Purpose of Report

1. This report summarises progress on developing a post-education outcomes framework. It provides an initial outline of a proposed framework, and sets out the planned development work.

Summary

2. In May, you agreed that the Ministry develop an education outcomes framework to inform the development of measures of success from secondary and tertiary education. This framework will go beyond monitoring educational outputs to measure the broader outcomes of education over time [METIS 1124837 Developing measures of outcomes from education].

3. This paper sets out an initial view of the framework. The framework is adapted from the Treasury’s Living Standards Framework, to focus on the value add of the education system for individuals and whānau (see Annex 1). The framework sets out key outcome domains:

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<tr>
<th>Material outcome domain</th>
<th>Social outcome domains</th>
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<td>- Income and wealth</td>
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4 For each domain, we will develop a narrative about the value of education to the well-being of New Zealanders. These will be framed by current and enduring policy questions, and topics relevant to each domain. We will develop the narratives in stages, starting with the domains where we already have considerable knowledge and data. We aim to have completed the first set of narratives on income and employment by the end of October, and a full set of narratives across all domains by March 2019. We will continue to improve the narratives over time, by reviewing and refining the questions and topics, and incorporating new data and evidence.

5 The framework will enable us to connect across government and support conversations on the contributions of different agencies to the same outcomes. For example, the framework could be used to draw out the value of education for wellbeing outcomes as a basis for informing Budget 2019 initiatives. It will also help shape priorities for the next Tertiary Education Strategy. We will be successful when the framework is informing policies that improve outcomes and well-being of New Zealanders.

6 In developing this proposal, we have consulted with the New Zealand Qualifications Authority, the Tertiary Education Commission, the Education Review Office, the Ministry of Social Development, Statistics New Zealand and the Treasury.

Recommended Actions

The Ministry of Education recommends you:

a. note the progress on developing a post education outcomes framework

b. agree that the Ministry reports back to you on further progress as follows:
   a. income and wealth, jobs and earnings by end of October 2018
   b. health, subjective well-being, social connections, and civic engagement and governance by end of December 2018
   c. environment, cultural identity, safety, housing, and leisure and recreation by end of March 2019.

   Agree / Disagree

c. agree that this Education Report is proactively released as part of the next publication

   Agree / Disagree

Andy Jackson  
Group Manager  
Tertiary Education  
24/08/2018

Hon Chris Hipkins  
Minister of Education  
3/9/18
Background

1. You are seeking to better measure the outcomes from education and how we can measure success of the secondary schooling system. We understand your interest is in what value increased qualification achievement is creating for individuals and the country as a whole.

2. In May, you agreed that the Ministry would take this work forward by developing an education outcomes framework to:
   - focus on the value of skill development and qualification attainment for individuals and the country, and on how well education helps to prepare people for a changing world
   - focus beyond measuring educational outputs and monitor the value of education over a lifetime
   - build on ongoing work on outcomes across education, as well as domestic and international frameworks
   - incorporate a stronger focus on social outcomes, in line with Treasury's Living Standards framework
   - cover all people post-education, regardless of their level of educational attainment or life stage [METIS 1124837 Developing measures of outcomes from education].

3. This report provides an update on this work.

Our starting point

What does an outcomes focus mean?

4. This work will move beyond measures of what education produces and into the outcomes the system achieves. We’re focused on how education influences the wellbeing of individuals and whānau in all areas of their life, and over a lifetime. For example, the extent to which the knowledge and skills gained through education support individuals to find and sustain meaningful work, engage with their community, and feel safe.

International and domestic models

5. There has been a lot of work over the last decade on wellbeing outcomes across government and around the world. We have built on these approaches, including:
   a. **OECD's Wellbeing Framework**: introduced in 2011 to provide an alternative measure of wellbeing beyond GDP per capita
   b. **Treasury's Living Standards Framework**: modelled strongly on the OECD’s framework, adapted into a New Zealand context, and focused on the flow between capital stocks of wellbeing and current wellbeing
   c. **Ministry of Social Development’s Social Report series**: pre-dating the OECD’s Wellbeing Framework, the Social Report provided a broad framework for reporting outcomes for New Zealanders.
6. We’ve also considered our education system performance frameworks, reflecting the role of the education system and its contributions across New Zealand.

Proposal

The proposed framework ...

... looks at the contribution of knowledge and skills to key domains of material and social outcomes

7. The proposed framework sets out key outcome domains. These are drawn mostly from the Treasury’s Living Standards Framework. We will also ensure the framework connects with Statistics New Zealand’s Indicators Actearoa, as that develops.

8. Knowledge and skills will be the overarching domain, which will be used to address relationships within each of the other material and social outcome domains.

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9. We will develop a narrative for each domain about the value of education to the well-being of New Zealanders. We will identify key questions, and the data and evidence to answer these questions. Examples of questions are:

a. What income premia, if any, result from educational attainment at different levels?

b. Do more educated New Zealanders find it easier to meet their housing needs?

c. Is a higher level of education beneficial or detrimental to work-life balance?

10. Your question about the senior secondary school success and pathways for young people can be addressed in this way. We can look at whether students who attain different levels of school qualification have better outcomes across the domains, as well as the extent to which additional attainment through the tertiary education system makes a difference.

11. We will build in a focus on equity. This means understanding the relationship of education to outcomes for different groups. For example, does educational attainment have the same relationship to improved health for Māori as it does for the rest of the population? do people with disabilities get the same income advantages from education? It also means looking at the distribution of outcomes as well as the average.

... can be used to give us insights into areas of priority
12 Over time, we expect that the framework will improve our understanding of the core relationships between education and outcomes, and opportunities to improve outcomes through re-directing effort to achieve better results for New Zealanders. The framework will enable us to connect across government, and support the conversations on contributions of different agencies to the same outcomes.

13 We anticipate that the framework will help us to think about how we support Budget 2019 as a wellbeing budget, given the close connections with the Treasury’s Living Standards Framework. We also anticipate that its findings will help us to shape system documents, such as the Tertiary Education Strategy (planned for development later this year).

We already have information to fill in some parts of the framework …

14 We already have well-developed New Zealand evidence on the relationship of education to the *income and wealth*, and *jobs and earnings* domains. We have built up knowledge of these areas over the last 10 or more years using the Statistics New Zealand’s Integrated Data Infrastructure.

15 We have contributed New Zealand data to international reporting by the OECD in the areas of *health, subjective well-being, social connections,* and *civic engagement.* This information has been drawn from the Survey of Adult Skills (PIAAC) and the General Social Survey. There is further information available in Te Kupenga (Survey of Māori wellbeing) and the Disability Survey.

... and will need to fill gaps through our work programme

16 We will need to do new work to address the domains of *environment, cultural identity, safety, housing, and leisure and recreation.* There is also information on these domains available through the sources mentioned above.

17 Annex 1 provides a visual overview of the proposed framework.

Consultation

18 We have consulted with the New Zealand Qualifications Authority, the Tertiary Education Commission, the Education Review Office, the Ministry of Social Development, Statistics New Zealand and the Treasury. Agencies are supportive of the project and willing to continue to engage with the work.

Next steps

19 We will develop the content of the framework in stages:

   a. *income and wealth, jobs and earnings:* collate existing evidence and indicators into narratives by end of October 2018

   b. *health, subjective well-being, social connections, civic engagement:* collate existing evidence and indicators into narratives by end of December 2018

   c. *environment, cultural identity, safety, housing, leisure and recreation:* develop new indicators to support narratives by end of March 2019.

20 We will report back to you with a brief summary of progress at each of these dates.
21 We will continue to improve the narratives over time. This will involve reviewing and refining the questions and topics, as well as incorporating new data and evidence.

Annexes

Annex 1: Developing a post-education outcomes framework
Developing an education outcomes framework

Purpose
This page summarises the progress we have made on developing an education outcomes framework. In May, it was agreed that the Ministry develop a framework to identify measures of success from secondary and tertiary education, including broader outcomes of education. The focus is on outcomes for individual and whanau, not a whole of system performance framework. The purpose of the framework is to inform better decision making on education that will improve the well-being of New Zealanders. This will happen through improved evidence, data and knowledge and stronger connections across government.

Our proposed framework
Uses the Treasury's Living Standards Framework of well-being domains, which is based on established international and national work, especially OECD.

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Under which we will develop key outcome and value questions

Example:
What is the impact of different types of education on individual earnings?

And then "topics" and "measures" under each "domain"

Examples (of many possible):

<table>
<thead>
<tr>
<th>Domain:</th>
<th>Income &amp; wealth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topic:</td>
<td>Earnings</td>
</tr>
<tr>
<td>Measure:</td>
<td>Median annual earnings at age 28 by level of education.</td>
</tr>
</tbody>
</table>

Civic engagement & governance
Voting
Proportion voted in last election by level of education.

Making it work
We will know the framework is successful when we are continually developing a world class narrative about the value of education to the well-being of New Zealanders...

...and when we are connecting across government through our evidence, data and knowledge on well-being to inform better decision-making...

...and when the well-being of New Zealanders is improving through better decision-making.

We will start by:
... using already well-developed NZ evidence on education and the income and wealth, and jobs and earnings domains...

...and adapting our existing contributions to international work in health, subjective well-being, social connections, civic engagement. And available NZ data to advance NZ evidence in these domains...

...and beginning to improve our understanding in less developed domains such as environment, cultural identity, safety, housing, and leisure and recreation.