

Golden opportunism

Educational “charities” seem to be everywhere now – dishing out scholarships, running professional development and holding educational events. They recruit the best and brightest from the education sector and help write educational policy – but who are they really? What do they get out of it all and where is the accountability?

Massey University professor John O’Neill has been investigating the educational philanthropy phenomenon and has come to some startling conclusions that echo concerns expressed by PPTA.

Names such as CORE Education and Cognition Education are becoming familiar to the sector as they pick up more and more government contracts.

They are among a small number of educational “not-for-profit” charitable trusts that have emerged and grown to take advantage of the contracting out of former state services.

These entities typically have a commercial trading arm which generates surpluses that are “donated” to their charitable trusts for distribution – for example Cognition Education Trust’s commercial trading arm is Cognition Education Limited.

These types of organisations claim to be not-for-profit but have all the characteristics of profit-seeking commercial businesses, Dr O’Neill said.

“If you look at their annual financial returns, you will see that both Cognition and CORE are significant commercial entities. Both are accumulating comparatively large reserves and assets over time and distributing comparatively little by way of charity.

“This in turn raises the more important question of whether public benefits, such as helping those most in need, sufficiently outweigh private benefits such as money, reputation and influence. If a charitable organisation is in effect the main beneficiary of its own activities, does it deserve the benefits of charitable status?” he said.

These educational philanthro-capitalists also appear to have a very cosy relationship with government – outside the normal democratic channels.

The large salaries they offer have lured many former public servants, who are now using knowledge and expertise



gained in the public service to compete for contracts against public service organisations.

“Commonly, these educational charities are set up and staffed by former state sector employees who bring huge amounts of public sector intellectual property with them as a dowry. In this way charities accrue significant assets, while the individuals who work for them enjoy a personal income that they might not otherwise have,” he said.

In recent years the relationship between self-styled “not-for-profits” and the state sector has blurred considerably through the employment of these influential public sector employees, Dr O’Neill said.

“This has led to extensive networks

of education policy influence, which to my mind are profoundly undemocratic and covert.

“All these networks of influence and public policy delivery operate outside the public gaze and public accountability, yet they drain huge amounts of public funding from the state sector for intellectual property that was originally developed and funded as a public good,” he said.

The more worrying and sinister aspect of this was that those same organisations were increasingly being contracted to make the public policies that they subsequently serviced, Dr O’Neill said.

“Is it in the public interest to have non-government organisations involved



in the processes of articulating what government objectives will be? Indeed, could it even be argued that the main strategic purposes of educational charities are, in this regard, political?”

This certainly rings alarm bells for PPTA, with president Angela Roberts likening the situation to the corporatisation of education in America.

“In the United States you have Bill Gates heavily influencing education policy, but the citizens can’t vote him out if they don’t agree with it. Politicians are accountable in a way these people are not,” she said.

Cosy relationships enabled consultants to operate without public scrutiny, Roberts said.

“There is no recourse to systems such as the Official Information Act or the office of the Auditor General, or even pressure from opposition political parties,” Roberts said.

“It shows how the role of parliament can be bypassed in the name of commercial secrecy. This is deeply concerning for democracy.”

The organisations’ habit of drawing staff from the public education sector would also directly undermine the government’s \$359 million Investing in Educational Success plan to recruit top teachers and principals to share resources across the sector, Roberts said.

“They will lure away exactly the sort of educators needed for those positions, with wages the public sector cannot hope to compete with” she said.

Compared with the exhaustive accountability mechanisms of the public sector, registered charities provided very little information on their activities other than the briefest of financial returns, Dr O’Neill said.

“These enable an assessment of the proportion of a charity’s surpluses that are distributed each year, and the proportion that is retained as assets. However, they provide no detail on the salaries that are paid to employees, nor any independent assessment of the effectiveness of the charity in advancing its educational and broader public good purposes.

“It has very little to do with charity and a lot to do with controlling public policy, from conception to development, delivery and evaluation,” Dr O’Neill said.

“A few years ago I suggested to someone at the Charities Commission that Inland Revenue should investigate these self-styled ‘not-for-profits’ on the grounds that they appear to provide very little public benefit beyond the self-marketing educational events they engage in and the odd scholarship or tiny research grant they hand out, but maybe that’s just enough to justify being a charity these days,” he said. ■

Busy circles

Former secretary for education Howard Fancy is a Cognition Education Limited director, as is Waikato University deputy vice chancellor research Alister Jones. Professor John Hattie is a director of Cognition Education Trust.

Cognition Education has also recently “partnered” with Waikato University professor Russell Bishop to offer Culture Counts Plus (a highly packaged, no-excuses PLD model of Te Kotahitanga.) Former Ministry of Education schools monitoring and support senior manager Mary Sinclair is project manager.

Culture Counts Plus replicates the Visible Learning Plus model of teacher professional development that emerged from John Hattie’s Ministry of Education funded work at Auckland University and Cognition Education now has publishing and franchising rights to deliver Visible Learning Plus worldwide.