



Position on School Resourcing Operational Funding

The purpose of any study into the Operations Funding of New Zealand Schools must be to investigate whether New Zealand schools have sufficient resources to achieve the learning goals set for them by the Government, and by local needs and requirements as espoused by their communities. It may be easy to differentiate between the two at National level, but the reality for schools, is that they are expected to carry out both.

NZPF's position is that as a major part of this study, we need to clarify:

1. What exactly should a school be **expected to provide for its pupils**
2. What **differences** are there in what a school has to do to provide for these expectations, dependent upon each school's community.
3. What can schools **expect to be funded from government**, if we continue as a society to promise a free education system and equity of access, and what should be expected to be provided by school communities.
4. Is the **current financial model** in fact the best model for schools to attain these goals?
5. What is the financial effect of **depreciation** upon schools achieving these goals?
6. What is the financial effect of different types of **buildings**, their age, the climate etc financially, on schools attaining these goals?
7. What is the financial effect of **falling rolls/growing rolls** financially, on schools attaining these goals?
8. What is the financial effect of **isolation**, on schools attaining these goals?
9. Are the levels of **staffing** (most schools are supplementing the staffing supplied using operations funding and locally raised funds) adequate to allow schools to attain these goals?
10. What are the levels of **social services** a school may be expected to provide, and how they will be funded?

And then we can address "What is the real cost for providing adequate resourcing" so that schools can attain the goals set down for them to achieve.

Society is placing increasing pressure on schools to solve / resolve all of its emerging ills. For example: *Children are obese – get the schools to look at healthy food programmes; The population is less fit – get the schools to increase their Sports, Phys.Ed and Fitness programmes. Bird Flu is coming – get the schools to run an awareness programme. Society is becoming more violent – introduce peace / anti-bullying programmes in schools, etc etc.*

The New Zealand Government could also note the approach undertaken by the Australian Government. The report: *The Sufficiency of Resources for Australian Primary Schools* (June 2004), makes interesting reading.

The purpose of the Australian study was to investigate “whether Australian primary schools have sufficient resources to achieve the goals set for them by Commonwealth and State Ministers for Education in the statement, *National Goals for Schooling in the Twenty-first Century*.” The study considered all resources available to schools in 2003, from both government and private sources.

The study considered the use of the teacher resource for class teaching and for specialist work with children who have learning and/or behavioural needs. The report addressed the issue of the impact on schools who mainstreamed severely disabled or emotionally disturbed students. These students were provided with teacher aides “who are employed for a fraction of the week. The school is expected to find the resources for the rest of the time.” Schools with many such children found this a considerable burden.

The issue of students with ‘severe behavioural problems’ was examined. The report notes that this is “of serious concern to principals and teachers because of the lack of additional help available for such students.” The study found that there were greater concentrations of these challenging students in lower SES (Socio economic schools) schools and this made it more difficult to maintain a “constructive classroom climate” and thus achieve benchmark standards. Furthermore, “the additional support required to assist schools with such intakes greatly exceeds what is currently provided in most school funding formulae.”

The themes noted above are all too familiar to teachers and principals working in New Zealand schools and must be addressed in any review of Operational Funding.

The current emphasis on ‘addressing the long tail’ is essential for New Zealand’s educational and economic future. This requires schools to cater for the increasingly diverse social, pastoral and academic range of student needs. No longer can it be carried out with the resources made available by the state.

Lets look at some facts :-

Revealed in the Minister’s report to Parliament (2002 figures):

Primary schools make up 81% of all New Zealand Schools, and 61% of the students. They receive 52% of the education budget.
Secondary schools make up 12.2% of New Zealand schools and 33% of the students. They receive 43% of the education budget.

Income and Expenditure in Schools: Where did schools get their funding from in 2002?

Primary Schools’ Income is sourced from:

Government Grants	\$1,670M	(89.1% of total)	\$3479 per student
Local Funds and Investments	\$ 196M	(10.4% of total)	\$ 408 per student
Other Revenue	\$ 8M	(0.4% of total)	\$ 17 per student

Total: \$1,877M \$3,910 per student

Secondary Schools’ Income is sourced from:

Government Grants	\$1,262M	(81.3% of total)	\$4761 per student
Local Funds and Investments	\$ 401M	(10.4% of total)	\$1513 per student
Other Revenue	\$ 10M	(0.4% of total)	\$ 38 per student
Total:	\$1,552M		<i>\$5,856 per student</i>

Locally Raised Funds:

Concern has been expressed in recent times at the increasing reliance of many schools on income from foreign fee-paying students. A relatively recent phenomenon, more and more schools (predominantly secondary) are tapping into the wealth created from hosting these students. Significant additional funding became available for these schools, enabling them to supplement (subsidise) their government funding. Recent downturns in this area are putting these schools under huge pressure.

The concern is that a large number of schools (again, nearly all primary) are unable to tap into this source. Many do not want to, as they see their core business is to provide a quality education for New Zealanders in their catchment area, (the prime reason their school was built). There is a philosophical argument here as well as a funding one.

The dilemma is the widening gap between those with the additional revenue source and those without. What to do? It is our contention that already under-resourced schools are falling even further behind, and many others are being artificially subsidised through locally raised funds or other means.

Today the demands are increasingly sophisticated and complex, and schools need vastly improved resourcing to manage those demands. Principals have been creative in finding solutions, but their sources are drying up. Successive governments have pointed out that the operations grant has kept pace with inflation. However, such a bald fact ignores the fallacy that right from the start the grant formula was adequate for Tomorrow's Schools. It also ignores the fact that 'Today's Schools,' have little in common with schools prior to 1989. If we were still operating in the same way as in 1989, then a cost of living adjustment might be relevant. We do not operate in the same way at all, and the CPI adjustment is totally inappropriate.

Technology and increased service expectations of schools, as well as increased compliance costs, have meant an exponential increase in operating costs.

Lets look at some of the changes since Tomorrow's Schools. When it was put in place, as an example, most primary schools had:

- One phone line (often shared with the school house in country areas).
- A 'Banda' spirit duplicator, and sometimes a 'Gestetner.'
- A simple three-drawer filing system.
- Few computers, no fax machines.
- No legal expenses, no insurances, no copyright charges.
- No 'Pan taxes'.
- Few local authority rates, and no regional rates.
- No Rubbish costs or little rubbish costs.
- A part time clerical assistant and perhaps a teacher aide.
- No costly Fire Safety, OSH, ACC, Worksite Safety Compliances.
- No mainstreaming
- Far less behaviour problems of the severity we now encounter

- No before or after school classes
- Few paid for extra staffing to cover local needs
- No homework classes

The initial funding for the newly self-managing schools in 1989 was based on historical data. Annual increases to the operations grant based crudely on the arbitrary Consumer Price Index each year bear no relevance to the reality of the cost of running a school.

This study allows the present government to finally address the broken promises of Tomorrow's Schools.

School properties would be handed over in good condition, or brought up to "code" through a Deferred Works Programme.

Boards would be funded to carry out all the administrative and operational functions of the school. This funding would come from savings made from dismantling Education Boards and the Education Department. The Ministry would be a slim operation to drive national policy and to advise the Minister.

The New Zealand Principals' Federation supports and welcomes a transparent open investigation of the true costs of providing the education demanded of our schools.



National President
New Zealand Principals' Federation