DEVELOPING AND IMPLEMENTING A NEW ZEALAND MODEL OF CHARTER SCHOOL

Proposal

1. I propose that Cabinet agrees to the key features and major design elements of the New Zealand model of charter school (charter school) that require legislative change.

Executive summary

2. I am seeking Cabinet agreement that charter schools will be fully-funded schools outside the state system, accountable to the Crown for raising student achievement through a contract to deliver a range of specified school-level targets. The contract will be with a sponsor who can run the school not for profit or for profit. Sponsors will have more freedom over how they run their school, so they can innovate to better meet the needs of their students and achieve their school-level targets. This includes greater flexibility over curriculum, qualifications, staff pay and conditions, hours of operation, and school leadership. Charter schools will be open to all students who apply for entry, regardless of background or ability, and will have no tuition fees.

New Zealand model of charter school initiative

3. Cabinet agreed to open a small number of charter schools in areas of significant educational challenge and underachievement by the end of this parliamentary term. These schools will be set up from scratch, or by converting an existing school. Their locations will depend on the proposals that are ultimately put forward and accepted. [SOC Min (12) 2/1 refers]

4. Charter schools will be a new type of school, which brings together the education, business and community sectors to provide new opportunities for students to achieve education success. The most significant difference between charter schools and existing schools (both state and private) is that they will be given more flexibility to make decisions about how they operate and use funding to deliver specific school level targets.

5. Introducing this new type of school will help us to achieve our Better Public Services target of 85% of 18 year olds having NCEA Level 2 or an equivalent by 2017. Without qualifications and skills, young New Zealanders cannot participate successfully in a modern economy. We know that many Māori, Pasifika, learners from low socio-economic backgrounds, and learners with special education needs are not getting the qualifications and skills they need to succeed in the workforce and in life. The economic and social cost of this is high.

6. Charter schools are one of the new approaches we need if we are going to address educational underachievement, and ensure five out of five young New Zealanders succeed. There is an emerging body of longitudinal research from overseas that shows well-run, well-led charter schools can successfully lift achievement for learners from minority groups and low socio-economic backgrounds.

7. I expect these schools to have strong leadership and vision, and to be held to account for raising achievement through innovative programmes that more effectively engage their learners.

8. A strong evaluation programme will be put in place that thoroughly examines the impact and effectiveness of the first such schools. This will enable us to make informed decisions about whether or not to open further such schools in the future.

Alternative Name

9. I propose that New Zealand model of charter schools are called Partnership Schools/Kura Hourua. Waka Hourua is the Māori name for a double hulled canoe. This is an apt metaphor for the journey of partnership we are embarking on with these schools.
10. Adopting an alternative name for these schools reflects that we are designing a model that is unique to New Zealand. It also recognises that 'charter' is already defined in education legislation as the key accountability document for state and state-integrated schools.

Sponsor as governing body

11. Partnership Schools/Kura Houora will be governed by a single sponsor or a partnership of sponsors. The sponsor has the relationship with the Crown. This is more like the relationship between the manager of a private school and the Crown. In contrast, state and state-integrated schools are Crown entities governed by boards of trustees.

12. The sponsor will be key mechanism for enabling and encouraging new partnerships for education delivery. Sponsors will be able to bring innovative approaches to teaching and learning, and governing and leading a school. They will also be able to contribute expertise in administration (e.g. human resources, financial management, procurement and property management), as well as additional resources.

13. Sponsors can be from a range of backgrounds including businesses, philanthropists, iwi, community organisations, faith-based groups, private schools and culture-based educational organisations. Existing state schools and tertiary education institutions (TEIs) cannot be sponsors under current legislation as they have no legal mandate to run a Partnership School/Kura Houora, and cannot set up trusts to undertake functions they could not do otherwise. However, individuals or groups related to them could sponsor a Partnership School/Kura Houora.

14. Not-for-profit and for-profit organisations will be able to run these schools. They will also be able to operate multiple schools, providing they demonstrate the capability and capacity to do so.

15. A potential sponsor will submit its proposal to the authorising body, which will undertake thorough analysis to determine its ability to deliver improved outcomes for the learners it is targeting. The authorising body will be an advisory group approved by the Minister of Education. It will comprise experts in areas crucial to the success of Partnership Schools/Kura Houora such as finance, contracting, curriculum development, educational leadership, and teacher appraisal. The authorising body will make recommendations to the Secretary on which proposals will be forwarded for ministerial consideration. The authorising body will also oversee the monitoring of Partnership Schools/Kura Houora.

Third type of school in the system

16. As the sponsor of a Partnership School/Kura Houora is a private individual or organisation, it cannot be a Crown entity. The knock-on effect is that a Partnership School/Kura Houora is not a Crown entity, and the State Sector Act and the Crown Entities Act do not apply. This is a significant point of difference from state and state-integrated schools. It also differs from private schools, which have a contract with parents rather than the Crown. This means Partnership Schools/Kura Houora will be a third type of school in the network.

17. It also means that Partnership School/Kura Houora employees will not be subject to the current collective agreements for school staff. This will give sponsors the ability to offer a mix of incentives to encourage quality teaching, and to enable the delivery of innovative learning programmes. This may include performance pay incentives, flexible starting rates and salary progressions, different hours of work, and different roles. It would, however, not preclude these employees from belonging to a union, or having their own collective agreements.

18. The sponsor will also be able to govern the school directly, or delegate or contract a person or body to carry out some or all of the governance functions. There will be no requirement for sponsors to include parents or community members in the governance arrangements, allowing them to draw on specific expertise to contribute to the effective management of their school.

19. A table summarising the characteristics of Partnership Schools/Kura Houora vis-à-vis existing schools is attached as Appendix Two.
Accountable through a contract

20. Partnership Schools/Kura Hourua will be held to account through a fixed term contract to deliver specified school-level targets negotiated with the Crown. The contract will contain milestones for reviewing progress and achievement against the targets, and will be renewed or revoked depending on the sponsor's performance.

21. The signing of a contract with the Crown signifies a major shift from the current accountability regime for schools, which is focused on inputs and outputs, to a regime based on delivering specific outcomes. Currently, state and private schools are held to account for their processes and to a lesser degree for their outcomes. Partnership Schools/Kura Hourua, on the other hand, will be given greater flexibility over their processes, but will be held to much stronger account for their outcomes.

22. The contract with the sponsor will require negotiation with the Crown into the school-level targets that need to be met. Currently state and state-integrated school Boards are required to produce an annual charter, setting out their aims and targets to raise student achievement. The Ministry of Education's role is to check that all the required components are included. Private school managers are only required to report to the Secretary for Education against the government funding they receive, and continue to meet registration criteria as assessed by ERO.

Responsible for meeting school-level targets

23. Partnership Schools/Kura Hourua will be accountable for achieving a range of school-level targets. These targets will align with Government priorities and commitments, and will include:

- student achievement indicators – e.g. National Standards, NCEA or equivalent, New Zealand-recognised standardised tests (such as Progressive Achievement Tests, or PATs)
- student engagement indicators – e.g. stand-downs, expulsions, attendance, retention, progression post-school

24. Value-added achievement measures matched to the sponsor's objectives will be assessed, as well as measures associated with identity, language and culture. This will help to identify what progress is being made by students throughout their time at Partnership Schools/Kura Hourua.

25. The contract will require data to be provided to the Ministry at milestone points. This will enable progress and achievement against the targets to be reviewed, and targets to be revised accordingly.

26. I propose that sponsors will be required to report publicly on an annual basis on their progress against the targets, in line with the current reporting regime for state and state-integrated schools. I also propose that data from these schools be included in any student achievement information provided by government to parents.

Increased flexibility for delivery decisions

27. A key feature of Partnerships School/Kura Hourua is giving the sponsors greater flexibility to make decisions around how they operate their school to meet their school-level targets. This will enable sponsors to use new and different approaches to teaching and learning, property and/or school organisation to better meet the needs of their students, which will in turn help to accelerate progress and achievement. It will also attract leadership with the expertise and vision to take advantage of this increased flexibility.

Major design decisions

28. Cabinet is asked to make decisions on the design Partnership Schools/Kura Hourua.

Major design aspects for agreement

29. I propose the following major design elements for Partnership Schools/Kura Hourua:
<table>
<thead>
<tr>
<th>Element</th>
<th>Proposal</th>
<th>Rationale</th>
</tr>
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</table>
| Accountability         | • Authorising body will engage and work with ERO to conduct educational performance reviews based on the terms of the contracts and the milestone data requirements.  
• Sponsors are required to provide audited accounts to the Secretary for Education. | • This will help to ensure rigorous monitoring and transparency around educational and financial performance. |
| Fees                   | • Sponsors will not be able to charge tuition fees. They will be able to ask parents for donations. | • This will provide a safeguard against Partnership Schools/Kura Hourua excluding students whose parents cannot meet the costs of tuition fees. |
| Chief executive of a Partnership Schools/Kura Hourua (i.e. person responsible for day to day running) | • The chief executive of a Partnership School/Kura Hourua does not need to be a registered teacher, but the person responsible for teaching and learning across the school must have a proven background in educational leadership. | • This will allow Partnership Schools/Kura Hourua to provide innovative school leadership.  
• This person may bring a range of skills and experience from early childhood or tertiary education, or outside of education, to the role that enables them to oversee the effective management of the school. |
| Curriculum             | • Partnership Schools/Kura Hourua can choose to use *The New Zealand Curriculum (NZC)* or *Te Marautanga o Aotearoa (TMoA)* or use or develop an alternative curriculum framework.  
• Sponsors are required to map an alternative framework to the principles of the *NZC* or *TMoA*. | • This will give Partnership Schools/Kura Hourua the flexibility and scope they need to design their own curriculum that responds to and meets the needs of their students and community.  
• This will ensure students get a broad course of study that equips them with the skills, knowledge and values they need to succeed in study, in work and in life. |
| National Standards     | • All Partnership Schools/Kura Hourua with students in Years 1-8 will be required to report on progress and achievement against the National Standards. | • This aligns with current Government policy for state and state-integrated schools. |
| Qualifications         | • Partnership Schools/Kura Hourua can offer NCEA or an equivalent qualification that is recognised by industry and tertiary providers in New Zealand. | • This will give Partnership Schools/Kura Hourua the flexibility they need to offer qualifications that respond to and meet the needs of their students and community. |
| Secular education      | • Sponsors can be faith-based organisations  
• Sponsors can provide religious instruction as part of delivering a full curriculum if it has a faith-based special character. | • This will give Partnership Schools/Kura Hourua the flexibility to determine a teaching approach that meets the needs of their students and community. |
| Interventions          | • Government has the right to intervene and require the sponsor to address any breach of contract. Interventions could include a direction to comply, financial penalties, changing sponsor, or closure. | • This will provide a clear basis for dealing with Partnership Schools/Kura Hourua, which are failing to meet their school-level targets or breaching their contract with the Crown. |
| Stand-downs, suspensions, expulsions and exclusions | • The existing legislative provisions around standing-down, suspending, excluding and expelling students will apply to Partnership Schools/Kura Hourua.  |
| Hours of operation | • This will provide a safeguard against Partnership Schools/Kura Hourua removing students to meet their school-level targets.  |
|  | • Sponsors will be able to set their own school hours and term dates as part of the contract.  |
|  | • This will give Partnership Schools/Kura Hourua the flexibility they need to deliver innovative learning programmes.  |
| Ombudsmen Act and Official Information Act (OIA) | • These acts would not apply to Partnership Schools/Kura Hourua because they are not Crown Entities. This is the same case for private schools.  |
|  | • This will help to ensure Partnership Schools/Kura Hourua are not susceptible to costly and vexatious requests.  |
|  | • The contract will specify the information that must be provided to government, and this will be subject to the OIA.  |

**Enrolment**

30. Partnership Schools/Kura Hourua will be required to accept all students who apply for entry, regardless of background or ability. Any specialism offered by a Partnership School/Kura Hourua is to be seen as a mode of learning rather than an entry criterion. For example, a Partnership School/Kura Hourua could offer a programme specialising in the performing arts, but could not select learners on the basis of their skills and experience in this area. It would be open to all those who wish to learn at a school specialising in the performing arts.

31. If oversubscribed, Partnership Schools/Kura Hourua will conduct a ballot for available places with priority given to the siblings of current and former students.

32. Sponsors will need to ensure that the student body reflects the Partnership School/Kura Hourua's target groups as set out in the contract, or action will be taken by the Crown.

33. The working group advised me that the sponsor should be free to expand to meet market demand.

34. I favour an approach where there is a maximum roll for any given year negotiated by the Crown and the sponsor as part of the contract. This will be renegotiated annually with consideration of evidence of parental demand for the school and successful delivery of agreed outcomes for existing students. This would preserve the principle that successful schools should be able to help as many students as they are able without external restraint, but allow the Crown to budget each year.

35. Negotiating a maximum number of students would also enable the Crown to make best use of the network of schools, so Partnership Schools/Kura Hourua complement the existing provision. For example, the Crown has a responsibility to ensure that parents can continue to choose for their child to attend a state secular school if a charter school has a particular characteristic (e.g. religious affiliation).

36. Sponsors will also be expected to demonstrate evidence of parental demand as part of their proposals, and this will be carefully assessed by the authorising body. This will help to manage the fiscal risk to the Crown if the anticipated demand does not eventuate. It will also help to ensure educational opportunities for students are not lessened through reduced funding and a reduced ability to provide a broad learning programme.

37. The following area has differences between my views and officials from government departments consulted.

**Teacher registration**

38. I propose that sponsors are able to negotiate the percentage of registered teachers they wish to employ with the Crown as part of the contract. They would need to provide reasoning for their nominated percentage, and demonstrate how the remainder of those in teaching roles will have the knowledge, skills and competencies to deliver the school’s curriculum. All staff must be Police vetted. I believe this would allow for people to be hired in teaching roles that the sponsor feels would be beneficial. They may have a recognised teaching qualification, recent teaching experience, and a demonstration of being of good character and fitness to be a teacher (including a satisfactory Police vet).
39. Officials advise that all teachers at Partnership Schools/Kura Hourua must be registered. It aligns with the teacher registration requirements for state, state-integrated and private schools, and the focus on quality teaching to meet our BPS target. This option would still allow people who are not formally trained or qualified to teach in Partnership Schools/Kura Hourua under a Limited Authority to Teach.

40. I am aware that the review of the New Zealand Teachers Council will be considering provisions for teacher registration. This may provide an opportunity to offer more flexibility to all schools including Partnership Schools/Kura Hourua around who can be employed in teaching roles.

Procedural decisions for agreement

41. A number of other procedural decisions necessary to ensure Education Act consistency for Partnership Schools/Kura Hourua are outlined in Appendix One.

Managing risk

Operational

42. The Partnership School/Kura Hourua model places a high-level of responsibility on the authorisation, contracting and monitoring processes to ensure:

- the ongoing capability and capacity of the sponsor to deliver high-quality educational outcomes for students enrolled at their school
- the appropriate checks and balances are in place to prevent poor practice – overseas examples have included using government funding to pay large rents or management fees to companies owned by the sponsor, cutting costs to make a profit, and removing students or manipulating data to meet targets

43. Thorough due diligence will be undertaken on proposals as a vital part of the authorisation process. The Crown must be assured a sponsor has the necessary skills, resources and expertise available to meet its school-level targets and deliver education success for learners. As discussed in paragraph 16, the Minister of Education will put together an expert advisory group with strong external business and contracting experience to undertake the due diligence process.

44. The Minister of Education will make the final decision to approve or decline proposals to establish a charter school. This is in line with the decision-making process for both opening state schools and integrating private schools. It is a key mechanism for managing any fiscal, reputational and network risks to the Crown.

45. It is essential that the Ministry of Education has the ability to enforce the contract, and takes action if warning signs emerge or targets are not being met. This will require tight monitoring of educational and financial performance through robust review arrangements and data collection. The Ministry will also be able to draw on expertise in contract management, developed through implementing public-private partnerships, as well as involving external expertise, to strengthen its own practices.

Fiscal

46. Partnership Schools/Kura Hourua will receive government funding through a per-student grant, covering the resourcing components currently paid to state and state-integrated schools. These are salaries, operations grant, and centrally-provided services (e.g. transport, professional learning and development, and special education services). Because these schools will draw on students already or forecast to be in the system, the per-student grant will be almost cost neutral1.

47. There will be costs that arise if government contributes to either the initial capital2 or set-up3 costs of Partnership Schools/Kura Hourua. These costs could, however, be reduced if sponsors are required to meet these costs or make a contribution towards them, or if premises are leased.

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1 There is an estimated minimum cost of $133,291 that is generated over and above per-pupil funding
2 Capital costs include providing land and buildings either through purchase or lease, setting up and upgrading IT and data networks, and constructing and maintaining buildings. These vary according to the location, size and type of school.
3 Establishment costs for new state schools include grants for furniture and equipment, IT cabling, learning resources, administration, and a salary for the principal to start work before the school opens.
**Indicative costs are:**

<table>
<thead>
<tr>
<th></th>
<th>Primary school 176 students</th>
<th>Primary school 520 students</th>
<th>Secondary school 800 students</th>
<th>Secondary school 1,100 students</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial capital costs</strong></td>
<td>$3.47m</td>
<td>$7.71m</td>
<td>$23.08m</td>
<td>$28.94m</td>
</tr>
<tr>
<td><strong>Set-up costs</strong></td>
<td>$0.780m</td>
<td>$1.483m</td>
<td>$3.841m</td>
<td>$4.830m</td>
</tr>
</tbody>
</table>

49. I recommend that Cabinet make decisions around government and sponsor contributions when a full funding model is developed in context of Budget 2013.

50. Fiscal risk can also be managed by undertaking thorough due diligence on proposals to ensure fiscal viability, and/or by capping the Crown’s expenditure on Partnership Schools/Kura Hourua in any one year.

**Network**

51. The Crown has a responsibility to make best use of the schooling network, so that all students have opportunities to succeed in education. Opening Partnership Schools/Kura Hourua will inevitably have an impact on surrounding schools. However, it should be noted that this will occur in the context of continual change within the network, costs of educational underachievement, and potential competitive responses from existing schools.

**Ensuring focus remains on our education plan**

52. Introducing Partnership Schools/Kura Hourua into the schooling network is likely to be controversial. It is vital that the implementation of this initiative is carefully managed so focus on our system-wide improvements is not impaired.

53. The first schools will have a specific focus on improving educational outcomes for students in areas of educational challenge and underachievement. For students to be able to achieve in education, they must be engaged in their learning. Opening a small number of Partnership Schools/Kura Hourua will enable and encourage the education, business and community sectors to work together in innovative ways to more effectively engage students in these areas, and lift student achievement.

54. A sound evaluation of these first schools will provide a strong evidence-base for future decision-making around the initiative.

**Next Steps**

55. The introduction of a New Zealand model of charter school will require legislation change. I propose that these changes are included in the Education Amendment Bill (No.2) 2012, which is on the 2012 legislative programme.

**Consultation**

56. Advice received from the New Zealand Model of Charter School Working Group is reflected in this paper.

57. A draft of this paper was shared with Treasury, DPMC, SSC, ERO, Te Puni Kōkiri, the Ministry of Pacific Island Affairs, the Ministry of Justice, and the Office of the Auditor-General. Their views are reflected in this paper.

**Financial implications**

58. There are no financial implications as a result of this paper. Further advice and modelling on government funding for Partnership Schools/Kura Hourua in the context of Budget 2013.

59. The Crown may need to reprioritise Vote Education baselines to meet the financial implications of implementing the first schools.

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4 Capital costs used in this table are based around the costs of building new schools. Costs around leases are difficult to calculate due to factors such as location, size of site, and number of buildings.
60. There are no human rights, regulatory, disability or gender implications arising from this paper.

**Legislative implications**

61. Legislative changes are required to implement a New Zealand model of charter school.

**Regulatory Impact Analysis**

62. The Regulatory Impact Analysis (RIA) requirements apply to the proposal in this paper and a Regulatory Impact Statement (RIS) has been prepared and is attached.

63. The Regulatory Impact Analysis Team (RIAT) has reviewed the RIS prepared by the Ministry of Education and associated supporting material, and considers that the information and analysis summarised in the RIS partially meets the quality assurance criteria.

64. Although the Partnership School/Kura Hourua design elements are clearly described, the RIS lacks information on the scale of the costs and benefits of the options considered, and does not assess each option against the policy objectives. The RIS does not include a description of performance monitoring plans, so that the success of the pilot can be evaluated.

*Consistency with Government Statement on Regulation*

65. I have considered the analysis and advice of the Ministry of Education, as summarised in the attached regulatory impact statement. I am satisfied that, aside from the uncertainties and caveats already noted in this Cabinet paper, the regulatory proposals recommended in this paper are consistent with our commitments in the Government statement “Better Regulation, Less Regulation.”

**Publicity**

66. The working group is consulting with the teacher unions, principal groups, parents, businesses, iwi, Pasifika groups, communities, and educational experts as it develops advice on developing and implementing a model of charter school that works best for New Zealand.

67. I expect high public interest in Partnership Schools/Kura Hourua. The working group and I have received expressions of interest in operating such a school from private schools, teachers, Christian trusts, youth development groups, Pasifika groups, and Māori groups.

68. There is likely to be opposition from some groups, including the teacher unions, who view Partnership Schools/Kura Hourua as a form of privatisation. They have expressed concerns about: allowing sponsors to run Partnership Schools/Kura Hourua for profit; the freedom from the current collective agreements for Partnership School/Kura Hourua staff; the employment of non-registered teachers; the impact on surrounding schools, and the payment of salaries, the operations grant and centrally-funded services through a per-student grant.

69. My communications messages will focus on the need for new and innovative approaches to help ensure all young New Zealanders leave school with the qualifications and skills they need to succeed in the workplace and in life.

70. I intend to release this paper as soon as it is agreed to by Cabinet.

**Recommendations**

71. The Associate Minister of Education (Hon John Banks) recommends that the Committee:

   1. note that

   a) Cabinet agreed to open a small number of Partnership Schools/Kura Hourua in areas of significant educational challenge and underachievement by the end of this parliamentary term [SOC Min (12) 2/1 refers]

   b) a model of charter school that fits the New Zealand environment is being developed

   c) legislative change is required to implement the New Zealand model of charter school initiative
2. agree that charter schools are called Partnership Schools/Kura Hourua

3. agree that Partnership Schools/Kura Hourua have the following key features:
   a) have a sponsor as the governing body
   b) can be run not for profit or for profit
   c) are approved to open by the Minister of Education
   d) are a third type of school in the education system
   e) are held to account through a fixed term contract to deliver specific school-level targets negotiated with the Crown
   f) are required to report publicly on an annual basis on progress against the school-level targets
   g) are included in any student achievement information provided by government to parents
   h) have increased flexibility to make delivery decisions

Design elements

4. agree that Partnership Schools/Kura Hourua have the following major design elements:
   a) authorising body to engage and work with ERO to conduct educational performance reviews of Partnership Schools/Kura Hourua based on the terms of the contracts and milestone data requirements
   b) are required to provide audited accounts to the Secretary for Education
   c) cannot charge tuition fees
   d) the chief executive of a charter school does not need to be a registered teacher, but the person responsible for teaching and learning across the school must have a proven background in educational leadership
   e) can choose to use The New Zealand Curriculum (NZC) or Te Marautanga o Aotearoa (TMoA), or use or develop an alternative curriculum framework that is mapped to the principles of the NZC or TMoA
   f) are required to report on progress and achievement against the National Standards for students in Years 1-8
   g) can offer NCEA or an equivalent qualification that is recognised by industry and tertiary providers in New Zealand
   h) can have faith-based organisations as sponsors
   i) can provide religious instruction as part of delivering a full curriculum if it has a faith-based special character
   j) Government has the right to intervene and require the sponsor to address any breach of contract
   k) the existing legislative provisions around standing-down, suspending, excluding and expelling students will apply
   l) can set their own school hours and term dates as part of the contract
   m) the Ombudsmen and Official Information Acts will not apply

5. agree that Partnership Schools/Kura Hourua are required to accept all students who apply for entry, regardless of background or ability. If oversubscribed, Partnership Schools/Kura Hourua are to conduct a ballot for available places with priority given to the siblings of current and former students

6. agree that the Crown negotiates the maximum number of students that a charter school can enrol with the sponsor as part of the contract with annual reviews that consider evidence of parental demand and successful delivery of contracted outcomes for existing students
7. EITHER (my recommendation)

agree that the sponsor is able to negotiate the percentage of registered teachers it wishes to employ with the Crown as part of the contract

OR (officials recommendation)

agree that all teachers at Partnership Schools/Kura Hourua must be registered

8. agree to the procedural decisions necessary to ensure Education Act consistency for Partnership Schools/Kura Hourua outlined in Appendix One:

   a) right to free education
   b) ability to enrol international students on same basis as state schools
   c) right to progression from primary to secondary education
   d) requirement to pay fees for Correspondence school
   e) rights for students with special education needs
   f) direction to enrol a CYF client
   g) principal may preclude a student for health reasons
   h) ability to enter into secondary/tertiary partnerships
   i) ability to prosecute parents whose children are truant
   j) ability to undertake visits and off-site courses
   k) power to make bylaws for the school as schools rules
   l) guidance and counselling
   m) enrolment records
   n) powers of entry and inspection
   o) Police vetting of non-teaching and unregistered employees
   p) eligibility for risk management schemes
   q) authorising payment of grants to Partnership Schools/Kura Hourua out of money appropriated by Parliament
   r) ability to use Ministry of Education Payroll services
   s) forbidding the use of corporal punishment
   t) Building Act 2004
   u) offence of insulting, abusing or intimidating staff
   v) school transport
   w) Secretary for Education may require information for proper administration of Act
   x) hostel regulations
   y) establishment processes
   z) tuition for students by other boards
   aa) National Student Number
   bb) ability to be composite schools, providing both primary and secondary education
   cc) application of provisions of the Electoral Act 1993 around use as polling places
   dd) application of the Human Rights, Privacy and Bill of Rights Acts

Next steps

9. agree to include the key features and design elements of the New Zealand model of charter school detailed in this paper in the Education Amendment Bill (No. 2) in the 2012 Legislation Programme
10. **Invite the Minister of Education to:**
   a) provide drafting instructions to the Parliamentary Counsel Office
   b) report back on a full funding model for Partnership Schools/Kura Hourua in the context of Budget 2013

11. **Invite the Associate Minister of Education (Hon John Banks) to report back on:**
   a) progress made in developing an authorisation and monitoring process in December 2012
   b) progress made in designing an evaluation process in July 2013

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**Hon John Banks**
Associate Minister of Education

19.7.12
APPENDIX ONE: PROCEDURAL DECISIONS NECESSARY TO ENSURE EDUCATION ACT CONSISTENCY WITH PARTNERSHIP SCHOOLS/KURA HOURUA

Applicability of content of the Education Acts 1989 and 1964 and other legislation to charter schools

Legislative change will be needed to implement Partnership Schools/Kura Hourua. This has been guided by three factors:

- keeping right and protections for learners and parents in legislation for Partnership Schools/Kura Hourua if they are in legislation for other learners

- balancing what is in legislation and what is in the contract. Legislation should contain the requirements that apply to all charter schools; the contract items that may be varied for individual schools

- ensuring that flexibilities for Partnership Schools/Kura Hourua take into account safeguards for their learners and for other schools in the network.

Note: The sections of the Education Act listed below are referred to by their existing name in the legislation. Where appropriate terms relating to Partnership Schools/Kura Hourua have been used to illustrate how the section might apply to such schools.

EDUCATION ACT 1989

Right to free primary and secondary education (section 3)

This right is a foundation principle of any school in the state system of education and should apply to Partnership Schools/Kura Hourua.

International students (sections 4-4E, and part 18A for the International Students Code of Practice)

Partnership Schools/Kura Hourua should be able to enrol international students on the same basis as state schools. The legislation is designed to protect both the international students and New Zealand students who should be the school’s first priority.

Progression from primary to secondary education (sections 5 and 6)

These sections ensure that learners are not enrolled at a school that is inappropriate for their age or level of education. This is a protection for students, and the provisions should apply to Partnership Schools/Kura Hourua.

Requirement to pay fees for Correspondence school (section 7A)

Partnership Schools/Kura Hourua will need to be subject to these provisions.

Rights for students with special education needs (section 8)

The section guarantees the right of students with special education needs to enrol and receive education on the same basis as all other students. This should apply to Partnership Schools/Kura Hourua.

Special education enrolment issues (section 9)

Section 9 of the Education Act 1989 sets out arrangements for certain types of assistance for students with high special education needs. All of these involve consent from the Secretary for Education. This is to ensure that scarce resources go to those with the highest need, and that learners with special education needs are not subject to inappropriate decisions about their education.
The maximum number of students negotiated in the contract will manage fiscal risk, and no further entry criteria are needed. With appropriate advice, parents will make decisions on the enrolment of their child at a charter school that meets their child’s needs.

There are two other areas where the need for the Secretary’s consent should be required:

- Students will need the Secretary’s consent to receive help from special education services. Currently the Ongoing Resourcing Scheme is the only service approved under this section, and students need to have their level of need verified as being sufficiently high to receive assistance in order to prevent fiscal blowout.
- No student can remain in primary schooling beyond the age of 14, and no student is entitled to free education beyond the end of the year in which they turn 19. The Act provides exemptions from these laws for children with special education needs with the Secretary’s consent. A student can remain at primary school beyond age 14, or be eligible for free education until they turn 21. In order to ensure age-appropriate education placements, consent is only given in exceptional circumstances.

Consistency of decision-making for these exceptions is important, and the requirement to have the Secretary’s consent should therefore apply in Partnership Schools/Kura Hourua.

Stand-downs, suspension, exclusions and expulsions (sections 13-18AA)
The existing legislative provisions in the Education Act around suspending, excluding and expelling learners apply to Partnership Schools/Kura Hourua. These protect students’ rights to a fair hearing.

In addition, the contract with the sponsor will include targets around student engagement, which are framed in the context of performing better than similar schools. This will provide a safeguard against removing learners to meet or improve their contracted student achievement outcomes.

Direction to enrol a CYF client (section 18A)
Section 18A allows the Secretary to direct a school to enrol a CYF student. The provisions of this section should apply to Partnership Schools/Kura Hourua. The priority groups (especially Māori) are over represented in CYF clients.

Principal may preclude a student for health reasons (section 19)
Section 19 gives the principal a power to preclude a student for health reasons. While it is possible that this section has been overtaken by other legislation, this section should also apply to Partnership Schools/Kura Hourua as long as it remains in the Education Act.

Enrolment and attendance of students (sections 20-31)
These sections should apply with the necessary modifications to students in Partnership Schools/Kura Hourua. They are about protecting students’ rights to enrol and attend, and enforcing parents’ and schools’ obligations to ensure that they enrol and attend.

Secondary/tertiary partnerships (section 31A-31L)
Partnership Schools/Kura Hourua should be able to enter into secondary/tertiary partnerships (e.g. a trades academy) in the same way as both state and private schools currently can.

Prosecutions for truancy (section 32-35)
Partnership Schools/Kura Hourua should be able to prosecute parents whose children truant and the provisions of these sections should apply to Partnership Schools/Kura Hourua.
Control and management (Part 7)
The government sets out its expectations and requirements of all state schools through the National Education Guidelines. These comprise the National Education Goals and the National Administration Guidelines, The New Zealand Curriculum (NZC), and National Standards.

The National Education Goals and the National Administration Guidelines will not need to apply to Partnership Schools/Kura Hourua as these requirements will form the core of the contract with the sponsor and be specifically tailored for individual Partnership Schools/Kura Hourua. Charters as defined in the Education Act will be replaced by the contract with the Crown.

The paramount concern will still be for the educational, and health and safety welfare of students.

Curriculum, Qualifications and National Standards

Partnership Schools/Kura Hourua can choose to use the NZC or Te Marautanga o Aotearoa (TMoA), or use or develop an alternative curriculum framework. This will give them the flexibility and scope they need to design a curriculum that responds to and meets the needs of their learners and community. They will need to show how any alternative curriculum addresses the principles in the NZC or TMoA. This will ensure learners have a broad course of study that equips them with skills, knowledge and values that enable them to be successful citizens of New Zealand and the world.

As the NZC will not be compulsory and Partnership Schools/Kura Hourua will be schools of choice, there should be no requirement to consult with the community about the health curriculum (Section 61b).

Partnership Schools/Kura Hourua will have the flexibility to choose the qualifications they offer. There would be no requirement for them to provide access to NCEA as there is for state and state-integrated schools. Sponsors will, however, have to demonstrate that any qualification structure they offer does not close off future options for learners; is recognised by industry and tertiary providers in New Zealand; and has equivalency with NCEA Level 2 so outcomes can be benchmarked.

All Partnership Schools/Kura Hourua with learners in Years 1 to 8 will be required to report on progress and achievement against the National Standards. This will provide a useful measure to benchmark progress within Partnership Schools/Kura Hourua with equivalent state schools.

Other management matters

A power to appoint staff will not be needed as this will be derived from the powers of the sponsor.

The length of the school day, school year, and terms and holidays can be set by the charter school instead of requiring the approval of the Minister (sections 65A-65G).

The Crown entities provisions will not apply (sections 65H-70B, and 73). An explicit power of delegation from the sponsor to any governance body will be needed though.

Visits and off-site courses (section 71)
Section 71 allows a board of trustees to authorise students to undertake off-site courses of study, work experience and visits. This section should apply to Partnership Schools/Kura Hourua. If it does not, there will be doubt as to whether a charter school can do this.

Bylaws (section 72)
There should be a power for the sponsor to make bylaws for the school as school rules generally fall within this definition.
Work for other boards (section 74)
Not needed as a sponsor can deal with this through contractual arrangements.

Role of board and principal (section 75 and 76)
Not needed. The role of the sponsor will be determined by specific sections of the Act around Partnership Schools/Kura Hourua and the contract. It will be up to the sponsor to determine the role of the head of the school.

Guidance and counselling (section 77)
The principal of a state school is required to take all reasonable steps to ensure that students get good guidance and counselling, and that their parents are informed of anything impeding their progress and relationships at school. The Act should contain a right for parents of learners in Partnership Schools/Kura Hourua to be informed of the progress of their children, including any barriers to that progress. Other pastoral care responsibilities should be addressed through the contract.

Enrolment records (section 77A)
This section deals with the creation of standard enrolment records under rules prescribed by the Secretary and the way that such records are to be passed on when a student leaves the school. They apply to state and private schools and such provisions should apply to Partnership Schools/Kura Hourua or students could potentially be lost to the system when they move.

Powers of entry and inspection (section 78A)
Any person authorised by the Secretary has the power, with certain conditions, to enter and inspect a school and its records. This power is used, for example, by the Ministry’s roll auditors. Because Partnership Schools/Kura Hourua will be funded by the Crown on a per pupil basis, such provisions should apply to them. Powers of entry are usually conferred by statute rather than by contractual arrangement.

Police vetting of non-teaching and unregistered employees (sections 78C-78D)
These provisions should apply to Partnership Schools/Kura Hourua to help ensure the safety of their students.

Risk management schemes (sections 78D-78G)
The Minister has established a risk management scheme under the Education Act that covers boards of trustees for most losses of school contents, and for public, statutory and employers’ liability. It allows boards of trustees to take advantage of the economies of scale through a scheme tailored to meet school circumstances. All schools must join but can withdraw in favour of other arrangements if the Minister agrees.

We propose that Partnership Schools/Kura Hourua be eligible, but not required, to join the risk management scheme. This is dependent on insurers being prepared to extend the scheme to cover Partnership Schools/Kura Hourua, which will have a different risk profile to state schools. If they do not join they will have to have satisfactory cover elsewhere. Partnership Schools/Kura Hourua are carrying out functions on behalf of the Crown, and these are liabilities for which the Crown might otherwise incur costs.

Interventions (sections 78H-78T)
The purpose of any intervention is to address serious concerns about the operation of the school, or the welfare and educational performance of the learners at the school.

Interventions in state or state-integrated schools are focussed on keeping the school as a going concern and restoring it to "health". The Crown has a financial interest in the asset, and often has to provide other places in the network if the school is closed. There are a range of interventions
including a Crown appointee taking over the governance functions (although usually with a brief to
restoring a viable board of trustees).

Interventions in private schools are focussed at the lower end of the spectrum, and then move
straight to deregistration. There are no rights for the Crown to step in and take over if the school is
failing its students. This reflects the fact that the Crown has no interest in the asset, and that there is
seen to be little fiscal risk in absorbing the students back into the state network. This is because of
the high proportion of relatively small private schools, and the fact that they may draw from a wide
catchment area.

Partnership Schools/Kura Hourua will sit somewhere between these two positions. The Crown will
have an interest in ensuring that a charter school quickly returns to carrying out the terms of the
contract. If this cannot be achieved, there could be circumstances where the Crown will want to
step in and take over the school, because of the impact that closure will have on the network of
state schools (e.g. when Partnership Schools/Kura Hourua are large and draw from a similar
geographic catchment area to neighbouring state schools). However, the Crown will have less
interest in the school as an ongoing asset and in ensuring its ongoing survival.

Interventions should therefore address:

- an early response to ensure a speedy return to acceptable standards
- step-in rights for the Crown to protect the network and students at the school, while
  arrangements are made for their future education. These arrangements could include
  closure of the charter school and the enrolment of students elsewhere; its conversion to a
  state school; or its continuing existence under a new or the old sponsor.

Possible interventions are:

- a direction to comply with the terms of the contract or provisions in the law (for an obvious
  breach)
- a direction to submit an action plan to be approved by the Secretary, and then implement it
  (for more ongoing problems such as poor teaching)
- the ability for a Crown appointee to sit on the governing body (for strengthening governance
  issues)
- financial penalties to be paid by the sponsor out of non-charter school money
- the ability of the Ministry/Secretary to take over the governance and/or management of the
  school in prescribed circumstances (step-in rights)

Step-in rights would be the equivalent of a Commissioner, but without the focus on keeping the
school going. A Limited Statutory Manager also has this focus, and is probably not a suitable
intervention for a charter school. It is consistent with the rationale for Partnership Schools/Kura
Hourua that there are high standards of performance, and that these will be maintained or the
charter school goes out of existence.

Step-in rights could occur when:

- the Crown gives notice of termination in accordance with the contract (e.g. if the sponsor
  becomes insolvent)
- the sponsor is not performing the Services set out in the contract, or any part of the Services
  such that there is, or is likely to be, a breach that threatens, in any material way, the health,
  safety and education of any student
- the sponsor is unable to perform the Services or any part of the Services as a result of a
  Force Majeure
- the sponsor is unable to perform its obligations as a result of a Force Majeure
- an emergency has occurred.

The Crown would be required to give notice that it was to exercise its step-in rights.
Different interventions may need to be tailored for individual Partnership Schools/Kura Hourua. The Act should require the contract to contain a section on interventions.

**Financial (sections 79-89)**
There will need to be a section authorising the payment of grants to Partnership Schools/Kura Hourua out of money appropriated by Parliament.

**Annual reports (section 87 and 87C)**
Annual reporting will be a requirement of the contract rather than in legislation.

**Audit (section 87A)**
This section requires boards of trustees to submit their annual financial statements to the Auditor General. Private schools are required to provide the Secretary with a copy of their audited accounts, with no requirement for these to be audited by the Auditor-General. Since Partnership Schools/Kura Hourua will be owned by a private organisation and are not a Crown entity or a body established by statute, they should follow the private school model. This would need to be revisited if the Crown fully funds Partnership Schools/Kura Hourua.

**Payment of travel costs (section 88)**
This will be a matter to be determined by the sponsor.

**Payroll services (section 89)**
This section requires the Secretary to establish a payroll service for boards. All boards must use this service unless authorised by the Secretary not to do so. This section could be extended to Partnership Schools/Kura Hourua, so that they could choose whether or not to use the service.

**Payment of teachers’ salaries (part 8A)**
The provisions of this part will not apply to Partnership Schools/Kura Hourua.

**Schools boards (sections 92-119)**
This Part is about board of trustees, constitutions, elections and eligibility to stand and will not apply to Partnership Schools/Kura Hourua. Because any governance arrangements for Partnership Schools/Kura Hourua will not require elected representatives or Crown appointees, the Local Government Official Information and Meetings Act should not apply.

**Teacher registration (sections 120-139AZD)**
The sponsor can appoint a chief executive (i.e. person responsible for the day to day running of the school) of a charter school who is not required to have teacher registration. Sponsors who appoint a non-registered teacher as chief executive will be required to ensure there is strong educational leadership within their schools to implement high quality learning programmes, and ensure high quality teaching.

**Corporal punishment (sections 139A)**
The provisions set out in section 139A forbid the use of force by way of correction or punishment in state and private schools, and early childhood services. These provisions should apply to Partnership Schools/Kura Hourua. Section 59 of the Crimes Act does not apply as teachers are not in the role of caregiver or in place of a parent.

**Building Act 2004 (section 139B)**
Anyone making an inspection under the Act is required to report to the appropriate authority if they think the building is in breach of the Building Act 2004. This provision should apply to Partnership Schools/Kura Hourua, because the reporting is a protection for prospective staff and students.
Offence of insulting, abusing of intimidating staff (section 139C)
This section creates an offence if anyone insults, abuses or intimidates a member of a school staff on the school premises, or where students are assembled for school purposes. Students are not caught by the provision. This section probably only applies to state schools and was reviewed in 2006. Some schools found it useful as a deterrent threat rather than having to resort to trespass law. It should apply to Partnership Schools/Kura Hourua.

School transport (section 139D)
This section includes authority for the Secretary to arrange for school transport, pay schools to provide school transport, and contribute to the cost of parents providing schools transport. The provisions of this section should apply to Partnership Schools/Kura Hourua. The nature of any transport assistance provided will be a matter for future policy work.

Secretary may require information for proper administration of Act (section 144A)
These provisions apply to state and private schools. They allow the Secretary to request and receive information for statistical purposes, resourcing, and monitoring students' rights in relation to enrolment and attendance. These provisions should apply to Partnership Schools/Kura Hourua.

Hostel regulations (sections 144B-144D)
Hostel regulations apply to any person or body running a hostel, whether for state and private schools. Regulations are to protect the safety of students. They should apply to any hostel for students in a charter school.

Establishment process (new sections needed)
New sections will be needed to set out the establishment process for a charter school. This will include:
- an application to the Minister by a sponsor
- the Minister to have an absolute discretion over whether or not a school is established as a charter school
- a section authorising the payments of grants to the charter school
- a power for the sponsor to delegate its statutory powers to any governance and/or management body or person it contracts (except the power to delegate)
- a contract negotiated between the Minister and the sponsor setting out matters such as: the mission; school-level targets; the accountability requirements; how parents will be kept involved and informed; and funding.

The school is established as a charter school by Gazette Notice. This sets out its name, address, distinguishing characteristics (including whether it is single-sex or co-educational), and the type of school (primary, composite, secondary, special) and the year levels that it is to cater for. The type and year levels are important, because they define what sort of education the school is to provide.

Tuition for students by other boards (section 158)
This section allows students enrolled at one school to be provided with tuition at another with appropriate payment. It allows best use of specialist facilities across the network and can broaden the range of subjects available, particularly to senior secondary students. Partnership Schools/Kura Hourua should be able to offer this service and to take advantage of the ability of state schools to provide tuition for charter school students if required.

Education Review Office (part 28)
This Part should make it explicit that ERO is to review Partnership Schools/Kura Hourua.
National Student Number (part 30)
The National Student Number is used across schools and tertiary providers to monitor student attendance and enrolment, allocate resourcing, ensure students’ records are accurately maintained, and for research and statistical purposes. These purposes will apply to students in Partnership Schools/Kura Hourua, and will need to apply to them.

EDUCATION ACT 1964

Secular education and religious instruction (sections 77-81)
The requirements for schools to be open should not apply to Partnership Schools/Kura Hourua as this is something that they can determine for themselves.

If a charter school has a faith-based distinguishing characteristic, then the secular requirement and the provisions for religious instruction will not apply to it. If it does not have a faith-based distinguishing characteristic, then these provisions should apply.

Composite schools (section 87)
Composite schools provide both primary and secondary education. The Act states that references to primary schools are to be read as applying to the primary classes in composite schools. There is a similar provision for secondary schools. This provision will need to apply to Partnership Schools/Kura Hourua that are composite schools.

OTHER LEGISLATION

Electoral Act 1993
The Electoral Act provides that “public primary intermediate and secondary schools can be used outside school hours for public meetings of candidates and as polling places during an election.” There is no charge except for the cost of heating, lighting, cleaning and repair of any damage. This is presumably to make use of Crown assets (schools) for Crown purposes (facilitating elections). If the sponsor of a charter school is required to provide the school property, this section should not apply to Partnership Schools/Kura Hourua.

The Human Rights, Privacy Act and Bill of Rights Acts
These should apply to Partnership Schools/Kura Hourua. Partnership Schools/Kura Hourua will not be able to charge people wishing to obtain their own information from them under the Privacy Act.

The Ombudsmen and Official Information Acts
These should not apply to Partnership Schools/Kura Hourua.
## APPENDIX TWO: TABLE SUMMARISING THE DIFFERENCES BETWEEN EXISTING SCHOOLS AND PARTNERSHIP SCHOOLS/KURA HOURUA

<table>
<thead>
<tr>
<th>Relationship with Crown</th>
<th>State</th>
<th>State-integrated</th>
<th>Private</th>
<th>Partnership/Kura Hourua</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Crown entity</td>
<td>Crown entity</td>
<td>Private businesses that are registered with the Crown.</td>
<td>Sponsor negotiates contract with the Crown.</td>
</tr>
<tr>
<td>Can be run for profit</td>
<td>x</td>
<td>x</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Operate multiple schools</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Governance body</td>
<td>Elected board of trustees, comprising five parents, the principal, a staff member, and student representative in secondary schools.</td>
<td>Elected board of trustees, comprising five parents, the principal, a staff member, and student representative in secondary schools.</td>
<td>Governance model determined by school managers. No requirement for parental/community representation.</td>
<td>Governance model determined by sponsor. No requirement for parental/community representation.</td>
</tr>
<tr>
<td>Part of state system of education</td>
<td>✓</td>
<td>✓</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Employment of staff</td>
<td>Board employs all staff. Salary levels and employment conditions set through centralised industrial bargaining regime.</td>
<td>Board employs all staff. Salary levels and conditions set through centralised industrial bargaining regime.</td>
<td>Governing body employs all staff. Negotiate own salary levels and employment conditions.</td>
<td>Sponsor employs all staff. Negotiate own salary levels and employment conditions.</td>
</tr>
<tr>
<td>Accountability to the Crown</td>
<td>Government sets expectations through the National Education Guidelines (NEGs) and National Administration Guidelines (NAGs). Boards implement these through a prescribed planning and reporting cycle. Must report annually to Ministry of Education and community on education outcomes.</td>
<td>Government sets expectations through the NEGs and the NAGs. Boards implement these through a prescribed planning and reporting cycle. Must report annually to Ministry and community on education outcomes.</td>
<td>No requirement to implement the NEGs and the NAGs.</td>
<td>Sponsor signs fixed term contract with the Crown to deliver specified school-level targets. Contract contains milestones for reviewing progress and achievement against the targets. Contract can be renewed or revoked depending on the sponsor's performance. No requirement to implement the NEGs and the NAGs.</td>
</tr>
<tr>
<td>ERO reviews</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reviewed against the registration standards.</td>
<td>Reviewed against the registration standards.</td>
<td>Authorising body will engage and work with ERO to conduct educational performance reviews based on terms of contracts and milestone data requirements.</td>
<td></td>
</tr>
<tr>
<td>Financial audit</td>
<td>Carried out by the Auditor-General.</td>
<td>Carried out by the Auditor-General.</td>
<td>Required to report annually to Secretary for Education against their Government subsidy on audited transactions.</td>
<td>Required to provide audited accounts to the Secretary.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Registered teacher responsible for day to day running of the school</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td>Tuition fees</td>
<td>x</td>
<td>x</td>
<td>✓</td>
<td>x</td>
</tr>
<tr>
<td>Curriculum</td>
<td>Must use <em>The New Zealand Curriculum (NZC)</em> or <em>Te Marautanga o Aotearoa (TMoA)</em>, but have flexibility to design their own school curriculum that responds to the needs of their students and local community.</td>
<td>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.</td>
<td>Can choose own curriculum framework, but must make details about it and its delivery available to parents.</td>
<td>Can choose to use NZC or TMoA, or use or develop own curriculum framework that can be mapped to the principles of <em>The NZC</em> or <em>TMoA</em>.</td>
</tr>
<tr>
<td>Qualifications</td>
<td>Must offer access to NCEA, but can offer other internationally recognised qualifications as well.</td>
<td>Must offer access to NCEA, but can offer other internationally recognised qualifications as well.</td>
<td>Can choose the qualifications and assessment framework on offer.</td>
<td>Can offer NCEA or an equivalent that is recognised by industry and tertiary providers in New Zealand.</td>
</tr>
<tr>
<td>Secular education</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interventions</td>
<td>Education Act allows a number of statutory interventions for failing boards, including appointing a limited statutory manager or commissioner.</td>
<td>Education Act allows a number of statutory interventions for failing boards, including appointing a limited statutory manager or commissioner. Must consult with proprietor before any appointment is made.</td>
<td>Secretary can deregister or suspend registration if not meeting the standards.</td>
<td>Government has the right to intervene and require the sponsor to address any breach of contract. Interventions could include a direction to comply, financial penalties, changing sponsor, or closure.</td>
</tr>
<tr>
<td>Stand-downs, suspensions, exclusions and expulsions</td>
<td>Education Act sets out reason and processes, but schools set own behaviour policies. Ministry has to place excluded student at another school, and can direct enrolment to another state school.</td>
<td>Education Act sets out reason and processes, but schools set own behaviour policies. Ministry has to place excluded student at another school, and can direct enrolment to another state school.</td>
<td>These are part of the contractual arrangements with parents. Ministry of Education is told of expulsions, so another school can be found.</td>
<td>The existing legislative provisions for stand-downs, suspensions, exclusions and expulsions will apply. Partnership Schools/KuraHourua will set their own behaviour policies.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Hours of operation</td>
<td>Must be open at least two hours in the morning, and two hours after noon. All open longer than the legal requirement. Required to be open for a certain number of half days each year, but can vary these with Ministerial approval.</td>
<td>Must be open at least two hours in the morning, and two hours after noon. All open longer than the legal requirement. Required to be open for a certain number of half days each year, but can vary these with Ministerial approval.</td>
<td>Set own length of school day and year.</td>
<td>Set own length of school day and year.</td>
</tr>
<tr>
<td>Ombudsmen and Official Information Acts apply</td>
<td>✓</td>
<td>✓</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Must have registered teachers</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>to be decided</td>
</tr>
<tr>
<td>Enrolment</td>
<td>Must accept all students, regardless of background or ability, who apply who are within the year levels of the school, unless single-sex or there is an enrolment scheme in place to prevent overcrowding.</td>
<td>Has a maximum roll divided into preference and non-preference students. Policy and practice allows proprietors to determine who is a preference student. Can refuse an enrolment if student would jeopardise special character. Can have an enrolment scheme.</td>
<td>Free to accept or reject applicants provided human rights legislation is not broken. Free to set roll at any level.</td>
<td>Required to accept all students who apply for entry, regardless of background or ability. If oversubscribed, it conducts a ballot for available places with priority given to the siblings of current and former students. Maximum number of students negotiated annually as part of the contract.</td>
</tr>
<tr>
<td>Establishment</td>
<td>Minister of Education decides to open with Cabinet approval. Decisions usually based on network management need — e.g. increasing school age population in an area.</td>
<td>Proprietor of an existing private school applies for integration. If Minister approves the application, an integration agreement between the proprietor and the Crown is signed and sealed.</td>
<td>Any ‘fit and proper’ candidate can apply for registration. If it meets the standards, it can register. These standards relate to roll size, and having suitable premises, staffing, equipment, and curriculum. Tuition must be at a standard no lower than at state schools.</td>
<td>Potential sponsors submit proposals to authorising body. Authorising body undertakes due diligence and makes recommendations to Secretary. Minister makes the final decision to approve or decline proposals.</td>
</tr>
<tr>
<td>Government funding</td>
<td>Receive operational grant funding from 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-provided services such as transport, professional development and special education services. Board controls school finances. Government provides capital costs.</td>
<td>Receive operational grant funding from the Ministry based on student numbers and year levels, decile, and location. Ministry sets staffing levels, and centrally-funds teacher salaries. Has access to centrally-provided services such as transport, professional development and special education services. Board controls school finances. Proprietor provides capital costs.</td>
<td>Receive a per-student subsidy from a capped Government fund, with no adjustments made for decile or location. Responsible for own finances, including payment of salaries. School owner provides capital cost.</td>
<td>Receive a per-student grant covering operational grant funding and salaries. This grant will also cover centrally-provided services such as transport, professional development and special education services. Sponsor controls school finances. Government/sponsor contribution to capital costs yet to be determined.</td>
</tr>
</tbody>
</table>