inclined to concentrate on the relationship between principal and board, whereas elsewhere it tends to focus on the relationship between principal and staff.

Therefore we believe that the answer to the issue posed in the letter of invitation is that SBM in itself is neutral on whether or not access to good quality education shifts from being a state to a parental responsibility. It can be made to serve either end, and therefore the ruling philosophy must be stated, understood, and agreed to by all interests prior to implementation. In New Zealand we have already gone a long way without that clarity, and with the consequence of never ending ambiguity in education policy debate.

WHAT GETS MANAGED IN SBM

Systems of school administration which can broadly be said to fall under the generic heading SBM are now widespread in many countries. There is no one feature which can be identified as 'essential' for a scheme to attract the SBM appellation. Any reform which shifts some decision making responsibility from a central agency to a school qualifies.

This is a vitally important point. Some recent assertions from New Zealand sources have claimed that SBM can't exist unless certain things are done, particularly the devolution of budgetary responsibility.

This is not correct. SBM can feature any combination and any degree of devolution of responsibility for budget, hiring, and curriculum. Some of the most respected schemes have involved little or no budgetary devolution, whilst some of the failures have concentrated on budgetary devolution. One can therefore only assume that people who claim that SBM must involve bulk funding are less concerned with student outcomes than with cost containment.

INTERNATIONAL COMPARISONS; A CAVEAT

Before proceeding further it is important to remind ourselves of a difficulty in comparing NZ with other countries which is particularly intrusive when considering SBM. New Zealand is unusual in having only one level of public funding for schools, and that is the state providing funding from national taxation.

Most countries fund from two or three levels. There is a level of central government funding from taxation, and there are layers of provincial and/or local authority funding. Most SBM theory has come from the USA where there is central government involvement bringing little funding but much regulation (including Supreme Court decisions), state funding and regulation, and local school district funding and responsibility for ensuring that federal and state regulation is honoured.

The significance of this point is that in most countries SBM has taken place in the context of complex funding systems and constitutional and regulatory checks and balances which have effectively directed school policy and earmarked some types of funding in ways not possible in New Zealand. This means that New Zealand does not have available to it the same range of shades of SBM as is available elsewhere. To move to SBM here it is almost impossible to go anywhere other than the extreme ends of the international spectrum of possible models.

BUDGETARY SBM

The most common form of budgetary SBM involves the school itself setting priorities for the disposition of what in New Zealand is now called the 'operational bulk fund'. Some schemes allow schools to trade off staffing against other forms of expenditure.

Only in England has the actual cash been handed to schools, and only there is salaries bulk funding in the form being discussed in New Zealand being attempted. Most US observers believe that these two features are contra-indicated because they prevent what are generally regarded as essential developments to occur - these being the key role of the principal as an instructional leader, and the need for the staff of the school to operate in a co-operative way and to participate in the management of the school.

In fact most budgetary SBM reforms do not take schools to the level of authority NZ secondary schools had prior to the passage of the 1989 Education Act.

Even in Britain actual day to day financial management services are still being handled by central administrative agencies except in the small number of 'opting out' schools. In some areas it has now been found necessary to implement budgetary procedures which involve the principal and staff drawing up a priority list and a line being drawn at the limits of the school's funding, this being the extent to which the school actually manages its own funding. This has proved necessary in order to permit the staff to devote sufficient attention to the education of students.

HIRING SBM

It is not necessary to discuss this in detail again. As we have already indicated NZ schools today enjoy more control over teaching personnel than any other OECD education system. This includes local control over all staff appointments, allocation of middle and senior management positions, decisions about the mix of experienced and inexperienced teachers, the use of part time teachers, the allocation of duties, and local management control of competence and disciplinary supervision, all of which collectively represents a level of local hiring control unmatched by any other country. Indeed many observers would maintain that NZ has gone further than is desirable for good management of the national teaching force.

In other words NZ already has SBM in this field.

CURRICULUM SBM

New Zealand has a proud history of successful management of centre-periphery relationships in determining the curriculum of a national education system, and the principle of local determination within national guidelines is a concept in which all aspects of any SBM proposal should be considered The proposed National Curriculum framework appears to continue this record, whereas in many countries consideration of centre-periphery issues in curriculum planning become weighted with contradiction.

The key is the way in which central curriculum statements are worded. If they make broad statements about fundamental community and cultural needs, and provide a minimum curriculum guarantee, whilst leaving individual schools free to adapt those broad statements to the particular needs of their own students, then there are few problems. NZ has more experience at managing the centre-periphery tension than any other country, and the balance that it has created should be retained. The danger is that the historical role teachers, parents, and the community have had in influencing the nature of central decision making through consultative processes, might be dissipated to the school site, leaving well-organized interest groups with undue influence at the centre where the minister is the sole arbiter, working with inadequate advice.

A risk inherent in New Zealand at present is that of curricular fragmentation. In a fully devolved SBM system it does not matter how well conceived or strongly worded are the central curriculum statements, if there are not the means to facilitate their implementation, as is currently the case, then fragmentation will occur.

We find it strange that those who advocate SBM and who also support the abolition of zoning in the interests of alleged parental choice, tend also to most strongly call for the complete dismantling of central agencies. In fact the fragmented provision which the removal of central curriculum agencies produce would very soon make it virtually impossible for children and young people to change schools for any reason at all without experiencing considerable disruption in the continuity of their education.

THE MISSING SBM ELEMENT

Missing from all SBM models hitherto postulated is the devolution of industrial award, agreement, or contract negotiation to the school site. The exception to this is that some schemes place certain aspects of the principals' contract at the school level.

This absence is because of a generally held view that the requirements of collaborative and collegial management in an educational environment precludes industrial models which link personal conditions of service to managerial appraisal systems; and also the view that management in a school should focus on instructional leadership and not industrial personnel management other than the selection of staff.

HOW DEVOLVED IS NEW ZEALAND?

As we have demonstrated the New Zealand system already has a system of SBM which is at the extreme end of the international scale. Functionally most NZ schools operate in the way that opting out schools do in England, and which was proposed for Chicago schools but which has recently been declared unconstitutional by the Illinois Supreme Court. We have already gone further than many observers would regard as wise.

However England has surpassed New Zealand in the area of devolution of salary funding. This is largely viewed as an unwise development, even amongst many in England. The predicted consequences are now beginning to emerge after 2 years. The number of early retirements per year has increased by 200% over 2 years - the consequence of schools wishing to offload 'expensive' teachers, advertisements specifying beginning teachers have appeared for the first time, and serious interpersonal problems are being reported in many schools. 6000 teaching positions have disappeared in the last 12 months, and this in a rising role situation.

However in New Zealand, as elsewhere, SBM seems to contradict other reform thrusts. System wide student and teacher testing, proposals to move away from formula funding, national curriculum statements, and staffing and salary policies, all seem to be anti-devolutionary moves, and require close consideration of the question concerning what the total reform package is really about. There does not have to be a contradiction given carefully conceived operational models, but the intrinsic nature of centre-periphery tensions in any public education system must be acknowledged and be an overt element in planning.

CONCLUSION

PPTA supports well founded experiments with SBM which have clear and sound educational goals, are not driven by cost containment imperatives, and which incorporate the prerequisites outlined above. There are certain specifics commonly attached to SBM proposals in New Zealand which theory and practice indicate produce declining student outcomes. The PPTA cannot support the introduction of any specific element where such a result is likely. Similarly it cannot participate in any scheme where the total effect is likely to be damaging to students, even if some of the individual elements might prove to be useful if the setting were different.

However any experiments must be sceptically evaluated and recognize that to date there is little empirical evidence that SBM does in reality contribute to improved student outcomes.

MARTIN COONEY

PPTA

PPTA welcomes the opportunity to have a debate which is based on intellectual arguments, which is based on international research evidence, and research collated and available for us here in New Zealand. We have a feeling that in the debate too many assertions are made, rather than evidence-based statements.

What we've tried to do in our paper is to draw together all the international research we could find. We've changed the name we were given to 'school-based management'. We see that as a range of strategies whose prime objective is to set up structures on the proposition that the closer any educational decision is made to the student, the more likely it is to suit the needs of that student. That's the definition we put forward. We changed the name for a number of reasons: the 'self-managing school' has been associated with the Australian Spinks/Caldwell model which went through New Zealand a couple of years ago, and also the British educational reforms, which are quite significantly different. There is also a fair bit of baggage attached to the term, and so it might be better to change the name.

What we propose is that the standard by which we assess proposals which come up under the term school-based management, proposals to devolve some centralised decisionmaking, and give the responsibility to the local school level, has to be:

better school responsiveness to individual students' needs.

That should be the sole criterion.

What we'd like to hear are any other criteria or standards which others see that should be used. The test that we have put in the paper is that if you believe in school-based management, do you remain committed to it regardless of the level of resourcing that is needed to make it work for improved student outcomes? Do you remain committed to it whether the resources go up - or down? We have a feeling that the level of resourcing may have to go up, and the paper notes quite significant training requirements, which would be costly.

There are eight different prerequisites for an acceptance of school-based management laid out in our paper. These are drawn from the international research. I'll go through some of these with you.

International research shows that a condition of acceptance of school-based management is a partnership between the central authority, and teacher unions. That is a condition for success. I'll put it to you that the introduction of school based management coincided with the time when the 'provider capture' arguments led to almost the opposite happening in this country.

The second condition is that there needs to be a delegation of authority to the school to select staff and create an appropriate learning environment. In fact we have had this condition in

New Zealand for a long time in secondary schools. An important element of it though is guaranteed staffing, a guaranteed staffing formula. One of the basic principles we have seen is that flexibility needs to have protection. You've got to have both for school-based management to work.

The third condition is shared decisionmaking. For success, you have to have a commitment to that. In some countries overseas, the trend with school-based management is to look at how you can get teachers to take more professional responsibilities in their schools. In New Zealand, teachers certainly feel that the drive has been the other way, to get teachers to take less responsibility, to be simply operators.

The fourth condition is clear communication of goals. The difficulty here is that teachers are not clear what the goals of all this are. They see the possibility of these proposals being a cost-cutting, hand-washing model. They look round their local community, and see, for example, Christchurch Women's Hospital closed down, and wonder what would happen (with school based management) in their school. They're told, on the other hand, that the goal is to improve student outcomes.

The final condition: take some time over implementation.

Our paper shows eight conditions for successful implementation of school-based management. How many of those have been met in New Zealand? The research in the paper shows a number of comparisons of different levels of school-based management, conditions for success, and outcome effects. The key outcome effects seem to be about teacher morale and teacher professionalism.

We're now in year four of a particular model of school-based management - we're not in year zero. Certain things have already impacted on the participants, in particular, the teachers. We **are** committed to change: to incremental change. We have policies in all the areas discussed in the paper, including finance, and the bulk funding of teacher salaries; hiring, which we think is about right now, and curriculum, which we consider a black hole at present.

I'd like to rephrase an old adage. From the point of view of teachers, what we're trying to do is to have the tolerance to accept the changes, and to promote the changes that we see as good in this area; to have the courage to fight those that aren't - and the wisdom to know the difference.

SCHOOLS SELF MANAGEMENT

[These notes are contributed by David Greig. The notes are written in a personal capacity, and do not necessarily represent the views of the Treasury.]

Introduction

1 Schools already self-manage their "operational" (support) activities, and share (with the Ministry of Education) the management of teaching activities. I see a role for the state in setting basic curriculum objectives, minimum standards, and equity objectives, and in monitoring performance. Schools then self-manage within that framework. In other words, I do not see that there need be a clash between access to good quality education as a parental or as a national responsibility. The advantage of self-management is that schools could then adjust to local preferences and circumstances without being constrained by central instructions. There is room for debate, of course, about the degree to which the Government should maintain a "framework setting" role and the degree to which power would be devolved. Ideally, decisions should be made by those who have the best information and who have the strongest reasons to be concerned about the consequences.

Background

2 Prior to the 1870's, throughout what we now know as the western world, schools generally were self-managed. They were run on a local - usually parish - basis, and there was little if any central education structure.

3 This changed in nearly all the western countries in the 1870's. In Europe, it appears from what I have read that the change reflected:

- the breakdown of the parish base due to the industrial revolution, which resulted in some individual parishes having a higher population (many of them not church-going) than they could provide schooling for;
- a push for nondenominational (but not necessarily secular) education;
- the rise in the notion of the nation state, with schooling seen as a element of cohesion and control;
- increased resources, due in part to the industrial revolution, which enabled the state to finance a school system.

4 Some of these pressures were reflected in New Zealand. In addition, there were the local factors of:

- concern about unevenness of education provision from one province to the other, subsequent to the abolition of provincial governments;
- a wish to establish basic infrastructure as part of establishing the new colony eg, railways and schools.

5 This resulted in the Education Act in 1878 which provided the foundations for New Zealand's state education system. Over time, interest groups have grown up around the state school system who have naturally defended it - in particular, those who work in the

system or who represent them. Non-state schools have continued to exist alongside the state system, although their importance has changed with economic and other circumstances.

Picot Report

6 Although improved and extended in various ways, the system remained unaltered from its establishment last century through to very recently, despite a number of reviews. The recent exception has been the Picot report, which picked up many of the thoughts from earlier reviews but had the distinction of being implemented. A few years ago is there was mounting dissatisfaction amongst parents and others about their inability to influence the state education system. This showed up in the 1986 curriculum review - thousands of letters came in, many of them unexpected, many complaining about aspects of the education system and its imperviousness to outside influence. The then government became more concerned about the education issue; it decided in 1988 that the Picot report met its concerns and so announced the implementation of virtually all of that report in Tomorrow's Schools.

7 The main findings of the Picot Committee were that the state school system suffered from:

- over-centralisation of decision making, with problems of distance and slowness, vulnerability to pressure group politics, and excessive ministerial involvement;
- complexity;
- lack of information and choice;
- lack of effective management practices (including blurred responsibilities, lack of priorities at the centre, lack of accountability, rule-bound procedures, few incentives to manage effectively, inadequate property management and problems with financial planning);
- feelings of powerlessness, both by those outside the system and those inside such as principles and teachers (eg, teachers feeling that the system stifles initiative).

8 It was on this latter report that Picot had most to say about outcomes for children and their learning. The report spoke of consumer dissatisfaction and consumer inability to influence the system. It particular it spoke of minority groups, and children who leave with no formal qualification. "... those who took an active interest in the education of their children ... found themselves exposed to inflexible procedures ..." and "... many teachers ... feel that the system stifles initiative."

9 A summary of Picot is that schools would perform better if they had a greater degree of self management.

Lough Committee

10 The Picot recommendations unravelled somewhat during their implementation in 1989. The Lough Committee was appointed late that year to do a repair job to return the policies to what had been envisaged by Picot. It was interesting visiting different parts of New Zealand with the Lough Committee and talking with principals and school board members. There was almost unanimous support for the Picot reforms, and widespread annoyance that they were not fully being delivered. For example, we heard of many examples of continuing central interference in local management decisions. Some of the main conclusions we reached were:

- that greater clarification was needed on the roles of governance and management. We provided some material on this to help boards understand that their role was to provide overall policy for the school, whereas the role of the principal, or of staff delegated by the principal, was to ensure day to day management. The two should not be confused even though sometimes the same individual may do both;
- many schools complained that they were ill-equipped to cope with their new tasks. We suggested a series of workshops led by some well respected principals to help schools develop better practices in personnel, finance, property and general management. These workshops have been held and apparently have been a success;
- schools needed more freedom to determine their own charters with less imposed from the centre; we have been seeing movements in this direction recently.

11 At the time we on the Lough Committee visited schools just over a year ago, they were just getting over the worst of the strain of introducing a new system. Many were annoyed about the long hours they had had to put in, but nearly all indicated that they would be happy to stand again because of what they felt they were achieving.

Recent Developments

12 Recent developments relating to school self management, which will no doubt be discussed during the conference, include the development of kura kaupapa Maori, the Government's request for a report on the Picot suggestion of bulk funding of teachers' salaries, changing emphasis on charters, and revised assessment policies.

25 June 1991

DAVID GREIG

TREASURY

The question I asked myself is why we have school self management now, and I think it goes back to some pretty strong political forces - I don't mean party political, but people political - that lay behind the Picot report, and the decision to implement the Picot report. The Picot report was really a major step to the self management of schools, and one which I don't see as being seriously questioned by any of the main players, except perhaps by the NZEI. It seems to be taken for granted by political parties and most of the other main players in education. I certainly found when I went round the country with the Lough committee last year that there was very strong support for it, and considerable annoyance when parts of it weren't being implemented.

There are two current issues that are on the boil as far as school self management goes that I'd like to discuss.

One is the development of Kura Kaupapa Maori over the last few years. There is a problem of Maori educational outcomes. Over a long period of time there has been a sizeable gap in available statistics of achievement. The achievement levels in terms of school attendance have gone up, but the gap stays the same. That has been under a largely centralized system, which has had dozens if not hundreds of different schemes cooked up at and provided by the centre to try to improve Maori educational attainment. That clearly hasn't worked. I think therefore that this development of the last few years, which seems to be resisted in some quarters, and involve an awful lot of effort by Maori people to get the schools going, is a very interesting one.

The second issue is bulk funding of teacher salaries. I'm somewhat puzzled about the debate. I really wonder what the fuss is about. Other than school teacher salaries, virtually the whole education sector is bulk funded already. The operational grant to schools is bulk funded, that's about 30% of the total budget; all of preschool except for kindergarten is bulk funded, and all of tertiary is bulk funded. The rest of the economy is bulk funded. It seems a peculiar debate to me, even more so because some of the arguments against it are rather spurious, straw-man type arguments.

Reading through the papers for the conference, it seems that if you knock those arguments out, there shouldn't be a great deal of difference between protagonists on this question. For example, it is suggested that teaching is a uniquely co-operative activity that would be undermined by bulk funding, by boards making decisions about the sort of staff mixture they were going to have. But every other activity is co-operative - certainly the one I'm in. We couldn't function without an awful lot of co-operation. We are bulk funded, and we face the consequences of that, for example, that some will get promoted faster than others. We could not function if we did not have a high degree of co-operation.

Another suggestion I've heard is that it is unfair that wealthy areas could top up the money, and poor areas couldn't. But think about the consequences of the present system. The present system finances teachers according to their level of seniority. The distribution of

teachers amongst schools is not equal: there are lots of senior teachers at some schools, and far fewer at others. There are no statistics that I've managed to unearth on this, but the impression I have, and many others I've talked to have, is that with some exceptions schools in poor areas tend not to get senior teachers, and have higher staff turnover. That I find an extraordinarily unfair distribution of national resources. To perhaps exaggerate, we may spend more on educating the children of the wealthy than the children of people who are not so well off.

It has been suggested also that bulk funding is anti-teacher, that it will somehow be a way of cutting the amount of money, and that it will undermine the provision of teachers in the future. The impression I have from various school boards and other people I've been talking to over the last year or so, is that a lot of schools are finding that by tight management they can live comfortably within their operational grant money, that they are in fact making positive balances on that side of the ledger, and that a lot of them wouldn't mind spending some of that on teachers. If they had the freedom, which they would under teacher salary bulk funding, my impression is that we would actually see more spending on teachers than we will see if we don't have bulk funding.

Some of the suggestions we've heard today or read in the conference papers are just not on people's agendas. I've not heard that this is a deliberate step to the privatization of education, that's certainly not been talked about where I work, or any of the other government circles I move in. Another suggestion is that it's a money saving device. In all of the discussions I've been involved with, it's seen as a fiscally neutral question, it's not a money saving instrument. The government can always save money on teaching salaries if it wants to. The government pays, therefore it has the right to change what it pays.

I can't follow the logic of the suggestion that it somehow undermines longterm teacher supply, given that people in schools would prefer to spend more on teachers rather than operational matters.

John Grant: Bulk funding, as I understand it, is the provision of a resource which is set by Government, a sum per capita that pupils bring with them to a school. That's exactly what we've got now: we've got bulk funding; teacher hours, attached to individual students. Within that structure, we have total flexibility. Boards of trustees and principals can allocate those resources. There are no rules. We can set up programmes, and disestablish programmes. We can set up management structures, and disestablish management structures. Our flexibility is total. The question I have for you is in two parts.

First of all, the point you make about schools hiring, or not hiring senior teachers: we actually have that flexibility right now. We can choose to hire senior teachers if they're available, and it does not impact on our cost at all. We use our staffing resource that was bulk funded to us, we can mix junior and senior any way we like. We can mix responsibility any way we like: full time or part time, any way we like. So I'm wondering whether you would accept that in fact bulk funding of teaching, of staffing, actually occurs now. It may not be in dollars, but it certainly is in hours.

The second point that I wanted to raise was also touched on by Roger Kerr, who asked why education should be treated any differently from any other aspect of a competitive marketplace. You might have picked up some of the latest work from the Chicago school of economics, in which their economists, who have been champions of the competitive marketplace economy, are beginning to acknowledge that certain items in the economy, especially education and health, have an external component which the marketplace cannot deliver in a way that maximizes the outcomes.

This suggests that to maximize the economy of a country, we need to take external human capital factors such as health and education, out of the marketplace to maximize their benefits.

David Greig: First, the difference between bulk funding and the present arrangements: bulk funding means what it says, that you get a bulk of money to a school, determined by student numbers, plus whatever other factors the Government wanted to add on, and I could see that there would be some for special needs and small schools. That's not how it is at the moment. The school doesn't get the money at all. Salaries are paid centrally or through the service centres. So by chance some schools would get more senior teacher hours than others. A school which for some reason attracts more senior teachers doesn't have to face any budgetary constraints on that.

John Grant: If I can correct an error of fact: the distinction is made by decisions of the board. The board decides who it will appoint.

David Greig: If it can get them.

John Grant: Do you think that bulk funding with dollars will make it any easier to get them, than bulk funding with hours?

David Greig: Bulk funding with dollars will make it easier for the schools which miss out now to get them.

John Grant: No, it will make it harder. Because the schools which miss out now can also be correlated with poor socio-economic conditions. Poor communities won't have the flexibility to use part of the operational grant or parents' contributed income.

David Greig: They will get more money, from the government, to pay on teacher salaries.

John Grant: Are you suggesting that to make the bulk funding of teacher salaries work with dollars, there has to be considerably greater investment in teacher salaries than you've got currently with bulk funding by hours?

David Greig: The total will be the same. Some would gain, some wouldn't.

John Grant: Some schools would win, some lose.

David Greig: Yes. The numbers would be about the same, notwithstanding what the NZEI paper says.

I haven't read the article on externalities that you're referring to, but the fact that we have state funding of education itself is because of a widespread perception that there are externalities with school education, that the whole society benefits. If we thought there were just private benefits, and it didn't matter to the rest of society, then we could argue for purely private financing of schooling.

John Grant: Does that bring you down too on the side of state provision of education as well as funding?

David Greig: My personal view is that the state has an important role in regulation, minimum standards, curriculum and so on; it has an important role in funding, for the reasons we've just talked about. As to provision, I'm quite agnostic. It's whoever does it best.

Tony Marais: I think the Chicago school of economics draws a distinction between funding and provision. Because of the externalities of education, it says it is right, or rather it may be justifiable in economic terms, that the state should fund it. I don't think there's any argument, certainly not amongst us at Treasury, that we want schools to be adequately resourced for all their functions. Funding is one thing; delivery is another. And the real question is which way is it delivered best. I don't think anyone envisages, as was misreported about Treasury, some sort of wholesale selling of schools. But if there are private providers who are doing the job as well as public providers, there is no reason why they should be discriminated against. What we're really funding is not the providers, but the pupil, and funding on the basis of external benefits to society.

Helen Duncan: It seems you are rejecting the arguments put forward that those schools which will lose are the ones that cannot raise funds (because they're in low socio-economic areas) to supplement a reduced salary budget. Those schools at present are the ones with notional rolls, which give them equity in staffing. The Ministry of Education have come up with no formula to ensure that those schools will get the funding that they need. Are you saying that it doesn't matter that this will get even worse with bulk funding, that we've still got to go forward?

And if schools are like businesses, I have to say that the record of New Zealand business in the last few years is not extraordinarily good. But research shows that schools **are** doing pretty well in the education stakes, that we compare well with the rest of the world in the product that we are turning out from our New Zealand schools, and so some sort of market-driven force is not necessarily going to make it any better, particularly when we look at the resources likely to go into education.

David Greig: You've ascribed to me a lot of views I haven't expressed. On the question of equity, you've talked about private fundraising. I first started talking about public funding, and my suggestion is that there is an inequity in funding some schools and people considerably more than others for reasons other than special needs.

To take an extreme case, just to exaggerate to make my point, if you have one school where all the teachers are getting round about $40-$45,000 at the top of the scale, and another school where nearly all of them are getting something in the $20,000s, for no policy or equity reason other than the first school could get those sort of teachers, and the other couldn't, then my personal view is that that is an unfair distribution of public funds.

On the question of private fundraising, I would never want to do anything that got in the way of anyone raising private funds to augment the education system. If people are keen to put their effort and energy into doing that, then the education system as a whole can benefit. It is likely that the wealthier areas will be able to raise more than the poor, not always, but mostly. The Government now has some policies which provide extra funding for children at the other end. You can always debate how much that should be, but I guess there'll always be a case for some Government funding for special needs for people from particular backgrounds, or whatever.

Helen Duncan: What about the case where teachers come to a school when they're all low on a scale; they then move up the scale as they become more experienced teachers, until they're at the top. That's my experience in a school in South Auckland, where about ten of us went through together. That's a South Auckland school that won't be able to raise the extra money. Will that school then have to get rid of some of those teachers, who are stable, who have been there a long time, because the school, on its bulk funding budget, won't be able to afford all of them: is that the kind of scenario that will happen?

David Greig: I think so, that's what would happen. You mentioned a South Auckland school, why not also mention a white middle-class school that will also get into that situation?

Helen Duncan: It might be able to raise the funds. South Auckland couldn't.

David Greig: At the moment, the school in the well-off suburb gets it all paid by Government, which I find surprising.

MARGARET AUSTIN

OPPOSITION SPOKESPERSON FOR EDUCATION

I congratulate the New Zealand Council for Educational Research for providing a vehicle for exploration of the questions which impinge on the concept of the self managing school. It is timely.

The polemic will be diverse, but at the day's end, maybe we will emerge with a greater clarity of thinking, probably as many questions remaining as have been answered, some research projects identified and possibly an agreed set of principles on which to go forward.

The genesis of **Tomorrow's Schools** goes back to Peter Fraser's 1939 all-embracing statement which is as pertinent today as it was then, and to the Education Development Conference of 1974, which really set the scene for all that is coming through now. **Towards Partnership, Human Development and Relationships in the Secondary School, Education and the Equality of the Sexes**, and **Curriculum Eighties** all had their influence but it was Picot with **Administering for Excellence** which brought it all together in a cohesive, simply articulated framework that finally led to the implementation of self management for schools through **Tomorrow's Schools**.

The question for consideration is 'what is a self-managing school?'. All organisations must have a structure as well as people to be leaders, to decide on directions, priorities and standards. This is the policy function performed by the boards of trustees, that of governance. The implementation of policy is performed by senior professional staff with leadership from the principal. That is the management function. This in itself creates one of the most serious problems to emerge from the implementation of **Tomorrow's Schools**, because we failed to recognise the distinction between professional leadership and administration, the twin tasks of management, and assumed that school principals could cope with both. The outcome has been principals who have coped with two years in which the workload has been very great indeed. The principal should not be a very expensive administrator with no time for professional leadership, for directing the institution, setting out its vision and standards, monitoring its performance, and reporting to the board of trustees on all aspects of the curriculum, assessment and financial management. Regretfully only the largest schools have a bursar, and in an attempt to direct a high percentage of resources into the classroom, some principals have taken on an impossible task. Conservative financial management in the first year was understandable but now boards of trustees and principals must delegate as much of the administrative function as possible either to specially appointed staff or by purchasing expertise.

Right now in Christchurch, secondary school principals are uncertain about enrolments for 1992 in the light of the so called choice and freedom of the Education Amendment Act 1991. They know the numbers in forms 1 and 2 from the likely sources of their third form intakes, but not their names or addresses. If they are retaining a neighbourhood zone, they need this information to make predictions in order to do their forward planning. They do not have the staff to release to do the work, and since it constitutes the unexpected this year, purchasing the information has not been budgeted for. This I think is unreasonable and an example of

what I am referring to.

The professional leadership roles of principals and deputies are crucial to the ethos, organisation, and quality assurance of a school, and to ensuring an environment where teachers teach and facilitate learning. In **School Matters**, Mortimer identified the leadership of the principal as the key factor of a successful school, with involvement of teachers and parents, school climate, patterns of communication, ensuring a work-centred environment with focused, intellectually challenging teaching, and structured lessons providing consistency, all contributing.

You cannot create effective schools unless they are led by heads who are not afraid to assert their views, to be innovative and yet able to involve others in the decisionmaking, the results of which are communicated effectively within and outside the school so that people know what is being done and why.

Tomorrow's Schools was based on putting in place a more autonomous, responsive and effective system with greater parental and community involvement in the neighbourhood school, and where as many decisions as possible were made where they would be implemented. Once the system was in place, then the curriculum and assessment of pupil progress and standards would take precedence. The curriculum guidelines were foreshadowed in the charter document and will fit easily into it.

Much has been made of the departure of **Tomorrow's Schools** from the recommendations of Picot. There are essentially three, all the result of the consultation which occurred when **Tomorrow's Schools** was published. Charter guidelines emerged in greater detail to assist the Boards of Trustees and principals in developing them. Special education remained centrally organised by the Special Education Service, and equity issues were spelt out in line with the very clear community aspirations which emerged from the Curriculum Review.

School-based management as implemented by the Labour Government in 1988 envisaged a partnership between the school and the state in the belief that those involved were knowledgeable and able to make responsible, rational decisions in the interests of the children and the school. It was not, as has been claimed, the application of the market model to schools. How can it be? Schools are different because of the children. They are not a commodity. I find it somehow offensive to regard them as a product, as if the school were some kind of factory. There are aspects of the market model we should consider: schools **do** need to know what they are doing, and for whom, and, having organised the learning, to monitor the added value so that the potential of every young person is realised.

Tomorrow's Schools was not intended to reduce the role of the state as the funder of education. It was not a cost-cutting exercise, and it was not about capture by the New Right. It was about empowerment, responsiveness and innovativeness.

In answer to the question 'is it working?', I suspect that it is too soon to gauge parent and pupil satisfaction, but I am confident that there will be an increase in both. It is important for the New Zealand Council for Educational Research to undertake longitudinal research so that we have the evidence one way or the other. There is greater autonomy and parental consultation. The anecdotal information supports the notion of responsiveness, and more direct provision of classroom resources.

The partnership between parents, schools and state is emerging as a strong one. Much will depend now on the response by central government to community input, and to the three documents at present being discussed - the Curriculum Guidelines, School Certificate, and the Framework for senior school qualifications. If there is an imposition of a stratified, so-called core curriculum with a hierarchy of subjects, a rigid, out-dated examination system, and a two-tiered credentialling system at form 6 and 7, then the professionals and the teachers and the Opposition Spokesperson will rebel. The curriculum model must be understood and accepted. The objectives and educational outcomes for each subject within the curriculum must be known. The assessment must be an integral part of the learning and so administered that it is valid and reliable.

In the end, each school leaver should have a profile of achievement outlining the levels achieved in the courses completed, and including key knowledge and skills as well as attitudes, values and involvement in the life of the school. This information is vital to improving the confidence level of the whole community in the nation's schools.

Another part of the environment which enables schools to flourish lies in the support systems, staff development, continuing education of teachers, and management training for principals and teachers. An authoritarian approach from central government simply will not work. You cannot batter teachers without affecting children. You cannot denigrate teachers and their efforts without undermining public confidence in our schools. You cannot threaten to cut Vote Education or set about systematically to provide the climate leading to privatization of schools, and expect morale to remain high. You cannot estrange teachers from involvement in the review process and expect them to be interested in comprehending the need for it, let alone expect them to adopt the implementation of change with any degree of enthusiasm.

In a two year study on the effects of choice in education in four large United States cities, it was found that 'choice' had simply become a new improved method of student sorting. In a paper published last year by the Association for Supervision and Curriculum Development in the US, there is a very pertinent paragraph. It says:

> Good schools are good schools because of the commitment, talent and knowledge of the educators who work in them and the engagement and motivation of the students and parents who are their clients. Educators and policy makers should be about the business of promoting such conditions whatever they are, rather than arguing whether a single factor like 'choice' explains differences among schools.

What is the next step? Will there be further devolution, bulk funding of teachers' salaries, responsibility for property, less state involvement? Will parents be obliged to accept more responsibility for funding education?

All of these questions are complex and vexed, and as yet we do not have sufficient quality research to be able to reach the sort of conclusions needed for good policy formation.

It is true that **Tomorrow's Schools** envisaged the development of an equitable, nationally determined formula for a teachers' salaries grant based on a notional staff roll, and with weightings taking into account an institution's particular needs and combined with nationally negotiated pay scales. In the event, it is clear that finding the formula for acceptable

implementation has been exceedingly difficult. If it cannot be negotiated between the parties, it most certainly should not be imposed. There is no room in this exercise for cost-cutting or for increases in the teacher-pupil ratios. Any system based on averaging of salaries is unacceptable. Any proposal should include provision for personal development, sabbatical leave and cover when teachers are ill. This is an area where involvement of the representatives of the professionals, negotiating changes on an incremental basis, is vital if teacher morale and commitment are to be maintained. They must have trust, certainty, predictability, and security to support them in their crucial work of directing the learning of the nation's young.

The reality is that implementing a balanced, coherent curriculum, and the development of a rigorous assessment system leading to a unified credentialling system will be far more important than bulk funding of teachers' salaries in the next few years. This issue must not dominate and displace the more important ones.

I have a number of concerns about what is in the pipeline:

* the distinction between governance and management is not yet fully understood or accepted by some boards of trustees, and it concerns me to hear the School Trustees Association dangerously confusing partnership with power;

* the implications of the Education Amendment Act 1991 on access to the neighbourhood school and the potential for children to be selected against with consequent loss of equality of opportunity;

* the likelihood of changes to the school charter, dropping the equity sections and allowing "gown and town" to dominate the boards of trustees;

* the effect on the quality of education of voluntary registration of teachers;

* recapitation of primary schools without adequate consideration of the way we provide education for each age group, or the appropriateness of the present structures;

* the potential for boards of trustees or government edict to stifle innovation in schools; and

* possible changes to teacher training which would put people into schools with inadequate pedagogical knowledge.

I want to reaffirm our commitment to state education. It is indispensable to a modern society. It is a public good. It is there to give every individual the opportunity to fulfil his or her maximum potential and to serve society to the most productive extent possible. More than that, education is about developing or cultivating a spirit of national identity and unity, the sort of unity that emerges because people realise their talents and use them for their own and their country's advantage. Education is a public good. That is why we invest in it. The people cannot abdicate their responsibility for provision of education through the tax dollar.

MARGARET AUSTIN

OPPOSITION SPOKESPERSON FOR EDUCATION

Self management to me implies that you have a distinction between structure and function. The **Tomorrow's Schools** model was focused exactly on that issue, to separate governance from the management of schools. While we recognized it, we didn't actually have a strategy for dealing with it effectively in distinguishing between the two parts of the management function which principals and senior people in schools have to cope with: the leadership role, and the administration role. The leadership role is fine, people have to have the time and the resources to be able to work in a constructive way in providing the professional leadership - but we have also expected the principals to cope with all the administrative tasks, and have ended up with very highly paid clerks. That is something which I think needs to be addressed. There are very few schools large enough to be able to appoint bursars to carry out that specific function.

The reason that I've highlighted the management function is simply because if you go back to the publication **School Matters** edited by Mortimore, he identifies the crucial role of the principal in the management of a successful school.

I also want to look at the focus we had in mind in implementing **Tomorrow's Schools**, which was to put in place an autonomous, responsive, effective system with greater parental and community involvement in a neighbourhood school, and where decisions were made as close as possible to where they were going to be implemented. It was always the intention that once that system was in place, the next step would be the implementation of the Curriculum Review and the assessment of pupil progress and standards. But you had to have your management structure in place beforehand.

Roger Kerr in his paper indicates that there was a departure from the **Tomorrow's Schools** framework. While I acknowledge that, I must point out there are only three areas of change, and each was the result of the intense consultation that went on immediately after **Tomorrow's Schools** emerged. The charter guidelines ended up being far more detailed than was envisaged, and I think that has to be seen as an evolutionary thing, to give people sufficient guidance in developing the charter framework in the initial round. The second was contestability of special education. That remains centrally organized, and was a conscious decision. Equity issues were also spelt out in line with very clear community aspirations.

I want to assert that **Tomorrow's Schools** was not the application of a market model for schools. How can it be? The client, the end-product, is different: children are simply not a commodity. Graye Shattky says in his paper that he wants schools to choose their own pathway, and he's opposed to schools in the same mould. I think there would be a general feeling of yes, that's good, that's the way we want to go; but I think we also have to remember that we have a very highly mobile community in New Zealand. The electoral rolls will tell you that 30% of people change their home every three years. Therefore we've got to have some system which allows transferability for families and children without impairment of their education.

You also take me to task for referring to the School Trustees Association's use of the words

'power' and 'control' implying their desire to say what will be taught, and how, as well as hands-on control over teachers. **Tomorrow's Schools** is about empowerment, responsiveness and innovativeness. It is the interpretation of the words 'power' and 'control' that really bothers me, and I hope that we're going to be able to bring that out into the open, and actually define what it is we're talking about, so that we don't get at cross-purposes.

Much now is going to depend on the public response and the way which we set about implementing the curriculum guidelines and the framework for the senior school. The documents that have emerged are an excellent starting point, but if we move towards the imposition of a stratified so-called core curriculum and a hierarchy of subjects, and therefore a hierarchy of teachers; if we go to a rigid, outdated examination system, and a two-tiered credentialling system at forms 6 and 7, then I can predict that the professionals, the teachers, and one very vocal Opposition spokesperson will go into revolt.

The question of choice and competition is one which we will have to debate at great length. I read recently a very lengthy paper put out by the Association for Supervision and Curriculum Development in the United States, which had done a longitudinal study in four cities, two of which were Boston and New York. Their conclusion was that the choice which had been put in place had just become a new and improved method of student sorting. I think we do have to question whether that is the pathway we want to go down.

But the real agenda for this conference is obviously going to become bulk funding of teacher salaries. I want to go back to the statement in Picot which was repeated in **Tomorrow's Schools**.

> It was envisaged that the development of an equitable nationally determined formula for teacher salaries grant, based on a notional staff roll and with weightings taking into account an institution's particular needs, and combined with nationally negotiated pay scales.

That was part of the implementation policy the Labour Government adopted. But finding a formula has become exceedingly difficult. I've come to the view that if it can't be negotiated between the parties, then it certainly should not be imposed. There is no room in this exercise for cost-cutting, nor for increasing teacher-pupil ratios. This has been implied, I think, in some of the things which have been said this morning.

I think we really do need to look very carefully at all of the flexibilities, the degree of autonomy which already exists, and ask ourselves the very serious question, as to whether or not giving a quantum of money to a school is going to have any greater effect.

I have to admit to some concern about the assertion that there are schools attracting a greater degree of funding because they've got more senior teachers. There seems to be an implication that if we are going to go to bulk funding, it means that some of those people are going to have to be told they're going to have to go somewhere else to find their bread and butter. I do not accept that premise. I would like to see it debated. We need good evidence about the contribution of senior people to the school, our expectations of them and the leadership they give.

The real question comes down to this. If we put this into place, what are the implications

of making the education dollar go further?

I think a far more important question than bulk funding for us right now is the implementation of a balanced, coherent curriculum, with the development of a rigorous assessment system leading to a unified credentialling system.

Tony Marais: Leaving aside the special needs of some of our children, and concentrating just on the majority, do you believe that each child should receive roughly the same in terms of educational resources? Or should some children, because of the school they happen to go to, receive more on average than others?

Margaret Austin: In one sense it's a very difficult question; in another, it's loaded. You can't really pontificate in this sort of forum without knowing what exactly sort of school, what sort of children, what their specific needs are. The function of the framework under which we're working is that it is the role of the leadership in the school to determine the way in which the funding that is available is allocated to meet the priorities and the needs of the children. I don't think, as policymakers, it is our job to say what the priorities should be. It is our job to ensure that the resources are there, to allow the leadership in the schools, to deliver the resources to where they're most needed. But to say that all children should receive an equal quantity of money: you're coming back to the difficulties of arriving at a formula for the blanket delivery, and that's something we really haven't come to grips with.

Are you implying that you can identify schools in different areas where, because they've got community inputs which will allow them to enhance their funding, that we have to divert public resources into those schools for whom that's not possible?

Tony Marais: The question is, leaving aside those children with special needs, do we believe that all children should receive roughly the same share of educational resources. That leads to some basic formula. Over and beyond that, we may wish to fund certain special needs in a special way, to add to those funds for those, say, from disadvantaged backgrounds.

Margaret Austin: In a sense, you're talking about the sorts of policies we've pondered and agonized over since 1988, and were well on the way to delivering.

Rosslyn Noonan: An important point has been raised, which goes to the heart of some of the differences. It will be interesting to see if we can come to some common understanding. It's a good example of where we've got similar good intentions, but where our understanding of how that might be translated into reality is very different. If I can give a practical example, where Tony Marais' suggestion that assessing whether children get equal education resources in a fair way can be reduced to dollar terms; if you take Helen's example, that's clearly not the case. In another example, if you took an isolated rural community, where the primary school has only two teachers, the staff who are available in that area are experienced women, who are partners and farmers. To give those children what I would regard as equal access to educational resource, they've got to have two well qualified teachers in front of them: what if the only teachers who are available are at the top of the salary scale? Funded as the school now is, it can employ those teachers. Under bulk funding, averaged funding,

that school is disadvantaged compared to schools in the city, employing a mix of teachers with different experience.

I would say that the assessment of what is fair in dollar terms is actually missing the whole point. It's not assessing what's fair; it's actually providing a measure of something else, but certainly not whether those children are getting fair access to educational resources. That cannot be reduced to whether or not salaries of a particular group of teachers in that school are different from those in other schools. The real problem is trying to reduce everything to dollar terms, in order to make spurious equity arguments, because of New Zealanders' strong commitment to equity and fairness. This argument being put forward as an equity argument is spurious. I accept that our overall objectives are ideally the same, but does Treasury really want children to have a fair access to education?

Margaret Austin: We're all talking about the same things. I think really what's being talked about is not that every child has a right to quality teaching. The teacher's responsibility is the creation of a learning environment so that learning is facilitated. We are examining the way teachers receive their economic independence as a result of their pay packet and who should decide what level of remuneration is appropriate. What is really being questioned is whether we ought to have a step-wise starting point and end point for teachers - an incremental salary scale; as well as who should negotiate. Should it be centralised, or school based?

Ken Rae: In the present situation, I think our average teachers' salary is up around the penultimate step. If you look nationally, Auckland Grammar, and the South Auckland school that was mentioned, are not going to be that much further ahead than the average school. But you still have the issue of equity in transition, from the present pattern to a bulk funding pattern; you also have the issue of people progressing through to the top of the scale: what is the way to deal with that?

If we do look at a bulk funding model, is there a size below which it is very hard to apply bulk funding to a school? In the English model, they cut out below 300 pupils.

SELF MANAGING SCHOOLS : WHAT'S BEST FOR OUR CHILDREN ?

A PAPER PREPARED FOR THE NZCER CONFERENCE ON SELF MANAGING SCHOOLS

CATHERINE GIBSON, GROUP MANAGER OPERATIONS,
MINISTRY OF EDUCATION
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I welcome the opportunity to participate in this conference on Self Managing Schools: What's Best For Our Children. My interests are of course as an officer of the Ministry, but to this I bring my total experience as a parent , citizen, teacher, and lecturer As one of the senior managers I am very conscious that the establishment of the Ministry's own management priorities was a monumental task, which, because it was occurring concurrently with the management changes in schools, has meant there has been less time for reflective thought and discussion than we would all have preferred. This conference provides such an opportunity. As my contribution, I should like to put the discussion in an historical context in New Zealand, consider some developments in other countries and then put to you some of my thoughts about current developments in New Zealand.

SELF MANAGEMENT IN AN HISTORICAL PERSPECTIVE

"Self Management", "devolution", "local control" appear sometime s from public comments to be considered as little more than the current fad in education; something that started with Picot and finished with Tomorrow's Schools. I am grateful, therefore, to Dr John Barrington of Victoria University who has reminded us that this is not the case, that the issues and many of the ideas contained in the Picot Report about the management and control of education have been issues discussed since the passing of the 1877 Education Act. In fact, I understand it was the intention of the 1877 Act that the ultimate control would be in the hands of schools committees because those committees would have the power to elect the Education Boards. The power at the school level was to be balanced by the authority of the Boards and the emerging Department of Education. The Department was the source of Government funds and the means to redress funding inequalities, to develop national policies and, eventually, national standards of education.

There was then in the 19th Century in New Zealand a recognition of two movements in educational management, a centralising movement by Government to assert control in key areas and a devolutionary movement to maintain local lay control. Brian Caldwell of Australia and others refer to these same movements existing today. In fact, one of the type of organisations that results is, I understand, referred to by Peters and Waterman as "loose/tight"

structures and is recommended as a suitable educational structure for the future.

In the intervening years since 1877 other initiatives intervened, the Boards dominated the committees and eventually the central state, the Department, dominated the Boards. If we now turn to Picot and Tomorrow's Schools what we see is a reassertion of the concept of real local control at the school level with servicing agents replacing the Education Boards which had forgotten that this was their original role. During these same years the Department grew in strength for not only did it retain its financial powers but it also took over responsibility for the standards of children's education , for the standards of teaching, for the provision of policy advice to Government and for all aspects of administration.

Now, as we all know, these functions have been separated out among the Ministry as the policy and financial provider, the N. Z. Qualifications Authority and the Education Review Office both concerned with standards with other agencies supporting schools and contracted bodies such as service centres or Colleges of Education providing administrative support or inservice training. There remains therefore today a set of national bodies to ensure that Government policies are developed, funded, implemented and evaluated.

I have developed this historical perspective to illustrate two key points, one that the issue of management, local and central, is not a new issue and secondly that there will always be a need to find some

balance between the two. Though written nearly three decades ago the words of the Currie Commission are still relevant today,

> " .....there is no other possible future for educational administration in this country than the endeavour to find some point of balance between central and local authority which will allow both to function without frustration or waste ..."
>
> (Currie Report p 94)

THE SELF MANAGEMENT CONCEPT OVERSEAS

About six years ago I was fortunate enough to have had a Fulbright Travelling Fellowship to the States and since then I have continued to hear from other Fulbright scholars and follow developments in North America. I was therefore personally aware of the great variety of educational systems in the States but I was surprised in reading recent reports that the move to School-based Management, or School-site Management as they call it there , is a movement that is sweeping through many of the individual states and the provinces of Canada. When I enquired why, I found it was for a variety of reasons but the reasons that impressed me most were those objectives aiming to reduce or eliminate that power which I will call the middle-management tier at the District Board level. Though not copied from industry, it is never-the-less an interesting parallel that there is the same desire there to eliminate the middle management level and so make decision making as close as possible to where responsibility rests.

Most jurisdictions in the United States had what they had always thought of as local control but it was really at what we would think of as Education Board level, with the State Government setting curriculum requirements and giving some funding along with Federal funding. Schools in North America,seldom, in my experience, had as much responsibility as those in New Zealand, books were selected by the State or the province, principals and staff were appointed by the Districts, the style and pattern of teaching at the input level was frequently regulated and closely specified and, I consider, often regimented. The move to School-based Management is, as I interpret it, a move to involve teachers in educational management decisions in their local school so that their energies are channelled productively into teaching rather than in overcoming bureaucracy. I have referred to these examples to make the point that the move to eliminate the middle tier of educational management is not restricted to New Zealand but is much broader, broader even than in education, but all with the intention of improving decision making, in this case at the school level so as to improve the educational outputs for children.

Now I am aware of the viewpoint as expressed by the Currie Commission that, "administration normally stops short of the classroom door," (p 67) and I am also aware when I reflect on the second part of the title of this conference "What's Best For Our Children ? " that the best education comes from the best teachers, but I also believe, as an administrator, parent and teacher, that whenever possible the best decisions about running a school are made at the school level by a partnership of parents and teachers.

Very recently I had the opportunity to visit south eastern Australia where once again, I saw first hand the move in some of the states towards decentralisation and decision making at the local school level. The concept of school based management went far beyond what they had ever experienced before. Previously, (and in some cases this still occurs to a greater or lesser degree,) many of the State Departments of Education in addition to all their other functions, acted as the employer of principals and teachers and directed them to schools. There were no Boards of Governors with authority such as they held in New Zealand and no School Committees with even their limited powers. I have already referred to Brian Caldwell's work and though I do have limited time for reading, I was in sympathy with his concept that the Head Office becomes the supplier of resources

> "the coordinator rather than the controller, the agency which draws boundaries and establishes frameworks ..... emphasises cooperation among professionals ..... and replaces paternalism"
>
> (Beare, Caldwell and Millikan 1989 p 82)

I have referred to these functions because when I was investigating and considering some of the changes in the Australian States I did notice that there appeared to be wider use made of the opportunities of community involvement in local decision making than is made currently in New Zealand. Let me illustrate. One of my responsibilities has been for processing Community Forums. In reading the reports I noted that, with some exceptions, the viewpoints of the people appeared to be totally vested in supporting one or

another particular school. What I had expected or hoped for, was that there would have been a greater consideration of, "what's best for our children" or in other words "what is best for the immediate community in terms of education provision," which is not necessarily the same as "how do we preserve our school as it is."

When in Australia I visited a district where four primary schools with falling rolls initiated, with support from the State Ministry of Education, an amalgamation into a larger primary school. In this new format they were able to provide the breadth and depth of curriculum programmes which parents were seeking , but which could not be provided for in their individual school with their declining rolls A second example of local initiative was where two secondary schools plus an intermediate school rearranged themselves on a multiple campus basis into two junior high schools and a senior high school where second chance education and vocational life skills were able to be provided for in a way they had not been provided for previously. The reconfigured school operates with one Board of Trustees and one coordinated management system linking curriculum and organisation with staff moving between the two campuses. Both of these examples illustrated to me how local initiatives for organisational change could result in improved curriculum opportunities for children. Considerable work has gone into achieving these new arrangements. This has included not only a redesignation of structures to more effectively provide for the curriculum of the future, but a thorough assessment of current costs of provision and how this funding can be directed more appropriately.

I am aware of the "Levin Experiment" which the Minister refers to in his paper. Here, a group of key educationalists and community workers are looking at what might be a more suitable structure for educational provision in the future. They are questioning whether the current configuration of primary, intermediate, secondary and tertiary structures is appropriate. I can see how this move could be in the best interests of their children. I commend it because the best interests of the children appears to have been put ahead of 'patch' protection for any particular school. I also commend it because it is an initiative which has arisen at the local level, one that is consistent with New Zealand's education policy directions even though there may be some administrative hurdles which have to be worked out. The strength of such initiatives is that if they arise locally to help local children then there is less need for a central organisation such as the Ministry to initiate such developments. If initiatives do not arise locally then some other agency may need to consider what is the best for our children and how this can be provided for efficiently within the restricted resources that are available.

LOCAL MANAGEMENT AND CENTRAL [NATIONWIDE] POLICIES

One of the points that I have been endeavouring to make in this paper is that the demarcation line between local and central management and control is a line that changes over time and place. The recently announced review by the State Services Commission ,of government department activities and the most efficient use for example of property, is but a further example of the continuing tension line between devolution and centralisation.

The Government has since 1877 funded primary and secondary schools from central funds; acknowledging of course, the value of locally raised funds for additional educational activities. Funding is a key policy matter for the central government and it is therefore rightfully a matter for the Minister rather than myself to comment on. The point I wish to emphasise is that funding, along with standards of teaching and learning are particular responsibilities of the central government on behalf of the people of New Zealand. It is for this reason that there are national curriculum guidelines within which local schools make their own educational management decisions on how to implement these guidelines and what teaching strategies they will use to meet the national objectives.

Centrally , there is also a responsibility for fairness, fairness of access to education independent of one's ethnic background or

gender. The law of the land entrenches such fairness and provides the mechanisms through the Race Relations Conciliator and Human Rights Commission for these laws and their intent to be upheld. Centrally, there is a responsibility to the taxpayer for the most efficient use of funds collected by Government on behalf of the people and it is on that basis that the Public Finance Act requires accountability on the use of these funds. Standards, as I have indicated, are the particular responsibility of the two central government agencies NZQA and ERO.

I have gone into some detail about these nationwide central functions because that is part of my experience and my current responsibilities, but the other part of my experience as a teacher, lecturer, and parent is a set of experiences which says, "let us make our own decisions. Let us make those decisions on how we manage so long as they are within the law of the land, within the funding available and, in the case of education, within the national education policy guidelines." And this is where I consider the Charter and the Occupancy Agreements between the Government and the schools allows for a real partnership and real decision making at the local level. I am aware of a number of schools which because they were able to make their own decisions on the operational budgets were able to save some thousands of dollars on minor maintenance and make that money available for other educational activities.

As a Senior Manager in the Ministry over the past year, I recognise that Principals have, along with all of the other officers, had a higher

work load during this transition phase. I am also aware from from my soundings and reading of monitoring reports that there are few if any principals who wish to turn away from locally based decision making. even if it does involve more work, at least initially. Peter Ramsay, in his School Trustees address refers to Jan Robertson's research that "Well over 90% of the principals stated that they were now better off than they had been before the reforms." On the spot decision decision making is an observable advantage.

SELF MANAGEMENT: SELF GUIDANCE

So far in this brief paper I have drawn the distinction between local decision making and central decision making and hopefully have put them in the context of a partnership, a sharing of responsibilities. This same concept of partnership also applies at the school level for here the partnership is between the parents (and community) and the teachers (and students) in the governance and management of the school. You may recall the initial concern that elected Boards of Trustees would dictate to teachers, that they would interfere in the professional management of the school. The reality, according to Hall and McGee in their monitoring reports, in the CRRISP Report and in Peter Ramsay's own address to the STA conference is that parents are not antagonistic to teachers but that there was a need to clarify the role of the Trustees and the school management and that such clarification has resulted in a better understanding of the concept of partnership.

To assist in this understanding, the Ministry initiated the publication of "Governance and Management" not, as is sometimes suggested to follow a business management model but to emphasise a collegial organisation. This collegial or cooperative partnership organisation does have two related focii, one the overall governance of the school and the other, the management, but both coalesce when developing the Charter even though the final responsibility is that of the Board of Trustees. The Board has a trusteeship responsibility on behalf of the Government to ensure that the resources, the built resources and the people resources are most effectively and efficiently used for the purpose for which they have been granted, the education of our children in order to provide for the best possible education.

I do want to acknowledge the tremendous effort and extra work undertaken by the Trustees and by the staff in all of these changes. There has been, and to some degree still is, a considerable hump of transitional activities. There is no doubt that more decision making can involve more administrative work. In this context I wonder if the New Zealand do-it-yourself ethic is the most appropriate one when it comes to administration. I acknowledge that servicing costs money that could be used elsewhere in schools but if, as has been reported to me, most schools have a positive bank balance after a year in operation, then it would be legitimate to use some of that money for servicing assistance. We must remember that a proportion of the school's operational grant came from Education Board funding where it was used for administration for schools. Schools in their turn, either individually or in clusters, could use it for the same purposes in order

to relieve staff and Trustees from the burdensome work. All too often this can overtake the real issues and inhibit the partnership of Trustees and staff in focussing on the education outcomes of the schools.

Finally, in this paper I should like to refer to the question of bulk funding of teachers' salaries and self management of schools. From my reading of the positions put out by the interest groups, it appears that one of the major concerns is the degree of extra administrative work that this would involve for the Board of Trustees or Principal. I know from the Edmonton school system in Canada that they have moved to self managing schools, that salaries are bulk funded and paid from a central unit and that the bookkeeping is done by a servicing agent, in this case a district office. Within their overall budget and central guidelines the individual school makes the detailed decisions on how their money is spent and on what resources, whether it be for human resources(staffing), materials or equipment. The schools entered into this arrangement initially on a long term trial basis, but now all schools in the Edmonton system operate on this basis and I am informed that none would want to return to the old system of central decision making and detailed control of the budget including staffing.

CONCLUSIONS

To sum up then, decision making is a partnership between the central government who provides the funds and sets the guidelines and the schools making the actual detailed decisions. Good decision making is helped by good effective administration. Schools can be assisted with good administration through the use of servicing agents carrying out the administrative detail on behalf of an individual school or a cluster of schools. This will enable the Board of Trustees, Principal and teachers to focus on the quality of learning and provide the best possible education for our children.

New Zealand's educational standards are generally very good, in some areas quite exceptional. But there are other areas needing improvement and improvement, of course, generally costs money. It is in everyone's interest for decision making to be effective and administration efficient so that money saved in operational areas can be used for improvements in curriculum that are now so important as New Zealand endeavours to maintain its quality of life in a competitive world.. Our schools are already starting to show some of the gains from the pain of restructuring they have been through. I am confident that there will be more and more gains as schools develop greater confidence in their own self management.

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CATHERINE GIBSON

MINISTRY OF EDUCATION

The paper I wrote has, between the lines, a number of questions which come down to this: Where is the balance? The balance between central and local control; between curriculum and administration; between when people are ready to take full responsibility, and when people are not quite ready.

I've looked at the question of balance in an historical background, because I think it's essential to have a look at where we are in relation to what has happened historically. Most of you will know that this idea of self management is not new; it goes back almost a century in New Zealand; we have John Barrington to thank for reminding us of that. We've had Education Boards that got in the way of people being able to make decisions and have flexibility at the primary school level. Secondary schools, as we've heard from Neale, have had considerable flexibility for some time. I heard that same argument from the polytechnic system some two years ago. I suspect they are now revelling in the extra freedom they've got, with their EFTS (equivalent full time student allocation).

I couldn't quite believe it on my second day on the job as General Manager, District Operations, when I got a telephone call from somewhere on the West Coast, and they said 'I've just broken the key in the boys' toilets - what do I do?' And I thought, can't people make those decisions themselves? That brought home to me the extent of dependency that schools had, particularly in the primary area. There was another occasion when one of our District Managers in Auckland was telephoned by a school and was advised that the lemons off the lemon tree had been stolen, and what was he, the District Manager, going to do about it?

Where are we now? On 1 October 1989, we really turned the whole world upside down in education. We had several thousand people, teachers, administrators, and trustees, doing a new job on day one, not knowing how to relate to anybody else, because they were all in a new job. You all know from your respective organizations what happens when one new staff member comes on board, depending on the size of the organization. Or when half the staff turns over. It creates a dynamic which takes time to nurse through. But we, in our wisdom, turned the world upside down in education. It's a wonder that we survived as well as we have. That goes for everybody in this room, particularly the School Trustees Association people, and the teachers. And, I could add, the Ministry of Education.

We've only had seven commissioners appointed across the country in that period of time to take over responsibility from boards of trustees. Now I think that's quite tremendous. Yes, there have been difficulties between boards of trustees and school principals. They've been worked through, mostly at the local level, sometimes with support from other people.

We're now at a stage where we're considering even greater devolution. I have to admit I wasn't quite prepared for the extent of the discussion on bulk funding that has occurred today, but obviously, that is the ultimate. To come back to the question of balance between curriculum and administration. Attempts have been made in the course of this morning to

address the curriculum issues. They tend to have been swamped, again, by the administration ones, the bulk salary funding issue. We can't just concentrate on one without the other: we must always look at the two in parallel to see how one will underpin the curriculum, and the delivery of learning to meet the needs of our children.

When I look at self management, and the balance question, I think we tend to look at self management as being single school related. But I wonder whether single school relationships are the only way to go for the future? The Minister this morning mentioned what is happening at Levin, where there is a group of people who have been looking at how they might better organise their education provision to aid the learning process of the children and young people in their community. They are looking at whether they can have perhaps a form 1 to 5 school, and a senior school, and how that might be developed.

I was in Australia recently, and I saw a similar thing happening in Melbourne, where there was a suburb which emerged after the war, with four primary schools and three secondary schools. They have looked at how that might be orchestrated to better cater for the needs of their young people in the future. They have at this stage sited their primary schooling on two sites, and an equivalent form 1 to 5 school adjacent to one of the primary schools, and they were interfacing in terms of specialist provision, including library and computing expertise. They then had a senior high school with a broad range of curriculum provision so that the youngsters had a greater choice.

My main question is where is the balance? How do we find out where the balance is? Where is the point beyond which we must not go, and where is the point to which we must drive?

Graye Shattky: Knowing the concerns that all of us have about bulk funding, to one degree or another, and hearing them enunciated by Cathy this morning, is the Ministry likely to attempt to produce a scheme for the Minister to implement which is going to have any of those concerns inherent in it? Your answer to that may well relieve us of a great deal of unnecessary discussion.

Catherine Gibson: The Ministry implements what the Government decides. What I think you can be assured of in any decision the Government makes, is that the sorts of questions that I've been asked and the sorts of questions that you've been asking, will have been debated. What comes out the other end is something the Government decides, and we implement.

Margaret Austin: You've raised a very important question in what you've just said, and that is the structure of the provision of education in New Zealand. While I appreciate that you probably don't want to comment, perhaps I can raise it as an issue: I'm very concerned about the provisions of Section Eight of the recent Education Amendment Act, which effectively allow the recapitation of schools by Ministerial edict, without the community and everybody that's involved engaging in a really important, objective discussion now on the structure of education provision in New Zealand, and whether or not we've got it right in the lead-in to the next century.

Catherine Gibson: You're asking the question of whether there should be a national, single,

answer to the question of structures in education?

Margaret Austin: That's one of the questions. The key question is whether we should allow recapitation of primary schools - is that in the best interests of the youngsters, and should we be considering a greater flexibility for high schools to begin at form 1; should we retain the intermediate system in its present form? There are a whole host of questions. Ought we not to be considering a range of senior schools to provide for young people opportunities and greater flexibility and courses of instruction at the 16 plus level?

Catherine Gibson: I don't think there is really one answer, no national single answer on that, which is why I was interested in what had happened in Australia, where the community had got together themselves to examine what was appropriate for themselves. They had worked with the equivalent of the Ministry to achieve what they saw was the best end result, and it would differ from place to place, whether it was an urban or rural setting. For instance, in a rural setting, some of the smaller schools who couldn't afford the technology directions of the curriculum acted as a single school, worked with other schools, employing one teacher between them to deliver the subjects. They would all link up by telelink to that teacher. It has timetabling difficulties, of course, but they co-operated, and it appeared to work. Often five or six subjects were involved.

Margaret Austin: The thing that bothers me is that we may be allowing people to make these sorts of decisions, for all of the wrong reasons, such as roll retention, or keeping teachers in jobs.

Catherine Gibson: Yes, that's a danger that I'm very aware of, and in the recapitation provision which is what you started off with, I personally see that there is a need, in the information which is put forward in the application, to consider not only the single school situation, but the broader situation as well.

Felicity Parnell: I was on the recapitation working group, and one of the things which became very clear fairly early on was that flexibility costs. If you increase choice in that way, you also have to increase the resources. How did the schools you mention in the Australian example share their resources? Do you think that would become more difficult under full bulk funding?

Catherine Gibson: I don't see how full bulk funding would prevent that.

DISCUSSION NOTES: CONFERENCE ON BULK FUNDING
– State Services Commission

The basic point is that the proposals for bulk funding of schools are logically consistent with the general pattern of reform in the State sector.

The general thrust behind the State sector reforms of the late 1980's was to devolve responsibility to management, and to increase its accountability, wherever it was possible to do so (i.e: so that decisions would be made by those affected by them). This involved three kinds of changes:

(a) clearly define what you want agencies to achieve with resources. (Hence emphasis on separating 'outputs' from 'outcomes' and restructuring agencies to focus on particular tasks);

(b) remove unnecessary limits as to what agencies can and cannot do with the resources entrusted to them. (Hence the freeing up of personnel, industrial and financial arrangements); and

(c) hold agencies to account for what is achieved with their resources. (Hence market disciplines (or surrogates) introduced into the resource allocation process, removal of internal monopolies, strengthened central review and audit functions etc).

These three themes are closely related:

(a) accountability requires the desired results to be well specified and achievable; and

(b) the more you tell a person how to do a job, the less you can hold them responsible for the results.

Important to note:

(a) the approach is not specifically private sector or business–oriented: it has been applied in a wide variety of organisational settings, including delivery of social services and the development of policy advice where results are difficult to define and where professional collegiality is essential. The model is inherently adaptable; and

(b) the approach makes no assumptions about the proper management style or decision–making process.

Note:

(a) the accountability model is generally based on the institutional unit, but not in Kindergartens which remain governed by Associations;

(b) while the concept of 'bulk funding' linked to student/child numbers was proposed for all education institutions, the level of State versus private funding, factors covered by the funding formula and the degrees of management freedom differ. The separation of funding into operational and salary components with restrictions on transfer between the two is unique in schools;

(c) the State Sector Act applies to all of the Education sector, but not pre-school institutions (except Kindergartens);

(d) the employer powers are given to CEs in post-compulsory institutions (as in the rest of the State), but to BoTs in schools and Associations in Kindergartens; and

(e) the SSC 'employer party' status will be statutorily transferred to post-compulsory institutions in 1992, in contrast to the rest of the State.

Apart from the internal diversity, the process for implementation in Education varied from the rest of the State in several key respects:

(a) the basic industrial, personnel and administrative reforms were spread over a long period (in fact still going on), with a higher level of consultation and negotiation with the unions and interest groups. Major concessions were made in this process that were not offered elsewhere in the State: e.g. salary funding was not devolved to BoTs even though they got the employer powers; primary principals were not removed from award coverage; personnel provisions were negotiated into teacher awards to replace provisions which were repealed from legislation; and

(b) the overall level of funding was greatly increased, with explicit compensation for wage and price increases granted to most education institutions, during a period when the budgets for other State institutions were capped.

The process began by separating out business functions from core State activities circa 1986/7. These were to be set up as SOEs and later privatised where Government decided that there was no reason for the State to perform the function.

The rest of the State (except the Education sector) was fundamentally reformed in 1988 by the combination of the State Sector and the Public Finance Acts, the key ingredients being:

(a) the private sector industrial framework was extended into the State, but with some variations (e.g SSC as employer party, exclusions of senior management from award coverage, personnel policy requirements, final offer arbitration etc);

(b) the detailed personnel process contained in legislation were repealed and replaced with general principles (including 'good employer' and EEO requirements);

(c) agency heads were placed on limited term contract with pay linked to performance, became the direct employer of staff and were given all the normal rights, duties and powers of employers; and

(d) funding arrangements were redesigned to encourage agencies to be more cost-efficient and responsive to client interests (e.g by linking institutional budgets to client demand, including the Government as a purchaser of 'outputs'). Institutional funding is now given in block grants with no limits on transferring between different 'input' categories.

The blue-print for Education sector reform developed in the series of policy documents beginning with the Picot Report was broadly consistent with the principles of the State sector reform as described above.

The details of how the general principles were applied in the various Education subsectors varied markedly, reflecting historical differences, pragmatic constraints and educational concerns.

MARIJKE ROBINSON

STATE SERVICES COMMISSION

Bulk funding or self management is not something which has come out of the blue and which is being imposed on schools. It is part of the whole state sector reform, and Picot itself. Both of these were purely the result of a build-up of knowledge of enormous inefficiencies that were in the system. There were massive inefficiencies in the bureaucratic system, there were massive layers of control. All this central control! Like Katherine, I was part of it, and could give you examples which are mind-boggling. Most people have forgotten that. I at one stage had to agree whether one of you education people would actually be allowed to have leave of absence, or have a promotion.

Basically the whole state sector reform was to look at where there were duplications, where there were inefficiencies, and how to actually decide what business the state should be in, who should do it, and who should make the decisions. It was found that the decisions were much better made by the people who actually knew what they were doing than by central control agencies.

Picot did not start from any other principle than that. As John Barrington has said before, there were many earlier attempts at reforming the education sector. Picot was not just a sudden aberration. Picot also didn't start from anything else than the child. I was attached to Picot full-time, and I can tell you that when we sat down at our first meeting and said 'what is the most important issue here?', the most important issue was the child, and what would benefit her in terms of educational outcomes.

Self management is also not specifically private sector or business oriented. It can take place in any environment. The approach also does not make assumptions about the proper management style, or decisionmaking processes. It can still differ between schools, and schools can do it in all sorts of ways. Schools can get together to do it.

Lately I have been somewhat worried about the leaps of imagination that some people take when they talk about self management, or choice, or competition. Recently Bruce Murray (Principal, Tawa College) said in the newspaper that choice doomed schools to failure. According to Hugh Lauder, choice is only one step away from privatization, and the final piece of the jigsaw of marketization of education, enabling full privatization to follow rapidly. Competition to both these, and to others, is obviously anathema.

But experience in some other countries can contradict these findings. Choice and competition between schools does not inevitably lead to big supermarket type or doomed schools, as Bruce Murray implies, nor to falling standards. Privatization does also not necessarily or inevitably lead to elitism, or mean a reduction in state spending. In Holland, for instance, where I come from, private schools account for 70% of the total number of students in schools. It would be difficult to call that elite. There are very few schools indeed which reach the enormous size of schools here. Hardly any schools have more than 3-400 in Holland. We would also find it very difficult to say that the Dutch standards are bad. I had in my school to learn three foreign languages as well as Latin and Greek.

Freedom of education, which is laid down in the Dutch Constitution, finds expression in virtually all facets of the Dutch education system. The threefold freedom - to found schools, to organise them and to determine the principles on which they are based, combined with another important principle laid down in the Constitution, to fund all schools on an equal basis, has resulted in a wide variety of schools in The Netherlands. (In The Netherlands the battle for full state support for private education began in the 1880s, and ended when a new Constitution was ratified in 1917, which guaranteed complete government financing of all primary education. With the principle of government responsibility for financing education indelibly sealed in the Constitution, financing of other sectors eventually followed.)

Clearly, concepts of choice and competition, and bulk funding or self management initiatives are neither peculiar to New Zealand, new, or fatal. Educationalists in New Zealand would serve the Government and the public better if they discussed choice and competition in a more thoughtful debate, instead of branding these concepts as tools of the devil in knee-jerk reactions.

Neale Pitches: I'd just like to reflect on current experience rather than being polarized, or looking at overseas experience. One element of accountability for schools was to be the principal, who was put onto an individualized contract, then made to be accountable to the elected community board, and to enhance that accountability, was to be subjected to performance review, and performance pay.

Marijke Robinson: Are these bad things?

Neale Pitches: Let's say I've had no problem with this, that I find this unexceptional. I didn't particularly think it was pointed to instructional leadership, which is the key task of a principal who wants to improve a school, but then again, I'm not particularly opposed to it.

A week ago, a letter arrived at schools from the State Services Commission saying that although you were down to have a performance review with your principal, and although we've set this system of accountability in place, we would now prefer you to ring the neighbouring board, talk about how you can keep the pay rates of your principals under control, and let's abandon ship on this previously decided principle of accountability via performance review, and performance pay.

Those are the sorts of experiences that we're having in the current environment which lead us to develop these so-called spurious concerns about the models that are being put up. In fact, are we so unintelligent, or so trapped by some ideology, that we are blind to this sort of lurch in philosophy? Which leads me to ask the question: will our salary grants be capped in the same way as our contractual arrangements have apparently been capped in the last week?

Marijke Robinson: I have no idea what you're talking about; I wasn't personally involved in it. I would have thought it was a perfect example of the sooner you get out of central control, the better. But that still doesn't necessarily mean that there's anything wrong with actually making people state what they're going to be held accountable for, what they're

going to be responsible for, and then measuring them on that.

Neale Pitches: That was my point. My point was that we had accepted that continuum of contract-performance review-performance pay - and then we receive from the people who are proposing these new models, an absolute turnaround in policy.

Gerald Minee: That letter was cleared with both SPANZ (Secondary Principals' Association of New Zealand), and run past PPTA before it went out. It's not a departure from the model. What you've basically got is a bastardized contract system, where there's been a fair element of collective negotiation right the way through the process. You don't have a pure principle of an individual contract in which the board makes its judgement about the pay.

There are limits set nationally and, reflecting on the experience over the last year or two, I think that's not been such a bad thing in the context. We've had to bastardize it because the full model hasn't been out there. As far as the issue of encouraging boards to talk to other boards in the area, I think that's commonsense. That was one of the things that we picked up was a weakness, that there wasn't enough dialogue between boards. We thought it was a commonsense exercise, that people would do it anyway. It appears there have been different arrangements, different approaches to the application of the discretionary range, and we felt that it was best to encourage people to do that. We can't enforce it. It still comes down to a judgement about what the board wants to do. I think you actually overstated the content. We didn't talk explicitly about putting things under control. We just pointed out that across the whole education sector there had been a voluntary pay freeze, and that had been accepted.

Neale Pitches: The letter interfered with the process that had already been set up. And our experience is that some of the promises made in the context of this reform have not been met.

Gerald Minee: The letter simply encouraged boards to look at the context of what's happening elsewhere when you're fixing pay for a principal. I realise that the teachers accepted zero for zero, [no wage increase for no change in salary structure and conditions], that the primary principals accepted zero for zero, and that secondary principals had already got an advantage: just take that into account. We did not take away any rights to determine things at the end of the day within the guidelines which had been set.

Gay Simpkin: I just want to set the record straight slightly. The letter was not cleared with PPTA. We were told it was being sent out, and our response to the State Services Commission was what everyone can imagine our response would be.

But I wanted to raise another matter about a very important contradiction that you laid out Marijke. That is the contradiction between the power that is attempting to move salaries bulk funding forward, and local control. Professor Lauder made a very important point in his paper about the state of democracy in New Zealand, that in terms of education, it is now not completely a matter of what the Government wants in terms of education; it is now a matter of what boards of trustees, who have been given control, local control over education, also want. To me what you have laid out for debate this afternoon is that we have to ask the question now: what part do boards of trustees have in saying do we want salaries bulk funding or not? Cathy's already alluded to the research that is indicating the attitude that boards of trustees will have. It's incredibly important: a matter of power versus control.

Marijke Robinson: There will always be tensions like that, always be tensions between the centre and the devolved agencies, just as there are still tensions between all the Government departments that have become independent agencies. There is still always central control. What I was trying to sheet home was that the way you fund schools is not necessarily associated with either democracy or privatization. There are many ways of funding schools, there are many ways of allowing schools to develop in their own way. This does not always mean that they become privatized; it means that there is more choice, but there can still be Government funding, which is the case now.

Owen Jennings: I'm the spouse of a hardworking farmer in a very isolated rural community. I've been somewhat mystified this morning, because I come from a fair way back in terms of my knowledge of the education system. I've been somewhat mystified as to what the real question here is. It seems that we've had some devolution in decisionmaking, in respect of some parts of funding, and not others. The bit that we haven't seems to have a lot to do with wages and salaries. Given the arguments that have been put forward about the practicalities of paying wages and salaries under devolved systems, it seems to me to be somewhat nonsensical. One's only got to look around to see that wages and salaries are paid all around New Zealand in all sorts of situations. There doesn't seem to be a practical problem. I just wonder whether in actual fact that's a front for what the real problem is, and that is that there seems to be behind that a desire to preserve what also appears to be a rather outmoded payment system, or salary structure system within education.

Marijke Robinson: Certainly, I think some people would debate that very theory, but you have a point there. The education unions are the ones that have still best held onto their old conditions of employment, and the last to actually have to face the reality of less money around. Some of the struggle is there, I would think.

I see it also as an aspect in the education debate that has many facets. A lot of the debate is about power, as someone mentioned.

SELF MANAGING SCHOOLS

An NZEI contribution to the debate

I. Introduction

Why a debate now on self managing schools

1.1 It became clear early in 1991 that opposition to teacher salary bulkfunding was as strong amongst trustees as amongst teachers, and that a majority of the National Parliamentary caucus were against it. Instead of taking a position on the issue, the School Trustees Association (STA) decided to mount a debate on whether schools should become "fully self-managing".

1.2 The decision came at a time when the proponents of teacher salary bulkfunding, a small but powerful clique of Treasury and State Services Commission officials, the Business Roundtable and some Cabinet Ministers were pressuring for its introduction in the 1991 Budget. Since there could be some difficulty introducing teacher salary bulkfunding without Boards of Trustees [BOT] concurrence, it may have been thought that a debate on "self managing" schools could produce a result that would provide a veneer of legitimacy to the process.

1.3 The Minister of Education at least acknowledged that the real issue is still teacher salary bulkfunding when he spoke at the STA conference:

> "The devolution of the teacher salaries grant is the final but major component of self management" (1)

1.4 The Minister's welcoming of the debate was not accompanied by any Cabinet undertaking to await its outcome before making decisions on the issue. Indeed the invitation to schools to volunteer to trial bulkfunding appears to be an attempt to pre-empt the debate. A period of trialling would enable Cabinet to proceed with the work necessary to impose bulkfunding while asserting they had kept faith with the March caucus decision to defer bulkfunding, at least until 1993.

1.5 NZEI members around New Zealand share the view expressed by Professor Peter Ramsay at the STA conference:

> "What is needed now is a time of consolidation, a working through of the many problems which we are still encountering and a continuation of the co-operation between Boards, the communities and the ... staff in our schools" (2)

However, despite severe reservations about both the rationale for and the timing of this debate on self-managing schools, NZEI members will participate fully because of their commitment to promoting and enhancing the quality of education available to every New Zealand child.

1.6 In fact, the significance of the political and economic environment in assessing the costs and benefits of teacher salary bulkfunding emerges most clearly when the focus of the debate moves beyond the technicalities of bulkfunding to the wider issues that must be confronted in relation to "self-managing" schools.

1.7 This paper attempts therefore to provide a succinct and accessible outline of NZEI's approach to the issue of self-managing schools and to the specific proposal to devolve to Boards of Trustees the teacher salaries grant. It will:

- suggest that "completion of the Picot vision" is both an insufficient and dishonest justification for pursing teacher salary bulkfunding;
- identify key elements of the current social, economic and political environment;
- argue that any debate must begin with specified and sufficiently detailed educational objectives to enable them to be used to evaluate any proposed change, even when the change is being pursued for non-educational reasons;
- ask what constitutes a "self-managing school" in the New Zealand context and internationally;
- focus particularly on the responsibility of the state for staffing schools;
- examine the impact of teacher salary bulkfunding on primary students, teachers, schools, trustees, community;
- emphasise that NZEI's analysis arises from its commitment.

"to promote the highest standards of learning and personal excellence, enabling all learners to reach their full potential" (3)

2. Background and current context

2.1 To justify proceeding with teacher salary bulkfunding without having to argue a case for it, the Ministry of Education bulkfunding project team quotes Administering for Excellence [Picot report]. The implication is clear : a coherent, consistent and comprehensive programme for education administration restructuring is simply being completed.

2.2 The case against proceeding at this time unquestioningly down the alleged Picot path is compelling :

- the report was itself a compromise between those who sought to promote participatory democracy within a publicly funded and provided education service and those who sought to distance the State from the provision of education and to replace it with a free, competitive market;
- Brian Picot publicly regretted the recommendations on special education, evidence that he never treated the report as a bible;

- those who claim to be heirs of Picot (particularly Treasury and SSC officials) are highly selective about which sections of the report they promote.

2.3 In the three years since the report was published, economic, social and industrial conditions have changed sufficiently to warrant a fresh appraisal based on today's circumstances and incorporating the experience of changes already achieved.

2.4 Administering for Excellence was compiled at a time when

- the economy still had prospects of growth;
- Vote:Education was increasing under a government with a strong commitment to universal public education;
- promotion of equity in education to provide genuine equality of opportunity for all was official policy;
- industrial legislation provided for legally enforceable national awards and agreements which supported national standards in education.

2.5 Those elements offset the other dominant features of the time, particularly the very strong promotion of private, rather than public, provision. Recognising that the transformation from public to private could not be achieved directly, its advocates argued for the efficiency gains to be made by removing the State from direct provision and reducing its role to regulating and funding. At the same time a shift from service funding and universal access to the funding of individuals (vouchers), ultimately on a selective basis, was promoted.

2.6 Just three years later the economic, social and political environment is very different. The zealous pursuit by influential officials of privatisation and market provision is still there, albeit in an intensified form in education. The other material factors have significantly altered.

2.7 New Zealand is in the depth of an economic recession with no prospect for an early recovery. A claimed fiscal crisis has resulted in government focusing on reducing state expenditure as its current economic priority. Savings in education are being sought as strenuously as elsewhere. Opportunistic officials are welcoming the circumstances because at last conditions for privatisation are being created in the education sector. Labour market legislation now encourages individual and enterprise agreements. Finally, the concept of equity in education is giving way to the fostering of intensified competition leading to success for the few, rather than enhanced performance for all.

2.8 The impact of further devolution in education and of teacher salary bulkfunding will be quite different in the current circumstances than it would have been had those experienced by the Picot taskforce prevailed.

2.9 Focusing on the technical or micro aspects of devolution and teacher salary bulkfunding without proper regard to the context in and

background against which changes will occur is therefore grossly irresponsible :

> "... devolution in a period of financial stringency can all too easily result in a lowering, not a raising, of educational quality for which, of course, an adequate level of funding is required" (4)

3. Educational Objectives

3.1 NZEI proposes that for the purposes of the self-managing school debate, the educational objectives be those specified as "Relevant Government Outcomes" in the Ministry of Education draft corporate plan 1991-92.

3.2. Those educational objectives are:

1 To promote the highest standards of learning and personal excellence, enabling all learners to reach their full potential.

2 To promote the early years as a foundation for future learning and achievement.

3 To provide for those who require extra assistance to achieve success in their learning.

4 To provide access to a nationally and internationally regarded qualifications framework for New Zealand.

5. To enable all learners to develop adaptability, flexibility, enterprise and initiative, and the skills needed to contribute to the changing social, technological and economic needs of New Zealand.

6 To enable learners to make the transition from school to further study, future employment and other aspects of life, and ensure opportunities for retraining and education throughout life.

7 To provide appropriate career education and knowledge of the world of work, including an understanding of the nature and place of work in our society.

8 To provide students with access to tertiary education and training, and enable education providers to have the flexibility to respond to learners' needs.

9 To promote equality of educational opportunities for learners by identifying and removing barriers to achievement in education.

10 To enable learners to understand and respect our cultural and linguistic heritage, the special place of Maori in New Zealand and the cultures of Pacific Island and other ethnic groups.

11 To provide for the physical and personal development of learners, including their fitness, health and well-being.

12 To provide all learners with access to a balanced and common educational experience which includes:

* the skills of English literary

* the skills of numeracy and other mathematical skills

* skills in science and technology, including information handling

* understanding of global issues, including the environment

* skills in analysis and problem solving

* knowledge and appreciation of New Zealand's social, historical and geographic context

* knowledge of Maori language

* knowledge of languages other than English

* application and appreciation of the creative arts

* practical life skills

* respect for others and judgement in matters of values and standards

3.3 We have proposed these objectives because they are presumed to be largely uncontroversial. They already have government endorsement, they reflect NZEI policy and we believe there is widespread community endorsement of them.

3.4 In one respect however we believe there is a need to clarify or confirm our understanding of them : are we committed to "enabling all [emphasis added] learners to reach their full potential"? This question is vital because improved performance in the compulsory school sector could be achieved in two quite separate ways

– improving the performances of those at the top of each age cohort and their scores (in international comparisons) dragging national averages up

– enhancing the performance of the different age cohorts as a whole, so that the overall performance is better and in particular the lowest performers improve.

3.5 The question is important because there is some evidence to suggest that overall educational performance may deteriorate with devolution – the very best students may produce improved achievement but invariably the lower quartile achievement deteriorates. It appears that in more centralised education systems, standards are higher for a greater number of students. Increased devolution increases differences between schools which flow directly into student outcomes – the best may do better and the poorest slip back. (5)

4. Identifying the questions

4.1 The underlying question throughout the various stages of education administration restructuring has remained

- what are the relative responsibilities and appropriate roles in the provision of education of the student, parents, teachers/education workers, the community (including local geographic community, iwi, business/employers, communities of interest), the state and the marketplace.

4.2 Responses to this question have been in varying degrees economic, philosophical, ideological in nature, but only infrequently predominantly from an educational perspective.

4.3 Seldom has the question been phrased to ask what mix of responsibility and roles produces the best educational outcomes for students and the community as a whole. Even less frequently has solid empirical evidence been produced to back the claimed benefits of a particular set of arrangements.

4.4 Before asking what further changes are required in the individual/parent/teacher/community/state/ market mix in the provision of education, we should

- specify exactly what educational outcomes we are seeking;
- evaluate the extent to which they are already being achieved;

- identify the barriers to achieving them;

4.5 In this instance however the debate has been pre- determined independently of any specific educational concerns. It is nonetheless useful to ask

- what are the current educational problems in our schools?

The answers to that question would certainly assist us to decide whether we support the concept of "fully self-managing schools" providing always that we had managed to agree on a definition of "self-managing school".

4.6 Rather than work through a theoretical or academic approach, NZEI proposed that we focus on the realities of the New Zealand environment and of New Zealand schools and that we work through the following set of questions:

- What is meant by "fully self-managing schools?"
- What decisions should trustees be able to make about their schools that they can't now?
- What decisions should the principal and staff of a school be able to make that they can't now?
- Do trustees need/want more power over:

  . curriculum

  . staffing

  . teachers' salaries

  . operational grants

  . any other aspect of the school.

In considering each of these areas, the first questions should be:

is there actually a problem with what we do currently?

what is needed to improve teaching and learning?

What is the appropriate role for government in the provision of public education?

- does government have a responsibility for curriculum and what is the nature of that responsibility?
- does government have a responsibility to ensure all schools are staffed with trained and qualified teachers?
- would reducing the role of government in providing a national primary service improve the quality of teaching and learning?

- would reducing the role of government in staffing schools and paying teachers' salaries make it easier or harder for government to reduce overall funding to schools?

Should parents and teachers have more say in education policy development at government level?

Should we be pushing for more change now in the administration and financing of schools or should there be a period of consolidation and proper evaluation of changes already in place?

What lessons are there to be learnt from the experiences of universities, polytechnics and hospitals with full bulk funding?

5. Definitions

Self managing school

5.1 For the purposes of this paper NZEI has modified a definition of "self-managing school" suggested to us by the School Trustees Association. We found the proposed STA definition, or perhaps more accurately description, helpful in assisting exploration of the notion; and practical in that it enables the debate to focus on what actually happens in New Zealand schools.

5.2 The initial STA description reads:

> "self management involves communities making decisions about their school with respect to character, curriculum, resources and employment"

5.3 NZEI has extended the description to provide a framework within which the concept of self management can be explored :

> "self management may involve significant local community control over decisions about character, rolls, curriculum, standards, assessment, staffing, employment, property, operational grants, salary grants, local raised funds"

5.4 Even a cursory analysis of where decisions are made at present in each of these categories reveals that responsibility is shared in varying degrees between the State and the school community represented by the Board of Trustees. It reveals the complexity of the issue and suggests that devolving the teachers salaries grant to BOT's may not, after all, constitute the final step to full self management.

5.5 Assessment highlights this point. At present each primary school makes the decision about the form assessment of students progress will take. The government is at present developing standardised forms of assessment to be imposed on all schools. Whatever the final merits of the government's proposals, their introduction will constitute a clear erosion of an individual school's right to make decisions about what it considers the most appropriate form of assessment in their students' best interest.

5.6 A thorough exploration of whether New Zealand primary schools are currently able to make decisions in relevant areas in their students'

interests would require a systematic assessment with respect to each of the categories of where decisions are made at present, the nature of the decisions, the impact on children's learning and whether a different and more positive outcome would be achieved if the location of the curriculum decision-making were different than at present.

5.7 Accepting that the appropriate balance between local and central decision-making will vary over time, NZEI would welcome the inception of a regular and thorough review which considers, amongst other data, responses from schools about their experience in each of the categories.

5.8 The proposed framework does however have some limitations. It presumes a single, organic school community, presumably the Board of Trustees, where the school decision-making is located. It leaves unexplored the distribution of decision-making within the school community, for example as between trustees, principal and staff.

5.9 If the guiding principle is that the best decisions will be made if they are made as close to the student as possible [see Picot recommendation], then that will mean supporting and possibly enhancing the principal's and classroom teacher's autonomy in professional decisions. This in fact is the understanding of what constitutes effective school self-management in Australia, Canada and the United States.

5.10 In New Zealand the emphasis has been on parent control and the crucial component of enhanced professionalism is being neglected. A recent OECD publication The Teacher Today reflects a thorough knowledge of the most up-to-date research around the world :

> "... the success of educational reforms, no matter how well they are conceived in principle, will be only fortuitous if the teachers who are actually responsible are not made an explicit and pivotal plank of these reforms ... Teachers lie at the heart of the educational process!" (6)

5.11 A further limitation of the proposed framework is that it says nothing about the appropriateness of or the opportunity for the wider school community, including iwi, parents, local businesses, to participate in local school decision-making.

5.12 Recognition of these limitations is also an acknowledgement that legitimate interest in the outcomes of education extend beyond the individual student and her/his parents. Processes for education decision-making must therefore provide for the constructive participation of others. In some cases this can effectively occur at the level of the individual school. In others, more appropriate participation will be at the level of regional or national policy-making and programme development.

The State

5.13 For so long as education is perceived as a key component in the development of a successful modern economy and democracy, and for so long as the state is the major funder how the state makes its decisions about education and who is involved in that process, will be as significant as the extent of local school management.

5.14 The State's role in education is not limited to that of "protecting taxpayer interests" but extends to distilling and advancing the wider communities priorities for education, including incorporating the views of a range of groups who may not appropriately have their legitimate interests taken account of at the local school level (this includes the interests of future generations).

5.15 Through the State, New Zealanders can, most efficiently and effectively express their collective responsibility for the provision of minimum standards of care and the essential services which each individual has a right to and, indeed, requires if they are to participate in and contribute to the community.

5.16 The State should not be identified merely with one element of it, namely central government agencies.

6. Staffing and Teacher Salaries Grant Bulkfunding

6.1 If a debate on "self-managing" schools is to have more than an academic interest, if it is to have any influence on government decisions, then it must focus on those aspects which are the subject of government consideration, namely staffing and teacher salaries grant bulkfunding.

6.2 The two are inextricably inter-linked.

Staffing

6.3 On the basis of an extensive search of the national and international literature, NZEI maintains that if we are serious about the objective of "enabling all learners to reach their full potential", then the State must retain responsibility for

- ensuring a supply of well qualified, trained teachers to staff all New Zealand's schools;
- determining the staffing levels, including teacher:pupil ratios and staffing schedules;
- the educational needs of students, the curriculum and the management requirements of schools should be the key factors considered in the determination of staffing levels.

6.4 Two aspects of the current environment underpin NZEI's advocacy for continued State responsibility for staffing. First, a fairer outcome for all learners is achieved if staffing levels are nationally determined, rather than being dependent on financial circumstances of individual schools. Further, national decisions about staffing levels allow constrained resources to be allocated primarily on the basis of learner needs and, as economic conditions improve, the direction of additional resources to areas of greatest need.

6.5 Secondly, primary schools are facing a 14% roll increase between now and the end of the century. Any proposal to depart from present staffing ratios for economic or other reasons must be made explicit in a process of open decision-making.

Bulkfunding of teacher salary grant

6.6 Retaining national staffing ratios and schedules is of paramount importance and clearly they could be an element of a system which bulkfunds the teacher salaries grant. Unfortunately, work undertaken by the Ministry of Education on the introduction of bulkfunding to primary schools shows that so far they have been unable to develop a model within existing resources which is not massively disruptive of current staffing and programmes in schools.

6.7 At present primary staffing is determined by a mixture of different schedules and ratios. These include:

- schools with fewer than 151 students a 1:25 schedule
- schools with more than 151 students a ratio of 1:20 or 1:26.5 (first three years) and 1:31 for other pupils
- schedules for pupils with special educational needs
- schedules for pupils in small schools
- ratios to ensure early learning in the first three years
- schedules in normal schools to assist pre-service teacher development
- provisions for continuous staffing
- notional roll status

All these policies were put in place for sound educational reasons.

6.8 The only work undertaken by the Ministry of Education available to NZEI essentially rejects the concept of funding according to pupil needs and instead proposes an "across the board" (or smoothing) distribution of the teacher salary resource. The effect of this approach is to create large numbers of losers amongst schools and a few winners:

- Total disruption to 514 schools - 24.2% of primary schools
- Loss of 1 or more teaching staff in 259 schools, compared to gains of 1 or more in only 19 schools
- Removal of 82.1 positions in the 45 notional roll schools. (These schools will also lose further positions because most are also full 1:20 schools and will therefore be affected by the so called smoothing process)
- Kura Kaupapa Maori with rolls of less than 151 lose all 1:20 staffing components
- 22 positions are removed from normal schools. These entitlement positions enable the schools to carry out liaison with teachers' colleges in their pre-service training roll.
- 173 present guaranteed staffing positions are expressed as a staffing loss and a cost saving in the model. The Ministry project team at the

time of the presentation of the model was unable to state clearly whether this was an indication of policy direction or just a "snapshot" picture of staffing in schools. (The guaranteed staffing component (GSC) protects programmes for one year in a school experiencing a falling roll situation. The inclusion of GSC in the model without any opportunity for informed debate is totally unacceptable).

- The model identifies a saving of + $10M. There is no indication of how the equity provisions removed and included in this figure will be returned to the system.

- The +$10M saving represents the loss of 253.5 full-time equivalent entitlement positions, and possibly other positions. (The model is unclear as to whether the 31g and specialist intermediate staffing figures are included).

6.9 It is difficult to understand how schools will gain from so-called additional local control over staffing through bulkfunding when they are faced with these results. Is local control in this case any more than agreeing to carry responsibility for or cover up (by use of local resources) the results of unpalatable decisions taken by some-one else.

6.10 NZEI's concerns about teacher salary bulkfunding extend beyond its impact on staffing and the opportunity it provides for governments to reduce funding without confronting the consequences of that decision. Additional workloads for principals in particular, but also for trustees, are not in the interests of either at this stage of the education administration restructuring. Apart from anything else, the main effect will be to further reduce the time principals have to devote to educational leadership and support, as opposed to administration. All the effective school research shows that for best results for learners, principals should direct more time to educational leadership, not less.

6.11 Equally important is the damage that could be done to relationships within the school between principal and staff; principal and trustees; staff and trustees. Again, effective school literature emphasises the impact on children's achievement of collaborative and co-operative working relationships within the school. With strong, collective contracts, nationally negotiated, and with legally enforceable terms and conditions, the damage to relationships within schools might be reduced. However, the Employment Contracts Act make such contracts very difficult to achieve or sustain. Strong, detailed collective contracts have provided in the most reform active areas in the United States, a security which has encouraged individual teachers and whole school staffs to willingly experiment and innovate.

7. Conclusion

7.1 NZEI supports the concept of a partnership between parents, teachers and the state as the most effective way of "promoting the highest standards of learning and personal excellence, enabling all learners to reach their full potential.

7.2 While the relative roles and responsibilities of each partner will vary over time, on the best evidence available, NZEI is confident in asserting that a national education service with the State maintaining active responsibility for staffing, funding and paying teachers salaries, as well as setting standards and determining the curriculum, will produce the

best results for New Zealand's learners. In carrying out its responsibilities, the State must fully involve the other partners.

7.3 Given the extent and speed of restructuring within the primary education sector over the past two years, there is a compelling case for allowing a significant period of consolidation and rigorous evaluation before further changes are made to the system.

7.4 NZEI would welcome regular and systematic reviews (perhaps every three years) which seek to identify whether responsibility amongst the partners should be varied in any area in the interests of children's learning.

7.5 Any proposed change should be assessed for its impact on specified educational objectives and should not be proceeded with unless it can be shown to be

- educationally sound and promoting good quality education;
- fair to students and teachers;
- administratively efficient;
- better than the status quo

7.6 With respect to teacher salaries grant bulkfunding, it is clear that there are no compelling educational reasons for it and that it could be damaging to the provision of education of a nationally consistent and high standard for all learners. The risks far outweigh any perceived advantages. Except as a tool to facilitate the reduction of State expenditure on kindergarten, primary and secondary education, it is difficult to identify any valid rationale for it.

(1) Dr. The Hon. Lockwood Smith, Minister of Education, "Speech Notes for School Trustees Association Annual Conference", Friday 17 May 1991, p.20

(2) Prof. Peter Ramsay, "Local School Management : Possibility or Impossibility?". Speech to School Trustees Association, Friday 17 May 1991.

(3) Ministry of Education, Draft Corporate Plan 1991–92, Wellington May 1991, p1 – relevant government outcome 1.

(4) Professor Malcolm Skilbeck, Vice-Chancellor, Deakin University, Victoria, Paper delivered at Hobart Education conference, "The Quest for Excellence", 30 Sept/3 Oct 1990. Professor Skilbeck was recently appointed to head the Centre for Educational Research and Innovation (CERI) at the OECD).

(5) Phil Capper "An Idea whose time appears to have been", Dominion/Sunday Times, 17 June 1990, p.16

PETER WHATT

NZEI

'Self-Managing Schools: What's Best for our Children?' The second part of the conference title is really great. It provides the impetus for NZEI members to take part in the debate despite reservations about the rationale and timing.

I say this as the principal of a large Northland primary school with a roll that is 20% Maori, 80% pakeha.

I speak today for teachers. I want to make very clear at the outset we are educators because we care about children and want them to learn in the best possible environment.

There are some who would dispute this, claiming we work solely to pursue our own interests. I wish to dispel such fears.

NZEI has always been committed to promoting and enhancing the quality of education available to every New Zealand child. That child centred learning was pioneered in New Zealand is proof of that. Building on a School Trustees Association description, NZEI provides the following concept of self management -

> **Self management may involve significant local community control over decisions about character, rolls, curriculum, standards, assessment, staffing, employment, property, operational grants, salary grants, local raised funds**

However, if the guiding principle is that the best decisions are made as close to the student as possible, then that will mean supporting and enhancing the teachers' autonomy in professional decisions.

The OECD clearly recognises this in a very recent publication, and I quote:

> ...the success of educational reforms, no matter how well they are conceived in principle, will be only fortuitous if the teachers who are actually responsible are not made an explicit and pivotal plank of these reforms... Teachers lie at the heart of the educational process!

We must have this debate on self management of schools in the context of some agreed educational objectives.

NZEI suggests those identified in the Ministry of Education draft corporate plan are relevant.

Once the objectives have been agreed, there remains the very real need to clarify just what is meant by 'enabling **all** learners to reach full potential'. This is vital to the debate as evidence suggests overall performance may deteriorate with devolution. The best may do better, but the poorest slip back.

Despite statements about widening the debate from bulk funding to self management, it is clear from the pre-circulated papers that the essence for a number of participants remains bulk funding of teachers' salaries.

The STA and Business Roundtable papers are notable examples.

Our paper details our objections to bulk funding clearly and precisely. Our arguments are based on educational objectives. We do not resort to emotive terms. We expose the myths of flexibility of staffing that bulk funding is claimed to provide.

We expose how it provides for government to reduce funding without confronting the consequences of that decision. In detail we explore the only model of bulk funding that has been presented by the Ministry. That model was unanimously rejected by the consultative committee of which the School Trustees Association was a member.

I would have to acknowledge, however, that for a number of participants there is more to self management than just bulk funding.

The main objective of the Business Roundtable is to reduce the role of the state and open up education to the private sector.

Whatever the objective is - whether it is

power and control;
bulk funding; or
privatization,

there is an impressive lack of information as to how any of these will improve the quality of learning.

Because we are dealing with the learning opportunities of children, the stakes are too high for key education policy decisions to be made on the basis of assertions rather than facts.

Implicit in a number of papers is the view that bulk funding should go ahead because it was part of the Picot task force recommendations.

Both Brian Picot and Peter Ramsay have had second thoughts about some aspects of the original report.

It is most important to note that at the time the report was written New Zealand was in a very different economic position.

- Vote: Education was increasing;
- genuine equity in opportunity was official policy; and
- industrial legislation supported national standards of provision through enforceable national awards.

The SSC assertion that proposals for bulk funding are logical and consistent with the general pattern of reform in the state sector is therefore irrelevant to the debate in 1991.

There are key questions that we have to address.

We need to work out just what is the best mix of responsibility and roles to give the best outcomes for students and the community.

But to work through that we must know exactly

- What educational outcomes we want;
- How we are doing now;
- What decisions boards, principals and teachers want to make that they can't make now;
- What are the problems with what we have; and
- What is the appropriate role of government in the provision of public education.

Would reducing the role of state in staffing schools and paying teachers' salaries make it easier for government to reduce overall funding to schools?

We would answer, yes.

We would cite what has happened in hospitals and universities to back up this statement.

It is important that we remember, and STA's paper supports us in this, that the state has a wider role than just ensuring taxpayers' interests are protected. The state must advance the wider communities' priorities for education and protect the interests of future generations.

Our conclusions are:

We support partnership of:
parents
teachers
and the state.

We believe a national system with the state maintaining responsibility for:
staffing
funding and paying teachers' salaries
setting standards
determining the curriculum

will be best for learners and that the state must involve all the partners in those decisions.

We believe we must stop now and evaluate the changes that have already taken place and we believe that reviews must regularly assess whether responsibility between partners should be varied in the interests of children's learning.

We believe that any proposed change must be measured against the following criteria:

- Does it promote good quality education?
- Is it fair?
- Is it efficient?
- Is it better than what we have?

We believe bulk funding of salaries meets none of these criteria, and has the potential to be damaging.

In concluding, I would ask the rest of you here today if you agree with these conclusions, and, if not, I would be most interested to learn why not.

Carl Hansen: You made a statement that as teachers you're interested in the child, and not the interests of yourselves.

Peter Whatt: I never made that statement. I said 'The NZEI has always been committed to promoting and enhancing the quality of education available to every New Zealand child.'

Carl Hansen: From that, would you disagree with the situation where parents want to give more to education, over and above the fees that they pay?

Peter Whatt: I'm not sure I understand your question, but I believe every parent in this country at the present time does contribute that in a hundred thousand ways. In my own school today we've probably got 15 to 20 parent helpers; we'll be running raffles tomorrow morning. Is that the sort of thing you're talking about?

Carl Hansen: What I wanted to pursue was the earlier issue that in well-off areas, schools are going to benefit because they'll be able to raise a lot more funds from the well-off parents. Is there anything wrong with that? Does NZEI or PPTA have a problem with that?

Peter Whatt: We would have a problem with any system that is a rich get richer, and a poor get poorer situation. We would have real problems with a system that would develop an elitist group at the top, and everyone else falling below the average.

Carl Hansen: In those schools which get more resources, would they be able to pay more for teachers they want?

Peter Whatt: If one school using locally raised funds can capture large numbers of teachers, then it is going to lead to less teachers available for other schools that don't already have those sorts of benefits.

Carl Hansen: It's doing that by attracting those teachers with higher salaries.

Peter Whatt: It can attract them in a hundred different ways. If it robs other schools, and therefore disadvantages the education of the majority of New Zealanders, it's a system that we cannot endorse.

Carl Hansen: How are they going to rob other schools?

Peter Whatt: There's a finite resource of teachers, and within any finite resource, there are those, judged in whatever way, who are considered experienced, or good, or enthusiastic. My school would be a perfect example of one that could corner the market in my town. I'm in a very affluent school, right in the centre of town, I would have all the advantages running for me. If I corner the market on that finite resource, and the quality within that - then I am robbing all the other schools which those teachers may well have been looking at.

Carl Hansen: And that's because those teachers that have chosen the more well-off school are pursuing self-interest, or do you disagree with that?

Peter Whatt: Pursuing self-interest?

Carl Hansen: In terms of either higher monetary reward, or other kind of rewards like esteem, or status, or better access to resources.

Peter Whatt: They are taking an opportunity. If that's what you mean, I would agree with you.

Graye Shattky: Am I hearing you say that all children should be limited by a ceiling, which is common to all?

Peter Whatt: No, absolutely not. Any equitable outcome means there's got to be inequity of input, and our current situation with staffing is an unequal situation. I may teach now in what is a pretty privileged situation. I spent seven years in Porirua. We had a notional roll of 15%, and when you've got a roll of about 500, that's a few extra staff. We also had the pool release system, another nine days a week, so almost another two teachers. That was not equitable input, but it was a necessity in order to try and get an equal output for those kids.

What we are saying is that bulk funding would lose those provisions. This morning I asked the Minister how he was going to overcome this smoothing out, robbing those sorts of schools, and he really side-stepped the issue. We can't go along with that smoothing out provision, which robs so many schools.

We're answerable. I'm answerable to the kids in my own school but we collectively, as an institute, are answerable for **every** primary school child in this country.

RESEARCHERS' COMMENTS

HUGH LAUDER

Since I have only eight minutes to discuss the research input, let me put to one side the more provocative points that have been made this morning about rhetoric. If rhetoric is persuasive language, then I know of a number of documents - they can be from Treasury, they can be from the Roundtable, they can indeed be from myself - where there is also an attempt to persuade. It can be done in various sorts of ways. It can be done in a very flat technicist manner, adopting the style that what you're delivering to people is just technical commonsense; it can be done with a bit more flair.

Let me talk about the issues as I see them: the question of marketization of education, the question of bulk funding. Let me deal with my own research with David Hughes at the University of Canterbury, because I think that it provides some core support in terms of educational and school performance in New Zealand for research which has been done overseas. The general findings are fairly widely accepted.

That research was asking the question, to what extent can schools promote, or retard, equality of opportunity, given the particular intake characteristics of students to schools? What we did was to control for the intake characteristics of students, in terms of their socio-economic background, and we controlled for them in terms of their scholastic ability, and then had a look to see what kind of performance schools put up in terms of whether they were private, state, state elite single-sex, or state co-ed schools.

What we found was that when you control for those sorts of intake characteristics, you get a picture which is very similar to the one that you would get if you didn't control for intake characteristics at all. In other words, the sorts of lists of exam successes and failures that you get in the newspaper. However, the step further we went was to ask about the social class mix of the school. Is there a particular dynamic associated with the social class mixture of a school which also has a determinate effect on the outcome?

When we did that, three points of interest arose. The first is, the more you control in the ways I've been suggesting, in terms of the intake characteristics of students, and the social class mix, the more the differences between the so-called best and worst performing schools on a scale of public examinations shrink dramatically. So that by the time you've taken social class mix into account, you're dealing with differences of about one, one and a half, at the very most two, School Certificate subjects.

The second point to make is that the table of the best and worst schools changes dramatically as a result of controlling for these particular characteristics. So, for example, in the first table, where we're simply looking at the overall raw results of schools, and then controlling for the intake characteristics of students, we have one particular school in Christchurch which came out very close to the bottom, a co-ed school. The Protestant schools, the private schools, tended to come out at the top. This gives credence to the marketization idea that the reason why private schools are successful is because they are private, because they are indeed in competition. However, when you control for social class mix, the picture looks quite different. That school that was low performing suddenly shoots up to very close to the top of the table, and the Protestant schools get scattered right across the table. In other words,

when you take these variables into account, the performance of private schools has nothing to do with the fact that they are private. It has everything to do with the social class intake, and social class mix of the schools.

The question then it seems to me that we have to address in relation to all the discussions we're having today, is to what extent will a market system of education, self managed schools, bulk funding and the like promote or retard the achievement of all New Zealand children? And the answer to that is, it depends upon the social class mix of the school, how wide the social class range is within that school. The question then is, what will happen under the marketization of education, for example, under the Education Amendment Act 1991, to the social class mix of schools? Is it the case that this choice will cream off some of the middle class kids from schools which have previously been relatively well balanced, and place them into more elite middle class schools? In which case, what you'll find, I think, is a reduction in the performance of kids who are left in those schools. Not only a reduction in their performance, but also a reduction in the income going into those schools, because students will be leaving those schools, and their rolls will drop.

So I think there is a problem, as I've tried to indicate in this infamous paper (**The Lauder Report: Tomorrow's Schools, Tomorrow's Economy**), about the question of the relationship between marketization and overall educational performance of students. Might I also say in this context that there is a great concern about high achievers: those who are most scholastically able in our study were penalised very little indeed if they were in well balanced, mixed schools, as opposed to those in schools with high socio-economic intakes, whereas those at the bottom, the less able, who tend to be typically working-class (not less able because they're innately less able, this ability is largely a measure of 'cultural capital') tended to perform much better in well balanced, mixed schools.

If we're interested in the education of **all** New Zealanders, rather than an elite group, there are real questions to be asked. There are enormous problems with the question of choice, and the whole idea of the structure of an educational market. You can, as I indicated in the paper, have two very paradoxical results with certain types of market structure. You can have feasible results where rather than enhancing choice, you decrease it. Say if 15-20% of children leave a particular school, the school may have to close down because it's unviable: what then happens to the choice for the other 80% of parents?

I do think that choice is a function of the way an educational market is structured, and there have been people on the left who have argued for vouchers, argued for educational markets: but they have argued for them within the context of a structure which creates incentives to schools to take on board a well balanced social class mix; they've been argued within the context of providing the appropriate material and informational support for parents, because we know that not all parents and kids enter this market for education equally. But I hear none of that in terms of educational policy in New Zealand today. That leads me to believe that what we're looking at, potentially, through this marketization shift, is a decline in overall standards, because I think there are good reasons for believing that there will be a decline in standards for kids in working class schools.

Let me now move onto the vexed question of bulk funding, and the whole question of self management. Marijke Robinson was quite right to point out that there are different styles of management that can occur in different kinds of schools, given a degree of autonomy. But

again, I think the question of the context, and the timing of introduction, all these matters are of crucial importance. I'm not sure that we can look to overseas models, and say, look, it works there; it would work here. There are clearly cases overseas where the introduction of management models, as for example in areas of Britain, have been a disaster: they've created an 'us' and 'them' context. I know of one prestigious comprehensive in London, where they went three years without a staff meeting, because the staff and the management were at such loggerheads. I know personally one of the management, a person totally committed to the idea of democratic participation, who nonetheless was constrained by the overall system.

May I come onto a positive note. That school, under a deregulated system, has, because it is seen as one of the prestigious comprehensives in London, creamed off a large number of so-called able students from other schools in the surrounding area. Previously in London, you did in fact have a system where there was a measure of choice, within a zoned system. The measure of choice was created in this way: parents could list a set of preferences, one to three, of the schools they wanted to send their children to, within a zone. So there was an option of three schools. But the authority reserved the right in the final analysis to adjust those preferences to ensure there was a good social class mix or ability mix within those particular schools. And that seems to me to speak to some of the concerns related to choice, and it also speaks to the issue, the vital issue, of the social class and ability mix of a school.

NOELINE ALCORN

My own interest in this field is from a position of helping teachers and principals in preparing for educational leadership. I use that word advisedly, because it seems to me that management is one facet of educational leadership, and we tend to be concentrating on it to a perhaps unhealthy degree. I'm also very much in favour of an alliance in school decisionmaking between parents and teachers. I would note in passing that this is not what happens in some of those schools which are held up as models, the private and elite schools, where very often parents are told 'You've made your choice; you've chosen this school, and now we take over. We run the school, and you don't have any more say once your children have gone through the gate.' I think that is an unhealthy situation.

It does make me sad to hear coming through quite strongly in some of the papers for this conference what I do read as anti-teacher rhetoric, particularly anti teacher union rhetoric. We must admit that of course teachers have an interest in their pupils' learning. They don't become teachers unless they do. And of course parents have an interest in their children's learning, which is a different interest, because parents are interested in what happens to their own children. The community has an interest. We tend to talk of a community as though it's one thing, and it isn't at all. Any school principal knows that there are a whole host of communities out there, who all have demands that they make on the school principal.

In passing, commenting on what has happened this morning, it's obvious that we need limits to this local control. I was glad to hear Catherine talking about balance. The Levin situation may be a healthy one, but, as other people have suggested, when we go into the business of recapitation of some schools, and we champion the right of each school to make its own

decisions, that does inhibit the freedom of other schools. A 15-20% drop in roll could quite easily happen to intermediate schools, and then other parents don't have a choice about where they send their children as the school is no longer viable. The whole concept of choice seems to me in New Zealand to be very much an urban concept. There are still a number of communities where there isn't any choice, because there's only scope for one school. We tend to be using all kinds of models about choice which are not reality for very many parents at all.

The other thing we need to bear in mind here is the natural urge, and we all share this, to associate mainly with people who share our own preconceptions. We all feel much more comfortable with people who think like us, than people who don't think like us, and I'm as guilty of that as anybody else. So what we're doing today in sharing our views is healthy.

I also think we could probably agree that we could work together on things, without necessarily agreeing why we do it. Some of you will know my current research is preparing a biography of Dr Beeby. One of the stories he tells is about the second general conference of Unesco, held in Mexico City in 1947. After a lengthy debate, when it was after midnight, the delegates had all got to the point where they were about to agree on the resolutions, and one chap from a Latin American country got up and said 'I want to tell you why my delegation supports these resolutions.' And of course, that opened the floodgates, and all sorts of delegations wanted to get up and talk. They were all supporting the resolutions for different reasons, and they began to attack each other's reasons for supporting. Very late in the morning, about four o'clock, Jacques Maritain got up and said that in his experience men of goodwill - and I'm sure he used men, and not people - can work together for the same end, without agreeing on the reasons for which they do it.

Beeby has often said himself that he and Peter Fraser would have come to that very famous 1939 statement which we all quote, from very different backgrounds. But they both believed it implicitly. We are all really working towards the same sorts of things. It's a pity if our rhetoric, and our reasons for wanting self management, which lots of us do, get in the way of helping us to achieve it.

The questions of balance, and choice, and our desire to be with people who think like us is very much reflected in parent choice, and we have to be rather wary perhaps of too much of this, which can be socially divisive. And to remember that we are a very small system. When I was in China last year, we landed in Kunming, and they said to us, this is a very small city really, it only has six million people. That tended to put us in perspective a little bit.

My concern in all of this is that we look at the research on the role of the principal, and focus perhaps on trying to help principals face what I think are some of the dilemmas, the dilemmas of leadership, in our current situation.

The principal in a self managing school is in a position between all kinds of competing groups. He or she has to stand between the staff, and the board, for instance. The principal has to be both the staff developer, and the staff appraiser, and those two roles do not sit very easily together. I don't think they're impossible; but I do think people need help in facing these goals. They have to decide to what extent they're a colleague, and to what extent

they're a boss, and I don't think the boss role goes down terribly well in most professional organisations, and quite rightly so.

The research from Canada certainly shows that instructional leadership is the kind of leadership that has most effect on school learning, and that's what we're talking about. My observations and interviews suggest that most school principals feel that they're pretty much hampered by the administrative side of it at the moment. Maybe we're working with outmoded models. I believe we need a lot of teacher support and development. I also believe teachers need a fair amount of security if they're going to function best, and I think the research bears this out.

The principal is caught between the community and the profession, between national policy and local desires, and their responsibility to their individual school, and to the profession they belong to, the profession of teaching. We must bear in mind in this debate that the characteristics we need in this situation are usually characterised as the ability to tolerate ambiguity, because schools have a pile of purposes, as Handy says; there's a good deal of value diversity, and this doesn't marry very easily with management by objectives and very clear-cut things. The research of Rosabeth Moss Kantner into entrepreneurial organisations in the United States would suggest that only people who don't try and pin things down too closely, who can keep an open mind, and tolerate diversity and ambiguity, are going to succeed in this kind of situation.

DAVID STEWART

My particular interest is twofold. I'm engaged in action research in the so-called Levin experiment, I've been part of that since it began, and I want to talk about that, where it's at, what's happening, and why that's happening.

Just to pick up first, though, on the last point that Noeline made, in terms of some of Handy's work on the pile of purposes that schools have, and the fact that schools are not like any other form of organization. I want to say that as strongly as I can. It seems to me that the research and the work that I'm reading and teaching point to the need to deal with schools somewhat differently from the way we deal with any other organization in our society. One of the reasons Handy suggests is that schools are in fact **the** most complex organizations that exist in our society. Because they're so complex, they have had to be looked at and worked in and dealt with in somewhat different ways than we would commercial or economic organizations. Margaret Austin this morning referred to the fact that children couldn't be seen as commodities, and weren't in that sense a product. Handy talks about that at some length, and suggests that you have to think of schools in a whole lot of different frames and in different ways from the way that you think of an ordinary commercial organization.

Perhaps that's one of the reasons why we find this sort of debate going on: we're trying to apply to a very complex organization some of the procedures that have worked in other commercial organizations. Although once I say that, I'm reminded of that famous book **The K Factor,** that I like now to take to courses, which purported to say these are the most

successful Kiwi companies, and you can read the case studies now, and they're a litany of failed companies.

So we shouldn't perhaps base our management models on the K Factor, or similar models, because they haven't in fact been as successful as predicted.

To turn now to this Levin experiment: as someone who has been involved in it since its beginning, it's rather unique to hear the Minister and others talking about it, because it really is a very modest approach to looking at the provision of education in a small town in New Zealand. It's full of problems, of course, it has all sorts of hiccups, and is now coming to a very interesting stage. Pieces of the way it has been developed might be useful to other people. For example, I believe that the Picot definition of community, based round a single school, was a very restrictive form of community, and has led us down a number of blind alleys. One of the things that the group in Levin tried to do was to define a much larger community, and to focus on the town of Levin, as a community, rather than focusing on a single school district as a community, because of course in a small town, as indeed in most places, communities overlap, and intermingle, and people who send their children to one so-called community school are in fact members of other communities, in the same community. So the thing is fraught with errors.

So the Levin group tried to focus on the town as a community, and in doing so, caused an enormous amount of problems. What about the ring of little country schools that are just outside the definition of the Levin community? What would be the effect on those schools if this scheme went ahead? Very early on in the scheme, a couple of secondary schools, one in Foxton, and one in Otaki - yet another circle outside the community - said, 'Well look, if this scheme goes ahead, it will have an effect on what happens in our community. Are we being considered in this proposal?'

Like the issue of recapitation, you cannot just deal with a school in isolation. Indeed, you cannot even deal with a small country town in isolation, because all the people who feed into that town, all the schools and communities on the periphery of that town, are indeed part of that town in the sense of community. They have community interest. So the scheme is still being talked about and developed, and indeed has some chance of getting into action. But the group of people involved in promoting it believe that the Government, or the Ministry has a responsibility now to help the thing proceed, because even if the community, so-called, whoever they are, decided that we go ahead, the buildings will not be precisely suitable for the new change. The buildings were built for the schools that live in them now.

Who's going to pay for the changes? Is that going to be a debt that the new organization begins with? Or is that going to be a development cost that the Ministry might pick up? Who's going to pick up those sorts of charges? There are costs associated with flexibility.

Finally, I have real problems with the notion of governance and management. I feel that that notion, applied to schools, has really misled us. In fact, it has provided a totally inappropriate model for schools to operate with. Boards govern **and** manage; principals govern **and** manage. I'll give you a definition that I'm comfortable with: a Board of Trustees is a forum for legitimizing policy. Policy then can be action guiding.

CATHY WYLIE

There are two aspects raised today that I have some relevant information on. One question relating to school self management is whether it is simply a question of practicalities. We have had examples of people's own small organizations from those who believe it is. I'm glad that the point has been made the schools are in fact complex. What has happened overseas is that people have come in with very clear-cut models that they've got from somewhere else, and found themselves floundering. Schools can break the best of intentions, and the clearest of intentions. It is important not to discount the overseas literature and there are references to some useful work in the report of our 1990 survey (**The Impact of Tomorrow's Schools in Primary Schools and Intermediates: the 1990 report**). There is a lot of assertion flying round this room, and the quality of evidence differs markedly.

I'd like to pick up on Marijke's point about Holland and privatized systems. The Dutch situation is a very complex one. The Dutch provision for education is very handsome; there are three different systems: Protestant, Catholic, and 'ordinary'. You have a choice of school in every small town, and now, of course, the taxpayers are saying 'This is an incredibly expensive system'. The state has quite marked control over staffing levels (there is a staffing schedule), and over the resources going to schools. In fact, it puts a cap on the resources that schools can raise locally. The Dutch have realized that there is a problem of increasing inequity between schools, which means increasing inequity of provision for disadvantaged groups particularly, and they put the cap on to try to avoid that very problem. Perhaps that's a solution we could think about here. As Marijke said, the Dutch have a very good educational system, it's well admired elsewhere, and it's got very high standards. And that is what some have said we are aiming for here in New Zealand.

But there is also some interesting research about what is happening to disadvantaged kids in the Dutch system. What is happening is that some well-off parents choose for prejudicial reasons to bypass their local school - they can because they've got transport. They don't want their kids to be in the same school as somebody who's got a brown skin - however talented those brown skin kids might be, however useful their kids might actually find mixing with those children. It's demonstrated over time that the standard of educational achievement of the kids who are left behind, the brown skinned kids, has deteriorated markedly. We have additional proof, if you like, of what Hugh was talking about.

Do we have to make the same mistakes as other people? This is in a system which tried to put some safeguards in, because the Dutch also feel very strongly about equality of opportunity, and socially not wasting every talent they've got. It's another small society like our own.

I would also like to emphasize Hugh's point that private doesn't mean better. There is very interesting research coming out now on private schools in the United States. It seemed from work a couple of years ago that private schools were achieving better results for their students than public schools. One's first reaction is to say that wouldn't be hard, given that the provision of education in the States is so disparate, and that there are areas in the South where the provision is almost Third World. But researchers have gone back to the data, asked different questions of it, and used more sophisticated statistical techniques that have since become available. They have found that private schools do **not** make a difference. Private schools start on an advantage because their kids come in advantaged. To simply put

resources into those schools is not going to increase the provision of good learning opportunities for those who are failing at the moment.

Hugh Lauder: We're replicating some Australian research at the University of Canterbury which is looking at the performance of children from different sorts of schools once they get to university. What you find is that the kids going to the University of Canterbury in 1983 from private schools had the highest bursary marks, and they were when they completed, the lowest performing. The lowest performing in bursary were those from co-ed schools, and they were the highest performing when they went to university.

PLENARY SESSION

Ian Livingstone (chair): As the programme indicates, I would like this afternoon to be devoted to getting some idea of what common ground exists, and what issues might remain.

This morning I think I heard both from Treasury and also from the Minister that we already have some common ground, and that is that education quite definitely should be a state funded operation in New Zealand. Whether it should be state provided as well may be another issue.

But state funding has come through very clearly as a commitment.

There are some things I think we ought not to spend a lot of time on this afternoon. We've had a very long discussion on the issue of full bulk funding, and I'd like to think we didn't have to spend too much time this afternoon on that one issue. Obviously, there's a lot of working through to be done on it.

After Cathy's outline, I'll invite people to comment, and to put forward a series of propositions. If there are lots of nods of approval, we can probably assume that the proposition is generally acceptable. If I find hands going up, and people keen to speak either for or against a proposition, we can move it into the area where more debate is obviously required. Please limit yourself to making a proposition, with the minimum amount of supporting discussion, and we can take it from there.

Cathy Wylie: Looking at my notes from this morning, I thought perhaps we should start from the beginning, looking at the goal, or criteria. We all seem to agree that any further change in the educational system should be to improve the value of what is already provided. Equality of educational opportunity for all New Zealand children, so they achieve to their full potential, might also be an area of agreement. Improving learning outcomes for the whole country seems to be another. The goal provides the criteria for working out whether any change that is put in place, whether it is bulk funding or not, is actually meeting what people want, and ensuring that it is relevant to educational needs.

The first step in looking at the goal might be to ask if we're there already. Some people in the room think that we are substantially there, given the amount of money in the system; others think we've got a long way to go. If we believe we haven't met the goal, then the question is what should we do to reach the goal?

Given that we have agreed that government funds education, would any change cost the government more, less, or the same? Some people see it costing the government more; some see it costing government less, and parents more; other people have noted that change costs, and that if we want to make improvements, it will cost more money. Do we have more money? Would people accept a change if education is going to be given less money?

What balances do we need in the system to achieve the goals of equality of educational opportunity? Who should be doing what in our system? What belongs to the centre, and what kind of centre should it be? What role is there for local input into central decisionmaking, as well as making decisions at the local level?

I've put the word 'balances' there because we have identified that there are some costs, and we need to think about those costs, and what we can do to minimize those costs, as the Minister pointed out this morning.

Graye Shattky: May I propose that we recognize the reality that financial resources, whether we like it or not, are limited and, are going to be limited for some time. Therefore we should be identifying priorities, from the point of view of children's learning needs, and accept the fact that we will go down that list of priorities, until we reach the point where the resources run out.

Phil Capper: I accept the proposition, but as someone who's been in the education sector for many years, I ask myself why I'm an inveterate cynic, and one of the reasons is that education gets clobbered around so often. One of the reasons it gets clobbered so often is that it has a large call on state funds. I guess one of the reasons why I close up when I think about school-based management, is something which does not relate to its potential merits or demerits. It is that I suspect, whether this is the intention or not, that it actually makes it easier for government to walk away from funding. Even if I accept that school-based management was likely to be really good for schools, and I actually think that some types of school-based management are incredibly useful for schools, nevertheless I don't think you should make it easier for a cost-containment government to hit education more than somewhere else. I guess that's why you get the sort of statements about it being a cost-cutting policy. I'm not saying there's an actual conspiracy to save money; I guess what I do believe though, is that school-based management might well make education an easier target than it would be otherwise.

Marijke Robinson: Point of information. You say that you are cynical because education has been clobbered so much in the past. Have you any examples of that? You're the last ones to have your conditions of employment changed.

Phil Capper: The Education Amendment Act 1991, 1990, 1989, State Sector Act 1985, all of which shift the rules on which schools operate.

Marijke Robinson : Why was that 'being clobbered'?

Phil Capper: It was imposed change, not even incremental change.

Roger Kerr: We've heard the proposition that bulk funding would be a Trojan horse for cost-cutting. What is the factual basis for that proposition? I can recall many occasions on which New Zealand governments have cut back on the education sector. I don't see what's to stop the government doing that within the present system. Therefore I can't find any factual basis for supporting that proposition.

The second thing I would ask is why anyone would deny democratically elected governments be denied that decision in the first place? They have the responsibility, surely, to decide on the amount of public spending; they've also got to make a decision about how that expenditure's allocated to competing areas.

Rosslyn Noonan: First of all, I'd like to strongly endorse Graye's proposition. I think it's a very valuable one for us to have in relationship to change, and certainly NZEI believes that

the reality of the present economic circumstances is a major factor to be taken into account in the decision as to whether to proceed at this stage to further changes, or not. As an example of the importance of setting priorities, if there are limited resources available, and in order to make bulk funding work, if it's going to be expensive to make bulk funding work fairly, then it would be our view that a greater educational priority is an issue of vital importance, Maori education, raising the standards of achievement to the same as Pakeha. If you had a choice, that be the first priority, ahead of spending money on bulk funding.

Another example is to provide funding to make mainstreaming work to the advantage of both mainstreamed children, and the other children who are being affected by the under-resourcing of mainstreaming.

The second point goes to the heart of what we should be talking about. The focus is a lot on what decisions should be made at the school level, but I agree with Roger Kerr about the critical role of the state, and the right of the state to democratically try to make decisions about resource allocation. The question then is, how open is the state, what is the nature of that state to make decisions, and if we are genuinely interested in parents having control over their children's education, then their ability to influence those decisions at the centre is just as significant as their ability to influence micro decisions at the local school level. Both are equally important, and I believe that raises a serious question about the present structure of the state, the way in which decisions are made. It's not just a simple matter of saying that governments are elected, and therefore have a right to make decisions. At the moment we're in a period of flux in terms of democratic structures and decisionmaking, where governments are elected, and we've had two successive governments to demonstrate this, with no apparent external accountability back to the promises, the contract they made with the electorate at the time. There are no procedures at present for the people of New Zealand to ensure that they get an elected government that does what through the ballot box they have presumed it would do. The real question arises: who is the state: who is making the decisions?

We need to follow through on those two points, the question about what decisions should be made by local people and teachers in the school, and how should they and others who are relevant have an influence on the decisions made at the centre?

It would be a great tragedy if bulk funding is seen to be the major component of self management. We in our paper give another example which I think is crucial to educational outcomes, and that is assessment. At primary schools at the moment, parents and teachers make the decisions about what form of assessment they'll use, and what is most appropriate, and how that should be applied. We're faced with a situation where we may have imposed on us a single form of assessment, which will drastically reduce the self management of schools in being able to make educationally sound decisions on assessment. I would say that the research evidence would show that New Zealand primary schools forms of assessment are highly effective in terms of the actual educational achievement of children, and monitoring goals. If we're genuine about self management, as opposed to the Minister's identification of it with bulk funding, and the distancing of the state from decisions about staffing levels, then we need to look at issues in assessment and curriculum, which we really haven't done today.

John Grant: The context of my comments is that I'm a practitioner, I'm the one who's got to sit down with my team, and **do** it. I often find myself standing with hard-nosed business

people, and thinking, 'I'm talking theoretically to hard-nosed business people.' Today is a reversal of that. The first challenge (from Roger Kerr) that I want to take up is this fear that we've got of capping. Our operations bulk funding was capped and reduced this year. The actual sum of dollars in the country has gone up a bit, but the number of students that the Ministry predicted to be in schools has gone up. Net result: per capita grants are down. So there are more students in schools being educated - at a reduced rate. We're expected to be doing the same job at a cost of less per student than we were last year.

Exactly the same happened to us with the equity fund. Ministry decided more people satisfied the criteria to meet equity support funding. Net result: all of those students requiring equity support now get less per head than they got before. We're in this interesting position where nationally it doesn't look like anything's been reduced, but per capita, it has. So our fears do have some concrete basis.

Equality of educational opportunity, of access to the start of the educational process, is important, and the drive to improve the quality of the outcomes overall is important. I'll also support Rosslyn and Graye in the need to acknowledge economic realities. If we're about equality and better learning then the debate about the school-based management strategy that might produce those goals, is tested when the proposal to bulk fund is put on the table. It is the answer to the question, 'Does bulk funding of teacher salaries achieve those goals?' If bulk funding is only about living within our economic means, and if the answer is, 'Probably not', the answer will reveal what the real intentions of the reforms were.

We've been capped before, so our fears have some foundation. We must start from the position that we don't want to take on a model that allows the possibility of capping, unless it can clearly be seen to be much more advantageous to the learning improvement of our students, than our current system of bulk funding teaching: staffing. Really what we are debating is two rival bulk funding models: one bulk funding model has a currency of dollars; and one has a currency of hours. What we really need to do is to look at which of those two bulk funding models satisfies the claim that will deliver that outcome: the outcome of better quality.

The claims made are that bulk funding devices need to provide flexibility to the board of trustees, need to be fair, and need to be fiscally responsible.

I am going to argue quite strongly that the currency of hours is much more flexible, because at the crunch issue of appointment, boards of trustees do not have to consider the actual cost, and whether they can afford it or not. Neither do boards have to consider whether they have to call on their parents for income to support their flexibility.

The question of fairness under the bulk funding model is addressed by increasing the per capita grant to disadvantaged students. First of all, you've got to demonstrate that that is fiscally neutral, given our assumption that we're not going to shoot for big money. Second, the maximum choice has always been with the communities that have highest socio-economic status. And if we have bulk funding in dollars, then those communities have the mechanism for putting in vast amounts of parentally contributed income into their schools, whereas those schools with lower socio-economic status lose their flexibility, because they can't have the same support.

So I think that bulk funding using the currency of hours beats bulk funding using the currency of dollars, in terms of flexibility. I think that fiscal control, though, is where the bulk funding using dollars is the more advantageous system, and that's what makes us completely suspicious! Bulk funding allows the salaries to be capped, allows the striking of a per capita student salary factor, which can be held. It looks like the government isn't doing any cutting - and it delivers all of that problem slap into the middle of schools. If the issue is really about teacher salaries, and the need to reduce them, we've got an Employment Contracts Act - we've got the mechanism for doing that. Staffing schools is not a mechanism for hacking round teacher salaries.

Neale Pitches: I'd like to continue my colleague's view from the chalkface, and acknowledge Noeline and David's points on the research about what your principal should be doing. Because everyone in this room should be concerned with what your principal ought to do. Our major question is really, what is the management, and what is the leadership behaviour that we should be learning about, and carrying out in our schools. Here are three conclusions which are research-based and practically grounded.

First, we should be driving up expectations, educational expectations, within our schools. Secondly, we should be performing instructional leadership, we should be leading in the teaching and learning area. Thirdly, we should be culture-building, building strong, cohesive teams of people that want to do those other two things.

It's a pretty simple recipe. Two researchers, Nagely and Evans, said to beware doing the things you shouldn't be doing: you should not be a clerk, and you should not be a disciplinarian. Those are the roles in which your community and your staff and even your students will try to place you. If you get trapped in those roles, you will not be effecting adequate school change; you will not be doing your society any good by producing better outcomes for education.

What's our present experience? Are we, as principals, better placed by the environment that you have set to drive high expectations? We've got one very helpful base. We come from one of the very best school systems in the world. If people think we're a low-performing system, then they should do some research. Do we take a high-performing system, and turn it upside down, and stuff it down the drain? If we do that, we're management fools. What we do is make **incremental** change on a high performing system, tune it, develop it to meet the current environmental challenges.

Is the feeling I'm getting that in this community of New Zealand, people are helping me, to become a better leader of teaching and learning, a better culture-builder, and a better expectation pusher? My feeling is no! That has not happened to me in the last two years. If I listened to the technocrats now, I would be getting out and doing all sorts of clerical work that would make me look good, look like I was meeting my charter objectives. But I wouldn't be doing these other three things.

In terms of managing my bulk fund, our school has not been compensated for costs. We have not been compensated for the administrative costs of **Tomorrow's Schools**, for wage costs, for eight different groups of non-teaching staff. We've not been compensated for commodity costs that have gone up in schools for the things we purchase. I have no faith that my society, my community, is going to supply me with compensatory costs in a bulk

funded regime. So that's why I'm sceptical. Bulk funding means nothing. It's just a couple of words. We can say we've got it now; we can say we've got to move towards it. What I'm interested in is my current experience, and what has been put in front of us to allow me to drive expectations, to lead teaching and learning, and to build culture in the school. I haven't seen a model that comes close to that.

My proposition is that somebody should come up with a decent model to do those three things, and it should be pretty simple for a switched on economist to come up with something by Monday, because our concerns are apparently quite spurious.

Peter Whatt: The difference between large and small schools in our system is vast. The majority of our 2700 schools are seven teacher or less, with the principal/manager/chief executive officer being a full-time classroom teacher as well. We need to recognize the complexity of finding a formula, or a model, and that it may actually be impossible.

Phil Capper: I'd like to focus on the word 'all' when you look at the goal of educational opportunity for **all** New Zealand children. That implies to me that no school is an island, "entire unto itself". It's part of a system. A lot of the speeches I heard this morning took analogies which had that concept, the school as part of a national system, that what happens in one school therefore has implications for what happens for others, but which also suggested, often in the same paper, that schools were like corner dairies. That is, freestanding institutions, responsible to nobody but themselves. Is the proper business analogy one where a business sits there and has no other organisation around it, or is the analogy of an organisation with branches, and here's a branch that's operating within the framework of a total organisation?

Most of the good school-based management models actually take the second analogy from the outside world. If I'm a branch manager in a bank, I actually operate with different constraints, and under different rules, than if I run a dairy, which is in total competition with everybody around.

'All New Zealand school children' implies a national system, and therefore, any model of school-based management should recognize that.

Ken Rae: The issues of curriculum and assessment design - a few years back, you had the drive for administrative change, and then came Project ABLE. I believe for a long time we had the rhetoric of opening up our secondary schools, but we had the School Certificate examination which was norm-referenced, and which drew a line across the middle of the secondary school, at the most questionable point. The evaluation procedure wasn't in line with the curriculum goal. I see management, curriculum, and evaluation/assessment all being interwoven. You've got to move them all in unison.

Hugh Lauder: One of the points we're becoming aware of when you look at the whole question of marketization, is that there are ways in which rigidities and bureaucratic forms of management get re-introduced into schools within a market system. One way in which this can be done is through the idea of assessment, because what is required in the market system is that there are so-called market signals. Children become ingredients in a market signal which indicates the confidence or level of performance of a particular school. That in itself has enormous dangers. If teachers in schools are being judged by these so-called market

signals, these tests will be taught to, in such a way that teachers will have a very narrow focus in their teaching, in order to drill the kids to pass the test. Here again we get the inflexibility and bureaucracy that we're trying to avoid coming back into the system!

But, and it's a big but, not only are teachers and schools on the line with this, but so are kids. There's enormous fear, reflected in parental rejection of the system in Scotland very recently, that the kids themselves will become labelled and streamed as teachers attempt to cope. As a parent, and I'm sure most parents in New Zealand would feel the same, I would not like to see the educational future of my children determined at the age of seven. That flies in the face of equal educational opportunity.

We also need to address the issue of wastage of talent, and that feeds into the question of the kind of economy we're looking for.

The question of assessment is quite vital in the market scheme of things, and it has very strong negative possibilities in terms of (providing) education, rather than training. It also implies a deskilling of teachers, as their creativity is withdrawn, as they have to actually train kids for particular tests.

Geraldine McDonald: When we talk about improving the standard of education, are we talking about raising the standards of the whole school population, or are we talking about raising the standards of a few? It's perfectly feasible, if schools are set strictly in competition with each other, for individual schools to get very good results, but that will have no effect on the level of the population overall. That school may be getting high School Certificate results by not accepting those unlikely to pass. Or, if they are accepted not putting them in for the examination. There are perfect examples of the way in which a self-correcting system operates, a market system if you like. It doesn't necessarily operate in the way in which it is often presented to us. Many of the things that are suggested as courses of action to improve standards are self-defeating.

The other topic I wanted to touch on was that I don't think the American system is quite as black as it was painted by another speaker. What has happened in the United States is that overall, the standards are not necessarily high on international comparisons. But one of the reasons for that is a very simple one: the Americans have such a large proportion of their population continuing on to higher levels, and if you do that, you get a wider range of ability in schools and you're likely to come lower in the education stakes. We show up very well indeed, at the higher levels of schooling because we're very highly selective. That seems to me a very basic choice: are we going to get as many people as we can as high as we can, using the resources of the school, or are we going to introduce measures which are likely to have the opposite effect by alienating students and causing them to drop out?

Every time you make a suggestion: is the result going to be higher levels of students in the system, but maybe a drop-off in aggregate test scores, or, do we want really high test scores, but only 40% of our young people still in school?

David Greig: It would be a pity to not do something that could do good, simply because of some kind of supposition about whether it was to save money or not. The way around that is to make it transparent, to make it very clear what you're doing, so that the information about the decision is clear. If you're making it clear what is being done, what the basis of

a decision is, so the maker of the decision, in this case the government, is exposed to the debate, then you can either proceed with it, or pull back as warranted.

Rosslyn Noonan: There is agreement on the fundamental issue of transparency. That is one of our key concerns about bulk funding in relationship to tight economic constraint. I would agree with both Roger Kerr and David Greig that bulk funding or any other mechanism does not in itself determine whether government will hold expenditure, reduce it or increase it. Whatever the form of funding, the government still has the capacity to do that. What our analysis suggests is that bulk funding increases the risk that expenditure reduction will occur, and that the actual debate and responsibility of the government, particularly in the area of staffing for schools, will be hidden. At the moment, the government is forced, if you like, to front up, and to come to the table in two respects in relationship to staffing.

First, to actually debate the levels of staffing which are required to meet the curriculum needs of secondary and primary pupils, whether by ratios or schedules. And to engage in the debate, for example, of whether junior classes, as a whole, require to be better staffed in terms of ratios than senior classes. The government enters that debate in a sense on behalf of the whole community, and incorporates the interests that are not directly those of the parents or child at the school, as well as those that are. The parties that have an interest, i.e. parents and teachers in particular, for they're affected by the outcomes, can engage in debate which is specifically about staffing.

Second, in relationship to the negotiation of teachers' salaries, while it remains party to that. So the government has to hear the arguments directly, and it has to negotiate. The possibility for teachers salaries in bulk funding, particularly if the government pursues the funding first model, which simply takes the existing funding and divides it by the number of pupils, is that within a very short time, the staffing basis on which that is arrived at disappears from sight. The government never engages in the debate (then), about what is the appropriate level for staffing for schools. It simply engages in the debate about what is the fiscal capacity in terms of the global sum of the (education) grant. That is stepping back from the democratic process, and leaving some core decisions both disguised, and in the hands of fewer and fewer people.

It is that which is the prime threat that we perceive in terms of the bulk funding of teachers' salaries. It distances the government; it reduces the requirement on the government to actually engage in democratic debate with its community about what is required to staff schools. It enables reduction without ever having to debate the actual impact on particular areas, because the response is simply that that decision is for you to make in terms of priorities at the local level. The real consequences are never followed through.

The proposition is that we should have transparency of decisionmaking and a clear, agreed staffing basis which is nationally agreed to meet curriculum and educational needs, on which any staffing funding (formula) should be based.

Martin Cooney: The really important thing that is missing at the moment is the balance we need in the system to achieve the educational goals. I represent 12-13,000 secondary teachers; our union represents 90-95% of secondary teachers, and NZEI represents the same proportion of primary teachers. It is really important that we get rid of this provider capture argument. One of the conditions for school-based management mentioned in the overseas

literature is that there is partnership between central authority and the unions. That is clearly not the situation in New Zealand at the moment. That is actually a balance. What it does is put the union in a consultative or even bargaining position, depending on the particular area of school-based management.

What the provider argument and the cut-out of the unions has done has been to challenge democracy. This Government does not have the right to do what it likes: we live in a system of checks and balances. What happens if you cut out involvement in those decisions - you veto them. That's the only thing left.

This is a Government of radical reform; it's got radical curriculum proposals, it's got radical reform in assessment. What do you think teachers are going to do? We've just had a curriculum conference; we're interested in the area. If there is not an acceptance right across of the role of the union, and consultation and/or actual negotiations depending on the issue, then there will be veto power used against some of those proposals. That's the reality.

We've got to get rid of the concept that the four of us here (PPTA) can somehow just whip out there and tell teachers what to do. We've got a saying on our executive 'You can tell a teacher, but not very much.' That's a basic rule we work from. The concerns that we represent here to you are very widespread.

One of the other conditions from the international research is that there has to be flexibility in hiring, flexibility in the roles of schools. But on the other hand, there also have to be guarantees in there, and worldwide, where school-based management has had some acceptance, there have been guarantees in either the award or law. I'm a commerce teacher, and I tell the kids at school, 'No guarantee - don't buy it.'

The staffing formula is, to us, what it's about. Naturally at the moment we're pretty jumpy: there are doubts about the GMFS scheme, and the GSC scheme for primary - and they both started with guarantees.

The final thing I'd like to come back to is the Trojan horse concept. It's not year zero - we're up to about year four of this process. Some schools have full-time staff members involved in marketing - not teaching. There are hours that should be applied to student learning that are being used for marketing. There are plenty of schools with high quality pamphlets and brochures. I know the argument from Treasury that this is great, this is information, which is a key part of the market economy. Certainly there was some room for movement in that area. But you have to ask yourself: less money for curriculum, less money for assessment, less money for learning. Is that the trend we want to follow?

Both the international research and our own experiences here show that without the balances, no proposal for change will succeed.

Graye Shattky: I accept without reservation the vital necessity for teachers to be part of the tripartite partnership between government, teachers and trustees. I do have some concerns, and I'm not certain that I can agree with you that it should be a partnership between the teacher unions and the government. The reason I say that is because I have this view at the moment that is open to amendment and amelioration, that a board of trustees is a place of synthesis. It's where decisions are made in the best interests of schools, and specifically, in

the best interests of children. There the three parties, particularly the two parties that are engaged in the management of that school, and in looking after the children's interests, come together with their particular viewpoints, and there they are synthesized, to the point where the decision is, hopefully, the best one for the school.

That involves also the government through whatever agency represents it at that level. So I'm not certain that I can agree that there has to be, or needs to be, an effective partnership between government and the union, to make the right decisions. I think you're talking about a separate thing there, which is the interests of teachers. That's really the role of unions, and that role has changed markedly, even in the last few months. The gathering together of a body in its own self-interest is different from representing the interests at the schools.

Phil Capper: I'd just like to challenge what Graye says. It seems to me that it's perfectly proper for a board of trustees, for parents and teachers in their school, to debate the issues and come to conclusions that are in the best interest of that school. I don't think that the aggregate decisions of 2,700 boards of trustees equals national policy. I think that decisions which you make for your own school, in the interests of your own school, actually have to be mediated by the centre: that's the centre-periphery tension of a national system. I think what Martin was saying was that there also has to be a parallel partnership at the central level where those mediating national system decisions are made. Everybody recognizes that you can't disagree with teachers being part of the decisionmaking at schools. It's more contentious as to whether or not you can exclude teachers from the decisionmaking from the national policy level.

I say that teachers have to be there. I've worked for PPTA for eleven years, and I would take exception to the proposition that the PPTA only operates out of the interest of teachers. Every day I went to work, if I felt that I was suggesting something that promoted the interests of teachers at the expense of kids, I couldn't live with myself. One of the union's responsibilities is teachers' interests. Teachers do make career decisions out of their own personal self interest. But there is also another element: a commitment to the process of education. Government and trustees ought to regard what a teacher union says sceptically, because of those two elements. Regarding something sceptically, however, is not the same thing as dismissing it as self-interest. You just evaluate it, knowing who it comes from. But you listen to it.

Helen Duncan: There seemed to me in some of the papers discussed this morning a difference being promoted between teachers and teacher unions. As a member of the National Executive of NZEI, I have to say I don't see that difference. I am a teacher, and I am a unionist. What comes first is the school, and the pupil. If I can't get a reliever (to enable me to come to meetings like this), I don't go, because my class, and what I do there, comes first.

If you're going to say that you're prepared to consult teachers, but not the teachers' union, then I have to say, OK, consult boards of trustees, but we do not need STA: because that is in fact a parallel organisation, and school trustees will clearly make the best decision for their school. But not necessarily the decision that is best for **all** the children throughout New Zealand. Perhaps teachers too will make the best decision for their school, at the local level. However, because of the huge input from teachers all over New Zealand, which comes in to NZEI on all sorts of issues, we get a great deal of information at the national level, at the centre, and can evaluate that to make a decision that is best on a national basis. And if we

don't, we don't get re-elected, and we stand each year. Our national executive is very representative of the New Zealand educational system, and we do speak for teachers, and not just the concerns of self-interest. The NZEI still has as its first principle the advancement of education generally.

David Greig: I think a bit of a false dichotomy has been made between unions and teachers, and also about the decisionmaking process. The fact is that there has been a change in the decisionmaking process over the last five years. The Picot changes have meant that there is more power at the periphery, whether you like it or not: that is the effect of the changes. The previous decisionmaking systems that Picot criticised involved a greater role for the central agencies. This does not mean though that teachers are disempowered. They've got a different kind of power, to operate through the school structures. Teachers in most of the schools I know are held in great respect by parents.

Felicity Parnell: I'd like to say a word briefly on behalf of the teachers who actually have to do the work. There's been very little talk today about the people who actually work at the chalk-face, people who've been hit by a long row of changes in their situation, a long row of changes to what they do: a lot of battering from outside about their values, whether or not they're worthwhile, and as a consequence their morale is declining. The valuation of the community, as David sees it, is not experienced by the teachers.

We're facing now a new round of change, change that is going to involve us in a whole lot more work; even more meetings, more debate, more attempts to explain what's happening to parents, more attempts to get to grips with it ourselves, more attempts to get training to deal with the new changes in curriculum and assessment that are on the horizon. Through all this, we are also expected to go on with the process of education, because it's important that the children who are in the schools at this moment do not miss out. On top of all this, you start talking about bulk funding, school-based management: I'd just like to draw your attention back to the material in our paper, from overseas research, which shows that school-based management requires support from the teachers to be successful.

Hugh Lauder: It is the case that the politics of democracy in this country over the past six years or so have conformed to Roger Douglas's dictum, which, to paraphrase it, is something like the rugby metaphor, 'Hit 'em low, hit 'em hard, and keep on doing it'.

This is the politics of confrontation and exclusion. The device that is used for that politics of course is the notion of provider capture, which can be used in a very arbitrary way: at simply any group that you think may be blocking your path, you can just point the finger and say 'self-interest/provider capture', and push them to one side.

What's that got to do with the question of teacher morale, and the changes which are now in the offing? I went back to Britain in 1981 to the school where I'd been a teacher, at the time when Mrs Thatcher was gaining momentum in doing precisely the kind of things that Roger Douglas was advocating for New Zealand, and back again in 1987. What I saw in '81 was a school on the edge of Brixton, with all the associated problems you can imagine; where before I had seen superb teachers, they were then just about destroyed. They'd been totally burnt out by the impact of this particular philosophy. In '87 I spent some time in a prestigious comprehensive in London, to find the school was riven with distrust. They'd had no staff meeting or school reports issued for a number of years. I think that if we carry on

with the politics of exclusion and confrontation in New Zealand, the pointing of the finger in terms of 'provider capture' and so on, we are in danger of going down that road.

I am actually quite surprised that all the changes that have occurred here have actually occurred within a relatively peaceful context, in which people can have a meeting like this. Let me say there were certainly periods in Britain when it would have been totally impossible for people to sit down and talk like this. I think that the damage to the English education system that that period caused has been immense in terms of declining standards, The damage to good-will and morale will take years to repair.

The consequence of that kind of thing occurring in New Zealand is simply too awful to contemplate, which is why I think we have to move away from the politics of confrontation. I myself am in favour of the **Tomorrow's Schools** reforms. I thought that **Tomorrow's Schools** was a rather unique and unusual experiment. Though I'm against wholesale experiments of that sort, I thought it actually had quite a lot going for it, and I would have liked to stay with that for some time.

Jan Poole: I'm just speaking on behalf of parents. I'm on the National Executive of the School Trustees Association. There are a lot of parents out there doing a lot of work, a lot of voluntary work that has been put on them. A lot of them are enjoying the input they're having, but there are eleven councillors like me putting in crazy voluntary hours going right round our region helping in schools where nothing has been done to help the board of trustees. And if we're going down these tracks, boards of trustees must have support. I see very good working relationships between staff and parents; but there are occasions where there is confrontation creeping in, and I'd just like to reinforce that that must be rejected.

Graye Shattky: To briefly add to what Jan said: there are two things that are essential if we're going to continue to make it work. I've been saying to Lockwood Smith and anyone else who will listen to me that we've got to have support for trustees, and that really means support for schools, and we've got to have administrative support for principals, to allow them to get on with the job of professional leadership.

Joe Harawira: Who does the buck stop with in terms of the decisionmaking that is going to put this into place? Is it Lockwood Smith, as our Minister of Education, or is it some organization that's pulling strings to manipulate Lockwood? Can anybody here tell me?

Neale Pitches: Us. What we allow to happen, will happen.

Joe Harawira: I'm wondering in all of our discussions where the Treaty of Waitangi fits. Maori people, in term of education, need a leg-up for the next 15-25 years. People may look at this as a hand-out. I don't see that. It's in actual fact a snowballing effect from all those things that happened in the past.

What measures will be taken to ensure that the principles of the Treaty of Waitangi are incorporated into school life? How will Maori participation in decisionmaking in schools, more important than ever before with bulk funding, be ensured? What accountability measures will be put in place to monitor school activities to ensure the needs of Maori children are met? What consideration will be made for affirmative action in schools to address the problems of resource shortages, and greater teacher support required in immersion and

dual medium programmes, under bulk funding? How will this be done? Who will do it? How will the problem of growing inequity in the funds available to different schools be solved? Is the continued development toward social class division between schools acceptable?

Gerald Minee: The question of whether we're meeting the goals [outlined at the beginning of the session] at present and funding are quite key to any policy development. The way they're expressed assumes a status quo. In policy development, what you want is to broaden the options you look at, and I'd prefer to express it 'What are the options to meeting the goals', and 'How do you get the best value for money'. Those are broader questions that need to be asked when you're looking at costs in relation to educational goals.

It's always important to think of the consequences of not changing the status quo. If we look at the issue of bulk funding, one of the things which bothers me, as (someone from) a control agency, is that what we've implemented is a lot of flexibilities, we've put the employer role out in the school sector, but without the bulk fund being there, so we've had to invent imaginative ways of keeping the lid on costs. Hence my exchange with Neale Pitches. We're making it up as we go along, because what we have at the moment was not designed to be a coherent system. We're part way through a transition. Certainly, one of the best arguments for me for bulk funding is - what are the alternatives of not doing it? Where do we go from here?

In asking that, there are some questions other than educational issues which come up, and I think those do have to be asked. You do have to ask whether the administrative arrangements are robust. I'm amazed at how well things are hanging together. But I don't think it will hang together over the long haul.

One of the biggest criticisms I have as an industrial relations practitioner of the last few years is that people have looked at change in a before and after light. They have not thought of the intermediary steps. Where we are now in terms of school sector reform is a demonstration of that. I think that in considering policy options, you do have to think of what is the best way of making the changes, and what are the costs of making the changes. Not just in dollars, but in human terms as well. Because that should inform you about questions such as the speed of change, and how far you can go.

What we have at the moment is a situation where we have 2,700 separate management units, boards of trustees who are voluntary, and what that means is that whether governments or people like myself like it or not, there is going to have to be some sort of consensus from the people that the people like myself make changes to. Whether I like it or not, boards in determining their attitude to this are almost certainly going to wonder about the union reaction to changes. In terms of where we are, whether we like it or not, we're forced to look at negotiating a way through the process of change: consultation and so forth.

But that begs an interesting question: who are the parties? One of the things we have in education, and one of the reasons why the unions have a perception of disempowerment, is that we've created a whole lot more actors in the piece, and we've got boards of trustees, through STA, and each of those wants to have a say in the development of policy. Teachers certainly do. On the one hand, we need to get past that kind of detail. On the other, one of the best selling points of things like bulk funding is in the experience of using it, and finding out that in fact it doesn't take as much time as people thought it did, that salary

administration is a cinch. That really isn't the issue. It's other things that are complicated in schools, but not paying teachers. These are the things which people like myself can say, but no-one will believe until they see it for themselves.

Joe Harawira: On what experiences of the schools do you base your assumptions?

Gerald Minee: What's out there already, and the fact that paying teachers is essentially no different from paying cleaners. There is not a reaction to the workload of administering the award for cleaners, or groundskeepers.

Helen Duncan: My sister's school would disagree with you. As staff representative, she has been to three extra meetings in the last week and a half about the cleaners' salaries.

Gerald Minee: The issue for cleaners hasn't been paying their rates; it's been a problem of over-employment. That's why the Cleaners union have done deals to wind back the amount of cleaning employment. That is a commonplace management issue; that will take time, but not the issue of placing a person in an award, and authorizing a servicing centre to pay the rate.

Cathy Wylie: One of the interesting findings from our survey was that use of an Education Service Centre didn't actually seem to diminish the workload of trustees or principals. That may say something about the way the centres are operating, or it might indicate something else.

Gerald Minee: I as a manager working within a bulk funding system wouldn't spend five minutes in a year on salary payments. Performance review, yes (that takes some time), there's an art to doing that well.

Margaret Austin: There have been various comments made about the degree of confrontation that may or may not have occurred over the last five or six years. There has been pretty vigorous debate at times. I'm glad Hugh has raised what has been happening in the UK, because we were at one stage, in the lead-up to the 1987 election, in a position where it was very likely we were going to follow that path, because of the way the agenda was being set. There was a very clear implication that part of it was the denigration of teachers. We cannot afford, nor is there any justification whatever, for criticising what is happening at the chalkface in this country. We have got people who've been at the forefront of their fields for many, many years, whose innovativeness and their ability to lead other people have been admired as being amongst the best, in the English-speaking world.

In looking at the UK situation, what had happened there between '81 and '87, was not merely about self management of schools. It was a direct confrontation between the teachers and the Government over pay. The outcome of it, has been anti-education. I do not want to see us in New Zealand ever get ourselves into the position where because of the confrontations, the denigration, and the inability to accept the professionalism of the teachers, that teachers decide to work to rule on extra-curricular activities, to refuse playground duty, or patrolling at the gate to make sure the youngsters get across at morning and afternoon. I was in a school three weeks ago in Scotland where the principal of the school was utterly apoplectic, because he had just been informed at about half past eleven in the morning, that two of his women volunteers were unable to come in to supervise the playground during the lunch-hour.

He was trying to pluck the courage to go into his staff-room to find two teachers who would stand in for the volunteer mothers. That is an appalling situation which has been allowed to happen.

Two things raised this morning which I'd like to make sure do not get lost: the Minister when he was here said that entry to teaching was carefully engineered in New Zealand. I'd like an exploration of just exactly what is meant by that. Who is gaining entry? What are the levels of maturity of the candidates? What are the criteria for entry? If there is something wrong with what is being done, let's have it out in the open so we can actually work through it. People with skills are making their evaluation of the candidates for their entry to teachers' colleges, and they, I know, have got criteria, and have become very skilled at judging potential. And there are innovative things happening to judge that potential. I take exception to the word 'engineered'.

Then there is the whole issue of staff appraisal/staff development; alongside that must go the reward system in its all of its forms - not just the monetary form, but the others, such as conditions under which teachers operate, both within the classroom and outside, and the ancillary support mechanisms available throughout the system to provide a good working environment for success in education.

Carl Hansen: John Grant seemed to be saying that the system we had at the moment was quite good, and it produced quite equitable outcomes, certainly better than he thought would occur under bulk funding. But I felt there was a contradiction or conflict: because Mr Harawira mentioned that he is quite unhappy with the current state of Maori education, standards of achievement, and the kinds of resource that are available. You want to see more resources put in overall, but if we accept Graye's point that where we're working in a system of cost restraint, certainly no extra finance, how can we reconcile those kinds of conflict under the current system, let alone under the new system, if there is a new system?

Cath Roberts: Peter Whatt said this morning that there should be a balance between decisionmaking at the local level, and raising the collective consciousness so that we all take responsibility for equitable outcomes for children. Somewhere, we've got to get that balance; we can't just be looking at that smaller level. Maybe one consideration should be the inequitable distribution of results favouring some sectors in order to have equal learning outcomes for children within those sectors.

Phil Capper: One of the problems which people in the education community have experienced over this whole reform is that the management/financial arms of government have been talking about managerial devolution, but in actual fact, our experience is that central government control is actually increasing. What we've seen since last October is an increased central control - and by that I mean the Minister's office - over curriculum and assessment. I would like Gerald and David, and the people who work with you, to actually be more aware of what is happening with national policy. However much you devolve management, however much you devolve funding: if you actually find schools are compelled to teach english, mathematics, science and technology, then you're telling schools how to use their resources. There's a need when considering the management/governance and funding vehicles, to be aware of the nature of central curriculum and assessment decisionmaking, and the ways in which they interact. What I observe is a lack of communication between your arm of Government, and the education arms of Government.

Gerald Minee: From my point of view, I don't think anyone's thought through where you get teachers when you change the core requirements of the curriculum? That's where education and labour-market policy objectives aren't terribly well coordinated.

Graye Shattky: We must have a framework, but there shouldn't be central control.

Joe Harawira: Education lies in respecting the pupil.

John Grant: There is a direct connection between the quality of achievement in education, and the morale of the workforce. If you want top quality, don't distract teachers from the requirement that they perform in their classrooms. Our challenge is, show us why bulk funding isn't that distraction.

SUMMARY OF PROPOSITIONS FROM PLENARY SESSION

1. New Zealand education should be state funded.

2. The goals of any changes to education administration should be:

- Equality of educational opportunity for all New Zealand children

(Points made here included: the non-wastage of talent; respect for the learner, and responsibility for outcomes shared between central and local levels.)

- To improve the quality of learning outcomes for all children

(Points made here included: driving up expectations, the need for institutional leadership, the creation of a positive school climate.)

3. Criteria for assessing the worth of different options of education administration at the school level:

- Progress on the goals above;
- Appropriate and robust administrative/funding mechanisms, providing flexibility, fairness, and fiscal accountability;
- Administration does not occur at the cost of learning;
- Sufficient resources for school administration;
- Administration in line with assessment and curriculum design;
- Value for money
- Positive relations at the school level to encourage the most from staff and parents

4. Other propositions identified the need for:

- Support for boards of trustees;
- The avoidance of divisive and confrontational approaches;
- Incremental rather than rapid change;
- Monitoring of the effects of changes;
- Independent evaluation of any experiments;
- Transparency of public decisionmaking and reasons for decisions;
- Coordination between government departments;
- Research/evidence based public decisionmaking; and
- Democratic, informed debate.

NEWS RELEASE MADE AFTER CONFERENCE

The director of the New Zealand Council for Educational Research, Ian Livingstone, said today that he was very pleased with the outcome of the Council's conference on self-managing schools.

"We were able to get a frank and amicable exchange of views and information between people who view the question of school self-management in very different ways, and to establish where the common ground was."

The conference agreed that education should be state funded, and that the goals of any further change to education administration should be to improve equality of educational opportunity for all New Zealand children, and to improve the quality of learning outcomes for all children, particularly to work towards the goal of equal outcomes for Maori children.

"People were concerned that administration should support sound learning, and be in tune with the coming changes to curriculum and assessment. They were also aware that the current fiscal constraints meant that extra money to accompany any further changes was unlikely, and that the success of any changes would rely heavily on positive relations between principals, teachers and parent volunteers at the school level, and their continued good will" said Mr Livingstone.

Differences arose in these areas:

* Whether schools were different from business enterprises in the variety and complexity of their work, and needed their own unique system of funding and administration;

* Whether schools were satisfied with the kind of self-management they already had;

* Whether full bulk funding to schools, including teachers' salaries, was a necessary part of school self-management;

* Whether the benefits of full bulk funding outweighed the risks; and

* Whether the risks could be avoided.

"People from schools were not yet convinced that full bulk funding would solve their present problems of under-resourcing and workload, or allow better progress toward the goals of equal educational opportunity and improved learning outcomes."