



## Education Report: Administration Arrangements and Variations Required to Partnership School Contracts for 2018

<b>To:</b>	Hon Chris Hipkins		
<b>Date:</b>	6 December 2017	<b>Priority:</b>	High
<b>Security Level:</b>	In Confidence s 9(2)(a) OIA	<b>METIS No:</b>	1093189
<b>Drafter:</b>	[REDACTED]	<b>DDI:</b>	[REDACTED]
<b>Key contact and number:</b>	Ellen MacGregor Reid Deputy Secretary, ELSA [REDACTED]	<b>Round robin:</b>	No s 9(2)(a) OIA
<b>Messaging seen by Communications team:</b>	n/a s 9(2)(a) OIA		

### Purpose of report

The purpose of this paper is to:

- Inform you of existing administration arrangements for the management of charter school contracts, and ask you to agree that these continue.
- Outline routine operational updates required to the charter school contracts, and recommend that you delegate the power to sign these to the Ministry of Education.
- Update you on the outcome of funding adjustments required to be periodically undertaken under the charter school contracts.

### Summary

- 1 On 10 July 2017 the previous Minister of Education appointed the Deputy Secretary, Early Learning and Student Achievement as administrator of the Partnership Schools | Kura Hourua (Charter School) contracts (the contracts) on the Minister's behalf.
- 2 You are asked to reconfirm this appointment.
- 3 The contracts require variation every year to update operational expectations and ensure the efficient operation of the charter school model. Changes made are generally technical, reflecting the changing student roll in each school and the sponsor's expected focus in the coming year.
- 4 Further variations are sometimes required for other one-off reasons, and four such variations were negotiated with sponsors prior to you taking office. There is also an additional one-off variation we have identified which has not yet been negotiated.
- 5 There are risks associated with not progressing these variations. If the schools operate under out-of-date contracts, the Ministry's ability to monitor the schools' performance may be jeopardised as we will have no agreed parameters to monitor against.

- 6 You are therefore asked to agree to delegate to the Deputy Secretary, Early Learning and Student Achievement (on behalf of the Secretary for Education) the ability to enter into and sign variations on your behalf. Any exercise of this delegated power would occur on a no surprises basis.
- 7 Putting this delegation in place will also assist in removal negotiations with the schools, by ensuring that the Ministry is responsive and efficient in conducting business-as-usual contract management.
- 8 Under the charter school contracts, the Ministry is required to update particular components of the schools' funding to ensure that they receive funding comparable with what a similar state school would receive. These updates have been calculated, and this Report provides you with information about the resulting adjustments for 2018.

## Recommended Actions

The Ministry of Education recommends you:

- a. **note** that in July 2017 the previous Minister of Education appointed the Deputy Secretary, Early Learning and Student Achievement as the person authorised to undertake specified contract powers on your behalf [METIS 1073113 refers];  

Noted
- b. **agree** to the continuation of these administration arrangements;  

Agree / Disagree
- c. **note** the variations required to the Charter School contracts currently in place to update operational expectations, and the consequences of not varying these contracts;  

Noted
- d. **agree** to delegate the power to enter into and sign variations to the Secretary for Education and give your prior written permission for the Secretary to delegate this power to the Deputy Secretary, Early Learning and Student Achievement;  

Agree / Disagree
- e. **sign** the instrument of delegation attached at Annex 1;  

Signed
- f. **note** the financial adjustments that will be applied for 2018, in accordance with current contract requirements.  

Noted



Ellen MacGregor-Reid  
Deputy Secretary  
Early Learning and Student Achievement

4 / 12 / 17



Hon Chris Hipkins  
Minister of Education

9 / 12 / 17

## Background

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1. There have been five rounds of procurement for Partnership Schools | Kura Hourua (Charter Schools). Each Charter School operates in accordance with a contract signed between a sponsor and the Minister of Education (the contract).
2. Clause 34.1(a) of the contract provides for the Minister to appoint any person (an “administrator”) to administer the contract by exercising specified contract powers, duties and functions (including the exercise of discretion or the forming of views) on behalf of the Minister.
3. Clause 34.1(b) of the contract provides for the Minister to delegate to the Secretary for Education (the Secretary), in accordance with section 28 of the State Sector Act 1988, the ability to enter into and execute any variation to a contract. Section 41 of the State Sector Act allows a chief executive to sub-delegate responsibilities with the prior written approval of the relevant Minister.
4. The appointment of an administrator under clause 34.1(a) and the delegation of your power to enter into and execute variations under clause 34.1(b) is additional to, and in no way limits, your ability to also exercise the contract powers. Where the Ministry exercises a power on your behalf, we maintain a ‘no surprises’ approach.

### **Appointment made under clause 34.1(a) of the contract**

5. In 2017 the previous Minister of Education updated existing administration arrangements, appointing the Deputy Secretary, Early Learning and Student Achievement (ELSA), to administer particular parts of the contract [METIS 1073113 refers]. This arrangement enables the Ministry to manage Charter School contracts more efficiently, and reduces the Minister’s obligations relating to management of the day-to-day operations of the schools.
6. These administration arrangements are currently in place for Round 1, 2, 3 and 4 schools. The existing schedule of administration responsibilities is provided in **Annex 2**. Examples of responsibilities appointed to the Ministry include operational powers to notify the sponsor about publications they are required to comply with, and the power to request information for monitoring and reporting purposes.
7. You are asked to agree to the continuation of these administrative arrangements while removal discussions are occurring. This will support removal negotiations by ensuring timely and efficient contract management continues as normal, which helps ensure that we are seen to be negotiating in good faith.

### **Delegations made under clause 34.1(b) of the contract**

8. Routine variations are required each year to ensure that the schedules to the contract are up-to-date. In some instances these variations also update clauses in the body of the contract to strengthen accountability or align the contracts to legislative or regulatory changes.
9. Variations are negotiated through business-as-usual contract management, with a focus on ensuring that ongoing administration of the contracts remains effective.
10. There are currently no delegations in place enabling the Secretary, or any other official, to enter into and sign variations to the contracts. This means that any variations, including minor and technical ones, need to be presented to you for consideration and approval.

11. You are asked to sign the instrument of delegation attached at **Annex 1** to enable the Secretary to enter into and sign variations to the contract and to give prior written permission to the Secretary to delegate this power to the Deputy Secretary, ELSA under section 41 of the State Sector Act.
12. The Ministry recommends this approach, as it would enable you to have an 'arm's length' relationship with existing sponsors, while ensuring that the schools are able to continue to operate efficiently while removal negotiations are undertaken.
13. Should you choose to continue to exercise these responsibilities directly, we will present you with contract variations for signing in early 2018, with a view to getting agreements in place in advance of the 2018 school year. The variations required are summarised in **Annex 3**.
14. There are significant risks associated with failure to progress the annual variations for 2018. These largely relate to the Ministry continuing to engage with contractual partners in good faith, our ongoing ability to monitor sponsor's contractual performance, and our ability to manage any disputes that may arise. A register of risks associated with not varying the contracts is also attached at **Annex 3**.
15. There are also risks associated with progressing these variations, and these are outlined in the "Risks" section below. The Ministry's view is that these are outweighed by the risks of not proceeding, because of the importance of maintaining status quo operational stability for the schools while we undertake removal negotiations.

#### **Updates to funding components of the Charter School contracts**

16. The funding model for charter schools provides for them to receive broadly the same amount of funding as an equivalent state school, fully cashed-up to maximise flexibility [CAB Min (13) 5/9 refers].
17. Schedule 5 of the contracts require the Ministry to update certain funding components at set intervals, to ensure that each charter school's funding continues to be broadly equivalent with a what it would receive if it were a state school.
18. The funding components that need to be updated for 2018 are tabulated below.

Table 1: Updates to funding components

<b>Funding Component</b>	<b>Relevant rounds</b>	<b>Contract requirement</b>	<b>Methodology</b>	<b>Timing</b>
<b>Property Rates</b>	1, 2, 3	These need to be updated every three years – this year for Round 2 schools.	These have been calculated on the same basis as the update for Round 1 schools last year, using <i>Capital Price Index (Other Non-Residential Buildings)</i> , which is the closest property equivalent to school buildings. This year's update for Round 2 schools is about the same as the adjustment made last	Each of these were reviewed in 2016 for Round 1 schools, for application in 2017. Next update required for Round 3 schools in 2019 for application in 2020 (which will align with the next update required for



			year for Round 1 schools.	Round 1 schools).
<b>Centrally Funded Support</b>	1, 2, 3		Review of a group of centrally funded support services to reflect actual cost changes. No increase applied.	
<b>Base Funding</b>	1, 2	Annual adjustment based on the Consumer Price Index (30% weighting)	These have been calculated on the same basis as last year's update, which adjusts the current rates using the required indices, which are the "headline" Consumer Price Index and the Public Sector, Education and Training Labour Cost Index,	Updated in 2016 for all contracted schools (Rounds 1, 2 and 3). Update required for all Rounds in 2018.
<b>Per Student Funding</b>				
<b>Teaching and Operating rate</b>	3	and the Labour Cost Index (70% weighting).		


19. The overall impact that these changes are expected to have to the schools' funding for 2018 have been budgeted for and can be met within baselines. No new funding is required.

## Risks

20. Varying the contracts is critical to enabling good faith negotiations to proceed, and will not impact any future decisions relating to options under consideration in terms of the future of any of the schools. We expect to be able to undertake the processes involved in varying the contracts without impacting on discussions about contract termination.
21. There is a risk that sponsors may interpret discussions relating to varying their contracts as evidence for the continuation of the Charter Schools policy. This is considered to be a low risk, as it is being managed via other communications avenues. We will mitigate this by clearly delineating business-as-usual communications from communications relating to removal negotiations.
22. The previous Minister had commenced a review of the contract, and it is possible that some sponsors may try to negotiate changes related to that review as part of the variation process. We will manage this by explaining that we have no scope to consider progressing their requests for other contract changes at this time. We can report-back to you if sponsors ask for other changes.
23. There is a risk that sponsors may not be cooperative in these business-as-usual discussions. Should agreement not be able to be reached, the contracted operational parameters that applied in 2017 will automatically roll over and will apply in 2018. To mitigate this risk, we will focus on clearly communicating requirements to sponsors, and continuing to engage with them in good faith in terms of business-as-usual contract management. If they refuse to engage, we can consider imposing contract requirements. We will keep you informed if this risk eventuates.

## Financial implications

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24. There are no financial implications to varying the contracts, because budget baselines have been developed based on assumptions of ongoing growth. No new funding is required.
25. The funding adjustments outlined above in Table 3 also reflect existing legal entitlements, which have been accommodated in budget forecasts.
26. 

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## Annexes

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| Annex 1: | Instrument of delegation                                       |
| Annex 2: | Schedule of administration responsibilities currently in place |
| Annex 3: | Schedule of risks if variations are not completed              |

<b>Instrument of Delegation</b>
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**Delegation of Minister's powers**

Under section 28 of the State Sector Act 1988 I delegate to the Secretary for Education my ability to enter into and execute variations to partnership school contracts under section 158D of the Education Act 1989 and clause 34.1(b) of the partnership school contract.

I further give my prior written permission for the Secretary for Education to delegate this power to the Deputy Secretary, Early Learning and Student Achievement under section 41 of the State Sector Act 1988.

Dated at Wellington this ..... day of ..... 2017.

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Hon Chris Hipkins  
Minister of Education

## Annex 2: Schedule of administration responsibilities currently in place

### MEMORANDUM OF APPOINTMENT SCHEDULE: ROUNDS ONE, TWO & THREE

Short title	Description of the power authorised to the Ministry	Part # & Clause #	Procurement round
Scope and Construction of Agreement	The power to set a reasonable timeframe for the Sponsor to prepare and submit Operative Documents for approval. The power to request reasonable changes to any draft Operative Document prior to approval. The power to approve any Operative Document.	Part 1, 2.1(c)	R1,2,3
Education Circulars	The power to, at any time, give notice to the Sponsor that an Education Circular (or part thereof) that is not already specifically described as applying to the Sponsor elsewhere in the Agreement, shall apply to the Sponsor.	Part 1, 5	R1,2,3
Enrolment of Students at School and in Courses	The power to notify the Sponsor of any substitute publications to the Ministry's publication "Career Education and Guidance in New Zealand Schools" and Careers New Zealand's publication "Career Education Benchmarks" to which the Sponsor must have regard in providing career education and guidance to Students in Years 7 to 13.	Part 2, 7.7	R1,2,3
Student attendance and absences from School	The power to specify any Education Circular or other relevant Ministry guidelines relating to standing down, suspending, expelling or exclusion of Students that the Sponsor shall apply to the School as a Partnership School/Kura Hourua.	Part 2, 8.3(b)	R1,2,3
School Rules, Off-site Activities, Student transportation and interaction with parents and communities	The power to specify any Ministry guidelines or Education Circular that relates to a Learning Experience outside the Classroom with which the Sponsor must comply.	Part 2, 10.1(c)	R1,2,3
Teachers and other Sponsor employees and contractors	The power to direct the Sponsor by notice in writing not to allow a person to which clause 13.5 applies to have contact with any Student or to be present on the Premises.	Part 2, 13.5(c)	R1,2,3
Property	The power to give permission to the Sponsor to use premises other than the Premises described in Schedule 5 for the regular delivery of Courses to Students.	Part 2, 14.1(e)	R1,2,3
	The power to reasonably withhold such approval if the appointee does not consider that the new premises are suitable for a school of the description specified in the Gazette Notice and for the number of Students at the School.	Part 2, 14.1(f)	R1,2,3



Short title	Description of the power authorised to the Ministry	Part # & Clause #	Procurement round
Minimum Requirements	The power to, from time to time, require the Sponsor to provide a declaration that it has met all of the Minimum Requirements.	Part 3, 16.3(a)	R1&2
	The power to, from time to time, require the Sponsor to produce evidence that it has met all of the Minimum Requirements.	Part 3, 16.3(a)	R3
Records and Reporting	The power to approve and notify a student management system for use by the Sponsor.	Part 3, 18.1(b)(i)	R1,2,3
	The power to provide any report templates for assessing the Sponsor's performance against the Minimum Requirements, Objectives and Performance Standards.	Part 3, 18.2(a)	R1&2
	The power to provide any report templates and/or approved reporting systems for assessing the Sponsor's performance against the Minimum Requirements, Objectives and Performance Standards.	Part 3, 18.2(a)	R3
	The power to approve or not approve reports submitted under paragraphs (a) or (b) of clause 18.2, and to, if not satisfied with the level of detail contained in the report, require the Sponsor to amend the report and resubmit it within any timeframe specified by the administrator.	Part 3, 18.2(c)	R1&2
	The power, if not satisfied with the level of detail contained in the report (submitted under paragraphs (a) or (b) of clause 18.2), to require the Sponsor to provide for consideration a supplementary report containing additional details, within any timeframe specified by the administrator.	Part 3, 18.2(c)	R3
	The power to require (by giving notice in writing) the Sponsor to use templates or guidelines prepared by the Ministry for the purpose of preparing its annual financial statements.	Part 3, 18.5(b)	R1&2
Premises	The power to agree such other period of time, by which period the Sponsor is to propose its premises in writing. The power to approve the premises for the School by giving written notice to the Sponsor outlining the location of the premises and other key features of the premises.	Schedule 5, 1	R1,2,3
Invoicing	The power to provide to the Sponsor an instalment notice within the timeframes for payment specified elsewhere in Schedule 7. The power to provide an instalment notice setting out the amount payable for the next quarter taking into account any adjustments from the previous quarter(s).	Schedule 7, 2	R1&2
	The power to provide to the Sponsor an instalment notice within the timeframes for payment specified elsewhere in Schedule 7. The power to provide an instalment notice setting out the amount payable for the next quarter taking into account any adjustments from the previous quarter(s).	Schedule 7, 3	R3

Short title	Description of the power authorised to the Ministry	Part # & Clause #	Procurement round
Payment Notice	<p>The power to provide to the Sponsor a payment notice within the timeframes for payment specified elsewhere in this Schedule 7.</p> <p>The power to provide a payment notice setting out the amount payable for the next quarter taking into account any adjustments from the previous quarter(s).</p>	Schedule 7, 2	R3

## MEMORANDUM OF APPOINTMENT SCHEDULE: ROUND FOUR

Short title	Description of the power authorised to the Ministry	Part # & Clause #
Education Circulars	The power to, at any time, give notice to the Sponsor that an Education Circular (or part thereof) that is not already specifically described as applying to the Sponsor elsewhere in the Agreement, shall apply to the Sponsor. The power to, at any time, give notice to the Sponsor that an Education Circular (or part thereof) that is already specifically described as applying to the Sponsor elsewhere in the Agreement, shall cease to apply to the Sponsor.	Part 1, 5(a) and (d)
Enrolment of Students at School and in Courses	The power to request safe physical and emotional environment policies.	Part 2, 7.5(c)
	The power to notify the Sponsor of any substitute publications to the Ministry's publication "Career Education and Guidance in New Zealand Schools" and Careers New Zealand's publication "Career Education Benchmarks" to which the Sponsor must have regard in providing career education and guidance to Students in Years 7 to 13.	Part 2, 7.7
Curriculum and Qualifications	The power to request curriculum policy documents.	Part 2, 9.1(c)
School Rules, Off-site Activities, Student transportation and interaction with Parents and communities	The power to request policy for engagement with Parents, family, whānau, iwi and communities.	Part 2, 10.6(b)
Fees and donations	The power to notify the Sponsor that an Education Circular does not apply to Partnership Schools.	Part 2, 11.1(a)
Teachers and other Sponsor employees and contractors	The power to direct the Sponsor by notice in writing not to allow a person to which clause 13.5 applies to have contact with any Student or to be present on the Premises.	Part 2, 13.5(c)
Property	The power to give permission to the Sponsor to use premises other than the Premises described in Schedule 5 for the regular delivery of Courses to Students. The power to reasonably withhold such approval if the appointee does not consider that the new premises are suitable for a school of the description specified in the Gazette Notice and for the number of Students at the School.	Part 2, 14.1 (a), (c), (e) (f) and (g)
	The power to approve the use of a hostel as premises.	Part 2, 14.3
Minimum Requirements	For the avoidance of doubt, the power to receive reports on the Minister's behalf pursuant to clause 18.2.	Part 3, 16.1 (p) and (u)
	The power to, from time to time, require the Sponsor to produce evidence that it has met all of the Minimum Requirements.	Part 3, 16.3
Records and Reporting	The power to approve and notify a student management system for use by the Sponsor.	Part 3, 18.1(b)(i)

Short title	Description of the power authorised to the Ministry	Part # & Clause #
Records and Reporting	The power to receive Quarterly and Annual Reports, and the ability to vary the dates of Quarterly and Annual Reports.	Part 3, 18.2(a)
	The power to provide any report templates and/or approved reporting systems for assessing the Sponsor's performance against the Minimum Requirements, Objectives and Performance Standards.	Part 3, 18.2(b)
	The power, if not satisfied with the level of detail contained in the report (submitted under paragraphs (a) or (b) of clause 18.2), to require the Sponsor to provide for consideration a supplementary report containing additional details, within any timeframe specified by the administrator.	Part 3, 18.2(c)
	Receipt of notification from the Sponsor including remedial actions in relation to any sources of funding or inability to pay debt.	Part 3, 18.2(e)
	Receipt of reports in relation to debt.	Part 3, 18.2(f)
	Receipt of information on Student achievement Performance Indicators or Performance Standards.	Part 3, 18.2(g)
	The power to, at any time, request the Sponsor to provide a separate report addressing or responding to specified issues or concerns identified by the Minister or Ministry and the Sponsor's actual or proposed response or remedial action to such issue or concern.	Part 3, 18.2(h)
	The power to amend the date by which annual reports to the public are required.	Part 3, 18.4(a)
Premises	The power to approve, in writing, the premises the Sponsor wishes to use on or before the 'premises selection' decision date specified in the Implementation Plan provided that the Sponsor may only propose an option which (after allowing a period of not less than 7 Business Days for obtaining for the approval referred to below) is capable of completion so that the School will be able to open and commence operations in accordance with the terms of the Agreement by its scheduled date for opening.	Schedule 5, 1
Payment Notice	The power to provide to the Sponsor a payment notice within the timeframes for payment specified elsewhere in this Schedule 7. The power to provide a payment notice setting out the amount payable for the next quarter taking into account any adjustments from the previous quarter(s).	Schedule 7, 2(a)
	The power to provide the Sponsor with a payment notice setting out the amount payable for the next quarter taking into account any adjustments from the previous quarter(s).	Schedule 7, 2(b)
Invoicing	The power to provide to the Sponsor an instalment notice within the timeframes for payment specified elsewhere in Schedule 7. The power to provide an instalment notice setting out the amount payable for the next quarter taking into account any adjustments from the previous quarter(s).	Schedule 7, 3

### Annex 3: Schedule of variations required and risks if variations are not completed

1. Operational parameters in the contract that require annual variation, and the Ministry's intended approach to these, are outlined in Table 1 below. For all of these parameters, our objective will be to maintain current settings, and we do not intend to agree to any variations that would increase the size of the schools or extend the application of the current model.

Table 1: Operational parameters that require updating

Contract requirement	Intended approach
International student caps	We anticipate that sponsors will agree to continue the status quo "nil" allowance, and do not intend to agree to any increases should they be requested.
School term dates	Request that each school provides their intended term dates for consideration and approval. We intend to approve dates that are broadly similar to those in place for mainstream state schools.
Proportion of teaching positions required to hold a current practising certificate	These proportions are dependent on school's projected roll numbers, range of subjects and range of year levels taught, so we will ask schools for these projections, then negotiate the appropriate proportions accordingly.
Proportion of curriculum to be taught by a person holding a current practising certificate or Limited Authority to Teach	
Financial performance standards	We will propose rolling over the 2017 standards in each of these areas. This will maintain status quo accountability as removal negotiations proceed.
Student engagement performance standards	
Student achievement performance standards	

2. For 2018, variations are required for 10 schools (each of the round 1, 2 and 3 schools).
3. Schools could still operate without these variations. Where possible, existing 2017 parameters (including performance standards) would roll over, but in some cases this would not be possible.<sup>1</sup>

<sup>1</sup> For example, requirements relating to the number of suspensions permitted per year would roll over, but 2017 opening dates could not be used with reference to the 2018 school year.



4. On occasion, additional variations need to be made to the contract during the course of a school year. The variations set out in table 2 below are currently required, over and above the usual annual variations.

Table 2: Additional variations required

School	Variation required	Impact	Status

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Table 3: Risks if variations are not completed

Risk/ issue	Description/ example	Mitigation	Likeli- hood	Impact
International student caps not updated before 2018	International student caps are set for 2017 at nil for all schools. Should any of the schools wish to enrol international students in 2018, they would not be able to unless this figure is updated.	We will work closely with each of the sponsors operating existing schools to agree operational parameters for 2018, and have already informed them of the expectation that they will continue to operate as usual in 2018. We will focus on maintaining status quo whilst removal discussions are underway.	Low	Low
School term dates not updated before 2018	You are responsible for setting school term dates for mainstream state schools, but term dates for charter schools are set via annual contract variation. If 2018 term dates are not updated, the schools will not have set term dates. This will mean that the charter schools will be able to set any term dates they choose, and it would be very difficult for the Ministry to influence these dates if they are not appropriate. This could also impact on the Ministry's ability to contact schools in case of emergency (as there would be no oversight of when students were attending), and it would be very difficult to monitor activities where targets are based on the number of days the school is open (eg student engagement measures).		Low	Med
Proportion of teaching positions required to hold a current Practising Certificate or Limited Authority to Teach is not updated before 2018	Unlike mainstream state schools, charter schools are able to employ people who do not hold either a current Practising Certificate or Limited Authority to Teach (LAT) in teaching positions. The proportion of teaching positions requiring particular certification is set in the charter school contract. If the contract is not updated for 2018, a charter school could increase its roll without increasing the number of teaching staff holding either a current Practising Certificate or LAT. For instance, in 2017 Te Kōpuku high has had an average of 110 students, and has been required to have a minimum of four teachers with current Practising Certificates or LAT. Te Kōpuku High has had a large waiting list due to a Council-imposed occupancy limit (which was not in place when the contract was signed). The school's contracted maximum roll is 300, and 4 teaching staff holding certification would be too low for a school of potentially 300 students if the Council's limit is extended.		Low	Med
Performance standards for financial performance	Financial performance standards are set in the charter school contract, and need to be updated each year. There have never been any changes made to these, and they are standardised. Some of the schools need to		Low	Low

are not agreed before 2018	have these set for 2018. It would be more difficult to identify any financial issues early on, but financial accountability would still be possible as sponsors would continue to be required to provide audited financial statements to the Ministry under other parts of their contract.			
Performance standards for student engagement are not agreed before 2018	Performance standards for student engagement are set in the charter school contract, and need to be updated each year. There are different requirements for schools depending on the year level of students. These are standardised across the schools (contingent on year levels offered) and no changes have ever been made to these. Some sponsors (Villa Education Trust in particular) have expressed dissatisfaction with the standards in this area. This is also an area that was covered in a review of the charter school contract, which has not been completed.		Low	Low
Performance standards for student achievement are not agreed before 2018	Performance standards for student achievement are set in the charter school contract, and need to be updated each year. All standards were set in accordance with the Better Public Services target of 85% of 18 year olds having achieved NCEA level 2 or equivalent qualification in 2017. There are different requirements for schools depending on the year level of students, but broadly speaking, these all worked toward a standard of at least 85% in 2017 across all of the schools. Some sponsors (Villa Education Trust in particular) have expressed dissatisfaction with the standards in this area. This is also an area that was covered in a review of the charter school contract, which has not been completed.		High	High
Monitoring the contract, and reporting to the Minister, will be difficult	Contract management, and associated advice to the Minister and Board, will be made very difficult without clear parameters relevant to a 2018 operating context.	In addition to working closely with the sponsors to emphasise the expectation that they will continue to operate as usual for 2018, we will emphasise the importance of maintaining standards during this period.	High	High
The Ministry's ability to monitor, and to intervene if necessary, could be compromised	Contracted performance standards would be outdated, and in some cases absent. Three of the schools reported low academic performance in 2016, and the Authorisation Board has asked for their plans to raise academic performance in 2017. These requests are made with reference to Student Achievement targets. The Ministry's ability to proceed with any interventions required may be compromised, and legal challenge could be		High	High

more likely.

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