

**CHARITIES, PHILANTHROPISTS, POLICY ENTREPRENEURS,  
INTERNATIONAL COMPANIES AND STATE SCHOOLING IN  
AOTEAROA NEW ZEALAND**

Final report to the New Zealand Educational Institute Te Riu Roa, New Zealand  
Post Primary Teachers' Association Te Wehengarua, and New Zealand Primary  
Principals' Federation Ngā Tumuaki o Aotearoa

John O'Neill

with Connor Duffy and Sarojinie Fernando

Massey University Te Kunenga Ki Pūrehuroa, Manawatū

July 2016

Contents	i
Acknowledgements	ii
List of Tables and Figures	iii
Summary	v
Introduction	1
Context	3
Transparency, understanding and debate	4
Blurring public and private in state schooling	5
‘Modernising’ state schooling	6
Educational Management Organisations	17
For-profit	21
Not-for-profit	25
Philanthropy	28
Regulation	29
Giving	35
Investing	36
Educational charities in New Zealand	40
Policy Networks	47
Actors	47
Networks	51
Cases	58
Pearson	59
Cognition Education	65
Core Education	76
Foundation North	86
COMET	98
Kidscan	109
Conclusion	116
References	119
Appendices	xix
Appendix A: Methodology	xix
Appendix B: Educational charities with annual income between \$1 million and \$10 million	xxvi
Appendix C: Case organisation social network Tables and Figures	xxxiii

## **Acknowledgements**

The direct costs of the research were funded jointly by New Zealand Educational Institute Te Riu Roa, New Zealand Post Primary Teachers' Association Te Wehengarua and New Zealand Primary Principals' Federation Ngā Tumuaki o Aotearoa.

Tom Haig, Liz Hawes and Stephanie Mills provided advice, guidance and feedback throughout the project.

Connor Duffy undertook the main web and literature searches and social network analyses. Dr Sarojinie Fernando undertook the statistical analysis of the two Charities Services databases.

Ella Bourke assisted with case organisation information retrieval, Dylan Roberts with analysis of annual financial statements, and Julie Sakai formatted the final report.

## List of Tables and Figures

Table 1.	Māori population by iwi grouping and census date	39
Table 2.	Financial redress, historical Treaty claims: ten largest settlements	40
Table 3.	Educational charities with annual income, annual expenditure and total assets each in excess of \$10 million, reported by gross annual income (n=51)	45
Table 4.	Third party payments from Cognition Education to John Hattie 2010-2015	49
Table 5.	Teach First New Zealand Trust annual financial statements 2011-2014	55
Table 6.	Cognition Education Ltd annual financial statements 2009-2015 (2012-2015 figures include the wholly owned subsidiary, Cognition South East Asia)	71
Table 7.	Cognition Education Trust annual financial statements 2009-2015	72
Table 8.	Cognition Institute annual financial statements 2009-2010	72
Table 9.	CORE Education Charitable Trust annual financial statements 2010-2015	82
Table 10.	CORE Education Limited annual financial statements 2010-2015	82
Table 11.	Foundation North Group annual financial statements 2009-2015	94
Table 12.	Foundation North Grants Ltd annual financial statements 2009-2015	94
Table 13.	Centre for Social Impact NZ Ltd annual financial statements 2014-2015	94
Table 14.	COMET annual financial statements 2008-2015	102
Table 15.	Kidscan annual financial statements 2007-2015	112
Table A1.	Analysis of Charities Register database of educational charities	xxiii
Table B1.	Educational charities with annual total income, annual expenditure and total assets each between \$1 million and \$10 million, by 2014 gross annual income (n=174)	xxvii
Table C1.	Pearson point, person, position and organisation	xxxiv
Table C2.	Cognition Education Ltd and Cognition Education Trust point, person, position and organisation	xxxviii
Table C3.	CORE Education Ltd and CORE Education Charitable Trust (persons) point, person, position and organisation	xliv
Table C4.	CORE Education Ltd and CORE Education Charitable Trust (organisations) point, person, position and organization	xlviii
Table C5.	Foundation North and Foundation North Trust (persons) point, person, position and organization	liii
Table C6.	Foundation North and Foundation North Trust (organisations) point, person, position and organization	lvi
Table C7.	COMET (persons) point, person, position and organisation	lx
Table C8.	COMET (organisations) point, person, position and organisation	lxiii
Table C9.	Kidscan (persons) point, person, position and organisation	lxvii
Table C10.	Kidscan (organisations) point, person, position and organisation	lxix

Figure 1.	Unit organisational form and approach to relationships (Source: Thompson, 1991, p. 244)	6
Figure 2.	Educational charities' total gross income by number of Educational charities	42
Figure 3.	Educational charities' total gross income by proportion of Educational charities	42
Figure 4.	Educational charities' total expenditure by number of educational charities	43
Figure 5.	Educational charities' total expenditure by proportion of educational charities	43
Figure 6.	Educational charities' total assets by number of educational charities	44
Figure 7.	Educational charities' total assets by proportion of educational charities	44
Figure C1.	Pearson social network of persons and organisations combined	xxxvii
Figure C2.	Cognition Education Ltd and Cognition Education Trust social network of persons and organisations combined	xlvi
Figure C3.	CORE Education Ltd and CORE Education Charitable Trust social network of persons	xlvi
Figure C4.	CORE Education Ltd and CORE Education Charitable Trust social network of persons and organisations combined	lii
Figure C5.	Foundation North and Foundation North Trust social network of persons	lv
Figure C6.	Foundation North and Foundation North Trust social network of persons and organisations combined	lix
Figure C7.	COMET social network of persons	lxii
Figure C8.	COMET social network of persons and organisations combined	lxvi
Figure C9.	Kidscan social network of persons	lxviii
Figure C10.	Kidscan social network of persons and organisations combined	lxxi

## Summary

This report examines the development and delivery of state schooling policy in Aotearoa New Zealand at present. The main purpose of the report is to prepare a preliminary sketch map and understanding of what is occurring within a rapidly changing policy landscape. The analysis in this report documents how an increased presence of private sector actors is reshaping the ways in which state schooling policy is developed and enacted in classrooms, staffrooms, schools and local communities. It seems fair to suggest that the substance and magnitude of these changes remain largely unremarked in the media and their consequential effects not widely appreciated across civil society.

Of particular interest in this report is the role played by not-for-profit, charitable entities in state schooling. State schooling has commonly been regarded in social-democratic systems like New Zealand as a public or social good. Historically, education has also been a principal objective of charitable activity on the basis that it provides a significant public benefit. Charity or philanthropy enjoys a privileged position in contemporary New Zealand society, which itself places great importance on the altruistic acts of 'giving'. It is therefore timely to assess the extent to which these emergent state schooling philanthropic actors appear to be motivated by considerations of public good, public benefit and altruism.

Since 2008, National-led governments have actively encouraged a diverse array of for-profit, not-for-profit and hybrid private sector actors, and facilitated their entry into the managed marketplace of New Zealand state schooling. This represents a rapid local acceleration of the privatisation of state schooling trends that have been emergent globally since the 1980s. In New Zealand, as elsewhere, privatisation of state schooling takes two main forms: making schools run more like businesses; and bringing the private sector into state schooling.

Before the last decade or so, these privatisations could mostly be seen in the use of sole trader consultants, corporate professional services, or infrastructure trades and technology services, generally operating at arms' length from politicians and public servants. Today, the private sector comprises all these entities in for-profit, not-for-profit and Public Private Partnership (PPP) consortia forms, Non-Government Organisations (NGOs), private foundations, publicly registered

charitable trusts, individual entrepreneurs, and community groups and organisations including iwi, rūnanga and Urban Māori Authorities (UMAs).

Many of these entities no longer simply deliver schooling services on behalf of the state, however, but are also energetically involved in their conception, articulation and development in policy texts. Some public policy activities clearly continue to take place in and are mediated by the public sphere, but some others may not. Hence there is need for transparency and debate about the substance and style of state school policy governance to try and ensure its sustainability as a public good.

At the heart of the recent efforts to ‘modernise’ state schooling in New Zealand, lie networks of actors, organisations and their relations of mutual interest. For the purposes of this report it is suggested that these efforts may be understood theoretically as the displacement of traditional ‘classic market’ and ‘bureaucratic’ forms of state schooling governance, by newer professional and philanthropic ‘networks’ and ‘clans’ (e.g. iwi). In the education policy literature, the emergent patterns of dispositions and practices that embody these are sometimes known as ‘network governance’.

Examples of the newer network governance approach to state schooling in New Zealand include: (i) mandatory consideration of PPP as an alternative to conventional procurement for the design, build, finance and maintenance of school buildings; (ii) approval of private sector sponsors to operate multiple Partnership School Kura Hourua; (iii) increasing monetary subsidisation by households of nominally free state schooling, accompanied by the growing presence of private sector supplementary tutoring franchises; and (iv) tactical commercial partnerships between local not-for-profit Educational Management Organisations (EMOs) and for-profit, offshore education services ‘brands’ to deliver schooling products and services in New Zealand and overseas.

These examples are illustrative of a growing preference by the government to contract out state schooling services to the private corporate, NGO and philanthropic sectors. Charities law in New Zealand is accommodating of not-for-profit charities that establish a for-profit subsidiary, which then both competes against and collaborates with public sector entities in fluid tactical alliances that

seek to win government contracts. These trends seriously blur the conceptual and practical distinctions between public and private participation in state schooling.

The current government has also adopted a policy vocabulary that signals a conscious withdrawal from traditional post WWII commitments to welfarism. Phrases like 'government subsidy' have now largely replaced references to 'government funding and provision' of state schooling. The policy shift by the state from a universalist approach to state schooling provision to a targeted social investment approach clearly has the potential to alleviate some inequalities of access to education for those who benefit from targeting, while at the same time exacerbating them for those who do not.

Historically, philanthropists have worked to address gaps in public services provision. The peak body Philanthropy New Zealand currently has over 130 grant awarding members and 110 recipient community organisations. Newer approaches to 'venture philanthropy' from the larger institutional trusts and private foundations now also commonly adopt 'investment', rather than 'granting' or 'seeding' approaches. These investments tend to be strategic in scope, larger in-scale, multi-year in enactment, and their outcomes explicitly evaluated in terms of returns on economic and/or social investment. In contrast, not-for-profit educational management organisations may regard their portfolio of routine activities as inherently charitable in purpose, which therefore mitigate or remove the obligation to make significant additional charitable donations from operating surpluses. In Aotearoa, iwi, rūnanga and UMAs typically enjoy charitable trust status and undertake increasingly influential roles in the state schooling network governance, thanks in no small part to historic Treaty of Waitangi settlements, which are estimated eventually to be worth \$2.6 billion.

At the time of writing, there are approximately 17,000 registered charities in New Zealand, over a third of which are education charities. In 2010, the total gross income for the sector was reportedly \$10.5 billion. The main reported sources of income were \$3.6 billion government grants, \$0.7 billion donations and \$4.1 billion services provision. New Zealand ranks third in the Charities Aid Foundation 2015 World Giving Index. Total giving in 2014 was estimated to be \$2.8 billion, or 1.17% of GDP. Personal giving comprised 55%, trusts and foundations 42% and business



3%. Of donated money, 9.9% was to education. An estimated 12.3 million volunteer hours were also given to education.

To get an overview of what educational charities do, how they are funded, and what they fund, an analysis of the New Zealand Charities Services database was undertaken for this study. Among the 6,059 registered educational charities, a third reported education, training and research as their main sector of operation. Over half reported children and young people as their main beneficiary, 16% the general public, 6% family and whānau, and 2.1% older people. The most frequently reported main activities were services provision (20.7%), grants to other organisations (17%), information, advice and advocacy (15%), and grants and loans to individuals (12.9%). Just over half are mainly funded through non-government grants and sponsorships, and a quarter through a combination of bequests, donations and koha. Only 4.5% relied mainly on government grants and contracts and 3.9% on income from services and trading provision.

In order also to gain a sense of the scale of their financial activity, an analysis of 2014 gross income, expenditure and total assets was undertaken using the Charities Services financial database. The analysis was limited to the approximately 3,250 charities in the database whose main reported source of income was grants, contracts and sponsorship. Fifty-one educational charities reported total annual income, annual expenditure and total assets in excess of \$10 million. These included 17 private schools, the eight public universities, a variety of Institutes of Technology and Polytechnics, Private Training Establishments, professional and peak body trusts, and four kindergarten associations. There were also 174 charitable educational trusts with income between \$1 million and \$10 million.

Schooling policy networks come into being and flourish due to the interactions of the entrepreneurial policy actors who navigate them. These actors collaborate and network in order to materially influence state schooling policy development and services delivery. Actors may operate as individuals, groups or organisations. In New Zealand, the consummate schooling policy actor since the late 1990s has been Professor John Hattie, formerly at the University of Auckland. Hattie's now global social networking approach might reasonably be described as a seamless fabrication of his public-good, not-for-profit and for-profit policy entrepreneurship and advocacy. His original scholarly work in the university setting

has since been packaged, branded and monetised through the Visible Learning book series and Visible Learning <sup>Plus</sup> programme of teacher workshops and associated school certification offered internationally under licence to various commercial partners by Cognition Education; and most recently through the Visible Classroom App which has been commercialised in Australia, the UK and the USA via a partnership between the University of Melbourne and Ai-Media.

New Zealand examples of policy networks include the libertarian think tank, the New Zealand Initiative (NZI), and Teach First New Zealand Ako Mātātupu (TFNZ). Since 2012, NZI has rebranded to position itself as a research organisation that aims to contribute to the public good by bringing a pro market perspective to public policy debate. Its membership is drawn largely from the corporate business sector in New Zealand but includes St Cuthbert's College and the University of Auckland from the education sector. TFNZ offers a locally contextualised, boutique leadership development programme for high performing graduates in the form of a classroom-based initial teacher education programme. It is financially supported by a diverse range of local and offshore venture philanthropy groups, corporates, charitable trusts and education sector NGOs. TFNZ's official programme partners are University of Auckland, the Ministry of Education and Teach for All. Teach for All is a USA-based global member organisation of similar programmes. It enjoys significant school-choice and school-reform oriented philanthropic funding streams and global corporation contributions to its governance.

Six case organisations were selected to illustrate the diversity of contemporary state schooling policy entrepreneurship and advocacy, and to map their social networks. The cases are: Pearson, the world's largest educational organisation; Cognition Education Group and CORE Education Group, the two largest educational management organisations (EMOs) in New Zealand, both of which operate for-profit, wholly-owned subsidiaries of their respective not-for-profit charitable trusts; Foundation North, a Public Benefit Entity and the biggest philanthropic organisation in Australasia, which operates throughout Auckland and Northland, has net assets of over \$1 billion and distributes tens of millions of dollars annually in community grants and social investment projects; Community Education Trust Auckland (COMET), which operates as a deliberately small charitable trust and Council Controlled Organisation, providing thought leadership, research and

project development services throughout the Auckland Council area; and Kidscan, the purposes of which are to fund, source and distribute goods and services to meet the material needs of children affected by poverty, and which has grown its equity from \$0 in 2007 to \$4.5 million in 2015. Together, these six cases demonstrate something of the variety of private sector participation in and around state schooling policy today.

There are three EMOs in the study: the global corporation Pearson, Cognition Education Limited (based in Auckland) and CORE Education Limited (based in Christchurch). Pearson has a negligible visible presence in New Zealand schooling, yet in Australia, which is one of its major strategic areas of operation, it has a significant share of the national school testing market. Overall it has 40,000 employees in over 70 countries and in 2015 its sales were approximately £4.5 billion. Pearson is an education services, thought leadership and venture capital brand. Its stated aim is to meet a global demand for education through: increasing access to high quality schooling and postsecondary education; enhancing literacy, numeracy, knowledge and skills; and linking education to professional career appointment and advancement. Pearson consistently uses the socially responsible language of making education more accessible and affordable, and applying educational products and services to scale to help governments meet their system goals. Pearson's Chief Education Adviser is Sir Michael Barber, with responsibility for Pearson's new initiatives on 'Efficacy', 'Pearson Affordable Learning Fund' and 'The Learning Curve'. The first is a commitment to measuring the impact on student learning outcomes of all Pearson's products and services, the second a venture capital initiative to provide 'low-cost' private schooling in developing countries, and the third is Pearson's attempt to shape the schooling policy discourse around the use of data analytics to make judgments about the performance of state and national school systems worldwide.

Cognition Education began as the charitable Multi Serve Education Trust, which was established at the outset of the Tomorrow's Schools administrative reforms to provide payroll, transport and financial administration services to schools in New Zealand. In the 2000s it underwent a series of structure and name changes including creation of the for-profit, wholly-owned subsidiary now known as Cognition Education Limited, the largest EMO in New Zealand. Being wholly-owned

by the Trust confers domestic financial and reputational advantages associated with charitable status. These changes also enabled Cognition Education Limited to grow its export education services to the high point where in 2010 its annual income was \$69 million, yet by 2015 this had more than halved to \$28 million. Cognition Education Limited appointed its first CEO from overseas in 2016, with entrepreneurial expertise in a range of for-profit and not-for-profit educational services providers. Since the mid-2000s Cognition Education Limited has invested heavily in commercialising the intellectual property of John Hattie through the Visible Learning<sup>plus</sup> series of sixteen workshops for teachers and associated whole school certification. These are now offered in New Zealand and, under licensing arrangements with key private sector partners, in Australia, Europe and North America. The Cognition Education Trust's equity has varied over the years but in 2015 was \$18.2 million. From a high point of \$654,000 in 2010, the Trust's annual charitable grants had reduced in value to \$251,000 in 2015.

CORE Education Group is the second largest EMO in New Zealand and, like Cognition, is configured as both a for-profit, wholly-owned limited company and a not-for-profit charitable trust. Since its establishment in the late 1990s, CORE Education's work has consistently focused on learning technologies and environments, and research and professional development services associated with these. Approximately 85% of CORE Education Limited's annual income in 2014 and 2015 came from contracts, most of these with the Ministry of Education. The financial statements suggest that it has benefited considerably from the MoE's decision to make the former universities-based school support services contestable from 2011. CORE Education Limited's annual income in 2010 was \$7.8 million. By 2015, this had grown to \$22.7 million, and the number of employees from 55 to 180. CORE Education Limited does not have proprietary, high-profile, former public good intellectual property comparable to the Visible Learning<sup>plus</sup> and Culture Counts<sup>plus</sup> brands that are sold by Cognition Education Limited. However, it does offer numerous online and face-to-face professional learning modules explicitly linked to various MOE schooling priorities, throughout New Zealand. In one or two cases CORE Education has an agreement through which successful module completion also gives free course credit towards a postgraduate certificate qualification at Unitec. CORE Education also has an agreement with New Pedagogies for Deep

Learning (NPDL) Global, based on the work of educational thought leader Michael Fullan from Canada, to offer the NPDL proprietary teacher learning programme across a cluster of up to 100 Australian and New Zealand schools and early childhood centres. As part of its portfolio it also engages in research, consultancy, learning and learning management development services, publishing, event management, thought leadership and educational tour services. CORE Education argues that its educational services are inherently charitable and of public benefit and that, consequently, it is not obligated to distribute additional grants from surpluses beyond its day-to-day work. For the period 2010-2015, the total value of grants reported in annual statements is net \$1,011,326, averaging \$168,554 each year. In addition, the Limited Company has donated \$702,775 to the Trust since formal separation of the two reporting entities in 2013 (most of this a one-off donation of \$600,000 in 2014).

Foundation North, COMET and Kidscan may be said to have different charitable purposes and goals to the three EMOs. The EMO activities are focused directly on the provision of schooling products and services, and on the delivery of government objectives or the improvement of officially mandated student learning outcomes, directly or indirectly. Foundation North, COMET and Kidscan operate both inside and outside the official curriculum and the compulsory schooling sector. The language they use tends to view schooling not in isolation, but as one of several vehicles for promoting greater social and economic well-being at individual, family and community levels. While they may sometimes adopt the official schooling discourse criterion of improved student learning outcomes to justify their activities, their charitable grants and projects in the domain of education often appear to meld classroom, family and community contexts for learning, and to promote a blend of cognitive, affective, cultural and relational outcomes of learning.

The Foundation North Group, formerly the ASB Community Trust, was established as a community trust in 1988 to provide goods and services for community or social benefit. Also a Public Benefit Entity, its trustees are appointed by the Minister of Finance. Initially the Trust's mandate was delivered in the form of buildings, land and regional infrastructure. In 2006, the Trust announced that it would in future focus on community grants and helping community organisations become sustainable through multi-year projects – what it now calls its venture

philanthropy approach. The Trust makes financial investments of several hundred million dollars each year in managed funds to grow its equity in perpetuity and distributes a minority of the return on investments as grants. Between 2010 and 2015, the Foundation North Group generated annual investment income that varied greatly from year to year but nevertheless totaled \$632.3 million and averaged \$105.4 million annually over the period. In 2015, the Group's grant awarding subsidiary Foundation North Grants Limited distributed \$38.7 million from Group income of \$137.6 million. Between 2010 and 2015 grants totaled \$147.8 million, averaging \$24.6 million each year. In the same period, Group equity increased from \$1 billion to \$1.2 billion. On average, 23.3% of the investment income returns received by the group was distributed in grants each year. In 2009 the Trust announced its Māori and Pasifika Education Initiative (MPEI) with an investment of \$20 million over five years. Seven projects were selected from proposals put forward by the community. In a second phase, the Trust identified a further four established projects from its networks, and in 2015 selected its final MPEI project, a leadership programme for young Māori women. In 2014, the Trust launched the Centre for Social Impact New Zealand with the dual purpose of supporting both its own venture philanthropy, and major initiatives by other philanthropic trusts, and government and corporate funders.

COMET was settled by former mayor Sir Barry Curtis as the City of Manukau Education Trust in 1999 to act as an information and advocacy hub and work with local stakeholders to advance educational opportunities in the Manukau community. A major purpose of the Trust was to use the financial investment made in it each year by the council to leverage external national government and philanthropic funds for local educational needs and projects. In 2012, it was re-launched by 'super city' mayor Len Brown as Community Education Trust Auckland. COMET is both a charitable trust and a Council Controlled Organisation, which means that the Council appoints the trustees and contracts with the Trust for some of its work. Between 2008 and 2015, COMET's annual income declined from \$1.18 million to \$0.89 million. In the same period its staffing establishment has reduced from a high point of 11FTE in 2007 to 7FTE in 2015, while the average salary per staff member has reduced in real terms by approximately 30% to \$66,834. Equity has remained broadly static, being \$0.39 million in 2008 and \$0.34 in 2015. COMET's 2015-2018

Statement of Intent summarises the scope of its work as advocacy (reports and data, strategic plans, policy), innovation (pilot programmes), and sector leadership (provide expertise, lead/form coalitions and networks, forums). Its priority areas include education and skills; language, literacy and numeracy; facilitating skills and outcomes for Māori and Pacific Peoples, supporting sustainable development of Māori outcomes, raising youth employability, strong family attachment and learning, and the Independent Māori Statutory Board Plan. It also provides 'backbone support' for the pan-Auckland, cross-sector Learning Auckland 'collective impact partnership'.

Kidscan was co-founded in 2005 by current CEO Julie Chapman, with the support of a \$40,000 grant from New Zealand Guardian Trust. Its purposes are to promote education and the relief of child poverty nationally, to meet children's physical, nutritional and emotional needs by providing clothing, food and medical supplies, and to operate programmes, activities and events that support the charitable purposes. By 2014 Kidscan reported that it was operating in 447 schools in 14 regions and supporting 90,000 children. Kidscan distributes mainly goods through a series of named programmes such as Raincoats for Kids, Food for Kids, Health for Kids and a pilot head lice programme in partnership with Hawke's Bay District Health Board and the Ministry of Health. It describes its approach as 'fund, source and distribute'. In 2014, Kidscan acknowledged over 90 sponsors and supporters, and more than 25 trust and foundation partners including Meridian Energy, Trillian Trust Inc., McDonnell Dowell Creative Construction and the Ministry of Social Development. Kidscan's income in 2007 was \$0.98 million, it had a negative surplus and nil equity, and employed 7FTE staff. In 2015, its income was \$12.5 million, its surplus \$0.86 million and its equity \$4.5 million, while it employed 58 full- and part-time staff who earned an average of \$43,760 each. In 2015 Kidscan's sources of income in excess of \$1 million were in-kind gifts and donated goods (\$5.2 million), campaigns (\$2.36 million), trusts and gaming trusts (\$1.5 million), government grants (\$1.4 million), and donations (\$1.15 million).

In 2016, there is a diversity of private sector policy actors who participate in New Zealand state schooling. Policy actors may be individuals, groups or organisations. They may be either entrepreneurial or philanthropic in orientation, or a mixture of the two, and act according to a complex mixture of public good, not-

for-profit and for-profit motivations. Some work largely or exclusively in the area of schooling products and services, while for others schooling is one among several areas of activity. The increased presence of these policy entrepreneurs and advocates in the managed state schooling marketplace appears to have been actively encouraged and facilitated by National-led governments since 2008.

Government public sector rhetoric and policy texts now commonly refer to partial subsidies on behalf of taxpayers, PPPs and social investment approaches. These create opportunities and expectations for business and the third sector, including charities, iwi, rūnanga and UMAs, to share the responsibilities of delivering government services, along with greater user pays by households and families. This constitutes a considerable challenge for proponents of the state schooling sector, which by law is both compulsory and free. Those who oppose the privatisation of state schooling on principle, on the grounds that it is a public good and thereby a foundational element of government's social contract with civil society, face something of a dilemma because the current administration is apparently adamant that it will not increase overall government funding to state schooling in real terms. The gradual withdrawal of government enables private sector participation and with participation come expectations of decision-making and property rights. These may range from a return on commercial or social investment in product and services provision, to a role in determining policy for mutual benefit.

The prospect of greater private sector participation in creating policy and deciding policy settings raises fundamental questions about public versus private benefit in the delivery of state schooling. In the case of the five charitable trusts used as cases in this report, the amount and quality of information on their personnel, activities and finances are both limited and inconsistent. In both their for-profit and not-for-profit forms, charities claim to be contributing to the public good but there is insufficient standard information for disinterested observers to establish whether and to what extent claimed public benefits outweigh private benefits to individuals, whether charitable distributions are a reasonable proportion of annual income over time, and whether any harm is being done to existing state schooling services and the public sector as a result of greater private sector participation.



Gradual withdrawal of government from the funding and provision of state schooling, while at the same time increasing its control over the standards and accountabilities of system performance, radically changes the logics and dynamics of the public education system. It places proportionately greater emphasis on private sector networking and contracts and proportionately less on social democratic, participatory approaches to decisions around public policy development and services delivery. These newer state schooling relations of PPP, contracting out, venture philanthropy and charity need to be understood in much greater depth in terms of the political strategies and tactics being pursued by private sector actors, the degrees of influence they have over politicians and officials, and the material effects their activities have on children, teachers, schools and local communities.

Government has an unambiguous legislative responsibility to ensure that all children receive free compulsory schooling yet the current administration appears to have unilaterally set practical limits or qualifications on this responsibility: by way of partial subsidies, user pays, guaranteed return on investment for private sector actors, and an expectation that major innovation in state schooling will be funded philanthropically. Arguably, each of these is to a greater or lesser extent inimical with the social contract that government has with communities, families and children.

It is likely that the entry of private sector actors who bring a variety of financial, knowledge, cultural and social capital resources to an over-stretched state schooling system creates tangible benefits by ensuring the presence of educational interventions, products and services that would not otherwise be made available by central government through Vote Education appropriations. This may reasonably be asserted to be the case with organisations like Foundation North, COMET and KidsCan. Their scopes of activity demonstrate, respectively, the need to: (i) fund proof of concept innovation in schooling which can then be scaled-up across the state system as a whole; (ii) increase the community brokerage role played by local government, in order to create more seamless education pathways for children between the home and school, and between the school and workplace; and (iii) to simply put more money into the state schooling system to address children's basic needs so that they do not act as perfectly avoidable barriers to learning.

It may possibly be more difficult to assert that organisations like Pearson, Cognition Education Limited, and CORE Education Limited provide interventions, products and services that would not otherwise be available. It could be claimed that in comparison with the three philanthropic actors above, EMOs, whether for-profit or not-for-profit, take more money out of the state schooling system than they return in terms of contracted-out services and genuine charitable grants. No doubt central government would argue that with their lower overheads and closely specified service contracts, smaller and more nimble private sector charities offer better value-for-money state schooling support than larger public sector organisations. However, that too needs to be the subject of debate and analysis.

This report has provided a preliminary sketch map to identify some of the emergent strategies, tactics, dispositions and behaviours of the range of private sector policy entrepreneurs and advocates who are active in New Zealand state schooling today. It raises important questions about the potential benefits and harms of increased private sector participation. It also provides a starting point for a necessary public debate about the purpose, nature and forms of free, compulsory state schooling and how these can be realised in a context where government no longer fully accepts its statutory responsibility to provide for all children a high quality state schooling experience that is free at the point of use.

## Introduction

We need greater transparency, we need to get a better understanding of what is happening, so that we can engage in an open public debate about the future of education in our societies. (van Leeuwen 2008, p. 3)

This commissioned report is a preliminary attempt to map key aspects of the changing nature of contemporary education policy making in Aotearoa New Zealand. It is focused on the compulsory schooling sector. It is no coincidence that the report has been commissioned by traditional state schooling sector actors (NZEI, NZPF, NZPPTA) whose central professional role in public education policy making since WWII is also changing as a result of the greater participation in state schooling by a diverse range of private sector actors. Ball (1994, p. 26) argues that in order to understand how it works, we need to look at several contexts of education policy making: the context of influence, the context of policy text production, the contexts of practice, the context of outcomes and the context of political strategy. In other words, we need to examine the trajectories of particular schooling policies or clusters of policies over time.

The starting point for this report is the assertion that the entry of new private sector actors over the last decade or so has markedly altered the ways in which state schooling policy is influenced, produced, and practiced; and that these changes also markedly affect both the outcomes of schooling policy, and the political strategies that are pursued to advance or interrupt policy initiatives. Anecdotal evidence suggests that state schooling policy is made very differently today, but that the ways in which this is occurring and the influences of private sector actors are relatively opaque. Moreover, the entry of private sector actors has happened without much by way of public analysis or debate about the possible benefits and costs. This report aims to provide an evidentiary basis for just such a public debate in the context of schooling: What kind of state schooling system do we as a society want and in what ways are the new private sector actors facilitating or inhibiting that ideal?

The first part of the report briefly describes the context of growing private sector participation in state schooling via a shift from hierarchical market- and bureaucracy-oriented education systems to those based on network

and clan voluntary co-operation forms; the second considers the commonalities and differences between for-profit and not-for-profit educational management organisations; the third examines different forms of philanthropic or charitable activity in schooling; and the fourth looks generally and specifically at the new education policy networks that have arisen with the participation in state schooling of private sector policy actors. The approach taken in the six case descriptions that lie at the heart of the report is to try and present each organisation's own view of its educational activities, and how it presents and justifies these to the world through its web presence, annual reports and media engagement.

## Context

Private sector participation in state schooling is poorly documented in Aotearoa New Zealand. In the Global North, a small number of academic research clusters document unfolding education privatisation practices in the OECD bloc, more or less in real time, such as the Institute of Education, London, and the University of Queensland, Australia. The National Education Policy Center at the University of Colorado Boulder provides critically informed commentary on education privatisation policy research and advocacy texts in the USA as does the National Center for the Study of Privatization in Education at Teachers' College, Columbia University. International rights networks like the Right to Education Project, the Global Campaign for Education and the Privatisation in Education Research Initiative, monitor education privatisations, often in the Global South, and seek to inform political and civic sphere debates about the effects and consequences of alternatives to state education. At the time of writing, of the two major journals in this field, the *Journal of Education Policy*, had published over 300 papers on the topic since the mid-1980s, and more than 100 since 2010; while *Educational Policy: An Interdisciplinary Journal of Policy and Practice* had published 125 since 1990 and 40 since 2010.

This report focuses on one specific aspect of education privatisations in New Zealand, the relationships between charitable or 'not-for-profit' (NFP) organisations, and other public and private education policy actors, and official policy interventions in the state school sector. Charity or philanthropy enjoys a privileged position in our society. Individuals may claim tax relief on any charitable donations they make, while organisations that exist solely to provide a public benefit in New Zealand in areas such as education may be registered as charitable trusts and pay no tax on income.

Historically, education has been a principal objective of charitable activity. In state education, there are reputational and market advantages to be gained from the perception that an individual or organisation is acting altruistically for general public benefit, and not from a personal private benefit or shareholder profit motive. Reasonable questions of such organisations include the specific nature and value of the public and educational benefits they provide, and the

extent to which these benefits may be seen to enhance or compromise the funding and provision of public education overall. In other words, promoting transparency, understanding and debate around the proper role of charities in New Zealand education is important and timely.

### **Transparency, understanding and debate**

In their 2007 report to Education International, Ball and Youdell (2008) identified two global trends in state schooling policy: first, schools becoming more business-like or like-businesses, which they labelled 'endogenous privatisation' (p. 18); and second, bringing the private sector into public schools, or 'exogenous privatisation' (p. 25). Both these privatising trends are now reasonably well documented and understood in early childhood, school and tertiary education system settings across the developed world, particularly in the OECD bloc. Over the last decade, however, private sector involvement in education policy development has rapidly become more diverse, yet at the same time more opaque, hence van Leeuwen's call for transparency.

It is now no longer useful to think of the private sector participation in state schooling in New Zealand simply in terms of sole trader consultants, corporate professional services, or infrastructure trades and technology services operating at arms' length from politicians and public servants. Today, the private sector comprises these entities in both corporate and Public-Private Partnership (PPP) forms, Non-Government Organisations (NGOs), private foundations and various kinds of publicly registered charitable trusts, faith or other special education character groups, influential policy entrepreneurs who may be employed in public or private sector organisations, or both, and corporate venture philanthropy or social investment entities which may be based in New Zealand or overseas. Hence the imperative to understand how privatisation forms and relations are evolving locally, and their global linkages or networks.

To make a crude distinction, during the 1990s and early 2000s in New Zealand, private sector involvement in state schooling was largely in the form of contracted-out services to deliver policy initiatives that had already been developed by politicians and public servants. Since then, private sector

involvement in state schooling has increasingly occurred in the form of contributing to policy development as well. Where this takes place as part of a transparent, representative social democratic governance, one might reasonably claim that it has the potential to add value to the process. However, when public policy making takes place, or is significantly shaped by private interests that act outside the public gaze, through elite personal and institutional networks of policy governance, questions need to be asked about how, and by whom, public education policy decisions are framed and taken on all our behalf. Hence the imperative for open public debate.

### **Blurring public and private in state schooling**

From the mid-1930s, for at least four decades there was a broad political consensus around state education in Aotearoa New Zealand. This conceptualised state education as: (i) a public or social good; (ii) socially governed and publicly delivered; and (iii) universally accessible, fully funded through general taxation and open to public scrutiny. Since the late 1970s, this 'progressive sentiment' has declined. The decline has been fuelled by a claimed 'crisis' by the control agencies of the state (Treasury, State Services Commission, Education Review Office) and politicians about the 'cost' and 'effectiveness' of state education in delivering government objectives. In order to make state education policy and practice more 'efficient', the 1989 Education Act separated education policy, services delivery, and accountability functions. Principal-agent contracts replaced collegial or representative governance relations, and a vastly increased array of planning, monitoring and reporting requirements were introduced for public accountability and fiscal responsibility compliance purposes.

Between 1989 and the mid-1990s, most such public education services continued to be delivered within the state sector. Since then, however, as in overseas jurisdictions, the state has begun to 'export' this work of policy development and policy delivery to the private sector (O'Neill 2011). With the election of a National-led government in 2008, the pace of this trend has increased to the point where the conventional distinctions between the 'public' and 'private' in state education now appear irredeemably blurred. Public and private sector policy actors both work alongside and compete against each other

in developing and delivering education on behalf of the state. In the scholarly literature this process of structural adjustment is sometimes now referred to the ‘modernisation’ of public or state education (e.g. Gunter & Fitzgerald 2013).

**‘Modernising’ state schooling**

Central to this modernisation ... is a process of substitution and the creation of modes of entry for new providers – a process that replaces traditional public sector actors with others (businesses, charities, voluntary organisations and social enterprises) and at that same time replaces traditional public sector values and sensibilities (service) with others (enterprise and entrepreneurship). (Ball & Junemann 2012, p. 31)

The focus of this report is on the role of new policy actors in New Zealand state schooling. In order to understand what is occurring, we need to appreciate that the way our state schooling system now functions organisationally has radically changed. It used to be the case that with the decline of the progressive sentiment, polity debates about educational effectiveness and efficiency in the state sector focused on the respective merits of bureaucratic and classic market system forms to deliver public education (see Figure 1). In practice, these two ideologies coalesced in the form of: (i) explicit New Public Management funding controls and performance accountabilities between the state and individual institutions; and (ii) the appearance of free, fully informed educational choices made available to families and students within a managed marketplace of early childhood, school and tertiary education providers in which the rules were set by government.

UNIT ORGANISATIONAL FORM		APPROACH TO RELATIONSHIPS	
		Competitive	Cooperative
Independent	Hierarchical	Classic market	Network structure
		Bureaucracy	Clan

Figure 1. Unit organisational form and approach to relationships (Source: Thompson, 1991, p. 244)

Even so, until 2008, politicians and officials invariably referred to state education as a set of interconnected public good provisions for which government was morally responsible: the ideal of a state funded and provided



education system. Today, politicians and officials now commonly speak only in terms of government ‘subsidies’, ‘investments’, ‘targeting’, and ‘social investment’, all four interventions limited by what is affordable to the taxpayer citizen.

To get better long-term results for people with needs that aren’t being met, we need to look at where existing services could be improved, and where we need to innovate to get bigger breakthroughs. To help with this, the government is looking at greater involvement from not-for-profit and private sector providers alongside its agencies.<sup>1</sup>

This is not simply a rhetorical device. Shifting the responsibility from universal state funding and state provision to partial state subsidy and state investment also legitimates the growth of private subsidy and private investment in public education activities that government says it can no longer afford.

Logically, private subsidy and private investment imply both moral and property rights for greater private participation in framing, deciding and delivering public education policy. This is where we are at today in Aotearoa New Zealand: businesses, charities, voluntary organisations and social enterprises are all essential to the maintenance of state schooling as a result of the withdrawal of government. Consequently, this report is interested in how private policy actors are framing, deciding and delivering state schooling policy solutions on the ground; and how relationships across the public and private sectors are morphing as a result.

Intuitively, it makes sense that the organisational forms of our education system as a whole would need to change to reflect the influence of these new public-private relationships (Figure 1). We might reasonably anticipate that public-private forms in New Zealand, to a greater or lesser extent, mirror education system public-private forms that are reportedly evolving overseas, just as they did with the ‘Before Five’, ‘Tomorrow’s Schools’ and ‘Learning For Life’ structural adjustments of the late 1980s. In this sense, one would expect to

---

<sup>1</sup> How social investment works  
<http://www.treasury.govt.nz/statesector/socialinvestment/howitworks>

see tangible evidence of co-operative networks and clans at work alongside competitive classic market and bureaucratic forms.<sup>2</sup>

### **Modernisation and privatisation in action**

Numerous examples may be found from the last decade and earlier which evidence both an increase in private sector participation and a reduction in public sector participation in the provision of schooling, the only state education sector that by law remains compulsory and free.

- i. In September 2001, then Ministers of Education Trevor Mallard and Parekura Horomia signed a Memorandum of Understanding (MoU) to form an education development partnership between the Minister of Education and Te Rūnanga o Ngāi Tahu. Today, the MoU is regarded by the iwi as a 'pivotal document' that underpins Ngāi Tahu's Vision 2025 educational aspirations. At the time of writing the MoE had published iwi education profiles for over sixty rohe nationally, to facilitate the development, resourcing and delivery of iwi-specific education plans.
- ii. The asTTle and e-asTTle electronic curriculum assessment systems were developed as part of the National Assessment Strategy for schools by Auckland University from the early 2000s, funded publicly by the MoE. At present, services delivery of MoE-funded e-asTTle professional development support and workshops is contracted out to a private sector company, Evaluation Associates Ltd. In late 2015, the Ministry of Education issued a request for proposals (RFP) via the Government Electronic Tendering Service (GETS) for an investment partner to contribute \$4-8M to 'modernise' e-asTTle. Under the terms of the RFP, the MoE would retain the right in perpetuity to use e-asTTle for New Zealand schools while the investment partner would have the right to generate revenue by charging New Zealand schools for e-asTTle tests and to develop an international version of the tool to market overseas.

---

<sup>2</sup> In the Aotearoa context, for the purposes of analogy, clan relationships may be said to be evident in the roles played by Māori iwi, rūnanga authorities and UMAs, and by Pasifika religious and community leaders in education.

- iii. In 2008, a MoE-funded Extending High Standards Across Schools (EHSAS) technology-enhanced literacy initiative was established in a cluster of low-decile Auckland schools, and in 2010 became a MoE-funded ICT Professional development cluster. In 2011, the Manaiakalani Education Trust was established with a mix of four educator and non-educator trustees, the explicit purpose of which was to find external stakeholders to provide learning infrastructure and programmes to benefit children and families throughout the Tamaki community. The Trust received foundation sponsorship from ASB Community Trust (now Foundation North) and Spark Foundation in 2012. By 2015, the Trust had secured NEXT Foundation funding to scale-up its technology-enhanced learning and professional development model nationally, through the Manaiakalani Outreach venture, and from Samsung Electronics. Families and schools are responsible for meeting the operational costs of their participation in the Outreach scheme.
- iv. In response to the government decision to make the formerly bulk-funded, university-hosted school support services contestable in 2009-2010, Te Toi Tupu Leading Learning Network was formed as a joint venture consortium between Cognition Education, CORE Education, The New Zealand Council for Educational Research, The University of Waikato, and Waikato-Tainui College for Research and Development. Te Toi Tupu comprises a public university, an independent statutory body, two not-for-profit educational and consultancy services providers, and a tribally endowed indigenous education provider. In November 2015, in anticipation of a Ministry of Education and Education Council requirement for accreditation of Professional Learning and Development (PLD) providers, representatives of Cognition Education, CORE Education, the Universities of Auckland, Canterbury, Otago and Waikato, and Te Tapuae o Rehua consortium (Te Rūnanga o Ngāi Tahu, Christchurch Polytechnic Institute of Technology, Lincoln University, Otago Polytechnic, the University of Canterbury and the University of Otago) registered a new incorporated society, Professional Learning Association New Zealand Te Māngai Whakangungu Kaiako o Aotearoa to set ethical

and quality standards for consultancies and professional development facilitators.

- v. Teach First New Zealand Ako Mātātupu (TFNZ) is a New Zealand registered charitable trust that since 2011 has provided a two-year leadership development programme for high performing recent graduates in the form of employment-based initial teacher education in low decile schools. A feasibility study for TFNZ was funded by matching grants in 2010 from two private grant-making foundations, the Aotearoa Foundation in New York<sup>3</sup> and the Tindall Foundation in Auckland. TFNZ operates as a partnership between the University of Auckland, the Ministry of Education and Teach for All, which is the New York-based global peak body for 35 similar programmes internationally. TFNZ's founding partners are Aotearoa Foundation, ASB Bank, Chapman Tripp, Deloitte, Harry Singer Foundation, Hutton Wilson Nominees (NEXT Foundation) and Woolf Fisher Trust.

---

<sup>3</sup> The Aotearoa Foundation is registered as a charity in New York; the Aotearoa Foundation Corporation was incorporated in the Cayman Islands in 2008. The current Aotearoa Foundation trustees are US 'hedge fund billionaire' Julian Robinson (who was made the first honorary New Zealand knight in 2009), Sir John Hood (since 2010) and Sir Douglas Meyers (since 2014). Aotearoa Foundation has awarded small and large grants to various New Zealand organisations. In respect of the establishment and sponsorship of Teach First New Zealand, it donated \$US19,400 to the Tindall Foundation in 2010 and, \$US83,170 to TFNZ Trust in 2011, \$US204,465 in 2012, \$US229,772 in 2013, and \$US249,573 in 2014. More broadly, in 2014 Aotearoa Foundation donated \$US379,872 to Friends of the University of Auckland, New York; \$US47,250 to Mike Cormack Foundation (University of Auckland Rugby Club); \$US128,138 to Asia New Zealand Foundation; \$US391,543 to New Zealand Antarctic Research Institute Christchurch; and \$US168,345 to Department of Conservation. Julian Robertson's more widely known private family foundation is the Robertson Foundation, also registered as a charity in New York. According to its website the main programme areas are education, environment and medical research. In education, 'a substantial majority' of grantmaking is toward 'K-12 public school reform'. It aspires 'to utilize a proactive, disciplined grant-making approach to measurably affect significant social change'. The CEO and President of Robertson Foundation is Sir John Hood (since 2010). Robertson Foundation's 2014 charity filing return reported total net assets of \$575,141,355. Hood's reported 'compensation' was \$US450,000 in return for 25 'average hours per week devoted to the position'. Among the diverse multi-year grants awarded in 2014 (total value \$US107,816,866) were a considerable number linked to the promotion of charter schools and associated public school 'choice' reforms. For example: Achievement (sic) First \$US750,000; Alliance for School Choice \$US1,000,000; Charter School Growth Fund \$US670,000; College Advising Corps \$US500,000; Communities in Schools Inc \$US1,500,000; ConnCAN \$US200,000; Education Pioneers \$US600,000; Educators 4 Excellence \$US750,000; Harlem Children's Zone \$US2,500,000; imentor \$US1,000,000; KIPP Foundation \$US3,000,000; Michigan Education Excellence Foundation \$US2,000,000; National Alliance for Public Charter Schools \$US500,000; National Association of Charter School Authorizers \$US600,000; New Leaders \$US2,000,000; New Schools Venture Fund \$US1,000,000; New York City Center for Charter School Excellence \$1,000,000; Newark Charter School Fund Inc. \$US937,500; Teach For All \$US2,500,000; The New Teacher Project \$US500,000.

- vi. To realise the supply and confidence agreement signed between the National and Act parties in December 2011, the Partnership Schools Kura Hourua Authorisation Board was established to advise government on which private entities (for-profit and not-for-profit) should be approved to run publicly-funded privately owned schools (the local version of overseas 'charter schools').<sup>4</sup> The Board members have held a variety of public, private and community trust positions in education. Partnership Schools Kura Hourua (PSKH) are public schools run by for-profit or not-for-profit organisations under commercial contracts approved by the Minister of Education. At the time of writing, there are nine such schools; one having had its contract terminated. A third application round was undertaken in 2015 for PSKH to open in 2017. Subsequent rounds have been announced for schools to open in 2018 and 2019. Of the current nine, one is sponsored by a Limited Company focused on preparing students for military careers; one by an Urban Māori Authority (UMA), and the remainder by charitable trusts focused on various combinations of Māori, Pasifika, Christian and Steiner education values. In May 2016, the Under-Secretary to the Minister of Education announced that an 'independent Partnership School support entity, E Tipu E Rea, has been established to support new, existing, and prospective Partnership School sponsors and will receive a conditional funding grant' of \$500,000 from government. The entity was established as a registered charity in December 2015. It is intended to be funded through philanthropic grants. E Tipu E Rea was the only body invited to submit a proposal.<sup>5</sup>
- vii. The contract to build and run New Zealand's first PPP state school was awarded in April 2012 to Learning Infrastructure Partners (LIP). LIP is a consortium comprising Hawkins Group, ASC Architects, Perumal Pedavoli Architects, Holmes Consulting Group, AECOM, Programmed Facility

---

<sup>4</sup> Since 1989, in New Zealand all state schools have had a charter in the form of 'a contract between the community and the institution, and the institution and the state' (Department of Education 1988, p. 1). Internationally, the 'charter school' model typically refers to a principal-agent contract between the government and a school sponsor, which may be a for-profit or not-for-profit entity, and which may or may not have a relationship with the local community.

<sup>5</sup> Trust given \$500,000 charter school contract without going to tender  
[http://www.nzherald.co.nz/nz/news/article.cfm?c\\_id=1&objectid=11680820](http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11680820)

Management and the Public Infrastructure Partners Fund (PIP Fund). (A 'cornerstone' investor in the PIP Fund is the New Zealand Superannuation Fund). In February 2015, a second PPP contract to build and maintain four new public schools was awarded to the now renamed Future School Partners (PIP Fund, Hawkins Group, ASC Architects, Programmed Facility Management). In December 2015, the Minister and Associate Minister of Education announced a new call for expressions of interest to build a further six PPP state schools.

- viii. In 2013 as part of its response to the report of the Children's Commissioner's Expert Advisory Group on child poverty, the Prime Minister announced that the government, through the Ministry of Social Development, would fund an expansion of the KickStart Breakfast in Schools programme (Sanitarium Weetbix cereal + Fonterra milk) which had been operating as a corporate social responsibility initiative by two private sector New Zealand-based food companies since 2009. The government agreed to co-fund the costs of expansion with the two companies and also to give additional funding to an education charity, KidsCan, which provides clothing and other basic items to children from disadvantaged families.

Collectively, these examples provide sufficient evidence to suggest that schooling privatisations have been taking place on a number of fronts, and in diverse forms in New Zealand. Behind most or all of these are extensive person to person as well as inter-organisational networks of influence and interest.

The first example above, though, is crucial to understanding the complex logic of the modernisation of state early childhood education, schooling and tertiary education that is peculiar to the local Aotearoa context. The ideal of state education may be said to exist only to the extent that it is commonly accepted as capable of meeting the needs of all members of society. Yet, there is considerable evidence that children from families living in deprivation do not participate or achieve in state education at the same rates as children from families that are not living in deprivation, and indeed may never have done so. Māori and Pasifika students are over-represented among families living in deprivation. Influential

leaders of the communities in which these families live reasonably assert the urgent imperative to develop more culturally responsive alternative education provision on the grounds that a monolithic state education system has 'failed' to address and meet their needs for generations.

Traditionally, system level schooling policy interventions have relied on hierarchical, bureaucratic area-wide relationships with local communities (e.g. Strengthening Education in Mangere and Otara) or nationally (e.g. Ka Hikitea, Pasifika Education Plan) to address inequalities of educational achievement. It is perhaps understandable then if apparently more enterprising, network and clan relationships have greater appeal to groups, communities and families that have not done relatively as well out of state schooling. This may particularly be the case where the group sees the prospect of greater, and more direct, governance and management control of education provision for their people and, at the same time, retention of its independence from government.

Desires for group autonomy and self-determination create a potential paradox whereby the most disadvantaged groups and communities in society may believe that their best interests lie in operating outside the public education system through engaging in strategic, co-operative relationships with private corporations, NGOs and philanthropic entities, rather than with the state. Where these groups and communities (e.g. iwi, incorporated rūnanga and UMAs) have sufficient economic and cultural resources to exercise meaningful voice and power on behalf of their people in education networks, they become more important to official education policy modernising processes. These enterprising network and clan relationships help build and reinforce a counterintuitive narrative that private sector participation in state education may help eventually to reduce educational inequalities, rather than to exacerbate them. This is a very challenging narrative to get to grips with for proponents of representative, social democratic forms of state education. It suggests the need for empathetic understandings and nuanced responses by critics of education privatisation *per se*.

### **Why is this research important?**

Other than anecdote and popular media reports of isolated cases, little is known about the effects of recent moves from New Zealand's post-WWII state sector norms of social democratic governance to what Ball (2012) in the UK context describes as a 'network governance modality'. Of course, it may be argued that broadening the range of public policy actors through such networks potentially enhances democratic governance (e.g. Bogason & Musso 2006). Nevertheless, based on similar developments internationally, it seems reasonable to assume that in New Zealand for the foreseeable future we will continue to witness: private sector settlement of public sector policy governance networks; and (ii) withdrawal of the state from its normative commitment to 'fully-funded' public services provision. In big picture terms, the former represents a dismantling of state services, the latter a discarding of the social-democratic contract. More prosaically, it means that there will likely be diminishing public scrutiny over the development, delivery and evaluation of state education policy. There is, therefore, an urgent need for research to uncover and document what is occurring:

- i. Educationists, professional associations and other groups that oppose the privatisation of state schooling on principle need to understand what is happening in order to be able both to work effectively and pragmatically within a changing state education milieu; and open up the material practices of the privatisation of state schooling to necessary scrutiny and question.
- ii. In the era of 'post truth politics' when evidence may be sourced, used and accepted selectively (O'Neill 2012), advocates for state schooling must now compete against many more public policy actors than in previous decades to have their views heard and included in the education policy process. Many contemporary public policy actors or entrepreneurs are from the private sector (sometimes former public servants recruited for this purpose) and work outside established state sector lobbying, consultation and participation processes.
- iii. State education as a whole is now regarded by both main political parties as providing a mixture of public and private benefits, a logical



consequence of which is argued to be that the state should provide only a partial subsidy, supplemented by 'user pays' fees and entrepreneurial fund-raising (e.g. community gaming trusts). Such a view helps to legitimise the participation of private sector actors in state schooling and, by extension, the provision by government of equivalent financial subsidies to state, state-integrated, and private school providers.<sup>6</sup>

- iv. The processes of state education policy development, delivery and evaluation are now conducted on government's behalf by an array of public and private sector actors, organisations and networks whose motivations for participation in state education may be sectional interests rather than those of the public as a whole, creating inevitable tensions between the diverse motivations.
- v. The full costs of state education are increasingly funded through a mixture of government subsidies, charity, social investment or venture philanthropy and user pays. State education policy is developed and delivered through: (i) direct government funding and Ministry of Education provision; (ii) a rapidly escalating array of 'fee for service' contracts that are competitively tendered to a range of public, community (NGO) and commercial organisations; and (iii) non-competitively-tendered 'strategic relationships' with selected providers. Overseas experience is that many such philanthropic and commercial networks are global, very diffuse, linked to right-wing research units and policy think-tanks, and secretive (e.g. Ravitch 2016).
- vi. Since 2008, in particular, the state education sector has rapidly come to resemble other social welfare arenas in which government has for several decades contracted-out the delivery of services to the not-for-profit sector, and which itself has become more corporatised in order to compete successfully in a managed market of for-profit and not-for-profit service providers.

---

<sup>6</sup> For example: Government proposes more funding to private schools, for equity's sake <http://www.stuff.co.nz/national/education/81554756/Government-proposes-more-funding-to-private-schools-for-equitys-sake>; and  
Keynote address: New Zealand Association of Private Education Providers (NZAPEP) Conference 2013 <https://www.beehive.govt.nz/speech/keynote-address-new-zealand-association-private-education-providers-nzapep-conference-2013>

- vii. In the education sector, the picture is somewhat complicated because 'education' and public benefit' are both regarded as legitimate charitable purposes. Charities legislation thus permits private sector organisations to adopt both for-profit and not-for-profit forms, provided that sufficient public benefit can be demonstrated. Additionally, the growing participation of both state and non-state entities in schooling policy development, delivery and evaluation lends itself to less transparency of public policy activities and less public scrutiny of policy actors and networks.
- viii. As state education policy development and delivery have been opened up to private sector participation, the blurring of traditional public-private boundaries has seen both: (i) fluid movement of senior level policy actors between public and private sectors; and (ii) more frequent public-private sector strategic networking and tactical coalitions.
- ix. Finally, the structural disadvantages long experienced by Māori have in recent years led to iwi and tau-iwi UMAs positioning themselves to take advantage of 'fee for service' contracting arrangements with government to deliver Māori-centred forms of state education policy programmes.

In this network governance modality all actors (individuals, cliques, cabals, community groups and organisations) have to work harder than ever to exert or retain influence by making productive social connections and alliances. This is no less true of education's professional member associations, whose traditional internal organisational structure may still be based on representative, democratic hierarchies, but whose external social network engagement is increasingly mobile across both the public and private sectors, and international or global in its connectedness. This may always have been true to a certain extent but today social networking strategies are pivotal to maintaining sufficient influence in a public education policy terrain that is shaped by politicians and officials engaging in independent relationships with businesses, charities, voluntary organisations and social enterprises outside stakeholder representative consultation and decision-making structures.

## Educational Management Organisations

As the current government has gradually withdrawn further from the statutory obligation to full funding and provision of universal, free state schooling, various forms of private sector participation (household, corporate, NGO, philanthropic voluntary) have increased. While the focus of this section of the report is the emergence of global and local education management organisations to deliver schooling services, it is worth noting that this is only one form of education privatisation that may be occurring in New Zealand at present, and not necessarily the most significant or influential.

The key policy characteristics of the New Zealand PPP model include:

- the specification of outcomes required to be delivered to the public (the service outcomes)
- the construction of a new infrastructure asset, or substantial enhancement of an existing asset, (the asset) to facilitate the delivery of the service outcomes
- the delivery of service outcomes by a private sector partner for a defined period (often between 20-30 years)
- the efficient allocation of risk to the party best able to manage that risk
- the separation of ownership (retained by the public sector) and financing (provided by the private sector partner) to provide meaningful risk transfer and management, and
- the application of a payment for performance regime to incentivise the delivery of specified service outcomes and penalise non-performance. (NZ Treasury 2015, p. 3)

Normalisation of the use of Public Private Partnerships for infrastructure projects, including state education infrastructure, has occurred rapidly in New Zealand. NZ Treasury first publicly recommended consideration of PPPs as an alternative to 'conventional procurement' in its Policy Perspectives 06/02 paper (Katz 2006), even though it cautioned that 'there is little reliable empirical evidence about the costs and benefits of PPPs' (p. 9). The National Infrastructure Unit, established in 2009 and based in the Treasury, reports to the Minister of Finance. In 2009, Treasury also established a PPP Centre of Expertise (now the PPP Team) which co-ordinates the New Zealand Public Private Partnerships Programme. In March 2010, the government released the first National Infrastructure Plan, which committed government to using PPPs for infrastructure projects 'where they represent value for money to taxpayers'. When the first plan was published, there were 81 current Education

infrastructure projects. Five years later in 2015, 'the evaluation of PPP procurement for all significant infrastructure investments has subsequently been mandated through a Cabinet Office Circular and the Government's Rules of Sourcing' (NZ Treasury 2015, p. 2). Effectively, PPP procurement must now be considered as an option for all infrastructure projects, including those in state schooling.<sup>7</sup>

The government has adopted a liberal interpretation of 'infrastructure', which includes both physical assets and the human and other services needed to operate them. Treasury's guidance document identifies two PPP procurement agreement models: (i) design, build, finance and maintain (DBFM); and (ii) design, build, finance, maintain and operate (DBFMO) (pp. 5-6). To date, DBFMO has been used in the construction and operation of prisons; DBFM in the construction and maintenance of schools. DBFM has been used for the New Zealand schooling sector on the argument that schools are thereby relieved of property management concerns in order to better focus on delivery of required learning outcomes. Nevertheless, Treasury asserts that 'the DBFO model has the potential to deliver greater benefits to the public sector because it provides greater opportunity for innovation and risk transfer' (p. 5).

Consequently, in the context of the current government's policy to: (i) actively blur the distinctions between public and private sector participation in state schooling provision (e.g. through the establishment of publicly funded, privately owned PSKH); (ii) integrate financially struggling elite private schools into the state sector (e.g. Hutt International Boys' School, Woodford House, Lindisfarne College, Iona College, Wanganui Collegiate)<sup>8</sup>; and (iii) increase per student public subsidies and scholarships to students in private schools), the PPP

---

<sup>7</sup> In the UK, PPPs were first encouraged in the 1990s by the Conservative government under the Private Finance Initiative (PFI), and expanded under the Blair governments: What are Public Private Partnerships? <http://news.bbc.co.uk/2/hi/uk/1518523.stm>. In the USA, it has been argued that the federal-state governance structure has inhibited the development of PPPs: Moving forward on Public private partnerships [http://www.brookings.edu/~media/research/files/papers/2011/12/08%20transportation%20istrate%20puentes/1208\\_transportation\\_istrate\\_puentes.pdf](http://www.brookings.edu/~media/research/files/papers/2011/12/08%20transportation%20istrate%20puentes/1208_transportation_istrate_puentes.pdf). In Australia a national PPP Framework was adopted in 2008: Public Private Partnerships <http://infrastructureaustralia.gov.au/policy-publications/public-private-partnerships/>

<sup>8</sup> Govt ignores advice before private school's integration [http://www.nzherald.co.nz/nz/news/article.cfm?c\\_id=1&objectid=10862357](http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10862357)  
Ministry investigates schools over fees <http://www.stuff.co.nz/national/education/9575442/Ministry-investigates-schools-over-fees>

framework now provides a vehicle to extrapolate the rationality of the case made for PPP education infrastructure (bricks and mortar) to that for the private sector operation of state school educational services (teaching and learning) also.

Internationally, the term Educational Management Organisation (EMO) gained some currency, particularly in the USA, to describe entities that provide some or all non-infrastructure education services (e.g. teaching and professional staffing, curricula, co-curricula) to public schools on behalf of government. An early example of such developments was the for-profit Edison Schools Ltd, later EdisonLearning Inc.<sup>9</sup> EdisonLearning's website states that it is currently 'partnering' with over 350 schools in the USA, UK and Africa, and 'helping to educate' over 150,000 students. In the UK, it operates a subsidiary, Edison Learning Ltd, with a mixture of local for-profit and not-for-profit 'partners': Collaborative Academies Trust, NAHT Aspire, Frog, British Assessment Bureau, Chelmsford Teaching Schools Alliance, and Pupil Asset. EdisonLearning's education 'solutions' include the alternative education 'Bridgescape Academy' programme, the online 'Provost Academy' programme which uses EdisonLearning eCourses and e-Schoolware, and 'Whole School Design' services in partnership with school Districts and Charters.<sup>10</sup>

Generally, EMOs may operate few or many schools, and operate on a for-profit or not-for-profit basis. Typically in the USA these are now able to take advantage of charter schooling legislation and funding streams to compete with state schools (e.g. Chapman & Salokangas 2012). Similarly, in other jurisdiction, for example England and Wales (e.g. Papanastasiou 2013) and Sweden (e.g. Erixon Arreman & Holm 2011), private sector organisations commonly operate 'chains' of multiple schools (Muir 2012), which may be for-profit and/or not-for-profit according to rules set by each government.<sup>11</sup>

---

<sup>9</sup> For a critical account of the 'rise and fall' of Edison as publicly traded company in the USA, see Saltman, K. (2005). *The Edison schools: Corporate schooling and the assault on public education*. New York: Routledge.

<sup>10</sup> Solutions <http://edisonlearning.com/solutions.php>

<sup>11</sup> Internationally, a recurrent criticism of some nominally 'not-for-profit' EMOs is the high level of remuneration paid to senior executive staff relative to their public sector counterparts. For example *Education Not for Sale, A TUC Campaign Report* [https://www.tuc.org.uk/sites/default/files/Education\\_Not\\_For\\_Sale.pdf](https://www.tuc.org.uk/sites/default/files/Education_Not_For_Sale.pdf)

In New Zealand, while the EMO concept is still in its infancy, it has been encouraged in limited forms. (For example, Villa Education Trust and He Puna Marama Trust have so far each been approved to operate two PSKH, while Vanguard Military School has publicly stated an aspiration to expand). However, legislation has been modified in recent years to enable EMO or chain providers to become established: (i) the Education Amendment Act 2013 enabled the Minister to approve the contracting of multiple, publicly funded PSKH operated by for-profit or not-for-profit sponsors; and (ii) the Education Legislation Bill 2015 proposes to permit principals to manage more than one state school where there is no combined Board of Trustees.

Another aspect of education privatisation is the amount that households contribute directly to the overall cost of children and young people's education. This is a particularly controversial issue in a schooling sector, which by law is free. Household contributions derive from diverse motivations including: (i) the willingness to pay for curriculum equipment and experiences that are believed to better promote development of the whole child; (ii) the observation that the school attended is not fully meeting the classroom learning needs of the child; or (iii) the anxiety that private supplementary tutoring is needed to optimise the child's actual or relative academic achievement against benchmark outcomes.

According to the latest available 2012 OECD data, New Zealand ranks fifth highest in the OECD bloc for the amount of public spending on education (primary to non-tertiary) at 4.2% of GDP, and second highest amount as a proportion of overall public spending at 13.2%. However, New Zealand also ranks highest (equal with Chile) for private spending on primary to non-tertiary education at 0.8% of GDP. The OECD indicator includes all direct expenditure by households, but excludes items such as textbooks, private tutoring and living costs.

Supplementary private tutoring or 'shadow education' (Bray 2007) is a burgeoning phenomenon globally and is claimed by some to significantly explain inequalities of educational outcome within and between education systems. Private tutoring companies and franchises (e.g. Kip McGrath Education Centres, NumberWorks'nWords, MathZwize, InspirationEducation) are proliferating nationally in New Zealand. They are not subsidised directly by government.

However, in one example of private sector voluntary networking, between 2011 and 2014 Te Pūtea Whakatupu Trust and the UMA Te Whānau o Waipareira Trust partnered over three years to deliver a free/subsidised after-school literacy and numeracy pilot programme, Te Kete Aronui, as the effective West Auckland franchise of Kip McGrath, to primary and secondary children.

### **For-profit**

As may be seen in the Pearson and in the New Zealand Initiative webpage discourses reported elsewhere in this report, for-profit organisations commonly claim to be interested in much more than making financial returns for their shareholders: for example, reinvestment of profits in business improvements, making a tangible difference to the quality of life in customer/client communities, giving back through corporate social responsibility, contributing to the general public good, and so on.

As Poirier (2013) points out, charities law in New Zealand is accommodating of not-for-profit organisations that charge for services or that establish a for-profit subsidiary, provided that any surpluses are retained for exclusively charitable purposes. Yet, in addition to these for-profit charity subsidiaries, newer policy entrepreneurs in New Zealand state schooling include entities which are specifically structured to generate private profits for their investors and owners. Two such entities are Future Schools Partners (FSP) and New Pedagogies for Deep Learning (NPDL). A characteristic they share is that their social networks each comprise multiple organisations across both the public and private sectors. FSP provides an illustration of the privatisation of state schooling policy for physical learning environments, and NPDL that of leadership, teaching and learning.

From the first government announcement by Minister Tolley to adopt the PPP model for schooling in April 2011, Learning Infrastructure Partners (now Future Schools Partners) was the consortium awarded the first PPP to 'build and maintain' the Hobsonville Point primary and secondary schools for 25 years in

2012.<sup>12</sup> Westpac provided loans to the consortium and equity funding was provided by Public Infrastructure Partners.<sup>13</sup>

Morrison & Co, one of New Zealand's leading infrastructure investment managers, has established the Public Infrastructure Partners LP (the PIP Fund) exclusively to invest in Social Infrastructure Assets through Public-Private Partnerships (PPPs). In a strong endorsement of the PPP opportunity in New Zealand (and also in Australia) and Morrison & Co's investment expertise, the New Zealand Superannuation Fund has already committed capital of \$100 million to the PIP Fund and has an option to commit a further \$100 million in the future.

For smaller investors who are unable to invest directly in the PIP Fund, we have created the New Zealand Social Infrastructure Fund (NZSIF), which will invest alongside the New Zealand Superannuation Fund and other institutional investors on substantially the same terms. NZSIF's primary focus will be its investment in the PIP Fund. It will have its own Board, independent of Morrison & Co, to ensure best practice corporate governance (which will be modelled on NZX governance and reporting disciplines).

Investments made by the PIP Fund will target PPP projects that deliver Social Infrastructure Assets (such as hospitals, schools or university facilities, water treatment facilities and prisons) to central or local government agencies under contracts that run for 15 to 35 (or more) years. (<http://www.nzsif.co.nz/About-NZSIF/Chairman-s-Letter/>)

The vehicle for institutional investment in PPP for school buildings is the PIP Fund; small shareholder investment (including community groups, charitable trusts, and Māori trust organisations) is through the NZSIF,<sup>14</sup> public participation via the NZ Superannuation Fund. In March 2014, Minister Parata announced that a further four schools were to be built using PPPs,<sup>15</sup> and Future Schools Partners was announced as the successful bidder in May 2015. The contract was valued at \$298 million.<sup>16</sup> In June 2015, Cabinet mandated that the PPP option must in future be considered by government departments, Crown entities and

---

<sup>12</sup> PIP Fund consortium announced as Preferred Bidder for Hobsonville Schools PPP <http://www.nzsif.co.nz/News/14-March-2012-PIP-Fund-consortium-announced-as-Preferred-Bidder-for-Hobsonville-Schools-PPP/> In 2011 the shortlisted consortia were announced: Building Futures Group (construction: Mainzeal; designer: Warren and Mahoney; facilities management: PAE); Future Education (construction: Arrow; designer: Jasmax; facilities management: Spotless Facility Services); Learning Infrastructure Partners (lead construction: Hawkins; designer: ASC and PPA architects; facilities management: Programmed Facility Management); Shortlist announced for first schools PPP <http://www.nzsif.co.nz/News/27-May-2011---Shortlist-announced-for-first-schools-PPP/>;

<sup>13</sup> Westpac to provide loans, a Morrison & Co managed fund the equity, for NZ's first public private partnership schools <http://www.interest.co.nz/news/58837/westpac-provide-loans-morrison-co-managed-fund-equity-nzs-first-public-private>

<sup>14</sup> Successful close for New Zealand Social Infrastructure Fund capital raising <http://www.nzsif.co.nz/News/3-May-2010---Successful-close-for-New-Zealand-Social-Infrastructure-Fund-capital-raising/>

<sup>15</sup> Four new schools are going to be built and maintained by public-private partnerships <http://www.nzsif.co.nz/News/5-March-2014-Four-new-schools-to-be-built-by-PPPs/>

<sup>16</sup> Future Schools Partners proud to build four new schools across New Zealand <http://www.nzsif.co.nz/News/6-May-2015-Future-Schools-Partners-proud-to-build-four-new-schools-across-New-Zealand/>



companies, for all ‘capital expenditure, lease arrangements, asset disposals, and “as a service” investments’.<sup>17</sup>

New Pedagogies for Deep Learning™ entered New Zealand state schooling (and subsequently, early childhood education) via a collaboration between NPDL<sup>18</sup> and CORE Education in 2014.<sup>19</sup> NPDL Global was created in Toronto Canada in 2012 by Michael Fullan, Greg Butler, Joanne Quinn and ‘representatives from Intel, Microsoft, OECD and Promethean’.<sup>20</sup> Quinn, Fullan and Joanne McEachen feature as the ‘Change Leaders’ on the website. Currently ‘Director of Whole System Change and Capacity Building’ at ‘Michael Fullan Enterprises’, Quinn is a former Superintendent, Principal, Implementation Advisor to the Ontario Ministry of Education, and Director of Continuing Education at OISE. McEachen is a Seattle USA-based former regional manager and national programme manager (Learning and Change Networks) for the New Zealand Ministry of Education, and owns the international consultancy, The Learner First, where she is listed as ‘President and Chief Destiny Changer’.<sup>21</sup>

Michael Fullan is Emeritus Professor and former Dean of Education at OISE, University of Toronto, Canada. His personal website ([michaelfullan.ca](http://michaelfullan.ca)) lists him as an ‘author, speaker and educational consultant’. The website strap line is ‘Motion Leadership’, which is a reference to Fullan’s 2010 book, *Motion Learning: The Skinny on Becoming Change Savvy* (Corwin-Sage), published in Association with the School Improvement Network, Ontario Principals’ Council, National Association of School Administrators and the National Staff Development

---

<sup>17</sup> Investment Management and Asset Performance in The State Services CO (15) 5 <http://www.dPMC.govt.nz/cabinet/circulars/co15/5>; Clauses 5 & 70.

<sup>18</sup> New Pedagogies for Deep Learning™ A Global partnership <http://npdl.global>

<sup>19</sup> New Pedagogies Project NZ Cluster Project Brief [http://www.core-ed.org/sites/core-ed.org/files/NZ\\_Project\\_brief-NPDL\\_IES\\_clusters\\_FINAL.pdf](http://www.core-ed.org/sites/core-ed.org/files/NZ_Project_brief-NPDL_IES_clusters_FINAL.pdf)

<sup>20</sup> In 2014, Pearson published (in collaboration with the International Society for Technology in Education (ISTE), Toronto’s MaRS Discovery District, and UK based Nesta ‘innovation foundation’) an ‘Open Ideas’ series monograph called *A Rich Seam How New Pedagogies Find Deep Learning*, by Fullan and Maria Langworthy (Chief Research Officer at Michael Fullan Enterprises, Adviser to Microsoft’s Partners in Learning and Consultant to Pearson Foundation). The Foreword was written by Sir Michael Barber. Among the authors’ acknowledgements are John Hattie and Peter Hill, both authors of other Pearson Open Ideas publications. Hill is currently Education Director at Nord Anglia Education, UK (Tina Lucas, now CEO Cognition Education, was previously managing director learning services at Nord Anglia). *A Rich Seam: How New Pedagogies Find deep Learning* [https://research.pearson.com/content/plc/prkc/uk/open-ideas/en/articles/a-rich-seam-how-newpedagogiesfinddeeplearning/\\_jcr\\_content/par/articledownloadcompo/file.res/3897.Rich\\_Seam\\_web.pdf](https://research.pearson.com/content/plc/prkc/uk/open-ideas/en/articles/a-rich-seam-how-newpedagogiesfinddeeplearning/_jcr_content/par/articledownloadcompo/file.res/3897.Rich_Seam_web.pdf)

<sup>21</sup> The Learner First™ <http://www.thelearnerfirst.com>

Council. An e-learning course of the same name is available in the US and Canada through Corwin. A second book in the series, *Motion Leadership in Action: More Skinny on Becoming Change Savvy*, was published by Corwin-Sage in 2013, in partnership with the Ontario Principals Council and the Learning Forward Foundation (Ohio, US).<sup>22</sup>

Fullan's 'partners' are listed as: Australian Capital Territory; Sir Michael Barber; Catholic Education, Diocese of Parramatta, Australia; Catholic Education Office, Diocese of Sale, Australia; Catholic Education South Australia (CESA); Centre for Strategic Education, Melbourne; College of Alberta School Superintendents (CASS); Andy Hargreaves; Idaho Leads; International School Leadership; Ontario Ministry of Education, Literacy and Numeracy Secretariat; Ontario Principals Council (OPC); PD360SINET; Plan Ceibal Uruguay; Sir Ken Robinson; Peter Senge; Lynn Sharratt; Stuart Foundation; and Turning Learning, Amsterdam, Netherlands.

NPDL self-describes through its trademark as a 'global partnership' and on its website as 'a global movement dedicated to transforming learning by identifying new pedagogies that foster deep learning competencies and ways to measure progress'. NPDL offers a 'Whole System Change Process and the NPDL Suite of Tools so that every student can access deep learning'. The 'Deep Learning Competencies' reportedly developed through the programme are: creativity, communication, citizenship, critical thinking, character and collaboration.<sup>23</sup>

To establish NPDL in New Zealand, CORE co-ordinated seven New Zealand schools together with 80 in Victoria and 20 in Tasmania, Australia (the minimum required size for a NPDL Global cluster is 100 schools) and has since expanded further in New Zealand. Participating schools are required to commit to participate for three years. Participation costs are \$US2,000 per annum to participate in the 'NPDL Global Initiative', \$NZ3,000 per annum 'to cover the costs associated with the NZ-based coordination and support of the programme',

---

<sup>22</sup> The series adopts a similar visual branding strategy to John Hattie's Visible Learning series, the latest volume in which, *Visible Learning for Literacy Grades K-12*, was published by Corwin-Sage.

<sup>23</sup> By way of comparison, the Key Competencies included in the 2007 revision of the New Zealand Curriculum are: thinking, relating to others, using language, symbols and texts, managing self, participating and contributing.

release costs for staff to participate in NPDL activities, release time for a school leader which is 'suggested' 0.2FTE, and costs of participation in 'special events' 'where required'. In 2016, CORE's Kahukura NPDL Cluster comprises eight Christchurch schools and 20 early childhood centres.

### **Not-for-profit**

In New Zealand in 2005, there were an estimated 97,000 not-for-profit organisations (Poirier 2013, p. 68). Government funding represents approximately 25% of the sector's income (p. 70).

In New Zealand, it is estimated that 61% of non-profit institutions are unincorporated societies. There are about 22,310 not-for-profit entities incorporated as societies under the Incorporated Societies Act 1908 and 18,028 entities incorporated under the Charitable Trusts Act 1957. The figures for charitable organisations registered with Charities Services, Department of Internal Affairs (Charities Services) are somewhat different. According to data published in October 2009, about two-thirds of registered charities are bodies corporate. These bodies corporate are divided as follows: 9,050 (39% of registered charities) are incorporated under the Charitable Trusts Act 1957; some 6,253 entities (26.1% of registered charities) are incorporated under the Incorporated Societies Act 1908; and finally, there were 834 companies incorporated under the Companies Act 1993 registered with the New Zealand Charities Commission in 2009. This represents about 4% of registered charities. (p. 68)

Poirier notes that historically charities were founded with an endowment, the income from which was distributed for charitable purposes (for example, Foundation North in this study). Today's charities more commonly collect donations, often from businesses in the form of cash, or in kind goods, time or expertise (such as KidsCan in this study), and/or derive income from government services contract delivery (for example, Cognition Education and CORE Education). While originally charities may have been established to offer services not provided by the state, the advent of the welfare state meant that some of these services were incorporated within the state (or taken on by local government) (p. 70). With greater central government restrictions dating from the 1980s on what services local government may offer, and the greater contracting out of core state services from the 2000s in New Zealand, the NGO charity and venture philanthropy sectors have again increased their role in assuring the provision of services formerly funded and provided by central government.

While this may be relatively new in the state schooling sector, Poirier points to the social services as a sector where central government has long contracted out services provision to not-for-profit organisations, and the reasons for this.

Governments consider that not-for-profit organisations are better placed to identify the needs of their populations and provide solutions in relation to those needs. Finally, since charitable organisations have smaller structures and are usually less bureaucratic than government agencies, the cost of providing services may be reduced through contracting the provision of some of the services through not-for-profit organisations. (p. 71)

Just as the relationships between government and charities may be changing, so too the relationships between charities and businesses. 'A number of not-for-profit organisations are trying to create a hybrid between not-for-profit and for-profit organisations' (p. 71). As is the case with Cognition Education and CORE Education in this study, the charitable trust has created a for-profit business as a subsidiary of the not-for-profit charitable trust. These compete for revenue by tendering for professional services delivery on behalf of the state (or an overseas equivalent). Through contracted services delivery, these businesses also acquire knowledge from and about the core state sector, along with associated competitive and reputational advantages, that position them as credible partners for future state sector policy development. Cognition Education and CORE Education both aim to generate profits that may be reinvested in the business or donated to the Trust in terms of income for grant distribution (short-term benefit) and equity accumulation (long-term benefit). They exemplify Poirier's concept of a 'hybrid' between for-profit and not-for-profit. Separation of the entities into a charitable trust and a company of the same name is in part an effort to more clearly distinguish the commercial and the philanthropic arms of each organisation.

Poirier also comments on 'social entrepreneurship' forms of not-for-profit activity, which are intended to achieve social change using 'entrepreneurial principles to organise, create and manage a venture to achieve social change' (p. 71) measured in the form of social capital returns. This is the approach taken increasingly by Foundation North, as it moves away from numerous small seeding and community project grants to a more strategic social investment

approach, and it is the explicit basis on which the NEXT Foundation was endowed. In contrast, COMET<sup>24</sup> appears to have originally been set up with the object of being largely an information network for the Manukau City community. The Trust became a Council Controlled Organisation (CCO) in 2002 under the Local Government Act. According to its current website becoming a CCO means 'that Council appoints our Board of Trustees and contracts with us for some of our work'. In 2012 COMET changed its name to Community Education Trust Auckland to reflect the establishment of the 'super city' Auckland Council.<sup>25</sup>

The annual financial statements 2008-2014 of COMET and Kidscan bear comparison if only to show how charities can develop in quite different ways at quite different rates with associated differences in their profile and influence. For 2008, COMET reported total equity of \$389,000; Kidscan \$106,807. In 2014, COMET reported total equity of \$328,509; Kidscan \$3,184,131.

---

<sup>24</sup> City of Manukau Education Trust until 2012, Community Education Trust Auckland from 2013.

<sup>25</sup> Education trust expands its focus <http://www.stuff.co.nz/auckland/local-news/central-leader/7360636/Education-trust-expands-its-focus>

## Philanthropy

Philanthropy is the act of giving financial resources to a cause that is intended to improve general human well-being, and where the giver expects no direct reciprocation. (Cox, Stokes & Dixon 2015, p. ii)

It is important to clarify what is meant by philanthropy in the New Zealand context because many of the growing numbers of private sector organisations and groups that now participate in state schooling policy and services provision claim to be acting philanthropically. Commonly, these organisations self-describe as charitable or not-for-profit entities, and are publicly registered as such on the Register maintained by Charities Services Ngā Rātonga Kaupapa Atawhai at the Department of Internal Affairs. There is also a national peak body, Philanthropy New Zealand Tōpūtanga Tuku Aroha o Aotearoa (PNZ). According to its website,<sup>26</sup> PNZ was formed in 1990 with 20 members but in 2016 has over 130 members including ‘private philanthropists; family, community and corporate foundations; and iwi and community trusts. We also have 110 community members – not-for-profit organisations that receive grants’. In April 2015 at the University of Auckland Business School, PNZ held a two day ‘grantmaker conference’, *Philanthropy Summit 2015: The Power of Strategic Giving*; followed by a one day ‘community conference’, *Philanthropy Summit 2015: Understanding the 21st Century Donor*. The main Summit keynote speaker was ‘New York entrepreneur and impact investor Justin Rockefeller’.<sup>27</sup>

The Summit will focus on three key issues:

- income and inequality
- youth and employment
- the environment.

It will look at how strategic giving and wise investment in these three areas is making a real difference to the lives of New Zealanders and can leave a powerful and lasting legacy for future generations. [...] A unique feature of the Summit is the inclusion of collaboration spaces in our programme. These sessions are for like-minded individuals and organisations to find opportunities to work together in the three key issue areas and to develop action plans for real and lasting impact.

---

<sup>26</sup> Philanthropy New Zealand <http://philanthropy.org.nz/#>

<sup>27</sup> Rockefeller’s Summit bio states: ‘Justin Rockefeller is a New York City-based entrepreneur and impact investor. He runs special relations at Addepar, a Silicon Valley-based technology company that provides investment professionals with the tools required to manage complex global portfolios. He is also co-founder of TheImPact.org, an organisation inspired by The Giving Pledge whose mission is to increase the probability and pace of solving social problems by improving the flow of capital to businesses creating measurable social impact. Justin serves on the board and the Investment Committee of Rockefeller Brothers Fund, and on the boards of Japan Society and The International Council of The Museum of Modern Art.’

At the time of writing, over seventeen thousand charities are publicly registered on the basis that they meet statutory tests of 'charitable purpose' and 'public benefit' that have developed over several hundred years. In recent years, however, new terms such as 'venture philanthropy', 'impact investing', 'social entrepreneurship' and 'corporate social responsibility' have entered the philanthropy lexicon to describe the application of corporate business practices to giving through an approach that expects a clear and measurable return on the private investment in addressing aspects of a major public services challenge over a specified period of time. What distinguishes the newer philanthropic actors, here and overseas, are both the amount of private investment in preferred projects, and the social networks that are developing to realise these.<sup>28</sup>

Of particular interest in the context of this research is the symbiotic relationship that is emerging between financial and social networks among philanthropic actors to facilitate greater private sector participation in public education policy development and services provision.

### **Regulation**

Charity and philanthropy have long contributed to the provision of public education in New Zealand. Both practices have generally been regarded as adding to the public or social good on the assumption that state institutions benefit from the donation of private property to supplement public appropriations from general taxation. Charities are not-for-profit, non-government organisations that meet the test of 'charitable purpose'. The Charities Act 2005 (NZ Parliament 2005) defines these as 'every charitable purpose, whether it relates to the relief of poverty, the advancement of education or religion, or any other matter beneficial to the community' (S5.1) Charities must have exclusively charitable purposes but, according the former Charities Commission (2009, p. 1), 'can still qualify for registration under the Charities Act if it has non-charitable "ancillary" purposes that are undertaken to further its main charitable purposes'.

---

<sup>28</sup> See, for example, the membership of the PNZ Board: <http://philanthropy.org.nz/our-board/>; and the list of speakers at the 2015 Summit: <https://www.eiseverywhere.com/ehome/philanthropysummit2015/214638/>; and <https://www.eiseverywhere.com/ehome/philanthropysummit2015/speakersday2/>

In 2010, there were 25,562 registered charities in New Zealand (Charities Commission 2010). Of these, around a fifth was in the category of education, training and research. The charitable sector offered a diverse range of direct service provision as well as umbrella bodies to distribute monies. It did this on behalf of a similarly diverse range of specific beneficiary groups and also the more amorphous 'general public'. In 2010, charities' main reported income sources were \$3.6 billion in government grants, \$0.7 billion donations, \$4.1 billion service provision. Notably, donations comprise a relatively small proportion of charities' income. In this sense, charities have to be 'productive' to earn their revenue. The total gross income for the sector in 2010 was \$10.5 billion. Individual charities varied considerably with respect to their income. Of the more than 25,000 charities: 6,569 earned less than \$20,000, 4,710 less than \$100,000, 4,047 less than \$1 million, 1,102 less than \$20 million, and 50 in excess of \$20 million. Charities within the biggest single sector- education, training and research- received \$3.67 billion. Health was the second biggest sector at \$2.68 billion. (Registered charities now include some of the largest public sector providers such as universities, and their endowment foundations, and health provider entities. The sector also includes iwi entities.) The somewhat liberal categorisation of charities blurs the boundaries further between public and private organisations. It also shifts the focus of charitable purpose somewhat from disadvantaged individuals and groups as the beneficiaries of charity, to entrepreneurial charitable institutions as the sources of investment and generators of income from which to derive surpluses that may be distributed to beneficiary groups.

The original 1601 charitable uses enacted under Elizabeth I of England were, in contrast, focused on the specific groups that might benefit from charity:

...some for Reliefe of aged impotent and poore people, some for Maintenance of sick and maymed Souldiers and Marriners, Schooles of Learninge, Free Schooles and Schollers in Universities, some for Repaire of Bridges Portes Havens Causwaies Churches Seabankes and Highwaies, some for Educacion and prefermente of Orphans, some for or towards Reliefe Stocke or Maintenance of Howses of Correccion, some for Mariages of poore Maides, some for Supportacion Ayde and Helpe of younge tradesmen Handicraftesmen and persons decayed, and others for reliefe or redemption of Prisoners or Captives, and for aide or ease of any poore Inhabitantes concerninge paymente of Fifteenes, setting out of



Souldiers and other Taxes... (The Statute of Charitable Uses Act (1601), 43 Elizabeth I c. 4) <sup>29</sup>

In the 1891 four heads of charity the concept of charitable purposes was both clarified (poverty, education, religion) and extended in a very non-specific way (other purposes). The latter definition has been included in New Zealand law, according to which charitable purposes: 'includes every charitable purpose, whether it relates to the relief of poverty, the advancement of education or religion, or any other matter beneficial to the community' (Charities Act 2005). It seems clear from this that any organisation that claims to engage in 'the advancement of education' satisfies the major criterion for registration as a charity.<sup>30</sup> How then, does one distinguish between public and private educational organisations for, unless this is possible, surely every private educational establishment and every private educational management organisation would be eligible to claim charitable status?

The possibility of restricted eligibility lies in another part of the Act, which requires that charities must also meet a test of public benefit.

There are two aspects to the 'public benefit test', that is:

- There must be an identifiable benefit, assessed in the light of modern conditions and
- The benefit must be to the general public or to a sufficient section of the public. (Charities Commission 2009, p.2)

On the argument that education is inherently an identifiable benefit provided by any accredited or otherwise reputable education provider, the eligibility for charitable status stands or falls on the second clause. In the case of private schools, the sufficiency criterion has been tested in the courts in England (R. Independent Schools Council v The Charity Commission for England and Wales 2011). The Charity Commission claimed that 'sufficient' public benefit should be assessed on the proportion of students in the school who receive fee bursaries, that is free private education. Such a view is consistent with the opponents of private schooling in principle who argue that the scholarships are targeted

---

<sup>29</sup> The statute of charitable uses and the origins of American philanthropy  
<https://www.hks.harvard.edu/fs/phall/01.%20Charitable%20uses.pdf>

<sup>30</sup> See, for example, CORE Education's justification of its not-for-profit, charitable status:  
<http://www.core-ed.org/about/not-profit>

mainly or solely at families that wish to enroll their children in private education, hence the benefit is only to a very tiny section of the public and not 'charitable' at all. The Upper Tribunal (Tax and Chancery Chamber) decided that this was too narrow a definition of public benefit and agreed with the private schools that sufficient public benefit could be demonstrated in diverse ways based on the totality of charitable activities that the school engaged in for the public benefit. The test nevertheless would therefore appear to rest on a subjective interpretation of 'sufficiency' very much on a case-by-case basis.

A narrowly subjective assessment may be an inadequate basis for determining whether or not a charity provides public benefit. First, using the private schools example, it ignores considerations of whether or not any 'harm' is also done to the general public or a local community through the provision of private schooling for small groups of learners and their families. Second, and more broadly, it does not provide full consideration of the benefits that may accrue to the charities themselves, and whether these may properly be regarded as public or private benefits. This in turn raises the more important question, whether public benefits sufficiently outweigh private benefits. The same considerations might usefully be applied to the case charities in this report: To what extent does the potential public benefit outweigh any potential public harm to state education or the wider community as a result of its activities?

Moreover, if a charitable organisation is in effect the main beneficiary of its own activities, does it deserve the benefits of charitable status? In order to address this question one needs to establish the range of possible public and private benefits that may accrue to an educational charity. In the context of this report, the relevant charitable organisation may not be a school, per se, but a trading entity that provides public schooling support services 'in advancement of education', such as Cognition Education, a self-described 'independent educational services provider', which at its peak growth in 2010 was one of the 50 largest educational charities with a reported annual income of almost \$70 million. Or CORE Education Charitable Trust Group, which in 2015 had a total reported income of almost \$23 million, with most of its contract revenue (\$19.5 million) deriving from state sector professional services delivery contracts, and total net equity of over \$6 million.

A balanced assessment of the public benefits that may arise from the activities of educational services providers would include the potential for: (i) diversification of the policy cycle beyond the usual public sector bureaucrats, public academics, those working in public schools (or their representatives) and local school communities (or their representatives) to incorporate private sector educational management organisation professionals (ii) more diverse services delivery through, for example, government-charity partnerships; (iii) increased supplementary or alternative public funding of public schooling from private funding sources (though in practice as the former Charities Commission has shown this is a very small proportion of charities' income); (iv) offshore revenue: non-government educational services providers that enjoy charitable status often make much of the claim that they engage in export education; they repatriate surpluses from the offshore delivery of New Zealand public education services expertise provided under contract to overseas governments and invest these in New Zealand public education.

However, educational services providers also accrue significant private benefits both through their involvement in public schooling services provision, and through their charitable status. As the former Charities Commission has shown, most organisational income comes through government grants and contracts for services provision. In this way charities may accrue significant physical assets and financial equity over time, while the individuals who work for them (most education charity workers are full-time employees) enjoy a personal income that they might not otherwise have. By delivering public schooling services, education charities also accrue significant public sector generated educational knowledge, or intellectual capital, which they are then often enabled to commercialise (e.g. Visible Learning<sup>plus</sup>,<sup>31</sup> Culture Counts<sup>plus</sup> <sup>32</sup>; Modern Learning Environments<sup>33</sup>).

Sometimes this capital is in the form of former senior public servants who are recruited to the charitable sector (in either governance or management roles) because of the expertise they have themselves acquired in public service.

---

<sup>31</sup> Visible Learning<sup>plus</sup> <http://www.visiblelearningplus.com>

<sup>32</sup> Culture Counts<sup>plus</sup> <http://cognitioneducation.com/professional-learning/culture-counts>

<sup>33</sup> Modern Learning Environments Where Learning Takes Place <http://www.core-ed.org/professional-learning/workshop/modern-learning-environments>

The combination of local intellectual and human capital positions education charities very competitively to win offshore contracts. This is a private benefit that accrues to each charity in several ways. Engagement in the development and delivery of public schooling services facilitates the building of networks and relationships (and influence) with the schooling sector and government (which is precisely why educational management organisations target the recruitment of senior public sector managers). Indeed, it is a moot point whether these education services providers develop their reputations because of their existing ability to deliver desired government contract outcomes or whether the close specification of public education service contracts (processes and desired outcomes) by the Ministry of Education that typically occurs in state schooling today, serves more to gradually enhance the service delivery capacities of providers who work for the public sector. Arguably it is the latter: service providers often add little to the contracting process because most of the expertise already exists in the public domain, while the main 'competitive advantage' of private providers is their lower institutional overhead costs compared with public sector institutions. Arguably what an education charity gains most in capital from providing public services is an enhanced reputation and consequently more influence throughout the policy process. Charitable status provides considerable taxation advantages for charities, which in turn adds to their competitive advantage relative to for-profit private businesses.

It may also be argued that much of the knowledge drawn on by educational charities is already in the public domain or 'commons' and that this too contributes to lower overheads for charities because there are negligible research and development costs for them. Finally, and most significantly, compared with the exhaustive public accountability mechanisms against which the public sector is required to report, registered charities provide very little information on their activities other than the briefest of required annual financial statements (For example, the rules of Teach First New Zealand Trust mean that an annual report is prepared for internal Trustee use only). Annual financial statements nevertheless enable an assessment of the proportion of a charity's surpluses that are distributed each year, and the proportion that are retained as assets or equity (which may itself be a strategic charitable decision to derive

investment income for distribution over the longer term). However, the statements provide no detail on the salaries that are paid to employees (a notable exception is CORE Education's annual reporting of the total remuneration paid to its senior leadership), nor any independent assessment of the effectiveness of the charity in advancing its educational and broader public good purposes.<sup>34</sup>

### **Giving**

New Zealand ranks 3<sup>rd</sup> in the 2015 World Giving Index, and 4<sup>th</sup> for the period 2010-2014 (Charities Aid Foundation 2015). The Index is based on market surveys in 140 countries of the proportion of the national population that self-reports having helped a stranger, donated money or donated time in the month prior to the survey interview. For donating money, New Zealand ranked 6<sup>th</sup> in 215 with 73% of those surveyed reporting that they had done.

The latest *Giving New Zealand 2014* survey by BERL (Cox, Stokes & Dixon 2015), analyses philanthropy by individuals, businesses and trusts and foundations. In 2014, the amount of giving was broadly similar to the 2011 survey. Total giving in 2014 was estimated to be \$2.788 billion, equivalent to 1.17% of GDP. Of this, personal giving comprised 55%, trusts and foundations 42% and business 3%. However, the report estimates that for every dollar donated in cash, businesses also give \$1.43 in sponsorship and \$3.27 in-kind good and services. 90% of personal giving was in the form of donations, 10% as bequests. Of donated money 9.9% was to education. The report argues that because only 370,000 people claimed tax rebates for donations in 2014, the actual amount of donations across the population as a whole is likely to be much higher. The report also estimates that 12.3 million hours or 17.5% of the total number of voluntary hours donated was to education. 77% of trust and foundation giving in 2014 was from statutory sources such as community, energy and licensing trusts, gaming machines societies and the Lotteries Grants Board. Approximately 24% of activities supported by grants from family and

---

<sup>34</sup> The filing return template for New York registered charities provides an example of greater transparency and detail both about the remuneration of individual officers employed by the charity, and the individual amounts granted to recipient organisations: Charities bureau forms and instructions [https://www.charitiesnys.com/charindex\\_new.html](https://www.charitiesnys.com/charindex_new.html)

individual trusts in 2014 were to education. Community trusts gave less than 10% of grants to education in 2014. The report does not report figures for grants to education from other statutory sources or from business.

### **Investing**

The Tindall Foundation, established by Warehouse founder Sir Stephen Tindall, and NEXT Foundation, recently established by Neal and Annette Plowman in 2014 are examples of major privately funded charitable foundations that are active in philanthropy. Each organisation is focused on New Zealand, and each makes grants totaling \$10-15 million per annum. The Tindall Foundation describes its approach to funding using the traditional philanthropic language of 'seeding', 'boosting', 'giving a hand up', or acting as a 'catalyst for change'. NEXT Foundation's website describes its approach in the language of social investment:

Education projects supported are those that contribute to New Zealand's long-term knowledge capital and performance through research, teaching, leadership training, skills and values development, technology adaption, and institutional and methodological innovation that ultimately underpin our country's economic strength.

Similarly, although its focus is global poverty reduction in the Global South, Jasmine Social Investments, established by Sam Morgan following the sale of TradeMe, deploys the language of social investment but also that of social networking:

The social entrepreneurs we fund are "private sector capable" but are drawn to create lasting change through social enterprise. We seek execution ability – and expect to see measurement of true impact – kids educated, more than schools built.

We actively share what we learn with other high-net-worth individuals and foundations who share our approach. We often invest together. We build long-term relationships directly with the people running the organisations we fund and expect regular, quantitative and qualitative reporting and complete frankness, openness and transparency.

The second paragraph in the quotation is crucial to understanding how collaborative private sector social networking and social investment strategies today (such as those pursued by NEXT Foundation, Foundation North, KidsCan and Community Education Trust Auckland (COMET) in concert with corporate and community based charitable trusts that have diverse objectives) combine to create opportunities for the private sector to significantly influence education

policy and services delivery in the public sector. On the basis of the information sourced for this report, the Auckland region appears to be particularly mobile and fluid in this regard, with key individuals moving across numerous charitable, local government and NGO entities over time. Unusually, NEXT's stated strategy is to distribute its entire endowment equity over a decade. Conversely, Foundation North distributes tens of millions of dollars investment returns annually but continues to maintain its endowment equity of over \$1 billion.

NEXT's website states that 'The \$100 million investment programme is exclusively for project funding. The NEXT Foundation will not bear any overhead costs, including remuneration of the CEO.' The expertise on NEXT's executive team and board of directors reflects its social investment approach.

The executive team comprises: CEO Bill Kermode, former founding director of Direct Capital; Ewen Anderson, director Netlogix, former investment banker Credit Suisse First Boston, former senior executive at Fletcher Building and Carter Holt Harvey; and Jan Hania (Ngāti Tuwharetoa and Ngāti Raukawa-ki-te-Tonga), formerly team and project leader with DOC.

The Board of Directors includes: Chris Liddell, current chair of the board of Xero Corporation, former vice chairman of General Motors and CFO of Microsoft Corporation, CEO of Carter Holt Harvey, and patron of the University of Auckland Leading the Way fundraising campaign which raised \$NZ203 million; Barrie Brown, former partner PWC, chairman of Waterman Holdings Limited, chairman of the Auckland City Mission Capital Foundation; Carol Campbell, currently director of the Business Advisory Group Ltd, chair of Ronald McDonald House Charities NZ, former partner at Ernst & Young and national director for its Entrepreneur of the Year Award programme.

The Advisory panel to the Board has several members with education expertise: Margaret Bendall, current trustee of Cognition Education Trust and senior adviser to Teach First New Zealand, former principal Epsom Girls' Grammar School and Faculty of Education staff member at the University of Auckland, board member of NZQA; Roger France, current trustee at Dilworth School and former chancellor of the University of Auckland; chairman of the University of Auckland Foundation; John Taylor, senior advancement consultant to the University of Auckland, member of the NZ Model of Charter Schools

Committee, New Zealand Initiative and member and founding chair of the Education Forum, trustee of NZ Education and Scholarship Trust, John Drake Memorial Scholarship Trust and King's College Board; former director of Alumni Relations and of the Leading the Way campaign University of Auckland, former headmaster Kings College and Rathkeale College.

At the time of writing, NEXT's education projects include Ngā Pūmanawa e Waru, an e-learning initiative in Rotorua district schools, initiated by the Excel Rotorua Trust and Manaiakalani Outreach, which extends the original Tamaki Cluster digital learning initiative established by the Manaiakalani Education Trust to low decile schools in 'Hornby in Christchurch, the West Coast of the South Island, Papakura and Mt Roskill in Auckland, and Kaikohe in Northland'. The University of Auckland (Woolf Fisher Research Centre; Faculty of Education) is being funded to evaluate both initiatives. NEXT also funds Springboard Trust to provide a leadership and strategic planning programme for low decile school principals, which is being evaluated by the New Zealand Council for Educational Research. The Springboard Trust provides business people as 'Capacity Partners' who work alongside the principals to assist them to develop strategic plans for their school. The Chair of Springboard Trust and designer of the programme curriculum is Ian Narev, previously a partner at McKinsey and Company, and currently CEO of Commonwealth Bank of Australia.<sup>35</sup>

NEXT also supports Mindlab by Unitec.<sup>36</sup> Mindlab by Unitec provides onsite technology education for students and teachers. NEXT funds teachers' participation in a postgraduate certificate in education as part of their Mindlab participation.<sup>37</sup> (Mindlab at Unitec was founded by education entrepreneur Frances Valintine. Valintine previously co-founded the private Tertiary Education Organisation Media Design School, which was subsequently purchased

---

<sup>35</sup> Making principals successful <http://www.nextfoundation.org.nz/news/making-principals-successful>

<sup>36</sup> Preparing for tomorrow's world <http://www.nextfoundation.org.nz/news/preparing-for-tomorrow-s-world>

<sup>37</sup> CORE Education also has an agreement with Unitec whereby participants who complete selected CORE online workshops are given 30 credits (50%) towards a Unitec postgraduate qualification.



by Laureate International Universities in the USA.)<sup>38</sup> Mindlab at Unitec has plans to expand in both North and South Islands. NEXT has also invested in Teach First New Zealand and contributed \$10 million to the University of Auckland Business School Endowment Fund.

What one might broadly describe as social investment approaches may be seen also to characterise iwi and hapū education strategies and plans.<sup>39</sup> According to the latest 2013 census data, 668,724 people identify as Māori and 535,941 of these with at least one iwi (Table 1).

Table 1. Māori population by iwi grouping and census date

<b>Iwi Groupings</b>	<b>2001</b>	<b>2006</b>	<b>2013</b>
Te Hiku	11,595	14,193	14,562
Hauraki	9,864	13,110	14,313
Ngāi Tahu Whānui	40,131	50,277	55,986
Ngāti Kahungunu	51,552	59,943	61,626
Ngāti Raukawa	24,153	28,740	29,442
Ngāti Tama	1,764	2,340	2,148
Te Arawa	30,318	42,156	43,374
Te Atiawa	17,445	21,483	23,091
Tūranganui a Kiwa	8,013	10,506	11,082
Waikato-Tainui	50,304	50,796	55,998
Ngāti Toarangatira	4,488	4,917	5,580
Rangitāne	4,401	5,319	5,784
Other	319,881	358,560	370,065
Total people affiliated with at least one iwi	454,476	512,325	535,941
Ngā Hotahota o te Whaitau	111,807	102,363	110,928
Total people stated	566,283	614,649	646,869
Not elsewhere included	37,827	29,331	21,852
<b>Total people</b>	<b>604,110</b>	<b>643,977</b>	<b>668,724</b>

Source: 2013 Census QuickStats about Māori  
(Key to groupings included in original)

Iwi strategies and plans are typically focused on long-term, sustainable intergenerational development; on developing future professionals and leaders from among young people; and seeking strategic partnerships with organisations and institutions in Te Ao Pākehā to assist iwi and hapū to meet their people's goals. They include a strong emphasis on educational pathways and achievement in both Te Ao Māori and Te Ao Pākehā. With the settlement of their historical

<sup>38</sup> Changing how kids learn: The Mind Lab and the future of education in NZ  
<http://www.stuff.co.nz/business/industries/77839277/changing-how-kids-learn-the-mind-lab-and-the-future-of-education-in-nz>

<sup>39</sup> For example: Education strategy <http://ngaitahu.iwi.nz/education/education-strategy/>;  
Waikato Tainui launches education plan <http://www.waikatotainui.com/waikato-tainui-launches-education-plan-2/>

Treaty claims, Māori have also acquired the financial resources to exercise greater voice and participation in state schooling with the goal of ensuring iwi- and hapū-relevant education policy development and investment partnerships for education services delivery.

Table 2. Financial redress, historical Treaty claims: ten largest settlements

Year of Legislation	Group	Amount \$million
1992	Commercial Fisheries	170
1995	Waikato/Tainui Raupatu	170
1998	Ngāi Tahu	170
2003	Ngāti Ruanui	41
2005	Ngāti Awa	42.39
2008	Central North Island Forests Iwi Collective	161
2012	Ngāti Porou	90
2014	Ngāti Tūhoe	169
2014	Ngāti Toa Rangitira	70
2014	Raukawa	50

Source: Parliamentary Library

According to the Parliamentary Library report on Historic Treaty Settlements, as of August 2014 the total value of Treaty of Waitangi redress is forecast to be approximately \$2,606 million (Table 2).

### **Educational charities in New Zealand**

A statistical analysis of the Charities Services database reveals that of the approximately 17,000 registered New Zealand charities in 2015, 6059 or just over a third (35%) reported Education ('education/training/research') as their main sector of operation.

Among these education sector charities, 3550 (57.5%) reported 'children/young people' as their main beneficiary, 993 (16.1%) the 'general public', 575 (9.3%) 'other –Education related', 378 (6.1%) 'family/whānau', 225 (3.7%) 'other charities', 128 (2.1%) 'older people', 94 (1.5%) 'people of a certain racial/ethnic origin', 59 (1.0%) religious groups, 52 (0.8%) 'people with disabilities', 38 (0.6%) 'migrants/refugees', 36 (0.6%) 'voluntary bodies other than charities', 31 (0.5%), 'Other –Education Not Related', and 14 (0.2%) 'Animals'.

The most frequently reported main activities for the education charities were 'Provides services (e.g. care/counselling)' 1278 (20.7%), 'Makes grants to

organisations (including schools or other charities)' 1047 (17.0%), 'Provides advice/information/advocacy' 926 (15.0%), 'Makes grants/loans to individuals' 797 (12.9%), 'Other – Education related' 530 (8.6%) and 'Other – Education Not related' 343 (5.6%).

Approximately a quarter of all 17,201 charities are based in Auckland (24.1%), the others in Christchurch (9.3%), Wellington (7.4%), Hamilton (4.1%), and Dunedin (3.1%). Among the education sector charities, 3659 or 59.3% are 'Trustees of a Trust', and 2514 (40.7%) a 'Society or institution'.<sup>40</sup>

Education charities very broadly mirror New Zealand charities overall in terms of their main funding sources. 3243 (52.5%) are funded through 'Any other grants, sponsorship, etc.', 1061 (17.2%) through 'Donations/koha', 468 (7.9%) 'Other', 459 (7.4%) 'Bequests/donations/koha', 308 (5%) 'New Zealand dividends', 276 (4.5%) 'Government grants/contracts', 238 (3.9%) 'Income from service/trading provision', and 102 (1.7%) from 'Membership fees'.

A second analysis was undertaken of the Charities Register financial database (based on 2014 annual financial statements).<sup>41</sup> In order to establish the frequency and variation of financial scale of operation of education charities, an analysis was undertaken of their total income, total expenditure and total assets (Figures 2-7). For Income and Expenditure, analyses were undertaken both including and excluding income from government sponsorship and grants. Financial data were divided into bands (less than \$50,000; \$50,001 to \$1,000,000; \$1,000,001 to \$10,000,000, and over \$10,000,000).

---

<sup>40</sup> 'Under section 13(1) (b) in Charities Act 2005, a society or institution must be established and maintained exclusively for charitable purposes, and not carried on for the private pecuniary profit of any individual. Under section 13(1) (a) in Charities Act 2005, the trustees of a trust will qualify for registration where the trust is of a kind in relation to which an amount of income is derived in trust for charitable purposes. However, under trust law, a trust will be 'void for uncertainty' if it is for mixed charitable and non-charitable purposes.'  
<https://www.charities.govt.nz/apply-for-registration/charitable-purpose/public-benefit-test-guidance-for-charities/#footnote-reference-1>

<sup>41</sup>One analysis focused on the variables: TotalEquity, TotalAssets, TotalLiabilities, and TotalLiabilitiesandEquity. According to the definitions, all these variables are interrelated and the sum of TotalEquity and Total Liabilities should be equal to TotalAssets. This equation seems not work for these variables in Charities database. The proportion of the discrepancy of the TotalAssets and TotalLiabilitiesAndEquity indicates that these two variables do not tally exactly for approximately 42% of all charities. One third of these (2,230) are from the Education/training/research sector.

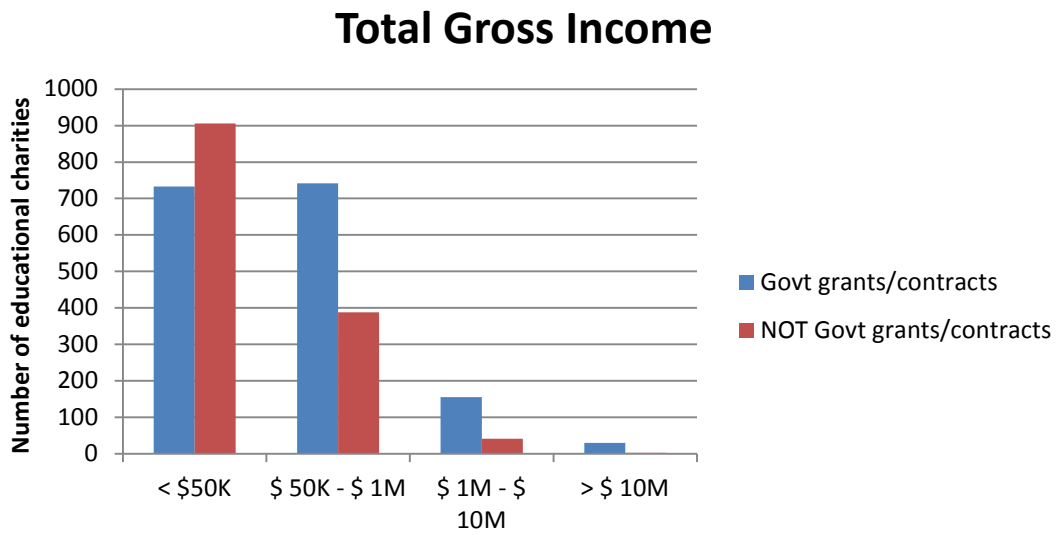


Figure 2. Educational charities' total gross income by number of educational charities

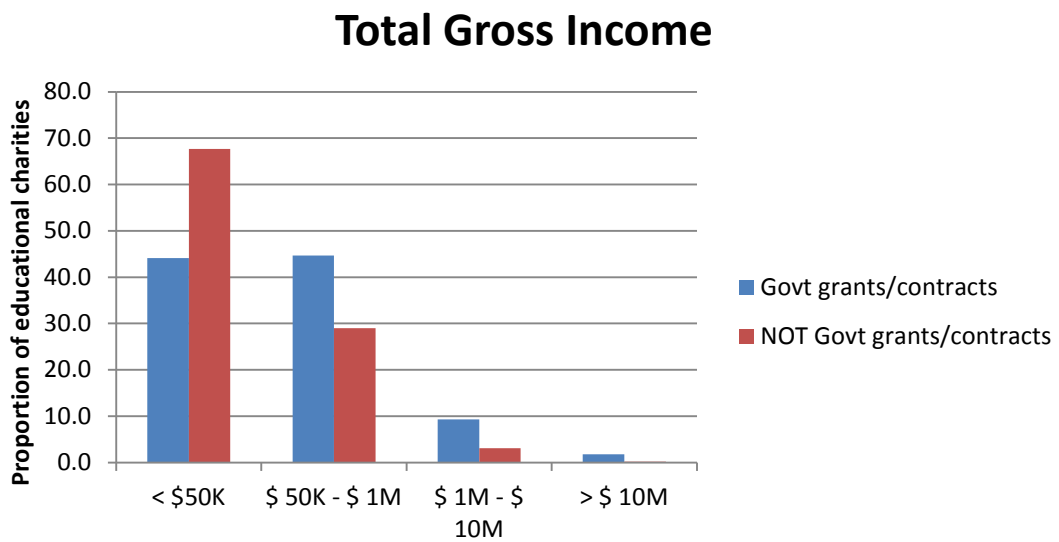


Figure 3. Educational charities' total gross income by proportion of educational charities

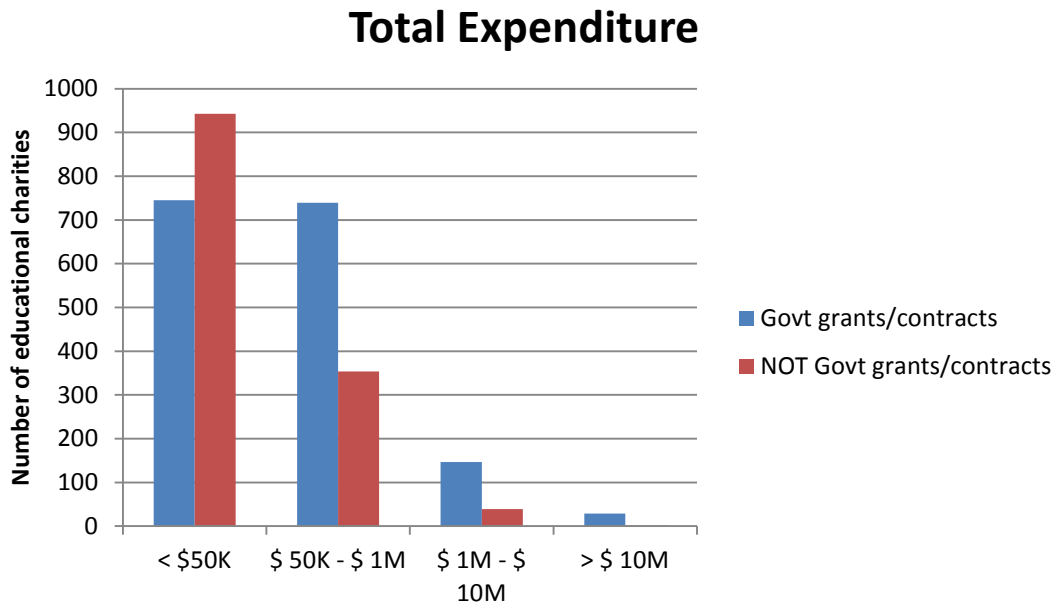


Figure 4. Educational charities' total expenditure by number of educational charities

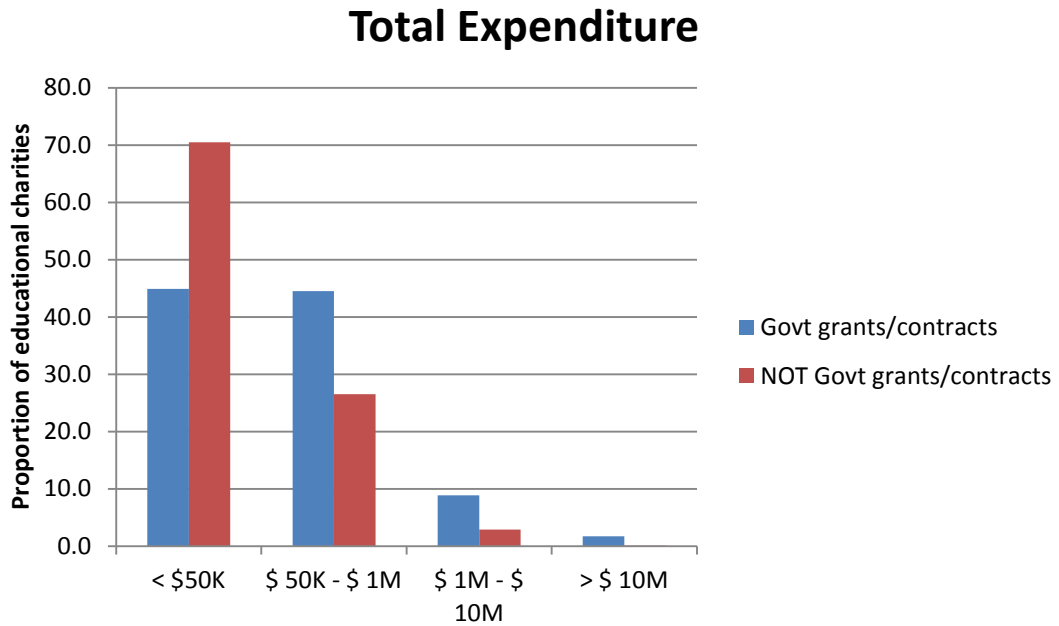


Figure 5. Educational charities' total expenditure by proportion of educational charities

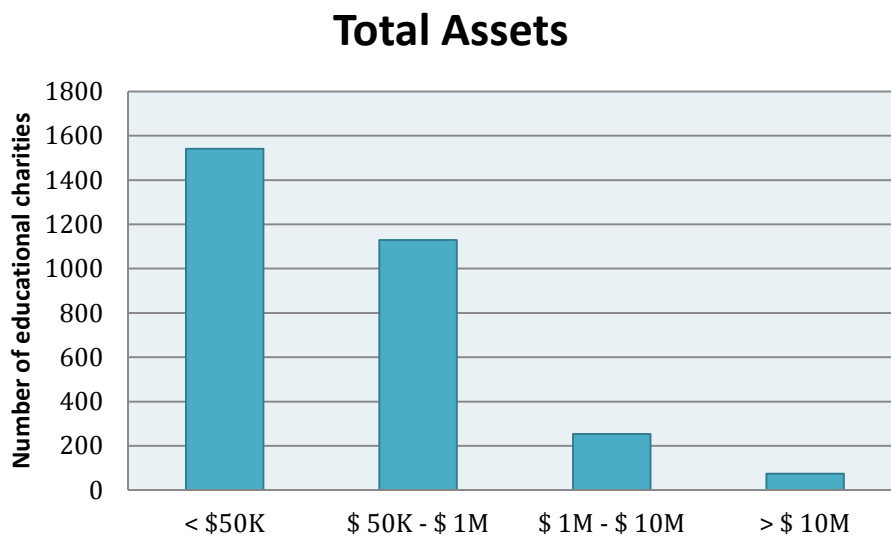


Figure 6. Educational charities' total assets by number of educational charities

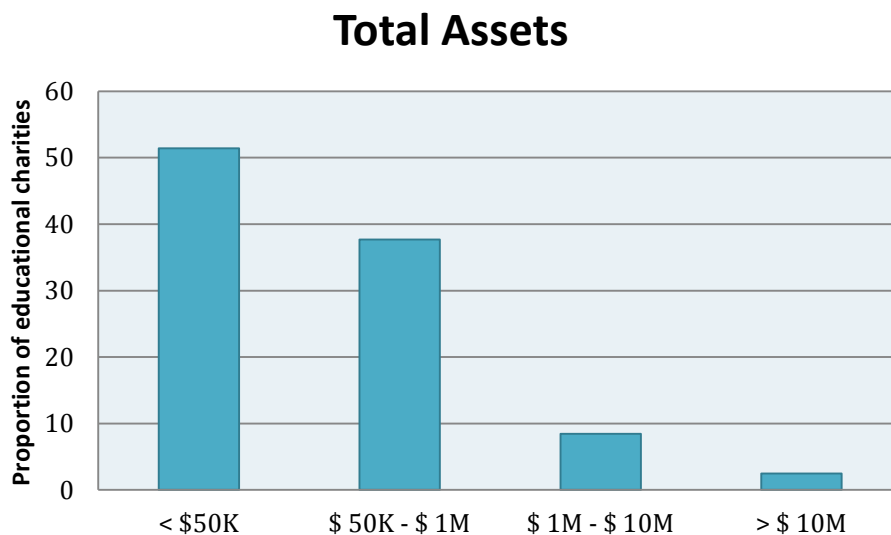


Figure 7. Educational charities' total assets by proportion of educational charities

The analyses of Income and Expenditure were undertaken only with the 1,827 charities that reported 'Any other grants & sponsorship, govt grants/contracts, etc' and the 1,414 that reported 'Any other grants & sponsorship, NOT govt grants/contracts, etc' as their main sources of income. For Assets, the data were combined into a single column.<sup>42</sup>

<sup>42</sup> 3 charities had incomplete financial data.

Across the educational charities sector 51 entities have total annual income, annual expenditure and total assets that each exceed \$10 million (Table 3).<sup>43</sup> Given that a significant proportion of the 51 charities listed belong to organisations that provide formal education,<sup>44</sup> it is perhaps not surprising that 27 of them report a combination of ‘Government grants/contracts etc.’ and ‘Any other grants & sponsorship’ as their main source of revenue. Two charities have as their main source of revenue ‘Any other grants & sponsorship’ only and 11 charities ‘Government grants/contracts etc’ only. In total forty-five of this subgroup of education charities receives some funding annually from government.

Table 3. Educational charities with annual income, annual expenditure and total assets each in excess of \$10 million, reported by gross annual income (n=51)

Name of Charity	Income	Expenditure	Assets
The University of Auckland	878,115,000	851,450,000	1,886,310,000
University of Otago	615,643,000	579,126,000	1,383,369,000
Massey University	438,355,000	431,516,000	1,096,199,000
University of Canterbury	426,013,000	349,451,000	767,482,000
Victoria University of Wellington	327,440,000	311,544,000	711,580,000
University Of Waikato	225,560,000	216,210,000	418,501,000
Auckland UniServices Limited	132,631,623	131,008,301	86,946,098
Lincoln University	125,578,000	115,651,000	253,577,000
Manukau Institute of Technology	106,170,945	105,563,292	258,434,239
Health Research Council Of New Zealand	84,637,000	84,388,000	32,870,000
The Royal Australasian College of Surgeons	65,025,886	54,836,277	107,847,547
Dilworth Trust Board	50,774,000	22,644,000	453,385,000
Waikato Raupatu Lands Trust	48,119,000	12,464,000	311,220,000
St. Kentigern Trust	46,782,416	44,339,402	96,582,357
Christ’s College Canterbury	45,770,000	45,488,000	113,565,000
The Research Trust of Victoria University Of Wellington	42,207,000	43,425,000	21,171,000
Saint John’s College Trust Board	37,988,000	16,590,000	349,696,000
ASB Community Trust Charitable Purposes Limited	36,356,000	36,356,000	103,416,000
Primary Industry Training Organisation Incorporated	30,875,000	30,776,000	10,491,000
New Zealand Engineering Food and Manufacturing Industry Training Organisation Incorporated	30,663,000	28,147,000	13,156,000
He Whānau Manaaki o Tararua Free Kindergarten Association Incorporated	29,934,000	29,353,000	19,586,000
Kristin School Charitable Trust	29,859,371	29,343,937	74,192,257
St Cuthbert’s College Educational Trust Board	28,561,768	27,840,245	59,089,661
St Peter’s School Trust Board	27,669,000	25,485,000	67,227,000
Cognition Education Limited	27,475,678	28,693,936	14,529,147
The King’s College Trustees	27,249,131	26,605,642	70,347,818
Diocesan School For Girls	26,878,198	24,593,437	78,288,337
The Cawthron Institute Trust Board	26,759,000	22,855,000	25,543,000
St Andrew’s Presbyterian College Board Of Governors	26,551,378	23,794,829	139,173,197

<sup>43</sup> See Appendix B for a Table of the 174 educational charities with annual income, annual expenditure and total assets each between \$1 million and \$10 million.

<sup>44</sup> NB These organisations may have multiple charitable entities associated with them. For example, the Charities Register lists a total six charities associated with King’s College Auckland: Association of the Friends of Kings’ College Associated, Kings’ College Foundation, Kings’ College Old Collegians Association Incorporated, Kings’ College Rowing Club Incorporated, Kings’ College Trust, and the Kings College Trustees.

Incorporated			
Open Wananga Limited	25,258,000	29,010,000	13,278,000
The Skills Organisation Incorporated	25,012,701	26,056,795	13,272,549
The Royal New Zealand College of General Practitioners	23,387,000	22,876,000	13,879,000
National Heart Foundation of New Zealand	22,338,643	20,783,683	28,906,742
Canterbury Westland Kindergarten Association Incorporated	20,887,814	20,622,226	33,823,319
Taratahi Agricultural Training Centre (Wairarapa) Building and Construction Industry Training Organisation Incorporated	20,726,108	19,616,436	36,644,921
Service Skills Institute Incorporated	20,173,084	19,476,708	16,646,881
Central North Island Kindergarten Trust	20,008,049	20,624,623	12,225,372
Waikato Anglican College Trust	19,270,008	18,643,865	23,569,703
Scots College Incorporated	18,257,471	17,451,087	53,210,736
NZ Motor Industry Training Organisation (Incorporated)	16,857,417	16,806,221	37,086,073
Rangi Ruru Girls' School Board of Governors Incorporated	16,204,095	15,040,048	12,723,851
King's School Auckland	14,792,443	13,544,767	47,418,039
Cancer Society of New Zealand Auckland Division Incorporated	13,818,818	12,657,399	54,536,529
Te Tari Puna Ora o Aotearoa / New Zealand Childcare Association Incorporated	13,227,081	12,455,234	29,663,514
The St Margaret's College Trust Board	13,111,610	13,246,416	13,709,829
Waikato Kindergarten Association	12,842,341	12,948,580	47,678,913
Community Support Services ITO Limited	12,370,696	11,314,301	17,759,959
International Educational Foundation (NZ) Incorporated	12,240,179	11,577,098	13,688,129
Samuel Marsden Collegiate School Trust Board	11,364,971	10,808,303	43,423,183
Queen Margaret College Incorporated	11,321,000	10,969,000	24,299,000
	10,272,216	10,141,295	19,277,855



## Policy networks

Policy networks come into being and flourish due to the interactions of the actors who comprise them. Actors collaborate and network in order to be able to influence policy development and services delivery. Michael Mintrom (2000) described such people who operate within an education system as policy entrepreneurs. Stephen Ball (2012) has extended the metaphor to include transnational policy advocacy and activity by those who operate entrepreneurially across systems on a regional or global scale. In New Zealand, as will be shown, there are examples of both local and global policy entrepreneurship and advocacy.

### Actors

The consummate state schooling policy actor in New Zealand since the late 1990s has been Professor John Hattie, currently at Melbourne University in Australia. Hattie returned to New Zealand from the USA to take up a position as Professor of Education and Head of School at the University of Auckland in 1998. Through Auckland Uniservices Ltd, Hattie was contracted by the MoE in 1999/2000 to lead the development of a CD-ROM-based, teacher managed, national curriculum testing system for formative assessment, as Project Director of asTTle. In the mid-2000s an upgraded online version was contracted by the MoE (e-asTTle). Auckland Uniservices Ltd registered Visible Learning as a New Zealand trade mark in April 2006 (later 'abandoned' in 2008) and created Visible Learning Labs, with Hattie as director, as a vehicle to provide support and professional development on the use of e-asTTle. The reporting function of e-asTTle includes a graphic dashboard display of school and student performance levels, very similar to that later adopted for the 'holy grail' 2008 book *Visible Learning: A synthesis of over 800 meta-analyses relating to achievement*,<sup>45</sup> which established the Hattie education improvement 'brand' globally.<sup>46</sup>

---

<sup>45</sup> TES: "Research reveals teaching's Holy Grail" <http://visible-learning.org/2013/02/tes-research-reveals-teachings-holy-grail/>

<sup>46</sup> The Ministry of Education has publicly stated the government's intention to use e-asTTle as a test case to commercialise 'government intellectual property' by part-selling it to a private sector partner: Education Ministry to 'privatise' school test system to save paying for \$8m upgrade

In 2006, Hattie became a director of the Multi Serve Education Trust Board. In 2008, he became a director of the rebranded Cognition Education. Cognition Education began facilitating Visible Learning<sup>plus</sup> professional development workshops across Australia in 2009. Cognition Education Trust registered Visible Learning<sup>plus</sup> as a trade mark in New Zealand and internationally in 2011-2012<sup>47</sup>:

The mark consists of the wording “VISIBLE LEARNING PLUS” with the word “PLUS” in a bold font raised like a superscript. Above the wording is a fanciful depiction of a human eye.

Cognition Education now offers a progression of 16 different workshops for teachers and coaches, and in addition the opportunity for schools to be assessed for certification as a Visible Learning Certified School. Cognition Education has developed a global network of private sector partners to deliver the programme: Osiris Educational (UK), JN Partnership (Scandinavia), Corwin (Australia), Corwin (North America), and Bazalt (Netherlands). There are now a further three dashboard branded books in the Visible Learning series: *Visible Learning for Teachers* (on which the basic workshops are based) (2011), *Visible Learning and the Science of How We Learn* (2014), and *Visible Learning into Action: International Case Studies of Impact* (2015). Hattie has also recently published a scholarly paper on the applicability of Visible Learning to higher education (2015)<sup>48</sup>; and, with co-authors Fisher and Frey of San Diego State University, a book for the USA market on the applicability of *Visible Learning for Literacy in Grades K-12* (2016).<sup>49</sup>

As an indication of some of the private benefits afforded by the commercialisation of the Visible Learning brand, Table 4 shows the third party payments made by Cognition Education to Hattie according to its annual financial statements, in addition to director’s fees.

---

<http://www.stuff.co.nz/business/industries/74965761/Education-Ministry-to-privatise-school-test-system-to-save-paying-for-8m-upgrade>

<sup>47</sup> Justia Trade Marks <https://trademarks.justia.com/854/01/visible-learning-plus-85401627.html>

<sup>48</sup> The applicability of Visible Learning to higher education <http://psycnet.apa.org/journals/stl/1/1/79/>

<sup>49</sup> Visible learning for Literacy, Grades K-12 <https://au.corwin.com/en-gb/oce/visible-learning-for-literacy-in-the-classroom-grades-k-12/book249339> ; Fisher & Frey Literacy for Life <http://fisherandfrey.com>

Table 4. Third party payments from Cognition Education to John Hattie 2010-2015

Year	2010	2011	2012	2013	2014	2015
\$NZ	m	10,000	93,322	272,133	270,559	223,439

In 2011 Hattie took up a position as professor and director of the Research Institute at Melbourne University Graduate School of Education. In 2013 he became the research theme leader for 'Promoting Learning' and deputy director of the \$AU16 million Science of Learning Research Centre, a collaboration between the University of Melbourne Graduate School of Education, the Australian Council of Educational Research and the University of Queensland. The purpose of the Centre is to establish 'new criteria to assess the impact of different types of learning and strategies to inform teaching practices of benefit to all Australians'.

Working in collaboration with his wife, Associate Professor Janet Clinton, who now also works at the Melbourne Graduate School of Education, and Access Innovation Media, Hattie has contributed to the piloting and development of a Visible Classroom App<sup>50</sup> to provide classroom teachers with assessment and feedback from university 'experts' on self-recorded audio recordings their teacher talk against a series of rubrics based on the Visible Learning research. The App works on a fee for service basis. Visible Classroom was registered as a trade mark in Australia in 2013 by Access Innovation Media Pty Ltd, and internationally in 2014.

The original Visible Classroom technology pilot project in 8 schools, conducted by the University of Melbourne, was funded by the UK Education Endowment Foundation (EEF) at a cost of £360,000. EEF has commissioned an evaluation of a significantly larger 'efficacy trial' from the UK-based The Behavioural Insights Team<sup>51</sup> to establish the programme's effect on 'learning outcomes' (the trial will be conducted by the University of Melbourne in 140

<sup>50</sup> Downloadable from App Store and Google play.

<sup>51</sup> A self-described 'social purpose company' owned by the UK government, Nesta, and its employees: <http://www.behaviouralinsights.co.uk/about-us/>; <http://www.nesta.org.uk>

schools).<sup>52</sup> In January 2015, according to their media release ‘The University of Melbourne’s Graduate School of Education and its industry partner AI-Media today launched the first of its Visible Classroom suite of tools for teacher improvement into the US market’. In May 2015, University of Melbourne and AI Media announced that they had entered a five-year global agreement to further develop Visible Classroom products, covering both research and commercialisation.<sup>53</sup> Hattie’s original scholarly work in the university setting has since been packaged, branded and monetised in multiple, diverse ways.

In July 2014, Hattie was appointed chair of the Board of Directors of the Australian Institute for Teaching and School Leadership (AITSL). According to its website, AITSL is the Commonwealth Corporation charged by the Minister of Education and Training to ‘promote excellence in the profession of teaching and school leadership’. In his press release on taking up the appointment, Hattie stated that ‘my particular focus as Chair of AITSL over the next year will be to take forward the outcomes of the Teacher Education Ministerial Advisory Group, which will report to the Minister later this year’.<sup>54</sup>

In June 2015, Pearson published two ‘thought leadership’ pieces in both rich text and video clip formats by Hattie on its Open Ideas website: *What Doesn’t Work in Education: The Politics of Distraction*, and *What Works Best in Education: The Politics of Collaborative Expertise*. The acknowledgements in each give an indication of the expansion of Hattie’s policy networking in recent years: Michael Barber (Chief Education Adviser Pearson, Chairman of Pearson Affordable Learning Fund and Chair of the Foundation for Leadership in Education), Tom

---

<sup>52</sup> The Visible Classroom 2015

<https://educationendowmentfoundation.org.uk/evaluation/projects/the-visible-classroom-2015>

<sup>53</sup> According to the University of Melbourne website, there is a 2015-2018 ‘royalty sharing agreement’ between the University and AI Media Pty Ltd, with A/Prof Clinton and Prof Hattie as named investigators: <http://www.findanexpert.unimelb.edu.au/display/grant36265>

<sup>54</sup> In June 2015, the University of Melbourne Graduate School of Education launched the Teacher Effectiveness Research Hub led by A/Prof Janet Clinton, focused on improving initial teacher education. The media release, which also quoted Professor John Hattie endorsing the need for the Hub, stated: ‘The Research Hub will include the TeacherSelector and Visible Classroom tools that measure responses in areas such as literacy, numeracy, personality, communication style and resilience’:

[http://education.unimelb.edu.au/news\\_and\\_activities/news/news\\_articles/archive/2015/media-release-research-hub-to-examine-teacher-education-effectiveness](http://education.unimelb.edu.au/news_and_activities/news/news_articles/archive/2015/media-release-research-hub-to-examine-teacher-education-effectiveness); <https://tcat.edu.au>

TeacherSelector was established as a collaboration between the University and the former Department of Education, Employment and Workplace Relations.

Bentley (Education consultant, former Director of DEMOS think tank in London and former Deputy Chief of Staff and Senior Policy Adviser to Julia Gillard 2007-2013), Janet Clinton (Melbourne Graduate School of Education), Kristen DiCerbo (Principal Research Scientist in the Center for Digital Data, Analytics and Adaptive Learning at Pearson and former research support for the global blended e-learning programme Networking Academies at Cisco), Laurie Forcier (Manager, Thought Leadership, Office of the Chief Education Adviser, Pearson) Mark Griffiths (Director of Research at Pearson), Debra Masters (Principal Consultant at Cognition Education and Director of Visible Learning<sup>plus</sup>), Dan Murphy (Research Scientist at Pearson), Field Rickards (Dean, Melbourne Graduate School of Education), Jim Tognolini (Senior Vice-President Assessment and Reporting at Pearson and formerly Research Director Australian Council for Educational Research), and Peter de Witt (US-based Education consultant, Visible Learning Trainer and Corwin Press author and series editor).

In New Zealand, Hattie was interviewed on Nine to Noon by Catherine Ryan in the same month the two pieces were released, and both were favourably cited a few months later in the December 2015 Education Review Office National Report, *Raising Student Achievement through Targeted Actions*. In summary, Hattie's now global social networking approach might reasonably be described as a seamless fabrication of his public-good, not-for-profit and for-profit policy entrepreneurship and advocacy.

### **Networks**

Networks are ubiquitous in social life and nothing new in education policy discourse. Most teachers at one time or another will have drawn a sociogram of children's person to person relations within their classroom. Most professional associations work to identify useful personal contacts and organisational allies in the polity and wider civil society, domestically and overseas, in order to lobby more strongly for the kinds of education policy settlements they wish to see.

This report, however, aims to document the nature and extent of emerging education policy networks in New Zealand state education that result from decisions by the state to contract-out services that would formerly have been undertaken within the central polity and regional public services. This

involves tracing people and organisations, their relationships and connectivities. Beyond the scope of this report is an assessment of the actual aggregate knowledge and influence that accrues via the network, and the amount of energy individuals devote to networking or with whom, but it is possible to identify the potential power of the network based on its collective experience both in education and various 'third sector' governance roles.

Established international education policy organisations and networks, which are evolving organically in response to the 'modernising' of the state and the entry this affords to private sector actors, include the Organisation for Economic Cooperation and Development (OECD) and Education International (EI), both of which are actively networked into local New Zealand education policy discourse.<sup>55</sup>

In New Zealand, the libertarian 'pro market' think tank, the New Zealand Initiative (NZI) (formerly the NZ Business Roundtable),<sup>56</sup> has energetically rebranded since 2012 to more closely resemble its Australian equivalent, the Center for Independent Studies.<sup>57</sup> It presents itself as a research and thought leadership policy actor, in an effort to position itself centrally within the local modernising the state discourse, including education policy.<sup>58</sup>

The New Zealand Initiative occupies a unique spot in New Zealand debates. We are a business-backed research organisation but we are not a lobby group. As such, we bring a pro-market perspective to policy debates without pushing specific industries or companies' interests. Such a voice is needed in political debates, and without The New Zealand Initiative it would not exist. Our members are committed to New Zealand's long-term prosperity and prepared to contribute to the public good.

Membership of the NZI is drawn from the corporate business sector. Current members (and therefore funders) include: Acumen Republic, Air New Zealand, AMP, ANZ, ASP, AWF Madison, Bell Gully, BNZ, Chorus, Cooper and Company, Craig's Investment Partners, Deloitte, Dow, EY, First NZ Capital,

---

<sup>55</sup> Leading educational expert Andreas Schleicher to visit New Zealand <https://www.beehive.govt.nz/release/leading-educational-expert-andreas-schleicher-visit-new-zealand>; Reflections on ISTP 2014 <https://www.beehive.govt.nz/speech/reflections-istp-2014>

<sup>56</sup> Roundtable and NZ Institute morph into new libertarian think tank <http://www.nbr.co.nz/article/roundtable-and-nz-institute-morph-nz-initiative-ck-115751>

<sup>57</sup> The Centre for Independent Studies <https://www.cis.org.au>

<sup>58</sup> Why is NZ shedding talented teachers? [https://secure.zeald.com/nzinitiative/Media/Media%20releases/Why%20is%20NZ%20shedding%20talented%20teachers?mv\\_pc=4161](https://secure.zeald.com/nzinitiative/Media/Media%20releases/Why%20is%20NZ%20shedding%20talented%20teachers?mv_pc=4161)

Fletcher Building, Fonterra, Foodstuffs North Island, Forsyth Barr, Freightways, Gallagher, Alan Gibbs, Google, Halls, Heartland Bank, Imperial Tobacco, Kiwibank, Lion, Mainfreight, Microsoft, Mighty River Power, NZX, Portfolio Construction Forum, PWC, Refining NZ, Samson Corporation Limited, Sir Douglas Myers, Spark New Zealand, St Cuthbert's College, Tainui Holdings Limited, Tappenden Holdings Limited, Tax Management NZ, University of Auckland, Vero, Vodaphone, Wellington City Council, and Westpac.

Newer organisations and networks that have emerged specifically as a consequence of the growing privatisation of state schooling in New Zealand include Teach First New Zealand Ako Mātātupu (TFNZ) and its associated global member network, Teach For All (TFA). TFNZ is operationalised as a boutique field-based initial teacher education programme. Consistent with equivalent programmes overseas, it is branded as a leadership development programme for 'top graduates and career-changing professionals', adapted to the new Zealand context. The stated short-term aim is to place participants in secondary schools for a period of two years. The stated long-term aim is to 'build a network of leaders in education and across all fields, who are committed to addressing educational inequality'. TFNZ's features are: (i) it selects high performing, high potential graduates only and places them in low decile schools only (90% in deciles 1-3); and (ii) the participants are appointed to vacant teaching positions across 40 schools in Auckland and Northland and paid at untrained teacher rates. The programme began in 2013. Acceptance rate is 7% of applicants. Between 2013 and 2016 TFNZ recruited 74 participants; 42% of whom teach STEM subjects. Half the participants to date are Pākehā, 16% Māori and 11% Pasifika.

TFNZ's programme partners are The University of Auckland, the Ministry of Education and TFA. TFNZ patrons are: Sir John Graham, co-founder and current Education Council member at Academic Colleges Group, patron of NCEA Campus, trustee of the Woolf Fisher Trust, former headmaster Auckland Grammar School, commissioner of Ngā Tapawae College (Southern Cross Campus), chancellor of University of Auckland, chairman of New Zealand Education and Scholarship Trust, former founding trustee Maxim Institute; and Dame Lesley Max, former secondary schoolteacher, co-founder Great Potentials Foundation (HIPPIY, MATES), establishment member Brainwave Trust.

TFNZ is supported by: Chapman Tripp, Deloitte, Aotearoa Foundation, NEXT Foundation, Harry Singer Foundation and Woolf Fisher Trust ('Kaitautoko Kauri'); by Cognition Education Trust, The Fletcher Trust, Fuji Xerox, GradConnection and KPMG ('Kaitautoko Rimu'); and by Coca-Cola Amatil, Cognition Education, COMET Auckland, First Foundation, FourthMedia, Great Potentials (MATES), InZone Education Foundation, Leadership NZ, NZ Association of Graduate Employers, Salesforce.com, School Trustees Association, Secondary Principals Association, UN Youth, and Young Enterprise Trust ('Kaitautoko Tōtara'). New Zealand Education and Scholarship Trust and Andrew Gawith and Penny Deans are listed as 'scholarship partners'.

The chief executive is co-founder Shaun Sutton, who trained as a Teach First teacher in the UK and completed an internship at Teach For All. The leadership team includes Jay Allnutt, a former London secondary teacher and Teach First Associate Director; Kaitlyn Irving, formerly a student support worker at AUT Student Centre; Seren Wilson, former human resources professional at Firth Industries and Starship Children's Hospital, and graduate development manager with Concert Communications and L'Oreal Group overseas; Steph Curley, former solicitor at DLA Piper and in-house counsel at a not-for-profit; Liam Munday (Ngāti Kahu ki Whangaroa), development and high performance coach for North Harbour Volleyball and human resources assistant for Getley's recruitment and HR Solutions; Margaret Bendall, currently a staff member at the University of Auckland Faculty of Education and Social Work, trustee of Cognition Education and adviser to the NEXT Foundation, former principal Epsom Girls' Grammar School, board member NZQA, and director of Learning Media; Jono Smith, director of Teacher Preparation and Support, on secondment from deputy principal role at Onehunga High School; Lynne Savage, director of the Health Sciences Academy, former secondary school teacher; and Mike Hughes, former secondary teacher, head of department and deputy principal. The TFNZ Kaumatua is Awi Ridell (Ngāti Porou), former teacher and Principal of Te Aute College, and advisor in the Department and Ministry of Education.

TFNZ is registered as a charitable trust. It submits annual financial statements as required (Table 5), but elects not to publicly release an annual report on its activities (However, NZCER is contracted by the Ministry of



Education to provide an independent evaluation of the programme). Like COMET, TFNZ Trust does not accumulate equity. Its operating revenue is largely in the form of grants and sponsorship. Its major operating expenses are general operational, subcontractors to help with Trust activity start-up, and wages.

Due to the nature of the partnership obligations with University of Auckland and Ministry of Education: Student Achievement Component funding from TEC, and student fee revenue paid by participants (or through scholarships) appear to accrue entirely to the University; while the salary costs of employing the untrained teacher participants, appear to accrue entirely to the Ministry. The addition of these two major revenue streams gives a more complete picture of the cost to the state of partnering with the philanthropic initiative.

Table 5. Teach First New Zealand Trust annual financial statements 2011-2014

TFNZ	2011	2012	2013	2014
Grants	218,113	442,411	560,509	704,838
Interest	1,727	4,701	6,461	7,873
MoE	0	15,972	60,138	98,310
<b>Total Income</b>	<b>219,860</b>	<b>463,084</b>	<b>627,108</b>	<b>811,021</b>
Operations	76,366	110,932	160,612	269,573
Employees	3	7	8	10
Subcontractors	38,369	103,864	97,094	19,106
Wages	103,380	243,587	362,940	514,469
<b>Total Expenses</b>	<b>218,115</b>	<b>458,383</b>	<b>620,646</b>	<b>803,148</b>
Surplus	1,745	4,701	6,462	7,873
<b>Equity</b>	<b>1,745</b>	<b>6,446</b>	<b>12,908</b>	<b>20,782</b>

The current TFNZ trustees are registered as: Bernadine Vester, former chief executive of COMET, secondary school teacher and assistant principal, junior vice-president NZPPTA, led establishment board of Mission Heights school, Flat Bush; David Glover, principal of Creative Strategies business development consultancy, former CEO of Learning Media, former creative director and CEO of McCann Erickson Worldwide advertising agencies, owner of David Forman business training company; Deborah George (Chair), current director of enrolment at Auckland Grammar School and board member of InZone Education Foundation, former teacher and co-founder of TFNZ, education business owner, and Books in Homes programme manager; Fiona McTavish, general manager strategy Bay of Plenty Regional Council, former general

manager education workforce at the Ministry of Education; Alistair Nicholson, current chair of Wakatipu High School BoT, former founding partner and chief investment officer of Singapore-based equity hedge fund Alcor Investment Management, managing director and head of trading for an American investment bank in Hong Kong, chief executive for Ord Minnett in New Zealand, junior lecturer Massey University, secondary school teacher; Miles Shephard, management consultant and business advisor, former Auckland Secondary Teachers' College teacher, Ministry of Education contractor; and Shay Wright, head of Māori development at The ICEHOUSE business growth centre. Advisors to the Board are Professor Graeme Aitken, current dean of the Faculty of Education and Social Work, University of Auckland; Soana Pamaka, principal at Tamaki College, Museum of New Zealand Te Papa Tongarewa board member, and former ASB Community Trust (Foundation North) trustee; and Rebecca McGrath, Sir Edmund Hillary Collegiate teacher.

Past Trust officers are: Tony Falkenstein, entrepreneur, philanthropist and CE of Just Water International Ltd, philanthropic founder of Onehunga High School business school; Carol Hirshfeld, broadcaster; Damon Salesa, associate professor at the University of Auckland; John Sproat; Karen Sewell, former Secretary of Education & CE Ministry of Education, Chief Review Officer & CE, Education Review Office, acting CEO of NZQA, former secondary school principal; Melegalenuu Ah Sam, currently assistant principal Mangere College, board member New Vision Charitable Trust; Shaun Sutton (CEO); and, Soana Pamaka.

Despite its modest size and scope of activity in New Zealand, TFNZ is able to draw on the expertise of a global network of sibling programmes (TFA), and the considerable accumulated educational and philanthropic capital of the individuals and organisations around which TFNZ's social network has been constructed. It bears repetition that TFNZ has produced only 74 graduates since establishment, has annual income of considerably less than \$1 million and has accumulated negligible equity. This does not suggest an organisation with sufficient social network reach or influence to attract global participation and patronage. In contrast, TFA does.<sup>59</sup>

---

<sup>59</sup> The TFA Board comprises Dr Frank Appel, CEO Deutsche Post DHL Group; Dame Julia Cleverdon, chair UK National Literacy Trust, Chair Read on. Get on; Ian David, chairman Rolls

Recently, this was reflected in TFNZ and TFA co-hosting the invitation-only Further Together: The Teach for All Global Conference, held in Auckland 15-17 October 2015. In addition to a programme of presentations and visits to schools by more than 200 TFA members from 43 countries, on the final day, 'around 200 local New Zealand educators and education advocates joined the international Teach for All community and helped push collective thinking about the value of strong partnerships in every aspect of the global network's work'.

Among the programme of approximately 80 presenters (many of whom were TFA executives or social investment entrepreneurs from around the world) the international speakers included: Andreas Schleicher, Director for Education and Skills, and Special Advisor on Education Policy to the Secretary-General OECD (and also a TFA board member); and Tony Mackay, CEO Centre for Strategic Education (CSE) Melbourne, Inaugural Chair Australian Institute for Teaching and School Leadership (AITSL), Inaugural Deputy Chair Australian Curriculum, Assessment and Reporting Authority (ACARA) (plus several other international education governance roles), and Deputy Chair of the Education Council, New Zealand.

New Zealand speakers, in addition to local TFNZ and Cognition Education staff, included: Barbara Ala'alatoa, Principal Sylvia Park Primary School (and Chair of the Education Council); Dame Anne Salmond, Distinguished Professor, University of Auckland; Frances Valintine, Founder The Mindlab by Unitec;

---

Royce plc; Paul Fletcher, executive chairman Actis, co-founder Emerging Markets Private Equity Association; Sir John Hood, president and CEO Robertson Foundation; Wendy Kopp, co-founder and CEO TFA; Dr Antonella Mei Pochtler, senior partner and managing director Boston Consulting group; Shaheen Mistry CEO Teach for India; Tomás Reckart, Director Ejecutivo, Enseña Chile; Dr Fernando Reimers, director International Education Policy Program, Harvard Graduate School of Education; Andreas Schleicher, director OECD Directorate for Education and Skills; Brett Wigdortz, co-founder TFA, Founder and CEO Teach First; Joseph Saunders (emeritus director) former chairman and CEO Visa Inc; Dr Rufus Black (emeritus director), master Ormond College University of Melbourne; Mark Fuller (emeritus director), CEO Rosc Global LLC, former chairman and CEO Monitor Group. TFA also has a Global Advisory Council of 22 members <http://teachforall.org/en/about/global-advisory-council>; eight Global Champions, corporates and private foundations that donate at least \$US1 million annually, six Partners that donate at least \$US500,000 annually; 12 Supporters that contribute at least \$US250,000 annually; three strategic partners that donate 'significant in-kind support across key areas'; and 30 Friends of TFA that donate at least \$US5,000 annually <http://teachforall.org/en/about/supporters>. TFA is registered as a charity in New York City. Its 2015 Form 990 return reported an income of \$US19,892,000, expenses of \$US22,960,049, a deficit of (\$US3,067,959) and net equity of \$US13,001,993. NYC charities are required to report some remuneration information for officers and employees who received more than \$US100,000 from the organisation or related organisations. CEO Wendy Kopp received \$US384,905 in total. 37 individuals in TFA received more than \$US100,000.

Kelvin Davis MP; Margaret Bendall, independent education adviser; Mark Powell, Group CEO of the Warehouse; Pat Snedden Director Ports of Auckland (and Chair of the Manaiakalani Education Trust); Russell Bishop, Professor of Education, University of Waikato; Sir John Hood, President and CEO, Robertson Foundation (former Vice-Chancellor of Auckland and Oxford universities, and also a TFA board member ); and Sir Pita Sharples, former Head of the Māori Party.

### **Cases**

The six descriptive cases included in this report have been constructed from four sources: the organisation's website; (ii) its annual financial statements and annual reports; (iii) a social network analysis using Gephi open source software of (a) person to person and (b) organisation to organisation social networks for members of each organisation's governance and senior leadership groups;<sup>60</sup> and (iv) media releases and reports.

The style of the case narrative is largely descriptive. Each narrative is intended to prioritise how the organisation sees itself, its contribution to state schooling provision, and to the future development of state schooling policy.

Single quotation marks or indented text are used to identify direct quotations from all sources used.

---

<sup>60</sup> See Appendix A: Methodology

## **Pearson**

Pearson self-describes as ‘the world’s largest education company’. In Australia, where its closest regional headquarters may be found, Pearson has competed energetically in recent years for a share of the national testing market (e.g. Horgan, Sellar & Lingard 2016). In New Zealand, Pearson appears only to have a modest presence, being wholly represented by Edify Limited, ‘a 100% NZ owned and operated company’. Edify is a sales, marketing and publishing company serving New Zealand and the Pacific region. In contrast, Pearson is a global education services, thought leadership and venture capital brand.

Pearson’s mission is ‘to help people make more of their lives through learning’. It has ‘40,000 employees in more than 70 countries’. Pearson sales in 2015 were £4,468 million (2014 £4,540 million). Pearson’s statutory results show an operating loss of £404 million for 2015 (2014 £348 million operating profit), a 2015 profit of £823 million (2014 £470 million), 2015 earnings per share of 101.2p (2014 58.1p) and 2015 dividend per share of 52p (2014 51p).

‘In 2014, our charitable giving was £14.4 million or 2% of pre-tax profits’. Of this ‘giving’, 50% was from the Pearson Foundation, 29% was ‘in kind (product and time)’, and 21% ‘direct giving’. Following a strategic review, Pearson reported that from 2015, it would no longer fund the Pearson Charitable Foundation but instead focus on its Project Literacy campaign. It is stated that ‘Since its inception in 2003, the Pearson Foundation contributed more than \$130 million to improving learning opportunities and outcomes for young people and adults and supporting the aims of exemplary non-profit organisations’.<sup>61</sup>

Pearson’s 2014 Sustainability Report argues that:

Not-for-profit partners can help us extend our reach and impact in ways that have a real impact on learning –especially for the most disadvantaged – and are complementary to our business impact. We also believe that our stakeholders expect and value our efforts to work in partnership with charitable organizations. This is exemplified in the organizational form of Project Literacy, Pearson’s ‘flagship social impact campaign.

---

<sup>61</sup> For an alternative reading of Pearson Foundation activities (resulting in fines for unlawfully generating business for the Pearson company), see Pearson Education can run, but it cannot hide [http://www.huffingtonpost.com/alan-singer/pearson-education-can-run\\_b\\_6327566.html](http://www.huffingtonpost.com/alan-singer/pearson-education-can-run_b_6327566.html)

Pearson's role is 'to convene more than 40 organizations'.<sup>62</sup> Pearson aims to 'help make a difference' in ensuring access to and progress in education, but because it cannot do so alone, Pearson says it is 'fostering a global community of teachers, parents, students, governments, institutions and businesses, who can help us find the answers and deploy the solutions'. Pearson's website frequently reiterates its 'Efficacy Growth & Impact Goals' of 'empowering the lives of 200 million learners by 2025' through three strategic areas of focus, or key stages of learning:

- 'Access to high quality primary, secondary & postsecondary education.
- Success in education through enhanced literacy, numeracy, knowledge & skills.
- Progress as a result of education into a first career or advancement in career.'

Throughout the great majority of its web pages, Pearson emphasises its corporate activities and the conduct and dispositions of its employees using a lexicon of communitarian social mission, and de-emphasises its role in generating financial returns to shareholders:

Meeting the global demand for education will make us a more profitable company, profits which we invest back into improving education for everyone – to ensure that the ultimate prize is a better world for us all to live in.

Pearson claims to have restructured itself in recent years to 'become more digital and more capable of improving education in the world's great developing economies'. In doing so, Pearson has adopted a 'new and unflinching commitment to efficacy – the idea that every product or service we invest in is judged by the successes of the people who use them'.

Pearson defines its 'geographies' as 'North America', 'Growth Markets' (Brazil, South Africa, China, India 'and other fast growing economies') and 'Core Markets' (UK, Australia, Singapore, Germany, France, Benelux, Italy). The language used is: 'to make education more effective, accessible and affordable', 'take great educational products and services and apply them at scale', and 'work closely with educators and policy makers to improve learning through creating curriculum, designing assessments and developing digital assessment systems'. Possibly most relevant to New Zealand is the observation that 'Additionally we

---

<sup>62</sup> About Project Literacy <http://www.projectliteracy.com/about>

have around 100 other ‘Partner’ markets, where we do not have scale ourselves, so we collaborate with others who share our values and commitment to efficacy to maximize reach and impact’.

Pearson’s Chief Education Adviser is Sir Michael Barber. Previously, he was partner and head of Global Education Practice at the management consulting company McKinsey and Company; and before that Chief Adviser on Standards to the Secretary of State for Education and Chief Adviser on Delivery to the Prime Minister in successive Blair governments in the UK. Barber is reportedly responsible for the new Pearson initiatives on ‘Efficacy’, ‘Pearson Affordable Learning Fund’, and ‘The Learning Curve’.<sup>63</sup> The last of these has strong similarities with the approach taken in two reports Barber completed while at McKinsey and Company in an effort to shape global education policy discourse: *How the World’s Best-performing School Systems Come out on Top* (2007); and *How the World’s Most Improved School Systems Keep Getting Better* (2010). In 2011, Barber also co-authored *Deliverology 101: A Field Guide for Educational Leaders* with his McKinsey and Company colleagues Andy Moffit and Paul Kihn, based on his work in the Prime Minister’s Delivery Unit in the Blair government.<sup>64</sup>

Barber describes The Learning Curve as ‘a collection of data and research that benchmarks global education standards, and explores emerging themes and practices that are shaping the world’. It combines the results of various international rankings such as PISA and TIMSS to produce ‘the equivalent of a poll of polls’. At the same time ‘Pearson is publishing a series of papers by the world’s leading education thinkers on how to improve teaching, learning and the performance of education systems’.<sup>65</sup> Barber asserts that The Learning Curve report ‘makes a further contribution to the knowledge base on which education leaders are drawing. It also makes possible extensive further research’ and contributes to ‘the ever-deeper knowledge base that will change the world’.

---

<sup>63</sup> Michael Barber (Wikipedia entry)

[https://en.wikipedia.org/wiki/Michael\\_Barber\\_\(educationist\)](https://en.wikipedia.org/wiki/Michael_Barber_(educationist))

<sup>64</sup> Deliverology: From idea to implementation <http://www.mckinsey.com/industries/public-sector/our-insights/deliverology-from-idea-to-implementation>

<sup>65</sup> <https://research.pearson.com/>

Indeed, through its Research and Innovation Network, Pearson positions itself as a leading producer (and strategic partner in the production) of new knowledge and knowledge tools:

- Inventing new digital technologies to support educators in adapting instruction to individual student needs
- Translating research into recommendations and services that help educators overcome instructional challenges
- Collaborating with leading experts and practitioners to conduct research and development
- Sharing and receiving intellectual insights during conferences, through publications, when collaborating with educational stakeholders, and by consulting with foundations on the innovations needed as education navigates its way from the pre-digital to the digital.

The Network comprises six research centres (Digital Data, Analytics & Adaptive learning; College & Career Success; NextGen Learning and Assessment; Learning Science & Technology; Educator Learning & Effectiveness; Product Design Research & Efficacy). 'Each center is led by accomplished researchers who provide both intellectual leadership in the field and advise practitioners working at the front lines of education'.

Pearson also actively networks through a series of proprietary blogs (Always Learning; Pearson Labs, Research and Innovation Network; Learning and Teaching; Pearson Students; Parents, Kids and Learning; Pearson English) and other social media (Twitter; Facebook; Youtube; LinkedIn).

On its homepage, the Pearson Affordable Learning Fund (PALF) is described as 'making significant minority equity investments in for-profit companies to meet the growing demand for affordable education across the developing world'. PALF was established by Barber and former McKinsey and Company colleague Katelyn Donnelly, based on their experience of advising the Punjabi government in Pakistan. They founded PALF as 'a for profit venture fund in response to the vital market opportunity and government need for low-cost private education in the developing world'.<sup>66</sup> Barber chairs the PALF board. PALF began in 2012 with \$15 million. In 2015, a further investment of \$50 million over

---

<sup>66</sup> For a critical commentary on Pearson's business model, see Unmaking the market-maker: Pearson in the Global South <https://www.unite4education.org/uncategorized/unmaking-the-market-maker-pearson-in-the-global-south/>  
Pearson's quest to cover the planet in company-run schools <http://www.wired.com/2016/04/apec-schools/>



three years was announced. PALF's partners are the Center for Educational Innovations (managed by Results for Development [R4D]), Omidyar Network, and Village Capital.

PALF works with entrepreneurs at varying stages in emerging markets. In years past we have run incubators, education summits, among other programs to build the affordable education ecosystem globally and find and support the very best education entrepreneurs addressing their local communities. Through our programming we have worked with seed stage to later stage education companies in India, Africa and Latin America. We are now planning new 2016 programs in Southeast Asia and Brazil and follow up programming in India and Africa.

PALF's moral justification for its for-profit approach is that it provides access to education for millions of children in states where government does not have the capability or capacity to do so. In this regard, it is self-styled as more of a social or impact investment than a pure commercial activity. It is claimed to fill a gap in public education provision as 'part of the solution' to educational inequity in 'developing countries'.

The Gephi graphic of Pearson's board and executive team social networks (Appendix C, Table C1, Figure C1) shows four main clusters of points.<sup>67</sup> In the centre is Pearson (red); at bottom left, UK government and associated departments (yellow); at top right is World Economic Forum and other international and business forums (blue). The middle right represents for-profit organisations (Green) with World Economic Forum as a connector point between this cluster and the top right one. Within the Pearson cluster the key people identified are: Vivienne Cox, Sir Michael Barber, Elizabeth Corley, Joshua Lewis, Harish Manwani and Glen Moreno.

Vivienne Cox (5) is the main connection to the cluster of points to the bottom left. The organisations and companies she connects Pearson to are UK government, FCO, British Council, BIS and the Airports Commission. In turn these organisations are connected to DfID, UK Trade and Investment, HM Treasury, Future of Finance Initiative, The City UK Ltd, Mortgage Finance Gazette and Financial Industry Group. (Obvious significant benefits that senior policy actors

---

<sup>67</sup> See Appendix A: Methodology. Following Scott (2013, p. 176), for the sake of simplicity in this report the term 'points' is used in preference to 'nodes' or 'vertices', and lines in preference to 'edges'. By way of limitation, it is important to note that what is reported here is one preliminary approach to mapping social networks in state schooling. Other approaches might reveal different relationships and patterns of relationship.

bring to a Board or Trust are their social connections and the ability to facilitate network introductions on behalf of the organisation.)

Sir Michael Barber, Elizabeth Corley and Joshua Lewis are key social network connections to the UK government and businesses 'orbiting' central to top left of Pearson in the graphic. Included in these are the investment companies Allianz Global Investors, Axioma and eVestment. Harish Manwani connects Pearson to Unilever, Blackstone, Qualcomm, Whirlpool Corporation, which in turn networks to the cluster of points to the top right of Pearson. Glen Moreno is a key connection to Xynteo and All American Speakers, which forms the cluster of organisations to the bottom right of Pearson on the map.

### **Cognition Education**

Cognition Education's current web strapline is 'We turn the science of learning into practical applications that support educators, communities and governments to deliver tomorrow's success'. Cognition Education self-describes as 'a leading provider of education consultancy services, professional development and publishing', operating in more than 25 countries internationally. Its main activities are professional learning, publishing, educational consultancy and school transport. Cognition Education works with both 'public and private sector clients' to 'identify solutions that will support their project goals'. The Cognition Education brand is strongly associated with Professor John Hattie via its Visible Learning<sup>plus</sup>™ 'product', through which 'we have trained tens of thousands of teachers and school leaders across over 35 countries around the world'.<sup>68</sup> (The Cognition Education senior leadership team also has a named portfolio: Vice President - Visible Learning Plus.) Cognition Education's 'clients and partners' are listed as: NZ Ministry of Education, Ministry of Health, UCOL, Health Promotion Agency, Te Toi Tupu Leading Learning Network, Physical Education New Zealand, New Era, XL (Indonesia), Education Investment MENA (Middle East and North Africa), Basalt (Netherlands), Corwin (Australia and North America), JN Partnership Challenging Learning (UK, Sweden, Denmark), Osiris Educational (UK), Vertex Consultants (USA and Canada).

In 2015, Cognition Education appointed a CEO from overseas for the first time, **Tina Lucas**, to lead further offshore expansion and development. Lucas' previous UK executive roles include Aspire-Education (industry apprenticeship and work readiness programmes), Nord Anglia PLC ('premium' international schooling) and STEMtech Education (conference and seminars).<sup>69</sup> In 2015 **Andrew Short** was appointed General Manager International Business

---

<sup>68</sup> The Visible Learning<sup>plus</sup> Annual Conference 2016 was held in Washington DC. The keynote speakers featured on the conference splash page are John Hattie; Emeritus Professor, Ontario Institute for Studies in Education, Michael Fullan, CEO Michael Fullan Enterprises; Peter L. Agnew Professor of Education, New York City University Pedro Noguera; Distinguished Professor of Education, University of Auckland, Viviane Robinson; and Professors Douglas Fisher and Nancy Frey, San Diego State University, the co-authors of Hattie's latest 2016 Visible Learning series book: *Visible Learning for Literacy Grades K-12* <http://www.cvent.com/events/2016-annual-visible-learning-conference/event-summary-b3808e63bc434f5887561e86d4de3eec.aspx>

<sup>69</sup> <http://www.stuff.co.nz/business/opinion-analysis/74200751/British-woman-chief-for-Cognition-Education>

Development. Short has public and private sector educational leadership and system change experience in the Middle East and North Africa. **Chris Sullivan**, Vice President Media and Publishing, trustee New Zealand Youth Mentoring Network, also has established Middle East networks as a former board member of the New Zealand Middle East Business Council.

At the time of writing, the Group comprises Cognition Education and Cognition Education Trust. These have evolved from the original charitable entity Multi Serve Education Trust, which was established in October 1989 to provide mostly school transport, payroll and financial administration support to schools at the time of the introduction of the Tomorrow's Schools administrative reforms. In 2007, Multi Serve Limited was registered as a wholly owned subsidiary company of the Trust. In 2008, the group rebranded to help distinguish its overseas and domestic focused activities.<sup>70</sup> All Group entities are NZ registered charities: Multi Serve Education Trust, (subsequently New Zealand Education and Development Trust [2009] and then Cognition Education Trust [2009]); Cognition Consulting Limited (subsequently Cognition Education Limited [2009]); and Cognition Education Research Trust (subsequently Cognition Institute [2009], which was deregistered in 2011).

Cognition Education describes its charitable or public benefit activities as 'giving back for better futures'. These comprise: the work of Cognition Education Trust; making available meeting rooms and facilities to education and community groups at no cost; the use of Cognition Education facilities and resources to support the ChallengED professional learning and development community for schools across Auckland; the #edchatNZ community and conference; a corporate social responsibility programme that encourages staff to donate time to education and not-for-profit groups; a partnership with the Auckland Primary Principals' Association to support their professional development; and administration of the Festival of Education<sup>71</sup> in Auckland,

---

<sup>70</sup> Multi Serve Education Trust announces new CEO  
<http://www.scoop.co.nz/stories/ED0806/S00020/multi-serve-education-trust-announces-new-ceo.htm>

<sup>71</sup> Based on the original London Festival of Education concept:  
<http://www.londonfestivalofeducation.com/about>, at which Professor John Hattie was a featured speaker: John Hattie at the London Festival of Education <http://visible-learning.org/2013/02/john-hattie-at-the-london-festival-of-education/>

Wellington and Christchurch, sponsored by the Ministry of Education, Education New Zealand and various public and private organisations.

Cognition Education's professional learning portfolio is reported to be based on collaborative design to build 'a coherent and culturally responsive set of effective practices' across schools or clusters of schools. Cognition Education offers professional learning programmes in: Adventures in Science Teaching and Learning; Community Engagement; Culture Counts; Curriculum Review and Development; Data Literacy; Gifted and Talented Education; Inquiry, Planning and Evaluation; Innovative Learning; Learning Outside the Classroom; Literacy for Learning; Managing Change, Primary Maths 2 Measure; Relationships-Based Learning; Secondary English; Secondary Maths 2 Measure; Secondary literacy; Student Voice; Teaching and Learning; Teaching Practice/Pedagogy, Transitions; and Visible Learning<sup>plus</sup>.

Culture Counts<sup>plus</sup> is described as having been developed 'in close partnership with Professor Russell Bishop' who led the Ministry of Education funded Te Kotahitanga project based at the University of Waikato. Of the other offers, Visible Learning<sup>plus</sup> is to date the most developed as a branded commercial product. The suite of workshops and associated multi-media materials is delivered in Australia and internationally via a number of publishing and professional learning and development services delivery partners: (Osiris Educational [UK]; JN Partnership [Scandinavia]; Corwin Australia and Basalt [Netherlands]). Sixteen workshops are offered across three series (Foundation, Inside, Collaborative Impact). Schools may also apply to become certified as a Visible Learning Impact Certified School. The Visible Learning <sup>plus</sup> online 'community' is built through Newsfeeds, videos and a blog.

The publishing portfolio is focused on education and health publishing, and on multimedia resources with an 'associated package of services to help you get the right message across'. Education publishing contracts to date have largely been funded by the Ministry of Education: DVDs for Diverse Learners (with TEAM Solutions, UC Education Plus, Visual Learning), Senior Secondary Curriculum Guides - Mathematics and Statistics, Blended e-learning (with Te Toi Tupu Leading Learning Network); Arts Online; and Health Promoting Schools (HPS) Workforce (funded by Ministry of Health). In 2015 Cognition Education

purchased Wavelength, a New Zealand education and e-learning resource design, small to medium enterprise.<sup>72</sup> Cognition Education's publishing arm has offices in Auckland, Wellington, UAE and the UK. Clients include: Fonterra, McGraw Hill, Commonwealth Education Trust, 5+A Day charitable Trust, AUT Millenium Institute, Ministry of Education NZ, Ministry of Education Singapore, Children's action plan Directorate, Te Kura; The Correspondence School, EduMaxi (a NZ based, China-focused educational design company) and the New Zealand Heart Foundation.

Cognition Education's educational services and operations portfolio covers consultancy and project management for governance, establishment (of new schools), financial management and school transportation services (in addition to Cognition Education's contract with the Ministry of Education to manage school transportation services in New Zealand). The consulting portfolio focuses on collaborative data gathering, planning, implementation and 'evaluation of the impact of change'. Cognition Education also maintains a blog Insights & News, the most regular contributors to which, since 2013, have been Dr Stuart Middleton and Chris Sullivan.

In addition to the Senior Leadership, Cognition has a governance board of directors, many of whom have significant education experience and/or networks, (while the experience, expertise and connections of others are in private, NGO or philanthropic sector leadership and/or governance). The current Board comprises **Christopher Morton** (Chair) (appointed to Multi Serve Board 1990), senior executive in construction and property industries; **Professor Alister Jones**, DVC Research and Deputy Vice-Chancellor, University of Waikato (appointed 2012); **Howard Fancy**, director of Motu Economic and Public Policy Research, formerly Secretary for Education, NZ Ministry of Education 1996-2006 (2009); **Jo Clayton**, director Acumen International and also works at Icehouse, University of Auckland Business School (2012); **Mike Taitoko** (Ngāti Maniapoto), managing director of Waiora Pacific Ltd and formerly Tuia Consulting Ltd. , member of Massey University College of Business Advisory Board (2012); and Susan Hansen, director of a company listed on the London

---

<sup>72</sup> Education companies now on same wavelength  
[http://www.nzherald.co.nz/business/news/article.cfm?c\\_id=3&objectid=11428578](http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11428578)

Stock Exchange and chair of the Audit Committee of an Australian public company, formerly employed at a 'Big Four' accounting firm and a Wall Street investment bank, involved with University of Auckland Graduate School of Management.

Previous Board members include: **Carol Moffatt**, formerly manager of the national ICT strategy in the Ministry of Education and also a director of CORE Education since 2005 (until 2011); **Desmond Hammond** (Chief Executive) (until 2008); **Ian Cordes** (Finance Director) (until 2010); **John Hattie**, formerly Professor of Education at University of Auckland (until 2012); **John Langley**, formerly Dean of Education at University of Auckland (until 2012); **Keith Goodall** (until 2013) and **Stewart Germann** (until 2014).

The current Cognition Education Trust trustees<sup>73</sup> are **Candice Craven** (Chair), chartered fellow New Zealand Institute of Directors, director Auckland Regional Amenities Funding Board and Niger Holdings, chair Royal New Zealand Ballet, former chair of Investment Committee Public Trust, Investment Committee member ASB Community Trust Board (Foundation North), board member Philanthropy New Zealand and director Auckland Council Investments Ltd.; **Margaret Bendall** (Deputy Chair), Faculty of Education University of Auckland, formerly principal of Epsom Girls Grammar School and NZQA board member; **Richard Jeffries** 'Formerly Provost - Corporate (Co-Deputy CEO) for Te Whare Wānanga o Awanuiārangi in Whakatane and past Director and Chair of Te Putea Whakatapu Trust (TPWT) - the education and training offshoot of Te Oho Kaimoana (TOKM)' and council member at the University of Waikato, former manager of KCSM Māori development consultancy; **Tim Livingston**, 'chartered accountant, director and community leader'; **Sarah Martin**, foundation principal Stonefields School Auckland; **Anna Rodda** (Executive Officer) Executive Director and developer of the Michael Hill International Violin Competition, member of the NZ Institute of Directors, the Project Management Institute and lecturer in arts management, former general manager Auckland Philharmonia Orchestra, the Auckland Writers and Readers Festival and NZ Sculpture OnShore; and, as 'Adviser to the Trust on Academic Matters', **Professor John Hattie**, Director of

---

<sup>73</sup> The Charities Register lists Cognition Education Trust Limited, a body corporate, as sole Trustee of the Trust, and does not provide historical information on the appointment of individual Trust members (variation to the Trust Deed, May 2009).

Melbourne Education Research Institute at the University of Melbourne and Honorary Professor at the University of Auckland.

The final 2010 Financial Statements of the Cognition Institute<sup>74</sup> (previously the Cognition Education Research Trust) list the then Trustees as **Stewart Germann; Keith Goodall; Terry Bates**, Deputy CEO Cognition Education<sup>75</sup>, formerly regional manager Ministry of Education and foundation campus director of Southern Cross Campus, Mangere; **Margaret Bendall; Russell Bishop; Hon Wyatt Creech**, formerly Minister of Education; **Nola Hambleton**, representing Auckland Primary School Principals' Association; **Janet Kelly**, representing New Zealand School Trustees' Association; **John Langley**; and **Mary Sinclair**, formerly senior manager for Schools Monitoring and Support, Ministry of Education.

Its website states that:

The Cognition Education Trust is a registered NZ Charity and is the 100% shareholder of Cognition Education Ltd. Through our investment strategy and the donations made by our subsidiary, Cognition Education Ltd, we invest in educational initiatives, interventions and projects that measurably advance education in New Zealand. Cognition Education Trust has a history of supporting educational initiatives and research in New Zealand. Its past granting history illustrates a range of support given to key projects and respected organisations such as Fulbright and the University of Auckland.

The Trust's vision is to 'contribute to increasing the life chances of its beneficiaries, the young people who are the future stewards of Aotearoa New Zealand's social and economic well-being'. Its mission is 'to support educational projects and initiatives that increase evidence-based knowledge' with a focus on 'projects that increase teacher effectiveness because the evidence shows that excellence in teaching is the single most powerful influence on student achievement'. The Trust's purpose is twofold: 'To exercise the responsibilities of its 100% shareholding in Cognition Education Ltd; Through the careful stewardship of a capital investment fund, to provide grants in the education sector'. The Trust's shareholder strategy is to increase the value of its shareholding in Cognition Education Ltd. Its capital investment strategy is to

---

<sup>74</sup> One of the final outputs from the Institute was an edited collection of invited essays on the Tomorrow's Schools reforms: Tomorrow's Schools 20 Years On [http://www.cognitioneducationtrust.org/wp-content/uploads/2013/09/report\\_cognition\\_institute\\_john\\_langley\\_ed.pdf](http://www.cognitioneducationtrust.org/wp-content/uploads/2013/09/report_cognition_institute_john_langley_ed.pdf)

<sup>75</sup> And later, CEO for four years following John Langley's departure until the arrival of Tina Lucas.



optimise returns on its perpetual investment ‘and increase the overall capital fund in order to provide long term stability, and a healthy annual granting amount’. The Trust states that it ‘uses its best efforts to minimise its overhead expenses as befitting a charity, and to direct the majority of its income into its granting activities’ while balancing grant investment and increasing capital.

The Trust reports that its philanthropic programme focused initially on awards to schools, then research programmes and now ‘funds a range of projects and collaborations with other philanthropic organisations’. Cognition Education Trust is ‘associated with’ Cognition Education, Philanthropy New Zealand, Fulbright New Zealand, The University of Auckland Faculty of Education, Manaiakalani Education Trust, Storytime Foundation, New Zealand Geographic, Teach First New Zealand and Whangarei Boys’ High School. Since 2008, Cognition has funded a Fulbright-Cognition Scholar Award. The NEiTA awards programme is jointly sponsored by Cognition Education Trust and ASG Education Programs New Zealand. The Trust contributed to the costs of the Teacher Expectation Project by Professor Christine Rubie-Davies at University of Auckland, to the appearances of Professor John Hattie and Professor Michael Fullan at the NZ Festival of Education, to the Professional Learning and Development programme of Manaiakalani Education Trust, to two pilot programmes for delivery of the Storytime Foundation’s Books for Babies programme, and to the development of National Geographic’s education resource. Between 2008 and 2015, Cognition Institute provided support for 18 small-scale research projects, including three of its own.

Table 6. Cognition Education Ltd annual financial statements 2009-2015 (2012-2015 figures include the wholly owned subsidiary, Cognition South East Asia)

<b>Cognition Education</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Income</b>	41,463,000	69,149,000	52,892,451	33,163,226	27,561,796	27,475,678	28,092,285
<b>Surplus/(Deficit)</b>	6,516,000	7,096,000	2,173,936	(3,612,809)	(4,492,668)	(1,218,258)	(1,027,034)
<b>Director Fees</b>		228,666	252,000	247,833	286,000	252,928	236.801
<b>Employees</b>	329	278	192	179	145	159	164
<b>Donation to Trust</b>	0	500,000	350,000	2,000,000	3,000,000	2,850,000	500,000
<b>Equity</b>	7,290,000	17,096,224	19,270,160	15,657,351	11,164,683	9,946,425	8,919,391

Table 7. Cognition Education Trust annual financial statements 2009-2015

<b>Cognition Education Trust</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Income</b>	6,499,962	500,848	402,982	2,028,482	3,106,795	3,019,020	1,095,748
<b>Surplus/(Deficit)</b>	1,168,280	(205,094)	91,029	1,463,050	2,604,105	2,713,183	654,111
<b>Fees</b>	187,000	51,500	68,824	60,607	86,600	74,605	70,795
<b>Grants</b>	323,000	654,000	59,742	178,984	123,787	115,063	251,826
<b>Equity</b>	10,909,000	17,800,000	10,795,274	12,258,324	14,862,429	17,575,612	18,229,723

Table 8. Cognition Institute annual financial statements 2009-2010

<b>Cognition Institute</b>	<b>2009</b>	<b>2010</b>
<b>Income</b>	288,000	511,190
<b>Surplus</b>	(134,000)	(183,553)
<b>Fees</b>		
<b>Grants</b>	305,000	458,216
<b>Equity</b>	570,000	356,000

The summarised annual financial statements above illustrate the Cognition Education Trust Group's income, surplus, grants and equity over a period of seven years. The Charities Register lists Cognition Education Trust's activities as 'Makes grants to organisations (including schools or other charities)' and Sponsors/undertakes research', and therefore any assessment of Cognition's public benefit should arguably be made with this in mind, even though the wider Group's everyday contract and trading activities may be regarded as inherently charitable as they are in some way or another about 'advancement of education' (Poirier 2013, p. 73).

From a high point of \$69 million income in 2010 when Cognition Consulting Ltd/Cognition Education Ltd was experiencing particular success overseas, the post-Global Financial Crisis period has seen income shrink by over half, despite the fact that the New Zealand Ministry of Education made the former school support services contracts contestable from 2011. In the same period, total Trust equity has been maintained at approximately \$18 million. Donations from Cognition Education to the Trust increased markedly in 2012, 2013 and 2014. Since 2012 Cognition Education has as a direct consequence reported a deficit each year (and thereby no tax liability). Cognition Education directors' fees and the Trust's trustee fees have grown from \$187,000 in 2009 to a combined \$307,596 in 2015. Trust grants have reduced from a high point of \$654,000 in 2010 to \$251,286 in 2015. In 2015, the Trust declared income of \$1,095,748, and a surplus of \$654,111 (also its increase in equity). Looking across the Group as a whole, aggregate income across both entities was

\$28,688,033. Grants totalled \$251,826. This equates to a direct granting proportion of 0.9% of total Cognition Education Group income in 2015, but 22.98% of Cognition Education Trust income. Director and trustee fees for the same year were 1.1% of income for the Cognition Education Group, but 6.46% of income for the Cognition Education Trust.

In the Gephi graphic (Appendix C, Table C2, Figure C2), the Cognition Education Group social network reveals four main clusters. Cognition Education Limited (CE) is located to the bottom right (RED). New ventures in education, teaching, learning and leadership such as the Centre for Educational Leadership, AKO Aotearoa, Centre for Studies of Multiple Pathways and the Ministerial Cross Sector Forum are located in the centre left of the network (orange). At the top left of the network is a cluster of corporations, businesses, professional associations and linked events. These include the CFO Summit, Chartered Accountants Australia and NZ, Auckland Council Investments, NZ Institute of Accountants, Auckland Airport, TVNZ and Institute of Directors (YELLOW). To the middle right is a group of points which are similar to the cluster at the core of the network, except that there is less 'traffic' or points with high connections in the network. This grouping is organisations that network to Cognition Education Trust (CET), represented by Professor John Hattie. Within this grouping is Teach for All Global Conference and the Harry Singer Foundation which is an offshore philanthropic supporter of Teach First NZ (BLUE). Margaret Bendall also fits within this grouping because of her role on Teach First NZ's board. The bridge between the clusters to the bottom and the cluster at middle right is the UOA Faculty of Education (GREEN L-shape). Thus the UOA appears to act as a key network connection point between different educational organisations engaged in tackling inequality in the education system. To the top right of the network is Cognition Education Trust with distributed connections to various organisations on the fringe of the network (PURPLE).

Related Gephi analyses of Cognition Group sub networks show that among the Cognition Education Board members, Andrew Short is networked to a group of organisations in or associated with the Middle East. These are: the Mena Conference, GEMS and GESF. Short is also a part of the NZ Middle East Business Council, located closer to the centre of the Cognition Education Limited sub-

network. Alister Jones is connected to various tertiary institutions including Massey University, University of Waikato, Waiariki Institute of Technology (WIT) and Waikato-Tainui College. Jones is also connected to CORE Education. Stuart Middleton is the most prominent point not only in the sub network of Cognition Education Limited, but also in the entire network itself. Middleton is networked directly into the core of the new wave of educational initiatives in New Zealand. These organisations, institutes and forums include, Centre for Educational Leadership, Centre for Studies of Multiple Pathways, AKO Aotearoa, the Ministerial Cross Sector Forum, International Summit on the Teaching Profession, Research Symposium, DEANZ Conference, Higher Education Summit, National Tertiary Learning and Teaching Conference and so forth. Middleton is also networked directly to the Auckland City Council and the Regional Development Operations Committee, which illustrates his role in governance and education in the wider Auckland region.

The sub network of Cognition Education Trust is widely distributed. The three strongest points in the CET group are John Hattie, Candis Craven and Margaret Bendall. However, Richard Jefferies is a frontal point of Cognition Education Trust (ie, closest to another cluster or sub-network) due to his relative position toward the core of the network. Jefferies has a strong connection to Waikato University and other tertiary institutes. John Hattie is both the most dominant point in CET and closest to the centre of the network. Hattie as the academic advisor to the Cognition Education Trust is the primary interface with organisations such as the UOA Faculty of Education, Ministerial Cross Sector Forum and the Centre for Educational Leadership. Candis Craven, the chair of CET, has greater connections to businesses and financial capital, being networked to organisations such as: David Eddy Leadership Consultant Ltd, Auckland Regional Amenities Funding Board, Niger Holdings Ltd, Harry Singer Foundation, Philanthropy NZ and Institute of Directors.

Margaret Bendall is part of the quartet (with Hattie, Jefferies, Craven) of the most forward facing points in the CET sub network. Bendall is similar to Hattie in that her network connections are primarily to academic organisations. These include both the UOA Faculty of Education and Teach First NZ, two points working together for both CET and Cognition Education. The location of both the

UOA Faculty of Education and Teach First NZ between these two sub-networks is reflective of this.

### **Core Education**

CORE is a not for profit education consultancy, professional learning and research agency. At CORE we believe that new technologies are the most exciting way to engage 21<sup>st</sup> century learners across all education and training sectors. Our aim is to support and celebrate all the astonishing ways that New Zealand educators work with, and for their learners.

CORE's website states that its 'gestation' lay in discussions during 1998 between current CORE Directors **Derek Wenmouth** and **Nick Billowes**, and **Professor Stephen Heppell** of Ultralab UK, later joined by **Dr Vince Ham**. 'A business plan was developed with Canterbury Development Corporation (CDC), a heads of agreement with Christchurch City Council (CCC), and an MOU with Ultralab UK'. CORE was constituted under the company name of Ultralab South Limited in 2004 as a 'Company carried on exclusively for charitable purposes'. In the establishment document, its stated purposes were:

- a. To advance education by researching, applying and disseminating the benefits of new learning technologies;
- b. To advance education by developing innovative, creative and effective learning environments;
- c. To advance education by promoting the importance of research;
- d. To advance education by assisting educational institutions and teachers to obtain better classroom resources; and
- e. To advance education by assisting educational institutions and teachers to understand technology.

The rules permitted the company to make 'donations of capital and/or income to any shareholder of the Company where that shareholder is a trustee of a charitable trust which has obtained an exemption from income tax'. The company changed its name to CORE Education in 2005, when the first General Manager was appointed. CORE Education Charitable Trust was registered in 2012, when Canterbury Development Corporation gifted its shareholding in Core Education Limited to the Trust (the transfer of equity from CDC is shown as income in the 2013 financial return for CORE Education Trust, below). The earliest Ultralab South/CORE Directors were **Christopher Pickerill** (2003), **Cameron Moore** (2003), **Carol Moffatt** (2005), **Anthony Hall** (2005) and **Cheryl Doig** (2005).

In positioning itself within the New Zealand context, CORE's self-description elaborates at some length its underpinning concepts of 'Tātai Aho Rau' and 'Lalaga Tivaevae Niu'; its status as a not for profit entity that is both a

limited liability and company and a registered charitable organisation; that CORE Education is owned by CORE Education Charitable Trust; and that any profits made are used for charitable purposes. The website references the 1601 Statute of Elizabeth and later New Zealand law:

Under these regulations, the advancement of education is considered a charitable activity. To be charitable under this category, your organisation's purpose must:

- Provide some form of education
- Ensure learning is passed on to others.

The modern concept of "education" covers formal education, training and research in specific areas of study and expertise. It also includes less formal education in the development of individual capabilities, competencies and understanding.

Such a conception of education is potentially inclusive of most or all human activity. The website states that 'CORE was founded on the belief that education is a public good'. The website also states that 'CORE's day to day work is considered charitable by its nature'. Thus, even though CORE does allocate funds to 'external charitable activities that advance CORE's education and charitable objectives' it states that it is not obligated to do so in order to maintain its charitable status. Indeed CORE argues that building up a reserve (equity) enables the company both to negotiate 'fluctuating financial times' and 'undertake a range of developmental and philanthropic opportunities', such as the Modern Learning Expo held in Christchurch in 2013. One reading of these arguments is that according to CORE, any activity it undertakes to advance its own corporate educational objectives is inherently charitable and is therefore also in the public good. Consequently, it is claimed that CORE's charitable activities 'return investment to the wider education sector and stimulate and support best practice and new educational development', as well as traditional grants, scholarships and awards to educators. In the for-profit sector these same charitable activities could arguably be regarded as a mixture of altruistic social responsibility, and self-interested sponsorship and brand marketing to achieve competitive commercial advantage.

CORE currently operates offices in Christchurch, Wellington and Auckland together with a 'sister organisation', CORE Education UK, based near London. A significant proportion of CORE's trading income comes from Ministry of Education contracts, many of these in ICT professional learning and

development, and evaluation studies. Current projects include: ACCELL an online ESOL programme (funded by MoE); Auckland Intermediate Schools research (MoE); Centre for Veterinary Education Moodle courses (University of Sydney); Connected Learning Advisory Te Ara Whitiki (MoE); National Curriculum resources (MoE); e-Learning Planning Frameworks Project (MoE, with Te Toi Tupu); Early Childhood NZ Pou Manawa Akoranga (Early Childhood NZ); EdTalks (CORE Education); Enabling e-Learning (MoE, with Te Toi Tupu); EPS Educational positioning System (CORE Education); Future Focused Inquiries (MoE, with Te Toi Tupu); Grow Waitaha – Learners at the Centre of Change (MoE with Evaluation Associates, Leadership Lab and Massey University); Inclusive Education Website (MoE); Incredible Years Teacher (MoE); Learning with Digital technologies (MoE, with Te Toi Tupu); Māori Medium Publishing (MoE); National Aspiring Principals Programme (MoE, with Te Toi Tupu); Moodle content development (New Zealand Breastfeeding Authority); multiple projects (New Zealand School Trustee Association); Poipoia te Mokopuna: A whānau-centered evaluation (MoE); Strengthening Early Learning Opportunities (SELO) Programme (MoE); financial capability school clusters (The Commission for Financial Capability); Te Kete Ipurangi (TKI) channel support (MoE); Nurturing and encouraging young children’s identity, language and culture in the early years (Teaching and Learning Research Initiative); Virtual Learning Network (VLN) technical maintenance (MoE); Virtual Professional Learning and Development Network (MoE with Te Toi Tupu); Vocational Pathways (MoE); WW1 website (Canterbury 100 Committee); and, Young Enterprise Scheme (Young Enterprise Trust).

CORE lists a number of conference and project partners, affiliates and associates. Allied Telesis, HP, Microsoft, Sitech Systems NZ and Toshiba are Conference Partners; Te Toi Tupu Leading Learning Network, University of Canterbury, South Pacific Press, Torque IP, Weta Workshops and Young Enterprise Scheme are listed as Project Partners. Dr Cheryl Doig, Tony Ryan (Australia) and Gillian Heald are listed as CORE Affiliates; and Te Toi Tupu Leading Learning Network, Canterbury Development Corporation, Galileo Education Network (Canada), CORE UK, the International Council on Education



for Teaching, Telecommunication Users Association of New Zealand, NZ Book Council and Principals Academy Inc. Singapore are listed as CORE Associates.

CORE Education offers various 'ICT innovation' services to ECE centres, schools and tertiary organisations: Educational ICT audits; Online facilitation; Web development; Instructional design; and, Digital video production through CORE Digital. Professional Learning 'options' include half-day workshops (Dunedin, Christchurch, Wellington and Auckland) online programmes and custom designed 'Transform' workshops that are facilitated both online and face-to-face.

CORE offers a New Zealand version of the New Pedagogies for Deep Learning™ (NPD) with Michael Fullan as the main drawcard.

CORE also offers consultants, 14 Apple Consultants Network facilitators, several Google tools facilitators, and multi-module, online PLD courses in Modern Learning Environments, Modern Learning Practice, Modern Learning Technology, Modern learning Curriculum and Modern learning Assessment. CORE additionally offers a 'tailored learning journey' in a 3, 6 or 12 month online learning community in Educational Positioning Systems, Kaupapa Māori, or Pasifika Education. Finally, CORE offers EdTours to Australia to experience modern learning environments in Melbourne.

CORE publishes its ten trends: 'Each year CORE Education's experienced staff of researchers, teachers, educators and digital technology experts pool their expertise and combine their understanding and evidence of the ways that digital technologies are influencing all aspects of education'. CORE describes itself as a 'research and development centre'. It has formal research associations with NZCER, University of Canterbury and CORE Education UK. It publishes its research reports and summaries on the CORE website. It publishes: books, white papers and articles written by CORE staff; EDTalks video podcasts of interviews with 'leading educators, thinkers and classroom practitioners' and at conferences with 'some of the world's leading thinkers and teacher practitioners'; and New Zealand versions of 'Connected Educator' free webinars in collaboration with organisations in the USA and Victoria, Australia. It also publishes audio podcast discussions among CORE's 'education experts'. CORE offers a range of scholarships and awards annually. It organises and/or event manages various

conferences including Ulearn (3 days, 4 venues), breakfast seminars, and the New Zealand Emerging Leaders Summit. It operates the CORE Education Blog.

The CORE Education Charitable Trust Trustees are **Martin Hadlee**, member Institute of Directors, chartered accountant, principal consultant Hadlee Kippenberger and Partners, former partner Morris Patrick and Co (subsequently KPMG) and managing partner Hadlee Kippenberger and Partners Limited; **Gillian Heald**, former principal of Rangi Ruru Girls' School, co-director of Unlimited Paenga Tawhiti, guardian of the Secondary Futures Project and part of the OECD Schooling for Tomorrow Project. Heald has had education governance experience at Boards of Rutherford Den, Independent Schools Council, University of Canterbury Council, Aurora College Establishment Board, University of Canterbury Foundation and NZ Mathematical Olympiad Executive, and Research and Education Advanced Network. She is currently on the boards of Te Aho o Te Kura The Correspondence School and NZQA; **Frank Owen**, adjunct senior fellow at the University of Canterbury Colleges of Business and Law, and Engineering, former director of Canterbury Development Corporation, former CEO and managing director of Tait Communications, Philips Electronics research scientist and marketing professional, manager of Tyco Power Components Division, founder electronics manufacturing and supply chain company GPC Electronics; and, from 2013, **Ronnie Davey**, University of Canterbury College of Education and formerly seconded to CORE Education as National Facilitator on the Ministry of Education's INSTEP (In-Service Teacher Education Project). **Vince Ham** a founding director of CORE in 2003, was a past officer of the Trust until 2013.

CORE Education's Board comprises **Chris Mene** (Chair), elected director Canterbury District Health Board, trustee of Sport Canterbury, and director of Mene Solutions Ltd. former project facilitator for Secondary Futures; **Kaila Colbin**, co-founder and trustee of the non-profit Ministry of Awesome, founder and director of New Zealand social media consultancy Missing Link. Kaila is a PMP® certified Project Manager and is chair of the board of the New York-based Natural Gourmet Institute for Health and Culinary Arts; **Dr Bruce Bryant**, senior lecturer Manukau Institute of Technology with governance experience 'of a major Māori tertiary educational initiative', adviser to SMEs;

**Hannah Buchanan** (Taranaki, Te Atiawa, Ngāti Ruanui), public sector management consultant, trustee of the Wellington Tenth Trust - a Ture Whenua Māori land Trust and former teacher; **Deb Gilbertson**, 'Director of the Global Enterprise Experience, an action learning education programme developing global leadership skills in 82 countries, former board member of the commercial arm of Victoria University and current teaching fellow, runs her own consultancy Kaihau Ltd, and a trustee of Kaihau Education Trust, which focuses on special needs education; and, **Dr Sheelagh Matear**, who has 'extensive experience in tertiary education in New Zealand'. She is currently AVC Academic Programmes and Student Experience, Lincoln University and is an academic auditor with the Academic Quality Agency for New Zealand Universities, director of Telford Farm Board of Management, the Biological Husbandry Unit and Lincoln Hospitality Ltd..

CORE's Education's annual reports show that since 2013, the majority of the Charitable Trust's income since its establishment has come via donations from CORE Education. In 2014 (\$148,668) and 2015 (\$295,814) the Trustees approved charitable donations to: CORE Education e-Fellowship Programme, pro-bono research activities, Dr Vince Ham Excellence in Postgraduate Scholarship awards, CORE Foundation Programme, grants for Māori education initiatives, Excellence in Pasifika Education, Award for International Conference Attendance, and a new pedagogies initiative. The great majority of CORE trading income is from the Ministry of Education. CORE Education's contract revenue in 2014 (\$18,504,845) and 2015 (\$19,545,993) was over 85% of total income. In contrast to Cognition Education, CORE Education's income has grown consistently since 2010, with a marked increase in 2013 and subsequent years, to the point where annual income is of comparable magnitude to Cognition Education in 2015. CORE Education appears to be following three policy entrepreneurship strategies. First, to position itself, alone or as part of Te Toi Tupu consortium, to win Ministry of Education PLD contracts since these were made fully contestable from 2011; second, to enhance its reputational capital by association with high profile international educational initiatives, thought leaders and organisations, both for-profit and not-for-profit; and third, to anticipate trends in education policy development and be the lead national

provider of conferences, short courses and consultancy services in those emergent technology-enhanced spaces.

Table 9. CORE Education Charitable Trust annual financial statements 2010-2015

CORE Education Trust	2010	2011	2012	2013	2014	2015
<b>Income</b>			0	3,783,296	600,527	76,935
<b>Surplus</b>			0	3,756,348	572,706	53,618
<b>Trustees' fees</b>			0	13,291	12,577	13,608
<b>Grants</b>			0	0	0	0 <sup>76</sup>
<b>Equity</b>			0	3,756,348	4,329,054	4,086,858

Table 10. CORE Education Limited annual financial statements 2010-2015

CORE Education	2010	2011	2012	2013	2014	2015
<b>Income</b>	7,765,916	9,268,853	12,225,989	22,730,457	21,225,939	22,748,538
<b>Surplus</b>	356,423	456,228	281,885	620,555	844,990	402,116
<b>Directors' fees</b>	44,000	44,777	46,452	59,736	86,033	82,408
<b>Employees</b>	55	75	108	119	147	180
<b>SLT remuneration</b>				1,065,248	1,126,991	1,465,799
<b>Grants<sup>77</sup></b>	200,000	(211,442)	337,848	240,438	148,668	295,814
<b>Donation to Trust</b>				52,775	600,000	50,000
<b>Equity</b>	2,992,408	3,448,636	3,730,482	4,352,183	5,196,998	5,553,658

A unique feature of CORE Education's annual statements is that the SLT or 'key management personnel' aggregate remuneration is reported together with the FTE staff numbers. The data show that the mean remuneration package per person for this management tier was \$222,091 in 2015 (180 FTE staff), \$208,702 in 2014 (147 FTE staff), and \$197,268 in 2013 (119 FTE staff). By way of crude comparison, according to the Secondary Principals' Collective Agreement 2016-2019, for the equivalent period (prior to May 2016) the U16 Principal salary for the largest school grade with a roll of more than 2,401 students was \$147,687, plus a teaching staff component funding<sup>78</sup> of \$27,354, plus a leading principal experience allowance of \$10,500, which equates to a basic salary of \$185,541.<sup>79</sup>

<sup>76</sup> \$296,000 of charitable activities appears to be duplicated in the statements. It is separately reported against both CORE Education Trust and CORE Education Limited, but is only reported once in the consolidated statements. There is a similar discrepancy with regard to the reported profit. In the tables, the grants have been included against CORE Limited only, as that is where their charitable activities had been reported previously.

<sup>77</sup> All identified charitable activities in the reports have been included as 'grants'.

<sup>78</sup> Calculated as N=120 FTE assuming an overall teacher:student ratio of 1:20.

<sup>79</sup> A roll of 3,000 students would increase the overall basic salary to \$189,734. The individual's total recruitment, performance, retention and superannuation remuneration package would likely be higher, as it would be for Principals in low decile or high priority schools.

Aggregate fees paid to CORE Education directors were less than one third of the equivalent total amount paid to Cognition Education directors in both 2015 and 2014, and one sixth in 2013 (the years when both organisations had income in excess of \$20 million).<sup>80</sup> Across the six-year period 2010-2015 CORE Education's aggregate director fees were on average one fifth of the amount paid to directors by Cognition Education.

For the period 2013-2015, it is also possible to compare aggregate trustee fees. For CORE Education Charitable Trust, the average aggregate trustee fees were \$13,159 each year, for Cognition Education Trust they were \$77,333.

In 2015, aggregate income for both CORE Education and CORE Education Charitable Trust was \$22,775,473. Grants totaled \$295,814.<sup>81</sup> This equates to a direct granting proportion of 1.3% of total CORE Education Group income in 2015, but 384% of CORE Education Charitable Trust income. (In 2014, CORE Education made an unusually high donation of \$600,000 to the Trust, which was not distributed in 2014 by the Trust). Director and Trustee fees for the same year were 0.4% of CORE Education Group income, but 107% of CORE Education Charitable Trust income.

The first CORE Education Group Gephi graphic (Appendix C, Table C3, Figure C3 ) displays two networks focusing on persons.<sup>82</sup> The main network is at the top of the graphic, which is Core Education (CE), and the sub-network diagonally opposite is Core Education Trust (CET). All members of the two organisations, whether board or executive, are the largest points on the graphic due to their various connections to other organisations.

---

<sup>80</sup> Cognition Education Ltd had 7 Directors in each of these years; CORE Education Ltd had 7 in 2015, 8 in 2014 and 6 in 2013, with multiple changes of personnel in both 2014 and 2013

<sup>81</sup> The combined Group accounts for 2015 and the Annual Financial Return Summary to the Charities Register appear to claim the identical charitable grants and granting amounts for both Core Education Limited and the CORE Charitable Education Trust. For the purposes of this calculation, the grants have been counted only once.

<sup>82</sup> The network has been mapped at level 1 only (see Appendix A) to make it a closed network. First, connections have been established between Core Education/Trust members and organisations, and then connections between Core members and corresponding counterpart connections. An example of this is Ali Hughes connection to Glenda Lorimer (External Relations - University of Canterbury) and then subsequent mapping finding Ronnie Davey (Cognition Education Trust board member) also connected. To create a distinction between Core Education and Core Education Trust, members have been connected to their corresponding organisations.

Derek Wenmouth (8), director of Elearning for Core Education has the highest degrees in the network with 19.<sup>83</sup> After Wenmouth, Kaila Colbin (2), deputy chair, and Chris Mene (1), chair, have the next highest degrees with 17 and 16 lines respectively. Ronnie Davey (14), CET member, and Gillian Heald (12), deputy chair of CET, are the most directly facing point to Core Education in the graphic. This is due to their connections to Secondary Futures Project, Massey University's ex-Assistant Vice-Chancellor Mason Durie and the University of Canterbury (UC). Gillian Heald's association with Durie creates a bridging point between the networks as Durie also connects to Hannah Buchanan through Secondary Future Guardians and to Derek Wenmouth through Massey University. In this context, the University of Canterbury, represented by Glenda Lorimer, is also a significant bridging institution for CE influence.

Both networks generally display a core with 'filaments' pushing out. These filaments are generally a mixture of business, education and healthcare organisations. However, the organisations closest to the centre of Core Education's social network are primarily educational organisations. These are the MOE, Ulearn, Edutopia, ICT and Computing in Education, Young Enterprise NZ, Lincoln University, TEDx Christchurch, Ministry of Awesome and NZ Curriculum Online.

The second CORE Education Group Gephi graphic (Appendix C, Table C4, Figure C4 ) focuses on organisations. As previously, the graphic displays Derek Wenmouth (8) as the most dominant point in the network, with Kaila Colbin (2), Chris Mene (1) and Gillian Heald (12) next dominant. Unlike the persons graphic, both branches of CORE's members, the limited company and charitable trust, are interspersed with each other. The CORE Education Trust (CET) members are split with two to the top-right of the graphic and the other two towards the centre of the graphic. Martin Hadlee (11), chair of CET is situated close to Gillian Heald, who in turn are both strongly associated with chair of Core, Chris Mene, Kaila Colbin and Derek Wenmouth.

---

<sup>83</sup> Gephi distinguishes lines by source and destination of the relationship. The term degrees simply means the sum of source and destination lines. As noted in the methodology, time constraints mean that this directional analysis has not been undertaken for Pearson and Cognition Education. For the other four case charities, the executive and trust members are represented as the source for all lines.

A key tri-connection in the middle of the graphic is Derek Wenmouth (8), Nick Billowes (9), and Chris Mene (1). This tri-connection is significant as it forms the very core of the network, and demonstrates the importance of the relationships between the chair and founding members of CORE Education, Derek Wenmouth and Nick Billowes.

Key organisations connected to CORE can be seen in those points at the heart of the network. The largest point on the graphic outside of CORE is the Ministry of Education (MOE-55). This shows the significance of the MOE to CORE achieving its organisational and educational goals. Of the 14 CORE members analysed, 12 are affiliated with the MOE. Other important points are Manukau Institute of Technology (MIT-26), Massey University (75), Greater Christchurch Schools Network (GCSN-94), Institute of Directors and Virtual Learning Network (VLN-98). All these points are within the central core of the network.

However, when the University of Canterbury's departments are combined, total connections to departments from CORE Education members is 13, which is the most dominant organisation outside of CORE. These departments consist of the College of Business and Law (68), College of Education, Health and Human Development (72) and College of Engineering (69), UC Foundation (119) and the UC Council (116). As CORE Education is based in Christchurch there is a clear association and interlinking of the University with objectives.

### **Foundation North**

Foundation North typically describes itself in media releases as the biggest philanthropic organisation in Australasia. It is classed as a Public Benefit Entity (PBE). PBEs are 'reporting entities whose primary objective is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders'.<sup>84</sup> It is also an 'in perpetuity' Community Trust and registered under the Charitable trusts Act 1957.<sup>85</sup> Foundation North changed its name from ASB Community Trust in April 2015, and from ASB Trusts in 2006.<sup>86</sup> Prior to 2006, the Trust had been known for funding buildings, land purchase and regional infrastructure. From 2006, according to its media release:

While we will still fund major projects, we want to make sure our grants work for the sustainability of the organisations inside the buildings, as well as the external structure. This means ensuring they have the best organisational structure possible to grow their business. Trustees and staff have begun to actively identify problems facing the region, such as educational achievement levels in low-decile schools, and look for partners who can help fix them.

ASB Trusts was established in 1988 when the Auckland Savings Bank was sold to the Commonwealth Bank of Australia and its assets progressively transferred to the Trust:

In the 2014 year, this generated an income of \$81.6 million. Of this, \$34.9 million in grants were made to support a whole range of great things happening across the Auckland and Northland regions, and the rest was reinvested to maintain the value of the endowment for future generations.<sup>87</sup>

According to the same media release, by 2014 Foundation North had adopted a range of granting approaches:

---

<sup>84</sup> Public Benefit Entities

<http://www.treasury.govt.nz/publications/guidance/reporting/accounting/pbe>

<sup>85</sup> Statement of Investment Policies and Objectives

<https://do6qmrbufqcd2.cloudfront.net/1003/15-10-20-sipo-foundation-north-1.pdf>

<sup>86</sup> New strategic direction for community Trust

<http://www.scoop.co.nz/stories/BU0607/S00245.htm>

<sup>87</sup> ASB Community Trust becomes Foundation North

<http://www.scoop.co.nz/stories/AK1504/S00136/asb-community-trust-becomes-foundation-north.htm>



- a. annual grants of between \$1,000 and \$100,000 to ‘hundreds of Auckland and Northland community organisations, sports clubs, play-centres and schools’;
- b. ‘substantial grants ... to key community partners’, regional organisations and initiatives;
- c. ‘multi-year, multi-million dollar investments ... into major regional projects and facilities’ including ‘a \$20 million investment over five years to support pioneering approaches to lifting Māori and Pacific education achievement’.

(In the 2013-2018 Strategic Plan<sup>88</sup> ‘Funding Framework’ these are categorised as ‘Community Support Grants’, ‘Key Community Partners’ and ‘Iconic and Innovative Projects’. A fourth category is listed as ‘Catalysts for Change’ which involves sustained multi-year support for priority issues, including ‘additional support for increasing organisations’ capacity to deliver’). The 2014 media release announcing the name change of the organisation also stated that the Foundation had taken on a major strategic leadership role in social investment or venture philanthropy:

The Foundation is now also leading the development of ‘venture philanthropy’ for New Zealand; high-engagement grant-making which uses venture capital as its model to combine long-term funding with organisational support. The Trust’s venture philanthropy is focused on social entrepreneurs tackling some of the most challenging issues in the region. This is work that is attracting international interest. The Foundation in 2014 launched the Centre for Social Impact to support both its own venture philanthropy, and to support major initiatives by other philanthropic trusts and government and corporate funders.

In its 2013-2018 Strategic Plan, this venture philanthropy was elaborated as Foundation North ‘moving towards being more of a strategic grant maker’:

...our focus will increasingly be on working in partnership with grantees and other funders to achieve projects of greater scale and impact .... With a renewed focus on efficiency and effectiveness in all aspects of our work we aim to maximise outcomes for the communities of Auckland and Northland by working more strategically and collaboratively within a constrained economic environment.

---

<sup>88</sup> Strategic Plan <https://www.foundationnorth.org.nz/about-us/strategic-plan>

According to its website the original Trust was established under the Trustee Banks Restructuring Act 1988, since replaced by the Community Trusts Act 1999. The Foundation's stated priorities include Northland and South Auckland, Māori Strategy, Pacific Strategy and Asian and migrant communities. In 2009, three years after its first major change of strategic direction, ASB Community Trust announced its Māori and Pasifika Education Initiative,<sup>89</sup> initially estimated as a \$20 million investment. The CEO Jennifer Gill described the process for identifying projects:

The Trust began by forming Māori and Pasifika reference groups, made up of educationalist and community leaders, to guide the process. Then, in January 2008, it went to the community and asked for ideas and proposals. From the short-list of proposals, seven projects were eventually chosen.

Gill's justification for funding projects over a longer time frame, and for committing to working in partnership with the funded organisations, 'and give them whatever support they need to succeed', was based on the magnitude of the challenges that needed to be addressed:

It is in New Zealand's long-term social, cultural and economic interest to address this problem. Failing to do so could condemn future generations of Māori and Pasifika communities to an unskilled underclass, blight economic progress, hinder attempts to strengthen social cohesion and harm New Zealand's international reputation.

The seven funded projects were: Rise Up Trust Manukau,<sup>90</sup> Ideal Success Trust Manurewa, Sylvia Park School Mt Wellington, The Unitec Graduate Diploma in Not for Profit Management, Leadership Academy of A Company Whangarei,<sup>91</sup> Toku Reo Tupuna Trust Manukau, and C-Me Mentoring Foundation Otahuhu.<sup>92</sup> A second phase of project funding resulted in the addition of Manaiakalani

---

<sup>89</sup> ASB: Māori and Pasifika Education Initiative  
<http://www.scoop.co.nz/stories/CU0911/S00478.htm>

<sup>90</sup> In 2014 the Trust opened a PSKH, The Rise Up Academy Junior School  
<http://www.riseuptrust.org.nz>

<sup>91</sup> In 2014, The Trust that established the Academy, Ngā Parirau Matauranga Trust, converted it to a PSKH: Two charter schools to open in North [http://www.nzherald.co.nz/northern-advocate/news/article.cfm?c\\_id=1503450&objectid=11127578](http://www.nzherald.co.nz/northern-advocate/news/article.cfm?c_id=1503450&objectid=11127578)

<sup>92</sup> The Foundation Trust unsuccessfully applied to establish a PSKH in 2013. In 2014, it formed a strategic partnership with health and social services provider The Fono, to establish Oceania Career Academy, to work towards 'accreditation as New Zealand's first Pacific Trades Private Training Establishment': OCA launched to deliver Pacific vocational training  
<http://www.oceaniamedia.co.nz/#!/oca-launched-to-deliver-pacific-vocation/cal7>

Education Trust, the Starpath Project (University of Auckland), High Tech Youth Academy and the Māori into Tertiary Education (MITE) student pipeline project.<sup>93</sup> In 2015, the Foundation commenced its final MPEI Project, The Mad Ave Community Trust's<sup>94</sup> leadership programme for young Māori women, Urutapu Tamāhine Programme; and in 2016, the completion of the programme and its evaluation.<sup>95</sup>

The final 'value for investment evaluation' report authored by Kinnect group and Foundation North<sup>96</sup> adopted multiple foci. These included economic return on investment (EROI) and social return on investment (SROI) assessments but also educational outcomes; value to families and communities; value in cultural terms; influence how value and success in education are defined; sustainability, spread of models; and influence policy, philanthropy (p. 21). In terms of this report, three of the evaluation findings are particularly relevant.

With regard to education policy, the evaluators found that:

One of the initiative's goals was to influence education policy in New Zealand. The expectation was that the innovative projects that were being piloted with the Foundation's support would gain recognition and influence policy with respect to lifting achievement for Māori and Pacific youth. It is not clear that this has occurred. However, it is clear that the projects have attracted the attention of government Ministers and officials who have sought to encompass a number of the projects within existing policy settings. (p. 49)

Arguably, Aotearoa New Zealand is still in the early stages of enacting 'social enterprise', 'social investment' or 'venture philanthropy' initiatives that materially and directly influence state schooling policy, and this is reflected in the statement above. Effectively, Foundation North might reasonably claim to have provided 'proof of concept' for each of these projects and for the initiative as a whole, but government has not yet explicitly incorporated these learnings into official policy settings. It may well be significant, though, that two of the

---

<sup>93</sup> Māori and Pacific Education Initiative <https://www.foundationnorth.org.nz/how-we-work/māori-pacific-education-initiative/>

<sup>94</sup> <http://www.madave.co.nz/about-us>

<sup>95</sup> We are very pleased to announce the completion of the Māori and Pacific Education Initiatives, MPEI <https://www.foundationnorth.org.nz/news-reports/2016/6/we-are-very-pleased-to-announce-the-completion-of-the-māori-and-pacific-education-initiatives-mpei/>

<sup>96</sup> Kua Ea Te Whakangao: Māori and Pacific Education Initiative Value for investment evaluation report <https://do6qmrbufqcd2.cloudfront.net/1003/fn-mpei-evaluationreport-f-spreads-ilovepdf-compressedcompressed-min-min-min-min.pdf>

seven funded MPEI projects have resulted in the establishment of PSKHs, a third in the establishment of a private PTE for post-compulsory trades training pathways, and another in the extension of the Manaiakalani model nationally via its Outreach programme through the participation of a range of for-profit sponsors and partners.

With regard to influencing philanthropy, again the report implies that the MPEI initiative may well encourage different relationships between funders, projects and communities, but has yet to do so, and that a five year time frame may be insufficient to achieve education policy and philanthropic cultural change. Nevertheless, Foundation North clearly sees itself as exercising strategic influence and leadership in this space:

The impact of the initiative is beginning to be shared widely and there is the opportunity to extend the shared learning further. The Foundation is neatly positioned for greater influence with the new Centre for Social Impact .... There is evidence that the high-engagement funding approach adopted by Foundation North has gained interest among the philanthropic community.... The high-engagement funding approach has been gathering momentum in New Zealand and internationally. Foundation North is an early adopter of the model in New Zealand and other philanthropic organisations are interested. The Catalysts for Change programme and the development of the new Centre for Social Impact position Foundation North to influence philanthropy and government further. (p. 51)

Finally, it is clear from the evaluation report that the ‘high engagement funding approach’ had experienced some challenges as it unfolded. Notably, Foundation North found that its approach to working on new projects and established projects, needed to be differentiated:

The process of calling for applications from the community created unrealistic expectations among a large number of applicants, which later caused great disappointment. Letting down a large number of applicant groups created disquiet among Foundation staff and Board members, and it was felt that the process impacted negatively on the Foundation’s relationships, particularly with the Pacific community. To prevent the dashing of expectations, the Foundation changed its process for phase two, utilising its networks to target applications from known community projects. Generally, the phase two projects selected were not start-up organisations but rather projects that were looking to adapt and expand. The need for high-engagement funding for some of the phase two projects was probably questionable. The projects were being funded to scale-up and leverage their concept and did not necessarily need the additional high-engagement support.’(pp. 52 & 53)

However, the potential tensions between an apparently open, ‘design competition’ type approach adopted to source unknown projects in phase one,

and an apparently less-open, network-led approach to source known projects in phase two should not be underestimated. Not least, a very large philanthropic entity like Foundation North requires the appointment of quasi-professional trustees with particular skill sets, experiences and the social networks that these produce. This suggests a reasonable general question about the extent to which philanthropic actors (and their interests) in New Zealand are representative of the population as a whole (and their interests).

Foundation North Group comprises the Foundation and its subsidiaries: Foundation North Grants Limited, Centre for Social Impact New Zealand Limited and ASB Community Trust Limited. The 'Leadership Team' comprises: CEO **Jennifer Gill** (since 2004), formerly executive director Fulbright New Zealand, executive officer Roy McKenzie Foundation, trustee and chair of JR McKenzie Trust, founding board member Wellington Regional Community Foundation, Funding Information Service, and Philanthropy New Zealand, member of the Asia Pacific Philanthropy Consortium; **Liam Sheridan**, CFO, former CFO ProCare Auckland, and various roles with Auckland and Manukau DHBs, Lion Nathan and a range of public and private sector organisations in New Zealand and the UK; **Chloe Harwood**, Strategy, Planning and Evaluation Manager, formerly awarded project funding at Britain's National Endowment for Science, Technology and the Arts (Nesta); **Raewynne Jacobs**, Funding Programme Manager, former donations assessor with Eastern and Central Community Trust, community development roles in the Department of Internal Affairs and Ministry for Social Development, advisor and team leader with Lottery Grants Board; **Anna Palmer**, corporate services manager, 'before joining the Foundation, Anna worked in communications, procurement, facilities management, training and research in the not-for-profit, public and private sectors across a number of industries, both in New Zealand and internationally'; and **Dr Alison Taylor**, head of the Centre for Social Impact, also trustee of the Vodaphone Foundation New Zealand, formerly public health manager North Health, CEO Mental Health Foundation of New Zealand, general manager Ministry of Youth Development, founder Sinclair Taylor Consulting. The website also names seven Funding staff, eight Strategy staff, four Corporate Services staff and four Finance and Investment staff.

According to the Trust deed, 'Trustees are appointed to the Board for a four-year term by the Minister of Finance'. Members are 'required to attend at least 30 board and sub-committee meetings over the course of each year'. Trustees are collectively required to have skills or experience in institutional investment oversight, financial management, grant-making, governance, community and voluntary sector involvement, strategic thinking, leadership skills and legal expertise.

Currently, there are 14 Trustees: **Ken Whitney**, Chair, solicitor experienced in 'property and trust work, including trusteeship of a number of local and off-shore private and superannuation trusts'; **Lyn Lim**, Deputy Chair, partner Forest Harrison law practice, board member of New Zealand Shareholders Association, AUT University, Auckland Regional Amenities Funding Board, Mykris Limited, chair of New Zealand Chinese Youth Trust, former board member of NZ China Trade Association, Hong Kong New Zealand Business Association, ANZ Private Bank External Advisory Board, council member Auckland District Law Society; **Alistair Bell**, chartered accountant, JP and member of the Project Management Institute, owner of Ruskin Group consultancy, a director of the New Zealand National Party, member of Motutapu Restoration Trust, Parnell Heritage and Communities and Residents, former at-risk youth mentor with Project K; **Mark Brickell**, founder and principal of Vineyard College PTE, former executive member and chairman of the Christian Theological Ministries and Education Society (CTMES), former member of Swanson Residents and Ratepayers Association in West Auckland, Massey Pony Club and other community groups, and involved with various business and not-for-profit start-ups; **Murray Broadbelt**, board member Northland Chamber of Commerce, founder of Employer Services Ltd employment relations and law consultancy, mediator and accredited panel member of Leadr NZ Inc, member Lottery Northland Distribution Committee, former member of Scouting NZ Executive Committee and National Council, Consultative Committee on Youth Affairs, the Youth Advisory Committee and Whangarei Advisory Board for the Prince of Wales Trust; **Precious Clark** (Ngāti Whatua, Tainui) Māori development business consultant and Māori TV host, director of Ngāti Whatua Orakei Whai Rawa Ltd, board member Auckland Museum Taumata-a-Iwi,

member Institute of Directors, executive member Advancement of Māori Opportunities, member national Māori Lawyers Association and Committee for Auckland's Future Future Leaders Programme, former employee of Ministry of Economic Development and Ministry of Agriculture and Fisheries, Security Industry Authority (London) and a cultural leader of Ngāti Ranana – the London-Based Māori Club; **Vipan Garg**, JP, chartered accountant, member of several community groups including Bharatiya Mandir Indian Temple Balmoral, board member Super Liquor Holdings Limited; **Bob Leveloff**, JP, managing director and owner Sound Group Holdings, 2<sup>nd</sup> vice president International Softball Federation, life member North Harbour Softball Association and Softball New Zealand, member of North Harbour Club and Charitable Trust and a residents and ratepayers association; **Ian McDougall**, commercial vegetable grower, member Environment Waikato Regional pest management Advisory Committee and convenor for management of Punga Punga wetland Tuakau; former South Auckland Vegetable Growers president and committee member, New Zealand Vegetable Growers' Federation, past president and life member of Pukekohe Jaycees and Foundation North trustee 2000-2004; **Toni Millar**, JP, business mentor and consultant, trustee Auckland Arts Festival, Metrowater Community Trust, Great Kiwi Anzac Day Breakfast, former Auckland City councillor, Eastern Bays Community Board chairman, deputy chair Arts, Culture and Recreation Committee Auckland Council, Chair Auckland City Creative Communities Arts Fund, board member Auckland Art Gallery and Friends of Auckland Art Gallery, president of Rotary Club of St Johns Inc, chair Combined Textile Guilds of NZ and Craft Dyers Guild of NZ, chair and life member of Auckland East Arts Council, Auckland Agricultural and Pastoral Association councillor, board member St Heliers Business Association and committee member St Heliers Glendowie Residents Association; **Moe Milne** (Ngāti Hine, Ngāpuhi), independent consultant, former nurse, Māori language schools teacher and resource teacher, health manager and worker with Health and Disability Commissioner, member of Health Research Council and Māori Research Committee chair; **John Slater**, JP, chartered accountant, member of the Institute of Directors and the Chartered Institute of Secretaries and Administrators, self-employed businessman, board member and deputy chairman Presbyterian Support North, honorary member

Rotary Club and a Paul Harris Fellow (Rotary), former president National Party, president Auckland Citizens and Ratepayers Association, chairman Newmarket Business Association, board member and deputy chair ACC, chair of ACC subsidiary company PRISM; **Kim Wright**, health and welfare consultant to government and charitable sector, treasurer Cook Islands Health Network Association, member of Pasifika Medical Association, International Health Economists Association and an inaugural ANIVA Fellow (for Pacific health professionals), former senior manager in pharmaceutical industry, primary and Pacific health care, workforce development and research in child health; **Auva'a Unasa Enoso Auva'a**, principal Mount Albert Primary School, Unasa Si'ufaga Savai'i Samoa.

Table 11. Foundation North Group annual financial statements 2009-2015

<b>Foundation North Group (000)</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Income</b>	236,248	105,648	(10,007)	81,165	81,686	137,579
<b>Suppliers, trustees, &amp; staff</b>	m	4,735	5,214	5,396	5,171	5,211
<b>Fund management &amp; advisory fees</b>	m	1,115	784	828	1,083	1,182
<b>Surplus</b>	221,270	61,455	(50,501)	55,979	42,475	95,508
<b>Grants</b>	12,444	40,775	35,861	20,638	34,293	35,835
<b>Equity</b>	1,010,805	1,072,260	1,021,759	1,077,728	1,120,213	1,215,721

Table 12. Foundation North Grants Ltd annual financial statements 2009-2015

<b>Foundation North Grants Ltd</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Income</b>	0	27,539,000	14,393,000	23,278,000	21,464,000	36,356,000	38,879,000
<b>Surplus</b>	0	0	0	0	0	0	0
<b>Grants</b>	0	16,304,000	14,084,000	22,822,000	21,000,000	34,913,000	38,690,000
<b>Equity</b>	0	73,445,000	60,362,000	71,013,000	85,201,000	103,416,000	132,899,000

Table 13. Centre for Social Impact NZ Ltd annual financial statements 2014-2015

<b>Centre for Social Impact NZ Ltd</b>	<b>2014</b>	<b>2015</b>
<b>Income</b>	0	1,170,839
<b>Surplus</b>	0	41,875
<b>Equity</b>	0	41,875

Foundation North's annual financial statements (Tables 11-13) are consistent with the stated investment approach to 'maintain the real value of the capital of the Foundation in relation to inflation'. The Group equity has as a



consequence increased from just over \$1 billion in 2010 to \$1.2 billion in 2015.<sup>97</sup> The grant making entity within the group has increased the total amount of investment income distributed from \$16.3 million in 2010 to \$38.7 million in 2015. In each year this represents the great majority of the income transferred to Foundation North Grants Limited, but a much smaller proportion of the Group's investment income (a maximum of 42.7% in 2014).

The costs of administering the Group's capital investments (fund management and advisory fees) and day-to-day activities (suppliers, trustees and staff). Other than 2012, when these costs totalled 59.9% of Group income, they ranged between 4.6% (2015) and 7.7% (2013) of Group income. Foundation North Group reports total staff expenses (remuneration) and superannuation, total trustee fees and expenses, and individual trustee payments. In 2015, the chair received \$34,000 in fees, the deputy chair \$21,250 and the other twelve trustees either \$17,000 or \$18,700.

The first Foundation North graphic (Appendix C, Table C5, Figure C5) focuses on persons. Alison Taylor (5) and Lyn Lim (9), deputy chair of Foundation North Trust (FNT), are the most dominant nodes on the graphic with 21 degrees each. Next is Jennifer Gill (1), (CEO of Foundation North), and Raewynne Jacobs (4). Foundation North has the broader range of connections, as represented here. Only Lyn Lim of the Trust is represented among those with the most networking possibilities.

Jennifer Gill is situated in the middle of the Foundation North (FN) cluster and within this cluster are three key philanthropic organisations. These are Philanthropy NZ, The Tindall Foundation and the Rata Foundation. All of these organisations either offer grants and finance or provide services in the philanthropic sector, such as consultancy and management of funds. Of FN members, 8 are networked to Philanthropy NZ, 5 to Tindall Foundation and 2 to Rata Foundation. The strong networking with Philanthropy NZ demonstrates FN's push towards being more strategic in funding and project management.

---

<sup>97</sup> According to the Reserve Bank Inflation Calculator, \$1 billion in 2010 would be equivalent to \$1.05 billion in 2015, adjusted for inflation (CPI). However, the marked variations in Group annual investment income across the six year period, from a low of (\$10,007,000) to a high of (\$236,248,000) could be argued to demonstrate the need for a conservative approach to grant distributions.

Sport NZ is also closely networked within this cluster due to Raewynne Jacob's connection to Sport NZ through the Connections Conference. Colleagues Jennifer Gill, Chloe Harwood (3), Alison Taylor and Moi Becroft (7) also have associations to the organisation, predominantly through the Philanthropy Summit run by Philanthropy NZ.

FN and FNT are located separately on the graphic with Lyn Lim (9) acting as the strongest intermediary. This is due to Lyn Lim's networking with points that lie between the two sectors of Foundation North. From this cluster of points, Ms Lim is directly connected to six. Moreover, in FNT Lyn Lim is the most dominant point, forming a strong law and business sub-network with the chair Ken Whitney.

In terms of organisation to organisation networking (Appendix C, table C6, Figure C6) the separation of FN and FNT is apparent as it was in the person to person graphic. However, across the executive team of Foundation North there are substantive changes from the previous network graphic. Jennifer Gill (1) demonstrates a significant increase in network capacity when it comes to organisations, networking to 31 points on the graphic. Alison Taylor (5) also demonstrates a strong organisational reach, increasing from 21 degrees in the persons graphic to 29 in the organisations graphic. The strength of Jennifer Gill and Alison Taylor not only positionally in the network, but also their degrees of networking shows the importance of their relationship within Foundation North as an organisation. Jennifer Gill as the CEO works closely with Alison Taylor who is the head of the Centre for Social Impact, a new arm of the Foundation North Group. Both Jennifer Gill and Alison Taylor are networked to a range of organisations and both of them are jointly associated to 16. These include health, philanthropic organisations, social welfare and local government.

Foundation North Trust has oriented around the periphery of the core of the network in the organisations graphic as trustees feed into points that lie in an intermediary place. This increases the networking strength of the Trust, as Alastair Bell (10) and Mark Brickell (11) approach Moi Becroft (7) on the graphic. Joint networking among these three members to Pacific Peoples Advisory Panel (71), Philanthropy NZ (15), NZ Asian Leaders (65), ProjectK (49) and Sport NZ (56) all reinforce this movement.

The organisations to which Foundation North is strongly networked generally lie in the cluster to the right of the core of the network. Of the 14 most connected organisations to Foundation North, 10 of these lay within the band of organisations between the executive and trust members of Foundation North. Moreover, the majority of these are either trusts or not for profit organisations. Within this band, Centre for Social Impact is central, illustrating Foundation North's objectives of consultancy and advisory work to enhance social investment approaches.

### **Community Education Trust Auckland (COMET)**

COMET was established as the City of Education Manukau Trust in 1999, with **Sir Barry Curtis**, Mayor of Manukau City as Settlor and ten Trustees, including educators **Colleen Brown**, lecturer; **Fa'afua Leavasa-Tautolo**, Education Review Officer; and **Stuart Middleton** whose then occupation was listed as 'director'. (From 2002 COMET was also a Council Controlled Organisation under the Local Government Act 2002). Brown and Middleton were both subsequently Chairs of the Trust Board. In 2003, Mayor Curtis said that the Council's strategic investment in local educational initiatives through the Trust achieved much greater 'external leverage: 'for the \$200,000 invested in the City of Manukau Education Trust between 2002 and 2004 there was an equivalent injection in excess of \$1.84 million mainly from Government funding'.<sup>98</sup>

In COMET's final 2011 Annual Report as City of Manukau Education Trust, Middleton commented that:

COMET was established when Manukau City council realised that the only track to achieving its economic development strategy was one that led to increased jobs, and so it prepared an employment strategy. It was then an easy step to see that education would be at the heart of both and so an education strategy gave birth to a trust that became COMET.

In the same year the outgoing Chief Executive, Bernadine Vester, noted that she had been in the role for nearly 12 years. The report acknowledged the contributions of its sponsors and supporters, including: Manukau Institute of Technology (MIT), Auckland City Council, Manukau City Council, Todd Foundation, Coverstaff Recruitment, ASB Community Trust and IBM.

The original objects in the Trust deed were to 'advance education and educational opportunities for the Manukau Community'. Specifically:

- a. To identify education needs in the Manukau Community and communicate those needs to the relevant Education Stakeholders.
- b. To develop strategies in consultation with Education stakeholders, to achieve the best delivery of education services to the diverse range of peoples and cultures that make up the Manukau Community.
- c. To act as an advocate for the Manukau Community in relation to all matters concerning education in Manukau City.
- d. To gather information about the provision of education services to the education community and provide that information to the relevant Education Stakeholders.

---

<sup>98</sup> Investment in social development netting gains  
<http://www.scoop.co.nz/stories/AK0311/S00028.htm>

- e. To take any other action the Trustees consider appropriate to facilitate the delivery of effective and relevant education services to the Manukau Community.<sup>99</sup>

Trustees were required to live or work in Manukau City or be strongly associated with the Manukau Community, be 'knowledgeable and/or concerned about the provision of education to the Manukau community', 'have mana and standing in the Manukau Community'; and 'reflect the diversity of the Manukau Community'. In 2002, the Mayor stated that the Trust had five areas of focus: 'linking schools and business to improve the transition of students into the workforce; improving literacy and numeracy skills in the community; supporting early childhood services; enhancing lifelong learning opportunities; and advocating for quality education delivery and community initiatives such as homework centres'.<sup>100</sup>

In its final update on the Charities Register, Trustees at the time included **Stuart Middleton** (Chair), director External Relations MIT; **Graeme McLennan**, manager Schools and Community MIT; **John Heyes**, principal Mangere College, executive member of Auckland Secondary Principals' Association; **Tolefoa Sina Aiolupotea-Aiono**, manager Pasifika Development MIT; **Pauline Winter**, director Pasifika Advancement AUT University, CEO Interpacific Ltd; and **Mark Gosche**, External Relations manager Pasifika Development Office MIT.

Past Trustees included: **Bill Gavin** (Chairperson), former principal of Otahuhu College and co-ordinator for the AIMHI schools; **Peter Coolbear**, deputy CEO MIT; **Rachael Tuwhangai**, lecturer University of Auckland Faculty of Education; **Denise Fink**;<sup>101</sup> **Gillian Trotman**, former principal Baradene College; **Laurayne Tafa** principal Homai Primary School; **Nancy McConnell**, member Papakura High School Board of Trustees; **Sandy Millar**, learning and development consultant MIT and ACC, former learning and development consultant with Cognition Education and Manukau City Council.

The ten year anniversary 2009 Annual Report provides details of COMET's largest staffing establishment to date (N=11): **Bernadine Vester**, Chief Executive, former vice-president PPTA and secondary school senior manager; **Dr**

---

<sup>99</sup> The activities of the Trust later filed with the Charities Register were: 'Provides advice/information/advocacy'.

<sup>100</sup> Appointment Of New Education Trustees For Manukau:

<http://www.scoop.co.nz/stories/AK0204/S00043.htm>

<sup>101</sup> High-Profile Names Join Comet Trust: <http://www.scoop.co.nz/stories/PA0106/S00090.htm>

**Jo Howse**, Deputy CE, former secondary teacher, lecturer, manager at MIT, head of school AUT University, president of NZ Education Administration Society, president of Commonwealth Council for Educational Administration and Management; **Allen Chang**, Executive Manager, JP, trustee of Auckland Regional Migrant Services Trust, former secondary principal, manager of staffing and resourcing Ministry of Education, acting CEO and Registrar of the Correspondence School; **Moana Whaanga** (Te Arawa, Tuhourangi, Ngāti Pīkiao), Kaitautoko (part-time), former teacher; **Alison Sutton**, Project Leader Family Literacy and Learning (part-time), education sector consultant, researcher and evaluator; **Suzanne Thom**, Co-ordinator Manukau Family Literacy Programme, trained teacher; **Aaron Shackell-Smith**, Regional Project Co-ordinator Education for Enterprise; **Ofa Nai-Saulala**, Project officer, former administrator University of Auckland; **Linda Hu**, Financial Administrator (part-time), consultant accountant; **Glenda Plaisted**, Administration Assistant; **Laeli Lima**, Project Administrator.

The same Report includes a timeline of its major milestones (appointments, programmes, events) since the Trust was established: Trust Deed formally signed (October 1999), Executive Officer appointed (January 2000), First Annual Report (March 2000), School-work links forum (May 2000),<sup>102</sup> First Manukau Literacy Summit (September 2000), Appointment of first School-Business Partnership Co-ordinator (February 2001), COMET website launched (May 2001), Second Manukau Literacy Summit (September 2001), Chairperson Collen Brown elected to Council Dr Stuart Middleton becomes Chair (October 2001), Youth mentoring pilot begins in four Auckland Schools (February 2002), Stocktake report *Business and Schools in Manukau* (March 2002),<sup>103</sup> First Principal For a Day event (September 2002),<sup>104</sup> Launch of *Youth Mentoring: an Advice Manual for Manukau & Beyond* (November 2002), First Manukau family Literacy Programme begins (Bairds Otara site) (March 2003), Second MFLP site (Rowandale) (May 2003), Otara Digital Opportunity project

---

<sup>102</sup> Support for Manukau school-to-work programme

<http://www.scoop.co.nz/stories/PA0106/S00090.htm>

<sup>103</sup> Business & school relationships <http://www.scoop.co.nz/stories/ED0203/S00010.htm>;

Funding announced for COMET project <http://www.scoop.co.nz/stories/ED0106/S00005.htm>;

Ford contributes to city education vision <http://www.scoop.co.nz/stories/ED0106/S00016.htm>

<sup>104</sup> The principal would like to see you! <http://www.scoop.co.nz/stories/ED0206/S00065.htm>

begins (October 2003), Manukau Youth Transitions Service pilot begins (January 2004),<sup>105</sup> COMET awarded Education Trust of the Year (March 2004),<sup>106</sup> Leader-to-Leader dialogue (April 2004), Third MFLP Site begins (Dawson) (October 2004), Published *Analysis of School Income for Manukau Schools* (January 2005),<sup>107</sup> MFLP Evaluation series completed (May 2005), Launched *Use of Information & Communication Technologies in Early Childhood Education Centres in Manukau City* (June 2005),<sup>108</sup> Enterprising Education forum (September 2005), Release of *Manukau Future Skills Action Plan; The Way Forward* (November 2005), COMET facilitates NetSafe cyber safety trials with early childhood centres (May 2006), Launch of Youth Mentoring Trust (May 2006),<sup>109</sup> Release of *A Tapestry of Understanding and Intergenerational Family Learning in Practice* (September 2006),<sup>110</sup> Partnership with IBM on Pasifika SmartCentres project begins (September 2006), Release of Price Waterhouse Coopers report (October 2006),<sup>111</sup> Six family literacy sites (March 2007),<sup>112</sup> First Manukau Education Conference (April 2007),<sup>113</sup> Education for Enterprise project begins (May 2007),<sup>114</sup> First Executive For a Day (June 2007)<sup>115</sup>, Launch of ECE Stocktake report (August 2007), Manukau Early Childhood Education Summit (April 2008),<sup>116</sup> Youth Transitions project transferred to community provider

---

<sup>105</sup> A destinations team approach to school-leavers

<http://www.scoop.co.nz/stories/AK0605/S00211.htm>

<sup>106</sup> Manukau trust named education trust of the year

<http://www.scoop.co.nz/stories/ED0411/S00004.htm>

<sup>107</sup> Income levels in Manukau schools set to rise

<http://www.scoop.co.nz/stories/ED0501/S00047.htm>

<sup>108</sup> Early childhood: Plugging into ICT <http://www.scoop.co.nz/stories/ED0511/S00099.htm>

<sup>109</sup> Establishment of Youth mentoring Trust

<http://www.scoop.co.nz/stories/AK0605/S00211.htm>

<sup>110</sup> "Dark secret" of family violence <http://www.scoop.co.nz/stories/AK0608/S00034.htm>

<sup>111</sup> Innovative reading programme family investment

<http://www.scoop.co.nz/stories/ED0610/S00086.htm>; Report proves economic value of literacy programme <http://www.scoop.co.nz/stories/AK0610/S00225.htm>

<sup>112</sup> Celebration of family commitment to education

<http://www.scoop.co.nz/stories/ED0712/S00036.htm>; Government axes Manukau literacy programme <http://www.scoop.co.nz/stories/ED0911/S00048.htm>

<sup>113</sup> New education strategy for Manukau <http://www.scoop.co.nz/stories/AK0705/S00065.htm>

<sup>114</sup> Students to run art auction <http://www.scoop.co.nz/stories/ED0711/S00103.htm>; Manukau students show business skills <http://www.scoop.co.nz/stories/ED0911/S00076.htm>

<sup>115</sup> Driving relationships between truckies, teachers

<http://www.scoop.co.nz/stories/AK0608/S00034.htm>

<sup>116</sup> Manukau Shows Leadership in Early Education

<http://www.scoop.co.nz/stories/AK0803/S00267/manukau-shows-leadership-in-early-education.htm>

<sup>117</sup> Manukau Early Childhood Education Summit

<sup>118</sup> Youth Transitions project transferred to community provider

(June 2008),<sup>117</sup> Opening of Mission Heights Schools (February 2009),<sup>118</sup> Complex Urban Schools Summit (April 2009).<sup>119</sup>

The City of Manukau Education Trust was deregistered at the Trust's request in October 2013 to be superseded by Community Education Trust Auckland. The current COMET Auckland website states that it was launched in July 2012 by Mayor Len Brown. 'Our role is to support education and skills across Auckland, contributing to the relevant social and economic goals in the Auckland Plan'. COMET Auckland introduces itself as Te Hononga Akoranga The Bonding of Learning:

COMET Auckland is here to create spaces for people to connect in order to advance education and skills for Auckland. We do this by listening, sharing learning, coordinating, collaborating and analysing data that forms an evidence-based decision making process. As a legacy, COMET Auckland also plays an important role as intermediary, advocate, and connector between the Council, the education sector, and the many different education, skills and training providers in Auckland.

COMET Auckland's website clarifies that it provides 'high quality and effective thought leadership, research and project development', but does not 'provide educational services, rather we function as a champion and connector of action and initiatives'. Arguably, this focus is reflected in the continuing relatively small scale of COMET's annual financial statements, and long term income to equity ratio, compared with those of, say, Kidscan which have grown substantially over the last few years.

Table 14. COMET annual financial statements 2008-2015

COMET	2008	2009	2010	2011	2012	2013	2014	2015
<b>Income</b>	1,182,000	845,000	751,702	686,206	692,810	742,543	719,581	890,467
<b>Surplus</b>	59,000	(53,004)	(13,719)	11,693	(35,602)	26,595	12,397	15,457
<b>Wages</b>	690,000	563,000	499,137	449,323	424,578	444,137	441,550	467,840
<b>Employees</b>	10	11	7	8	7	6	6	7
<b>Equity</b>	389,000	337,000	324,000	325,119	289,517	316,112	328,509	343,966

<sup>117</sup> Youth Transitions Services through Schools

[http://www.cometauckland.org.nz/webfiles/CometNZ/webpages/images/43744/Image Youth TransitionsServices-30013.pdf](http://www.cometauckland.org.nz/webfiles/CometNZ/webpages/images/43744/Image_Youth_TransitionsServices-30013.pdf)

<sup>118</sup> Mission heights primary and junior schools

<http://ascarchitects.co.nz/projects/education/mission-heights-primary-and-junior-schools/>

<sup>119</sup> The challenges of complex urban schools:

[http://www.cometauckland.org.nz/webfiles/CometNZ/webpages/images/43744/Image challenges\\_of\\_complex\\_urban\\_schools-30012.pdf](http://www.cometauckland.org.nz/webfiles/CometNZ/webpages/images/43744/Image_challenges_of_complex_urban_schools-30012.pdf)



(See below. Kidscan also describes itself as a ‘conduit’ but its much larger budget reflects its burgeoning role as a charitable programme/service/goods provider.)

COMET Auckland’s Statement of Intent 2015-2016 summarises its work as ‘advocacy’ (reports and data, strategic plans, policy), ‘innovation’ (pilot programmes) and ‘sector leadership’ (provide expertise, lead/form coalitions and networks, forums). Baseline funding is provided by Auckland Council and COMET Auckland also seeks ‘funding from government, industry and philanthropic sources for specific projects’. COMET Auckland’s 2015-2016 priority areas within the Auckland Plan include: Champion education and skills, Improve literacy, language and numeracy, Facilitate skills and outcomes for Māori, Facilitate skills outcomes for Pacific Peoples, Support sustainable development of Māori outcomes, Raise youth/rangatahi employability, Strong family attachment and early learning, and the Independent Māori Statutory Board (IMSB) Plan.

Under the heading Strategic Leadership, the Statement of Intent reports that ‘For the past two years we have been developing a collective impact partnership, Learning Auckland, to drive systems change to improve cradle to career learning across the city’; and that ‘The Learning Auckland Leadership Table involves people from early learning, primary, secondary and tertiary education, health, business, local government, philanthropy and NGOs’.<sup>120</sup> COMET Auckland’s objectives are to ‘provide backbone support’ for the programme and to ‘establish and coordinate Learning Auckland action groups’.

---

<sup>120</sup> As of February 2016, the membership comprised: Alison Sutton, Manager Literacy and Family Learning COMET Auckland; Angus Fletcher, Chairperson The Fletcher Trust; Brian Putt, Director Metro Planning; Catherine Cooper, Director The Cube (youth disability connecting organisation); Claire Gomas, Manager Skills and Employment Auckland Tourism, Events and Economic Development (ATEED); Dame Lesley Max, CE Great Potentials Foundation; Deidre Alderson, Principal Willowbank School and head of Auckland Primary Principals’ Association; Graeme Aitken, Dean Faculty of Education University of Auckland; Jenny Bygrave, Head of Strategic Developments AUT University; Joy Eaton, Deputy Director Starpath Project Faculty of Education University of Auckland; Kataraina Maki, General Manager Social and Community Policy Auckland Council; Linda Aumua, Director Pasifika Unitec; Lynda Stuart, Principal May Road School; Michael Burgess, Executive Officer Advocacy Services, Employers and Manufacturers Association; Michael Williams, Principal Pakuranga College and head of Secondary Schools Principals’ Association of New Zealand; Natalie Faitala, HOD English Wesley College and representative of NZPPTA; Sina Wendt-Moore, CE Leadership New Zealand; Stuart Middleton, Director External Relations Manukau Institute of Technology; Susan Morton, Director Growing Up in NZ study, University of Auckland; Susan Warren, Chief Executive COMET Auckland; Therese Ireland-Smith, Manager Health Promoting Schools, Cognition Education; Trudie McNaughton, Pro Vice-Chancellor Equity, University of Auckland.

Under the Skills heading, COMET seeks ‘leveraged external funds’ to enable it to ‘coordinate the development, trialling and rollout of a youth employability passport for use in Auckland’ [a site based school to industry work-readiness training programme];<sup>121</sup> and also to ‘provide Project leadership for the Science in Society Project to engage students, communities and scientists in participatory science within the TSI’ [The Southern Initiative].<sup>122</sup> Under the Ngā Iwi Māori o Tāmaki Makaurau heading, COMET Auckland coordinates the Tāmaki Makaurau Education Forum ‘to provide a platform for collaborative action for Māori education in Auckland’. Under the Adult Literacy heading, COMET’s ‘deliverables’ include: ‘monitoring the quality of the delivery of Whānau Ara Mua, the family learning qualification that COMET owns’, to ‘promote new Foundation Qualifications ... as a vehicle for family learning’; to ‘provide advice and expertise on literacy support’ to organisations supporting families; to ‘coordinate and co-chair the Auckland Financial literacy Providers and Practitioners Network, with the support of the Commission for Financial literacy and retirement Income’; to seek ‘leveraged external funding’ in order to ‘provide strategic leadership and cross-project coordination of the Tamaki and Randwick Park family financial wellbeing’; and to ‘co-host a financial literacy conference with Massey University that focuses on community designed and led financial well-being programmes’.

The current COMET Auckland staff comprises: **Susan Warren**, Chief Executive, former manager Centre for Family Learning at COMET Auckland, Ministry of Education Pasifika Schooling Improvement national project manager and Schooling Improvement coordinator, and education resource writer for World Vision New Zealand; **Shirley Johnson**, Manager Auckland Skills, former local government international relationship manager and social service sector worker; **Alison Sutton**, Strategic Analyst, author of various Auckland education reports, former member of development team for Te Whānau Ara Mua family learning and literacy programme; **Hauāuru Eugene Rawiri** (Ngāti Paoa, Ngāti

---

<sup>121</sup> COMET Auckland’s 2014-2015 Annual report acknowledges its Youth Employability Passport (YEP) scheme ‘partners’ as: Auckland Council, ATEED, Careers New Zealand, Career Development Association of New Zealand (CDANZ), Employers and Manufacturers Association, Employers Association Trust, Tindall Foundation, Work and Income, Workchoice Trust, Lottery Grants Board, and Pathways to Employment Trust.

<sup>122</sup> ‘Science in Society’ has now been awarded Ministry of Business Innovation and Employment contract funding <http://www.cometauckland.org.nz/wawcs0160400/idDetails=173/STEM.html>

Whanaunga), Project Manager Māori Education, Auckland Council te reo and tikanga adviser, Ngāti Paoa tribal negotiator, former lecturer MIT, Faculty of Education University of Auckland and Te Wānanga o Raukawa; **Linda Hu**, Financial Accountant, **Danielle Meredith**, Office Administrator; **Dr Sarah Morgan**, Project Manager for the Science in Society, Participatory Science Platform (PSP): South Auckland Pilot, former school science education research fellow, University of Auckland; and Te Aroha Kanawa, project manager Māori Employability, director of Te Kanawa Project and Event Management, secretary of the WIPCE (World Indigenous Peoples Conference of Education), trustee/secretary/treasurer for Te Tokanganui A Noho Marae, Te Kuiti, formerly worked for Waikato University and Te Wānanga o Aotearoa, .

The current COMET Auckland Trustees are: **Richard Hall** (Chair), Executive Director AUT University Southern Campus; **Brian Putt**, current visiting lecturer Unitec School of Architecture, chair of the Birkdale Beachhaven Community Project and inaugural convenor of the Kaipatiki Public Arts Trust, former member and chair of Northcote College Board of Trustees, member of AUT University Board, Northcote Brough Council councillor, chair of Northcote Soccer Club, helped to establish Awataha Marae and Onepoto Awhina; **Julie Dent**, Programme Leader for Early Childhood Education at the New Zealand School of Education, Board of Trustees member of a West Auckland school, secretary for the Auckland Chapter of OMEP; **Sarah MacCormick**, town planner Beca Ltd, former member Auckland Council Youth Advisory Panel; **Morgan Borthwick**, children's services librarian Remuera Library, former member of Mayor's Youth Advisory Panel and youth advocate for the Orakei Local Board; **Jannitta (sic) Pilisi**, consultant, former community engagement contractor, AUT University Southern Campus, Academic Board member Pacific Advance Senior School (PSKH), Tertiary Education Commission Pasifika Working Group member, PTE director; **Andrew Abernethy**, corporate lawyer; **Hoana Pearson**, principal Newtown central School, president of Aka Tamaki Auckland Māori Principals' Association, national coordinator and Auckland Regional facilitator of the Māori Achievement Collaboratives (MACs); and **Ginnie Denny**, current chair Ako books social enterprise and trustee of New Zealand Equine Education Trust, former project manager at the Tertiary Education Commission, New Zealand

Qualifications Authority, various Industry Training Organisations and Private Training Establishments.

In 2014-2015 COMET Auckland Charitable Trust reported no Trustee fees, only expenses (2015: \$2,303; 2014: \$88). The summary Statement of Financial Performance uploaded to the Charities Register states that COMET Auckland in 2015 employed 7 full-time staff and no volunteers. The total salaries and wages expenditure was \$467,840. This equates to a mean salary of \$66,834 per staff member. In 2008, the first year for which annual statements are available, COMET employed 7 full-time staff and 3 part-time, working a total of 344 average paid hours per week. This equates to 9.17 FTE staff. The cost of salaries and wages was \$690,000, which equates to a mean annual salary of \$75,245 per staff member.<sup>123</sup>

The COMET persons graphic (Appendix C, Table C7, Figure C7) shows Alison Sutton (3), Shirley Johnson (2) and Hoana Pearson (9) as the most dominant points with 21 degrees each. Alison Sutton as Strategy Analyst for COMET is located close to the centre of graphic, while both Shirley Johnson and Hoana Pearson are to the top right and left respectively. Both the executive and board members of COMET are relatively integrated. Executive and board members on the graphic are 1-4 and 5-9 respectively. Of the points in the centre of the graphic which are connected to more than one member of COMET, both executive and board members network to 14 persons on the graphic, representing 14 organisations/departments.

In the centre of the graphic is Alison Sutton (3), Hauāuru Eugene Rawiri (4) and Janittia Pilisi (8). These three members of COMET have similar connections in the core of the network. For example, Rawiri is networked to 6 of Alison Taylor's points, and Pilisi is networked to 4. All of them are networked to Sina Aiolutepoa-Aiono, chair of the Pacific Peoples Advisory Panel (PPAP) (23).

---

<sup>123</sup> According to the Reserve Bank's online Inflation Calculator, a 2007 annual salary of \$75,245 would be worth \$94,625 in 2015. According to the Statistics New Zealand, New Zealand Income Survey, the median hourly earnings for 2015 would equate to an annual median salary of \$44,518. By way of further crude comparison, based on the available Statements of Financial Performance for other New Zealand charities analysed in this report, the 2015 mean FTE equivalent salaries paid to their employees were: Cognition Education Limited \$99,280; CORE Education \$76,614; Teach First New Zealand Trust \$53,590; KidsCan \$43,921. Of course a mean salary figure does not take into account senior and junior staff salary differentials, or differences in role complexity.

The majority of these points are educational organisations and include BEST Pacific Institute of Education (62), Ministry of Education (28), NZ Youth Mentoring Network (35), Tertiary Education Commission (29) and the UOA Faculty of Education (32). This is consistent with COMET's self-description as an organisation which promotes enhanced education by networking education providers and institutes rather than providing education itself (COMET, 2016). Moreover, the three points on the graphic folding around the bottom of Sutton, Rawiri and Pilisi, show the importance of the Auckland Council to the organisation in their operations.

These three points of Auckland Council (34, 44) and PPAP (23) make up the largest representation of one organisation networked to COMET. For example, network connections to Stephen Town (34), Chris Darby (44) and Sina Aiolupotea-Aiono (23) total 15. (The next highest as an organisation is the Ministry of Education with a total of 9.) This pattern illustrates that COMET is both an independent trust and a Council Controlled Organisation (CCO).

The COMET organisations graphic (Appendix C, Table C8, Figure C8) shows Susan Warren (1) as the most dominant point in the centre, followed by Hoana Pearson (9) and Alison Sutton (3). Susan Warren has significantly more links to organisations in the COMET network than any other COMET members. Warren has 44 degrees in the network and Pearson and Sutton stand next at 34 and 33 respectively.

As with the COMET persons network, the organisations network is relatively integrated. This can be seen both by the extent and size of the points surrounding the COMET members in the centre of the graphic; and in the proximity of both the COMET executive and trust members. The executive members are represented by 1-4 on the graphic, and the trust members by number 5-9.

Susan Warren's organisational networking increases markedly compared to that shown in the persons network graphic. Warren's total networking capacity in the person graphic was 13 degrees, whereas in the organisations graphic it increases to 44 degrees. The organisational reach of Susan Warren extends to a variety of organisations. These are educational, government organisations, Māori/Pacific affairs, research institutes, healthcare the media and

philanthropic entities. Educational organisations extend the most with an additional 14 links compared to the persons network.

The graphic shows the importance of both Hoana Pearson and Janittia Pilisi in linking ethnic and cultural connections to COMET's objectives. Hoana Pearson is networked to range of organisations promoting Māori interests. These include Te Akatea (64), Māori Achievements Collaboratives (65) and Newton Central School (63), while Pilisi is networked to a range promoting Pacific Island interests. These are BEST Pacific Institute of Education (61), Pacific Advance Senior School (60) and Pacific Poppies (59), together with associations to the Ministry of Pacific Island Affairs (83), Centre of Pacific Studies (85) and the Pacific Business Trust (86).

Hauāuru Eugene Rawiri (4) also has key influence in promoting Māori interests in the COMET network as a Māori educator. This occurs through Ngāti Paoa (36), Te Wānanga O Raukawa (33), Kereru Park Campus (38) and Māori Television (80).

Brian Putt (6) networks COMET to a range of organisations which are Auckland based, and specifically the North Shore. These organisations are Northcote College (43), UNITEC (44), Birkdale Beach Haven Community Project Inc. (45), North Shore Community Support Services (47), Auckland North Community and Development (48), Awataha Marae and (81) Onepoto Awhina (Northcote Community House) (82).

### ***Kidscan***

The Kidscan Charitable Trust was established in 2005 by Julie Chapman (nee Helson) and then husband Carl Sutherland. According to its website, Kidscan 'was co-founded in 2005 by Julie Chapman in her Auckland garage'. Its early profile was significantly raised through a TV3 fundraising Telethon in 2009.<sup>124</sup> Chapman is the current CEO. Kidscan 'began with a generous \$40,000 grant from New Zealand Guardian Trust'.

The current charitable Trust deed dates from 2007. The then Trustees were Carl Sutherland, Julie Helson and Emma Thow. The objects and purposes of the Trust are to:

- a. Promote the education and relief of poverty amongst children in New Zealand [...].
- b. Meet the physical, nutritional and emotional needs of New Zealand children who are affected by poverty, including by way of the provision of clothing, food and medical supplies, so that they can reach their full potential.
- c. Establish and operate various programmes, activities and events that promote the charitable purposes [...]

The Kidscan 2014 Annual Report states its mission as 'we strive to be the conduit for individuals, community, businesses and government to co-operate in providing food, clothing and basic health care in schools, to enable disadvantaged New Zealand children to reach their potential'. Its vision is a 'distinctive ability to fund, source and distribute' these things, which 'will improve educational outcomes for all New Zealand children facing hardship'. In 2014, Kidscan reportedly increased the number of schools it supported by 95 to 447, with 90,000 children across 14 regions nationally (updated to 115,000 children on the current website 'splash page').

The CEO stated that 'this year 82 cents in every dollar spent was directed to our programmes for children in need'. The website FAQs include information on how supporters can make a charitable donation of \$15 a month to support a child, and assures prospective donors that '100% of monthly donations goes to the kids'.

---

<sup>124</sup> For example: Healthy bodies, sharp minds <http://www.stuff.co.nz/life-style/2712102/Healthy-bodies-sharp-minds>

However, there have been occasional media-reported concerns over the organisation's 'cost structure'<sup>125</sup> including, most recently, a 2015 court case between Kidscan and a former staff member. In this, the former staff member alleged that some Kidscan administration expenditures were unethical and its methods of coding staff expenses in accounts filed with the Charities Register misleading.<sup>126</sup>

In the 2014 Annual Report section on the one in four or '260,000 Kiwi kids [who] live in poverty' (updated to 305,000 children on the current splash page), Kidscan aims to ensure all children in decile 1-4 schools has 'access to the basics most of us take for granted when growing up' and that 'Kidscan is a voice for children who cannot speak for themselves'. Its key outputs graphic reports the distribution of 25,471 pairs of shoes, 50,942 pairs of sock, 49,072 waterproof fleece-lined raincoats and 24,113 trousers, 2,058,812 items of food, 848 classroom hand sanitisers, 507 prescription medicines and over 94,670 basic hygiene items. The report reiterates Kidscan's 'three core areas: nutrition, clothing and health'. These are operationalised through various named programmes such as 'Raincoats for Kids', 'Food for Kids', 'Health for Kids' and a pilot head lice programme with partners Hawke's Bay District health Board and the Ministry of Health.

The most recent 2014 Annual Report on the website lists 93 'Sponsors and Supporters' and 26 'Trusts and Foundations in its 'Partner Acknowledgments'. Annual Reports from previous years show that the number of corporate partners has grown over time, and the particular names have also changed somewhat. The Kidscan website lists Meridian energy as its Principal Partner; Trillian Trust Inc., McConnell Dowell Creative Construction and the Ministry of Social Development as its Platinum Partners (cash) and Tip Top, Easiyo, Tasti and Retko Specialist Transportation as its Platinum partners (in kind); GSK, Greenlea Foundation Trust, Lumino The Dentists, Flight Centre

---

<sup>125</sup> Telethon charity's costs queried <http://www.stuff.co.nz/entertainment/tv-radio/2742223/Telethon-charity-s-costs-queried>

<sup>126</sup> Former KidsCan staff speak out over charity's 'champagne lunches' [http://www.nzherald.co.nz/nz/news/article.cfm?c\\_id=1&objectid=11449523](http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11449523); KidsCan theft accused: 'It affected our whole lives' [http://www.nzherald.co.nz/nz/news/article.cfm?c\\_id=1&objectid=11449438](http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11449438)



Foundation and the Abano Healthcare Group Limited as Gold Partners (financial); SC Johnson, General Mills, Arnotts, QBE, Campbell's, Johnson & Johnson Medical and American Express as Silver Partners (financial); RDT Pacific, SWP Commercial limited, Snell Packaging and Safety, and Office Products Depot as 'In Our Own Backyard Supporters'; Conferenz, Fujifilm, KPMG, Multimap Solutions, Countdown, Kennards Hire, Skoolbo, Caharlies, DGE Electrical, The Travel Brokers, The Coffee Club, Bell Gully, The Athlete's Foot, Miny & Mo, Planet Fun, USANA Health Sciences, Cash Converters, Partridge Jewelers, Postie+ and Robert Walters as 'KidsCan Supporters'; and ICG, Val Morgan, True, TV3, TRA, OMD, Digital PR Ltd, Bauer Media Group, Trade Me, Affinity ID, MoreFM, The New Zealand Herald, Isentia, Yahoo New Zealand, George and iSite as 'Media Partners'. 27 Trusts and Foundations supported KidsCan in 2014, 7 local government bodies, and the charity received 23 Community Organisation Grants Scheme (COGS) Crown grants. The 'KidsCan Ambassadors' are Mike McRoberts, journalist; Miriama Smith, actor; Mike Allsop, adventurer; Will Hall, actor; and Karl Urban, actor.

The KidsCan Board comprises **Bill Birnie**, barrister and solicitor, chairman and managing director of private equity firm Birnie Capital Limited, trustee of James Wallace Arts Trust, deputy chairman of Sport New Zealand, director of High Performance Sport New Zealand, former deputy chairman of the New Zealand Film Commission, chairman and director of ENZA, director of the Screen Council of New Zealand, director of New Zealand Equestrian Sports and Commissioner of the Hillary Commission, founding trustee of the Wellington Stadium Trust, deputy chairman of Post Office Bank; **Julie Chapman** (CEO), **Nigel Hampton QC**, judicial officer for NZ Rugby Union, SANZAR and International Rugby Board, former president of the Canterbury Law Society, vice-president of the NZ Law Society, chair of the NZ Lawyers' Disciplinary Tribunal; first disciplinary commissioner for International Criminal Court, chief justice of Tonga, 1995-97; **Glenda Hughes**, top athlete adviser and 'guest lecturer in marketing, communication and change at several universities', former national and Commonwealth games sportswoman and record holder, and worked with NZ Olympics Committee, former police force employee; and **John Kensington**, partner KPMG Auckland. The latest Charities Register update in

2013 lists the current Trustees as **Glenda Hughes, John Kensington, Julie Helson (Chapman), Kenneth Kampton, and William (Bill) Birnie**. Past Trustees are listed as **Amanda Hotchin, Carl Sutherland, Craig Forbes, Hayley Throw and Richard Shera**

Table 15. Kidscan annual financial statements 2007-2015

Kidscan	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Income</b>	976,185	1,284,413	2,150,032	3,214,185	3,357,415	4,934,101	7,000,555	9,739,650	12,484,901
<b>Surplus</b>	(23,849)	(36,903)	161,201	(23,850)	754,782	521,157	1,019,818	541,948	863,279
<b>Employees</b>	7	8	9	7	9	11	14	18	58
<b>Equity</b>	0	106,807	268,007	244,157	998,938	1,622,365	2,642,183	3,184,131	4,551,786

The 2007 Financial Statements show operating revenue (\$976,185) including: donations revenue \$562,608 (comprising general donations \$85,668, Kidscan fund raising income \$249,260 plus Warehouse Stationery Ltd fundraising \$227,680); corporate donations \$94,160 (Conferenz \$40,000, Number One Shoes \$40,842, Thompsons \$13,318); gaming trust income \$193,657; philanthropic trust income \$65,500; and government grants \$60,260. Plus interest received \$189. Under expenses (\$1,000,223), the line items greater than \$10,000 were: Events and promotions of \$229,905; wages of \$224,088; *Raincoats for Kids* \$138,106; advertising \$79,950; *Food for Kids* \$65,962; Printing and stationery \$68,544; Public relations \$45,334; Motor vehicle expenses \$23,535; *Shoes for Kids* \$22,359; Charity donations \$16,000; Rent \$15,850; and postage and courier costs \$11,721. The net operating deficit for the year was (\$23,849). Net Trust equity at the end of the financial year was \$143,710.

The most recent 2015 Financial statements appear less detailed and transparent than the 2007 Statements. They are separated into Parent and Group (which includes Invitation Only Events Limited) columns. The figures are identical. Total operating revenue was \$12,484,901. This comprises: In-kind gifts and donated goods for programmes and administration \$5,297,518; Campaign income \$2,357,028; Philanthropic trusts and gaming \$1,512,775; Government income \$1,407,783; Donations \$1,150,133; Sponsorship income \$505,785; Interest and dividends \$133,291; and Other income \$120,498. Total operating expenditure for the year was \$11,621,622. This was reported under two major

headings, 'Investment in Children's Programmes' (\$9,480,695) and 'Operating Costs' (\$2,140,927). The former comprises In kind gifts and donated goods used in programmes (\$4,871,239) and Programme costs (\$4,609,456); the latter includes Administration costs (\$1,290,059), In kind gifts and donated goods used in Admin (\$666,744), and Campaign costs (\$184,124). The net surplus for the year is \$863,279.<sup>127</sup> Net equity for 2015 is reported as \$4,551,786.

No directors' or trustees' fees are reported. Accrued holiday pay only is reported for employees. However, to provide some indication of the 'reasonableness' of overall Kidscan staff remuneration, the summary Statement of Financial Performance uploaded to Charities Services states that Kidscan in 2015 employed 18 full-time and 40 part-time staff and had 3 volunteers working a total of 10 hours per week. The total number of average paid hours per week was 1,465. This equates to approximately 39FTE staff working a 37.5 hour week. The total salaries and wages expenditure was \$1,706,658. This equates to a mean salary of \$43,760 per staff member.

Again, using the Reserve Bank online Inflation Calculator for comparison purposes; in 2007, Kidscan employed 4 full-time staff and 3 part time, which equated to approximately 6FTE staff. It also had 186 volunteers working a total of 930 hours per week. The cost of salaries and wages was \$224,000, which equates to a mean annual salary of \$37,333 per staff member. In 2015, the equivalent inflation adjusted salary would be \$43,921.

The Kidscan persons graphic (Appendix C, Table C9, Figure C9) shows the five members of Kidscan as the central points, a few points dotted between them and finally direct networking outside the core of the network. The three most dominant points on the graphic are Bill Birnie (2), Nigel Hampton (3) and Glenda Hughes (4). Each of these members brings an area of expertise demonstrated by their sphere of networking. Bill Birnie specialises in the sectors of finance, business and production (film). Nigel Hampton specialises in civil and international sport law, and Glenda Hughes specialises in the university sector and organisational sport.

---

<sup>127</sup> The 2015 Financial Statement also provides 'restated' income and expenditure figures for 2014 which differ from those listed in the table above, leading to an increased restated surplus for 2014 of \$1,046,324.

The graphic shows 5 points in the core of the network which have the highest connections to Kidscan members, and these points depict the specialities of the most dominant points in the Kidscan graphic. These organisations are Massey University (29), NZAuASB (32), Sport NZ (16), NZRU (21) and the NZ Film Commission (11).

Massey University is the most dominant point connected to Kidscan due to affiliations four members of Kidscan have to the top leadership, represented by the Vice-Chancellor Hon Steve Maharey. These members are Glenda Hughes (4), John Kensington (5), Bill Birnie (2) and Julie Chapman (1). Of these four, Julie Chapman and John Kensington have the strongest links. Julie Chapman connects via a research publication that reviewed the effectiveness of Kidscan activities.. John Kensington's link is through working with Massey on a KPMG publication.

One feature to note within the core of the network is the appearance of only one Trust, that is the TSB Community Trust. John Kensington is networked to the Trust and it is central due to Kensington's position in the graphic. (Kidscan as an organisation is networked to a range of trusts, but for this graphic, evidence of person to person connections to the CEO and trust members was displayed.)

The Kidscan organisation to organisation graphic (Appendix C, Table C10, Figure C10) shows an increase in networking among Kidscan members. Glenda Hughes (4) is the most dominant point on the graphic with 26 degrees, followed by Bill Birnie (2), Nigel Hampton (3) and John Kensington (4) with 22 degrees.

The cluster of nodes in the centre of the network between Kidscan members shows the organisations which are most prominent in the Kidscan network. The network connections with these organisations vary from all members being networked to only two members. A group of these points within the core cluster is media-related, and these consist of MediaWorks, the NZ Herald and TVNZ. Of particular importance to Kidscan is the networking to Julie Chapman (1), who is the founder and CEO of the organisation. Kidscan appears to actively utilise the media in the promotion of its work. Whether it is through the mediums of articles in the NZ Herald, television segments on Breakfast or radio through MoreFM, Julie Chapman has spearheaded the Kidscan campaign in

media .Of the eight media companies/businesses that are networked to Kidscan, Julie Chapman is directly associated to six.

Another important grouping in the middle cluster is sports. This group consist of the NZRU, IRB, SANZAR and NZ Warriors. Of all the points that Kidscan is connected to in the network, the NZRU is the most dominant point, with all members associated. The All Blacks is an iconic high profile international rugby team, and support from the union provides added value to the Kidscan brand. Also, the NZ Warriors is an important organisation as both Bill Birnie (2) and Glenda Hughes (4) have held past governance roles in the NZ Warriors and NZ Rugby League respectively. In 2013 Kidscan and NZ Warriors formed a partnership to provide raincoats to disadvantaged school children for a three year term. Such partnerships continue to strengthen the Kidscan brand.

## Conclusion

In 2016, there is a diversity of private sector policy actors who participate in New Zealand state schooling. Policy actors may be individual, groups or organisations. They may be either entrepreneurial or philanthropic in orientation, or a mixture of the two, and act according to a complex mixture of public good, not-for-profit and for-profit motivations. Some work largely or exclusively in the area of schooling products and services, while for others schooling is one among several areas of activity. The increased presence of these policy entrepreneurs and advocates in the managed state schooling marketplace appears to have been actively encouraged and facilitated by National-led governments since 2008.

Government public sector rhetoric and policy texts now commonly refer to partial subsidies on behalf of taxpayers, PPPs and social investment approaches. These create opportunities and expectations for business and the third sector, including charities, iwi, rūnanga and UMAs, to share the responsibilities of delivering government services, along with greater user pays by households and families. This constitutes a considerable challenge for proponents of the state schooling sector, which by law is both compulsory and free. Those who oppose the privatisation of state schooling on principle, on the grounds that it is a public good and thereby a foundational element of government's social contract with civil society, face something of a dilemma because the current administration is apparently adamant that it will not increase overall government funding to state schooling in real terms. The gradual withdrawal of government enables private sector participation and with participation come expectations of decision-making and property rights. These may range from a return on commercial or social investment in product and services provision, to a role in determining policy for mutual benefit.

The prospect of greater private sector participation in creating policy and deciding policy settings raises fundamental questions about public versus private benefit in the delivery of state schooling. In the case of the five charitable trusts used as cases in this report, the amount and quality of information on their personnel, activities and finances are both limited and inconsistent. In both their

for-profit and not-for-profit forms, charities claim to be contributing to the public good but there is insufficient standard information for disinterested observers to establish whether and to what extent claimed public benefits outweigh private benefits to individuals, whether charitable distributions are a reasonable proportion of annual income over time, and whether any harm is being done to existing state schooling services and the public sector as a result of greater private sector participation.

Gradual withdrawal of government from the funding and provision of state schooling, while at the same time increasing its control over the standards and accountabilities of system performance, radically changes the logics and dynamics of the public education system. It places proportionately greater emphasis on private sector networking and contracts and proportionately less on social democratic, participatory approaches to decisions around public policy development and services delivery. These newer state schooling relations of PPP, contracting out, venture philanthropy and charity need to be understood in much greater depth in terms of the political strategies and tactics being pursued by private sector actors, the degrees of influence they have over politicians and officials, and the material effects their activities have on children, teachers, schools and local communities.

Government has an unambiguous legislative responsibility to ensure that all children receive free compulsory schooling yet the current administration appears to have unilaterally set practical limits or qualifications on this responsibility: by way of partial subsidies, user pays, guaranteed return on investment for private sector actors, and an expectation that major innovation in state schooling will be funded philanthropically. Arguably, each of these is to a greater or lesser extent inimical with the social contract that government has with communities, families and children.

It is likely that the entry of private sector actors who bring a variety of financial, knowledge, cultural and social capital resources to an over-stretched state schooling system creates tangible benefits by ensuring the presence of educational interventions, products and services that would not otherwise be made available by central government through Vote Education appropriations. This may reasonably be asserted to be the case with organisations like

Foundation North, COMET and Kidscan. Their scopes of activity demonstrate, respectively the need to: (i) fund proof of concept innovation in schooling which can then be scaled-up across the state system as a whole; (ii) increase the community brokerage role played by local government, in order to create more seamless education pathways for children between the home and school, and between the school and workplace; and (iii) to simply put more money into the state schooling system to address children's basic needs so that they do not act as perfectly avoidable barriers to learning.

It may possibly be more difficult to assert that organisations like Pearson, Cognition Education Limited, and CORE Education Limited provide interventions, products and services that would not otherwise be available. It could be claimed that in comparison with the three philanthropic actors above, EMOs, whether for-profit or not-for-profit, take more money out of the state schooling system than they return in terms of contracted-out services and genuine charitable grants. No doubt central government would argue that with their lower overheads and closely specified service contracts, smaller and more nimble private sector charities offer better value-for-money state schooling support than larger public sector organisations. However, that too needs to be the subject of debate and analysis.

This report has provided a preliminary sketch map to identify some of the emergent strategies, tactics, dispositions and behaviours of the range of private sector policy entrepreneurs and advocates who are active in New Zealand state schooling today. It raises important questions about the potential benefits and harms of increased private sector participation. It also provides a starting point for a necessary public debate about the purpose, nature and forms of free, compulsory state schooling and how these can be realised in a context where government no longer fully accepts its statutory responsibility to provide for all children a high quality state schooling experience that is free at the point of use.



## References

- Ball, S. (1994). *Education reform: A critical and post-structural approach*. London: Routledge.
- Ball, S. (2012). *Global education inc. New policy networks and the neo-liberal imaginary*. London: Routledge.
- Ball, S. & Junemann, C. (2012). *Networks, new governance and education*. Bristol: Policy Press.
- Ball, S. & Youdell, D. (2008). *Hidden privatisation in education*. Brussels: Education International.
- Bogason, P., & Musso, J. (2006). The democratic prospects of network governance. *The American Review of Public Administration*, 36(1), 3-18.
- Bray, M. (2007). *Shadow education and its implications for planners*, second edn. Paris: UNESCO.
- Chapman, C., & Salokangas, M. (2012). Independent state-funded schools: Some reflections on recent developments. *School Leadership & Management*, 32(5), 473-486.
- Charities Aid Foundation (2015, November). *CAF World Giving Index 2015: A global view of giving trends*. Downloaded 29.07.2016 from: <https://www.cafonline.org/about-us/publications/2015-publications/world-giving-index-2015>
- Charities Commission (2009, October). *"Public benefit" test: Guidance for charities*. Wellington: The Commission.
- Charities Commission (2010, October). *A snapshot of New Zealand's charitable sector*. Wellington: The Commission.
- Cox, M., Stokes, F. & Dixon, H. (2015, December). *Giving New Zealand: Philanthropic funding 2014*. Auckland: BERL for Philanthropy New Zealand.
- Department of Education (1988). *Tomorrow's Schools*. Wellington: Government Printer.
- Erixon Arreman, I., & Holm, A-S. (2011). Privatisation of public education? The emergence of independent upper secondary schools in Sweden. *Journal of Education Policy*, 26(2), 225-243.

- Gunter, H. & Fitzgerald, T. (2013). New Public Management and the modernisation of education 1. *Journal of Educational Administration and History*, 45(3), 213-219.
- Horgan, A., Sellar, S., & Lingard, R. (2016). Commercialising comparison: Pearson puts the TLC in soft capitalism. *Journal of Education Policy*, 31(3), 243-258.
- Kadushin, C. (2012). *Understanding social networks*. Oxford: Oxford University Press.
- Katz, D. (2006, March). *Financing infrastructure projects: Public Private partnerships (PPPs)*. New Zealand Treasury Policy Perspectives Paper 06/02. Wellington: NZ Treasury.
- Knoke, D. & Kuklinski, J. (1991). Network analysis: basic concepts. In G. Thompson, J. Farnces, R. Levacuic & J. Mitchell (Eds.), *Markets, hierarchies and networks: The coordination of social life* (pp. 173-182). London: Sage.
- Muir, R. (2012, August). *Not for profit. The role of the private sector in England's schools*. London: Institute for Public Policy Research.
- New Zealand Parliament (2005). *Charities Act 2005 No 39*.
- New Zealand Treasury (2015, September). *The New Zealand PPP model and policy: Setting the scene*. Wellington: Author.
- O'Neill, J. (2011). The privatisation of public schooling in New Zealand. *Journal of Education Policy*, 26(1), 17-31.
- O'Neill, J. (2012). Commentary: Material fallacies of education research evidence and public policy advice. *New Zealand Journal of Educational Studies*, 47(1), 153-160.
- Papanastasiou, N. (2013). Commercial actors and the governing of education: The case of Academy School sponsors in England. *European Educational Research Journal*, 12(4), 447-462.
- Poirier, D. (2013). *Charities law in New Zealand*. Wellington: Department of Internal Affairs.
- Ravitch, D. (2016). *The death and life of the great American school system: How testing and choice are undermining education*, second edn. New York: Basic Books.

- R. (Independent Schools Council) v. The Charity Commission for England and Wales; H. M. Attorney General v. The Charity Commission for England and Wales [2011] UKUT 421 (TCC)
- Scott, J. (2013). *Social network analysis*, 3<sup>rd</sup> edn. London: Sage.
- Thompson, G. (1991). Networks: Introduction. In G. Thompson, J. Frances, R. Levacic & J. Mitchell (Eds.), *Markets, hierarchies and networks: The coordination of social life* (pp. 171-172). London: Sage.

## **Appendix A: Methodology**

Relational data concern the contacts, times and connections, and the group attachments and meetings that relate one agent to another.... The methods appropriate for relational data are those of network analysis. (Scott 2013, p. 2)

### **Aims**

The aim of this study was to describe and map: (i) the range and variety of policy actors or agents in New Zealand state schooling; (ii) their functional interrelationships, networks and coalitions; (iii) the degree to which they participate in the production of particular policy texts and state schooling policy generally; and (iv) trends beyond the philanthro-capitalist model impacting on privatization in the New Zealand compulsory schooling sector, including direct private investment, from international companies.

### **Approach**

The aim lent itself to an analysis that could map, graphically and logically, the main policy actors in the charitable, venture philanthropy and for-profit schooling sectors, and their networks of relationship, with each other and with governments, here and overseas.

The research design was informed by the social science methods literature on network analysis (Scott 2013; Kadushin 2012), and shaped by recent education policy research by Stephen Ball on related education modernisation developments in England. The latter is very much an applied analysis that sets out to uncover the practical, concrete effects of neo-liberal ideology in state education as they occur.

For this Aotearoa New Zealand study, the 'charities' in the project title included all education charities registered with the New Zealand Charities Services in 2014; 'philanthropists' included individual, family and corporate groups and programmes; 'policy entrepreneurs' included key academics, former public servants, sole-traders and public policy trusts; 'international companies' included Pearson at the specific request of the project funders; and 'state schooling' excluded the early childhood and tertiary education sectors.

A major objective of this kind of research is to document what is going on in order to be able both to understand and respond to trends as they emerge. The concept of a 'workbook' is sometimes used to convey the idea that researchers and professionals are making sense of these trends as they occur, in real time.

### **Methods**

The methods adopted for the study included a series of journal database and internet searches on charities and venture philanthropy generally, together with social network mapping and case analysis of selected private sector New Zealand policy actors.

### ***Database and internet searches***

Systematic searches of Discover, Web of Science, Education Source, ERIC, A+ Education and Google Scholar databases were undertaken, mainly in late 2014 and early 2015. Citations were retrieved, together with full-text documents when available, or pdfs of screengrabs from webpages, and downloaded into an Endnote library.

1. *Educational management organisations and educational publishers*: Searches were undertaken using terms (including \*truncations) associated with educational management organisations (EMOs), education governance, state education, public private partnerships, education publishers, charity and philanthropy. 26 items were downloaded for EMOs and 14 for educational publishers.

2. *Educational charities*: The search terms used (including \*truncations) were education, charity, philanthropy, profit, accountability and efficacy. From these searches 104 items were retrieved. Philanthropy was the most commonly associated term in titles of articles in the Endnote library, with 38 listed, followed by profit (18), accountability (7) and efficacy (1).

3. *Pearson* (a specific focus requested by one of the project funders): The search results were dominantly web-based, but 32 journal articles were retrieved. 18 of the 27 searches were of Google, whereas, only 6 university database searches

were used. The search terms ranged from Pearson business education, to forecasts, New Zealand and Pearson, the Pearson Foundation, Assessments, Pearson publications and partnerships. Pearson teaching assessments were a dominant subject in the search, with 26 of the 125 retrievals referring to this. The New Zealand searches, though limited, covered a range of topics from the withdrawal of New Zealand publishing, to publications of New Zealand education, involvement in government, and business partnerships such as Edify.

*4. New Zealand education charities:* This search was based on New Zealand education charities and organisations, the Charities Act 2005, and a small number of selected key organisations and personnel known to be active in public education policy development, delivery, evaluation and advocacy. This was almost entirely a web-based search as the databases held few journal articles on the topics. To access education charities not including New Zealand in their name, the advanced search of using .nz as the domain was beneficial. ‘Mining’ information on known education policy actors was necessary in regards to the Aotearoa Foundation, which is based in New York yet financially supports selected education privatisation policy-related initiatives in New Zealand. The philanthropic peak body, Philanthropy New Zealand, and the policy ‘think tank’ The New Zealand Initiative (formerly New Zealand Business Roundtable), had high search counts with 24 and 21 respectively. A total of 254 items was retrieved and downloaded to Endnote.

*5. Snapshot analysis of the Government Electronic Tendering Service (GETS):* GETS is a single internet portal operated by the Ministry for Business, Innovation and Employment, which is used by state sector organisations to advertise procurement opportunities. The state sector is required to adhere to the Principles of Government Procurement and Government Rules of Sourcing. For contracts of \$100,000 or more, departments and agencies are required to advertise and open tender (Request For Quote, Registration of Interest, Request For Proposal) on GETS. A previous study (O’Neill 2011) using ‘old GETS’ was able to estimate the dollar value of these contracts based on the value range information provided for each on GETS. Unfortunately, this information is no

longer published on the upgraded portal in a reliable format, and the analysis did not proceed.

*6. Charities Services Register:* The core functions of the former Charities Commission were moved to Department of Internal Affairs in July 2012. The charities register is an open access searchable database of registered charities in New Zealand. Two Excel files containing organisational and financial information on all charities were downloaded, cleansed and analysed to give a broad picture of education and education related charities nationally.

A search of the Charities New Zealand database was undertaken using the 'Advanced Search' function on the website, [www.charities.govt.nz](http://www.charities.govt.nz). All the New Zealand charities for which the sector of operation included 'education/training/research' were downloaded in late 2014 as an Excel spreadsheet (n=20,052). Of these charities, 17,201 were currently registered. The 'Main Activity Name' (MA), 'Main Beneficiary Name' (MB) and 'Main Sector Name' (MS) fields were searched for a variety of education-related keywords. The search terms were: educa\*, scho\*, kura, wananga, kohanga, kinder\*, early, college, universit\*, tertiary, stud\*, train, learn, tuition, tutor, academ\*, pupil, gradu\*, teach\*, appren\*, bursar\*, child\*, young, youth, girl, boy, year (old), teen\*, resear\*, princi\*, library\*, kid\*, presch\*, mont\*, play\*. The variables MS, MB and MA were categorised into 16, 13 and 16 distinct groups respectively. The following table outlines the findings from this exercise and it shows the frequency distribution of main sectors, beneficiaries and activities within overall charities.

Table A1. Analysis of Charities Register database of educational charities

Main Sector	Main Beneficiary	Main Activity	Count	Percentage (/ 17201)
1 OR 15	1 OR 12	1 OR 2 OR 12	2018	11.7%
1 OR 15	1 OR 12	2 OR 12	1135	6.6%
1 OR 15	1 OR 12		4125	24.0%
1 OR 15		2 OR 12	1577	9.2%
	1 OR 12	2 OR 12	1587	9.23%
		2 OR 12	3243	18.9%
	1 OR 12		6221	36.2%
1 OR 15			6173	35.9%
1 Only			6059	35.2%

Main Sector: 1 – Education/Training/Research; 15 – Other (Education related)

Main Beneficiary: 1 – Children/ Young people; 12 – Other Education related

Main Activity: 1 – Provides services (e.g. care/counselling); 12 – Other Education related; 2 – Makes grants to organisations (including schools or other charities)

Another database maintained by Charities NZ is ‘Financial’, which provides information and people statistics from charity annual statements (in this instance 2014 statements), combined with charity descriptions and purposes. The main variables that we analysed were Allcurrentassets, Allcurrentliabilities, Allnoncurrentliabilities, Allotherexpenditure, Allotherfixedassets, Allotherincome, Allothershorttermassets, GrantspaidoutsideNZ, GrantspaidwithinNZ, Salariesandwages, Totalassets, Totalequity, Totalexpenditure, Totalgrossincome, Totalliabilities and TotalLiabilitiesAndEquity. The database was analysed across a wide range of skills to understand the overall picture of the functionality of New Zealand charities. Being dominant nominal variables, main sectors, beneficiaries and their activities were used to illustrate a better image of charities using frequencies and hence identified major clusters. For each of these variables, two categories named ‘Educational related’ and ‘Not Education related’ are constructed for ‘Others-etc.’ which appears frequently in the database.

The Charities Register also contains official documentation such as rules, officer details and annual financial statements for each charity. All such



documents were downloaded and analysed for the case charities reported together with annual reports which were sourced from the Charities register in some instances and the organisation's website in others. (Given their small scale and civil society focus, no searches were undertaken of incorporated societies and charitable trust boards on the Companies Office website.)

### ***Social network mapping and case analysis***

A key objective of this study was to map the relationships between traditional and new state schooling policy actors. A challenge is that such relationships are based on cooperative network and clan interactions at both the inter-personal and inter-organisational levels. This study has focused on publicly available evidence of relationships and interactions, but contains nothing of what may occur 'behind closed doors'.

Gephi (<https://gephi.org/>) open source network analysis and visualisation software was used in this study to map basic relational data for each of the case charities and for Pearson. Social networks may be analysed and graphically represented in numerous ways depending on the focus of analysis (see Scott 2013). For this preliminary study, the objective in effect was effectively to depict a basic sociogram (persons and organisations) for each organisation at a particular point in policy time and space. This is a significant limitation of the study as the nature, purpose and value of the connections we have mapped all remain unknown.<sup>128</sup>

While the Gephi graphic therefore provides a conceptual framework to show how governance and executive members of each organisation are connected to others, and some of the frequency of those connections, due to constraints of time we have not been able to explore the patterns of connection that help to explain the behaviours of the actors (Knoke & Kuklinski 1991, p. 176). Equally, we have not been able to supplement the data reported here with ethnographic, interview and survey data from the organisations themselves. All

---

<sup>128</sup> This was particularly the case for Pearson and Cognition social networks as the procedures followed for establishing connections was complicated. Consequently, the analysis reported here is subject to further re-analysis and revision. The case charities data is more reliable as it comprises only two levels of analysis, which are person-to person and organisation to organisation. In contrast, the Pearson and Cognition analyses attempted to explore third party connections of 'networking possibilities' that would be opened up indirectly for these two organisations.

these are necessary to fully appreciate the social networking practices of an organisation (Scott 2013).

To provide an example of how we started on the ‘collection of lists of cases and connections’(Scott 2013, p. 42), the Pearson social network was formed by first creating a matrix of people connected to Pearson in Excel. Using Google, a person to person search was undertaken and all results that returned a connection to a corporation, organisation, government department, forum or university were numbered and listed in Excel.

In the graphic visualization, a point (or ‘node’) depicts a person or organisation in the social network. The link between them is depicted by a line (or ‘edge’). All points are numbered. The size of the point expands as more Pearson and /or non-Pearson persons are connected to the same point via lines (e.g. World Economic Forum). For the Pearson (and Cognition Education) Gephi analyses, we also included person to person point connections beyond Pearson, on the basis that this could illustrate the wider sphere of influence that may be leveraged when Pearson appoints well-connected directors or trustees. However, this proved too time consuming and laborious without any expertise in automated data mining.

All Pearson-specific points represent a member of the board or executive team. In the level 1 or egocentric analysis all points with multiple organisational names also represent different personal contacts within the Pearson network. At level 2 they do not.<sup>129</sup> In order to distinguish between the different organisational names, numbers correspond to which Pearson contact best represents that point.

All Pearson persons identified for the analysis were chosen based on their title/position in the organisation. Where there was an equal status position, the representatives were evenly disbursed among points. An example of this is the World Economic Forum, UK government etc.

Based on an emerging understanding of the variety of private sector policy actors participating in state schooling in New Zealand (venture philanthropy, charity, not for profit and for profit EMOs), six cases were

---

<sup>129</sup> Level 1 = Pearson to non-Pearson personal or organisational contact; level 2 = non-Pearson personal or organisational contact to non-Pearson personal or organisational contact.

developed using publicly available information. The choice of cases was purposive: Pearson was required by the project funder; Cognition and CORE are the two largest EMOs in New Zealand; Foundation North is the largest philanthropic organisation in Australasia; COMET and Kidscan represent contrasting charitable trust purposes, activities and growth trajectories.

## Appendix B: Educational charities with annual income between \$1 million and \$10 million

Table B1. New Zealand education charities with annual total income, annual expenditure and total assets each between \$1 million and \$10 million, by 2014 gross annual income (n=174)

Name of Charity	Income	Expenditure	Assets
Literacy Aotearoa Incorporated	9,854,044	9,383,928	3,078,695
Site Safe New Zealand Incorporated	8,893,716	8,198,357	6,645,707
New Zealand School of Music Limited	8,267,810	8,526,951	5,029,721
Infrastructure Industry Training Organisation Incorporated	8,230,480	6,743,866	7,361,844
Nelson District Free Kindergarten Association Incorporated	8,096,504	8,169,355	5,251,033
University of Otago Foundation Studies Limited	8,025,000	7,350,000	6,170,000
Open English Limited	8,016,000	8,007,000	3,305,000
Victoria Link Limited	7,909,026	8,950,260	3,387,904
Te Tapuae o Rehua Limited	7,837,431	7,813,014	2,072,544
Tauranga Regional Free Kindergarten Association Incorporated	7,729,373	7,904,663	5,442,697
Sport Waikato Education Trust	7,622,714	7,427,538	6,964,572
Sport Waikato General Purposes Trust	7,622,714	7,427,538	6,964,572
Southland Free Kindergarten Association Incorporated	7,339,919	7,057,425	7,249,151
Te Tuao Tawahi: Volunteer Service Abroad Incorporated	6,773,699	6,577,209	4,455,139
The New Zealand Chiropractic Education Trust Board	6,675,451	6,529,021	2,718,378
Polytechnics International (New Zealand) Limited	6,576,486	6,466,697	2,122,241
Outward Bound Trust of New Zealand	6,510,500	6,439,323	7,913,684
St Peter's College	6,441,123	6,417,219	1,335,222
Victoria University Book Centre Limited	6,268,492	6,498,888	3,306,704
Lincoln Agritech Limited	6,258,775	5,948,910	3,504,365
New Zealand School Trustees Association Incorporated	6,204,946	5,464,666	6,289,424
New Zealand Horticulture Industry Training Organisation Incorporated	6,163,665	7,113,385	2,407,443
Plumbing Gasfitting And Drainlaying Industry Training Organisation Limited	6,122,309	7,487,760	4,897,515
Skills 4 Work Incorporated	6,084,000	6,289,000	4,294,000
NZ Institute of Economic Research Incorporated	6,060,664	5,849,893	5,382,863
Napier Free Kindergarten Association Incorporated	6,052,782	6,008,363	8,065,131

Foundation for Arable Research Incorporated	5,935,387	5,082,509	7,670,816
Te Rūnanga-o-Turanganui-a-Kiwa	5,839,510	5,618,244	9,844,495
Heretaunga Free Kindergarten Association Incorporated	5,790,581	5,870,482	4,830,824
Northern Auckland Kindergarten Association (Inc)	5,755,721	5,396,856	8,283,024
Skills Active Aotearoa Limited	5,561,566	4,875,064	4,805,851
Asia New Zealand Foundation	5,532,355	4,877,567	5,504,750
He Puna Marama Charitable Trust	5,503,625	2,709,307	7,213,989
Community Colleges New Zealand Limited	5,374,913	6,177,207	4,114,871
Taranaki Free Kindergarten Association Incorporated	5,317,612	5,284,557	1,600,151
Auckland City Training School	5,286,801	5,247,278	1,923,665
The Wellington Diocesan School for Boys Trust Board	5,280,560	5,074,165	9,563,172
Water Safety New Zealand Incorporated	5,209,321	5,131,488	1,958,852
Whanganui Kindergarten Association Incorporated	5,120,461	4,774,174	2,133,982
NZ Extractive Industries Training Organisation (Incorporated)	5,043,581	5,946,450	6,201,973
Te Puni Village Limited	4,926,657	4,926,657	1,037,253
Te Rau Matatini Limited	4,854,829	4,828,244	4,160,787
Clinical Research and Effective Practice Foundation	4,526,906	4,461,854	9,060,998
New Zealand Institute of International Understanding	4,518,704	4,091,850	4,624,745
New Zealand Institute of Highway Technology Limited	4,498,736	3,995,266	3,646,049
Foundation for Youth Development	4,464,504	4,393,440	1,594,180
CNI Early Education Services Trust	4,429,093	4,535,841	3,476,288
The Parenting Place Incorporated	4,397,577	5,120,159	2,410,106
Dunedin Community Childcare Association Incorporated	4,349,478	4,257,981	2,732,213
New Zealand Olympic Committee Incorporated	4,289,528	3,959,726	4,585,864
Nga Tawa Diocesan School	4,196,560	4,452,675	7,739,554
Lloyds Register Asia	4,174,885	2,166,547	1,316,291
University Book Shop (Otago) Limited	4,065,892	4,193,252	2,306,677
Pharmaceutical Society of New Zealand Incorporated	3,981,337	3,773,508	1,942,812
Sport Hawke's Bay	3,926,524	3,863,895	2,265,694
Alan Duff Charitable Foundation	3,901,622	3,751,361	3,430,882
Hutt City Kindergartens Association Incorporated	3,876,000	3,555,567	3,836,554
Bethlehem Institute Limited	3,828,434	3,746,918	1,321,084

Catholic Schools Board Limited	3,810,519	3,810,519	6,106,469
Early Education Waikato Limited	3,749,104	3,661,893	1,583,481
Workbase Education Trust	3,712,399	3,933,650	1,470,509
Te Rūnanga o Nga Maata Waka Incorporated	3,426,400	3,028,847	3,779,679
U Leisure Limited	3,426,177	3,107,377	4,078,359
The Sir Edmund Hillary Outdoor Pursuits Centre of New Zealand	3,412,161	3,776,136	3,637,679
The Young Men's Christian Association of the Gisborne District Incorporated	3,411,768	3,479,757	6,518,508
The New Zealand Institute of Management Incorporated	3,311,206	3,523,063	1,944,240
The Hereworth School Trust Board	3,243,709	3,496,294	7,158,111
The Gisborne Free Kindergarten Association Incorporated	3,188,810	2,907,802	3,608,980
South Canterbury Free Kindergarten Association Incorporated	3,148,154	3,104,535	4,666,002
Living & Learning Family Centres Foundation	3,119,360	3,147,373	1,803,991
Canterbury Education Services Society Limited	3,057,350	3,104,102	1,360,822
Ruapehu College Board of Trustees	3,030,497	3,004,785	2,369,154
Lifeway College Limited	2,964,999	2,936,509	1,810,650
Te Kura Toi Whakaari o Aotearoa: New Zealand Drama School Incorporated	2,751,091	2,684,529	2,657,329
Eastbay Rural Education Activities Programme (REAP) Inc	2,688,967	2,756,196	3,176,521
Australian and New Zealand College of Anaesthetists, New Zealand National Committee	2,658,085	1,523,913	7,230,506
Telford Farm Training Institute Board of Management	2,647,548	2,147,008	6,088,728
Southern Group Training Trust	2,644,838	2,514,338	1,827,593
Marlborough Kindergarten Association Incorporated	2,625,765	2,591,825	2,724,591
Southern Dairy Development Trust	2,543,805	2,392,299	1,488,918
The Huntley School Board of Trustees	2,528,949	2,729,290	4,215,401
The Cochlear Implant Foundation of New Zealand	2,505,769	2,123,873	5,423,496
Hearing House Services Limited	2,505,769	2,123,873	5,423,496
Fire And Rescue Services Industry Training Organisation Incorporated	2,494,209	2,291,873	1,471,643
Taonga Education Centre Charitable Trust	2,448,194	2,640,360	1,093,328
Central Otago Kindergarten Association Incorporated	2,417,655	2,412,011	4,215,841
Young Enterprise Trust	2,331,457	2,264,227	1,523,521
Auckland University Students Association Incorporated	2,294,925	2,476,930	1,162,247

Life Education Trust NZ	2,284,849	2,282,111	1,986,042
Hamilton Christian Schools Incorporated	2,256,578	2,345,139	2,067,921
Wellpark College of Natural Therapies Limited	2,242,500	2,236,533	1,048,975
SENZ Charitable Trust	2,227,603	2,208,055	1,339,256
Horowhenua Learning Centre Trust Board	2,217,490	2,011,816	1,191,149
Auckland Hospital Pre-School Society Incorporated	2,217,397	2,053,947	2,070,238
Vodafone New Zealand Foundation	2,202,049	2,048,443	1,427,565
EnterpriseMIT Limited	2,197,270	2,318,012	1,053,520
Te Runaka o Awarua Charitable Trust	2,181,608	1,844,957	2,431,145
Auckland Observatory and Planetarium Trust Board	2,136,289	2,842,093	3,310,773
Blenheim Early Childhood Centres Incorporated	2,132,318	2,105,048	1,762,711
Campus Creche Trust	2,121,452	2,151,348	1,006,899
Wairoa Waikaremoana Maori Trust Board	2,088,134	1,893,962	5,914,171
New Zealand Vice-Chancellors' Committee	2,060,623	2,199,495	5,317,438
Central Plateau REAP (Rural Education Activities Programme) Incorporated	2,052,236	1,988,345	1,693,694
Early Learning Counties Manukau Limited	2,009,446	1,911,806	1,006,009
Villa Education Trust	1,950,000	1,075,000	1,242,000
Waihi School Trust Board	1,936,643	1,985,691	6,266,083
Biblical Education Services Trust	1,928,655	2,143,166	9,286,386
USU Students' Association at Unitec Incorporated	1,927,172	2,024,622	1,075,703
Otago Innovation Limited	1,922,212	2,752,379	1,448,401
Medical Research Institute of New Zealand	1,918,324	1,964,192	3,453,586
UNITEC Early Learning Centre Incorporated	1,875,013	1,917,215	1,167,945
New Zealand School of Dance	1,850,275	1,770,378	1,318,755
Ashburton Kindergarten Association Incorporated	1,842,590	1,779,925	2,941,607
The New Zealand Institute of Management Southern Incorporated	1,809,385	2,088,232	5,620,728
Ficino Educational Trust	1,746,319	1,748,081	3,192,437
Sacred Heart College Hostel Limited	1,709,429	1,724,907	2,234,336
Napier Community Child Care Centre	1,700,960	1,637,298	1,071,170
Otaki and Porirua Trusts Board	1,670,937	1,670,937	7,247,136
Te Ataarangi Trust	1,670,131	1,894,773	3,376,928
Plastics and Materials Processing Industry Training Organisation Incorporated	1,661,776	1,738,276	1,995,115
Massey University Students' Association Palmerston North Incorporated	1,643,782	1,671,108	5,720,661
New Zealand College of Public Health Medicine Incorporated	1,635,148	1,543,738	1,639,318
Young Men's Christian Association of South And	1,604,739	1,520,466	1,684,434

Mid Canterbury Incorporated			
The Middlemore Hospital Staff Child Care Centre Society Incorporated	1,601,393	1,452,969	1,980,537
South Pacific College of Natural Medicine Inc	1,581,624	1,396,131	3,793,654
Auckland Student Movement at Auckland University of Technology Incorporated	1,534,835	1,453,529	4,543,822
Hawkes Bay Agricultural and Pastoral Society	1,490,219	1,480,004	5,339,966
The Prema Charitable Trust	1,487,513	1,167,751	5,528,607
Adventure Camp Trust Board	1,486,486	1,336,963	1,665,933
Far North Reap Society Incorporated	1,484,289	1,483,301	1,421,168
The Royal Society of New Zealand - Rutherford Foundation	1,458,501	1,076,448	2,943,025
Te Rapunga o Poutama Work and Educational Trust Board	1,425,463	1,349,586	1,063,084
Dunedin Hospital Early Childhood Centre Association Incorporated	1,412,282	1,505,474	1,293,816
Epilepsy Association of New Zealand Incorporated	1,406,709	1,665,454	1,549,671
Rotorua Community Youth Centre Trust	1,404,335	1,085,848	1,855,091
The Kate Edger Educational Charitable Trust Board	1,402,993	1,247,756	3,412,011
The Person to Person Help Trust	1,400,798	1,356,119	1,316,729
New Zealand Antarctic Research Institute	1,399,882	1,499,858	1,113,539
Te Aroha Noa Community Services Trust	1,390,305	1,391,938	1,735,315
St Joseph's Maori Girls' College Trust Board	1,378,461	1,534,457	5,843,909
The Building Officials Institute of New Zealand Incorporated	1,368,019	1,096,926	1,161,630
Kaitaia Abundant Life Centre Trust	1,343,219	1,268,706	3,468,183
Oamaru Free Kindergarten Association Incorporation	1,342,557	1,138,588	1,229,264
Torchbearer Trust of New Zealand	1,324,182	1,294,666	4,620,426
Fountain of Knowledge Trust	1,321,744	1,093,076	1,512,596
Royal New Zealand Coastguard Boating Education Limited	1,313,948	1,227,491	1,379,177
Pukeatua Kohanga Reo Charitable Trust	1,310,903	1,193,549	1,595,913
Te Wananga Takiura o Nga Kura Kaupapa Maori o Aotearoa Incorporated	1,306,180	1,341,880	1,053,210
Adult and Community Education Aotearoa (Ace Aotearoa) Incorporated	1,293,093	1,275,650	2,019,281
Cambridge Childcare Centre Trust Board	1,286,652	1,296,264	1,736,846
Hutt Playcentre Association Incorporated	1,281,966	1,349,768	2,050,153
Rapu Ki Rua Trust	1,272,876	1,198,916	1,120,088
Building Blocks Community Trust	1,266,552	1,153,245	1,536,413



Rudolf Steiner School Trust (Wgtn)	1,255,397	1,220,671	4,924,878
Communications and Media Industry Training Organisation Incorporated	1,246,829	1,390,661	1,187,130
LCO New Zealand Limited	1,212,960	1,265,600	1,212,493
Rudolf Steiner Schools (Titirangi) Trust Board	1,205,400	1,201,831	2,319,860
Matamata Child Care Centre Incorporated	1,196,649	1,045,149	1,488,218
Southern Reap Incorporated	1,186,785	1,085,499	1,831,662
Toddlers Turf Childcare Centre Incorporated	1,180,107	1,070,525	1,436,993
New Zealand Training Centre Trust Board	1,161,014	1,162,375	6,288,521
New Plymouth Montessori Association Incorporated	1,106,117	1,081,879	1,338,035
Agriculture Services Limited	1,106,000	1,183,000	1,816,000
Westport Kindergarten Association Incorporated	1,097,828	1,000,360	1,560,403
The Solway College Board of Proprietors Incorporated	1,089,645	1,310,370	7,006,628
Carncot Private School Trust	1,086,390	1,117,799	3,813,451
High Tech Youth Network	1,084,860	1,135,192	1,407,975
Excel Ministries Charitable Trust	1,080,217	1,093,405	1,072,868
New Zealand Playcentre Federation Inc	1,078,893	1,034,125	5,101,509
Family Life International	1,049,929	1,038,993	1,098,512
St Mary's Diocesan School Incorporated	1,045,742	1,081,383	3,496,124
South Otago Free Kindergarten Association Incorporated	1,034,040	1,008,193	1,516,459
Inglewood Community Child Care Centre Incorporated	1,018,069	1,076,063	1,404,209
Pukekohe Christian School Trust	1,017,199	1,028,254	1,310,594

## Appendix C: Case organisation social network Tables and Figures