

## Regulatory Impact Statement

### Amending the assignment of National Student Numbers

#### Agency Disclosure Statement

This Regulatory Impact Statement has been prepared by the Ministry of Education.

The *Better Public Services* ECE participation target is that 98% of all children starting school in 2016 will have participated in ECE. Currently, that figure is around 95%, with significantly lower rates of Māori, Pasifika and children from lower socio-economic backgrounds.

The Ministry of Education has in place initiatives to encourage non-participating families and whānau to participate in ECE. A key barrier to the efficacy of those initiatives is lack of information. There is no accurate information on the number of non-participating children.

To gather information and use it effectively, two things will be required. Firstly an information sharing agreement that meets the requirements of the Privacy (Information Sharing) Bill [CAB Min (12) 10/6A refers]. Secondly the ability for the Secretary to assign a unique education identifier (NSN) to children identified through this process so the Ministry of Education is able to identify, intervene, and track the progress of those children effectively.

We propose a change to the Education Act 1989 that will amend the power of the Secretary for Education to assign National Student Numbers (NSN) to children who would otherwise have been unlikely to participate in ECE.

The success of this proposal is dependant on the establishment of an appropriate information sharing agreement. It is assumed that with intervention children are likely to participate. This assumption is supported by evidence from current participation initiatives, which demonstrates that the identified children are more likely to enrol when provided with good information and support.

Due to time constraints public consultation has not been conducted. We consider that none of the policy options are likely have effects that will require specific, detailed consideration with regard to Government's regulatory policy statements before regulation is considered.

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## *Status quo and problem definition*

1. Quality early childhood education (ECE) provides significant benefits, in terms of children's early development and their longer term outcomes (increasing education achievement, earnings and employment).
2. Vulnerable children have the most to benefit from ECE, but have the lowest participation rates. Children who are not participating are predominantly Māori, Pasifika and from low socio-economic status backgrounds.
3. Barriers that prevent children attending ECE include, cost, lack of available places/appropriate services, not having transportation, lack of information about local services, not knowing how to enrol and not understanding the importance of ECE.
4. In the year to March 2012 nearly 55,000 learners started school having participated in ECE. However, around 3,000 children start school each year with no prior ECE participation and approximately another 10,400 children start with 12 months or less participation in ECE. To provide opportunities for these children to attend ECE before the potential benefits are lost we need timely information about them.
5. There is no systematic way to identify children who have not enrolled in any education provider. Substantial information gaps exist around children with little to no prior participation in ECE. We need basic demographic information on the numbers of children not participating in ECE so we can more effectively support these children and achieve our 98% participation target included in the *Better Public Services* actions for vulnerable children.
6. The Ministry intervenes to improve participation through a package of initiatives approved in Budget 2010. Participation programme expenditure was around \$24 million between 2012 and 2013. Under one initiative in this package, Engaging Priority Families, contracted providers are paid \$4,000 for each child in their caseload per year. Providers use personal networks and contacts which identify non-participating children. They then build relationships with families whose children are not participating in ECE, and support those children to enrol.
7. Systematic information on ECE participation is collected only when an individual learner starts school. A major IT system, the Early Learning Information system (ELI) is being developed to collect systematic information on participation in ECE while it is happening, through assignation of a unique identifier (the National Student Number, NSN) [CAB Min (12) 16/4] refers].
8. When implemented, under existing statutory authorities, ELI will assign NSNs only upon enrolment with an education provider. Current approaches to increasing participation, such as the relationship approach used by Engaging Priority Families providers, identify only some of the vulnerable children not participating in ECE. Additional information would enable us to focus, improve and extend current initiatives to reach our 98% target. This will enable more accurate design and better costing of initiatives. Evidence from current participation initiatives demonstrates that non-participating children are more likely to enrol when provided with good information and support.

9. Information sharing with other government agencies will enable us to collect information about these non-participating children so we can provide services to support them better. Information sharing can create efficiency gains in delivery of ECE participation initiatives.
10. Assigning a NSN to children alongside information sharing will enable us to strengthen existing mechanisms to identify and support non-participating learners.
11. At present the Education Act 1989 only enables the Secretary for Education to assign a NSN when a child enrolls with an education provider.

### ***Objectives***

12. The objectives of the proposed change are:
  - a) to support the Government's priority to increase participation in ECE for learners from Māori, Pasifika and lower socio-economic status backgrounds. A participation target has been included in the *Better Public Services* actions for vulnerable children.
    - a. to strengthen the information stored within the Early Learning Information (ELI) system to enable us to gather much more timely and accurate information on children that are not enrolled.
    - b. to provide appropriate services to cater to the needs of the children and their families and whānau.
    - c. to ensure policies are fiscally appropriate so that spending best supports learners.
    - d. to ensure the privacy of all children and their families is balanced appropriately against the benefits of supporting timely enrolment in ECE.

### ***Regulatory impact analysis***

#### **Regulatory Options**

##### **1. Using information sharing and the assignment of NSNs - preferred option**

The Ministry's preferred option is to grant the Secretary of Education the ability to assign a unique education identifier (NSN) to children at risk of not participating in ECE, identified through information sharing with other government agencies. This will enable the Ministry of Education to identify, intervene, and track the progress of those children effectively.

##### **2. Ministry of Education survey to assign a NSN**

Implementing a Ministry of Education survey could collect information directly from the families. This will result in the duplication of data collection, and processing mechanisms across government agencies. It will also require families to supply the same information to multiple agencies.

**3. Not collecting information on children at risk of not participating in ECE (status quo)**

The Ministry of Education currently has in place initiatives to encourage non-participating families and whānau to participate in ECE. A key barrier to the efficacy of those initiatives is lack of information. There is no accurate information on the number of non-participating children. They are only identified when they enrol in school, by which time it is too late to obtain the benefits of ECE.

**4. Information sharing agreement without NSNs**

Information sharing could in theory identify and support non-participating children without assignation of a NSN to non-participants. However, without the ability to assign a NSN, the processing and support mechanisms will be more costly to implement and less efficient to run.

**5. Increase investment in current initiatives**

To alter existing initiatives through increased investment or changing contact approaches will be labour intensive and will have high ongoing costs.

***Option 1: Using information sharing and the assignment of NSNs*** - preferred option

13. This option allows us to gather information and use it effectively by:

- i. Developing an information sharing agreement (with MSD initially and later Inland Revenue) that meets the requirements of the Privacy (Information Sharing) Bill [CAB Min (12) 10/6A refers].
- ii. Providing the ability for the Secretary to assign a unique education identifier (NSN) to children identified through this process so the Ministry of Education is able to identify, intervene, and track the progress of those children effectively.

14. This option requires an amendment to Part 30 of the Education Act 1989. This will allow the Secretary for Education to assign a NSN to non-participating children as permitted in approved information sharing agreements. This will be used to monitor and assist families and whānau, and provide opportunities for access to ECE.

15. Information sharing will provide us with timely information to support children who have been identified. If identified non-participating children were assigned a NSN, the Ministry of Education could more efficiently deliver and track participation initiatives.

16. This option allows the identification of children we wish to support, and makes use of existing mechanisms to increase efficiency. Information sharing will enable us to target the age range of children. We could obtain information for all children in a specified age range. Any children not enrolled in ECE after a specified age can be identified and supported according to their level of need. This will provide a timely response to provide opportunities for children to participate in ECE at an age when it will be most beneficial to them

17. This option strengthens the information that will be stored within the ELI system to enable us to gather much more timely and accurate information on children that are not enrolled. The allocation of NSNs will enable the information obtained to be stored in existing Ministry of Education databases such as the National Student Index and databases already planned, such as that attached to the future ELI system. This will mean we can use existing or proposed data safeguards and cleansing practices. This will ensure the information is used efficiently, while the privacy of individuals is protected, and the integrity of the information is maintained.
18. The ELI system will have the ability to hold various aspects of an individual child's information including contact details. The National Student Index can only hold key information such as names, dates of birth and gender. Once learner information is entered into ELI, the key details will also be held in the National Student Index. There will be an interface between ELI and the National Student Index. This will enable us to verify the existence of children and assess if they are participating in ECE. The ELI system will hold the child's contact details.
19. The ELI system could also state if the family or whānau do not wish for their children to participate in ECE due to their personal beliefs. From this we will know not to re-visit this family. This information will enable us to provide more effective support to overcome current participation barriers.
20. This option is fiscally appropriate and will support spending to better support learners. Using existing databases would lower the total cost of the process compared with the option of information sharing without assigning a NSN, due to the cost of the development of an additional database.
21. This option ensures the privacy of all children and their families is balanced appropriately. Operationally, through information sharing, we would seek minimal information such as the names, dates of births and addresses of children in a specified age range. We will work with the agency through which the information is obtained to ensure that individuals are aware what information will be supplied to us and the purpose of that information.
22. The requirements in the Privacy Act 1993 will need to be met as part of the development of an information collection or any new information sharing agreement. We plan to carry out further work to consider the costs and benefits of each, and particularly the privacy implications.

#### *Sources of Information Sharing*

23. A variety of sources exist through which to gather information. We recommend that in order to support vulnerable children, in the short term, an information sharing agreement with the Ministry of Social Development (MSD) provides the best level of information.
24. We propose that once information sharing with MSD is established, we will consider an information sharing agreement with Inland Revenue (IR) to identify and support non-participating children of low income families.
25. We do not recommend the assignment of NSNs using information from the Department of Internal Affairs and the Ministry of Health. However, we will work with

these agencies on their experiences in locating hard to reach populations and individuals through direct contact methods.

26. The following paragraphs discuss possible options for information sharing across Government to locate non-participating children.

*Information sharing with the Ministry of Social Development*

- i. The welfare system has encouraged participation in ECE through measures such as the 9 hours non-activity Childcare Subsidy, a proactive mail-out when the child turns three years old to inform parents about *20 Hours ECE* availability, and general case management practice when the client is working or training. There have not been any work expectations for beneficiaries, and it is likely children of beneficiaries have low rates of participation in ECE.
- ii. Information sharing with MSD could enable the assignment of NSNs for all children of beneficiaries, and those in the care of the state within a specified age range (for example between the ages of two and six years old). Once received this information can be assessed within Ministry of Education systems such as ELI. Children not enrolled in ECE, and any reasons for lack of enrolment can be investigated through Ministry of Education contracted service providers, and families and whānau can be supported accordingly.
- iii. Information sharing with MSD will also enable us to connect initiatives such as the social obligations for ECE participation and the Vulnerable Family Information Sharing Programme. This will enable the government to more effectively support these children and their families and whānau. Using MSD information we can ensure our providers are able to offer support to families and whānau before they are subject to the obligation. However, there would be a number of implementation issues to work through before final proposals could be made.
- iv. We will need to have further discussions with MSD about the establishment of systems to provide this information. This will be considered as part of an information sharing agreement.
- v. Information from MSD will not allow us to assist enough families to reach the 98% participation target, and another source of information is needed. Inland Revenue (IR) has a wider range of coverage of low income families (but does not capture the most vulnerable children). Due to this we will consider the establishment of an information sharing agreement with IR to support children of low income families to participate in ECE. This will be considered after information sharing mechanisms are established with MSD.

*Information sharing with Inland Revenue Department*

- vi. Working for Families is delivered by Work and Income and IR. It is a package designed to help make it easier to work and raise a family. It pays extra money to many thousands of New Zealand families. To receive Working for Families tax credits all children must have an IRD

number. As part of the Working for Families application IR may exchange information about the individual with some government agencies. We could specify this further so individuals are advised that their information may be supplied to the Ministry of Education.

- vii. We would seek information on children within a specified age range, and could filter this by total family income. This will allow us to provide greater support to low income families. We will not seek the specific income of the family.
- viii. This information will cover all children whose parents are receiving Working for Families through IR. We do not require and will not seek the IR numbers of children through this proposed information sharing agreement.
- ix. There is significant demand for information sharing systems with IR, therefore this option will be considered in the longer term. We will still need to go through the IR information sharing process and will need to have further discussions with IR, about their ability to implement the processes required, and the timeline they are able to meet. This will be considered during the establishment of an information sharing agreement.

#### *Information sharing with the Department of Internal Affairs*

- x. Information sharing with the Department of Internal Affairs birth registration will capture a significant portion of the population (approximately 1-3% of births are not registered within one year of the child's birth). This option will not include children who may have migrated here.
- xi. The time lag between when children are registered and when we wish to support the families may mean this information is outdated and families are difficult to locate. To locate the children may require additional information sharing with other agencies.
- xii. Using birth registration information creates the added privacy risk that the NSN will suffer from 'function creep' and evolve into a generic national identifier. This is because we will not be able to filter the information we receive from the Department of Internal Affairs, and would receive information on all children born in New Zealand.
- xiii. We do not recommend this option.

#### *Information sharing with the Ministry of Health*

- xiv. The National Health Index (NHI) holds information on most children that have been in contact with the health sector. This is a significant portion of the child population of New Zealand. The NHI also has records for children who have been in contact with the health sector and subsequently left the country.

- xv. We do not consider this a preferred option for assigning NSNs at this time, due to the sensitivities associated with health information and the public expectations including the reputation risk of the health sector.

Agency	Coverage	Timeliness	Cost	Privacy Implications
MSD	Vulnerable children	Information is updated regularly	Mutually beneficial (supports social obligations)	Only focus on children we intend to support, lower privacy implication
IR	Children from low income families (families that receive Working for Families)	Information is updated regularly	Benefit to Ministry of Education	Only focus on children we intend to support, lower privacy implication
DIA	The majority of the population	Information not updated since birth	Benefit to Ministry of Education	There are privacy implications due to the risk that the NSN will evolve into a generic national identifier
MOH	The majority of the population	Information is updated regularly	Benefit to Ministry of Education	There are privacy implications due to the sensitiveness of health information

27. The impacts of allowing the allocation of an NSN prior to enrolment in ECE are:

- a) Economic: The assignment of unique NSNs will allow us to use the received data efficiently. Information on non-participating children is vital to enable us to support them. Children who are given the opportunity to attend quality ECE are able to start school with improved educational prospects. This can lead to improved educational and lifetime outcomes for these vulnerable children. This would include increased lifetime earnings and reduced truancy, youth offending and other social costs.
- b) Fiscal: There are costs to Government associated with obtaining data (through the development of information sharing agreements) and implementing processes. There is the possibility to design the ELI system to take this into account. This proposal may prove to be cost neutral for the ELI system, depending on how the information is processed. This will be assessed as part of comparing different data collection mechanisms during the ELI system procurement process.
- c) There is also the possibility of a saving or efficiency gain within participation initiatives. This is due to reducing the cost associated with identifying children and resources not being used effectively when providers have fewer children in their caseload than they are funded for.
- d) Compliance costs: This will not impose compliance costs outside of government.
- e) Privacy concerns: The majority of the privacy implications will be associated with the development of an information sharing agreement. Due to this we will provide a full privacy impact assessment before an information sharing agreement is sought.
- f) Cultural implications: Improved information about the children who are not participating in ECE will help us address better any mis-matches between the supply of appropriate ECE and the identity, language and culture of children who are not participating. For example, if a cohort of Pasifika families in a certain



region do not wish their children to attend ECE, because there are no Pasifika ECE services in that area. This would be vital information for us to ensure future funding of services meets the cultural needs of these groups.

***Option 2: Ministry of Education survey to assign a NSN - not recommended***

28. This option considers conducting a Ministry of Education survey and assignment of a NSN at a specified point in time to collect information directly from families and use this to assign a NSN. Information obtained directly from families can be stored in ELI and participation initiatives can support the families and whānau.
29. This option is likely to strengthen the information stored within the ELI system and supply sufficient information to enable the initiatives to provide an appropriate service to cater to the needs of the children and their families and whānau.
30. However, unless having an NSN is a requirement or there is an added incentive, it is unlikely that we will gather sufficient information on the majority of families we wish to support. Using another agency's existing collection as a mechanism and adding the Ministry of Education survey as an additional insert, could encourage families and whānau to assign a NSN to their child.
31. This option is not fiscally appropriate. Even using another agency's existing collection, this is still more costly option. This is because of the cost associated with data collection, and processing mechanisms. It will also require families to supply the same information to multiple agencies. It will result in the duplication of data collection, and processing across government agencies.
32. This option ensures the privacy of all children and their families is balanced appropriately. Families and whānau would know that their children are being assigned a NSN. For privacy reasons it is preferable that personal information is collected directly from the individual concerned and the individual is aware of the information collected and its purpose.
33. There are three processes that could be used to attach a Ministry of Education survey to;
  1. *Assigning an NSN when people apply for a benefit*
    - i. Extending the benefit application to provide a form for parents to apply for an NSN at the same time will enable the use of the same identification documents and reduce the administrative burden for the individual.
    - ii. If this approach is to be considered further work would be needed to determine the operational implications. A preliminary assessment suggests that this method would significantly increase administration costs for Work and Income.
    - iii. If it is not a requirement for parents to register for a NSN for their child, it is likely there will be a low rate of NSN assignment.

## 2. *Assigning an NSN through Working for Families*

- iv. Children are required to have an IR number to receive Working for Families. This could be extended to include that children must also have a NSN. The NSN could be assigned by the individual through completing a form and submitting it to the Ministry of Education. Once the child is assigned an NSN the family would then use that as part of their application for the Working for Families tax credit.
- v. Alternatively all the information that will be required will be completed in the application for an IR number. To apply for an IR number, the IR595 form needs to be completed and this includes two forms of ID for the parent completing the form and the child who the number is for. Extending the IR number application to provide a form for parents to apply for an NSN at the same time will enable the use of the same identification documents and reduce the administrative burden of the individual.

## 3. *Assigning an NSN when a birth is notified for registration*

- vi. This option would allow parents the option to register for an NSN alongside registering their child's birth. This could be done as an additional paper insert to the birth registration pack. This would involve the unnecessary collection of information about children who may never need an NSN, because they leave the country at an early age or pass away. This is not recommended as assigning NSNs at birth creates the privacy risk that the NSN will evolve into a generic national identifier.

## 34. The impact of implementing a Ministry of Education collection of information and subsequently assigning a NSN are:

- a) Economic: Unless there is a requirement that children must be assigned an NSN for their parents to receive benefit payment, or Working for Families, it is unlikely that sufficient information will be provided.
- b) Fiscal: There are higher costs to Government associated with implementing a data collection mechanism. There will need to be development of a data collection and processing methodology. There will also need to be functionalities added to ELI (this may be cost neutral for ELI depending on how the information is processed). There are also ongoing costs of data collection.
- c) Compliance costs: This may impose compliance costs outside of government. In particular, the administrative cost of completing multiple forms and providing certified identification information will burden families and whānau that wish to register their children.
- d) Privacy concerns: This option has less of a privacy cost as personal information is collected directly from the individual who is aware of the information collected and its purpose.
- e) Cultural implications: This option is also likely to provide us with some information about the children who are not participating in ECE, and will help us

address better any mis-matches between the supply of appropriate ECE and the identity, language and culture of children who are not participating.

### **Non-regulatory Options**

#### ***Option 3: Not collecting information on children at risk of not participating in ECE (status quo)*** – not recommended

35. The status quo was discussed in the problem definition. Intervention would continue to rely on community-based initiatives and referrals from other agencies (e.g. Child, Youth and Family and WellChild services).
36. This option does not utilise the ELI system to gather much more timely and accurate information on children that are not enrolled. These initiatives identify only a portion of children who are not participating in ECE. Existing participation programmes seek to identify problems with supply and demand, and families who need additional support.
37. This option continues to provide an appropriate service to cater to the needs of the children and their families and whānau who are identified. Engaging Priority Families is one such initiative through which the Ministry of Education uses contracted service providers to encourage and support participation in ECE. Providers use personal networks and contacts to identify and build relationships with, families whose children are not participating in ECE. Contracted providers have a target caseload (for example, 20 – 60 children). The providers are expected to reach their caseload within six months and are required to maintain that caseload over three years. As children go to school or leave the programme they are expected to replace those children.
38. This option does not utilise the information available to provider better value for money. This option continues with labour intensive methods to locate the non-participating children and numbers of children reached are small. This is in comparison to the amount of children that could benefit if information on their whereabouts was known. In addition participation programmes are only operating in certain areas. Due to the cost and scale of this option it is not recommended to use participation programme providers as a main source of identifying non-participating children.
39. The proposal to assign a NSN would allow a more sophisticated and systematic approach to these interventions, and better use of financial incentives through ECE subsidies. This will also strengthen the effort to achieve the 98% participation goal by 2016. Individual information on not participating children will become more important as the children facing participation barriers become fewer in number and more difficult to identify.
40. This option ensures the privacy of all children and their families is balanced appropriately. Information will be obtained directly from the individual concerned and the individual is aware of the information collected and its purpose.
41. We do not recommend this option as a substantial lack of information on non-participating children will remain.

42. The impact of continuing with the status quo are:

- a) Economic: Initiatives only identify and support a small proportion of children not participating in ECE. They are labour intensive and are limited geographically and also in their scope to support transient children. Additionally the long term economic benefits of ECE participation will not accrue to non-participating children.
- b) Fiscal: This option will not have any fiscal implications.
- c) Compliance costs: This will not impose compliance costs outside of government.
- d) Privacy concerns: There are no privacy implications as information will be obtained directly from the individual concerned and the individual is aware of the information collected and its purpose.

***Option 4: Information sharing agreement without NSNs*** – not recommended

43. Information sharing and data matching could be used to identify vulnerable and non-participating children from information obtained through other government departments. This option would not require an amendment to the Education Act 1989. The information used would be similar to that required to generate an NSN. Children identified as not participating could be assisted and then once enrolled can be assigned a NSN through existing processes.

44. This option does not utilise the ELI system. Information could be analysed without connecting it to the NSN, effectively treating the information as an external data set. The same privacy implications would arise from sharing this information, as for option one. Information obtained across agencies would need to be compared against NSN records. It is likely that the information would still need to be assigned a unique identifier (just not a NSN) to enable the information to be systematically stored in databases.

45. The same information sharing sources as outlined in '*Option 1: Using information sharing and the assignment of NSN*' remain. The difference between this option, and '*Option 1*', is the point in time at which the NSN is assigned. Not assigning a NSN creates additional costs with the need for duplicate databases and data management systems. It is for that reason that early NSN assignment is preferred.

46. This option provides an appropriate service to cater to the needs of the children and their families and whānau. This option will provide us with good coverage of children not participating in ECE and their approximate locations. Depending on the source and collection, this information is also likely to be timely for identifying the children early enough to provide opportunities to attend ECE.

47. This option is not fiscally appropriate. Not assigning an NSN would require the creation of a separate database and the duplication of resources. An additional database will be more costly to create and run. It would require ongoing data cleansing in addition to what is already done for the National Student Index and what will be required for ELI.

48. This option ensures the privacy of all children and their families is balanced appropriately. Not assigning a NSN reduces the risk that the NSN will evolve from a 'student number' into a generic national identifier.

49. The impacts of information sharing without assigning an NSN are:

- a) **Economic:** This option will give us the same benefits as information sharing with assignment of a NSN. Children who are given the opportunity to attend quality ECE are more likely to start school on the same level as their peers. This will provide improved educational and lifetime outcomes for these vulnerable children, who would not otherwise have enrolled. This would include increased lifetime earnings, reduced truancy, youth offending and other social costs.
- b) **Fiscal:** This option will result in a higher cost to Government compared with information sharing with assignment of a NSN. There are fiscal costs associated with obtaining data (through the development of information sharing agreements). There will be the additional cost of the development of a database to store the information and the ongoing cost of data cleansing this database.

However, there still may be a fiscal saving or efficiency gains within participation programme initiatives. This is due to reducing the cost associated with identifying children and the under utilisation of resources when providers have fewer children in their caseload than what they are funded for.

- c) **Compliance costs:** This will not impose compliance costs outside of government.
- d) **Privacy concerns:** The majority of privacy implications will be associated with the subsequent development of an information sharing agreement. Due to this we will provide a full privacy impact assessment before an information sharing agreement is sought.
- e) **Not assigning a NSN removes the risk that the NSN will evolve from a 'student number' into a generic national identifier.** Additional restrictions should be put in place on the use of the information in the National Student Index and the assignment of the NSN, to avoid this. These restrictions should be of a similar standard of those in place for the National Health Index.
- f) **Cultural implications:** Improved information about the children who are not participating in ECE will help us address better any mis-matches between the supply of appropriate ECE and the identity, language and culture of children who are not participating.

**Option 5: Increase investment in current initiatives** – not recommended

50. We could increase evaluation and investment of current participation initiatives. This is an extension of what is already being carried out by participation programme providers in '*Option 3: Not collecting information on children at risk of not participating in ECE (status quo)*'.

51. This option does not utilise the ELI system.

52. This option provides an appropriate service to cater to the needs of the children and their families and whānau. Our current participation initiatives include Engaging Priority Families and Supported Playgroups initiatives. Under Engaging Priority Families, contracted providers are paid around \$4,000 for each child in their caseload per year, for a period of about 2 years. The providers are expected to reach their caseload within six months and are required to maintain that caseload over three years. As children go to school or leave the programme the providers are expected to replace those children.
53. This option is not fiscally appropriate. This option will be relatively costly and will add only incremental improvements to the identification of non-participating children depending on the resource provided. This option could take many years to identify a significant portion of non-participating children and as such will not provide an adequate contribution to the governments *Better Public Services* goals to be achieved in 2016.
54. This option ensures the privacy of all children and their families is balanced appropriately.
55. The impacts of increased investment in monitoring and evaluating current initiatives without assigning an NSN are:
- a) Economic: Currently difficulties exist in identifying the families as while these are often concentrated in pockets in certain regions, they are also spread throughout the country. The current initiatives are limited as they focus on the geographical areas most affected and capture only a portion of children not participating in ECE. The effectiveness of these approaches is variable. This option will not provide a systematic method to identify and support not participating children.
  - b) Fiscal: There would be a fiscal cost associated with increasing investment in current initiatives, however the level of investment required to make a significant impact in identifying non-participating children is not known. Based on the cost of existing initiatives, we can estimate the fiscal cost at around \$25 million per annum.
  - c) Compliance costs: This will not impose compliance costs outside of government.
  - d) Privacy concerns: There are no privacy implications.

### ***Consultation***

56. The Ministry of Health, Ministry of Social Development, Treasury, Department of the Prime Minister and Cabinet, Inland Revenue Department, Ministry of Justice, Department of Internal Affairs and the Office of the Privacy Commissioner have been consulted on the contents of this paper.
57. The State Services Commission, the Ministry of Pacific Island Affairs and Te Puni Kōkiri have been informed.
58. The opportunity for public comment will be provided as part of the Bill process.

### ***Conclusions and recommendations***

59. In order to support the Government's priority to increase participation in ECE for learners from Māori, Pasifika and lower socio-economic status backgrounds and to enable the Ministry of Education to identify learners not currently participating in ECE, a greater degree of accurate and timely information is required. The non-information sharing options will allow only irregular identification of children who are not participating. The status quo or increasing investment in current initiatives will do little to contribute to the fixed deadline for Government's *Better Public Services* actions.
60. We recommend a legislative amendment to allow the Secretary for Education to assign a National Student Number to children at risk of non-participating as permitted in approved information sharing agreements. This will be used to monitor and assist families and whānau, and provide opportunities for access to ECE.
61. This is required to identify and provide opportunities for children to participate in ECE while they still have the chance to reap the benefits. The additional information will enable the development of more comprehensive and sophisticated policy to encourage and support participation in ECE by priority learners.

### ***Implementation***

62. The implementation of this proposal involves inclusion in the Education Amendment Bill (Part 2).
63. Further work is required to develop the specifics of the information sharing agreements and processes. That work will need to consider the privacy implications of obtaining information, as well as the costs and benefits of the new agreement. That will require separate approval by Cabinet, including completion of a Privacy Impact Assessment. The amendments in the Privacy (Information Sharing) Bill will provide a framework for any new information sharing agreements.
64. We propose to keep our existing participation programme initiatives, and deliver a more efficient service through the use of better information. Further work will need to be carried out to ensure we use these services efficiently and provide a quality services to families and whānau.

### ***Monitoring, evaluation and review***

65. Monitoring agreements will be developed as part of establishing any new information sharing agreements.
66. Once an information sharing agreement is established with MSD it will be evaluated and reviewed before any further information sharing agreements are proposed.