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For-profit and not-for-profit participation in the privatisation of state schooling

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Abstract

This article analyses the opening up of state schooling in Aotearoa New Zealand to both for-profit and not-for-profit participation over the last decade. It provides a theoretical framework for thinking about the significance of this development and gives examples of privatisation, concentrating on two case studies in particular. The article argues (i) that state schooling in Aotearoa New Zealand is experiencing a government manufactured crisis; (ii) that government is attempting to reorient popular conceptions of the ideal state schooling system to one in which traditional distinctions between public and private have blurred and been displaced by social enterprise and social investment forms of compulsory schooling provision; and (iii) that traditional forms of state schooling, and schooling policy governance, based on a social democratic charter between the Minister and local communities are being displaced by network governance relations dominated by private sector actors, both for-profit and not-for-profit.

Keywords

Privatisation of schooling; private actors in education; New Zealand

Introduction

Education policy developments under successive National-led governments since 2008 have actively invited private sector actors to become involved in state schooling. The government-managed marketplace around state schooling increasingly facilitates both competition and collaboration between public and private education providers. The private sector actors are sometimes described in the international literature as 'policy entrepreneurs' (Mintrom, 2000) or 'edu-preneurs' (Rönnerberg, 2017).

Internationally, such participation is now shown to occur through (i) national and transnational networks of education policy governance (Ball 2012); (ii) the local and global education services industry (Ball 2007); and (iii) domestic and offshore venture or 'edu-philanthropy' schooling interventions (Hess & Henig, 2015). Locally, in Aotearoa New Zealand, this participation first occurred through an emphasis on contracting out of infrastructure and professional services delivery



(O'Neill 2011), but as the examples and cases reported in this article show, private sector participation now may be observed to occur at all stages of the education policy life-cycle, from conception to execution to evaluation.

This article analyses the opening up of state schooling in Aotearoa New Zealand to both for-profit and not-for-profit participation over the last decade. It provides a theoretical framework for thinking about the significance of this development and gives examples of privatisation, concentrating on two case studies in particular. It concludes by asking 'where to now' for state schooling if private sector participation in state schooling becomes normalised, and with apparent ideological shifts to support this normalisation.

Substantive privatisation policy changes in Aotearoa New Zealand over the three terms of the National-led Government include mandatory consideration of Public-Private-Partnerships (PPPs) for school infrastructure and services provision, increased state contracting of preferred not-for-profit providers to deliver professional services, and government promotion of social investment approaches by for-profit and not-for-profit private providers.¹ 'Social investment' is promoted by the National-led Government as a pragmatic, data-based, fiscally responsible alternative to 'social spending' in order to make more efficient, targeted use of capped government expenditure on behalf of 'taxpayers' (English 2015). More broadly, however, these same strategies may also be read as partisan attempts to fill the gaps left by the deliberate 'withdrawal' of government (Bourdieu 1998) from what was once commonly regarded as its core social contract obligation to fund and provide universal, comprehensive welfare, health and education public services. In light of these developments, questions are asked in the article about the extent to which a 'progressive sentiment' (O'Neill & Snook, 2015) about state schooling can persist in policy discourse, popular cultural texts and the public sphere.

Questions about progressive schooling governance and funding mechanisms are important precisely because state schooling in Aotearoa New Zealand is compulsory, universal and free at the point of use according to the provisions of the 1989 Education Act. That is not the case for early childhood and tertiary education. While small numbers of private sector education providers existed in the early childhood and tertiary sectors in Aotearoa New Zealand prior to 1990, their numbers and political influence have grown substantially over the last three decades. Successive governments have liberalised private sector providers' eligibility to access state funding on an equivalent basis to their public sector counterparts within a state-managed education marketplace. By 2015 there were approximately 4,450 licensed early childhood education services, of which just under 2,000 were privately owned. In 2015 there were 31 public tertiary providers (8 universities, 20 institutes of technology and polytechnics, and 3 wānanga), 16 industry training organisations and over 550 private training establishments. In the same period state schooling has largely remained, in law at least, compulsory and free. In 2015, in contrast, there were only 85 designated 'private schools' out of a total of approximately 2,500 schools nationally, with a total roll of approximately 29,000 students out of a total school roll of 775,000 (Source: Education Counts and New Zealand Qualifications Authority websites).

In these respects, the encouragement of a government-managed marketplace that enables commercial competition (and, more recently, pragmatic alliances) between public and private education providers has now largely become normalised in the interwoven strands of policy discourse around early childhood and tertiary education. But in the case of state schooling normalisation is still being attempted. This article documents two descriptive cases of such attempted normalisation, both from the not-for-profit sector.

¹ For an overview of government policy on Public Private Partnerships and Social Investment see <http://www.treasury.govt.nz/statesector/ppp>
<http://www.treasury.govt.nz/statesector/socialinvestment>

Theoretical framework

To make sense of contemporary schooling policy directions and justifications under the National-led Government, it is helpful to appreciate how schooling in popular cultural discourse has been constructed as a component of the ‘crisis economy’ (Schiller 1986), where the responsibility for this state of crisis is claimed to belong, and the extent to which this helps ‘manufacture consent’ (Herman & Chomsky, 1988) for ideologically and politically framed solutions to the supposed crisis. This part of the article draws broadly on Habermas’s (1973) critical theory of legitimation crisis and Taylor’s (2004) hermeneutic moral philosophy of the modern social imaginary and applies these to the interwoven political, bureaucratic, professional, community and popular cultural narratives around the value of state schooling in New Zealand. To help explain the emergence of private sector actors in state schooling in its current forms, this section also draws on Ball’s (2007) education policy sociology of school privatisation policy ensembles in England and the consequent participation of the private sector in also shaping and determining schooling policy (Ball, 2012). In the closely related context of the globalisation of student achievement measurement technologies, Lewis and Lingard (2015, p. 622) describe these phenomena as “a connected and dynamic world of ‘flows’—of people, ideas, discourses and capital—and multiple competing sources of political power and authority”. In this sense, the theoretical framework attempts to articulate the complexities of making sense of for-profit and not-for-profit participation in state schooling.

Legitimation crisis

Universal schooling has been around long enough in New Zealand for us to take the system and its basic structures more or less for granted. However, schooling serves a wide range of ideological and practical purposes in society. Perennial tensions between these are reflected in shifting political claims about (i) the relative importance of economic and social purposes of schooling; and (ii) the relative amounts of private and public benefits that accrue to individuals and families, to public and private sectors of society and of the economy as a whole. The fact that New Zealand maintains a system of free universal state schooling underscores its normative value and practical utility in promoting social cohesion. Nevertheless, major political and civic differences surface periodically about the extent to which state schooling actually delivers the economic and social outcomes expected of it, the cost of this, and who should pay for it. The current government through its PPP and social investment policy discourses may be said to be explicitly questioning (i) the affordability of the state’s progressive commitment to free schooling; and (ii) the capability of state schools and associated professional services to fully and most appropriately meet the needs of students, families and communities. This dual policy discourse implicitly asserts that there is a public sector ‘crisis’ which only the increased participation of the private sector can resolve.

According to Habermas, social formation and development in late capitalist societies invariably feature crises (Habermas, 1973, p. 1). “Crisis states occur when people ‘feel their social identity threatened’, when consensus around the value of established social structures is damaged and when social institutions are endangered” (p. 3). Habermas distinguishes between ‘crisis ideologies’ and ‘valid experiences of crisis’ in capitalism. He argues that “crisis occurrences owe their objectivity to the fact that they issue from unresolved steering problems” (p. 4). In this context, steering problems within a social formation arise from the ‘superordinate position’ of the political administrative system (the steering dimension of social development), relative to the economic system (the production dimension) and the socio-cultural system (the socialisation dimension).

While Habermas was writing about the ‘organised or state-regulated capitalism’ prevalent in the 1970s, the same holds true with respect to the superordinate position of the political administrative system for New Zealand state schooling in the 2010s under Tomorrow’s Schools. Schooling policy settings that ‘steer’ the state system are still determined by government, not the market. Government in this sense remains responsible for being seen to ensure that these schooling policy settings

contribute constructively to improvements in student achievement (e.g., standards and credentials), and thereby to the achievement of broader economic and socio-cultural goals (e.g., living standards, productivity, health and wellbeing). Where the schooling system is perceived not to be improving student achievement, nor contributing to economic productivity and social wellbeing, a political crisis may occur. This crisis—ideological or material—may manifest as either a rationality crisis (i.e., the schooling system and institutions are not fulfilling the requirements of improved economic production); or a legitimisation crisis (i.e., state schooling structures no longer enjoy mass confidence and loyalty) (p. 46). In such circumstances, government may be argued either to have created the opportunity (an ideological crisis) or recognised an imperative (a material crisis) to change state schooling policy settings. Increased for-profit and not-for-profit participation in state schooling may consequently be logically constructed as a reasonable ‘steering’ response solution to the claimed problems of the state schooling system.

Imaginary

To maintain or restore system equilibrium, governments need to attend to popular conceptions of what is morally desirable and practically achievable through state schooling. The modern social imaginary (MSI) is a term coined by Charles Taylor to connote the ways in which societies conceive of and work towards the realisation of their moral and practical ideals. For Taylor, the MSI comprises three interacting domains of conception and realisation: the economy, the public sphere and self-governance. Here, I concentrate on the economic domain rather than those of the public sphere (e.g., social capital and social media) or self-governance (e.g., institutional, community, local or national democratic forms). Despite the obvious contributions that state schooling might also make to the vibrancy of the public sphere and self-governance forms, New Zealand policy discourse is dominated by considerations of fiscal responsibility in public finance matters (New Zealand Treasury, 2005). The economic domain of the MSI is characterised by popular acceptance of the ubiquity of economic exchange to modern social life and relations, and consequently of the need for individuals and families to be ever more enterprising, both at work and at leisure, if they are to succeed.

In the context of school privatisations, Ball (2012) refers to this hegemonic world view as ‘the neoliberal imaginary’ (see below). Yet, according to Taylor, a personal disposition towards enterprise and private property acquisition are by implication morally good endeavours in the MSI because they are believed to contribute directly to individual and familial wellbeing. This, in turn, helps to explain two dominant threads in contemporary schooling policy discourse. First, the state’s promotion of the responsibility of schools to enable the knowledge and enterprise economies that will supposedly assure collective economic wellbeing; see, for example, the Young Enterprise Trust, jointly sponsored by the Lion Foundation and Ministry of Social Development. Second, the competitive advantages to individual students and families of children persisting in formal education for as long as possible in order to acquire (and pay for) the credentials that offer significantly better prospects of secure, professional, salaried employment. In this case, see, for example, the National-led Government’s Better Public Services targets for Education and the rationale for their introduction: <http://www.ssc.govt.nz/better-public-services>. Provided that the most influential fractions of civil society maintain their belief in and commitment to state schooling as their preferred means to economic and social success, the state is likely to retain popular confidence. Conversely, if the link between schooling, higher education, secure employment and attendant social advancement is broken, the state is faced with a legitimisation crisis as society loses confidence in the ability of public institutions such as state schools to maintain the integrity of the social imaginary.

Network governance

School privatisations in England have been described by Ball (Ball, 2007, 2012; Ball & Junemann, 2012) as part of the broader shift from government provision of Keynesian welfarist public services towards hybrid forms of providing public services that are governed via enterprise networks and

public private partnerships. This neoliberal imaginary reconceptualises a supposedly monolithic state schooling service as an apparently nimble, responsive menu of consumer-led solutions. The shift includes the claim that public services must be run in a more business-like fashion, but also requires that services provision be made contestable, which enables their delivery by the private sector, in both for-profit and not-for-profit forms.

Earlier phases of school privatisation included the contracting out of services delivery only; more recently, however, all phases of the schooling policy cycle have permitted the entry of private sector actors to the point where they are involved in policy conception and development as well as policy implementation, delivery and evaluation, and where they may be employed in both the private and public sectors, within a ‘competition state’ (Ball, 2007, p. 188). Ball makes the point that such privatisation “constitutes a *new moral environment* for both consumers and producers of education... Put crudely, the education market both de-socialises and re-socialises; it destroys older forms of sociability, while at the same time encouraging competitive individualism and instrumentality” (p. 188, emphasis in original).

In more recent work, Ball (2012) documents the emergence of global networks of policy governance, both private and philanthropic, which all adhere to the unquestioned premise that market and enterprise forms offer pragmatic solutions to the ‘crisis’ of state schooling. On this logic, private companies, charities and other social enterprises must be encouraged to both collaborate and compete with the state sector. For Ball, the ‘new’ philanthropy and the ‘neoliberal imaginary’ are reshaping state schooling in dynamic and radical fashion as preferred policy solutions circulate globally from one neoliberal school reform setting to the next.

The next part of the article describes diverse local Aotearoa New Zealand examples of government-facilitated entry of private sector actors into various phases of the state schooling education policy cycle.

Schooling privatisation in New Zealand

Drawing together the three theoretical conceptions above as one way of construing how the dominant discourse around state schooling policy has been recapitulated in recent decades in this country, my previous work traces, more or less in turn (i) the decline of a progressive sentiment about the preferred purposes and forms of compulsory schooling (O’Neill, 2004); (ii) a consequent ascendancy of market liberal and new public management purposes and forms (O’Neill, 2010); (iii) the subsequent withdrawal of the state (O’Neill, 2011); and (iv) a contiguous state-facilitated entry of the private sector (O’Neill with Duffy & Fernando, 2016). The important point here is that decline and ascendancy of popular sentiment are socially constructed not naturally occurring phenomena, as too are the proposed policy solutions whether these be based on NPM, market liberal or social investment theories of the role of the responsible state.

In terms of the current phase of schooling privatisation, 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.

- 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 iwiⁱⁱ as a ‘pivotal document’ that underpins Ngāi Tahu’s Vision 2025 educational aspirations. At the time of writing, the Ministry of Education (MoE) had published iwi education profiles for over 60 rohe nationally, to facilitate the development, resourcing and delivery of iwi-specific education plans.

ⁱⁱ Māori tribal grouping of people descended from a common ancestor and associated with a particular territory or area (rohe). Māori are the indigenous people of Aotearoa New Zealand (Source: maoridictionary.co.nz)

- 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 MoE 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.
- 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 Manaiaakalani 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 Manaiaakalani Outreach venture, and from Samsung Electronics. Families and schools are responsible for meeting the operational costs of their participation in the Outreach scheme.
- iv. 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 and the Tindall Foundation in Auckland. TFNZ currently 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.
- v. 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’). 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, had been established to support new, existing and prospective Partnership School sponsors and would 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 self-funding through philanthropic grants. E Tipu E Rea was the only body invited to submit a proposal.

- vi. 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 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.
- vii. 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.

To borrow Lewis and Lingard's (2015) vocabulary, these examples illustrate new and emerging flows of people, ideas, discourses and capital in response to a series of government decisions to enable the participation of non-state actors in state schooling policy. Discursive justifications for these decisions include constitutional commitments to biculturalism and assertions of an intergenerational crisis in state schooling (as evidenced by persistent inequalities of schooling outcome and deteriorating national rankings in international testing cycles). These are claimed to require greater contestability in the provision of policy development and services provision (as evidenced by increased reliance on PPPs, NGOs and philanthropic entities) to provide more nimble solutions to gaps in schooling services funding and/or provision. The private sector, in both its for-profit and not-for-profit forms, is portrayed as a natural partner for government, as it transitions from social spending to social investment approaches, and from the use of bureaucratic and representative stakeholder governance to enterprise social network forms of educational services development and delivery. In the latter, contemporary policy scholarship literature suggests that personal networking and institutional connections and alliances are essential to building the knowledge, relationships and influence required to exercise meaningful voice and agency in the development, delivery and evaluation of contestable state schooling policy.

In the next part of the article, two cases of increased not-for-profit participation in state schooling are described (Kidscan and COMET). The cases consider the dynamic flow of the entities' purposes, activities, key personnel, relationships and finances. The descriptive detail is important, as it shows the fluid nature of the ways in which these entities operate, and what appears to be their deliberative strategies of directly employing or connecting (through trusteeships and intervention project alliances) with people whose social networks straddle public and private sectors, and both state-schooling and non-state schooling spheres of activity. (For the more detailed case descriptions and data sources see O'Neill with Duffy & Fernando, 2016.)

Two cases of state schooling privatisation

Kidscan is emblematic of the new social enterprise forms of educational charity that operate in and around public services policy development and services provision in New Zealand. A useful comparison may also be made between the trajectory of Kidscan and longer-standing educational charity COMET. 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 wellbeing 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 promote a blend of cognitive, affective, cultural and relational outcomes of learning.

Community Education Trust Auckland (COMET)

COMET was originally established as the City of Education Manukau Trust in 1999, with Sir Barry Curtis, Mayor of Manukau City as Settlor and ten Trustees, including three state sector educators. (From 2002, COMET was also a Council Controlled Organisation under the Local Government Act 2002.) In a 2003 media story, Mayor Curtis stated 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."

In COMET's final 2011 Annual Report as City of Manukau Education Trust, then Chair Stuart 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.

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.

In a 2002 media story, the Mayor had 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."

The 2011 COMET Report included a timeline of 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), 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), Youth mentoring pilot begins in four Auckland Schools (February 2002), Stocktake report *Business and Schools in Manukau* (March 2002), First Principal For a Day event (September 2002), Launch of *Youth Mentoring: an Advice Manual for Manukau & Beyond* (November 2002), First Manukau family Literacy Programme begins (Bairds Otarā site) (March 2003), Second MFLP site (Rowandale) (May 2003), Otarā Digital Opportunity project begins (October 2003), Manukau Youth Transitions Service pilot begins (January 2004), COMET awarded Education Trust of the Year (March 2004), Leader-to-Leader dialogue (April 2004), Third MFLP Site begins (Dawson) (October 2004), Published *Analysis of School Income for Manukau Schools* (January 2005), MFLP Evaluation series completed (May 2005), Launched *Use of Information & Communication Technologies in Early Childhood Education Centres in Manukau City* (June 2005), 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), Release of *A Tapestry of Understanding* and *Intergenerational Family Learning in Practice* (September 2006), Partnership with IBM on Pasifika SmartCentres project begins (September 2006), Release of Price Waterhouse Coopers report (October 2006), Six family literacy sites (March 2007), First Manukau Education Conference (April 2007), Education for Enterprise project begins (May 2007), First Executive For a Day (June 2007), Launch of ECE Stocktake report (August 2007), Manukau Early Childhood

Education Summit (April 2008), Youth Transitions project transferred to community provider (June 2008), Opening of Mission Heights Schools (February 2009), Complex Urban Schools Summit (April 2009).

The City of Manukau Education Trust was superseded in 2013 by Community Education Trust Auckland. 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. Baseline funding is provided by Auckland Council and COMET Auckland also seeks “funding from government, industry and philanthropic sources for specific projects”.

Table 1. COMET Annual Financial Statements 2008–2015

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

Under the heading Strategic Leadership, COMET’s 2015–2016 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”. COMET Auckland’s objectives are to “provide backbone support” for the programme and to “establish and coordinate Learning Auckland action groups”. Under the Skills heading, COMET seeks “leveraged external funds” to enable it to “coordinate the development, trialing and rollout of a youth employability passport for use in Auckland” (a site based school to industry work-readiness training programme); 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). 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 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 Beach Haven 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 Borough 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.

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. 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 2016 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”.

However, there have been occasional media-reported concerns over the organisation’s ‘cost structure’ 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.

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 2016 splash page), Kidscan aims to ensure all children in decile 1–4 schools have “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 socks, 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 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, Multimail Solutions, Countdown, Kennards Hire, Skoolbo, Charlies, 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'. Twenty-seven Trusts and Foundations supported Kidscan in 2014, seven 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.

Table 2. Kidscan Annual Financial Statements 2007–2015

Kidscan	2007	2008	2009	2010	2011	2012	2013	2014	2015
Income	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
Surplus	(23,849)	(36,903)	161,201	(23,850)	754,782	521,157	1,019,818	541,948	863,279
Employees	7	8	9	7	9	11	14	18	58
Equity	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, corporate donations \$94,160, gaming trust income \$193,657, philanthropic trust income \$65,500, and government grants \$60,260. Under expenses (\$1,000,223), the major line items 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.

In the most recent 2015 financial statements 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 net surplus for the year is \$863,279. Net equity for 2015 is reported as \$4,551,786.

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 three volunteers working a total of 10 hours per week. The total salaries and wages expenditure was \$1,706,658. This equates to a mean salary of \$43,760 per staff member.

In summary, the respective financial statements illustrate quite different foci and development trajectories for the two entities. COMET receives core local government funding and leverages this to secure third party project funding for local and regional interventions and solutions to meet community-identified educational needs. It does not build equity but aims to distribute what it receives annually in schooling and related educational services. Kidscan does set out to build equity over time. Its funding comes from donations, corporate financial and in-kind donations and, increasingly government grants and subsidies. Both have relatively small staffing establishments (and overheads) but extensive and very active networks of professional trustees and project partners. Employees and trustees appear generally to have a track record of career involvement in community, sustainability and social justice oriented work and, certainly in the Auckland region, to move among charitable trusts over time. Some charitable trusts' rules only permit them to distribute grants to other charitable trusts, which further reinforces private sector social network flows of money and power. Government encourages the growth of these newer forms of state schooling governance by not fully funding state schooling (default) and by enabling private sector participation (design). Both approaches have the potential to significantly change who has voice and agency in state schooling policy over time.

Where to now for state schooling?

When a government places limits on its financial contribution to a statutorily free social good, uses the language of 'government subsidy' and calls for private sector investment and participation to ensure continuity of service delivery, it is to all intents and purposes stating that the welfarist state is in crisis and that the prevailing settlement, or social contract, must change markedly. This article has argued that state schooling in New Zealand is (i) experiencing a government manufactured crisis; (ii) that government is attempting to reorient popular conceptions of the ideal state schooling system to one in which traditional distinctions between public and private have blurred and displaced by social enterprise and social investment forms of compulsory schooling provision; and (iii) that traditional forms of state schooling, and schooling policy governance, based on a social democratic charter between the Minister and local communities are being displaced by network governance relations dominated by private sector actors, both for-profit and not-for-profit.

The progressive sentiment in schooling is based on the notion that public benefits to society as a whole are paramount, and that private benefits to individuals and fractions of society are secondary. Analysed in terms of their own objectives, the examples and descriptive cases reported in this article may be read positively as the private sector (in this instance registered educational charities) responding to the exhortations of government to make a constructive, altruistic contribution to ensuring that state schooling survives the funding crisis asserted by government. Read negatively, one might reasonably argue that the funding crisis is, to use Habermans's distinction, an ideological rather than a material crisis. Nonetheless, it is being used to legitimate substantive privatisation of public schooling policy development and services delivery. This is radically changing both the state schooling policy cycle and policy governance in Aotearoa. It is difficult to interpret such trends as of major benefit to society as a whole, as opposed to benefits to the private sector actors involved.

This raises questions of the extent to which private sector participation in state schooling is being normalised, and the extent to which societal consent for this to occur is being manufactured through a popular cultural portrayal of social investment and social enterprise forms of schooling governance as creative alternatives to a supposedly monolithic and inflexible public service. If such a popular cultural ideological campaign succeeds it may well be that the progressive schooling sentiment of the future is one more oriented to conceptions of private than to public or social goods.

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