



Briefing Note: Changes to Te Kura fees for private school students

To:	Hon Chris Hipkins, Minister of Education		
CC:	Hon Jenny Salesa, Associate Minister of Education		
Date:	8 February 2019	Priority:	High
Security Level:	In Confidence	METIS No:	1176826
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Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

The purpose of this paper is to:

Advise you of changes made through Budget 2018 to access Te Aho o Te Kura Pounamu o Aotearoa (Te Kura) for private school students, how the Ministry communicated these changes to the sector and our transition arrangements for schools who did not directly receive notice.

Agree that this Briefing will be proactively released.

Agree / Disagree

Summary

- In Budget 2018, government-funded access to dual tuition subjects through Te Kura was removed.
- Under previous policy settings, this government-funded access had been limited to between one and four subjects per students, depending on the gateway through which the student was enrolled.
- This change was made to reflect the principle that private schools should not receive a 'double-subsidy' by accessing free enrolment at Te Kura, as well as their per-student subsidy.
- The Ministry communicated this change to the private school sector and Te Kura in mid-2018, however six private schools were not directly notified.

- The Ministry contacted three of the schools (MindAlive, Peace Experiment, and ADDI Enrichment Academy) on Friday 1 February 2019 following identification of the errors and apologised for the mistake. These three schools have full registration, and two of them (MindAlive and ADDI Enrichment Academy) accessed government funded dual-tuition in 2018.
- The other three provisionally registered schools (the Academy for Gifted Education, Rocket School, and Ako) have not previously accessed the dual-tuition pathway with Te Kura, and so have not yet been contacted. These schools will be contacted on Friday 8 February 2019.
- A transition plan has been developed for the schools for the 2019 year only. The Ministry will reimburse the schools for the costs incurred through dual-enrolment at Te Kura in line with the subject limits of the previous policy. This will allow these schools more time to develop a plan for the future delivery of the curriculum.
- From January 2020 the policy change will be enforced for all schools.



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/ /



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Hon Chris Hipkins
Minister of Education

19/2/19

Background

1. The right to free education in New Zealand is limited to education provided in state and state-integrated schools. This is why government provides funding to cover the cost of curriculum provision in these schools.
2. Private schools have greater freedom than state schools, including an ability to select their students, to determine their governance arrangements, the right to charge fees for attendance and to choose the curriculum they teach.
3. The government provides a discretionary per-student subsidy to private schools under section 35N of the Education Act 1989. This subsidy is from a fixed funding pool, meaning that the level of subsidy per-student fluctuates from year to year as enrolments in the sector change. Beyond this subsidy, private schools are expected to receive the majority of their funding through private sources, usually through fees charged to families. There are no restrictions on how private schools determine their fees.

Access to Te Kura

4. New Zealand students at state schools, including state-integrated schools, can access government funding for dual-tuition through Te Kura if they meet certain eligibility criteria set out in the Te Kura enrolment policy. Government-funded dual tuition is limited to between one and four subjects, depending on the enrolment gateway. This is because dual tuition is intended to supplement, but not replace, a school's curriculum.
5. Free access to Te Kura is not a right for every student in New Zealand. Dual-tuition through Te Kura on a fee-paying basis is available to all students in New Zealand, regardless of school setting. In a state or state-integrated school, the school is charged, as state education is free. For private or home schooled students, the student and their family or whānau is charged.
6. Dual-tuition at Te Kura is intended to supplement access to the curriculum at a school, not replace it. Te Kura is not a school of choice. Te Kura's role in the system is to provide distance education for students who cannot access face to face tuition due to distance or alienation. Te Kura is also used for supplementary tuition. Government funded enrolment or access to dual tuition requires set "gateway criteria" to be met before a student becomes eligible.

Policy changes made through Budget 2018

7. In Budget 2018, government-funded access to dual tuition subjects through Te Kura was removed for private schools.
8. Under previous policy settings, this Government-funded access had been limited to between one and four subjects per students, depending on the gateway through which the student was enrolled.
9. Private schools are still able to access dual-tuition for an unlimited number of subjects through Te Kura for their students on a fee paying basis. This change reflects the expectation that private schools are meant to be privately funded, beyond the government's per-student subsidy. It is up to the private school as to how they manage the costs of this.

Communicating changes to the private school sector

10. On 4 July 2018, the Ministry of Education sent an email to private schools about the policy changes. Te Kura was notified in June 2018. The changes were also communicated on the education.govt.nz website and included in information the Ministry released about Budget 2018. The school bulletin in September 2018 also included information on changes to private school funding.
11. However, six private schools did not receive direct communication from the Ministry:
 - MindAlive
 - Peace Experiment
 - ADDI Enrichment Academy
 - Academy for Gifted Education
 - Rocket School
 - Ako
12. MindAlive does not use electronic communication. A physical letter was drafted in July 2018, however due to an administrative error, this letter was not sent. MindAlive was notified of the policy change on Friday 1 February 2019 and of our transition approach (discussed below) on Tuesday 5 February 2019.
13. The other five schools that were not included in the email to private schools were provisionally registered private schools. Provisionally registered schools were mistakenly considered ineligible for the subsidy. The Te Kura enrolment policy only refers to private schools, and does not refer to their registration status. It was therefore assumed that the policy change would have no effect on them.
14. As part of reviewing our communications we discovered that provisionally registered private schools were able to access government-funded dual tuition through Te Kura under the previous enrolment policy. Two of these five schools (Peace Experiment and ADDI Enrichment Academy) have since gained full registration, and one had accessed government funded dual-tuition in 2018 while provisionally registered. These two schools were notified of the policy change on Friday 1 February 2019 and of our transition approach (discussed below) on Tuesday 5 February 2019.
15. We are notifying the three other provisionally-registered schools (Academy for Gifted Education, Rocket School, and Ako) of the policy change, to ensure they take this into account in their forward planning. These schools had not previously had students accessing the dual-tuition pathway. If these schools plan to use the previous dual-tuition subsidy in 2019, they will be included in the transition arrangements described below.

The Ministry will fund a transition for schools who were not advised of the change

16. In order to support these schools to transition appropriately, we will fund the cost of enrolments at Te Kura for their students, for the 2019 school year only, in line with the previous government-funded dual-tuition policy. A letter to the three schools that accessed this funding last year outlining this arrangement, including an apology, will be sent on Friday 8 February 2019.
17. This transition arrangement will be funded from within Ministry baselines. Based on last year's enrolments, this is expected to cost between \$50,000 and \$60,000. This figure may increase as we work through the transition arrangements.

18. The policy change will still apply to these schools from 2020, and they will need to determine how they provide access to supplementary education for their students from 2020 onwards.

Risks

19. There may be some media interest in this issue. You have already received a number of letters from parents of affected students who have suggested that the policy change is discriminatory.
20. We are confident that the policy change is both appropriate and does not unfairly discriminate against students, and that it better reflects the purpose of Te Kura and the position of private schools in the education system.
21. We recognise that errors made by the Ministry when communicating the changes have clouded the implementation. Transition arrangements for the impacted schools treats the affected schools fairly and allows them an appropriate length of time to prepare their school communities for the new funding arrangements.
22. An additional risk is that there may be some resentment for the rest of the private school sector, who are required to abide by the new 2019 enrolment policy. Two private schools raised concerns with the Ministry at the time the policy change was made [METIS 1140180 refers]. We do not consider that the transition arrangements for the schools which did not receive notification sets a precedent.

Next Steps

23. We will continue to work with stakeholders to ensure they understand the new policy.
24. In addition we will implement new quality control processes for outgoing communications going forward, to ensure this situation does not recur.
25. For Budget 2019, we will ensure appropriate communications are made to any parties affected by any reprioritisations.

Proactive Release

26. We recommend that this Briefing is proactively released as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.