



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD
KIA NOHO TAKATŪ KI TŌ ĀMUA AOI

Education Report: New Zealand Scholarship

Date:	12 March 2020	NZQA Priority:	Medium
Security Level:	(In confidence)	Report No.	CR 20286

	Action Sought	Deadline
Minister of Education	<p>a. note that NZQA intends to work with schools, particularly low decile schools, to investigate trends for numbers of entries and awards gained for New Zealand Scholarship, and to determine success factors and ways to strengthen NZQA's support for students from low-income families and/or students attending low decile schools to enable participation in NZ Scholarship, and intends to report our progress and findings to you in June 2020;</p> <p>b. note that NZQA will work with the Ministry of Education to ensure that any emerging NCEA Level 3 subjects that enable more equitable access for all groups of learners will be considered for inclusion on the NZ Scholarship subject list;</p> <p>c. note that NZQA has looked at opportunities to broaden the allocation of monetary awards for NZ Scholarship, but it may not be possible for the net increase in costs to be absorbed within the current appropriation for NZ Scholarship Awards.</p> <p>d. agree to retain the current award structure of NZ Scholarship.</p>	

Enclosure/Appendix: Yes

Round Robin No

Contact for Telephone Discussion (if required)

Name	Position	Telephone	Cellphone	1 st Contact
Kristine Kilkelly	Deputy Chief Executive Assessment	463 3379		√

The following departments/agencies have seen this report:

- Ministry of Education Tertiary Education Commission Other (specify)

Minister's Office to Complete:

- Noted Seen Approved
 Needs change Withdrawn Overtaken by Events
 See Minister's comments Declined

Referred to:

Comments:

Education Report: New Zealand Scholarships

Executive Summary

In January 2020 Cabinet delegated to the Minister of Education decision-making powers over changes to the operation of New Zealand Scholarship (NZ Scholarship) which are fiscally neutral, including criteria and awards.

NZQA has been asked to provide you with advice and options on future decision-making criteria for NZ Scholarship awards based on promoting more equitable access to NZ Scholarship for students from low-income families and/or students attending low decile schools. We have looked at the impact of making higher payments for a broader group of scholarship students rather than concentrated payments for the very top achievers.

Within the current structure of NZ Scholarship Awards, a rebalancing of monetary awards would not be fiscally neutral, and it is likely that the costs will have a financial operating impact if they cannot be absorbed within the current appropriation for NZ Scholarship administered by the Ministry of Social Development.

While an increase in the monetary awards for the Single Subject Awards would incentivise participation in NZ Scholarship, there are also other factors that also need to be addressed to support equitable access to NZ Scholarship in many schools.

NZQA intends to work with low decile schools to identify how their students could be better supported to participate in NZ Scholarship. NZQA plans to investigate trends for numbers of entries and awards gained for NZ Scholarship, and to determine success factors and ways to strengthen NZQA's support for students from low-income families and/or students attending low decile schools.

Recommended Action

It is recommended you:

- e. **note** that NZQA intends to work with schools, particularly low decile schools, to investigate trends for numbers of entries and awards gained for New Zealand Scholarship, and to determine success factors and ways to strengthen NZQA's support for students from low-income families and/or students attending low decile schools to enable participation in NZ Scholarship, and intends to report our progress and findings to you in June 2020;
- f. **note** that NZQA will work with the Ministry of Education to ensure that any emerging NCEA Level 3 subjects that enable more equitable access for all groups of learners will be considered for inclusion on the NZ Scholarship subject list;
- g. **note** that NZQA has looked at opportunities to broaden the allocation of monetary awards for NZ Scholarship, but it may not be possible for the net increase in costs to be absorbed within the current appropriation for NZ Scholarship Awards.
- h. **agree** to retain the current award structure of NZ Scholarship.

AGREE/DISAGREE

Proactive Release Recommendation

NZQA recommends

- i. **agree** that this report is proactively released as part of the next publication of documents with appropriate redactions.



Karen Poutasi (Dr)
Chief Executive
12 March 2020

NOTED/AGREED

Hon Chris Hipkins
Minister of Education

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Education Report: New Zealand Scholarships

Purpose of Report

1. This report outlines approaches to improving access to NZ Scholarship for students from low-income families and/or attending low decile schools. This includes consideration of the impact of making higher payments for a broader group of scholarship students rather than higher payments for the very top achievers, and the possibility of increasing the monetary payments for Single Subject Awards.

Background

2. In January 2020 Cabinet authorised the Minister of Education to have decision-making powers over changes to the operation of New Zealand Scholarship which are fiscally neutral, including criteria and awards [CAB-20-MIN-0005 refers].
3. The current structure and eligibility criteria of the NZ Scholarship Awards is shown in the attached table (See Annex 1). The award categories, and the monetary awards paid to students succeeding in obtaining NZ Scholarship Awards, have been in place since June 2005 [CAB Min (05) 21/3C refers].

Comment

Promoting equitable access to NZ Scholarship awards for students

4. NZQA's objective is to promote and improve equity for learners participating in NCEA and NZ Scholarship. There are a number of options that NZQA can explore for future decision-making criteria that promote equitable access to NZ Scholarship awards for students from low-income families and/or students attending low decile schools.

Critical factors for success

5. NZQA plans to look at the uptake of NZ Scholarship entries from students attending low decile schools, particularly where there is significant and sustained success for their Scholarship candidates in order to identify critical factors that enable these students to gain NZ Scholarships.
6. The removal of fees for NZ Scholarship, as part of the NCEA Review changes to make NCEA more accessible, has removed a barrier for students. However, other factors that inhibit the participation of students from low decile schools will also need to be addressed.

Support for schools and kura

7. For this reason, NZQA plans to investigate the factors that contribute to success at NZ Scholarship level to see what NZQA can do to support schools. There are significant benefits for schools and students in participating in NZ Scholarship, but it should be noted that for many schools it is a very time intensive process and needs a critical mass of subject specialist expertise in order for students to be sufficiently prepared.

8. NZQA plans to gauge the level of support schools and kura have in place for preparing students and look at how students are tracked and encouraged in the years before entering NZ Scholarship.
9. NZQA will consider options for supporting schools that do not have a dedicated NZ Scholarship programme, particularly where subject specialist capacity may be limited, in smaller schools, and where there are small subject cohorts. Facilitating collaboration across schools is a way NZQA can offer support.
10. NZQA will continue to promote NZ Scholarship by directly engaging with Māori and Pacific students and their whānau through our dedicated NCEA and the Whānau and NCEA ma le Pasifika programmes.

Higher payments for a broader group of NZ Scholarship students rather than concentrated payments for the very top achievers

11. In 2003, Cabinet endorsed the view that New Zealand Scholarship should reward high achievement and celebrate excellence [POL (03) 41/14 refers]. Cabinet's intention was to award significant sums of money to our highest achieving students in a way that was expected to result in greater benefit to New Zealand in terms of their success.
12. We have looked at opportunities to rebalance the amounts paid to the very top achievers for NZ Scholarship by increasing the amounts paid to the Single Subject Awards. Single Subject Scholarship Awards are given at two levels: Scholarship grade and Outstanding Scholarship grade. Currently a student who gains an Outstanding Scholarship grade in a Single Subject receives \$500 as a one-off payment. This is the same amount received by a student who gains a Single Subject Scholarship grade.
13. Based on figures from 2019, an increase in the amount awarded for an Outstanding Scholarship grade from \$500 to \$2,000 per annum would mean a fiscal increase of up to \$200,000 per annum. We expect this would benefit approximately seven percent (130) students who gained one subject.
14. Increasing the amount awarded to learners who have achieved Single Subject Scholarship grades from \$500 to \$750 would be an increase of approximately \$500,000 per annum based on 2019 achievement data. This would currently benefit approximately 17 percent (1,675) students who entered for NZ Scholarship.
15. In total increasing the amounts for the Single Subject Awards would result in additional payments of approximately \$700,000 per year. These increased costs will only be incurred if these students continue onto tertiary study in New Zealand.
16. It should be noted that the monetary amounts received by the very top achievers for NZ Scholarship have not been increased for some years. The amount of these awards recognises the magnitude of the work and accomplishment of these students. Our top scholars are likely to attract offers of study abroad and so it is important to have an award that encourages them to stay in New Zealand to study.
17. The award of a NZ Scholarship carries considerable prestige, and while increasing the monetary awards for Single Subject Awards would be a motivating factor and be beneficial from an equity perspective, it is unlikely that the increased costs can be accommodated under the current level of appropriation.

Review Standards and Subject List criteria

18. NZQA will ensure that its scheduled review processes promote equitable access to NZ Scholarship. The New Zealand Scholarship Performance standards will be reviewed before the new NCEA Level 3 achievement standards are introduced in 2024 to ensure that they are consistent with the inclusive design of the NCEA Level 3 achievement standards and they do not preclude groups of students from participating.
19. NZQA will need to review the canon of subjects included for NZ Scholarship in its biennial review of subjects offered once the new NCEA Level 3 subjects and standards have been finalised. The review will include considering the criteria for Scholarship subject inclusion so that any emerging subjects that promote more equitable access to NZ Scholarship, for example subjects that are derived from outcomes in *Te Marautanga o Aotearoa*, and with likely ongoing small cohorts, are able to be considered for inclusion.

Risks

20. There is a risk that if the monetary value of the top awards is not maintained at a level that continues to attract our very best students it would diminish the standing of NZ Scholarship.
21. There is a risk that if we are not able to support students from low-income and/or attending low decile schools to participate in NZ Scholarship then we will not have improved the equity of access, and the potential benefits of gaining a NZ Scholarship, for these students.
22. NZQA intends to work with schools to identify how these students could be better supported to participate in NZ Scholarship Awards.

Financial Implications

23. Within the current structure of the NZ Scholarship Awards, any rebalancing of monetary awards would not be fiscally neutral and it is likely that the costs will have a financial operating impact if they cannot be absorbed within the current appropriation as allocated to MSD.

Annex 1: Current list of New Zealand Scholarship awards, monetary value and criteria as of 28 January 2020

Name	Monetary value	Number of recipients	Criteria
Prime Minister's Award	N/A	One	The Prime Minister's Award is awarded to the highest performing of the Premier Award winners and there is no additional financial reward. This Award was introduced by NZQA to increase interest in the Awards ceremony.
Premier Award	\$10,000 p.a. for up to three years*	Seven to twelve	The minimum eligibility requirement to be considered for this award is achievement of at least three Scholarships at "Outstanding" level in the same year. The number of recipients for this award is restricted and achieving the minimum requirement will not guarantee an award.
Outstanding Scholar Award	\$5,000 p.a. for up to three years*	40 to 60 candidates	The minimum eligibility requirement to be considered for this award is achievement of three Scholarships including at least two at "Outstanding" level in the same year, or more than three Scholarships including at least one at "Outstanding" level in the same year. The number of recipients for this award is restricted and achieving the minimum requirement will not guarantee an award.
Scholarship Award	\$2,000 p.a. for up to three years*	Open	For Candidates who achieve Scholarship in three or more subjects in the same year, and Candidates achieve two single Outstanding Scholarship grades (and no third subject) in the same year.
Top Subject Scholar Award	\$2,000 p.a. for up to three years*	One for each Scholarship subject	For the top Candidate in each one of the Scholarship subjects.
Single Subject Awards	\$500 per subject for up to two subjects (one-off, up to \$1,000)	Open	For Candidates who achieve Scholarship in one or more subjects.

* Recipients must maintain at least a 'B' grade average each year of their tertiary study to continue receiving the annual payment.