

PROTECTION OF PUBLIC EDUCATION (ABOLITION OF BULK-FUNDING) BILL

EXPLANATORY NOTE

THIS bill removes the current legislative provisions for the direct resourcing, or bulk-funding, of schools currently set out in the Education Act 1989. The bill reinstates central resourcing as the sole option for the funding of schools. The bill also provides a transition mechanism for schools which are currently bulk-funded to return to the central resourcing system either at the expiry of their bulk-funding agreement or earlier by mutual agreement.

There is no educational benefit gained by schools being bulk-funded. Schools that have trialled the bulk-funding system have done so because they are able to gain additional funding.

The 1992 trial, flawed though it was, showed that any advantages derived from bulk-funding were due to the additional money the school was receiving rather than the system by which it was received. The bulk-funding formula calculates the amount a school is to receive based on the average teacher salary and the role of the school. An obvious consequence of this will be to encourage bulk-funded schools to employ cheaper and therefore less experienced teachers. Additional funding has been used to cover operational deficits especially in poorer schools. This is not in the best interests of the education of New Zealand's young people.

Bulk-funding is not supported by most parents, boards or their representatives. Despite all the incentives offered to make bulk-funding more attractive, only 11 per cent of all schools have opted in. This is not only because there is little or no educational advantage to the scheme but also because bulk-funding has not, on average, resulted in schools employing more staff than they could while centrally resourced.

Labour opposes bulk-funding of teacher salaries as it is a strategy by which the Government abdicates its responsibility for the education of New Zealand's young people. It is essentially an ideologically driven approach, estimated to cost about \$25 million for no educational benefit.

Latest government plans to ensure that no school loses in the first year of bulk-funding are estimated to cost another \$75 million. Labour believes that this money could be much better spent improving the quality of education in schools. It should be distributed on the basis of numbers and need—not as an incentive to

buy into a scheme through which the Government hopes to abdicate its responsibility for teacher numbers and quality.

This is inconsistent with the philosophy of government proposed by Labour. Labour wants to be in a position where government can lead the education community to achieve to a standard required by a modern society. Being involved in determining salary and teaching levels is critical to this.

Trevor Mallard

**PROTECTION OF PUBLIC EDUCATION (ABOLITION
OF BULK-FUNDING)**

ANALYSIS

Title	91c. Salaries of teachers at all schools to be paid by the Crown
1. Short Title and commencement	
2. Interpretation	
3. Repeal of provisions for bulk-funding of teacher salaries	91D. Transition from direct-resourcing

A BILL INTITULED

An Act to amend the Education Act 1989 so that all schools are centrally resourced, the option of bulk-funding is removed and provision made for a transition process for schools that are currently bulk-funded to become centrally-funded

BE IT ENACTED by the Parliament of New Zealand as follows:

1. Short Title and commencement—(1) This Act may be cited as the Protection of Public Education (Abolition of Bulk-funding) Act 1997, and is part of the Education Act 1989 (“the principal Act”).

(2) This Act comes into force on the date on which it receives the Royal assent.

2. Interpretation—Section 91A of the principal Act is amended by repealing—

- (a) The definition of “application period”;
- (b) The definition of “payrolled school”.

3. Repeal of provisions for bulk-funding of teacher salaries—(1) The principal Act is amended by repealing section 91C, and substituting the following section:

“91C. **Salaries of teachers at all schools to be paid by the Crown**—The Secretary must cause to be paid out of public

money, appropriated by Parliament for the purpose, all actual salaries for all regular teachers at State schools.”

(2) The principal Act is amended by repealing section 91D, and substituting the following section:

“91D. **Transition from direct-resourcing**—(1) The Minister and a Board may agree in writing that **section 91C** should not apply to a school or schools the Board administers while the agreement is in force provided that— 5

“(a) The agreement was made prior to the first reading of this bill; and, 10

“(b) The agreement is for no more than 3 years’ duration and that it contains no right of renewal.

“(2) Despite anything in **paragraphs (a) and (b) of subsection (1)**, where any agreement contains provisions inconsistent with this Act, these provisions will be deemed null and void.” 15

(3) Sections 91E and 91M of the principal Act are repealed.