

Better pay for better teaching advocated

A key challenge facing teaching around the world is how to attract and retain talented people. We highlight a paper that offers a road-map to achieving this through pay rises and changes to pay structures.

The Washington DC-based Progressive Policy Institute (PPI) argues that without real opportunities for advancement good teachers and talented people considering teaching as a career in the United States will be lured to other professions. It's a position many New Zealand teachers could agree with.

In its paper, *Better pay for better teaching: making teacher compensation pay off in the age of accountability*, the PPI argues that the scarce resources for teacher pay are not effectively used.

"Pay teachers more and tie higher pay to what schools need from teachers to improve student learning," the paper's author Bryan Hassel writes.

"Teachers should be paid on par with other professionals but also in the same manner as other professionals."

In other words, higher pay will mean more responsibility for getting results.

Dr Hassel advocates:

- higher pay or bonuses for teachers who take on tough assignments;
- more pay to teachers in 'hard-to-staff' areas such as maths and science;
- pay for demonstrated knowledge and skills, not experience and degrees;
- linking pay to student learning success; and
- letting school leaders set pay.

Dr Hassel said there was no one recommended pay system: education leaders had to find the system that best suited their needs. His paper offered design options — "road-maps" — for a range of performance-based pay structures.

Education Forum chairman John Morris said the PPI paper held much useful information for New Zealand education.

The "archaic and centralised" pay structure in New Zealand had adverse effects on teaching quality, he said.

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Newsletter online

Welcome to the first edition of *Subtext*, the Education Forum's new, electronic newsletter.

We hope you enjoy the newsletter's new format which we think will make it easier for you to keep up-to-date with the latest in education policy initiatives from New Zealand and around the world.

Each month we will put a PDF version of this newsletter on our website and will email an html version to subscribers. If you would like to subscribe, click on the subscribe button at www.educationforum.org.nz

As well as our regular policy critiques and education news, *Subtext* stories will have links to a wide range of web-based information so, with just the click of your mouse, you can further explore issues of interest and get more information on the newsletter's contents.

If you know of any other people who might like to receive *Subtext*, simply forward them a copy of the email and they can click on the link at the bottom to subscribe. Similarly, at the bottom of each newsletter is a link to an unsubscribe function, if for any reason you wish to stop receiving it.

We are working hard though to ensure that *Subtext* is informative and enjoyable so that our readership goes up not down. Let us know what you would like to read in it. You can email us at info@educationforum.org.nz or write to us at PO Box 24-310, Manners St, Wellington.

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“It results in good teachers being paid too little and poor teachers being paid too much. It also results in shortages of teachers in hard-to-staff subject areas such as maths, science and computing. These are typically subjects where there is competition from other sectors.

“There is too little differential in salaries to attract good teachers to hard-to-staff schools, and a high proportion of teachers are at the top salary rate which means that relatively small percentage salary increases can be very costly.

“There can also be little question that the report is correct in arguing, not only for the US but also New Zealand, that ‘it is time to move beyond a pay method designed early in the last century and to begin building an innovative system that addresses the realities of public schools in the 21st century’,” Mr Morris said.

The PPI paper can be downloaded from:

http://www.ppionline.org/ppi_ci.cfm?contentid=250543&knlgArealD=110&subsecid=135

Global e-forum on the private sector’s role in education

Would you like to have your say in a global e-discussion on the role of the private sector in education?

The Education Forum is co-sponsor of a World Bank hosted e-forum running to the end of September to discuss that role. Four topics were chosen for discussion:

- Access and quality (1–8 September)
- Governance, management and accountability (9–15 September)
- Finance (16–22 September)
- Public private partnerships that work (23–30 September).

International education investment experts are moderating each topic and the outcomes will be disseminated through various channels including the Education Forum’s website.

Michael Latham, the director of EdInvest, moderated the first seminar. EdInvest is a World Bank organisation based in Washington DC that advises individuals and organisations investing in the education market.

Mr Latham said the idea for the forum arose from the recent and rapid growth of the private education sector in many countries.

“The private establishments have often emerged spontaneously and in discrete pockets because of the demand for their services. There is a need to put these various initiatives in context and to develop a framework that can support effective private participation while remaining mindful of broader goals such as social cohesion,” he said.

Education Forum adviser Norman LaRocque moderated the second discussion. Mr LaRocque said the Forum was pleased to have helped debate an issue with much relevance to New Zealand.

“The growth of private training establishments in New Zealand has been very significant and has given access to tertiary education to people who have never had that opportunity before. We have enjoyed advancing discussion on this issue to help strengthen those opportunities,” Mr LaRocque said.

The seminars’ main objective was to generate discussion on topics such as: policy implications, regulatory frameworks, and the most appropriate roles for the public and private sector, and to gather and share information about successful public-private education partnerships.

You can join the final week’s discussions at:

<http://vx.worldbank.org/cgi-bin/lyris.pl?join=private-ed>, or email a blank message to: **mjoin-private-ed@lists.worldbank.org**.

New public-private sector investment framework a catalyst for innovation

A government decision to put money into a public-private sector tertiary education investment framework could bring much needed innovation and modernisation.

Under the Partnerships for Excellence framework announced in July the government can provide capital injections of \$5 million or more to tertiary institutions, provided that this is matched or bettered by funding from non-government sources, chiefly the private sector.

Policy adviser to the Business Roundtable Norman LaRocque said the framework could be a catalyst for more innovation and the modernisation of tertiary education.

Mr LaRocque said the notion of public-private partnerships is not new. "Countries such as the UK, Canada, Australia and the United States make extensive use of public-private partnerships in various forms. In the UK alone, the private sector has invested more than \$NZ4 billion in the education sector through public-private partnerships, of which one-quarter is in the higher education sector."

While welcoming the policy, Mr LaRocque also highlighted the need for a well-designed application and review process.

"The process needs to be sufficiently streamlined to encourage private investors, while at the same time ensuring that taxpayers' investment is protected. The last thing anyone wants is for the private sector to enjoy all the upside risks, while

taxpayers are loaded with all the downside risks."

Mr LaRocque said the government should also recognise that Private Training Establishments (PTEs) are, and are likely to remain, the biggest source of private capital and expertise in tertiary education. It was estimated that, in 2000, polytechnics would have had to invest an additional \$375 million in fixed assets in order to accommodate those students who were attending PTEs.

It was critical therefore that government policy also be geared toward attracting further investment from quality PTEs, he said.

Tertiary Education minister Steve Maharey, speaking in July at Business New Zealand's Election 2002 — Growth, Politics and Business conference, said the framework aimed to increase private sector investment in public tertiary education and foster positive links between business and the tertiary education sector, while upholding the values of academic freedom, scientific rigour and critical inquiry.

Despite the minister's statement that academic freedom would be protected, the Association of University Staff (AUS) has accused Mr Maharey of failing to provide any satisfactory assurance of this.

AUS national president Grant Duncan

said it was likely that if *Partnerships for Excellence* proceeded as proposed, universities would eventually become dependent on private enterprise, just as they are now dependent on overseas students.

"We are also concerned that this will provide an excuse for government not to increase needed public investment in tertiary education."

Dr Duncan suggested that the best approach would be to strengthen the Education Act to ensure that neither the government nor the institutions could permit any deals with private enterprise that resulted in universities being used as promotional tools or as training departments of big business. Alternatively, as well as requiring a thorough business case, strict and explicit criteria to protect academic freedom should be met.

"There must be no strings attached to any private funding and university staff must be able ... to conduct independent, publicly-available research," Dr Duncan said.

Mr Maharey's press release is at www.beehive.govt.nz

The Business Roundtable press release is at www.nzbr.org.nz

The AUS press release is at www.aus.ac.nz/

School choice – parents and researchers say yes

We look at two families in New Zealand and England who say lack of choice could compromise their children's schooling and three lots of research that say it doesn't work.

Wellington father of three John Suddaby is upset over the lack of choice for his children's secondary schooling and the zoning that currently shuts his kids out of the school he wants them to attend.

The highly-regarded Wellington College is not far down the road from the Suddaby's city-fringe Berhampore home, but zoning rules them out. Mr Suddaby is concerned his sons will be forced to travel much greater distances every day to Rongotai College, near the airport, because of the zoning rules.

"We're sort of just round the corner from Wellington College but, if we were to try and enrol today, we wouldn't be able to get my sons in. The zoning takes in parts of Brooklyn and suburbs like Wadestown, way over on the other side of town, but cuts us out," Mr Suddaby said.

"It's completely senseless. Rongotai is not a bad school at all, but why should my kids have to travel a long way to get there when there's another school just down the road? It will be more costly for us to get them there if the boundaries don't change, and it's going to take a bigger chunk out of their day with the travelling.

"Zoning and other enrolment schemes should be dumped. It's social engineering, that's all it is. Parents should be allowed to choose where their kids get taught," he said.

In Auckland, the pressure to get children into popular schools has led to claims that some parents were offering bribes for places.

MP Donna Awatere Huata earlier this year said the bribes were a result of the Government's "perverse zoning legislation".

"Zoning forces parents to put a price

on their child's future. Labour's policies damage every family except the very rich who can afford to shift houses.

"Families who can't afford to live in a good zone have to cheat their way around [the] unfair system. That is not fair.

"Zoning traps children and forces them to attend dysfunctional, ghetto schools. If you're not rich, your child loses. Education shouldn't be based on that level of bigoted inequity," she said.

In England, schools now have strict checks on the authenticity of parents' addresses, including home visits and the production of up to five forms of identity, as cases have been reported of parents lying about their address and even renting an address near the school during the application process.

A Birmingham family has considered the extreme step of having their daughter adopted by an aunt, as a way of getting her into a nearby school. The parents of 11-year-old Meera Ghai wanted her to attend Kings Norton Girls School, but they had been unable to gain an offer of a place and were on a waiting list.

In an attempt to get a better chance of securing a place, Meera's parents were considering allowing their daughter to be adopted by her aunt, who already has a child at the school, as priority was given to those who already had a brother or sister at the school. The 'siblings rule' was often more important than living in a catchment area.

Meanwhile, in other 'school choice' news, the OECD has recently released a working paper that describes school choice as "one of the most revolutionary changes

since the advent of public education systems".

Titled *School: a Choice of Directions*, the paper is downloadable from: www.oecd.org/EN/longabstract/0,,EN-longabstract-4-nodirectorate-no-4-13362-4,00.html

An OECD report (No. 331: *Competition and Efficiency in Publicly Funded Services* by Jens Lundsgaard), released in June, says literature indicates that introducing competition by allowing parents to choose schools "improves the learning outcomes of students on average as measured by test scores, accomplishments of post-compulsory education degrees and subsequent employment outcomes".

The report can be accessed at: [http://appli1.oecd.org/olis/2002doc.nsf/linkto/eco-wkp\(2002\)17/\\$FILE/JT00127672.PDF](http://appli1.oecd.org/olis/2002doc.nsf/linkto/eco-wkp(2002)17/$FILE/JT00127672.PDF)

And, in a US National Bureau of Economic Research working paper, *School Choice and School Productivity (Or, Could School Choice be a Tide That Lifts All Boats?)*, author Caroline Hoxby argues that school choice raises school productivity.

For example, she shows that public schools in Milwaukee raised their productivity quickly and dramatically in response to competition, and that the schools that faced the most competition raised their productivity the most. Productivity rose because the schools achieved more while spending the same amount (as opposed to holding achievement steady while reducing spending), she found.

The working paper can be accessed at: <http://papers.nber.org/papers/W8873>.

Quote of the month:

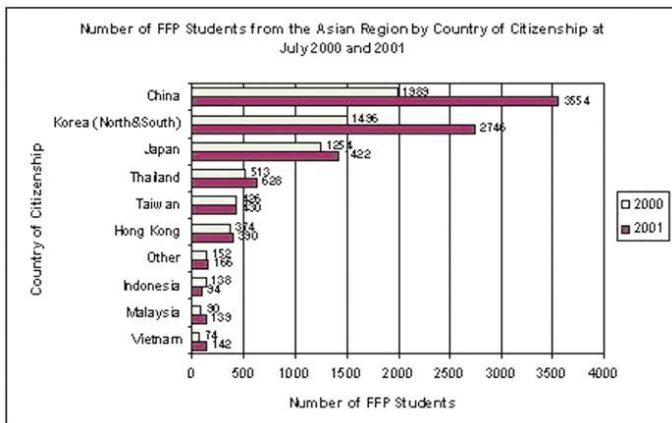
“Zoning forces parents to put a price on their child’s future,”

— Donna Awatere Huata, Act MP. Our school choice story highlights the issue.

Dramatic increase in number of international students in NZ

Ministry of Education figures show that the number of foreign fee-paying (FFP) students grew from 7,191 in July 2000 to 10,555 in July 2001, an increase of 46.8%.

This group now accounts for 1.4% of the school population. Over 95% of this increase came from the Asian region.



Increasing numbers of primary aged FFP students are attending New Zealand schools — 1,823 in 2001, compared with 507 in 1999.

Increasing numbers are attending private schools. Last year, 16% attended private schools, 71% attended state schools and 13% went to state integrated schools. This compares with 9%, 78% and 13% respectively in 1999.

Obituary: Economist and writer Martin Hames

Martin Hames died on 8 August aged 41. His latest book *The Crisis in New Zealand Schools* was published this year for the Education Forum.

Martin came to prominence as a confidant to Ruth Richardson in the late 1980s. He wrote numerous papers for the New Zealand Business Roundtable and the Education Forum, as well as a biography of Winston Peters. His work for the Forum was of a high quality that greatly helped in promoting our policy ideas and reasoning. He will be missed.

Education briefing papers released

Education Minister Trevor Mallard released briefing papers on 6 September, provided to him by the Ministry of Education, the Education Review Office, the New Zealand Qualifications Authority, and Career Services.

“The briefing papers together present targeted approaches to achieve successful educational outcomes for New Zealand. The focus and contribution of each agency is central to meeting the aims of this government,” Mr Mallard said.

The Ministry of Education’s briefing can be read here: www.minedu.govt.nz/goto/BIM2002.

The briefing from ERO can be read here: <http://www.ero.govt.nz/publications/pubs2002/BIM02/Sect1.htm>,

and the briefing from NZQA can be read here: <http://www.nzqa.govt.nz/circulars/>.

Butterfield wins Commonwealth Honorary Fellow award

Shona Butterfield, chief executive of The Open Polytechnic of New Zealand, won an *Honorary Fellow of the Commonwealth of Learning* award in August for her work in distance learning.

Under Ms Butterfield’s leadership, the Open Polytechnic has become one of the country’s largest tertiary institutions with more than 62,000 annual course enrolments by over 30,000 students, all studying through distance education.

Ms Butterfield has also been a member of the Prime Minister’s Enterprise Council, the Prime Ministerial Taskforce on Employment, and the Advisory Committee on External Aid and Development. She is a past president of the Distance Education Association of New Zealand; has chaired the New Zealand Polytechnic Chief Executive Officers’ Forum; and has been involved with a range of professional groups. She was awarded the Queen’s Service Order in 1994.

Twenty percent of school leavers have no qualifications

One in five students leaves school with no qualifications, figures from the Ministry of Education show.

Statistics for 2001 show that Maori comprise the biggest proportion of school leavers without a formal qualification (33.4%) – and just 4% get a Bursary (compared with 42% of Asians and 21% of Pakeha).

The ministry says, however, that many students gain qualifications from places other than schools and that the figures are losing relevance: “More students are now gaining their qualifications in tertiary institutions rather than in schools. The qualifications profile of school leavers must be seen in the light of this increase in participation in tertiary education for students in the age range traditionally catered for at school.”

OECD figures back this up: the *Economic Surveys 2001-2002* — *New Zealand* report, released in June, says that 40% of private training students are Maori.

Reading levels high, government says

The government has released an international report showing New Zealand 15-year-olds are among the most literate in the world. More than 3,600 New Zealand students took part in the study two years ago, and were in the top three of 31 countries for mathematical and reading literacy. Education Minister Trevor Mallard says the gap between the highest and lowest achievers is still too wide however, and it will take at least a decade before the results of new literacy policies are seen.

New Zealand apprentices on the increase

The number of people in the Modern Apprentices scheme has increased 23% over three months to 3,254 (at 30 June), figures released by Tertiary Education Minister Steve Maharey show.

Global push to get primary school education for all by 2015

Twenty-three countries have been invited to join the World Bank's Education For All Fast Track, a scheme to get quality primary school education for every child by 2015.

An estimated 113 million children worldwide do not attend school. Five of the 23 invited countries — India, Pakistan, Bangladesh, Democratic Republic of Congo and Nigeria — have more than 50 million children not at school, and the other 18 countries have 17 million.

The *Achieving EFA by 2015* report can be accessed at: www1.worldbank.org/education/

Record numbers of foreign students boost British coffers

British universities recruited a record 141,000 overseas students this year, which added about £1.5 billion in tuition fees to their coffers, the *Times Higher Education Supplement* reported in July.

Total numbers were up by nearly 17,000, or 12%, on last year, which in turn saw a 6% rise on the year before, the THES reported.

Education Forum

P.O. Box 24-310

Manners Street Wellington,

New Zealand Telephone:

+64 4 471-8206

Fax: +64 4 471-8200

Email: info@educationforum.org.nz

Web: www.educationforum.org.nz