



Education Report: Update on the removal of the partnership school kura hourua model

To:	Hon Chris Hipkins, Minister of Education		
Date:	29 November 2017	Priority:	High
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Drafter:	Simon Laube	DDI:	[REDACTED]
Key contact and number:	Ellen MacGregor-Reid [REDACTED]	Round robin:	No s 9(2)(a) OIA
Messaging seen by Communications team:	Not applicable s 9(2)(a) OIA		

Executive Summary

Fifteen partnership schools | kura hourua (charter school) contracts are currently in legal effect and a sixteenth may come into effect if its conditions are met by the sponsor. Ten charter schools are currently operating, two sponsors are scheduled to open in 2018 and four sponsors (one is conditional) are scheduled to open in 2019.

We have conducted preliminary without prejudice discussions with the two charter schools scheduled to open in 2018 and the four charter schools scheduled to open in 2019 about options, including the potential for mutually agreeing to terminate contracts before the schools open.

We are currently preparing advice for you on the outcomes of these discussions and the proposed next steps. This will be part of a briefing note on the alternative schooling options available, should you wish to allow former partnership schools to be re-established as state or private schools.

Further, more fulsome, discussions about alternative schooling options will be commenced with Round 1-3 sponsors and any schools continuing from Rounds 4 and 5, in early 2018.

We seek your agreement to develop a contingency by repurposing an existing contingency to ensure the overall financial implications with the removal of charter schools can be met, as early closure discussions are being conducted.

A number of business-as-usual operational matters relating to charter schools also require your attention. This includes consideration of the conditions precedent by one Round 5 sponsor, the membership of the Authorisation Board and an operational update for the existing charter schools ahead of the 2018 school year.



Recommended Actions

The Ministry of Education recommends you:

- a. **note** there are currently ten partnership schools kura hourua (charter schools) open and operating with about 1,200 students enrolled. Fifteen charter school contracts are currently in legal effect and a sixteenth may come into effect if its conditions precedent are met by the sponsor;

Noted

Contract discussions with Rounds 4 and 5 charter schools

- b. **note** as agreed with you, we have conducted preliminary discussions with the two charter schools scheduled to open in 2018 and the four charter schools scheduled to open in 2019 about options, including the potential for mutually agreeing to terminate contracts before the schools open;

Noted

- c. **note** that a report-back will be provided to you separately on the outcomes of these discussions and proposed next steps;

Noted

- d. **note** that unless contracts are terminated by mutual agreement, which has no set requirements but would require compensation, termination of existing contracts at the Minister's convenience requires a minimum six month notice period before closure can occur and closure must be at the end of a school year;

Noted

Alternative schooling options in 2018

- e. **note** that more fulsome discussions about alternative schooling options will be commenced with Round 1-3 sponsors and any schools continuing from Rounds 4 and 5, in early 2018;

Noted

- f. **note** that all sponsors will be informed of the Ministry's intentions to keep discussions about potential alternative schooling options separate from contract discussions;

Noted

- g. **note** that the report-back on discussions with Rounds 4 and 5 will be included as part of a briefing note on the flexibilities of the alternative schooling options compared to the charter school model ahead of 2018 discussions and the finalisation of your legislative programme;

Noted

Development of a contingency

- h. **note** that if termination by mutual agreement is unsuccessful the Crown can terminate contracts in accordance with recommendation d above from the end of school years, and that reimbursement for sponsors' committed costs will be payable but limited to \$1m per school (total reimbursement that may be required \$16m);

Noted

- i. **agree** that we draw up parameters for the early closure negotiations

s 9(2)(j) OIA

Agree / Disagree

Operational update

j. **note** that one Round 5 contract has not yet taken legal effect. Consideration about whether Te Whare Wananga O MUMA Limited has satisfied its five conditions precedent is required. The Authorisation Board advises that each of the conditions has been satisfactorily met;

Noted

k. **note** that there is a decision to be made about whether Te Whare Wananga O MUMA Limited (MUMA) has satisfied the five conditions precedent in its contract. You could either consider the matter yourself or delegate it to the Deputy Secretary, Early Learning and Student Achievement, as per clause 34.1(a) of the contract;

Noted

EITHER

i. **agree**, based on the advice of the Authorisation Board supported by the Ministry, that MUMA has satisfied the five conditions precedent in its contract;

Agree / Disagree

OR

ii. **delegate** the consideration of whether or not MUMA has satisfied the five conditions precedent to the Ministry, as it is an administrative matter.

Agree / Disagree

l. **note** that a further application (it was a potential fifth in Round 5) was approved to the negotiations stage with [REDACTED] It did not proceed to the contract signing stage and you are under no obligation to resume those negotiations;

s 9(2)(a) OIA, s 9(2)(b)(ii) OIA

Noted

m. **note** that the entire membership of the Authorisation Board is set to expire by 1 March 2018 (nine members). You have the option of making reappointments: no fewer than five and no more than nine members, and you could refocus its advisory role to support your current priorities;

Noted

n. **indicate** if you would like a discussion with officials about the Authorisation Board;

Yes / No

o. **note** that the Ministry will continue to work with the existing charter school sponsors to undertake an update of operational expectations ahead of 2018, through business-as-usual contract management, so that ongoing administration of the contracts remains effective.

Noted


Ellen MacGregor-Reid
Deputy Secretary
Early Learning and Student Achievement

29/11/17


Hon Chris Hipkins
Minister of Education

30/11/17

[REDACTED]
s 9(2)(f)(iv) OIA

Purpose

1. We have conducted preliminary without prejudice discussions with Round 4 and 5 partnership schools kura hourua (charter schools), including the potential for mutually agreeing to terminate contracts before the schools open.
2. We are currently preparing advice for you on the outcomes of these discussions and the proposed next steps. This will be part of a briefing note on alternative schooling options available, should you wish to allow former partnership schools to be re-established as state or private schools.
3. We seek your agreement to develop a contingency by repurposing an existing contingency to ensure the overall financial implications with the removal of charter schools can be met, as early closure discussions are being conducted.
4. A number of business-as-usual operational matters relating to charter schools also require your attention. This includes consideration of the conditions precedent by one Round 5 sponsor, the membership of the Authorisation Board and an operational update for the existing charter schools ahead of the 2018 school year.

Background

5. Ten charter schools are currently open and operating with about 1,200 students enrolled. Fifteen charter school contracts are currently in legal effect and a sixteenth may come into effect if its conditions precedent are met by the sponsor. Ten charter schools are currently operating, two sponsors are scheduled to open in 2018 and four sponsors (including the one with conditions precedent) are scheduled to open in 2019. Details of all the charter school contracts is set out in Annex 1 along with current projected contract values in Annex 2.
6. Charter school contracts must be approved by the Minister of Education. They are for a term of six years, with the Minister having two discretionary rights of renewal of six years each. A sponsor is the legal entity responsible for a charter school.
7. The previous Government's focus with charter schools was on students whom the education system had not always served well: Māori students, Pasifika students, students with additional learning needs and students from low socio-economic backgrounds, i.e. 'priority learners'. However, one charter school scheduled to open in 2019 has a focus on science, technology, engineering and mathematics education (STEM), with open enrolments (not targeted to priority learners only).
8. The charter school funding model for priority learners provides a broadly consistent level of funding to an equivalent decile 3 State school, fully cashed-up to maximise flexibility for the sponsor. Property funding is suitable for sponsors to lease accommodation, but is not sufficient for land purchase and capital work to build a new school. All current contract values are provided in Annex 2.
9. There is an advisory board, the Authorisation Board, which is required under the legislation and is appointed by the Minister. Its statutory role is to provide advice to the Minister on the approval of new charter schools and to monitor the performance of existing charter schools. The current membership of the Board will require your attention shortly as it expires on 1 March 2018.
10. After a charter school is closed existing policy and legislation governing the establishment of other types of school will apply. However, based on the 'priority learner' students currently enrolled, alternative options that rely on parent fees are unlikely to be optimal.

11. Establishment funding is payable on invoice once contracts are signed. So far we have paid establishment funding to all Round 4 and all but one Round 5 sponsors. When fully paid the total will be [REDACTED] s 9(2)(f)(iv) OIA

Comment

12. All sponsors will be informed of the Ministry's intentions to keep discussions about potential alternative schooling options separate from charter school contract discussions.
13. Termination of existing contracts at the Minister's convenience requires a minimum six month notice period before closure can occur and closure must be at the end of a school year.
14. Where a contract is terminated for the Minister's convenience, monetary payments can be claimed by the sponsor. This may be not more than \$1 million per contract. It can only be for the sponsor's evidenced committed costs. Committed costs may include future lease payments over the remaining term of the contract which the sponsor is already committed to make but does not include staff redundancy costs.
15. Parties can negotiate a different basis on which they might agree to terminate the contract early ('by mutual agreement'). This requires both parties to agree in writing to any alternative terms. Potentially an earlier closure date for Round 4 and 5 sponsors could be negotiated through this option. It is unlikely that any Round 1 to 3 sponsors would see any benefit in termination before the end of the 2018 school year. We also expect the two Round 4 sponsors to want to go ahead with opening at the start of 2018.
16. Seeking early termination by mutual agreement between the Minister and the sponsor is recommended. A contingency to fund potential costs is discussed further below.

Contract discussions with Round 4 and 5 charter schools

17. As agreed with you, we have conducted preliminary discussions with the two charter schools scheduled to open in 2018 and the four charter schools scheduled to open in 2019 about options, including the potential for mutually agreeing to terminate contracts before the schools open.
18. We conducted discussions with Round 4 and Round 5 sponsors (from 13 November to 21 November). We are currently preparing a report for you on the outcomes from these initial discussions.
19. If termination by mutual agreement can be achieved the Ministry will work with the sponsors to support the students, who have currently registered interest in enrolling in the charter school, into continuing education.

Alternative schooling options

20. More fulsome discussions about alternative schooling options will be commenced with Round 1-3 sponsors and any schools continuing from Rounds 4 and 5, in early 2018. Supporting the students enrolled in charter schools for their future education will be our top priority.
21. If sponsors do wish to continue to be involved with the provision of education there are currently three schooling options for consideration: through the establishment of a new state school (including but not limited to a designated character school), the establishment and integration of a state integrated school, or the establishment of a private school. An

overview of the differences between different types of schools is included for your information in Annex 3 and the establishment processes in Annex 4.

22. In our next advice we will also include an initial assessment of the flexibilities of the alternative schooling options compared to the charter school model, as it will be helpful to identify if there are potential barriers ahead of discussions with sponsors in 2018 about alternative schooling options and in advance of you finalising your legislation programme (discussed further below).

Development of an operational contingency

23. If termination by mutual agreement is not successful or if the Crown terminates contracts, in accordance with paragraphs 13-14 above, reimbursement for sponsors' committed costs will be required. This would be limited to \$1m per school (total reimbursement that may be required \$16m).

24. We seek your agreement to draw up parameters for early closure by mutual agreement negotiations [REDACTED]

s 9(2)(j) OIA

25. There is a current contingency that could be repurposed that was approved by the previous Government: "Additional partnership schools in 2018 and 2019" [CAB-16-MIN-0189.10 refers]. It has the remaining unspent amount of about [REDACTED] s 9(2)(f)(iv) OIA

26. We recommend a contingency is established by repurposing the above contingency so that overall financial implications with the removal of charter schools can be met, [REDACTED]

s 9(2)(f)(iv) OIA

27. If the recommendation to develop an operational contingency is agreed, we will engage with the Treasury to develop a paper to obtain the approvals required. We are preparing a joint paper to you and the Minister of Finance to repurpose the contingency. Alternatively a Cabinet paper could be provided.

Legislative implications

28. There is no current legal basis to convert, transition or amalgamate an open charter school under contract to another type of school. However once a charter school is closed a new school can be re-established which can operate generally under the particular special character or philosophy of the former charter school.
29. The removal of the charter school legislation will be included in your legislation programme. We will be providing advice on potential legislative options to smooth the transition as part of the paper we are preparing on the alternative schooling options.
30. If the charter school legislation is repealed while charter schools remain open the contracts remain in legal effect. Repeal does not impact on valid Crown contracts.

Operational update

Contract conditions precedent - MUMA

31. There is a decision to be made about whether Te Whare Wananga O MUMA Limited (MUMA) has satisfied the five conditions precedent in its contract. Most of the conditions related to general curriculum, staffing and governance activities that occur during the establishment of a school that were unclear to the Board at the time it recommended the

application to the previous Minister. You could either consider the conditions precedent matter yourself or delegate it to the Deputy Secretary, Early Learning and Student Achievement, as per clause 34.1(a) of the contract.

32. The Authorisation Board has considered this matter and advises that each of the conditions has been satisfactorily met by MUMA. A letter from the Authorisation Board is attached for your information (Annex 4 refers).
33. You can either approve this now or delegate its consideration to the Ministry. It is appropriate for you to delegate contract administration matters like this to the Deputy Secretary, Early Learning and Student Achievement, as per clause 34.1(a) of the contract. If you delegate it, the Ministry would approve that the conditions were met, acting as administrator of the contract.
34. In terms of MUMA's establishment payment, we have a legal obligation to make this payment once the conditions have been considered met.

s 9(2)(b)(ii) OIA

s 9(2)(a) OIA, s 9(2)(b)(ii) OIA

- Round 5 application - that did not proceed*
35. A further application (it was a potential fifth in Round 5) with [REDACTED] However, it did not proceed to the contract signing stage on the applicant's choosing. You are under no obligation to resume those negotiations. While this applicant cannot proceed to open a charter school there is a possibility the applicant expresses interest in being included as a potential alternative schooling option at a later stage. We will keep you informed.

Authorisation Board

36. In addition, the entire membership of the Authorisation Board is set to expire by 1 March 2018 (nine members). You have the option of making appointments: no fewer than five and no more than nine members; and you could refocus its advisory role to support your current priorities. The Board is currently involved in performance monitoring of the existing schools, and this role is business-as-usual under the current arrangements.
37. Because the terms expire early in 2018 and the Cabinet Committee schedule for 2018 is not yet available, it may be helpful to inform Cabinet Office of your intended timing for consideration of reappointments, with the current board asked to continue to serve until final decisions are made. We suggest you consider having a discussion with officials about the Authorisation Board.

Operational update ahead of 2018

38. Each year all charter schools require updates to the operational parameters set out in their contracts. This will include the term dates, teachers, and may also include any funding adjustments. In 2018 it will also include setting performance measures for some schools. This does not include applications from sponsors to expand. Current practice is for these operational updates to be approved by the Minister. They could be delegated to the Ministry if you prefer.
39. We will continue to work with the existing charter school sponsors to undertake an update of operational expectations ahead of 2018, through business-as-usual contract management, so that ongoing administration of the contracts remains effective. Our objective will be to ensure the contracts maintain current operational expectations where possible, while ensuring any necessary changes are affected for the 2018 school year. We expect to be able to undertake this process without impacting on discussions about contract termination.
40. If sponsors are not cooperative in these business-as-usual discussions we will let you know. Should agreement not be able to be reached then the contracted operational parameters that applied in 2017 will automatically roll over and apply in 2018. This fall-

back solution will also work but it creates a potentially high administrative burden, as any disputes that arise would be more complicated to respond to.

Annex 1: Charter School Contracts

#	Sponsor Name	School Name	School Location	Type & year level	Focus	Roll (Oct 17)	Max roll	Contract duration (term)					
								Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6
1	He Puna Marama Charitable Trust	Te Kura Hourua O Whangarei Terenga Paraoa	Whangarei	Secondary 7-13	Kaupapa Māori	205	300	2014	2015	2016	2017	2018	2019
2	Villa Education Trust	South Auckland Middle School	Wattle Downs, South Auckland	Restricted composite 7-10	Christian values	174	180	2014	2015	2016	2017	2018	2019
3	Advance Training Group	Vanguard Military School	Albany, Rosedale, Auckland	Senior Secondary 11-13	Military ethos and methodology	139	192	2014	2015	2016	2017	2018	2019
4	Rise Up Trust	The Rise UP Academy	Mangere East, South Auckland	Contributing Primary 1-6	Māori and Pasifika, Christian values	107	200	2014	2015	2016	2017	2018	2019
5	He Puna Marama Charitable Trust	Te Kāpehu Whetū (Teina)	Whangarei	Contributing Primary 1-6	Kaupapa Māori	108	150	2015	2016	2017	2018	2019	2020
6	Villa Education Trust	Middle School West Auckland	West Auckland	Restricted Composite 7-10	Christian Values	190	240	2015	2016	2017	2018	2019	2020
7	Manakau Urban Māori Authority	Te Kura Māori o Waatea	Māngere, South Auckland	Full Primary 1-8	Kaupapa Māori	90	200	2015	2016	2017	2018	2019	2020
8	The Pacific Peoples Advancement Trust	Pacific Advance Senior School	Otahuhu, South Auckland	Senior secondary 11-13	Pasifika	69	250	2015	2016	2017	2018	2019	2020
9	Kia Ata Mai Educational Trust	Te Kōpuku High	Avalon, Hamilton	Senior secondary 11-13	Support Māori students, technology focus, project based learning	104	300	2017	2018	2019	2020	2021	2022
10	Trustees of the Te Aratika Charitable Trust	Te Aratika Academy	Whakatu, Hawkes Bay	Senior secondary 11-13	Māori/Pasifika focus	33	200	2017	2018	2019	2020	2021	2022

#	Sponsor Name	School Name	School Location	Type & year level	Focus	Roll (at Oct 17)	Max roll	Contract duration (term)					
								Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6
11	Te Rangihakahaka Company Limited	Te Rangihakahaka Centre for Science and Technology	Rotorua	Composite 1-10	Māori potential approach	Not open	200	2018	2019	2020	2021	2022	2023
12	Blue Light Ventures	Blue Light Senior Boys High School	Wairakei, Taupo	Senior Secondary 11-13	Māori/Pasifika boys	Not open	90	2018	2019	2020	2021	2022	2023
13	City Senior School Limited	City Senior School	TBC Central Auckland	Senior secondary 11-13	STEM focus	Not open	300	2019	2020	2021	2022	2023	2024
14	Te Runanga o Tūranganui a Kiwa	Tūranga Tangata Rite	Gisborne	Junior secondary 9-11	Primary focus on Māori students, by iwi for iwi focus	Not open	55	2019	2020	2021	2022	2023	2024
15	Vanguard Military School Christchurch Ltd	Vanguard Military School Christchurch	TBC Christchurch	Senior secondary 11-13	Military ethos and methodology	Not open	210	2019	2020	2021	2022	2023	2024
16*	Te Whare Wananga O MUMA Limited	Waatea High	TBC Manurewa, South Auckland	Secondary 9-13	Focus on priority learners with a Māori for Māori approach	Not open	145	2019	2020	2021	2022	2023	2024

* contract is subject to conditions precedent

Annex 2: Charter School Contract Values (at sponsors' projected rolls)

Round	School	Establishment Payment (\$)	\$ (m)																	
			2017	2018	2019	2020	2021	2022	2023	2024	2025									
1	Te Kura Hourua O Whangarei Terenga Paraoa																			
1	South Auckland Middle School																			
1	Vanguard Military School																			
1	The Rise UP Academy																			
2	Te Kāpehu Whetū (Teina)																			
2	Middle School West Auckland																			
2	Te Kura Māori o Waatea																			
2	Pacific Advance Senior School																			
3	Te Kopuku High																			
3	Te Aratika Academy																			
4	Te Rangihakahaka Centre for Science and Technology																			
4	Blue Light Senior Boys High School																			
5	City Senior School																			
5	Turanga Tangata Rite																			
5	Vanguard Military School Christchurch																			
5	Waatea High																			

Notes:

Funding is baselined so when the contract terms expire savings will start to be generated (or sooner if contracts are terminated).

s 9(2)(f)(iv) OIA

Annex 3: Overview of the Differences between Different Types of Schools

	State (incl. designated character)	State-integrated	Private	Charter School
Relationship with Crown	Crown entity	Crown entity	Private entity that is registered with the Crown.	Fixed term contract(s) with approved sponsors (legal entities that are bodies corporate or limited partnerships)
Can be run for profit	x	x	✓	✓
Provision of free education to the public	✓	✓	x	✓
ERO reviews	✓ ERO conduct readiness reviews before the school opens and at set intervals thereafter Auditor-General.	✓ ERO conduct readiness reviews before the school opens and at set intervals thereafter Auditor-General.	✓ Reviewed against the registration standards at set intervals. Required to report annually to Secretary for Education against their Government subsidy on audited transactions.	✓ ERO conducts readiness reviews before the school opens and at set intervals thereafter. Provide audited annual financial statements to the Minister for the sponsor and the school for the prior financial year.
Financial audit				
Tuition fees	x	x	✓	x
Curriculum	Must use <i>The New Zealand Curriculum</i> (NZC) or <i>Te Marautanga o Aotearoa</i> (TMOA), but have flexibility to design their own school curriculum that responds to the needs of their students and local community. Must offer access to NCEA, but can offer other internationally recognised qualifications as well.	Must use NZC or TMOA, but have flexibility to design their own school curriculum that responds to the needs of their students and local community and reflects a special character. Must offer access to NCEA, but can offer other internationally recognised qualifications as well.	Can choose own curriculum framework, but must make details about it and its delivery available to parents. Can choose the qualifications and assessment framework on offer.	Can choose to use NZC or TMOA, or use or develop own curriculum framework than can be mapped to the principles of <i>The NZC</i> or <i>TMOA</i> . Can offer NCEA or an equivalent that is recognised by industry and tertiary providers in New Zealand.
Qualifications				
May have a religious character	partial	✓	✓	✓

	State (incl. designated character)	State-integrated	Private	Charter School
Hours of operation	Must be open for instruction for a minimum of four hours a day. Required to be open for a certain number of half days each year, but can vary these with Ministerial approval. Can elect to use cohort entry	Must be open for instruction for a minimum of four hours a day. Required to be open for a certain number of half days each year, but can vary these with Ministerial approval. Can elect to use cohort entry	Set own length of school day and year.	Set own length of school day and year.
Ombudsmen and Official Information Acts apply	✓	✓	x	x (official information released by the Ministry in regular proactive releases)
Crown collective bargaining	✓	✓	x	x
Must have registered teachers	✓	✓	✓	x
Open enrolment	✓	✓	x	✓
Establishment	Minister of Education establishes with Cabinet approval. Decisions usually based on network management need – e.g. increasing school age population in an area.	Proprietor of an existing or potential private school or a school to be established applies to negotiate integration. If Minister approves the application, an integration agreement between the proprietor and the Crown is negotiated, signed and executed.	The managers of a proposed or unregistered private school must apply to the Secretary for registration. If the school meets the registration criteria, it must be registered. These criteria relate to roll size, and having suitable premises, staffing, equipment, and curriculum. The applicant manager must also be a 'fit and proper' person. Tuition must be at a standard no lower than at state schools.	Potential sponsors submit applications through an all-of-Government procurement process. Applications are considered by an authorising body. The authorising body undertakes due diligence and provides advice and recommendations to the Minister. Minister makes the final decision to approve or decline proposals.
Government funding	Receive operational grant funding via the Ministry based on student numbers and year levels, decile, and location. Ministry sets staffing levels, and centrally-funds teacher salaries. Have access to centrally-	Receive operational grant funding via the Ministry based on student numbers and year levels, decile, and location. Ministry sets staffing levels, and centrally-funds teacher salaries.	Once the school is fully registered it receives a per-student subsidy from a capped Government fund, with no adjustments made for decile or location. Responsible for own	Funding is broadly consistent to the amount of funding as an equivalent decile 3 State School would receive, fully cashed-up to maximise flexibility.

	State (incl. designated character)	State-integrated	Private	Charter School
Government funding cont.	<p>provided services such as transport, professional development and special education services. Board controls school finances. Government provides capital costs.</p> <p>Property is provided by the State. Cash for Buildings may be used in order to lease land and buildings. Maintenance is funded.</p>	<p>Has access to centrally-provided services such as transport, professional development and special education services. Board controls school finances.</p> <p>Property is provided by the proprietor. Maintenance is funded.</p>	<p>finances, including payment of salaries. School owner provides capital cost.</p> <p>Property is not funded.</p>	<p>Property is funded using Cash for Buildings. No capital funding.</p>

The estimated property timeframes for the implementation of alternative schooling options

Schooling Type	Estimated time to establish and become operational	Property Implications
State School	9-12 months (not including Crown site purchase and build with the assumption that leasing arrangements continue)	<ul style="list-style-type: none"> For all state schools the Crown owns or leases the site and buildings. If the Crown is to purchase a new site it needs to find, fund and designate it. Property on site can then be provided.
State-integrated school	9-12 months (not including Proprietor's site purchase and build)	<ul style="list-style-type: none"> The Proprietor owns or leases the site and buildings. If the Proprietor is to purchase a new site it needs to find, fund, designate it. Property on site can then be developed.
Private School	3-6 months (not including Manager's site purchase and build).	<ul style="list-style-type: none"> Manager owns or leases the site and buildings. If the Manager is to purchase a new site it needs to find, fund, designate it. Property on site can then be developed.

Annex 4: Alternative Schooling Options

Summary of the Process for the Establishment of a Designated Character School

Process	Designated character schools (includes Kura Kaupapa Māori)
<p>The Ministry works with the applicant and determines if the proposal is supported</p>	
<p>The Ministry undertakes consultation with the boards of schools whose roll might be affected by the establishment of a new school</p>	<p>A designated character school is a state school. The Crown owns or leases the land and buildings. The Crown resources the school and pays for school transport (within policy).</p>
<p>The Ministry develops a report for the Minister's consideration about the establishment of the school</p>	<p>The designated character school provides education that in some specific way or ways is different from the character of ordinary State schools.</p>
<p>If the establishment is approved, the Ministry seeks nominations for the Establishment Board of Trustees (EBOT). Selection process run and EBOT appointed. Governance Facilitator appointed to support the EBOT.</p>	<p>The school has a maximum roll.</p> <p>Staff, and the parents of students, must accept the designated character of the school.</p>
<p>The EBOT develop policies, appoint staff, keeps community informed, takes enrolments etc.</p>	<p>The Board may have a standard constitution (3-5 parent representatives, principal, staff representative and a student representative if the school has students over Year 9).</p>
<p>ERO undertakes Readiness Review</p>	<p>The Board may also co-opt a limited number of members to fill skill gaps or have a limited number of members appointed by a body corporate approved by the Board.</p>
<p>The school opens and becomes operational</p>	<p>A Board may also have an alternative constitution approved by the Minister (the minimum number is one appointed or one elected trustee) or it could have its membership approved by the Minister and set out in its establishment gazette notice.</p>

Summary of the Process for the Establishment and Integration of a State Integrated School

Process	State Integrated Schools
<p>The Proprietor writes to the Minister notifying their wish to integrate. The Minister must agree to this for it to continue.</p>	<p>A State integrated school is a State school. Its operation is resourced by the Crown.</p>
<p>Official application from Proprietor received by Ministry.</p>	<p>State integrated schools have a special character (a particular or general religious or philosophical belief) which is reflected through all aspects of the operation of the school.</p>
<p>Negotiations between the Ministry (on behalf of the Crown) and the Proprietor begin.</p>	<p>The Proprietor of a State integrated school owns /leases the land and buildings.</p>
<p>The Ministry undertakes consultation with the boards of schools whose roll might be affected by the establishment and integration of a new school.</p>	<p>The details for the integration of the school are recorded in the school's integration agreement. This can be amended through a supplementary integration agreement if the proprietor and Minister agree to change the original terms of the integration.</p>
<p>Final agreement is reached between the Ministry (on behalf of the Crown) and the Proprietor to terms of integration agreement and integration date set.</p>	<p>The Proprietor can charge attendance dues which are a compulsory payment. This funding is used by the Proprietor to cover debt related to the school property.</p>
<p>The Ministry develops a report to Minister seeking agreement to the establishment and integration of the new school.</p>	<p>The school has a maximum roll and this is broken down to a specific number of preference students (those whose parents support the special character) and non-preference students (those whose parents do not support the special character but still wish their children to attend the school).</p>
<p>The Ministry seeks nominations for the Establishment Board of Trustees (EBOT). Selection process run and EBOT Appointed. Governance Facilitator appointed to support the EBOT.</p>	<p>The Board of Trustees includes up to four proprietor's appointees, 3-5 elected appointees, the principal, staff representative and a student representative if students are enrolled over Year 9 at the school. The Board may co-opt a limited number of members to fill skill gaps. These proprietor's appointees are full members of the board. Their role is to ensure that the special character of the school is reflected in the governance decisions that are made.</p>
<p>The EBOT develops policies, appoints staff, keeps community informed, takes enrolments etc.</p>	<p>There are a specific number of tagged positions on the staff. These roles must be filled by staff who support the special character of the school.</p>
<p>ERO undertakes Readiness Review</p>	
<p>The school opens and becomes operational.</p>	

Summary of the Process for the Registration of a Private School

Process	Private Schools
<p data-bbox="217 521 754 714">The Manager of the proposed new private school applies to the Secretary for Education to establish a Private School under provisional registration.</p> <p data-bbox="217 748 754 936">If the Ministry is satisfied that the Manager meets the required criteria, the Manager is granted a provisional registration to operate as a Private School for 12 months.</p> <p data-bbox="217 965 754 1153">A review of the Private School is conducted by the Education Review Office (ERO). This takes place 6-12 months after the school is approved provisional registration.</p> <p data-bbox="217 1182 754 1370">If ERO is satisfied that the school is meeting the necessary requirements, it must be fully registered as a Private School.</p>	<p data-bbox="799 517 1294 611">The Manager of the proposed private school must satisfy the Ministry that the school:</p> <ul data-bbox="842 618 1347 1111" style="list-style-type: none"> • has suitable premises • will provide tuition for 9 or more students over the age of 5 and under 16 years • will provide tuition standards that are no less than the tuition given to students enrolled at state schools of the same class levels • will provide suitable staffing to the age range, levels and size of school • has a curriculum (teaching learning and assessment) that is available to parents of students • will provide suitable equipment for the curriculum. <p data-bbox="791 1144 1326 1305">Provisionally registered private schools do not attract Crown funding. This means that during this stage the Manager provides the site and buildings, resources the school, and pays the staff.</p> <p data-bbox="791 1339 1342 1498">Once a private school becomes fully registered it attracts a limited amount of 'per student funding' from the Crown. The remaining resources to fund the school are usually gained from school fees.</p>

Annex 5: Letter from the Authorisation Board

PO Box 1666
Wellington 6140

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22 November 2017

Hon Chris Hipkins
Minister of Education

Dear Minister

The Authorisation Board has considered information supplied by Te Whare Wananga O MUMA Limited (MUMA) in respect of 'conditions precedent' in its contract with the Crown to establish, operate and manage a Partnership School Kura Hourua to open at the start of Term One 2019.

The conditions precedent are set out below.

	Conditions precedent
A	That a suitable curriculum for the School for Class Levels 9 to 13 is developed
B	Written confirmation and evidence that a person with appropriate secondary school experience has been identified and has agreed to join the School's governance body
C	That the sponsor commit in writing to a principal recruitment plan that outlines the key attributes and experience that the sponsor will be looking for in a potential principal and how it intends to attract a suitable candidate;
D	An updated Schedule 2 to the agreement (that covers Curriculum and Qualifications) to replace anything in the existing schedule updated as a result of the development of the curriculum in (A) above
E	Completion of an Implementation Plan

We advise that information in respect of each condition precedent was supplied by MUMA to the Ministry of Education within the agreed timeframe of 31 October 2017.

The Board met by teleconference on 10 November 2017 and considered MUMA's responses to each of the conditions precedent.

We advise that each of the conditions has been satisfactorily met by MUMA.

Yours sincerely



Catherine Isaac
Chair

Partnership Schools | Kura Hourua Authorisation Board