



## Education Report: Report from the Advisory Group on Charter Schools on Charter Schools' 2017 performance

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	17 September 2018	<b>Priority:</b>	High
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1149288
<b>Drafter:</b>	[REDACTED] s 9(2)(a) OIA	<b>DDI:</b>	[REDACTED]
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<b>Messaging seen by Communications team:</b>	Yes	<b>Round Robin:</b>	No

### Purpose of Report

The Advisory Group on Charter Schools has submitted its report to you on the performance of Partnership Schools Kura Hourua (charter schools) for the 2017 school year.

Under charter school contracts you are required to assess the performance of charter schools each year. Where a school's performance is assessed as satisfactory, the Ministry releases payment of the 1% funding retained during the year from operational payments.

### Summary

1. The Advisory Group on Charter Schools (Advisory Group) is a statutory group whose key role is to provide you with advice on charter school performance, to assist your final assessments on the performance of each charter school. Their cover letter and report for the 2017 school year is at Appendix 1.
2. Their overall assessment concludes that the performance of five schools against their 2017 performance standards is satisfactory; four schools is almost satisfactory; and one school is not satisfactory.
3. The Advisory Group has also provided you with their reflections on the charter school performance management system. They conclude that the outcomes-purchasing contract is not fit for purpose.
4. Each year, one percent (1%) of operational funding is retained in accordance with the at-risk funding policy, and released to sponsors subject to your final assessment on each school's performance for the year. For 2017, the total operating funding was approximately \$16.5 million, and approximately \$165,000 was retained by the Ministry.
5. In addition to the Advisory Group's advice on the release of the standard 1% retention payment, they propose a 0.5% discretionary retention payment is made to two schools whose performance has not met all the contractual standards, but that have otherwise demonstrated positive performance (or improvement on the previous year).

6. You have sole discretion to assess whether a sponsor has performed satisfactorily against their contracted performance standards, in order for the Ministry to make the performance retention payments (schedule 7, clause 1.4 (i) (ii) charter school contract).
7. If you agree with the assessments of the Advisory Group, the Ministry will release the 1% retention payments to the five schools whose performance was assessed as 'satisfactory'. We will release 0.5% discretionary retention payments as grants to two schools whose performance was assessed as 'almost satisfactory'. The two further schools whose performance was assessed as 'almost satisfactory' were considered not eligible because they have benefited from higher funding in 2017 than their actual roll would have allowed. The Ministry will release no retention payment to one school whose performance was assessed as 'not satisfactory' in 2017 against their agreed performance standards. You have authority to approve discretionary payments as grants.

8.



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

9. If you agree, this Education Report will be proactively released in October 2018 as part of the next scheduled proactive release of charter school information. The Tomorrow's Schools Taskforce has requested the Advisory Group's report at the earliest availability. Your agreement is also sought on this request.

## Recommended Actions

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The Ministry of Education recommends you:

- a. **note** the appended report of the Advisory Group on Charter School's advice to you on the 2017 performance of ten charter schools;

**Noted**

- b. **note** the total operational funding for 2017 was approximately \$16.5 million, and approximately \$165,000 (1%) was withheld by the Ministry in accordance with the at-risk funding policy;

**Noted**

- c. **agree** to the Advisory Group on Charter Schools' advice that the following charter schools' 2017 performance as assessed against their contracted performance standards was 'satisfactory' overall:

- i. The Rise UP Academy;

**Agree / Disagree**

- ii. Te Kura Hourua O Whangarei Terenga Paraoa;

**Agree / Disagree**

- iii. Te Kāpehu Whetū – (Teina);

**Agree / Disagree**

iv. Te Aratika Academy;

Agree / Disagree

v. Te Kōpuku High;

Agree / Disagree

- d. **agree** that the Ministry will release 1% retention payments to the five charter schools if you agree to the Advisory Group's proposed assessments above;

Agree / Disagree

- e. **agree** to the Advisory Group on Charter School's advice that the following charter schools' 2017 performance as assessed against their contracted performance standards was 'almost satisfactory' overall:

i. South Auckland Middle School;

Agree / Disagree

ii. Vanguard Military School;

Agree / Disagree

iii. Pacific Advance Secondary School;

Agree / Disagree

iv. Te Kura Māori o Waatea;

Agree / Disagree

- f. **note** that Pacific Advance Secondary School and Te Kura Māori o Waatea have benefited from higher funding in 2017 than their actual roll would have allowed, and on this basis were not included in recommendation g below;

**Noted**

- g. **agree**, only if you agreed with rec e(i) and e(ii) above, that the Ministry will make 0.5% discretionary retention payments as grants for the purpose of operating South Auckland Middle School and Vanguard Military School;

Agree / Disagree

- h. **agree** to the Advisory Group on Charter School's advice that the following charter school's 2017 performance as assessed against its contracted performance standards was 'not satisfactory' overall, and, as such, the Ministry will not make a retention payment to that sponsor:

i. Middle School West Auckland;

Agree / Disagree

- i. **indicate** whether, having considered the advice of the Advisory Group, you would like further advice or clarification from the Advisory Group or take up the invitation from the Acting Chair to meet;

Yes / No

- j. **indicate** whether, having considered the advice of the Advisory Group, you would like further advice from the Ministry;

Yes / No

- k. **agree** to forward the Advisory Group's report to the Tomorrow's Schools Taskforce to be considered for information as part of their review;

Agree / Disagree

- l. **agree** that this report be included in the next scheduled proactive release of charter school information after appropriate redactions and consultation with sponsors.

Agree / Disagree

*Release*

Pauline Cleaver  
**Deputy Secretary (Acting)**  
**Early Learning and Student Achievement**

17/09/2018



Hon Chris Hipkins  
**Minister of Education**

19/9/18



## Background

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10. Under the partnership school kura hourua (charter school) model, sponsors are contracted to meet agreed outcomes in return for bulk funding, certain flexibilities and management discretion in how the school operates. 'Outcomes' are set as objectives and performance standards in their contracts.
11. Charter school contracts include detailed performance standards that are specific to each sponsor's school. Performance standards include: student achievement, student engagement, targeting priority learners, and financial performance.
12. The Ministry manages the contracts with sponsors and provides analysis of sponsor self-reported performance against contract performance standards. The Advisory Group is advised of performance issues where applicable, and provides you with their advice on the performance of each charter school once annual student achievement results are finalised.
13. Under charter school contracts the sponsor's performance is assessed against their performance standards by the Minister of Education and assigned to one of the following categories of performance: exceeds, meets, almost meets, does not meet but is capable of remedy, or does not meet and is incapable of remedy (part 3, clause 20.2 (b) charter school contract). You have discretion when assessing a sponsor's performance to take into account a wide range of available information, in addition to reports provided by the sponsor through the contract reporting regime.
14. You appointed the Advisory Group on Charter Schools on 2 May 2018 to provide you with advice on the performance of charter schools. The Advisory Group replaces the former Partnership School Kura Hourua Authorisation Board, whose term expired on 1 March 2018.
15. The Advisory Group's report to you on the performance of charter schools for the 2017 school year, including a cover letter from the Acting Chair, Bernardine Vester, is attached to this Education Report in Appendix 1.
16. Charter school contracts include a funding retention clause whereby the Minister retains 1% of total operational funding in line with the 'at risk funding policy', until annual performance assessments for each school are finalised. Clause 1.4(i)(ii) of schedule 7 of the charter school contract stipulates that the 1% payments will be made to the sponsor provided that the Minister is satisfied (in the Minister's sole discretion) that the sponsor has met all the performance standards for the relevant school year.
17. The total operational funding for 2017 was approximately \$16.5 million, and approximately \$165,000 was withheld by the Ministry, in accordance with the at-risk policy.
18. Once you have finalised your assessment on each school's performance, informed by the advice of the Advisory Group, the Ministry will pay the retention payments where applicable.
19. This is the second charter school performance assessment report you have received this year (you received the 2016 report from the Authorisation Board on 23 March, METIS 1111118). Informed by their report and on the basis of your assessment decisions, the Ministry released 1% payments to five of the eight charter schools.
20. There were two Round Three charter schools that opened in 2017, Te Aratika Academy and Te Kōpuku High. This is their first year of operation and the first time you have been advised on these schools' performance.

21. In order to consider school performance against student achievement performance standards, the Advisory Group waits until all results have been finalised. NCEA leaver data is not finalised until August the following year. This means a considerable time period has elapsed before annual performance can be fully assessed.

## Report from the Advisory Group on Charter Schools

22. The Advisory Group has applied a reasonably consistent approach as with the previous years' assessments and in accordance with the requirements of the performance management system set out in charter schools contracts with the Crown.
23. They have considered a range of assessment information from the following sources: sponsors' quarterly and annual reports (which include self-reported National Standards and Ngā Whanaketanga Rumaki Māori (NWRM) results for those schools with students in Years 1-8); Education Review Office (ERO) review reports; NCEA results (for secondary schools); expert analysis by PricewaterhouseCoopers (PwC) of the schools' financial statements; and expert analysis by Dr Kane Meissel<sup>1</sup> of the schools' National Standards and NWRM student achievement results.
24. The Advisory Group has assessed the schools' results on each performance standard and assigned each to the contracted categories of exceeded, met, almost met or not met (capable/incapable of remedy). This is consistent with previous assessments. A new overall rating has also been provided for the 2017 assessments. These overall ratings are described as: satisfactory; almost satisfactory; and not satisfactory. The overall assessments include the Advisory Group's qualitative assessments. While the categories look different to the assessment approach from previous years, the Authorisation Board also exercised the approach of grouping assessments and providing an overall rating. Consistent with the approach by the Authorisation Board in previous years, they placed greatest weight on student achievement results.
25. In addition to the standard 1% retention payment, the Advisory Group has proposed you consider agreeing to a discretionary payment of 0.5% to two schools whose performance has not have met all the contractual standards, but that have otherwise demonstrated positive performance (or improvement on the previous year). These payments can be approved as a grant, provided for the purpose of operating the charter school.
26. In addition to assessing the performance of each school against agreed contracted performance standards, the Advisory Group has included in their report some reflections on the performance management system and contracting for performance (paragraphs 22 to 47).
27. They noted concerns about the one-dimensionality of the performance standards, which they consider are unable to provide a holistic picture of how a school has performed or of the 'value added' by the schools. They question whether the standards are set at the right level for each school, and have concerns about the reporting regime which relies heavily on self-reported information by sponsors. The Ministry's view is that the existing performance management system was based on the best available evidence at the time in 2012. If a new performance management system was necessary, we would have been able to develop a new system informed by the available evidence and experience from the charter school model.

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<sup>1</sup> The Ministry contracted Dr Meissel, a Senior Lecturer in Educational Psychology, at the University of Auckland.

28. Their view was that the financial incentive within the performance management system (the 1% retention payment) was not sufficient nor timely enough to materially influence the behaviour of sponsors. The 2016 performance assessment process concluded in April 2018, and the 2017 process is likely to be concluded in October 2018.
29. Overall the Advisory Group concludes that the outcomes-purchasing contract is not fit for purpose. They acknowledge, however, that in light of the impending end of the charter school model and the termination of charter school contracts, this is not the right time to suggest changes to the model or performance management system.

### Advisory Group overall assessments on charter school performance for 2017

30. The Advisory Group assessed the 2017 overall performance of the following five schools for the 2017 school year, against their contracted performance standards, as 'satisfactory':
- The Rise UP Academy
  - Te Kura Hourua o Whangarei Terenga Paraoa
  - Te Kāpehu Whetu (Teina)
  - Te Aratika Academy
  - Te Kōpuku High.
31. The Advisory Group assessed the 2017 overall performance of the following four schools, against their contracted performance standards as 'almost satisfactory':
- South Auckland Middle School
  - Vanguard Military School
  - Pacific Advance Senior School
  - Te Kura Māori o Waatea.
32. The Advisory Group assessed the performance of Middle School West Auckland against their contracted performance standards as 'not satisfactory'.
33. Table 1 is an excerpt from Advisory Group's report, entitled *Overall Assessment* (page 6, paragraph 21). It is a summary of the Advisory Group's final assessment and recommendations for each of the ten charter schools.

**Table 1: Advisory Group's overall assessment**

<i>Charter School</i>	<i>Student Achievement</i>	<i>Student Engagement</i>	<i>Priority Learners</i>	<i>Financial</i>	<i>Final Assessment</i>	<i>1% retention payment</i>	<i>0.5% retention payment</i>
<i>The Rise UP Academy</i>	●	✓	✓	✓	✓	Yes	N/A
<i>South Auckland Middle School</i>	×	✓	✓	✓	●	No	Yes
<i>Vanguard Military School</i>	✓	✓	×	×	●	No	Yes
<i>Te Kura Hourua O Whangarei</i>	✓	✓	✓	✓	✓	Yes	N/A
<i>Terenga Paraoa</i>	✓	✓	✓	✓	✓	Yes	N/A
<i>Pacific Advance Secondary School</i>	×	✓	✓	×	●	No	No
<i>Te Kāpehu Whetū (Teina)</i>	●	✓	✓	✓	✓	Yes	N/A
<i>Te Kura Māori o Waatea</i>	●	✓	✓	×	●	No	No
<i>Middle School West Auckland</i>	×	●	✓	×	×	No	No
<i>Te Aratika Academy</i>	✓	✓	✓	●	✓	Yes	N/A
<i>Te Kōpuku High</i>	✓	✓	✓	●	✓	Yes	N/A

Key:

- ✓ Satisfactory
- Almost satisfactory
- ×

34. In making their assessments, the Advisory Group has used a level of qualitative judgement for those schools where performance against each standard was mixed. For example:

- Vanguard Military School's overall performance was assessed by the Advisory Group as almost satisfactory despite assessing their performance as 'satisfactory' in the student achievement performance standard. The Advisory Group had concerns that the school had not performed satisfactorily in both the financial performance and targeting priority learners standards.
- The Rise UP Academy's performance was assessed by the Advisory Group as 'satisfactory' despite their student achievement performance standard assessed as 'almost satisfactory'. This is because they had strong results for their Year 7 and 8 students, which indicated the school had placed these students in a good position to transition onto secondary school. The Advisory Group assessed their performance against the other three performance standards as 'satisfactory'.
- Although the overall performance of both Pacific Advance Secondary School and Te Kura Māori o Waatea was assessed as 'almost satisfactory', our advice to the Advisory Group was that they should not be paid the discretionary payment because they have benefited from higher funding in 2017 than their actual roll would have allowed.

35. We note the performance of the Round Three schools that opened in 2017, Te Aratika Academy and Te Kōpuku High, was assessed by the Advisory Group as satisfactory in their first year of operation.

### Ministry Comment

36. The Ministry, as secretariat to the Advisory Group, has provided analysis and advice to assist the members with their assessments. The final report of the Advisory Group report belongs to the Advisory Group.

37. The Ministry is satisfied that the approach taken by Advisory Group is consistent with the requirements of the charter school contracts. The Advisory Group formed its own independent view on the assessments it proposed to you.
38. Comments about the adequacy and appropriateness of the contract for outcomes model, the performance management system and the performance standards expressed in the Advisory Group's report are their opinions (paragraphs 22 to 47 of their report). We consider these points to be well-considered and make a worthy contribution to policy discussions around the charter school model. Annex

### 1% retention payment decisions from 2014 to 2017

39. Table 2 summarises the 1% retention payment decisions for charter schools in 2014, 2015, 2016 and the Advisory Group's current advice on for 2017. Note, 2017 is the first year where a 0.5% discretionary payment is proposed.
40. The 1% retention payment was received by four out of five schools (80%) in 2014; four out of nine schools (44%) in 2015; and five out of nine schools (56%) in 2016. In 2017, the Advisory Group proposes that five out of ten schools (50%) receive the 1% payment and two out of ten schools (20%) receive the 0.5% discretionary payment.

**Table 2: 1% retention payment decisions from 2014 to 2017**

Charter School	2014	2015	2016	2017 (proposed)
Te Pūmanawa o te Wairua	×	×	×	Contract terminated
The Rise UP Academy	✓	✓	✓	✓
South Auckland Middle School	✓	✓	×	0.5%
Vanguard Military School	✓	✓	✓	0.5%
Te Kura Hourua O Whangarei Terenga Paraoa	✓	✓	✓	✓
Pacific Advance Secondary School	Not open	×	×	×
Te Kāpehu Whetū (Teina)	Not open	×	✓	✓
Te Kura Māori o Waatea	Not open	×	✓	×
Middle School West Auckland	Not open	×	×	×
Te Aratika Academy	Not open	Not open	Not open	✓
Te Kōpuku High	Not open	Not open	Not open	✓
<b>Total 1% ✓</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>5</b>
<b>Total 0.5%</b>				<b>2</b>
<b>Total ×</b>	<b>1</b>	<b>5</b>	<b>4</b>	<b>3</b>
<b>Total number of schools</b>	<b>5</b>	<b>9</b>	<b>9</b>	<b>10</b>



## Process in the event your assessment is not accepted by a sponsor

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42. There is an established review process a sponsor may utilise if they complain about the assessment you make. If a sponsor challenges a decision, the disputes resolution process set out in the charter school contract will apply.
43. In the case of a challenge, a review could be recommended to you by the Ministry, following mediation, or earlier if the dispute resolution process is not activated. Such a process would allow you to reconsider the assessment and potentially re-assess it; the Ministry would release the retention payment if the result justified this action.

## Next steps and communications

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44. In the Advisory Group's covering letter to you, the Acting Chair, Bernardine Vester, has offered to meet with you should you require any further clarification, or wish to discuss any issues raised in their report.
45. If you agree with the Advisory Group's assessments, retention and discretionary payments will be made through a one-off (out-of-cycle) payment to applicable sponsors.
46. Funding is available within existing appropriations to make the payments. The retained funding was transferred from 2017/18 baseline to the current financial year's 2018/19 baseline for this purpose.
47. We recommend that sponsors are advised of decisions as soon as possible.
48. A draft press release and reactive messaging has been prepared to accompany any announcements regarding this report. The Ministry will liaise with your office regarding finalising this material and the timing of the release.

## Proactive Release

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49. We recommend that this Education Report is released, along with Annex 1 (the Advisory Group's cover letter and report), as part of the next scheduled proactive release of charter school information in October 2018, and after the Ministry has communicated the results to sponsors. Relevant redactions will be made under the Official Information Act 1982 relating to paragraph 41 'Contract Termination – negotiation sensitive' (9(2)(b)(ii) commercial sensitivity).
50. The Tomorrow's Schools Taskforce has requested a copy of the Advisory Group's report as part of their role of understanding schooling models in the New Zealand system. We recommend you agree to forward it to the Taskforce, once you have considered it and confirmed your assessments.

# **Advisory Group on Charter Schools**

## **Report to the Minister of Education On Charter Schools' 2017 Performance**

September 2018

## **Advisory Group on Charter Schools**

This report provides the independent advice of the Advisory Group on Charter Schools to the Minister of Education on 2017 charter school performance. The Advisory Group provides advice to the Minister of Education in accordance with its appointment and terms of reference. The Ministry of Education provided the Advisory Group with advice and secretariat support.

## **Advisory Group Members**

Bruce Adin (Chair)  
Bernardine Vester (Deputy Chair)  
Murray Jack  
Te Rau Kupenga  
Moe Milne  
Jason Swann

## **Disclaimer:**

The views and opinions expressed are the independent views of the Advisory Group. They do not necessarily reflect the personal views of the individuals or have the endorsement of the Ministry of Education, the Minister of Education, the New Zealand Government or of any Minister, or indicate the New Zealand Government's commitment to a particular course of action. The Ministry of Education is responsible for its advice and the presentation of the sponsors' self-reported results.

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## Purpose

1. This report provides the Minister of Education with our assessment of ten partnership schools kura hourua (charter schools) against the schools' contractual performance standards for the 2017 school year.

## Structure

2. In the first part of our report we provide background to the assessment process, and our reservations on the performance management system. The main body of the report provides the results for each of the charter schools against these standards, on a school by school basis, including our assessments. The appendices provide further information, including tables that show the results across all ten charter schools.

## Background

3. Under the charter school model, sponsors are contracted by the Crown (using an "outcomes-purchasing model") in return for bulk funding, flexibilities and absolute discretion in how the school is managed (Section 158H, Education Act).
4. Outcomes are set out as objectives and performance standards in the contracts. The reporting, audit, performance measurement and intervention mechanisms are all elements of the system that was designed to ensure that the performance standards are satisfactorily achieved and, if they are not satisfactorily achieved, then interventions can be taken to remedy this. Interventions range from serious - termination - to the issuing of a performance notice. Breaching the terms of the contract also can trigger interventions.
5. Appendix 1 provides a more detailed description of the charter school model and its performance management system.

## Role and scope

6. Our reflections on the performance management system are included in paragraphs 22 to 47 below.
7. Our role is to independently assess the performance of charter schools and provide the Minister with advice so final assessments of performance can be confirmed. The Minister considers performance when making decisions on whether or not to release the 1% performance retention payments to sponsors.
8. For the 2017 process we have provided further advice where there is a case for particular sponsors that have demonstrated their commitment to the core values in the contract of raising student achievement for priority learners. We propose you recognise sponsors that have had patterns of good performance and others that have made significant student achievement improvements (that were not enough in their own right to achieve the high student achievement standards). As Minister you have the power to exercise discretion and you may approve the release of retention funding if the justification is compelling. We have nominated 0.5% payments in those cases so there remains a clear distinction with 1% payments for full performance.
9. The Government policy to remove the charter school outcomes-purchasing model, including the termination of charter school contracts and applications to establish charter schools as schools in the state system, are out of scope for this report. We believe these matters are unlikely to have been a significant factor affecting the schools' performance in 2017.



## Assessment approach

10. There are four performance standards areas that sponsors are contracted to meet. These are:
  - student achievement
  - student engagement
  - targeting priority learners
  - financial performance.
11. There are several performance standards within each performance standard area, and the standards are specific for each school. The exception is the standard for targeting priority learners which has a single measure and is the same for all schools which has a single minimum standard of 75%.
12. To undertake this task for 2017 we have considered information from the following sources:
  - sponsors' quarterly and annual reports (self-reported National Standards and Ngā Whanaketanga Rumaki Māori results for those schools with students in Years 1 to 8)
  - ERO review reports
  - NCEA results (as applicable)
  - advice from the Ministry of Education acting as our secretariat
  - expert financial analysis by PricewaterhouseCoopers (PwC)
  - expert analysis by Dr Kane Meissel<sup>1</sup> of National Standards and Ngā Whanaketanga Rumaki Māori student achievement results (excluding Te Kōpuku High).
13. Several members of the Advisory Group have also visited some of the charter schools to better understand the context they are operating in. We contacted all sponsors in June 2018 so that introductory meetings could occur.
14. We have assigned each school with an overall assessment. This is based on whether or not we are satisfied that a sponsor has performed satisfactorily well against the performance standards for their school.
15. In making this overall assessment we have placed greatest weight on student achievement results as these outcomes are most closely related to educational outcomes and the general objectives of the charter school model.
16. To provide consistency, we have applied a similar approach to the assessment of charter school performance as the Partnership School Kura Hourua Authorisation Board did in previous years. This approach is in alignment with requirements set out in charter school contracts with the Crown.
17. We have limited our 'future focused' comments (such as suggestions for improvements to the performance management system) given the ending of the charter school model, and the termination of charter school contracts.

## Presentation of the comparative data

18. For each school and in each of performance area, we have presented the school 2017 results against their contracted performance standards. These standards vary across schools, and several vary from

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<sup>1</sup> Dr Meissel is a Senior Lecturer in Educational Psychology, at the University of Auckland.

year to year. For comparative purposes, we have also presented the 2016 results for decile 1 to 3 schools, as well as 2016 national average results in the student achievement tables.

19. Decile 1 to 3 has been used as a proxy comparator. We recognise, however, there are difficulties in using blunt measures like decile as the actual level of disadvantage of students enrolled at a charter school may be higher or lower.
20. Because the national collection of National Standards and Ngā Whanaketanga Rumaki Māori data was discontinued at the end of 2017, this report provides 2016 system-level national averages.

## Overall assessment

21. Our assessment has revealed mixed results across the ten charter schools.

Charter School	Student Achievement	Student Engagement	Priority Learners	Financial	Final Assessment	1% retention payment	0.5% retention payment
The Rise UP Academy	●	✓	✓	✓	✓	✓	-
South Auckland Middle School	✗	✓	✓	✓	●	✗	✓
Vanguard Military School	✓	✓	✗	✗	●	✗	✓
Te Kura Hourua O Whangarei	✓	✓	✓	✓	✓	✓	-
Terenga Paraoa Pacific Advance Secondary School	✗	✓	✓	✗	●	✗	✗
Te Kāpehu Whetū (Teina)	●	✓	✓	✓	✓	✓	-
Te Kura Māori o Waatea	●	✓	✓	✗	●	✗	✗
Middle School West Auckland	✗	●	✓	✗	✗	✗	✗
Te Aratika Academy	✓	✓	✓	●	✓	✓	-
Te Kōpuku High	✓	✓	✓	●	✓	✓	-

Key:

✓ Satisfactory

● Almost satisfactory

✗ Not satisfactory

- Not applicable

## Reflections on the performance management system

22. The Advisory Group's task was to assess whether performance standards, as specified in contracts, had been met. We have reflected upon the appropriateness of the performance standards to understand the success, or otherwise, of the outcomes-purchasing model and the overall performance of individual schools.
23. The one-dimensional performance standards are unable to provide a sufficiently rich picture of how a school is performing. The measures used did not offer rigorous assessment of the 'value-added' by schools; could not demonstrate 'innovation'; did not reflect cultural and social added-value for the priority learner group; and offered no pathways to improvement or for sharing good practice.
24. We also have concerns about a reporting regime which relies heavily on self-reported information by sponsors.
25. The quality and level of reporting is particularly variable in assessing financial performance. In addition, it is doubtful that the financial incentive within the performance management system is sufficient and

timely enough to materially influence the behaviour of the sponsors. Performance management systems work best when there are a small number of relevant measures with meaningful incentives for strong performance.

26. We conclude that the outcomes-purchasing contract is not fit-for-purpose. We elaborate on these concerns below.

### *Student achievement performance measures*

27. The student achievement and engagement performance standards set within contracts do not provide a meaningful or holistic picture of what the charter school may or may not have achieved for their students over the year. In addition, the student achievement standards may be unrealistically high given the overall student profile at the schools. This is likely to be particularly so in the early years of schools' establishment.
28. We note that some charter schools may have not met their contracted performance standards, but may, nevertheless, be making positive contributions to their students' education, wellbeing and their future. Such gains are not captured in an outcomes assessment approach. To more clearly ascertain what difference the charter school is making to students over time, we would have liked to see progress measures alongside year end achievement standards in the performance framework for Years 1 to 10. This would have given a fuller picture of what gains the school has made particularly for those students who enter the school with low levels of achievement.
29. We understand the previous Government had high expectations for charter schools. However, given the profile of many of the students, these performance standards may be unrealistically high in some cases. The 85% performance standard for National Standards and Ngā Whanaketanga Rumaki Māori subjects is higher than 2016 national average results<sup>2</sup> and significantly higher than the average results for decile 1 to 3 schools. We understand that this performance standard is also higher than the previous Government's Better Public Services national target that '80% of Year 8 students are learning at or above the standard in Mathematics and Writing'<sup>3</sup>. It appears no allowance was made for those schools who enrol more than 75% priority learners.
30. The NCEA Level 2 standard of 85% (which applies to three of the four secondary charter schools) is also higher than the 2016 national average result of 80.3%. It is consistent with the previous Government's Better Public Services target for the education system. However, we consider the outcomes being purchased made no reference at all to important cultural, social and economic contexts for learning for these students.

### *Student engagement performance measures*

31. Given that sponsors report that many of their students have a history of disengagement from education prior to enrolling at a charter school, we would have liked to have seen other measures of student engagement rather than the relatively narrow measures of unjustified absences, stand-downs, suspensions and exclusions. Some of these measures would also seem to potentially conflict with the requirement to provide a safe and positive learning environment for all students. Ideally

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<sup>2</sup> The 2016 national average results were 78% for Reading, 71% for Writing and 75% for Mathematics and 69% for Pānui, 58% for Tuhituhi, 60% for Kōrero, and 65% for Pāngarau.

<sup>3</sup> As part of the Better Public Services programme, in 2017 the previous Government introduced new national targets to improve mathematics, pāngarau, writing and tuhituhi and literacy skills for all students. The targets were that by 2021 80% of Year 8 students will be achieving at or above the National Standard in mathematics, or at Manawa Ora or Manawa Toa in Ngā Whanaketanga Rumaki Māori pāngarau and 80% of Year 8 students will be achieving at or above the National Standard in writing, or at Manawa Ora or Manawa Toa in Ngā Whanaketanga Rumaki Māori tuhituhi. In January 2018 the Government announced that the Better Public Services programme would not continue in this form.

schools would have collected student information about previous disengagement at the point of enrolment.

32. While we applaud the contractual performance requirement for charter schools to undertake the Wellbeing@School survey on an annual basis, we have no visibility of the survey results. We understand that ERO looks at these results when they carry out their school reviews, however, these reviews are not done on an annual basis, and it is not possible to assess improvement over time. (The Ministry advised us that there were concerns that to contractually require the sponsors to report the results of their school survey to the Ministry would diminish the openness of responses)

### *Financial performance measures*

33. We have relied heavily on PwC's analysis of charter schools' 2017 financial statements in our assessment of the schools' financial performance. There are a number of overall matters that we wish to highlight relating to the quality and level of financial reporting.
34. We note that the enrolment variance performance standard was not maintained as originally envisaged in the policy development process [METIS 809215]. The Advisory Group determined it was focused on the standards that applied in 2017. Therefore, we did not review the policy leading up to them. However, it appears that some sponsors benefit from property funding at much higher levels than their actual rolls suggest.
35. The PwC analysis revealed discrepancies from the sponsors' reports and those from their audited and unaudited financial statements. This may signal a general misunderstanding of the key financial metrics to be disclosed in the quarterly reporting periods. These variances may also reflect a wider issue about what and how sponsors perceive they should be disclosing as part of their quarterly (interim) performance reporting. There are enough questions remaining for us to cast doubt on the reliability of financial data provided by sponsors during the quarterly reporting periods and/or the value of asking for this. PwC comments that this is a potential risk area for the Crown, and we agree.
36. Linkages between the sponsors, the charter schools and related parties are evident in some financial statements. Some sponsors have other operations outside of their charter school contracts (eg other businesses, schools, cultural or social services). The reporting regime does not make clear whether funding is contributing directly to the school operations or supporting other operations of the sponsor. This may distort financial performance and lead to misrepresentations of the true financial position of each school/sponsor. This also poses a risk to the Crown, as, for example, an insolvency event of the sponsor's other operations may not be anticipated from reviewing the school accounts but would impact on the sponsors ability to meet its obligations in relation to their charter school contract.
37. The reporting does also not reveal the level of financial contributions that sponsors may have made to the schools' operations.
38. [REDACTED]

s 9(2)(j) OIA

39. Reflecting on the financial performance standards, PwC considers the performance measures are appropriate for understanding the profitability, liquidity and leverage of each school (ie financial health of the school). However, they query whether the targets (the standard) for each measure are set at the right level. Specifically PwC questioned whether the working capital ratio (2:1) is too high in the context of a business that has low levels of risk in relation to its revenue (ie regular fixed payments from the Crown). PwC suggests that if the model were to have continued, a review of the financial performance standards would have been advisable.



40.

s 9(2)(j) OIA

41. Our view is that the current financial performance standards do not respond to the level of complexity of a sponsor's operations. They are only suited to situations where there is a single-school and simple sponsor entity – much like a board of trustees for a state school.
42. There is a tension under the outcomes-purchasing model. The financial reporting regime potentially returns "false negative" results. One of the first principles of the model is that the contracts should envisage a "hands-off" approach. Where sponsors take risks or make bad decisions, they may actually fail. The performance measures undermine that approach; but without them, there is clear risk to the Crown.

#### *Application of the performance measures and retention payments*

43. Consistent with the approach in previous years, and notwithstanding the reservations expressed above, we have applied the performance regime as agreed in the contracts.
44. The Ministry consulted sponsors on the description of the schools included in the individual school assessments below. Sponsors also got the opportunity to re-check their student engagement data.
45. Convention has established that the assessment process is completed across all schools in a given year only after final NCEA results become available (July or August, for the preceding year). This approach has imposed an avoidable delay on the primary charter schools from receiving their retention funding.
46. Education outcomes take time to measure, and measures like school leaver outcomes do not lend themselves to any faster assessment. However, this has placed us in a difficult position. The intention for the retention funding aspect of the process was to provide an incentive for good performance.
47. We would have liked to explore a differential approach for primary schools compared to secondary schools, to ease sponsor concerns at the delay releasing retention funding. However, some charter schools are subject to both primary and secondary measures. We welcome a "fast-track" approach for the 2018 assessment process.
48. Once our assessments are confirmed by you, the Ministry will make arrangements to release retention funding (1.0%). In some cases we recommend discretionary retention payments (0.5%) to recognise performance. We note that only very small sums are involved.



**School:** The Rise UP Academy

**Sponsor:** Rise UP Trust

**Roll:** 108

**Year levels:** 1-8

**Opened:** 2014 (Round One)

**Location:** Mangere East, Auckland

49. The Rise UP Academy is located in Mangere East, South Auckland and is operated by the Rise UP Trust. This is a co-educational primary school that originally catered to students in Years 1 to 6 and since 2016 includes students up to Year 8. At 1 July 2017, it had a roll of 101 students. In the end of year reporting, the sponsor reported that they had 108 students enrolled. Approximately 80% of the students identified as Pacific and 20% identified as Māori (see Appendix 2).
50. The sponsor aims to "connect hearts and minds through whānau and communities learning together, growing sharp minds, strong bodies and good hearts". The sponsor's objectives are to provide effective governance, excellent teaching and learning and to build whānau engagement and successful Rise UP students.
51. The New Zealand Curriculum forms the basis of the curriculum provided. There is a particular emphasis on building critical thinking skills, problem solving and inquiry learning across the curriculum. Most children take part in a voluntary afterschool programme. During this programme the children have opportunities to take part in sporting and cultural activities that give breadth to the curriculum.
52. The Rise UP Academy provides religious instruction to students during school hours. This takes the form of Christian daily devotions. Bible stories and verses are an integral part of the context for classroom learning.
53. The sponsor has reported that 100% of the curriculum is taught by registered teachers with current practising certificates. The school started using the Progress and Consistency Tool (PaCT) in 2017.

### ***Student Achievement***

54. Of the 108 students enrolled, the sponsor reported National Standards achievement data for 97 students in Reading, Writing, and Mathematics. The school noted that this minor discrepancy to the total number related to students "who have been at school for less than 40 weeks, students withdrawn or newly enrolled students who enrolled towards the end of the year".
55. The Rise UP Academy's student achievement performance standard against National Standards increased incrementally each year to the standard of 85% for 2017, from a starting point of between 56.6% and 78% in 2014. For some of the performance standards this represented an increase of more than 20% since 2014.

**Table 1 The Rise UP Academy Student Achievement at/above Performance**

Subject	Year Level	2017 Result	2017 Standard	2016 Decile 1-3 Average	2016 National Average	2016 Result	2016 Standard
Reading	Year 1	40%	85%	46%	62%	79%	75%
	Year 2	76%	85%	63%	77%	70%	83%
	Year 3	56%	85%	70%	81%	88%	84%
	Year 4	77%	85%	74%	84%	91%	84%
	Year 5	75%	85%	70%	81%	92%	81%
	Year 6	85%	85%	74%	84%	92%	83%
	Year 7	100%	85%	63%	75%	100%	80%
	Year 8	86%	85%	65%	78%	80%	80%
	Total	73%	N/A	66%	78%	86%	N/A
Writing	Year 1	53%	85%	61%	73%	86%	85%
	Year 2	71%	85%	62%	73%	80%	81%
	Year 3	56%	85%	59%	71%	88%	77%
	Year 4	77%	85%	61%	73%	82%	80%
	Year 5	67%	85%	57%	70%	92%	74%
	Year 6	69%	85%	61%	73%	92%	77%
	Year 7	82%	85%	54%	65%	83%	73%
	Year 8	86%	85%	56%	69%	60%	73%
	Total	69%	N/A	59%	71%	85%	N/A
Mathematics	Year 1	80%	85%	75%	84%	86%	79%
	Year 2	82%	85%	66%	78%	90%	78%
	Year 3	56%	85%	59%	73%	75%	74%
	Year 4	92%	85%	65%	77%	82%	75%
	Year 5	83%	85%	61%	74%	85%	69%
	Year 6	92%	85%	65%	77%	92%	72%
	Year 7	100%	85%	53%	68%	83%	65%
	Year 8	86%	85%	56%	71%	80%	70%
	Total	85%	N/A	63%	75%	85%	N/A

Source: Sponsor's quarter four/annual report and Ministry of Education

56. Students' results in Reading, Writing and Mathematics for the lower year levels were less satisfactory than for the higher year levels. Our view is that the sponsor appears to be building educational achievement up to higher levels by the time the students are ready to leave the school. If this is the case then it is a good example of a sponsor meeting the underlying student achievement objectives contemplated by the performance regime.
57. Total results across the three subjects showed the Rise UP Academy achieving significantly above the 2016 decile 1 to 3 schools' average totals. Their Mathematics total result of 85% was significantly above the 2016 national average total of 63%, as shown in Table 1.
58. It is notable that while the 2016 performance standards were lower, most the school's 2017 results showed a decline from their 2016 results. In 2017, the Rise UP Academy reported that they started using PaCT. It is likely that this will have supported greater accuracy and consistency in overall teacher judgements.
59. While there were no performance measures to demonstrate progress in their contracts, an analysis of the school's National Standards data between quarters one and four in 2017 was conducted by Dr Kane Meissel. It showed a slight improvement in Mathematics, but no significant improvement in Reading and Writing across all year groups (see Appendix 3).
60. ERO reported in the August 2016 review that the school was 'continuing to develop its capability to improve educational outcomes for all its students'.



### Advisory Group Assessment

#### Student achievement performance overall – **almost satisfactory**

While their results across most year levels have not met the 2017 performance standards, their results are higher than the 2016 decile 1-3 average. The results against all the individual performance standards reveal a mixed picture. The stronger results for their Year 7 and 8 students indicate the school is supporting these students to be in a good position as they transition onto secondary school. The end result for students' leaving Rise Up was material to our overall assessment rating. Considering these results across all subjects and year levels, we have assessed the Rise UP Academy performance against their student achievement performance standards as being 'almost satisfactory'.

#### Student Engagement

61. The Rise UP Academy met their nine student engagement performance standards for 2017, as shown in Table 2.
62. The sponsor reported:
  - 36 days of unjustified absences for Years 1 to 6 (the performance limit was 173 days)
  - 10 days of unjustified absences for Years 7 to 8 (the performance limit was 97 days)
  - 0 stand-downs (the performance limit was 0 for Years 1 to 6, and 1 for Years 7 to 8)
  - 0 suspensions (the performance limit was 0 for Years 1 to 6, and 1 for Years 7 to 8)
  - 0 exclusions (the performance limit was 0).

**Table 2 The Rise UP Academy Student Engagement Performance**

Year Level	Unjustified Absences		Stand-Downs, Suspensions, Exclusions				School Culture
	2017 Result	2017 Standard		Year Level	2017 Result	2017 Standard	
Year 1-6	36	173	Stand-downs	Year 1-6	0	0	Wellbeing@ School Survey completed
				Year 7-8	0	1	
			Suspensions	Year 1-6	0	0	
				Year 7-8	0	1	
Year 7-8	10	97	Exclusions	Year 1-6	0	0	
				Year 7-8	0	0	

Source: Sponsor's quarter four/annual report

63. The Wellbeing@School Survey was conducted in October 2017. The school reported that various strategies were implemented to ensure that students feel safe and happy at the school and are able to develop useful social competencies. They also reported in their 2017 quarter four/annual report that "the number of students who experience aggressive behaviours has reduced".
64. ERO last visited the school in August 2016. ERO reported that the school "had improved systems for communicating concerns about attendance quickly to parents". ERO's investigations confirmed that "good use has been made of the Wellbeing@school survey data to ensure effective strategies are in place so that students feel safe and happy at the school, and are able to develop useful social competencies" (<http://www.ero.govt.nz/review-reports/the-rise-up-academy-29-08-2016/>).

### Advisory Group Assessment

#### Student engagement performance overall – **satisfactory**

These results indicate the school is doing well to engage its students.

## Priority Learners

65. The Rise UP Academy met the performance standard for having at least 75% of their student roll as priority learners. The sponsor reported that 100% of the students were from one or more of the priority learner groups.

### Advisory Group Assessment

#### Enrolment of priority learners – **satisfactory**

All of their students are reported to be priority learners.

## Financial Performance

66. The Rise UP Academy exceeded the working capital ratio and debt-to-equity ratio and met the operating cash flow and enrolment variance performance standards, but the school did not meet the operating surplus performance standard, as shown in Table 3.

**Table 3 The Rise UP Academy Financial Performance**

Operating Surplus (Performance Standard: 2 to 5%)	Working Capital Ratio (Performance Standard: 2:1 or above)	Debt/Equity Ratio (Performance Standard: 0.5:1 or less)	Operating Cash Flow (Performance Standard: Positive)
-1.2%	4.59:1	0.15:1	\$22,000

Source: Partnership Schools Kura Hourua Analysis of 2017 Financial Statements by PwC

67. The Rise UP Academy had a recorded net loss of around \$14,000 for the 2017 financial year. The school had a negative operating surplus and this had decreased from the 2016 financial year.
68. For operating cash flow, the Rise UP Academy's cash balance decreased from \$549,000 to \$403,000 in the 2017 financial year. The PwC analysis noted that the sponsor reported a negative operating cash flow, which was mostly attributable to receiving operational funding from the Ministry in advance of the 2017 financial year. If this funding was received in 2017, the Rise UP Academy would have a positive operating cash flow (our assessment factored this attribution, Table 3 refers).
69. The school met its performance standard in relation to enrolment variance throughout 2017. The performance standard is 100 students. The actual roll throughout 2017 was between 100 and 108 students, as shown in Table 4. As this was the fourth year, no guaranteed minimum funding applied. We note that enrolment variance was increased to 150 for 2018.

**Table 4 The Rise UP Academy Enrolment Variance across Quarters**

2017 Enrolment Variance	Q1	Q2	Q3	Q4	Average
Actual Roll (Standard:100; Maximum: 200)	100	101	108	108	104

Source: Sponsor's quarter four/annual report

### Advisory Group Assessment

#### Financial performance overall – **satisfactory**

Considering the results across the five standards, we are satisfied with performance in this area.

### **Advisory Group Final Assessment of the Rise UP Academy in 2017**

#### **Overall performance – satisfactory**

We have considered the results across the four performance standard areas and, while they achieved one 'almost satisfactory' for student achievement, targeting of priority learners was 100%. We assessed Rise Up Academy's final performance as being 'satisfactory'.



**School:** South Auckland Middle School

**Sponsor:** Villa Education Trust

**Roll:** 174

**Year levels:** 7-10

**Opened:** 2014 (Round One)

**Location:** Wattle Downs, South Auckland

70. South Auckland Middle School is located in Wattle Downs, South Auckland and the sponsor is Villa Education Trust. This is a co-educational middle school catering to Year 7 to 10 students. At 1 July 2017, it had a roll of 180 students. The sponsor reported a roll of 174 at year end. Approximately 52% of the students identified as Pacific and 32% as Māori (see Appendix 2).
71. The school operates using an individualised education approach with a strong emphasis on thinking skills and learners understanding how they think and learn, collaboration and cooperation amongst students, families, whānau and the wider community and students, and building personal character through applied Christian values.
72. The school uses their own Integrated Project Based Curriculum that encompasses the essential learning areas of The New Zealand Curriculum. The school has a strong focus on core learning areas in the mornings and opportunities for success across the breadth of the curriculum in the afternoons.
73. The sponsor reported that 92% of the curriculum is taught by registered teachers with current practising certificates.
74. Villa Education Trust also operates another charter school, Middle School West Auckland in Henderson and a private school, Mt Hobson Middle School in Remuera, Auckland. We met with the sponsor representative in July 2018.

### ***Student Achievement***

75. Of the 174 students enrolled at year end, the sponsor reported National Standards achievement data for 88 Years 7 and 8 students. There were no performance standards applied for students in Years 9 and 10 in their contract, nor were there system-level assessment standards (not including teachers' tracking of individual student progress against the levels in the New Zealand Curriculum).
76. The previous Government agreed for the Ministry to work with Villa Education Trust to develop additional measures to demonstrate progress of students, using baseline testing of their newly enrolled students. This was to include measures to show value-added progress for Years 9 and 10. With the change of Government policy on charter schools in 2017, however, the work to develop new measures was no longer a priority because the charter school model was to be removed.
77. The school's 2017 student achievement results are provided in Table 5. Reported results show that the school did not achieve its six educational performance standards for Reading, Writing or Mathematics for students in either Years 7 or 8.
78. South Auckland Middle School's student achievement performance standards against National Standards increased incrementally each year to the standard of 85% for 2017 from a starting point of between 50.8% and 61.6% in 2014. For some of the performance standards this represented an increase of more than 20% since 2014.

**Table 5 South Auckland Middle School Student Achievement at/above Performance**

Subject	Year Level	2017 Result	2017 Standard	2016 Decile 1-3 Average	2016 National Average	2016 Result	2016 Standard
Reading	Year 7	68%	85%	63%	75%	41%	82%
	Year 8	64%	85%	65%	78%	53%	83%
	Total	66%	N/A	64%	77%	46%	N/A
Writing	Year 7	64%	85%	54%	65%	48%	77%
	Year 8	55%	85%	56%	69%	63%	79%
	Total	59%	N/A	55%	67%	54%	N/A
Mathematics	Year 7	59%	85%	53%	68%	55%	77%
	Year 8	46%	85%	56%	71%	57%	79%
	Total	52%	N/A	55%	69%	55%	N/A

Source: Sponsor's quarter four/annual report and Ministry of Education data

79. The school's total 2017 results for Reading and Writing had improved from 2016, and were above the 2016 decile 1 to 3 schools' average totals. However, the total results for Reading, Writing and Mathematics were lower than the 2016 national average totals, as shown in Table 5.
80. While there were no performance measures to demonstrate progress in their contract, an analysis of the school's National Standards data between quarters one and four in 2017 was conducted. It showed a slight improvement in Reading and Writing, but no significant improvement in Mathematics (see Appendix 3).
81. ERO reported in August 2016 that the school "is not yet meeting all the obligations in the Agreement. However, it has demonstrated that it has the capability to continue to improve educational outcomes for all its students" (<http://www.ero.govt.nz/review-reports/south-auckland-middle-school-29-08-2016/>).

### **Advisory Group Assessment**

#### **Student achievement performance overall – not satisfactory**

While their results did not meet the contracted performance standards, we note there are areas of improvement in results since 2016, and that total results for Reading and Writing are higher than the 2016 decile 1-3 averages. There are no standards set in the contract with which to assess student achievement performance at the school for students in Years 9 and 10, so no assessment has been made. Considering their Year 7 and 8 results across all subjects we have assessed South Auckland Middle School's performance as 'not satisfactory'.

### **Student Engagement**

82. South Auckland Middle School met three of the five student engagement performance standards for 2017, as shown in Table 6. It did not meet the standard for suspensions and stand-downs.
83. The sponsor reported:
  - 149 days of unjustified absences (the performance limit was 921 days)
  - 6 stand-downs (the performance limit was 4)
  - 2 suspensions (the performance limit was 1)
  - 1 exclusion (the performance limit was 1).

**Table 6 South Auckland Middle School Student Engagement Performance**

<i>Unjustified Absences</i>		<i>Stand-Downs, Suspensions, Exclusions</i>		<i>School Culture</i>
2017 Result	2017 Standard	2017 Result	2017 Standard	
149	921	Stand-downs	6	Wellbeing@School Survey completed
		Suspensions	2	
		Exclusions	1	

Source: Sponsor's quarter four/annual report

84. The Wellbeing@School Survey was conducted in October, 2017. The school reported that the results of the survey had been analysed by staff and the management team and the school was planning to implement wellbeing strategies from term two 2018.
85. As reported by ERO in its August 2016 report, the school was successfully building collaborative partnerships with parents to support their children's learning. ERO's investigations confirmed that "the school has made good use of the Wellbeing@School survey to inform decisions about improving school operations. Students rated the caring nature of the school culture highly and reported positively on their experiences in the school" (<http://www.ero.govt.nz/review-reports/south-auckland-middle-school-29-08-2016/>).
86. The sponsor was the only one to participate in surveys conducted by MartinJenkins, and it rated the findings as strong endorsements its student engagement approach. The report is publicly available: <https://www.educationcounts.govt.nz/publications/schooling/multi-year-evaluation-of-partnership-schools-kura-hourua-policy>.

#### **Advisory Group Assessment**

##### **Student engagement performance overall – *satisfactory***

The school suspended and stood-down more students than the agreed limit, however, it has met the other student engagement standards, and student comments indicate the school is working well to promote a positive school culture.

#### *Priority Learners*

87. South Auckland Middle School met the performance standard for having at least 75% of their student roll as priority learners. The sponsor reported that 93% of the students were from one or more of the priority learner groups.

#### **Advisory Group Assessment**

##### **Enrolment of priority learners performance – *satisfactory***

Almost all the enrolled students are reported to be priority learners.

#### *Financial Performance*

88. South Auckland Middle School met all of the financial performance standards, as shown in Table 7 and 8.



**Table 7 South Auckland Middle School Financial Performance**

Operating Surplus (Performance Standard: 2 to 5%)	Working Capital Ratio (Performance Standard: 2:1 or above)	Debt/Equity Ratio (Performance Standard: 0.5:1 or less)	Operating Cash Flow (Performance Standard: Positive)
3.9%	3.28:1	0.22:1	\$297,000

Source: Partnership Schools Kura Hourua Analysis of 2017 Financial Statements by PwC

89. South Auckland Middle School had a recorded net surplus of around \$84,000 for 2017. The operating surplus decreased from the previous year.
90. Villa Education Trust held the bank account for South Auckland Middle School. The cash balance recorded of \$624,000 was held by Villa Education Trust on behalf of South Auckland Middle School in the 2017 financial year.
91. The PwC analysis noted that the school had a negative operating cash flow of \$224,000, which was mostly attributable to receive the Ministry's operational funding in advance of the 2017 financial year. If this funding was received in 2017, South Auckland Middle School would have a positive operating cash flow (as shown in Table 7).
92. South Auckland Middle School exceeded its performance standard in relation to enrolment variance throughout 2017. The performance standard is 150 students. The actual roll throughout 2017 was between 174 and 180 students, which were higher than the performance standard, as shown in Table 8. As this was the fourth year, no guaranteed minimum funding applied.

**Table 8 South Auckland Middle School Enrolment Variance across Quarters**

2017 Enrolment Variance	Q1	Q2	Q3	Q4	Average
Actual Roll (Standard:150; Maximum:180)	175	180	174	174	175.8

Source: Sponsor's quarter four/annual report

### Advisory Group Assessment

**Financial performance overall – satisfactory**

We are satisfied with the results against the financial performance standards.

### Advisory Group Final Assessment of South Auckland Middle School in 2017

**Overall performance – almost satisfactory.**

We have considered the results across the four performance standard area. Student achievement results were not satisfactory but there were some improvements and targeting of priority learners was high at 93%. We assessed South Auckland Middle School's final performance as being 'almost satisfactory'.

**School:** Vanguard Military School

**Sponsor:** Advance Training Group Ltd

**Roll:** 140

**Year levels:** 11-13

**Opened:** 2014 (Round One)

**Location:** Rosedale, Auckland

93. Vanguard Military School is located in Rosedale, Auckland and is operated by Advance Training Group Limited. This is a co-educational senior secondary school. At 1 July 2017, it had a roll of 167 Year 11 to 13 students. The sponsor reported a roll of 140 at year end. Approximately 34% of the students identified as Māori, and 20% identified as Pacific.
94. The military ethos of the school has an emphasis on physical drill, character development and team work that is intended “to motivate students from disadvantaged backgrounds to achieve personal and academic success so that they have clear pathways to further training or employment.”
95. The school offers a curriculum that is based on The New Zealand Curriculum. Programmes are designed to enable students to achieve success in literacy and numeracy so that they have the necessary foundation for applying for further training or employment. A “recruit development” course is compulsory. Subjects offered include physical education, Te Reo Māori, English, mathematics, science, history, engineering and Defence Force studies.
96. The sponsor reported that 84% of the curriculum is taught by registered teachers with current practising certificates.

### **Student Achievement**

97. The student achievement performance standards for Vanguard Military School were school leavers with NCEA Level 1 or above and Level 2 or above. The school's performance standards had increased incrementally each year from 80.9% for NCEA Level 1 and 66.9% NCEA Level 2 in 2014 to the standard of 90% or above for NCEA Level 1, and 85% or above for Level 2 in 2017. For the school's NCEA Level 2 performance standard this represented an increase of more than 18% since 2014.
98. The school's 2017 NCEA student achievement results are provided in Table 9 below. The school leaver results for NCEA Level 1 was 94.2% and NCEA Level 2 was 88.4%.
99. These results showed that the students had achieved well in NCEA Level 1 and 2 and the school had exceeded the performance standards.

**Table 9 Vanguard Military School Student Achievement Performance**

NCEA Level	2017 Result	2017 Standard	2017 Decile 1-3 Average	2017 National Average	2016 Result	2016 Standard
School Leavers with NCEA level 1 or above	94.2%	90.0%	82.1%	89.6%	94.5%	88.4%
School Leavers with NCEA level 2 or above	88.4%	85.0%	70.6%	80.7%	80.0%	81.4%

Source: Ministry of Education

100. Considering results for the previous year, the 2017 NCEA Level 1 results were similar to 2016, and their NCEA Level 2 results had improved.
101. These 2017 results were higher than the 2017 national averages.

102. There were no performance standards in the sponsor's contract for NCEA Level 3 or University Entrance. However, these results, which provide context, are shown in Table 10 and have improved significantly since 2016.
103. Table 10 shows their 2017 NCEA level 3 or above results had increased from their previous year and were higher than the 2017 national average. The percentage of school leavers with University Entrance had also increased significantly from 2016; while this result was lower than the 2017 national average, it was higher than the average for decile 1 to 3 schools.

**Table 10 Vanguard Military School Student Achievement for NCEA Level 3 and University Entrance**

NCEA Level/University Entrance	2017 Result	2017 Standard	2017 Decile 1-3 Average	2017 National Average	2016 Result	2016 Standard
<i>School Leavers with NCEA level 3 or above</i>	59.3%	No standard	40.2%	54.4%	30.9%	No standard
<i>School Leavers with University Entrance</i>	26.7%	No standard	19.0%	40.1%	9.1%	No standard

Source: Ministry of Education

104. Table 11 shows achievement data for Māori, Pacific and European students. 88% of Māori school leavers gained NCEA Level 2 or above. 86% of Pacific school leavers gained NCEA Level 2 or above.

**Table 11 Vanguard Military School Student Achievement by Ethnic Group and Gender**

2017 NCEA Level/University Entrance	Ethnic Group						Gender			
	<i>Māori</i>		<i>Pacific</i>		<i>European</i>		<i>Female</i>		<i>Male</i>	
<i>School Leavers with NCEA Level 1 or above</i>	39	98%	20	95%	45	94%	33	100%	48	91%
<i>School Leavers with NCEA Level 2 or above</i>	35	88%	18	86%	42	88%	30	91%	46	87%
<i>School leavers with NCEA Level 3 or above</i>	20	50%	12	57%	31	65%	24	73%	27	51%
<i>School leavers with University Entrance</i>	9	23%	N/A		15	31%	12	36%	11	21%

Source: Ministry of Education

Note: 1. Ethnicity is self-assigned and students can belong to more than one ethnic group. 2. Student achievement results have been withheld as N/A to protect the privacy of individual students, where these results are less than 5.

105. While there were no performance measures to demonstrate progress in the Vanguard Military School contract, school leaver results of those students who met NCEA Level 1 Literacy and Numeracy Requirements from 2014 to 2017 showed consistently high results across these years (See Appendix 5).
106. ERO reported in August 2016 that school leaders have made good use of student feedback and analysis of student achievement data to review course provision to meet students' needs more closely. Very good systems are in place to monitor and track each individual student's progress and achievement (<http://www.ero.govt.nz/review-reports/vanguard-military-school-29-08-2016/>).



### Advisory Group Assessment

#### Student achievement performance overall – **satisfactory**

We commend Vanguard Military School on its strong student achievement results, which are well above the contracted performance standards and above the national averages.

#### Student Engagement

107. Vanguard Military School met all six student engagement performance standards for 2017, as shown in Table 12.

108. The sponsor reported:

- 489 days of unjustified absences (the performance limit was 726 days)
- no stand-downs (the performance limit was 3)
- 1 suspension (the performance limit was 1)
- 1 exclusion (the performance limit was 1)
- no expulsions (the performance limit was 0).

**Table 12 Vanguard Military School Student Engagement Performance**

<i>Unjustified Absences</i>		<i>Stand-Downs, Suspensions, Exclusions, Expulsions</i>			<i>School Culture</i>
2017 Result	2017 Standard		2017 Result	2017 Standard	
489	726	Stand-downs	0	3	Wellbeing@ School Survey completed
		Suspensions	1	1	
		Exclusions	1	1	
		Expulsions	0	0	

Source: Sponsor's quarter four/annual report

109. The school reported that the Wellbeing@School Survey had been completed and the main focus for 2018 was the development of a strong recruit-led leadership group, to enable the recruits to have greater input into the way the school operates.

110. As reported by ERO in the August 2016 report (<http://www.ero.govt.nz/review-reports/vanguard-military-school-29-08-2016/>), school leaders had made very good use of the survey findings to alter course content and programme delivery to promote desired outcomes for students. ERO noted that shared values and a commitment to service to others underpin relationships between and among staff and students, and students rated the school's caring teaching and learning culture most highly in the survey.

### Advisory Group Assessment

#### Student engagement performance overall – **satisfactory**

We are satisfied with the performance.



### Priority Learners

111. Vanguard Military School did not meet the performance standard for having at least 75% of their student roll as priority learners. The sponsor reported that 66% of their students were from one or more of the priority learner groups.
112. The sponsor stated that this result was a consequence of the open enrolment policy (required of all charter schools), which required them to accept all students, thus hindering their ability to limit enrolment of students to priority learners.
113. The proportion of priority learners at the school had decreased from 2016, when 73% of its students were priority learners.

#### Advisory Group Assessment

##### Enrolment of priority learners performance – not satisfactory

The school's performance on this standard has declined each year of operation, but 2017 is the first year that the school has not met the standard in any quarter during the year. It must be noted that the proportion of priority learners can have a bearing on performance in other areas – such as student achievement and student engagement. The school has significant capacity (under its maximum roll) to promote itself to enrol more priority learners.

### Financial Performance

114. Vanguard Military School almost met the operating surplus performance standard, but did not meet the working capital ratio, debt-to-equity ratio, operating cash flow and enrolment variance performance standards, as shown in Table 13.

**Table 13 Vanguard Military School Financial Performance<sup>4</sup>**

Operating Surplus (Performance Standard: 2 to 5%)	Working Capital Ratio (Performance Standard: 2:1 or above)	Debt/Equity Ratio (Performance Standard: 0.5:1 or less)	Operating Cash Flow (Performance Standard: Positive)
1.3%	0.65:1	9.8:1	-\$179,000

Source: Partnership Schools Kura Hourua Analysis of 2017 Financial Statements by PwC

115. Vanguard Military School had a net surplus of around \$38,000 and its operating surplus had improved from the 2016 financial year.
116. The majority of Vanguard Military School's current liabilities came from the Ministry's establishment funding held in advance. The PwC analysis suggested that the establishment funding had been used to fund the operations of the school.
117. The PwC analysis noted the shareholders of Vanguard Military School Limited had drawn cash out resulting in an overdrawn current account and contributing to the negative operating cash flow. The PwC analysis noted that cash had been drawn out by Advance Training Group Limited resulting a debt owned by Advance Training Group Limited to Vanguard Military School Limited. This was also contributing to the negative operating cash flow.

<sup>4</sup> PwC noted that Vanguard Military School's financial performance was assessed based on Vanguard Military School Limited's financial statements. PwC pointed out that Vanguard Military School Limited was not the sponsor of Vanguard Military School (the sponsor is Advance Training Group Limited) in the charter school's contract, but had been operating the school either as a sub-contractor or as if it were the sponsor. The Ministry advised it is working with the sponsor to address this issue in the context of termination discussions.

118. Vanguard Military School met its performance standard in relation to enrolment variance in the first two quarters of 2017, but did not meet the standard in the last two quarters. The performance standard is 156 students. The actual roll throughout 2017 started at 179 in quarter one and gradually decreased to 140 by quarter four, as shown in Table 14. However, the average roll over the year of 2017 was higher than performance standard.
119. The school's roll fell below their performance standard by 9 to 16 students for the last two quarters. The school reported that the decline of the actual roll can potentially be attributed to the school's policy of encouraging multiple 'exit points' throughout the year, as students achieve their qualification to go on to training/employment (often in the armed services).

**Table 14 Vanguard Military School Enrolment Variance across Quarters**

2017 Enrolment Variance	Q1	Q2	Q3	Q4	Average
Actual Roll (Standard:156; Maximum:192)	179	167	147	140	158.0

Source: Sponsor's quarter four/annual report

### Advisory Group Assessment

#### Financial performance overall – **not satisfactory**

We are not satisfied with the schools results against their financial performance standard. Our assessment highlights concerns about the school's financial results which PwC's analysis revealed as having the least transparent statements of all the charter schools.

This sponsor is a limited liability company that does not have charitable status. In addition it is unlike all the other sponsors which are required to report publicly its sponsor-level accounts (Charities website).

### Advisory Group Final Assessment of Vanguard Military School in 2017

#### Overall performance – **almost satisfactory**

The school's student achievement performance was commendable. However, performance against the targeting of priority learners was not satisfactory. Overall this was a concern because we considered it made the student achievement performance standards more achievable, as for example, compared to another charter school with more priority learners. We also have concerns arising from PwC's advice about financial performance. However our view was that the school operation appeared otherwise stable and the charter school model was intended to be "hands-off". We were also satisfied that the Ministry had a process underway in 2018 that should address any material financial concerns that were residual from 2017 (the contract termination process). We assessed Vanguard Military School's final performance as being 'almost satisfactory'.

**School:** Te Kura Hourua O Whangarei  
Terenga Paraoa

**Sponsor:** He Puna Marama Charitable Trust

**Roll:** 200

**Year levels:** 7-13

**Opened:** 2014 (Round One)

**Location:** Whangarei

120. Te Kura Hourua O Whangarei Terenga Paraoa is located in Whangarei and is operated by He Puna Marama Trust. This is a co-educational composite/secondary school catering to students in Years 7 to 13, which operates using a kaupapa Māori philosophy.
121. At 1 July 2017, the school had a roll of 212 Year 7 to 13 students. 2016 was the first year the school enrolled students in Years 7 and 8. The sponsor reported a roll of 200 at year end. 100% of their students identified as Māori.
122. The sponsor aims to operate the school within a kaupapa Māori philosophy that validates Māori culture and Māori worldviews; "delivers innovative akonga-centred education that provides progressive pedagogy, a constructivist approach and personalised learning; and works in collaborative partnerships with whānau, local schools and tertiary institutions". The sponsor's intentions are for the school to be "a responsive, 21st century learning organisation for akonga that has at its heart a Māori whakaaro."
123. Most students' whakapapa to Ngāpuhi and iwi within the Tai Tokerau region. Many of the students have family links to the A Company of the Māori Battalion whose history and traditions form a key element in the culture of the school.
124. The school curriculum is based on The New Zealand Curriculum and is underpinned by three pou, "Be Māori, Be Educated, Be Rangatira", which are woven throughout the programme. The school's curriculum aims to build a strong foundation in te reo Māori, English, mathematics, science, physical education and health, and life skills, such as financial literacy.
125. The sponsor reported that 86% of the curriculum is taught by registered teachers with current practising certificates.
126. He Puna Marama Trust also operates another charter school in Whangarei, Te Kāpehu Whetū (Teina) for younger students in Years 1 to 6. This is a contributing school for Te Kura Hourua O Whangarei Terenga Paraoa.

### ***Student Achievement***

127. The student achievement performance measures for Te Kura Hourua O Whangarei Terenga Paraoa were school leavers with NCEA Level 1 and Level 2. The performance standards had increased incrementally each year from 80.9% for NCEA Level 1 and 66.9% for NCEA Level 2 in 2014 to the standard of 85% for NCEA level 1 (at or above) and 85% for Level 2 (at or above) in 2017. For the school's NCEA Level 2 performance standard this represented an increase of around 18% since 2014.
128. National Standards student achievement performance measures for students in Years 7 and 8 were introduced into the contract in 2018, so are not represented in this report. There were no national standards applied for students in Years 9 and 10 in their contract, nor were there any system-level assessment standards.



129. The school's 2017 NCEA student achievement results are provided in Table 15 below. The school's school leaver results for NCEA Level 1 were 91.6% and NCEA Level 2 were 79.2%, as shown in Table 15.
130. Results showed that the school met the NCEA Level 1 performance standard. The school did not meet the performance standard for NCEA Level 2.

**Table 15 Te Kura Hourua O Whangarei Terenga Paraoa Student Achievement Performance**

NCEA Level	2017 Result	2017 Standard	2017 Decile 1-3 Average	2017 National Average	2016 Result	2016 Standard
<i>School leavers with NCEA Level 1 or above</i>	91.7%	85.0%	82.1%	89.6%	96.3%	85.0%
<i>School leavers with NCEA Level 2 or above</i>	79.2%	85.0%	70.6%	80.7%	77.8%	75.0%

Source: Ministry of Education

131. The 2017 results showed that their NCEA Level 1 had declined from 2016, but NCEA Level 2 had improved from the previous year. If the 2016 performance standard had remained in place, the 2017 NCEA results would have met the performance standards.
132. There were no performance standards in the sponsor's contract for NCEA Level 3 or University Entrance. However, these results, which provide context, are shown in Table 16.
133. Table 16 shows their 2017 NCEA Level 3 or above results had declined from their previous year and were lower than the decile 1 to 3 school average. The percentage of school leavers with University Entrance was higher than the decile 1 to 3 average.

**Table 16 Te Kura Hourua O Whangarei Terenga Paraoa Student Achievement for NCEA Level 3 and University Entrance**

NCEA Level/University Entrance	2017 Result	2017 Standard	2017 Decile 1-3 Average	2017 National Average	2016 Result	2016 Standard
<i>School leavers with NCEA Level 3 or above</i>	37.5%	No standard	40.2%	54.4%	37.0%	No standard
<i>School leavers with University Entrance</i>	37.5%	No standard	19.0%	40.1%	37.0%	No standard

Source: Ministry of Education

134. Table 17 shows achievement data for Māori, Pacific and European students. 79% of Māori school leavers gained NCEA Level 2 or above.

**Table 17 Te Kura Hourua O Whangarei Terenga Paraoa Student Achievement by Ethnic Group and Gender**

2017 NCEA Level/University Entrance	Ethnic Group			Gender	
	<i>Maori</i>	<i>Pacific</i>	<i>European</i>	<i>Female</i>	<i>Male</i>
<i>School leavers with NCEA Level 1 or above</i>	22 92%	N/A	nil	8 100%	14 88%
<i>School leavers with NCEA Level 2 or above</i>	19 79%	N/A	nil	8 100%	11 69%
<i>School leavers with NCEA Level 3 or above</i>	9 38%	nil	nil	6 75%	N/A
<i>School leavers with University Entrance</i>	9 38%	nil	nil	6 75%	N/A

Source: Ministry of Education

Note: 1. Ethnicity is self-assigned and students can belong to more than one ethnic group. 2. Student achievement results have been withheld as N/A to protect the privacy of individual students, where these results are less than 5.

135. While there were no performance measures to demonstrate progress in the contract for Te Kura Hourua O Whangarei Terenga Paraoa, school leaver results of those students who met NCEA Level 1 Literacy and Numeracy Requirements from 2014 to 2017 showed consistently high results after the school's second year of operation (2015) (See Appendix 5).
136. ERO reported in August 2016 that good systems were in place to support students with identified learning needs. Mentoring and coaching for senior students by Trust staff plays an important part in developing students' life skills and helping students determine pathways into future education or training. Good systems are in place to monitor the destination of school leavers (<http://www.ero.govt.nz/review-reports/te-kura-hourua-o-whangarei-terenga-paraoa-29-08-2016/>).

### Advisory Group Assessment

#### Student achievement performance overall – **satisfactory**

While Te Kura Hourua O Whangarei Terenga Paraoa did not meet the NCEA Level 2 performance standard by a small margin, the NCEA Level 1 is above the performance standard which is commendable. We recognise that their 2017 results are significantly higher than the 2016 decile 1-3 average and compare well with the national averages overall. No standards are set in the contract with which to assess student achievement in Years 9 and 10, and standards for Years 7 and 8 are set to commence in 2018 so could not be assessed. Considering the overall picture, we have assessed the performance against the performance standards as being 'satisfactory'.

#### Student Engagement

137. Te Kura Hourua O Whangarei Terenga Paraoa met four of the six student engagement performance standards for 2017, as shown in Table 18. It did not meet the standard for stand-downs and suspensions.
138. The sponsor reported:
- no days of unjustified absences (the performance limit was 1087 days)
  - 11 stand-downs (the performance limit was 5)
  - 4 suspensions (the performance limit was 1)
  - no exclusions (the performance limit was 1)
  - no expulsions (the performance limit was 0).

**Table 18 Te Kura Hourua O Whangarei Terenga Paraoa Student Engagement Performance**

<i>Unjustified Absences</i>		<i>Stand-Downs, Suspensions, Exclusions, Expulsions</i>			<i>School Culture</i>
2017 Result	2017 Standard		2017 Result	2017 Standard	
0	1087	Stand-downs	11	5	Wellbeing @School Survey completed
		Suspensions	4	1	
		Exclusions	0	1	
		Expulsions	0	0	

Source: Sponsor's quarter four/annual report

139. The school had more than double the performance standard (limit) for stand-downs and suspensions, but results for exclusions and expulsions were nil, thereby meeting the standard. The nil results for unjustified absences indicate strong engagement in the school.



140. The sponsor reported that the Wellbeing@School Survey was conducted in Term 3 2017.
141. ERO noted in their August 2016 report that the school reported that there were no full day unjustified absences in 2015, and that the school had "careful systems in place to monitor student attendance and to communicate quickly with whānau about any concerns" (<http://www.ero.govt.nz/review-reports/te-kura-hourua-o-whangarei-terenga-paraoa-29-08-2016/>).

#### Advisory Group Assessment

##### Student engagement performance overall – **satisfactory**

The school suspended and stood-down more students than their contracted limit, but performed satisfactorily against the other student engagement standards.

#### Priority Learners

142. Te Kura Hourua O Whangarei Terenga Paraoa met the performance standard for having at least 75% of their student roll as priority learners in 2017. The sponsor reported that 100% of the students were from one or more of the priority learner groups.

#### Advisory Group Assessment

##### Enrolment of priority learners performance – **satisfactory**

All the enrolled students are reported to be priority learners.

#### Financial Performance

143. Te Kura Hourua O Whangarei Terenga Paraoa almost met the operating surplus and exceeded the working capital ratio, debt-to-equity ratio and enrolment variance performance standards, but did not meet the operating cash flow performance standard, as shown in Table 19.

**Table 19 Te Kura Hourua O Whangarei Terenga Paraoa Financial Performance**

Operating Surplus (Performance Standard: 2 to 5%)	Working Capital Ratio (Performance Standard: 2: 1 or above)	Debt/Equity Ratio (Performance Standard: 0.5:1 or less)	Operating Cash Flow (Performance Standard: Positive)
0.4%	9.25:1	0.12:1	-\$173,000

Source: Partnership Schools Kura Hourua Analysis of 2017 Financial Statements by PwC

144. Te Kura Hourua O Whangarei Terenga Paraoa had a recorded net surplus. Its operating surplus improved on the 2016 financial year. However, PwC's analysis noted that wages, salaries and lease costs had increased in the 2017 financial year.
145. The school's cash and cash equivalents balance decreased from \$1.5 million to \$469,000 in the 2017 financial year.
146. PwC estimated that the school had a negative operating cash flow. This was mainly attributable to receiving the Ministry's operational funding in advance of the 2017 financial year.
147. Te Kura Hourua O Whangarei Terenga Paraoa mostly exceeded its performance standard in relation to enrolment variance throughout 2017. The performance standard is 200 students. The actual roll throughout 2017 was between 200 and 214 students, as shown in Table 20. If the contract was not being terminated we would recommend you consider increasing the enrolment variance limit to 300.

**Table 20 Te Kura Hourua O Whangarei Terenga Paraoa Enrolment Variance across Quarters**

<b>2017 Enrolment Variance</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Average</b>
Actual Roll (Standard:200; Maximum:300)	214	212	204	200	207.5

Source: Sponsor's quarter four/annual report.

#### **Advisory Group Assessment**

**Financial performance overall – satisfactory**

We are satisfied with their performance against their financial performance standards.

#### **Advisory Group Final Assessment of Te Kura Hourua O Whangarei Terenga Paraoa in 2017**

**Overall performance – satisfactory**

We have considered the results across the four performance standard areas. Student achievement was satisfactory and targeting of priority learners was high at 100%. We assessed Te Kura Hourua O Whangarei Terenga Paraoa's final performance as 'satisfactory'.



**School:** Pacific Advance Secondary School

**Sponsor:** The Pacific Peoples Advancement Trust

**Roll:** 64

**Year levels:** 11-13

**Opened:** 2015 (Round Two)

**Location:** Otahuhu, South Auckland

148. Pacific Advance Secondary School is located in Otahuhu, South Auckland and is operated by The Pacific Peoples Advancement Trust. This is a co-educational secondary school with objectives to provide a Pacific teaching and learning framework within a culturally responsive school environment built on Pacific values and worldviews.
149. At 1 July 2017, it had a roll of 83 Year 11 to 13 students. The sponsor reported a roll of 64 at year end. Approximately 86% of these students identified as Pacific and 12% identified as Māori.
150. Pacific Advance Secondary School aims to offer a vibrant school community that is centred on the Pacific identities, languages and cultures and to make Christian worship and prayer integral to the school day. This includes providing an innovative education with a strong cultural perspective that engages students, keeps them at school and promotes their achievement so they can progress to higher education and meaningful careers. The school works closely with parents and families, and the wider Pacific and education communities to achieve top educational and life outcomes for students.
151. The New Zealand Curriculum forms the basis for teaching and learning. There is a strong focus on the wellbeing of students and on building attitudes and behaviours that are conducive to learning. Physical fitness and associated activities feature first on the programme for three days a week. English, mathematics, science, digital technology and physical education classes are available for NCEA Levels 1 to 3. Literacy skills are further integrated across the school day. Students can enrol in additional courses through Te Aho o Te Kura Pounamu - The Correspondence School.
152. The sponsor reported that 80% of the curriculum is taught by registered teachers with current practising certificates.

### **Student Achievement**

153. The student achievement performance standards for Pacific Advance Secondary School were school leavers with NCEA Level 1 and Level 2. The school's performance standards had increased incrementally each year from 80.9% for NCEA Level 1 and 66.9% for NCEA Level 2 in 2015 to the standard at or above 90% for NCEA Level 1 and at or above 85% for NCEA Level 2 in 2017. For the school's NCEA Level 2 performance standard this represented an increase of around 18% since 2014.
154. The school's 2017 NCEA student achievement results are provided in Table 21. Results showed that the sponsor did not meet the performance standards for NCEA Level 1 or Level 2.

**Table 21 Pacific Advance Secondary School Student Achievement Performance**

NCEA Level	2017 Result	2017 Standard	2017 Decile 1-3 Average	2017 National Average	2016 Result	2016 Standard
School leavers with NCEA Level 1 or above	77.4%	90.0%	82.1%	89.6%	51.4%	77.0%
School leavers with NCEA Level 2 or above	59.7%	85.0%	70.6%	80.7%	21.6%	79.0%

Source: Ministry of Education

155. Pacific Advance Secondary School's school leaver results for NCEA Level 1 were 77.4% and NCEA Level 2 were 59.7%.
156. The 2017 results showed that the school's NCEA Level 1 and 2 achievement results had improved significantly from 2016, however, these results were not yet at the contracted standard, and these results were still lower than the decile 1 to 3 averages.
157. There were no performance standards in the sponsor's contract for NCEA Level 3 or University Entrance. However, these results provide context and are shown in Table 22.
158. Table 22 shows their 2017 NCEA Level 3 or above and University Entrance results increased from the previous year but were still lower than the decile 1 to 3 school averages.

**Table 22 Pacific Advance Secondary School Student Achievement Performance**

NCEA Level/University Entrance	2017 Result	2017 Standard	2017 Decile 1-3 Average	2017 National Average	2016 Result	2016 Standard
<i>School leavers with NCEA Level 3 or above</i>	27.4%	No standard	40.2%	54.4%	5.4%	No standard
<i>School leavers with University Entrance</i>	1.6%	No standard	19.0%	40.1%	0.0%	No standard

Source: Ministry of Education

159. This 2017 NCEA data included the first cohort of Year 13 students to have completed three years of secondary education at the school. Following their December 2017 review, ERO reported that many students started at Pacific Advance Secondary School with low levels of achievement and took two years to achieve NCEA Level 2. They noted that many students enrolling at the school had a history of low levels of attendance, engagement and achievement. ERO reported that sponsors, leaders and staff had an ongoing commitment to raising achievement and increasing success for students, and that school data showed most students made good progress towards improving attendance rates and achieving qualifications (<http://www.ero.govt.nz/review-reports/pacific-advance-senior-school-24-11-2017/>).
160. The Ministry advised that Pacific Advance Secondary School applied to offer Year 9 and 10 in 2017. This change was approved (starting 2018). It was intended to give the school more time to work with educationally disadvantaged students and was considered to have potential to improve the sponsor's performance.
161. The achievement data for Māori, Pacific and European students are shown in Table 23. 64% of Pacific school leavers gained NCEA Level 2 or above.

**Table 23 Pacific Advance Secondary School Student Achievement by Ethnic Group and Gender**

2017 NCEA Level/University Entrance	Ethnic Group			Gender			
	Māori	Pacific	European	Female		Male	
<i>School leavers with NCEA Level 1 or above</i>	N/A	44 80%	N/A	14 93%		34 72%	
<i>School leavers with NCEA Level 2 or above</i>	N/A	35 64%	N/A	11 73%		26 55%	
<i>School leavers with NCEA Level 3 or above</i>	N/A	15 27%	N/A	6 40%		11 23%	
<i>School leavers with University Entrance</i>	nil	N/A	nil	nil		N/A	

Source: Ministry of Education

Note: 1. Ethnicity is self-assigned and students can belong to more than one ethnic group. 2. Student achievement results have been withheld as N/A to protect the privacy of individual students, where numbers are less than 5.

162. While there were no performance measures to demonstrate progress in the Pacific Advance Secondary School contract, school leaver results of those students who met NCEA Level 1 Literacy and Numeracy Requirements from 2015 to 2017 showed significant improvement across the three years (See Appendix 5).
163. ERO reported in their November 2017 review report that “the school has developed a variety of useful systems and frameworks for tracking and monitoring students' progress and achievement over time. Teachers use standardised tools to help assess students' achievement in reading and mathematics. Senior leaders and teachers analyse the information gathered from these tools to determine the learning levels of students. The information also helps the school to track the progress made by individual students” (<http://www.ero.govt.nz/review-reports/pacific-advance-senior-school-24-11-2017/>).

### Advisory Group Assessment

#### Student achievement performance overall – **not satisfactory**

We commend Pacific Advance Secondary School on making significant improvements in its NCEA results since 2016, however, their 2017 results are still significantly lower than the 2016 decile 1-3 averages and are below the performance standards. On the basis of these results, we have assessed Pacific Advance Secondary School's performance as 'not satisfactory'.

### Student Engagement

164. Pacific Advance Secondary School met five out of six student engagement performance standards for 2017, as shown in Table 24. They did not meet the performance limit for unjustified absences.
165. The sponsor reported:
- 377 days of unjustified absences (the performance limit was 342 days)
  - 1 stand-downs (the performance limit was 2)
  - 0 suspensions (the performance limit was 1)
  - 0 exclusions (the performance limit was 1)
  - no expulsions (the performance limit was 0).

**Table 24 Pacific Advance Secondary School Student Engagement Performance**

<i>Unjustified Absences</i>		<i>Stand-Downs, Suspensions, Exclusions, Expulsions</i>			<i>School Culture</i>
2017 Result	2017 Standard		2017 Result	2017 Standard	
377	342	Stand-downs	1	2	Wellbeing @School Survey completed
		Suspensions	0	1	
		Exclusions	0	1	
		Expulsions	0	0	

Source: Sponsor's quarter four/annual report

166. As reported by ERO from their visit in December 2017, the school provided substantial support for students to ensure their engagement in school and their general wellbeing. Staff used a variety of strategies to support students so that they could attend school regularly.
167. The sponsor advised that the Wellbeing@School Survey was completed in December 2017, reporting that the school climate was perceived as largely positive, supportive and safe. ERO also commented on the survey, affirming that students value the school's approach to learning, the holistic nature of the curriculum and the supportive, inclusive culture. They also commented that the school has a



strong focus on student wellbeing and on building attitudes and behaviours that one conducive to learning.

#### Advisory Group Assessment

##### Student engagement performance overall – **satisfactory**

The school reported a higher result for the number of unjustified absences but met the other student engagement standards.

#### Priority Learners

168. Pacific Advance Secondary School met the performance standard for having at least 75% of their student roll as priority learners in 2017. The sponsor reported that 100% of the students were from one or more of the priority learner groups.

#### Advisory Group Assessment

##### Enrolment of priority learners performance – **satisfactory**

All the enrolled students are reported to be priority learners.

#### Financial Performance

169. PwC assessed that the Pacific Peoples Advancement Trust (the sponsor) met the operating cash flow performance standard. The sponsor almost met the operating surplus, working capital ratio and debt-to-equity ratio performance standards, as show in Table 25.

**Table 25 The Pacific Peoples Advancement Trust Financial Performance<sup>5</sup>**

Operating Surplus (Performance Standard: 2 to 5%)	Working Capital Ratio (Performance Standard: 2:1 or above)	Debt/Equity Ratio (Performance Standard: 0.5:1 or less)	Operating Cash Flow (Performance Standard: Positive)
6.5%	1.97:1	0.69:1	\$97,000

Source: Partnership Schools Kura Hourua Analysis of 2017 Financial Statements by PwC

170. The operating surplus had decreased from the 2016 financial year.
171. The majority of the Pacific Peoples Advancement Trust's current assets was made up of cash and the majority of its current liabilities were from the Ministry's non-operational funding held in advance. The sponsor appeared to have sufficient liquidity to meet its liabilities.
172. The Pacific Peoples Advancement Trust had a negative operating cash flow in 2017. The negative operating cash flow was attributable to receiving the Ministry's operational funding in advance of the 2017 financial year. If this funding was received in 2017, the sponsor would have a positive operating cash flow.
173. Pacific Advance Secondary School did not meet its performance standard in relation to enrolment variance throughout 2017. The performance standard is 100 students, which is the school's guaranteed minimum roll (GMR) and the roll they are funded at. Pacific Advance Secondary School's

<sup>5</sup> PwC stated that the lack of information on Pacific Advance Secondary School's financial performance, financial position and cash flows prevented them from properly assessing the school's performance separately from the sponsor. Thus, the financial analysis was based on the audited financial statements of the Pacific Peoples Advancement Trust (the sponsor), rather than Pacific Advance Secondary School.

roll throughout 2017 was between 64 and 84 students, which was lower than the performance standard, as shown in Table 26. This means the school received funding at a higher per student rate than their actual roll.

**Table 26 Pacific Advance Secondary School Enrolment Variance across Quarters**

2017 Enrolment Variance	Q1	Q2	Q3	Q4	Average
Actual Roll (Standard:100; GMR: 100; Maximum:250)	84	83	70	64	75.3

Source: Sponsor’s Quarterly Report

### Advisory Group Assessment

#### Financial performance overall – not satisfactory

Considering the results across the five performance standards and importantly that the school’s roll was significantly lower than the enrolment variance standard (meaning that they are being funded at a higher level than their actual roll would entitle them to), we are not satisfied with financial performance.

### Advisory Group Final Assessment of Pacific Advance Secondary School in 2017

#### Overall performance – almost satisfactory

We have considered the results across the four performance standard areas. While we have assessed the school’s performance against their financial standards and their student achievement standards to be ‘not satisfactory’, we note the school has made significant improvements in its NCEA results since 2016. With this consideration and the fact that 100% of their students are priority learners we assessed Pacific Advance Secondary School’s final performance as ‘almost satisfactory’.

**School:** Te Kāpehu Whetū (Teina)

**Sponsor:** He Puna Marama Trust

**Roll:** 110

**Year levels:** 1-6

**Opened:** 2015 (Round Two)

**Location:** Whangarei

174. Te Kāpehu Whetū (Teina) is located in Whangarei and is operated by He Puna Marama Trust. This is a co-educational primary school for students in Years 1 to 6. It operates with a kaupapa Māori philosophy. The vision and direction of the school is focused on the three pou that form the basis of the school's curriculum, management and governance. They are "Kia Māori, Kia Matau and Kia Rangatira" (Be Māori, Be Educated, Be Rangatira).
175. As at 1 July 2017 it had a roll of 101 students. The sponsor reported a roll of 110 at year end. 100% of students identified as Maori and most whakapapa to Ngāpuhi and iwi within the Tai Tokerau region.
176. The school provides total immersion Māori education and the curriculum is based on Te Marautanga o Aotearoa. It has a strong focus on literacy and numeracy and opportunities for success across the breadth of the curriculum.
177. The sponsor reported that 100% of the curriculum is taught by registered teachers with current practising certificates.
178. He Puna Marama also operates a composite/secondary charter school in Whangarei, Te Kura Hourua O Whangarei Terenga Paraoa. We are advised that many of the students from Te Kāpehu Whetū (Teina) continue on and transition into Te Kura Hourua O Whangarei Terenga Paraoa.

### Student Achievement

179. The sponsor reported Ngā Whanaketanga Rumaki Māori achievement data for 110 students. Their student achievement performance standard for Pānui, Tuhihi, Kōrero, and Pāngarau increased incrementally each year from between 56.6% and 78% in 2015 to 85% for 2017. For some of the performance standards this represented an increase of more than 20% since 2015.

**Table 27 Te Kāpehu Whetū Student Achievement at/above Performance**

Subject	Year Level	2017 Result	2017 Standard	2016 Decile 1-3 Average	2016 National Average	2016 Result	2016 Standard
Pānui	Year 1	71%	85%	56%	57%	85%	65%
	Year 2	77%	85%	57%	58%	67%	65%
	Year 3	68%	85%	71%	72%	78%	65%
	Year 4	75%	85%	76%	77%	36%	65%
	Year 5	73%	85%	75%	76%	78%	75%
	Year 6	82%	85%	70%	72%	89%	75%
	Total	74%	N/A	68%	69%	72%	N/A
Tuhihi	Year 1	71%	85%	52%	52%	94%	65%
	Year 2	77%	85%	50%	50%	67%	65%
	Year 3	37%	85%	57%	56%	56%	65%
	Year 4	83%	85%	62%	64%	64%	65%
	Year 5	64%	85%	62%	64%	78%	75%
	Year 6	91%	85%	58%	60%	78%	75%
	Total	69%	N/A	57%	58%	73%	N/A
Kōrero	Year 1	88%	85%	59%	59%	85%	65%
	Year 2	96%	85%	55%	55%	83%	65%
	Year 3	90%	85%	59%	60%	89%	65%
	Year 4	92%	85%	62%	62%	100%	65%



Subject	Year Level	2017 Result	2017 Standard	2016 Decile 1-3 Average	2016 National Average	2016 Result	2016 Standard
	Year 5	100%	85%	62%	61%	89%	75%
	Year 6	91%	85%	63%	63%	78%	75%
	Total	92%	N/A	60%	60%	87%	N/A
Pāngarau	Year 1	100%	85%	76%	78%	97%	65%
	Year 2	100%	85%	72%	74%	72%	65%
	Year 3	53%	85%	62%	64%	78%	65%
	Year 4	83%	85%	61%	61%	64%	65%
	Year 5	73%	85%	58%	57%	78%	75%
	Year 6	82%	85%	57%	58%	89%	75%
	Total	86%	N/A	64%	65%	80%	N/A

Source: Sponsor's quarter four/annual report and Ministry of Education

180. The school's 2017 results against their contracted performance standard of 85% for all subjects and year levels reveals a mixed picture. Results for Year 1 to 5 in Pānui Year 1 to 3 for Tūhituhi are below the agreed performance standard, but results for Kōrero across all year levels and for Year 1 and 2 Pāngarau are well above the performance standards.
181. Total results across the four subjects showed Te Kāpehu Whetū (Teina) achieving significantly above the 2016 decile 1 to 3 averages totals and the national average totals.
182. Comparing Te Kāpehu Whetū (Teina) 2017 results with the previous year also showed a mixed picture with some results improving and some declining.
183. While there were no performance measures to demonstrate progress in their contracts, an analysis of the school's Ngā Whanaketanga Rumaki Māori data between quarter one and four in 2017 showed a slight improvement for Pānui, moderate improvements for Tūhituhi and Pāngarau, and significant improvement for Kōrero (see Appendix 4).
184. ERO reported in their December 2017 review that the school is increasingly developing its capability to assess student achievement and improve education outcomes for students. Teachers are developing their understanding and skills in using Māori assessment tools to make judgements, and to inform teaching and learning (<http://www.ero.govt.nz/review-reports/te-kapehu-whetu-teina-13-12-2017/>).

### Advisory Group Assessment

#### Student achievement performance overall – **almost satisfactory**

The results against the contracted performance standard of 85% for all subjects and year levels reveal a mixed picture. Results for Year 1 to 5 in Pānui Year 1 to 3 for Tūhituhi are below the agreed performance standard, but results for Kōrero across all year levels and for Year 1 and 2 Pāngarau are strong.

We commend the school on the stronger results for its Year 6 students, which indicate that these students will be in a good position to transition onto higher levels of learning. The end result for students' leaving Te Kapehu Whetū (Teina) was material to our overall assessment rating.

We also note that total results across all subjects are higher than national and decile 1-3 averages which is very positive. Considering the results across all year levels and subject areas, we have assessed Te Kāpehu Whetū (Teina) performance against their student achievement performance standards as being 'almost satisfactory'.

## Student Engagement

185. Te Kāpehu Whetū (Teina) met all five student engagement performance standards for 2017, as shown in Table 28.

186. The sponsor reported:

- 0 days of unjustified absences (the performance limit was 218 days)
- 0 stand-downs (the performance limit was 0)
- 0 suspensions (the performance limit was 0)
- 0 exclusions (the performance limit was 0).

**Table 28 Te Kāpehu Whetū (Teina) Student Engagement Performance**

Unjustified Absences		Stand-Downs, Suspensions, Exclusions			School Culture
2017 Result	2017 Standard		2017 Result	2017 Standard	
0	218	Stand-downs	0	0	Wellbeing@ School Survey completed
		Suspensions	0	0	
		Exclusions	0	0	

Source: Sponsor's quarter four/annual report

187. ERO reported in December 2017 that "the school reviewed and improved the accuracy of its procedures for monitoring and recording attendance. Overall there has been a low rate of unjustified absences".

188. The school reported that the Wellbeing@School Survey had been completed in term two, 2017. ERO reported that overall, students noted the positive school culture and caring teachers. The pouwhakaako (lead teacher) plans to explore ways to further strengthen the integration of anti-bullying themes into the curriculum (<http://www.ero.govt.nz/review-reports/te-kapehu-whetu-teina-13-12-2017/>).

### Advisory Group Assessment

**Student engagement performance overall – satisfactory**

The school performed better than the student engagement standards.

## Priority Learners

189. Te Kāpehu Whetū (Teina) met the performance standard for having at least 75% of their student roll as priority learners. The sponsor reported that 100% of the students were from one or more of the priority learner groups.

### Advisory Group Assessment

**Enrolment of priority learners performance – satisfactory**

All the enrolled students are reported to be priority learners.

## Financial Performance

190. Te Kāpehu Whetū (Teina) met their five financial performance standards as shown in Tables 29 and 30.

**Table 29 Te Kāpehu Whetū (Teina) Financial Performance**

Operating Surplus (Performance Standard: 2 to 5%)	Working Capital Ratio (Performance Standard: 2:1 or above)	Debt/Equity Ratio (Performance Standard: 0.5:1 or less)	Operating Cash flow (Performance Standard: Positive)
3.40%	5.9:1	0.19:1	\$16,000

Source: Partnership Schools Kura Hourua Analysis of 2017 Financial Statements by PwC

191. The operating surplus slightly decreased from the 2016 financial year.
192. Te Kāpehu Whetū (Teina)'s cash and cash equivalents balance decreased in the 2017 financial year.
193. PwC estimated that Te Kāpehu Whetū (Teina) had a negative operating cash flow, which was due to the sponsor receiving a quarterly payment from the Ministry in advance of the 2017 financial year. If this funding was received in 2017, the school would have a positive operating cash flow.
194. The school met its performance standard in the fourth quarter in relation to enrolment variance. The performance standard is 110 students, which is the school's guaranteed minimum roll (GMR). The actual roll throughout 2017 was between 101 and 110 students. The school's roll gradually increased to the contracted standard in the fourth quarter, as shown in Table 30.

**Table 30 Te Kāpehu Whetū (Teina) Enrolment Variance across Quarters**

2017 Enrolment Variance	Q1	Q2	Q3	Q4	Average
Actual Roll (Standard:110; GMR:110; Maximum:150)	101	101	107	110	104.8

Source: Sponsor's quarterly four/annual report

### Advisory Group Assessment

#### Financial performance overall – **satisfactory**

Te Kāpehu Whetū (Teina) met all their financial performance standards, including achieving its enrolment variance limit at year's end.

### Advisory Group Final Assessment of Te Kāpehu Whetū (Teina) in 2017

#### Overall performance – **satisfactory**

We have considered the results across the four performance standard areas. Student achievement was almost satisfactory and targeting of priority learners was high at 100%. We assessed Te Kāpehu Whetū (Teina)'s final performance as 'satisfactory'.

**School:** Te Kura Māori o Waatea

**Sponsor:** Manukau Urban Māori Authority

**Roll:** 92

**Year levels:** 1-6

**Opened:** 2015 (Round Two)

**Location:** Mangere, South Auckland

195. Te Kura Māori o Waatea is located in Mangere, South Auckland and is operated by Manukau Urban Māori Authority (MUMA). The school is based at Ngā Whare Waatea Marae. The sponsor also advised that it operates Waatea Playgroup and Waatea Early Childhood Centre that provide the entry points for educational pathway learning at Waatea.
196. As at 1 July 2017, the school had a roll of 79 Year 1 to 6 students. The sponsor reported a roll of 92 at year end. Approximately 87% of the students identified as Māori and 13% identified as Pacific. In 2018, a Year 7 cohort was included.
197. The sponsor's vision is to foster in students and whānau a love of learning through a culturally enriched, safe and whānau-centric learning environment. The sponsor's aim is for students to become well-rounded, socially adept and culturally aware graduates capable of participating in two worlds – te ao Māori me te ao Pākehā.
198. Waatea is an English medium, bilingual primary school. Its curriculum is founded on Kaupapa Māori principles, and aligned to the New Zealand Curriculum.
199. The sponsor reported that 100% of the curriculum is taught by registered teachers with current practising certificates. The school uses PaCT to moderate overall teacher judgements.

### ***Student Achievement***

200. The sponsor reported National Standards achievement data for 91 students (see Table 31 below). The school's student achievement performance standards had increased incrementally each year from between 50.8% and 78% in 2015 to 85% for all subjects for 2017. For some of the performance standards this represented an increase of more than 20% since 2015.



**Table 31 Te Kura Māori o Waatea Student Achievement at/above Performance**

Subject	Year Level	2017 Result	2017 Standard	2016 Decile 1-3 Average	2016 National Average	2016 Result	2016 Standard
Reading	Year 1	88%	85%	46%	62%	67.0%	66.0%
	Year 2	74%	85%	63%	77%	100.0%	77.0%
	Year 3	68%	85%	70%	81%	55.0%	78.5%
	Year 4	67%	85%	74%	84%	62.0%	77.7%
	Year 5	64%	85%	70%	81%	90.0%	74.5%
	Year 6	75%	85%	74%	84%	-	78.7%
	Total	75%	N/A	66%	78%	74%	N/A
Writing	Year 1	88%	85%	61%	73%	67.0%	75.5%
	Year 2	68%	85%	62%	73%	100.0%	74.3%
	Year 3	58%	85%	59%	71%	64.0%	70.7%
	Year 4	56%	85%	61%	73%	100.0%	70.7%
	Year 5	55%	85%	57%	70%	100.0%	66.2%
	Year 6	75%	85%	61%	73%	-	69.2%
	Total	69%	N/A	60%	72%	86%	N/A
Mathematics	Year 1	96%	85%	75%	84%	67.0%	80.3%
	Year 2	95%	85%	66%	78%	100.0%	76.0%
	Year 3	84%	85%	59%	73%	73.0%	71.5%
	Year 4	100%	85%	65%	77%	62.0%	74.5%
	Year 5	64%	85%	61%	74%	80.0%	69.1%
	Year 6	75%	85%	65%	77%	-	71.90%
	Total	88%	N/A	65%	77%	76%	N/A

Source: Sponsor's quarter four/annual report and Ministry of Education

201. Results for Reading and Writing across all year levels were below the performance standard (except for Year 1). In 2016, when their performance standards were lower, the school met most of their student achievement performance standards.
202. Comparing the school's 2017 results against the previous year, showed a mixed result, with some year levels and subjects showing improvement and others showing declined performance.
203. Total results across the three subjects showed the Te Kura Māori o Waatea achieving significantly above the 2016 decile 1 to 3 schools' average totals. Their Mathematics total result of 88% was significantly above the 2016 national average total of 77%.
204. While there were no performance measures to demonstrate progress in their contracts, an analysis of the school's National Standards data between quarters one and four in 2017 showed a slight improvement for Writing and Mathematics and a moderate improvement for Reading (see Appendix 3).
205. ERO reported in November 2017 that the school has demonstrated that it has the capability to continue to improve educational outcomes for all its students. Teachers are using standardised tools to help them assess students' achievement in literacy and mathematics. This information, together with ongoing formative assessment of students' learning, informs teachers' overall achievement judgements about achievement levels. These judgements are moderated as a staff and by senior leaders. Teachers use PaCT to support achievement judgements in writing. Further use of this tool is planned for mathematics and reading achievement. External advisers also provide a moderation lens on literacy assessment (<http://www.ero.govt.nz/review-reports/te-kura-maori-o-waatea-23-11-2017/>).



### Advisory Group Assessment

#### Student achievement performance overall – **almost satisfactory**

We commend the school on the strong results for Year 1 to 4 Mathematics and note that their Mathematics total average result is higher than total and decile 1-3 averages. Overall, however, its results against the performance standard (of 85% for all subjects) reveals a mixed picture. Results for Year 2-6 in Reading, Year 2-6 in Writing are below the agreed performance standard. We also note that most results for Writing have declined from 2016. Considering these results across all subjects and year levels, we have assessed Te Kura Māori o Waatea performance against their student achievement performance standards as being 'almost satisfactory'.

#### Student Engagement

206. Te Kura Māori o Waatea met or exceeded four of the five student engagement performance standards for 2017, as shown in Table 32.

207. The sponsor reported that:

- 1 day of unjustified absence (the performance limit was 179 days)
- 1 stand-down (the performance limit was 0)
- 0 suspensions (the performance limit was 0)
- 0 exclusions (the performance limit was 0).

**Table 32 Te Kura Māori o Waatea Student Engagement Performance**

<i>Unjustified Absences</i>		<i>Stand-Downs, Suspensions, Exclusions</i>			<i>School Culture</i>
2017 Result	2017 Standard		2017 Result	2017 Standard	
1	179	Stand-downs	1	0	Wellbeing @School Survey completed
		Suspensions	0	0	
		Exclusions	0	0	

Source: Sponsor's quarter four/annual report

208. The sponsor reported one full day unjustified absence for 2017.

209. ERO reported in November 2017 that the school has good processes for monitoring student attendance. The school uses a 'Whānau Ora Navigator' that works closely with the school and whānau to enhance children's attendance at the school (<http://www.ero.govt.nz/review-reports/te-kura-maori-o-waatea-23-11-2017/>).

210. The school reported that the Wellbeing@School Survey had been completed in May 2017.

### Advisory Group Assessment

#### Student engagement performance overall – **satisfactory**

Te Kura Māori o Waatea stood down one student, which did not meet its agreed performance limit. However all other student engagement standards were met.

## Priority Learners

211. Te Kura Māori o Waatea met the performance standard for having at least 75% of their student roll as priority learners. The sponsor reported that 100% of the students were from one or more of the priority learner groups.

### Advisory Group Assessment

#### Enrolment of priority learners performance – **satisfactory**

All the enrolled students are reported to be priority learners.

## Financial Performance

212. Te Kura Māori o Waatea did not meet any of the financial performance standards as shown in Tables 33 and 34.
213. PwC noted the financial performance results for Te Kura Māori o Waatea was based on analysis of the financial statement for Te Whare Wānanga o MUMA Limited, which is the sponsor for Waatea High (a charter school which was contracted to open in 2019). The sponsor for Te Kura Māori o Waatea is Manukau Urban Māori Authority as stipulated in the charter school's contract. Te Whare Wānanga o MUMA Limited is a wholly-owned subsidiary of the Manukau Urban Māori Authority.

**Table 33 Te Kura Māori o Waatea Financial Performance<sup>6</sup>**

Operating Surplus (Performance Standard: 2 to 5%)	Working Capital Ratio (Performance Standard : 2:1 or above)	Debt/Equity Ratio (Performance Standard: 0.5:1 or less)	Operating Cash flow (Performance Standard: Positive)
-13.9%	0.55:1	16.26:1	-\$218,000

Source: Partnership Schools Kura Hourua Analysis of 2017 Financial Statements by PwC

214. The operating surplus decreased from the 2016 financial year. There were higher cost reported for administration expenses, interest expense and depreciation.
215. Te Kura Māori o Waatea's cash balance increased from \$93,000 to \$475,000 in the 2017 financial year. However, without the establishment funding for Waatea High, the cash balance for the Te Kura Māori o Waatea was in overdraft at the end of the 2017 financial year. PwC noted that the cash flow for Te Kura Māori o Waatea included establishment funding for Waatea High.
216. Te Kura Māori o Waatea did not meet its performance standard in relation to enrolment variance. The performance standard is 100 students, which is the school's guaranteed minimum roll (GMR). The actual roll throughout 2017 was between 69 and 92 students below the performance standard, as shown in Table 34. This means the school received funding at a higher per student rate than their actual roll.

**Table 34 Te Kura Māori o Waatea Enrolment Variance across Quarters**

2017 Enrolment Variance	Q1	Q2	Q3	Q4	Average
Actual Roll (Standard:100; GMR: 100; Maximum: 200)	69	79	91	92	82.75

Source: Sponsor's quarter four/annual report

<sup>6</sup> PwC noted the financial performance results for Te Kura Māori o Waatea was based on analysis of the financial statement for Te Whare Wānanga o MUMA. Although Te Whare Wānanga o MUMA financial statements appeared to be audited, Te Kura Māori o Waatea financial statements were not audited.

### **Advisory Group Assessment**

#### **Financial performance overall – not satisfactory**

We note that the information provided by the sponsor made it difficult for PwC to accurately assess the school's financial performance, as the financial analysis was based on statements of Te Whare Wānanga o MUMA Limited (which is neither the sponsor nor the school, but is the sponsor for Waatea High). Considering the results across the five financial performance standards and that the school's actual roll across each quarter was lower than the agreed standard, we have assessed Te Kura Māori o Waatea performance against their financial performance standards as being 'not satisfactory'.

### **Advisory Group Final Assessment of Te Kura Māori o Waatea in 2017**

#### **Overall performance –almost satisfactory**

We have considered the results across the four performance standard areas. We assessed performance against the student achievement standards as 'almost satisfactory', noting decline in some results from 2016, but that their total results for reading and writing were higher than decile 1 to 3 averages, and mathematics total results were higher than the total average. However, targeting of priority learners was high at 100%. Financial performance was concerning. On balance, we assessed Te Kura Māori o Waatea's final performance as 'almost satisfactory'.

**School:** Middle School West Auckland **Sponsor:** Villa Education Trust

**Roll:** 190

**Year levels:** 7-10

**Opened:** 2015 (Round Two)

**Location:** Henderson, West Auckland

217. Middle School West Auckland is located across two sites in Henderson, West Auckland and is operated by Villa Education Trust. This is a co-educational middle school for students in Years 7 to 10. The school's largest campus is at Lincoln Road and the school's Te Reo Māori bilingual unit is at Waipareira Road.
218. The school operates using an individualised education approach with a strong emphasis on thinking skills and learners understanding how they think and learn, collaboration and cooperation amongst students, families, whānau and the wider community, and students and building personal character through applied Christian values.
219. As at 1 July 2017, the school had a roll of 188 students. The sponsor reported a roll of 190 at year end. Approximately 42% of the students identified as Māori and 41% identified as Pacific.
220. The school uses their Integrated Project Based Curriculum that encompasses the essential learning areas of The New Zealand Curriculum. ERO reports there is a strong academic focus on core learning areas in the mornings and opportunities for success across the breadth of the curriculum in the afternoons. Students also undertake eight independent projects each year that integrate learning areas across the curriculum.
221. The sponsor reported that 93% of the curriculum is taught by registered teachers with current practising certificates.
222. Villa Education Trust also operates another charter school, South Auckland Middle School and a private school, Mt Hobson Middle School in Remuera, Auckland.

### Student Achievement

223. The sponsor reported National Standards achievement data for 95 Year 7 and 8 students (see Table 35). There were no national standards applied for students in Years 9 and 10 in their contract, nor were there any system-level assessment standards for these year levels.
224. The school's student achievement performance standards for year 7 and 8 had increased incrementally each year from between 50.7% and 61.6% in 2015 to 85% for all subjects for 2017. For some of the performance standards, this represented an increase of more than 24% since 2015.

**Table 35 Middle School West Auckland Student Achievement at/above Performance**

Subject	Year Level	2017 Result	2017 Standard	2016 Decile 1-3 Average	2016 National Average	2016 Result	2016 Standard
Reading	Year 7	39%	85%	63%	75%	37%	82%
	Year 8	56%	85%	65%	78%	38%	83%
	Total	46%	N/A	64%	77%	37%	N/A
Writing	Year 7	33%	85%	54%	65%	21%	77%
	Year 8	40%	85%	56%	69%	34%	79%
	Total	36%	N/A	55%	67%	27%	N/A
Mathematics	Year 7	50%	85%	53%	68%	42%	77%
	Year 8	40%	85%	56%	71%	56%	79%
	Total	45%	N/A	55%	69%	49%	N/A

Source: Sponsor's quarter four/annual report and Ministry of Education



225. Results indicate that the school did not achieve their student achievement performance standards for Reading, Writing or Mathematics for either Year 7 or 8.
226. Total results across the three subjects showed the Middle School West Auckland results were significantly below the 2016 decile 1 to 3 schools' average totals and national average totals.
227. Comparing Middle School West Auckland's 2017 results against the previous year, showed significant improvement except for Year 8 Mathematics. It must also be noted that the percentage of enrolled priority learners had also increased.
228. While there were no performance measures to demonstrate progress in their contract, an analysis of the school's National Standards data between quarters one and four in 2017 showed a slight improvement for Mathematics but no significant improvement for Reading or Writing (see Appendix 3).
229. The previous Government agreed for the Ministry to work with Villa Education Trust to develop additional measures to demonstrate progress of students, using baseline testing of their new entrants. This was to include measures to show value-added progress for Years 9 and 10. With the change of Government policy on charter schools in 2017, however, the work to develop new measures was halted.
230. ERO reported in December 2017 that processes for gathering and reporting data are still developing and that leaders and teachers are continuing to develop their assessment practice. They also noted that the school leaders predicted they will not meet the student achievement measures in 2017. However, ERO concluded that the school "has demonstrated that it has the capability to continue to improve educational outcomes for all its students" (<http://www.ero.govt.nz/review-reports/middle-school-west-auckland-19-12-2017/>).

#### **Advisory Group Assessment**

##### **Student achievement performance overall – not satisfactory**

We are concerned that the results remain significantly below average results for decile 1 to 3 schools and are significantly below the contracted performance standard.

We commend Middle School West Auckland on their improved results for their Year 7 and 8 students across all for subjects since 2016 (except for Year 8 Mathematics).

With no standards set in the contract with which to assess student achievement performance at the school for students in Years 9 and 10, no assessment has been made. Considering the results that can be assessed, we assess Middle School West Auckland's performance as 'not satisfactory'.

#### ***Student Engagement***

231. Middle School West Auckland met two of the five student engagement performance standards for 2017, as shown in Table 36. It did not meet the performance standards for stand-downs, suspensions and exclusions.
232. The sponsor reported:
  - 415 day of unjustified absences (the performance limit was 1006 days)
  - 9 stand-downs (the performance limit was 4)



- 10 suspensions (the performance limit was 1)
- 2 exclusions (the performance limit was 1).

**Table 36 Middle School West Auckland Student Engagement Performance**

<i>Unjustified Absences</i>		<i>Stand-Downs, Suspensions, Exclusions</i>			<i>School Culture</i>
2017 Result	2017 Standard		2017 Result	2017 Standard	
415	1,006	Stand-downs	9	4	Wellbeing@ School Survey completed
		Suspensions	10	1	
		Exclusions	2	1	

Source: Sponsor's quarter four/annual report

233. ERO reported in their December 2017 review report that "school processes for monitoring student attendance are thorough and focus on engaging with families".
234. ERO also reported that the Wellbeing@School Survey had been completed in August 2017. As, the survey results affirmed that students value the school's caring learning culture (<http://www.ero.govt.nz/review-reports/middle-school-west-auckland-19-12-2017/>).
235. The sponsor was the only one to participate in surveys conducted by MartinJenkins, and it rated the findings as strong endorsements its student engagement approach. The report is publicly available: <https://www.educationcounts.govt.nz/publications/schooling/multi-year-evaluation-of-partnership-schools-kura-hourua-policy>.

#### **Advisory Group Assessment**

##### **Student engagement performance overall – almost satisfactory**

The school has stood-down, suspended and excluded more students than the agreed limit. The Ministry has advised us that it was confident in the sponsor's attention to the relevant guidelines, its focus on maintaining student safety and school culture. The school met the engagement standards for unjustified absences.

#### **Priority Learners**

236. Middle School West Auckland met the performance standard for having at least 75% of their student roll as priority learners. The sponsor reported that 86% of the students were from one or more of the priority learner groups.

#### **Advisory Group Assessment**

##### **Enrolment of priority learners performance – satisfactory**

More than 75% of the enrolled students are reported to be priority learners.

#### **Financial Performance**

237. Middle School West Auckland almost met the debt-to-equity ratio and met enrolment variance performance standards, but did not meet the operating surplus, working capital ratio and operating cash flow performance standards, as shown in Table 37.

**Table 37 Middle School West Auckland Financial Performance 2017**

Operating Surplus (Performance Standard: 2 to 5%)	Working Capital Ratio (Performance Standard: 2:1 or above)	Debt/Equity Ratio (Performance Standard: 0.5:1 or less)	Operating Cash flow (Performance Standard: Positive)
-12.8%	0.03:1	1.05:1	-\$89,000

Source: Partnership Schools Kura Hourua Analysis of 2017 Financial Statements by PwC

238. The operating surplus improved from the 2016 financial year.
239. Villa Education Trust (the sponsor) held the bank account for Middle School West Auckland. PwC's analysis noted that there was a \$70,000 overdraft for the school, but this was recorded in the sponsor's account.
240. The cash balance was held by Villa Education Trust on behalf of Middle School West Auckland. The effective cash balance for Middle School West Auckland decreased to an overdraft in the 2017 financial year.
241. PwC estimated that Middle School West Auckland had a negative operating cash flow which was attributable to receiving the Ministry's operational funding in advance of the 2017 financial year.
242. Middle School West Auckland met its performance standard in relation to enrolment variance. The performance standard is 170 students, which is guaranteed minimum roll (GMR). The actual roll throughout 2017 was between 188 and 200 students, which were above the performance standard, as shown in Table 38.

**Table 38 Middle School West Auckland Enrolment Variance across Quarters**

2017 Enrolment Variance	Q1	Q2	Q3	Q4	Average
Actual Roll (Standard:170; GMR: 170; Maximum:240)	200	188	191	190	192.25

Source: Sponsor's quarter four/annual report

### Advisory Group Assessment

#### Financial performance overall – **not satisfactory**

The school met its required roll over the year, however it did not meet three of the four other financial standards.

### Advisory Group Final Assessment of Middle School West Auckland in 2017

#### Overall performance – **not satisfactory**

We have considered the results across the four performance standard areas. Student achievement was not satisfactory, but we commended the school on its improved student achievement results since 2016 and targeting of priority learners was high at 86%. Student engagement performance was considered 'almost satisfactory' and financial performance was 'not satisfactory', we have therefore assessed Middle School West Auckland's final assessment as 'not satisfactory'.

**School:** Te Aratika Academy

**Sponsor:** Trustees of Te Aratika Charitable Trust

**Roll:** 25

**Year levels:** 11-13

**Opened:** 2017 (Round Three)

**Location:** Whakatū, Hastings

243. Te Aratika Academy is located in Mangateretere, Whakatū, near Hastings and is operated by the sponsor Trustees of Te Aratika Charitable Trust. This is a single-sex (boys) senior secondary school. The school shares a site with a state primary school (Mangateretere Primary). Te Aratika Academy provides foundation education, construction and infrastructure education and pathways for mainly Māori and Pacific youth in Years 11 to 13.
244. The establishment of Te Aratika Academy was planned to be phased in over three years. The school opened in 2017 and at 1 July 2017 it had a roll of 25 Year 11 to 12 students. The sponsor reported a roll of 38 at year end. Approximately 92% of the students identified as Māori and 8% identified as Pacific. The Trust advised the Ministry that they were taking a careful approach to managing growth and numbers that recognises the need to establish a positive culture for learning and to maintain systems and practices to support student success
245. They also advised that although many students have not experienced success at their previous schools, at the Academy the students are responding positively with a careful transition process in place. These processes successfully support students to settle within the school community and meet high standards for cooperative behaviour and self-management. Ongoing mentoring and support contributes to each student's personal development.
246. The Trust's vision is to create a platform for change that firmly supports and encourages one person, one family, one community at a time to find their pathway and journey to success. "Te Aratika" (the right path) is defined as enriching learners through Māori based values and innovative and modern technologies to enable them to achieve their potential, contribute to their families and communities, and aspire to positive and fulfilling futures.
247. The school's curriculum strongly aligns to the New Zealand Curriculum key competencies and includes core competencies in literacy and numeracy, financial awareness, capability in using digital technology and the principle of future focus.
248. Numeracy and literacy standards towards achievement of NCEAs are key components of the courses offered. Other core programmes include life skills, kaupapa Māori and physical health and wellbeing. A project-based approach is taken, where thematic modules combine learning areas and provide relevant and meaningful contexts for learning. The vocational pathway areas of Creative Industries, Social and Community Services, and Construction and Infrastructure (civil) dominate currently. Since opening, the Academy has received its New Zealand Qualifications Authority 'Consent to Assess' against the Qualifications Framework.
249. The sponsor reported that 100% of the curriculum is taught by registered teachers with current practising certificates or holders of a Limited Authority to Teach (LAT).

### **Student Achievement**

250. There was only one student achievement performance standard for Te Aratika Academy in 2017 which was 85% (at or above) NCEA Level 1 *roll based pass rate*. In 2018, a performance standard at NCEA Level 2 for school leavers will apply.

251. The school's 2017 NCEA student achievement results were provided in table 39 below. Results showed that the school had exceeded its performance standard for NCEA Level 1 with a result of 183% roll-based pass rate at NCEA Level 1<sup>7</sup>.
252. When considering these results, caution is required due to small numbers<sup>8</sup>.

**Table 39 Te Aratika Student Achievement Performance**

NCEA Level	2017 Result	2017 Standard	2016 Decile 1-3 Average	2016 National Average
Roll based pass rate - Level 1	183%	85%	66.4%	75.5%
Roll based pass rate - Level 2	46%	No standard	73.2%	78.4%

Source: Ministry of Education

253. There were no performance standards in the sponsor's contract for roll based pass NCEA Level 2 (see in Table 39) or school leavers with NCEA Level 1, 2 and 3 or above or University Entrance. However, these results provide context and are shown in Table 40.

**Table 40 Te Aratika Student Achievement Performance**

NCEA Level/University Entrance	2017 Result	2017 Standard	2017 Decile 1-3 Average	2017 National Average
School leavers with NCEA Level 1 or above	83.3%	No standard	82.1%	89.6%
School leavers with NCEA Level 2 or above	83.3%	Standard applies from 2018	70.6%	80.7%
School leavers with NCEA Level 3 or above	nil	No standard	40.2%	54.4%
School leavers with University Entrance	nil	No standard	19.0%	40.1%

Source: Ministry of Education

254. 83% of Māori school leavers gained NCEA Level 2 or above. 46% of Māori passed NCEA Level 2 or above.

### Advisory Group Assessment

#### Student achievement performance overall – **satisfactory**

We note the Te Aratika Academy has only one student achievement performance measure, but we commend the school on its NCEA Level 1 result for its first year of operation. Strong school leaver results align with the assessment.

### Student Engagement

255. Te Aratika Academy met all six student engagement performance standards for 2017, as shown in Table 41.
256. The sponsor reported:
- 23 days of unjustified absences (the performance limit was 203 days)

<sup>7</sup> The pass rate is over 100% due to a known issue with the roll-based achievement measure; achievement and rolls are measured at different times, with the July Roll Return being used to determine the count of students at 1 July, and the achievement of students measured at the end of the year. Te Aratika Academy experienced roll growth throughout the year, resulting in more students achieving by the end of the year than were enrolled at 1 July.

<sup>8</sup> Based on the 1 July 2017 roll returns, the total number of student enrolled in Te Aratika Academy were 25. Of these students, 12 were Year 11 and 13 were Year 12.



- no stand-downs (the performance limit was 1)
- no suspensions (the performance limit was 1)
- no exclusions (the performance limit was 1)
- no expulsions (the performance limit was 0).

**Table 41 Te Aratika Academy Student Engagement Performance**

<i>Unjustified Absences</i>		<i>Stand-Downs, Suspensions, Exclusions, Expulsions</i>			<i>School Culture</i>
2017 Result	2017 Standard		2017 Result	2017 Standard	
23	203	Stand-downs	0	1	Wellbeing@ School Survey completed
		Suspensions	0	1	
		Exclusions	0	1	
		Expulsions	0	0	

Source: Sponsor's quarter four/annual report

257. The school reported that the Wellbeing@School Survey was completed in October 2017. The key outcomes of this survey was to appoint a student representative to the Board of Trustees and to form a student committee.
258. As reported by ERO in their November 2017 New School Assurance Review, students spoken with during the review discussed their improved attitudes to school and education, and their aspirations for the future. Students' high levels of commitment to the programme were shown in an attendance rate of 87% (<http://www.ero.govt.nz/review-reports/te-aratika-academy-29-11-2017>).

#### Advisory Group Assessment

**Student engagement performance overall – satisfactory**

The school performed well against all the engagement standards.

#### Priority Learners

259. Te Aratika Academy met the performance standard for having at least 75% of their student roll as priority learners. The sponsor reported that 100% of the students were from one or more of the priority groups.

#### Advisory Group Assessment

**Enrolment of priority learners performance – satisfactory**

All the enrolled students are reported to be priority learners.

#### Financial Performance

260. Te Aratika Academy met two out of four financial performance standards, but it did not meet the working capital ratio and debt-to-equity ratio performance standardises, as shown in Table 42.

**Table 42 Te Aratika Academy Financial Performance**

Operating Surplus (Performance Standard: 2 to 5%)	Working Capital Ratio (Performance Standard: 2:1 or above)	Debt/Equity Ratio (Performance Standard: 0.5:1 or less)	Operating Cash flow (Performance Standard: Positive)
2.2% <sup>1</sup>	0.26:1	6.35:1	\$146,000 <sup>1</sup>

261. PwC advised that they were unable to assess the operating surplus and operating cash flow for the 12 months of the 2017 financial year, because Te Aratika Academy changed its balance date from 31 March to 31 December in the 2017 financial year. However, PwC undertook their analysis by combining the full period of establishment and year-one of operation, which is from 1 April 2016 to 31 December 2017.
262. The net operating surplus decreased from the 2016 financial year.
263. The PwC analysis suggested that Te Aratika Academy did not have sufficient current assets to meet its short-term liabilities as they fall due.
264. Te Aratika's cash balance increased from nil to \$534,000 in the year ended 31 March 2017 and then decreased from \$534,000 in April 2017 to below \$4,000 in December 2017.
265. PwC advised that they did not have sufficient financial information to assess the school's solvency, which was one of the financial performance standards for Round Three schools.
266. Te Aratika Academy did not have Enrolment Variance as a performance standard. However, in quarter 1 2017, they received guaranteed funding at 67 students, (their 1 July actual roll was 25) and in quarters 2 to 4 guaranteed funding was at 34 students.

#### **Advisory Group Assessment**

##### **Financial performance overall – almost satisfactory**

The school did not meet two of its four financial performance standards. We are concerned that PwC's analysis suggested that Te Aratika did not have sufficient current assets to meet its short term liabilities as they fall due.

#### **Advisory Group Final Assessment of Te Aratika Academy in 2017**

##### **Overall performance – satisfactory**

We note this is the first year of operation for Te Aratika Academy and we commend the school on their strong NCEA Level 1 results. We note too, that 100% of their students are priority learners. While we have concerns about the school's financial performance against some of their performance standards, on balance we assessed Te Aratika Academy's final performance as 'satisfactory'.

**School:** Te Kōpuku High

**Sponsor:** Kia Ata Mai Educational Trust

**Roll:** 105

**Year levels:** 7-13

**Opened:** 2017 (Round Three)

**Location:** Avalon, Hamilton

267. Te Kōpuku High is located in Avalon, Hamilton and is operated by the sponsor Kia Ata Mai Educational Trust. This is a co-educational bi-lingual (English and Te Reo Māori) composite school for Year 7 to 13 students. It opened in 2017 for Year 7 to 9 students, with the aim of additional year levels being phased in over five years.
268. At 1 July 2017, it had a roll of 110 Year 7 to 9 students. The sponsor reported a roll of 105 at year end. Approximately 98% of the students identified as Māori and 2% identified as Pacific.
269. The school vision is to develop a generation of Māori students with the self-belief that as Māori, they are capable of designing innovative, sustainable futures for themselves, their communities and the world. It aims to provide Māori students with a culturally rich educational experience that supports each of them to assume responsibility for their own learning and achieve success.
270. The school uses Te Nīkau Curriculum Framework as an underpinning philosophy of the school and curriculum. This blends both The New Zealand Curriculum and Te Marautanga o Aotearoa forming the basis of teaching and learning. The curriculum is taught in English and te reo Māori within a bilingual programme using project based education. Students have the opportunity to develop strong language and literacy skills in Māori and English that underpin their group and individual project-based learning
271. The sponsor reported that 80% of the curriculum is taught by registered teachers with current practising certificates or holders of a Limited Authority to Teach (LAT).

### ***Student Achievement***

272. Te Kōpuku High's student achievement performance measures are for Years 7 and 8 against National Standards and Ngā Whanaketanga Rumaki Māori. For 2017 these measures are at variable levels, as shown in the table below, and increase to 85% for all subject areas in 2018. There were no national standards applied for students in Years 9 and 10 in their contract, nor were there any system-level assessment standards for these year levels.
273. The sponsor reported 2017 results against Ngā Whanaketanga Rumaki Māori for 21 Year 7 and 8 students at year end. These results were provided in the table 43, with comparisons against national decile 1 to 3 average results and national average results.



**Table 43 Te Kōpuku High Student Achievement at/above Performance against Ngā Whanaketanga Rumaki Māori**

Subject	Year Level	2017 Result	2017 Standard	2016 Decile 1-3 Average	2016 National Average
Pānui	Year 7	100%	70%	72%	68%
	Year 8	55%	71%	72%	70%
	Total	76%	N/A	72%	69%
Tuhituhi	Year 7	100%	60%	59%	57%
	Year 8	55%	58%	61%	61%
	Total	76%	N/A	60%	59%
Kōrero	Year 7	90%	73%	60%	58%
	Year 8	73%	65%	60%	60%
	Total	81%	N/A	60%	59%
Pāngarau	Year 7	90%	52%	50%	50%
	Year 8	55%	50%	55%	54%
	Total	71%	N/A	52%	51%

Source: Sponsor's quarter four/annual report and Ministry of Education

274. These results showed that the performance standards had been met for each year level and for each subject, except for Year 8 Pānui (not met) and for Year 8 Tuhituhi (almost met).
275. Total results across the four subject showed Te Kōpuku High achieving significantly above the 2016 decile 1 to 3 schools' average totals and the national average totals.
276. The sponsor reported 2017 results against National Standards for 48 Year 7 and 8 students at year end. These are provided in Table 44 with comparisons against national decile 1 to 3 average results and national average results.

**Table 44 Te Kōpuku High Student Achievement at/above Performance against National Standards**

Subject	Year Level	2017 Result	2017 Standard	2016 Decile 1-3 Average	2016 National Average
Reading	Year 7	45%	60%	63%	75%
	Year 8	58%	60%	65%	78%
	Total	50%	N/A	64%	77%
Writing	Year 7	38%	50%	54%	65%
	Year 8	47%	50%	56%	69%
	Total	42%	N/A	55%	67%
Mathematics	Year 7	79%	55%	53%	68%
	Year 8	58%	55%	56%	71%
	Total	71%	N/A	55%	69%

Source: Sponsor's quarter four/annual report and Ministry of Education

277. Te Kōpuku High's National Standards results were mixed. Year 7 and 8 Mathematics results met the performance standard. The Year 7 Mathematics result is well above the 2016 national average.
278. However, the results for Year 7 Reading and Writing were below the performance standard, and below the decile 1 to 3 average. The results for Year 8 Reading and Writing almost met the performance standard, although were still below the decile 1 to 3 average.
279. Total results showed Te Kōpuku High achieving below the 2016 decile 1 to 3 schools' average totals for Reading and Writing. Their Mathematics total result of 71% was significantly above the 2016 decile 1 to 3 schools' average total of 55% and above the national average total of 69%.



### Advisory Group Assessment

#### Student achievement performance overall – **satisfactory**

We commend the school for their strong results against Ngā Whanaketanga Rumaki Māori which meet the performance standards for all but one subject and year level. Results for Mathematics against National Standards meet the performance standards, but do not meet the performance standards for Reading and Writing. We note that Te Kōpuku High is the only charter school that has performance standards against both National Standards and Ngā Whanaketanga Rumaki Māori.

Overall, the results reveal a mixed picture with stronger results against Ngā Whanaketanga Rumaki Māori. With no standards set in the contract with which to assess student achievement performance at the school in 2017 for students in Years 9 to 10, no assessment has been made. Considering the results as a whole we have assessed Te Kōpuku High performance against their student achievement performance standards to be 'satisfactory' for its first year of operation.

280. Te Kōpuku High met all five student engagement performance standards for 2017, as shown in Table 45.

281. The sponsor reported:

- 436 days of unjustified absences (the performance limit was 541 days)
- 2 stand-downs (the performance limit was 3)
- no suspensions (the performance limit was 1)
- no exclusions (the performance limit was 1).

**Table 45 Te Kōpuku High Student Engagement**

<i>Unjustified Absences</i>		<i>Stand-Downs, Suspensions, Exclusions</i>			<i>School Culture</i>
2017 Result	2017 Standard		2017 Result	2017 Standard	
436	541	Stand-downs	2	3	Wellbeing@ School Survey completed
		Suspensions	0	1	
		Exclusions	0	1	

Source: Sponsor's quarter four/annual report

282. The sponsor reported that the Wellbeing@School Survey was completed in September 2017 and that the survey found that the majority of students felt the school was a safe place to be, and was caring and collaborative.

283. As reported by ERO in their March 2017 New Schools Readiness to Open Report, the students were very well settled and well engaged in their learning (<https://www.tekopukuhigh.school.nz/assets/Uploads/Te-Kopuku-High-Readiness-Report-1.pdf>).

### Advisory Group's Assessment

#### Student engagement performance overall – **satisfactory**

We are satisfied with the school's performance against all of their student engagement standards.

## Priority Learners

284. Te Kōpuku High met the performance standard for having at least 75% of their student roll as priority learners. The sponsor reported that 100% of the students were from one or more of the priority learner groups.

### Advisory Group's Assessment

#### Enrolment of priority learners performance – **satisfactory**

All the enrolled students are reported to be priority learners.

## Financial Performance

285. Te Kōpuku High exceeded the debt-to-equity ratio and operating cash flow performance standards. It almost met the working capital ratio standard, but did not meet the operating surplus performance standard, as shown in Table 46.

**Table 46 Te Kōpuku High Financial Performance 2017**

Operating Surplus (Performance Standard: 2 to 5%)	Working Capital Ratio (Performance Standard: 2:1 or above)	Debt/Equity Ratio (Performance Standard: 0.5:1 or less)	Operating Cash flow (Performance Standard: Positive)
8.4%	1.07:1	0.21:1	\$422,000

Source: Partnership Schools Kura Hourua Analysis of 2017 Financial Statements by PwC

Note: The financial performance assessments were based on unaudited financial statements.

286. Te Kōpuku High had a recorded net surplus for the 2017 financial year.
287. Te Kōpuku High had sufficient current assets to meet its short-term liabilities at the end of the 2017 financial year.
288. Te Kōpuku High's cash balance increased in the 2017 financial year.
289. PwC advised that they did not have sufficient financial information to assess the school's solvency, which was one of the financial performance standards for Round Three Schools.

### Advisory Group Assessment

#### Financial performance overall – **almost satisfactory**

We understand that the financial assessment by PwC was based on unaudited financial statements. We also note that the school did not meet one of the financial performance standards. As such we have assessed Te Kōpuku High's performance against their contracted financial performance standards to be 'almost satisfactory'.

### Advisory Group Final Assessment of Te Kōpuku High School in 2017

#### Overall performance – **satisfactory**

We note this is the first year of operation for Te Kōpuku High. We have considered the results across the four performance standard areas. Targeting of priority learners was high at 100%. While we assessed its financial performance against the standards as 'almost satisfactory', on balance we assessed Te Kōpuku High's final assessment as 'satisfactory'.

## Appendix 1



### Charter Schools' Performance Assessment Framework

1. In 2017, ten charter schools were operating under contracts with the Crown. Based on the 1 July 2017 roll returns, the total number of students enrolled in charter schools was 1246. Of these students, 59% identified as Māori and 30% as Pacific. Appendix 2 provides a table with roll numbers and the ethnic breakdown of each school.
2. Under the charter school model sponsors are contracted to meet agreed outcomes in return for bulk funding, flexibilities and absolute discretion in how the school operates.
3. These flexibilities include the freedom to choose the type of curriculum they use, to appoint people to teach students who are not registered/certificated teachers, to set staff pay and conditions, to determine the hours (and days) of operation, and to choose their own school governance and leadership model, without the requirement to have an elected board of trustees. The charter school model also allows sponsors to operate for a profit.
4. Outcomes are set out as objectives and performance standards in the contracts. The reporting, audit, performance measurement and intervention mechanisms are all elements of the system that was designed to ensure that the performance standards are satisfactorily achieved and, if they are not satisfactorily achieved, then interventions can be taken to remedy this.
5. The role of the Advisory Group is to assess the performance of charter schools and provide the Minister with advice so final assessments of performance can be confirmed, and decisions can be made on whether to release or withhold retention payments.
6. One element of the performance framework that was designed to be an incentive for the sponsor to meet the performance standards is the 1% retention payment. A small amount (1%) of each of the quarterly operational funding payments to sponsors is retained by the Minister, and is only paid the following year if the Minister is satisfied that the relevant standards have been satisfactorily met. The 1% payments is therefore 'at risk'. For 2017 it will vary from approximately \$8,000 to \$26,000 depending on the size and type of the school. The Minister can approve retention payments using discretion. For any discretionary retention payments we recommend the amount is less than 1%, we suggested 0.5%.
7. Day-to-day management of the contracts is undertaken by the Ministry of Education (the Ministry). The Education Review Office (ERO) also evaluates and reports on the education of students in charter schools. New School Readiness to Open Reports and New School Assurance Reviews are undertaken for new charter schools, and thereon regular ERO reviews are carried out. ERO also reports on the charter schools' performance in relation to the performance standards set out in the schools' contracts.
8. There are four performance standard areas that sponsors are contracted to meet. These are: student achievement, student engagement, targeting priority learners, and financial performance.

9. Charter school contracts specify that performance against a performance standard is to be assessed and assigned to one of the following five categories (Charter School contract, Part 3 clause 20.2(b)).

Performance Category	Assessment Approach
<b>Exceeds</b>	Any result that is higher/better than the standard that was set.
<b>Meets</b>	Any result is met the standard that was set
<b>Almost meets</b>	Any result where the result was close to the standard that was set. In such cases discretion may be exercised taking into account the following factors: <ul style="list-style-type: none"> <li>• fairness: relevant precedents of previous assessments may be considered</li> <li>• consistency: between assessments of different charter schools when viewed overall in the current assessment round</li> <li>• any other relevant information: this may include submissions from sponsors, Advisory Group assessments, advice the Ministry, or ERO reporting.</li> </ul>
<b>Did not meet but is capable of remedy</b>	Any result where the performance standard was not met, but the Advisory Group considers that the standard could be met.
<b>Did not meet and is incapable of remedy</b>	Any result where the performance standard was not met and the Advisory Group considers that the school is not capable of achieving the performance standard in future.

10. The approach taken by the Advisory Group is set out in blue (right column) in the table above. For student achievement and priority learner performance standards, results that are more than 5 percentage points below the performance standards are categorised in this report as 'not met'. For example, if a performance standard is 85% and the school result is 79% then the result is 6% below the standard and is assessed as 'not met'. Whereas a result of 80% would be 5% below the standard so would be 'almost met'.
11. The Advisory Group has also assigned an overall assessment to each school. This is based on whether or not the Advisory Group is satisfied that a sponsor has performed satisfactorily well against the performance standards for their school.
12. Where there are variable results across the performance standards, the Advisory Group has applied a level of qualitative assessment. Consistent with the approach taken by the



Partnership Schools | Kura Hourua Authorisation Board, the Advisory Group has placed greatest weight on the schools' student achievement results.

13. This approach is consistent with that taken by the Partnership Schools Kura Hourua Authorisation Board for their 2014, 2015 and 2016 assessment reports.
14. Each school has a different set of performance standards. Some, such as student achievement standards, vary from year to year. Others, such as the percentage of priority learners, are the same for all schools. These standards are explained in more detail below.

### *Student achievement standards*

15. Schools with students in Years 1 to 8 were assessed against National Standards or Ngā Whanaketanga Rumaki Māori. Performance standards for Round One and Round Two schools were designed to incrementally increase each year of operation to reach the 2017 standard of 85% of students achieving at or above the standards in each subject.
16. There were no performance standards in place for Year 9 and 10 students in charter school contracts in 2017.
17. Secondary school student achievement was assessed against NCEA Levels 1 and 2. Standards for NCEA Level 3 and University Entrance do not form part of the charter school performance system. However, school results on these measures are provided in this report for context.
18. In 2017, Round One and Round Two charter schools were assessed against NCEA school leaver results. Round Three schools (for 2017 this applies to Te Aratika only) were assessed against NCEA roll-based results. A more detailed explanation of the NCEA student achievement performance standards, and the differences between roll-based and leaver-based results is set out in Appendix 6.

### *Student engagement standards*

19. Student engagement is assessed against the following measures:
  - unjustified absences
  - stand downs
  - suspensions
  - exclusions
  - expulsions (for schools with students aged 16 years or over).
  - school culture.
20. Charter school contracts use formulae based on the number of students to set each of the standards on absences, suspensions, exclusions and expulsions. For example, the measure for unjustified absences is 0.028 multiplied by the number of students multiplied by the number of days the school is open. These are benchmarked against state school data at the median percentile.

21. 'School culture' is assessed by the requirement for schools to conduct the Wellbeing@School Survey each year. This survey has been specifically designed for the New Zealand context and is made up of two online surveys. One for students in Years 5 to 8 and one for students in Years 7 to 13. The survey covers five aspects:
- school-wide climate and practices
  - teaching learning
  - community partnerships
  - pro-social student culture and strategies
  - aggressive student culture.
22. ERO examines the findings of the Wellbeing@School Survey when they conduct charter school reviews, and includes comment about the findings in their review reports. Sponsors can also choose to include comment about the findings of the survey in their reports to the Ministry.

### *Targeting priority learners standard*

23. Charter schools are expected to improve the educational outcomes for priority learners. All charter schools are required to have 75% of their student roll meet the one or more of the following categories: Māori students, Pacific students, students with special education needs, and/or students from low socio-economic backgrounds. Sponsors self-report against this standard every quarter.
24. Charter school contracts define 'students with special education needs' as those who are in the 'Ongoing Resourcing Scheme', 'Intensive Wrap-around Service' or the 'High Needs Learning Service' provided through 'Resource Teachers Learning and Behaviour'.
25. There is no definition in the contracts for 'students from low socioeconomic backgrounds'. As such, approaches may vary across schools.
26. Section 3 of the Education Act 1989 requires charter schools to enrol anyone who applies, and once the maximum roll is reached, to run a ballot. The schools cannot control who they enrol, and have to rely on other strategies, such as marketing campaigns, to achieve the target for the enrolment of priority learners.
27. Schools that exceed this standard by enrolling a high proportion of students from priority groups are likely to be responding to students with greater educational challenges – which may make it more difficult to reach student achievement and engagement standards.

### *Financial performance standards*

28. When the contracts were designed, the financial standards were based on best practice benchmarks for state schools.
29. There are minor differences between Rounds One and Two, and Round Three schools' financial measures. The measures that are common across all charter school contracts are: operating surplus, working capital ratio, debt/equity ratio; and operating cash flow. These measures are to understand the profitability, liquidity and leverage of each school.

30. Round One and Two contracts also have a measure called “enrolment variance” and Round Three schools have a measure of “solvency”. In the first years, when Round One and Two schools were building up their rolls, the ‘enrolment variance’ performance standard was based on the schools’ guaranteed minimum roll (GMR). This was the roll that the Ministry agreed to fund, regardless of whether the school reached that number of enrolments (actual enrolments above this roll are also funded).
31. Sponsors are required to provide the Ministry with audited financial statements for their school. The financial statements have been independently analysed by PwC. The school by school financial performance assessments by PwC have been considered by the Advisory Group and these have been reflected in this report with the exception of enrolment variance.

*Caveat on data in this report*

32. Charter school student cohorts are relatively small. Some student achievement results for ethnic groups (less than 5 students) have been withheld from this report to protect the privacy of individual students.

## Appendix 2 2017 Charter Schools' Student Numbers by Ethnicity

Charter Schools	Māori	Pacific	1 July 17 Roll Returns
The Rise UP Academy	20%	80%	101
South Auckland Middle School	32%	52%	180
Vanguard Military School	34%	20%	167
Te Kura Hourua o Whangarei Terenga Paraoa	100%	0%	212
Pacific Advance Secondary School	12%	86%	83
Te Kāpehu Whetū (Teina)	100%	0%	101
Te Kura Māori o Waatea	87%	13%	79
Middle School West Auckland	42%	41%	188
Te Aratika Academy	92%	8%	25
Te Kōpuku High	98%	2%	110
<b>Total Number</b>	<b>736</b>	<b>369</b>	<b>1246</b>
<b>Total Percentage</b>	<b>59%</b>	<b>30%</b>	<b>100%</b>

Source: Education Counts



### Appendix 3: Changes in 2017 Charter Schools Student Achievement against National Standards between Quarter 1 and Quarter 4

Charter Schools	Reading	Writing	Mathematics
<i>Rise UP Academy</i>	No significant difference	No significant difference	Slight increase
<i>South Auckland Middle School</i>	Slight increase	Slight increase	No significant difference
<i>Te Kura Māori o Waatea</i>	Moderate increase	Slight increase	Slight increase
<i>Middle School West Auckland</i>	No significant difference	No significant difference	Slight increase

Note: Dr. Kane Meissel used two statistical methods (Cliff's Delta and Robust Cohen's d) to test if the differences in percentage are statistically significant between quarter 1 and quarter 4 2017 student achievement results.

### Appendix 4: Changes in 2017 Te Kāpehu Whetu (Teina) Student Achievement against Ngā Whanaketanga Rumaki Māori between Quarter 1 and Quarter 4

Charter Schools	Pānui	Tuhituhi	Kōrero	Pāngarau
<i>Te Kāpehu Whetū (Teina)</i>	Slight increase	Moderate increase	Significant increase	Moderate increase

Note: Dr. Kane Meissel used two statistical methods (Cliff's Delta and Robust Cohen's d) to test if the differences in percentage are statistically significant between quarter 1 and quarter 4 2017 student achievement results

**Appendix 5: Percentage and Number of School Leavers who have met NCEA Level 1 Literacy and Numeracy Requirements 2014-2017**

<b>Charter School</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Vanguard Military School	91.4% (32)	98.2% (56)	96.4% (53)	95.3% (82)
Te Kura Hourua O Whangarei Terenga Paraoa	77.8% (7)	91.7% (11)	96.3% (26)	91.7% (22)
Pacific Advance Secondary School	N/A	50.0% (4)	70.3% (26)	80.6% (50)
Te Aratika Academy	N/A	N/A	N/A	83.3% (5)

Source: Ministry of Education



### NCEA Performance Measures and Data Explanation

1. Of the ten charter schools, four schools reported against NCEA in 2017. In the contracts, Round One and Round Two charter schools are assessed against NCEA Level 1 and 2 school *leaver* results. For 2017, Te Aratika is assessed against NCEA *roll-based* results, moving to *roll-based* and school *leaver* results for 2018 and beyond.
2. **Leaver-based results.** This methodology shows the proportion of students leaving the school and the schooling system who achieve the specified NCEA level or above. Note that this means that a student who leaves the schooling system having achieved NCEA Level 2 will be counted both as having achieved NCEA Level 1 and above and NCEA Level 2 and above. NCEA leaver-based results are published each year on the Ministry's Education Counts website. The Ministry advises that leaver-based measures are likely to provide a more reliable perspective on student achievement than roll-based and participation-based results.
3. **Roll-based results.** These results show the proportion of students achieving each NCEA level as a proportion of the students enrolled in the appropriate year level (e.g. the proportion of students achieving NCEA Level 1 who are enrolled in year 11). Roll-based results are collated by NZQA and are published on the NZQA website. The Ministry advises that roll-based measures should be used in preference to participation-based measures because participation-based measures exclude some students. Where roll levels change between the middle of the year and end of year, this measure is not robust.
4. **Participation-based results.** These results show the proportion of students achieving each NCEA level as a proportion of all students enrolled in the associated year level who have a 'reasonable opportunity' to achieve that qualification. A 'reasonable opportunity' means that they have entered for sufficient potential credits to achieve the qualification by the end of that year (e.g. the proportion of all Year 11 students who have enrolled for sufficient NCEA credits to achieve NCEA Level 1 by the end of the year). Participation-based results are collated by NZQA and are published on the NZQA website. Where roll levels change between the middle of the year and end of year, this measure is not robust.
5. The contracted leaver-based performance standards for Round One and Two charter schools moved progressively to 85% for NCEA Level 2 and 90% for NCEA Level 1 by 2017. This was intended to align with the previous Government's Better Public Services 'target' for the proportion of 18 year olds with NCEA Level 2 or an equivalent qualification by 2017.
6. Contracted standards for Round One and Two charter schools for the years leading up to 2017 have been different for each school, because sponsors were each able to negotiate their school's own path towards achieving 85% at NCEA Level 2 by 2017.
7. The 2017 NCEA performance standard for the Round Three charter school (Te Aratika Academy) was 85% NCEA Level 1 roll based results. There was no performance standard in 2017 for Te Aratika Academy for NCEA Level 2.
8. The other Round Three charter school (Te Kōpuku High) did not have any students in years 11-13 in 2017 so the NCEA performance standards do not apply.

## Appendix 7: Charter Schools' Student Engagement Results for 2017

			Unjustified Absences		Stand-Downs, Suspensions, Exclusions, and Expulsions			School Culture
			2017 Result	2017 Standard		2017 Result	2017 Standard	Wellbeing@ School Survey
	Charter Schools							
R 1	The Rise UP Academy	Year 1-6	36	173	SDs:	Year 1-6: 0	0	Completed
						Year 7-8: 0	1	
					Suspens:	Year 1-6: 0	0	
						Year 7-8: 0	1	
	Year 7-8		10	97	Exclusns:	Year 1-6: 0	0	
						Year 7-8: 0	0	
	South Auckland Middle School		149	921	SDs:	6	4	Completed
					Suspens:	2	1	
R 2	Vanguard Military School		489	726	Exclusns:	1	1	Completed
					SDs:	0	3	Completed
					Suspens:	1	1	
					Exclusns:	1	1	
					Expulsns:	0	0	
	Te Kura Hourua O Whangarei Terenga Paraoa		0	1087	SDs:	11	5	Completed
					Suspens:	4	1	
					Exclusns:	0	1	
					Expulsns:	0	0	
R 3	Pacific Advance Secondary School		377	342	SDs:	1	2	Completed
					Suspens:	0	1	
					Exclusns:	0	1	
					Expulsns:	0	0	
	Te Kāpehu Whetū (Teina)		0	218	SDs:	0	0	Completed
					Suspens:	0	0	
					Exclusns:	0	0	
	Te Kura Māori o Waatea		1	179	SDs:	1	0	
R 3					Suspens:	0	0	Completed
					Exclusns:	0	0	
	Middle School West Auckland		415	1006	SDs:	9	4	
					Suspens:	10	1	
					Exclusns:	2	1	Completed
	Te Aratika Academy		23	203	SDs:	0	1	
					Suspens:	0	1	
					Exclusns:	0	1	
R 3					Expulsns:	0	0	
	Te Kōpuku High		436	541	SDs:	2	3	Completed
					Suspens:	0	1	
					Exclusns:	0	1	



## Appendix 8: Charter Schools' Priority Learners Results for 2016 and 2017

	Charter Schools	2017 Result	Performance Standard	2016 Result
R1	The Rise UP Academy	100%	75%	100%
	South Auckland Middle School	93%	75%	89%
	Vanguard Military School	66%	75%	73%
	Te Kura Hourua O Whangarei Terenga Paraoa	100%	75%	100%
R2	Pacific Advance Secondary School	100%	75%	100%
	Te Kāpehu Whetū (Teina)	100%	75%	100%
	Te Kura Māori o Waatea	100%	75%	100%
	Middle School West Auckland	86%	75%	81%
R3	Te Aratika Academy	100%	75%	Not in operation
	Te Kōpuku High	100%	75%	Not in operation

### Appendix 9: Charter Schools' Financial Performance Results for 2016 and 2017

Charter Schools		Operating Surplus		Working Capital Ratio		Debt-to-Equity Ratio		Operating Cash flow		Enrolment Variance/Solvency	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
R1	The Rise UP Academy	-1.2%	1.2%	4.59:1	3.6:1	0.15:1	0.2:1	\$22,000	\$25,000	104	100
	South Auckland Middle School	3.9%	5.5%	3.28:1	0.4:1	0.22:1	-equity	\$297,000	\$201,000	176	158
	Vanguard Military School	1.3%	0.6%	0.65:1	0.7:1	9.8:1	3.5:1	-\$179,000	-\$317,000	158	129
	Te Kura Hourua O Whangarei Terenga Paraoa	0.4%	-3.1%	9.25:1	6.1:1	0.12:1	0.2:1	-\$173,000	-\$911,000	206	156
R2	Pacific Advance Secondary School	6.5%	3.0%	1.97:1	-	0.69:1	-	\$97,000	-	75	95
	Te Kāpehu Whetū (Teina)	3.4%	3.5%	5.9:1	4.6:1	0.19:1	0.2:1	\$16,000	-\$1.4m	105	90
	Te Kura Māori o Waatea	-13.9%	-10.3%	0.55:1	0.1:1	16.26:1	0.5:1	-\$218,000	-\$16,000	83	72
	Middle School West Auckland	-12.8%	-20.7%	0.03:1	0.0005:1	1.05:1	-equity	-\$89,000	-\$231,000	192	127
R3	Te Aratika Academy	2.2%	N/A	0.26:1	N/A	6.35:1	N/A	\$146,000	N/A	N/A	N/A
	Te Kōpuku High	8.4%	N/A	1.07:1	N/A	0.21:1	N/A	\$422,000	N/A	N/A	N/A