

**Education Report: Partnership Schools | Kura Hourua  
Contract Variations 2017**

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Executive summary

1. This report provides you with the 2017 variations for six partnership schools and asks that you agree to recommendations in relation to the detail of each variation and sign the agreements to reflect this.
2. We are continuing negotiations with He Puna Marama Trust in relation to two schools: Te Kāpehu Whetū (Teina) and Te Kura Hourua O Whangarei Terenga Paraoa. We will submit variations for these schools to you for signing when negotiations have concluded.
3. Round One Partnership Schools will not have a Guaranteed Minimum Roll (GMR) from 2017, their fourth year of operation, and for Round Two schools 2017 is the last year of having a GMR set.
4. The GMRs in the proposed variations attached for the Round Two schools have been mutually agreed;
5. There are no major reductions proposed in the percentage of curriculum time taught by registered teachers.
6. We have structured this report with detailed recommendations and have not duplicated this detailed information in the body of the report. This is designed to make the report more concise.
7. We have provided general additional information in relation to the recommendations in the body of the report where appropriate.

Recommendations

We recommend that the Minister of Education:

- a. **note** that six Sponsors operating eight Partnership Schools require variations to their Agreements for the 2017 school year;
- b. **note** that proposed variations for six schools are being provided to you with this report.

School-specific changes

- c. **approve** the following variations for each individual Agreement:

**1. Villa Education Trust - South Auckland Middle School (Round One)**

- i. **set** the total number of half days that the school will be open for teaching as a minimum of 382 and **agree** the school term dates for the 2017 year as follows:

Term 1 - 1 February until 13 April
Term 2 - 1 May until 7 July
Term 3 - 24 July until 29 September
Term 4 - 16 October until 8 December

AGREE / DISAGREE

- ii. **agree** the number of full time teaching equivalent Teaching Positions for the school in 2017 as follows:

Academic Leaders	3
Registered Teachers	11
Non Registered Teachers	2
Total	16

AGREE / DISAGREE

- iii. **agree** the number of Registered Teachers and Holders of Limited Authority to Teach for 2017 as follows:

Practising Certificate	Limited Authority to Teach	Subtotal Reg/LAT (Minimum)	Non Registered (Maximum)	Total (Minimum)
14	1	15	1	16

AGREE / DISAGREE

- iv. **set** the percentage of curriculum time taught by Registered Teachers or holders of Limited Authority to Teach at 80 percent for 2017, 2018 and 2019:

AGREE / DISAGREE

- v. **set** the financial performance standards as follows:

Measure	Metric	Performance standard						Measurement Frequency
		2014	2015	2016	2017	2018	2019	
Operating surplus	Measured through information provided to the Ministry	2%-5%	2%-5%	2%-5%	2%-5%	2%-5%	2%-5%	Quarterly
Working capital ratio		2:1	2:1	2:1	2:1	2:1	2:1	
Debt/equity ratio		0.5:1	0.5:1	0.5:1	0.5:1	0.5:1	0.5:1	
Operating cash		Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	
Enrolment variance		90	115	150	150	TBC	TBC	

AGREE / DISAGREE

- vi. **set** the performance standard for targeting priority learners in 2017 as 75 percent;

AGREE / DISAGREE

- vii. **set** the performance standards for Student Engagement as follows:

Measure	Performance standard					
	2014	2015	2016	2017	2018	2019
Unjustified absences	0.028 multiplied by the number of Students multiplied by the number of days the School is open					
Stand downs	2.1 occurrences per year per 100 Students					
Suspensions	0.42 occurrences per year per 100 Students					
Exclusions	0.15 occurrences per year per 100 Students					

AGREE / DISAGREE



**2. Villa Education Trust – Middle School West Auckland (Round Two)**

- i. **set** the total number of half days that the school will be open for teaching as a minimum of 382 and **agree** the school term dates for the 2017 year as follows:

Term 1 - 1 February until 13 April
Term 2 - 1 May until 7 July
Term 3 - 24 July until 29 September
Term 4 - 16 October until 8 December

AGREE / DISAGREE

- ii. **agree** the number of full time teaching equivalent Teaching Positions for the school in 2017 as follows:

Academic Leaders	3
Registered Teachers	12
Non Registered Teachers	2
Total	17

AGREE / DISAGREE

- iii. **agree** the number of Registered Teachers and Holders of Limited Authority to Teach for 2017 as follows:

Practising Certificate	Limited Authority to Teach	Subtotal Reg/LAT (Minimum)	Non Registered (Maximum)	Total (Minimum)
15	1	16	1	17

AGREE / DISAGREE

- iv. **set** the percentage of curriculum time taught by Registered Teachers or holders of Limited Authority to Teach at 80 percent for 2017, 2018, 2019 and 2020;

AGREE / DISAGREE



- v. set the financial performance standards as follows:

Measure	Metric	Performance standard						Measurement Frequency
		2015	2016	2017	2018	2019	2020	
Operating surplus	Measured through information provided to the Ministry	2%-5%	2%-5%	2%-5%	2%-5%	2%-5%	2%-5%	Quarterly
Working capital ratio		2:1	2:1	2:1	2:1	2:1	2:1	
Debt/equity ratio		0.5:1	0.5:1	0.5:1	0.5:1	0.5:1	0.5:1	
Operating cash		Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	
Enrolment variance		Establishment Roll	120	170	TBC	TBC	TBC	

AGREE / DISAGREE

- vi. set the performance standard for targeting priority learners in 2017 as 75 percent;

AGREE / DISAGREE

- vii. set the performance standards for Student Engagement as follows:

Measure	Performance standard					
	2015	2016	2017	2018	2019	2020
Unjustified absences	0.028 multiplied by the number of Students multiplied by the number of days the School is open					
Stand downs	2.1 occurrences per year per 100 Students					
Suspensions	0.42 occurrences per year per 100 Students					
Exclusions	0.15 occurrences per year per 100 Students					

AGREE / DISAGREE

- viii. set the 2017 Guaranteed Minimum Roll at 170;

AGREE / DISAGREE

**3. Advance Training Group Limited - Vanguard Military School (Round One)**

- i. **set** the total number of half days that the school will be open for teaching as a minimum of 391 (including ANZAC Day) and **agree** the school term dates for the 2017 year as follows:

Term 1- 23 January	until	13 April
Term 2- 1 May	until	7 July
Term 3- 24 July	until	29 September
Term 4- 16 October	until	15 December

AGREE / DISAGREE

- ii. **set** the percentage of curriculum time taught by Registered Teachers or holders of Limited Authority to Teach at 71 percent for 2017;

AGREE / DISAGREE

- iii. **set** the financial performance standards for 2017 as follows:

Measure	Metric	Performance standard						Measurement Frequency
		2014	2015	2016	2017	2018	2019	
Operating surplus	Measured through information provided to the Ministry	2%-5%	2%-5%	2%-5%	2%-5%	2%-5%	2%-5%	Quarterly
Working capital ratio		2:1	2:1	2:1	2:1	2:1	2:1	
Debt/equity ratio		0.5:1	0.5:1	0.5:1	0.5:1	0.5:1	0.5:1	
Operating cash		Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	
Enrolment variance		108	144	156	156	TBC	TBC	

AGREE / DISAGREE

- iv. **set** the performance standard for targeting priority learners in 2017 as 75 percent;

AGREE / DISAGREE

- v. set the performance standards for Student Engagement as follows:

Measure	Performance Standard (maximum)					
	2014	2015	2016	2017	2018	2019
Unjustified absences	0.028 multiplied by the number of Students multiplied by the number of days the School is open				To determined as a variation to this Agreement	
Stand downs	2.1 occurrences per year per 100 Students					
Suspensions	0.42 occurrences per year per 100 Students					
Exclusions	0.15 occurrences per year per 100 Students					
Expulsions	0					

AGREE DISAGREE



4. Pacific Peoples Advancement Trust – Pacific Advance Senior School  
(Round Two)

- i. **set** the total number of half days that the school will be open for teaching as a minimum of 388 and **agree** the school term dates for the 2017 year as follows:

Term 1 – 31 January until 13 April
Term 2 - 1 May until 7 July
Term 3 - 24 July until 29 September
Term 4 - 16 October until 14 December

AGREE / DISAGREE

- ii. **agree** the number of full time teaching equivalent Teaching Positions for the school in 2017 as follows:

English/ESOL/Lit/Samoan	2.5
Mathematics	1.5
PE/Health	2
Science	1
Digital Tech	1
Music	1
Total	9

AGREE / DISAGREE

- iii. **agree** the number of Registered Teachers and Holders of Limited Authority to Teach for 2017 as follows (FTTEs):

Practising Certificate	Limited Authority to Teach	Subtotal Reg/LAT (Minimum)	Non Registered (Maximum)	Total (Minimum)
7	0	7	2	9

AGREE / DISAGREE

- iv. **set** the percentage of curriculum time taught by Registered Teachers or holders of Limited Authority to Teach at 77 percent for 2017;

AGREE / DISAGREE

- v. **set** the financial performance standards as follows:

Measure	Metric	Performance standard						Measurement Frequency
		2015	2016	2017	2018	2019	2020	
Operating surplus	Measured through information provided to the Ministry	2%-5%	2%-5%	2%-5%	2%-5%	2%-5%	2%-5%	Quarterly
Working capital ratio		2:1	2:1	2:1	2:1	2:1	2:1	Quarterly
Debt/equity ratio		0.5:1	0.5:1	0.5:1	0.5:1	0.5:1	0.5:1	Quarterly
Operating cash		Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Quarterly
Enrolment variance		Establishment Roll	120	100	TBC			Quarterly

AGREE / DISAGREE

- vi. **set** the performance standard for targeting priority learners in 2017 as 75 percent;

AGREE / DISAGREE

- vii. **set** the performance standards for Student Engagement as follows:

Measure	Performance standard					
	2015	2016	2017	2018	2019	2020
Unjustified absences	0.028 multiplied by the number of Students multiplied by the number of days the School is open	0.028	0.028	0.028	0.028	0.028
Stand downs	2.1 occurrences per year per 100 Students	2.1	2.1	2.1	2.1	2.1
Suspensions	0.42 occurrences per year per 100 Students	0.42	0.42	0.42	0.42	0.42
Exclusions	0.15 occurrences per year per 100 Students	0.15	0.15	0.15	0.15	0.15

AGREE / DISAGREE

- viii. **set** the 2017 Guaranteed Minimum Roll at 100;

AGREE / DISAGREE

**5. The Rise UP Trust – The Rise UP Academy (Round One)**

- i. **set** the minimum number of hours the School must be open as follows:

Day	Hours
Monday	9.00am – 3.00pm - Curriculum Delivery;
Tuesday	9.00am – 3.00pm - Curriculum Delivery;
Wednesday	9.00am – 3.00pm - Curriculum Delivery;
Thursday	9.00am – 3.00pm - Curriculum Delivery;
Friday	9.00am – 3.00pm - Curriculum Delivery;
Saturday	Closed
Sunday	Closed
Public Holidays	Closed

AGREE / DISAGREE

- ii. **set** the total number of half days that the school will be open for teaching as a minimum of 370 and **agree** the school term dates for the 2017 year as follows:

Term 1 - 3 February	until	13 April
Term 2 - 1 May	until	7 July
Term 3 - 24 July	until	29 September
Term 4 - 16 October	until	15 December

AGREE / DISAGREE

- iii. **set** the number of full time teaching equivalent Teaching Positions for the School for 2017 as follows:

Lead Teacher	1
Teachers	5
Teacher Aide	2

AGREE / DISAGREE



- iv. **set** the number of Registered Teachers and Holders of Limited Authority to Teach for 2017 as follows:

Practising Certificate	Limited Authority to Teach	Subtotal Reg/LAT (Minimum)	Non Registered (Maximum)	Total (Minimum)
6	2	8	0	8

AGREE / DISAGREE

- v. **set** the percentage of curriculum time taught by Registered Teachers or holders of Limited Authority to Teach at 100 percent for 2017, 2018 and 2019.

AGREE / DISAGREE

- vi. **set** the financial performance standards as follows:

Measure	Metric	Performance standard						Measurement Frequency
		2014	2015	2016	2017	2018	2019	
Operating surplus	Measured through information provided to the Ministry	2%-5%	2%-5%	2%-5%	2%-5%	2%-5%	2%-5%	Quarterly
Working capital ratio		2:1	2:1	2:1	2:1	2:1	2:1	
Debt/equity ratio		0.5:1	0.5:1	0.5:1	0.5:1	0.5:1	0.5:1	
Operating cash		Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	
Enrolment variance		50	100	100	100	TBC	TBC	

AGREE / DISAGREE

- vii. **set** the performance standard for targeting priority learners in 2017 as 75 percent;

AGREE / DISAGREE

viii. set the performance standards for Student Engagement as follows:

**1. Primary (Class Levels 1 to 6)**

Measure	Performance Standard (maximum)				2018	2019
	2014	2015	2016	2017		
Unjustified absences	0.01 multiplied by the number of Students multiplied by the number of days the School is open				To determined as a variation to this Agreement	
Stand downs	0					
Suspensions	0					
Exclusions	0					
Expulsions	0					

**2. Secondary (Class Levels 7 to 13)**

Measure	Performance standard					
	2014	2015	2016	2017	2018	2019
Unjustified absences	0.028 multiplied by the number of Students multiplied by the number of days the School is open				To determined as a variation to this Agreement	
Stand downs	2.1 occurrences per year per 100 Students					
Suspensions	0.42 occurrences per year per 100 Students					
Exclusions	0.15 occurrences per year per 100 Students					

AGREE / DISAGREE

**6. Manukau Urban Māori Authority – Te Kura Māori o Waatea (Round Two)**

- i. **set** the total number of half days that the school will be open for teaching as a minimum of 388 and **agree** the school term dates for the 2017 year as follows:

Term 1 – 31 January until 13 April
Term 2 – 1 May until 7 July
Term 3 - 24 July until 29 September
Term 4 - 18 October until 14 December

AGREE / DISAGREE

- ii. **agree** the number of full time teaching equivalent Teaching Positions for the school in 2017 as follows:

Teachers	5.25
Teacher Aides	3
Total	8.25

AGREE / DISAGREE

- iii. **agree** the number of Registered Teachers and Holders of Limited Authority to Teach for 2017 as follows:

Practising Certificate	Limited Authority to Teach	Subtotal Reg/LAT (Minimum)	Non Registered (Maximum)	Total (Minimum)
5	1	6	0	6

AGREE / DISAGREE

- iv. **set** the percentage of curriculum time taught by Registered Teachers or holders of Limited Authority to Teach at 100 percent for 2017;

AGREE / DISAGREE



- v. **set** the financial performance standards as follows:

Measure	Metric	Performance standard				Measurement Frequency
		2015	2016	2017	2018	
Operating surplus	Measured through information provided to the Ministry	2%-5%	2%-5%	2%-5%	2%-5%	Quarterly
Working capital ratio		2:1	2:1	2:1	2:1	
Debt/ equity ratio		0.5:1	0.5:1	0.5:1	0.5:1	
Operating cash		Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	Positive cash flow forecast = actual	
Enrolment variance		Establishment Roll	80	100	TBC	

AGREE / DISAGREE

- vi. **set** the performance standard for targeting priority learners in 2017 as 75 percent;

AGREE / DISAGREE

- vii. **set** the performance standards for Student Engagement as follows:

Measure	Performance Standard					
	2015	2016	2017	2018	2019	2020
Unjustified absences	0.28 multiplied by the number of Students multiplied by the number of days the School is open					
Stand downs	2.1 occurrences per year per 100 Students					
Suspensions	0.42 occurrences per year per 100 Students					
Exclusions	0.15 occurrences per year per 100 Students					
Expulsions	0					

AGREE / DISAGREE

- viii. **set** the 2017 Guaranteed Minimum Roll at 100;

AGREE / DISAGREE

Minor and administrative changes

d. **note** that all of the Variations include a definition of 'Practising Certificate'

e. **set** the International Student Cap for all variations at nil for 2017;

AGREE / DISAGREE

Funding approach

f. **approve** the funding approach for schools in each Round as follows:

For Round One Schools where the School's roll is used to calculate a payment, the School's roll will be deemed to be the actual roll submitted through relevant roll returns or roll counts from ENROL as below:

Payment date	Roll used to calculate payment
1 January	Agreed projected opening roll, with subsequent adjustment based on 1 March roll return
1 April	1 March roll return
1 July	1 June roll count from ENROL
1 October	1 September roll count from ENROL

For Round Two Schools where the School's roll is used to calculate a payment, the School's roll will be deemed to be the Guaranteed Minimum Roll or (if higher) the actual roll submitted through relevant roll returns or roll counts from ENROL as below:

Payment date	Roll used to calculate payment
1 January	An adjustment will be made based on 1 March roll return if higher than GMR
1 April	1 March roll return
1 July	1 June roll count from ENROL
1 October	1 September roll count from ENROL


g. **approve and sign** the six attached variations signed by Sponsors for Partnership School Agreements, attached as Appendix 1; and

h. **note** that the Ministry will forward the final Variations to the respective Sponsors once you have signed them.



Karl Le Quesne  
Deputy Secretary (Acting)  
Early Learning and Student Achievement

Encls



Hon Hekia Parata  
Minister of Education

8.12.16



David Seymour  
Under-Secretary to the  
Minister of Education

21/12/2016

## Education Report: Partnership Schools | Kura Hourua Contract Variations 2017

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### Purpose of Report

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1. This report seeks your approval to vary the Partnership School Agreements for six Partnership Schools.

### Background

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2. You approved and signed Agreements with five Sponsors to open a Partnership School on 16 September 2013 [METIS 810310 refers]. You also approved and signed Agreements with four Sponsors to open a Partnership School on 11 September 2014 [METIS 883895 refers].
3. Partnership School agreements continue for a term of six years. The Round One Agreements expire on 1 January 2020 unless terminated earlier. Two further terms of six years may be provided by extension, at the Minister's discretion.
4. No amendment to a Partnership School Agreement is effective unless it is in writing and signed by both parties [Clause 34.12]. You signed variations for eight schools for the 2016 school year.
5. 
6. You terminated the Agreement with Ngā Parirau Mātauranga Charitable Trust effective 7 March 2016, due to performance failures.
7. The key matters for setting through contract variation each year are the GMRs (for the first three years of the Agreement for Round One and Two schools), and performance measures. These are to be discussed and agreed with Sponsors by 31 December of the previous year and confirmed by Variation.

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

### Guaranteed Minimum Roll

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8. The GMR for each year of the Agreement to which it applies is to be agreed by the Minister of Education and the Sponsor in writing by way of variation to the Agreement, by the end of the current year [Schedule 7 (1.2)].
9. The Round One Partnership Schools will not have a GMR from 2017 their fourth year of operation, and for Round Two schools 2017 is the last year of having a GMR set.
10. The process for reviewing and discussing the GMR for the next school year can be initiated by the Minister or the Sponsor following the submission of the third quarter report. Currently the Ministry undertakes the Minister's obligations as administrator of the Agreements (Clause 34.1).



11. The GMRs in the attached variations for the Round Two schools for 2017 have been mutually agreed with Sponsors and rationale has been provided for the proposed GMRs.
12. The GMRs have been set based on the likely opening roll to ensure that the 1 January funding drop is as accurate as possible.
13. All schools are confident of reaching their proposed GMR's. In the case of Middle School West Auckland, for which a significant increase is proposed, the opening roll for 2017 was 160 as at 7 November, with daily interest being expressed for additional enrolments.
14. All Sponsors have submitted their third quarter reports, and the GMR for 2017 has been discussed with each Sponsor. The following table sets out the proposed GMRs, which are based on the likely 2016 closing rolls and roll projections for the 2017 year:

School	2016 Guaranteed Minimum Roll	2017 Proposed Guaranteed Minimum Roll	Actual Roll*	Approved Maximum Roll
Middle School West Auckland	120	170	127	240
Pacific Advance Senior School	100	100	87	250
Te Kura Māori o Waatea	80	100	74	200

\*As recorded in ENROL on 17 November 2016

### Quarterly Operational Payment

15. The funding approach for each Round of schools is different in 2017, given that the Round One Schools will no longer have a GMR. The approach for funding for each Round follows. The Sponsors have agreed to the respective approaches as part of the 2017 variations.
16. For Round One Schools where the School's roll is used to calculate a payment, the School's roll will be deemed to be the actual roll submitted through relevant roll returns or roll counts from ENROL as below:

Payment date	Roll used to calculate payment
1 January	Agreed projected opening roll, with subsequent adjustment based on 1 March roll return
1 April	1 March roll return
1 July	1 June roll count from ENROL
1 October	1 September roll count from ENROL

17. For Round Two Schools where the School's roll is used to calculate a payment, the School's roll will be deemed to be the GMR or (if higher) the actual roll submitted through relevant roll returns or roll counts from ENROL as below:

Payment date	Roll used to calculate payment
1 January	An adjustment will be made based on 1 March roll return if higher than GMR
1 April	1 March roll return
1 July	1 June roll count from ENROL
1 October	1 September roll count from ENROL

### Registered Teachers

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18. The Ministry is confident that all schools will have the appropriate number of registered teachers in place in 2017.

### International Student Cap

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19. The international student cap [Schedule 1(2)] for 2017 has been set at nil for all schools.

### Definition Addition

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20. As registered teachers must hold a current practising certificate all variations incorporate the following definition addition for Clause 35.1:

**Practising certificate** has the meaning given in section 348 of the Education Act 1989.

### Term Dates

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21. Three of the six schools have proposed term dates that amount to fewer half days than the minimum allowed for State and State-integrated schools.
22. Two of the three schools propose 382 days and are only slightly under the minimum for state schools of 388 days. One school proposes 370 days.
23. This is permissible under the flexibility built into the Partnership School model and we recommend the number of days is agreed to.

### Next Steps

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24. All of the proposed variations have been discussed with the respective Sponsors. Each Sponsor has agreed to the variations specific to their school(s) contained in the attached variation documents.
25. We are continuing negotiations with He Puna Marama Trust in relation to two schools; Te Kāpehu Whetū (Teina) and Te Kura Hourua O Whangarei Terenga Paraoa.

26. The Ministry will provide the variations for the two schools operated by He Puna Marama Trust when negotiations have concluded; or provide further advice if required.
27. If you agree to sign the variations for each Partnership School Agreement the Ministry will send the final, signed variation Agreements to the respective Sponsors.