

BRIEFING NOTE: Hato Petera College

Date:	9 June 2016	Priority:	High
Security Level:	In Confidence	METIS No:	TBC
Approved by:	Katrina Casey	DDI:	021 539 640

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Purpose

1. On 5 May 2016 you received an Education Report [Metis 998132 refers] updating you of the concerns raised by the Proprietor of Hato Petera College being in breach of its integration agreement. This report also included an indicative timeline of the process for the College and a letter to the Proprietor agreeing to his request to initiate consultation.
2. Due to the serious nature of the situation, we met to discuss and consider the implications should the school close. An updated timeline was also provided to your office.
3. This briefing provides you with the most recent information and includes an updated letter to the Proprietor of Hato Petera College, following these discussions.
4. The letter is attached to this briefing note as Appendix 1.

Status of the College

5. Student numbers remain static (latest ENROL figure 42 students).
6. The Education Review Office (ERO) is undertaking a staged review. It has completed an initial visit to the College as part of this process and will visit again in the near future. This is a follow up as a part the College's one to two year review cycle.
7. Two new Proprietor's representatives have been appointed to the Board of Trustees to strengthen governance.
8. New members have been elected to the Board of Trustees following the triennial elections, no Board Chairperson appointed as yet (this will happen as a part of the first meeting of the new Board of Trustees).
9. Board of Trustees are working to develop an up to date governance report that will determine areas for development as a Board.
10. Should the request for consultation be approved, the Proprietor has indicated it will use independent consultants to carry out this process.
11. Auckland Ministry staff have continued to support the Board.

Hato Petera College - Proposed Timeline

Date	Action – if one round of consultation	Action – if two rounds of consultation
Week of 13 June 2016	Letter provided to the proprietor agreeing with the Proprietor's proposal to consult about the future of the College.	
Week of 20 June 2016	Announcement by the Proprietor of the consultation.	
Friday 5 August 2016	Deadline for Proprietor to let Ministry know outcome of consultation	
Friday 12 August 2016	Ministry develops and provides report to the Minister	
Monday 29 August 2016*	Minister has until 29 August 2016 to consider report and make a final decision.	
Monday 5 September 2016	Announcement of final decision	OR Announcement of second round of consultation (5 Sept – 3 Oct) Report would be developed and provided to the Minister by 12 October and final decision by 17 October
If the decision is to close the College:		
Prior to 20 October 2016	Board of Trustees and community informed of decision	
20 October 2016	Deadline to gazette closure Proprietor makes media release	
By 27 October 2016	Last date for Principal to receive letter of notice	
By 27 November 2016	Last date for permanent staff to receive letter of notice	
Nov / Dec / Jan	Ministry supports student /whanau to enrol at schools elsewhere Change manager and residual agent appointed	
27 January 2017	School closes	

*A second round of consultation could be undertaken if initiated by the Proprietor or the Minister, if it was considered this was warranted. It is not legally required.



Office of Hon Hekia Parata

Minister of Education

9 JUN 2016

Bishop Patrick Dunn
Catholic Diocese of Auckland
Private Bag 47 904
Ponsonby
AUCKLAND 1144

Tēnā koe Bishop Dunn

Thank you for your letter of 15 March 2016 regarding your proposal to begin consultation on the future of Hato Petera College.

Since your letter in December 2015, I have been briefed by Ministry of Education officials about the developments at the College including the work undertaken at the hostel and the appointment of new Proprietor's representatives on the Board. I am advised the Ministry's financial advisor is supporting the College and the Education Review Office is currently undertaking a review.

I note the concerns you have raised about effective governance at the College. I understand the Ministry continues to monitor and support the Board of Trustees at the College.

You have also raised significant concerns about the College being in breach of its integration agreement, by failing to meet the correct number of agreed tagged staffing positions and enrolling of students over the agreed maximum non-preference roll of five percent.

I understand this has led to difficulties for you, as Proprietor, to uphold the special character of the College. I also note your previously stated concerns that the College is no longer viable, or able to provide an education that is able to serve the interests or needs of the students.

The possible cancellation of an integration agreement and closure of a school is a significant undertaking. For this reason, I have taken the necessary time to consider your proposal and its consequences. In addition to the concerns you have identified, I am very concerned about the small roll of the College which is less than 20% of the College's maximum roll.

In light of these considerations, I agree it appears timely for you to consult with the community, the College's Board of Trustees, and any other people or groups you consider appropriate, regarding the long term viability of the College.


Please report the results of this consultation to Leisa Maddix, Manager Education in the Ministry's Auckland Office by **Friday 5 August 2016**. The Ministry will also undertake consultation on my behalf with schools who may be affected by your proposal.

During the consultation period I would encourage you to consider how you can ensure a strong future for Māori Catholic education in your Diocese.

I also note in your 9 December 2015 letter you advised that you may want to provide a different model of education on the current Hato Petera College site. I would expect any future plans you have for the site to be discussed with the community during the consultation process.

Ministry staff will continue to support the school in the coming months and I encourage you to continue to liaise with Leisa Maddix at leisa.maddix@education.govt.nz or 09 632 9422.

Heoi anō

A handwritten signature in black ink, appearing to read 'Hekia Parata'. The signature is fluid and cursive, with a large initial 'H' and 'P'.

Hon Hekia Parata
Minister of Education

cc: Paul Ferris, CEO, Association of Proprietors of Integrated Schools (APIS), PO Box 12 307, Wellington 6144.

4 May 2016

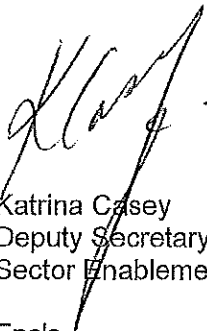
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Education Report: Hato Petera Update

Recommended Actions

We recommend that you:

- a. **note** the concerns raised by the Proprietor of Hato Petera College that the College is in breach of its integration agreement;
- b. **note** that the Proprietor of Hato Petera College has asked to initiate consultation over the future of the College;
- c. **agree** that the Ministry will begin consultation on your behalf;
~~AGREE/DISAGREE~~
- d. **note** the enclosed indicative timeline of the process for the College (Appendix 1); and
- e. **sign** the enclosed letter to the Proprietor of the College.


Katrina Casey
Deputy Secretary
Sector Enablement and Support

Encls



Hon Hekia Parata
Minister of Education

9.6.16

Education Report: Hato Petera Update

Purpose of Report

1. This briefing updates you on the current situation at Hato Petera College. The Proprietor has requested your agreement to begin consultation about the long term viability of the College. Should you agree to this, a timeline of the process is attached as Appendix 1.

Background

2. Hato Petera College is a state-integrated, co-educational, decile 3, secondary school, with boarding facilities situated in Northcote, Auckland. The Proprietor of the College is the Bishop of Auckland, Patrick Dunn.
3. The College's current agreed maximum roll is 245 students, with a maximum non-preference roll of five percent (12 students).
4. On 9 December 2015, the Proprietor wrote to you with concerns about the future viability of the College. In his letter, he advised he felt the College was no longer able to provide an education that served the interests or needs of the students and requested cancellation of the integration agreement.
5. A concerted effort is being made by the College Board of Trustees, Principal, Te Whānau o Hato Petera Trust Board and Auckland Catholic Diocese to improve working relationships in the best interest of the students and whānau. The Ministry of Education is playing an active role to facilitate these relationships.
6. The Education Review Office will undertake a review of the College in Term 2, 2016.
7. The Auckland Catholic Diocese has recently appointed two new Proprietor's representatives to the College Board; Mr Peter Leathly and Brother Sir Patrick Lynch.
8. The following scholarships and allowances are being provided to students at Hato Petera College:

Puāwaitanga	15	The maximum number
Boarding Allowances	14	13 in the hostel, 1 private boarding.
Māpihi Pounamu	3	
Boarding Bursary	0	The last of its Boarding Bursary students left at the end of last year.

Issues

9. The Proprietor wrote to you again on 15 March 2016 (received 21 March 2016) to update you on the situation at the College. A copy of this letter is attached as Appendix 2.
10. The specific issues raised are listed as follows:

Financial Matters

Te Whānau o Hato Petera Trust (the Trust)

11. The Proprietor advised that on 1 March 2016, there were 32 boarders at the hostel with a total roll of 47 students at the school. The Trust, that manages the hostel, has advised that a financial breakeven figure is [REDACTED] which has not been met.

The Board of Trustees

12. The Ministry's financial advisor is working closely with the Board of Trustees to develop a financial plan for the College as there is significant financial risk at the school. The Proprietor has confirmed that the low student roll numbers will also have a negative impact on school finances this year. [REDACTED]

Maximum Non-Preference Roll

13. The Proprietor has also raised significant concerns about the school's ability to uphold the special character of the College. The integration agreement allows for a maximum of five percent non-preference students (12 students). The Proprietor has carried out an audit of the roll and found that 33 of 47 students are non-preference students (70.2%).

Tagged Positions

14. Section 65(1)(c) of the Private Schools Conditional Integration Act 1975 (PSCI Act) allows the Proprietor of state-integrated schools to 'tag' a proportion of the total teaching positions. These tagged positions support the special character of the school.
15. The College's integration agreement states that four teaching positions must be tagged positions, however the Proprietor states that the College only has three such positions and therefore is in breach of its integration agreement.

Staff Turnover

16. In 2015 the Board of Trustees received a complaint from some staff members and the Post Primary Teachers' Association (PPTA) about concerns with the leadership and management of the College. The Board commissioned an independent investigation towards the end of 2015. The investigation has been completed and the Board expect to receive the final report shortly. The complaint has also been forwarded to the Education Council.

17. There was significant staff turnover towards the end of 2015, with the Board receiving six resignations. The Board views these resignations as a result of the uncertainty about the future of the school.
18. In Term 1, 2016, four new teaching staff started at the school under fixed term employment. The total number of staff is 9.5 FTTE's.

Governance Issues

19. The Proprietor has reiterated his concerns about effective governance at the school and expressed disappointment that the Ministry has not applied a statutory intervention, as he had requested at the end of last year.
20. The Ministry and the Board of Trustees have discussed the use of statutory support to assist with the significant challenges it is currently facing. The Board Chairperson and Principal have requested that the Board be given the first term of this year to reset its own working relationship and its relationship with its community. The Ministry will continue to monitor and assess additional support for the Board as it implements this.

Legal Process

21. Section 3(4) of the PSCI Act allows for the Proprietor to invoke the powers conferred by the Act if it considers that the special character of a school has been or is likely to be jeopardised.
22. The process for the cancellation of a school's integration agreement is determined by section 11 of the PSCI Act. While there is provision in the PSCI Act for cancellation of a schools' integration agreement, by one party (either initiated by the Minister or the Proprietor), the Ministry considers that where possible, it is preferable for these decisions to be made by mutual agreement (as provided for by Section 11C of the PSCI Act).

Next Steps

23. Given the concerns raised by the Proprietor about the special character of the College, along with its other significant concerns about the future viability of the College, the Ministry recommends that you agree to the Proprietor's proposal to initiate consultation on the future of the College. The Ministry will also initiate consultation, with interested parties, on your behalf.
24. This consultation period could be completed by the beginning of July 2016 (approximately seven weeks). Should the Proprietor request additional consultation we have also provided details of a longer timeframe which would see the consultation process run until the end of August 2016.
25. As this process is being initiated by the Proprietor, we do not expect that a second consultation period is likely to be required. However, it would be possible to include a second round of consultation within the timeline, if it was considered warranted, but there is no legal requirement to do so.
26. A proposed timeline is attached for your consideration as Appendix 1.

Appendix 1

Hato Petera College

Proposed Timeline

Date	Action
Friday 8 July 2016	Deadline for Proprietor to let Ministry know outcome of consultation
Friday 8 July 2016	Deadline for Ministry consultation to end
Friday 29 July 2016	Ministry develops and provides report to the Minister
Friday 19 August 2016*	Minister has until 19 August 2016 to consider report
If the decision is to close the College:	
Prior to 20 October 2016	Board of Trustees and community informed of decision
20 October 2016	Deadline to gazette closure Proprietor makes media release
By 27 October 2016	Last date for Principal to receive letter of notice
By 20 November 2016	Last date for permanent staff to receive letter of notice
Nov / Dec / Jan	Ministry support students / whānau to enrol at schools elsewhere
November 2016	Change manager and residual agent appointed
27 January 2017	School closes

*A second round of consultation could be undertaken if initiated by the Proprietor or the Minister, if it was considered this was warranted



CATHOLIC DIOCESE OF AUCKLAND

The Bishop's Office - Te Taumata o te Pihopa Katorika

Pompallier Diocesan Centre, 30 New Street, St Marys Bay, Auckland 1011

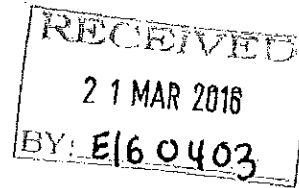
Private Bag 47-904, Ponsonby, Auckland 1144

Telephone 0-9-360-3002, Fax 0-9-360-3016

Email: bishop@cda.org.nz Website: www.aucklandcatholic.org.nz

15 March 2016

The Hon Hekia Parata
Minister of Education
Office of the Minister of Education
Parliament Buildings
WELLINGTON



Dear Minister,

UPDATE ON HATO PETERA COLLEGE, AUCKLAND

Further to my letter of 9 December 2015 regarding the request that the Integration Agreement for Hato Petera College be cancelled, I wish to update you on the situation.

We received feedback via Sir Br Patrick Lynch that you wished us to proceed with this matter slowly and so at this stage we have not communicated with the College or the Board of Trustees about any consultation process associated with the potential closure of the College.

The information given below is to inform you of our view of the current situation.

1. *Provision of Hostel Accommodation*

- 1.1 In late 2015 at an AGM of the Te Whanau o Hato Petera Trust, a new group of trustees was elected. This group over the summer holiday period undertook very necessary maintenance work on some of the hostel facilities to be able to provide boarding facilities for students attending Hato Petera College in 2016.
- 1.2 Following the renovation work completed by the Trust, the Diocese has now employed an independent company to undertake an inspection of the old hostel building currently being used to accommodate students. The report should inform us of the basic suitability of the building for accommodation for students and if this provides a living environment that is acceptable and safe.
- 1.3 As at 1 March 2016, 32 boarders were in residence at the hostel. The Trust had informed us that a financial breakeven figure is 54 students. Consequently the Trust will be renting the facilities over holiday periods to supplement their income. Additionally despite assurances that no student would be accepted into the hostel without basic term accounts being paid in advance, no money has been received from any of the whanau of the students in the hostel.
- 1.4 As you may also be aware the Catholic Diocese of Auckland are managing the 2015 Te Whanau o Hato Petera Trust accounts as in September 2015 Trust Board members approached us for assistance as they became aware of significant financial difficulties with the Trust being insolvent. Although under the conditions of the Trust Deed, trustees were financially liable, the Diocese agreed to assist and is working through all of the outstanding payments and to date has contributed approximately [REDACTED]. Indications are that the total contributions will be in the vicinity of [REDACTED].

Conclusion: Our serious concerns about Te Whanau of Hato Petera Trust and the hostel facilities still remain. The new Trust Board have accepted financial responsibility for the hostel from 23 December 2015.

2. Hato Petera College

Following a recent meeting of the Kaihautu and the DP/DRS with Linda McQuade, my Vicar for Education, our concerns about the school are as follows:

2.1 The viability of the College with its official 1 March 2016 roll of 46 students:

Year 9	5
Year 10	11
Year 11	12
Year 12	11
Year 13	7
TOTAL	46

The school had a staffing entitlement of 10.5 FTTE based on a roll of 95 students.

The current level of staffing in 9.5 FTTE

This is a very high teacher - student ratio but composite classes are operating at least for Religious Education

2.2 The College is not totally compliant with regards to the some of the requirements of its Integration Agreement.

With a 9.5 FTTE the College is required to have four (4), "Special Character" (S65) positions in addition to the Principal and DRS. The College only has three (3) such positions.

2.3 Of most concern regarding Integration compliance requirements are the procedures and processes being used by the College with regards to the enrolment of students who are accepted as "preference" students.

The New Zealand Catholic Bishop Conference has clearly specified the procedures associated with the determination and acceptance of "preference" students. There is a high level of non-compliance with the number of "non-preference" students and associated procedures at Hato Petera College.

The College claims to have 45 preference students and 1 non-preference student.

NZCBC Requirements	Hato Petera College
All students accepted as preference must have a "preference certificate"	45 preference certificates sighted
Parents must sign the preference certificate stating they support the faith development of their child	3 of the preference certificates were not signed by parents/whanau
Preference certificates must be signed by a priest or authorised agent of the Bishop granting preference of enrolment	9 preference certificates signed by a priest at the time of enrolment granting preference of enrolment
	7 of the preference certificates although not signed by a priest had a certificate attached to them showing the student had participated in a Hato Petera College programme which resulted in them becoming Catholic. These students can therefore be considered to be "preference" students
	29 preference certificates not signed by a priest and cannot be deemed to be valid

In summary: Hato Petera College are not following the prescribed requirements regarding acceptance of "preference" students.

Based on the review undertaken of students on the roll at 1 March 2016;

14 out of 47 students or 29.78% have valid preference of enrolment

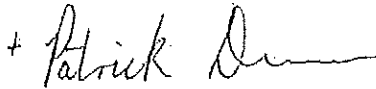
33 out of 47 students or 70.12% have no connection with the Catholic Church and cannot be regarded as "preference" students.

Conclusions: The current roll of Hato Petra College is not viable. The College is in breach of its Integration Agreements both in terms of S65 position and in terms of "preference of enrolment" procedures. We therefore question how the Catholic Special Character of the College can imbue all activities of the College when 70% of the student population have no connection with the Catholic Church outside of the school environment.

The concerns that I expressed in my previous letter about the effective governance of Hato Petera College by the Board of Trustees still remain. I am therefore disappointed that Statutory Intervention has still not been enacted by the Ministry of Education.

In the light of this information, I would be pleased to hear if you think it is prudent for the Diocese to begin the process, involving community consultation, of determining the long term viability of Hato Petera College.

Yours sincerely



✉ Patrick Dunn
Bishop of Auckland

cc. Mr P Hughes Secretary of Education
Sir Br Patrick Lynch, CEO, Catholic Education Office



Office of Hon Hekia Parata

Minister of Education

9 JUN 2016

Bishop Patrick Dunn
Catholic Diocese of Auckland
Private Bag 47 904
Ponsonby
AUCKLAND 1144

Tēnā koe Bishop Dunn

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Please report the results of this consultation to Leisa Maddix, Manager Education in the Ministry's Auckland Office by **Friday 5 August 2016**. The Ministry will also undertake consultation on my behalf with schools who may be affected by your proposal.

During the consultation period I would encourage you to consider how you can ensure a strong future for Māori Catholic education in your Diocese.

I also note in your 9 December 2015 letter you advised that you may want to provide a different model of education on the current Hato Petera College site. I would expect any future plans you have for the site to be discussed with the community during the consultation process.

Ministry staff will continue to support the school in the coming months and I encourage you to continue to liaise with Leisa Maddix at leisa.maddix@education.govt.nz or 09 632 9422.

Heoi anō

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Hon Hekia Parata
Minister of Education

cc: Paul Ferris, CEO, Association of Proprietors of Integrated Schools (APIS), PO Box 12 307, Wellington 6144.