



## Office of Hon Hekia Parata

Minister of Education

21 AUG 2015

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Tēnā kōrua, otirā, koutou katoa

I am writing in response to your letter of 26 June 2015 updating me on the progress Te Kōhanga Reo National Trust Board (Trust Board) has made towards implementing a new governance structure.

I note your advice that the Trust Board is intending to review its lifetime membership for its current board members, and establish a new five year term of office. I understand that you have already made amendments to the Trust Deed, including making changes to Clause 5.3 which states that each board member shall hold office for *'no longer than 5 years, or otherwise, until he or she indicates in writing that she or he wishes to resign from the Board. Any retiring member shall be re-eligible for re-appointment.'*

You recently announced Tane Cook as a new Board member but I understand that he has now vacated this position. You have advised that more incremental change may occur with two further replacements in 2016.

As I have previously said, while decisions about board constitution are a matter for the Trust Board, the Government must have confidence that any entity that receives significant public funding is meeting good governance standards. To that end, I must reiterate that I expect to see a process and model of governance that reflects the principles of representativeness, transparency, accountability, and auditability. The prerogative should be with the kōhanga reo whānau to determine what process of participation, and what final form of governance will reflect these principles in practice.

The change to clause 5.3 by itself is not sufficient to meet the governance standards required of recipients of significant public funding. The Board appears to be exercising a preference for its own ongoing authority in determining both the process and the form of governance. The Board is in control of the entire process, and this, coupled with the lack of public transparency in the governance modernisation process means it is not possible to ascertain what information the kōhanga reo whānau are basing their consideration on, nor what options are available for them to exercise a preference amongst, nor the process by which this might occur. With respect, this does not give me any confidence in that process. In my view this is not an appropriate position for the Trust Board to be in.

I shall be responding directly to the form letters I have received to inform all kōhanga reo whānau why the Government expects to see modernised governance, and why this is a pre-requisite for resuming discussions on Wai 2336. I will send you a copy of my letter to kōhanga reo whānau.

I am unable to determine whether kōhanga reo whānau have been fully informed of the seriousness of what the reviews have found. Indeed the Trust Board has not made clear that it has released to kōhanga reo whānau the series of reviews and investigative reports it has amassed in the last two years. I note that at least one former trustee has invited the Board to do so recently, and I would be pleased to be advised by the Trust Board whether this has occurred. With an understanding of these reviews I consider that kōhanga reo whānau would be better informed about the Government's position.

I would also like to clarify the matter you raised regarding the 3 April 2014 letter from me and the then Minister of Māori Affairs and Associate Minister of Education, Dr Hon Pita Sharples. That letter set out Ministers' expectations at a high level, when discussions were at a relatively early stage some 18 months ago. Discussions evolved from there. You have taken the suggestion about a possible Crown appointee on the new governance entity out of time and out of context.

As I have said repeatedly, the new governance structure rests with kōhanga whānau, and not with me as the Minister. I trust that you are aware, however, that a Crown appointment is not an unusual feature when Crown funding is involved such as, for example, Whare Wānanga, Māori Television, and Poutama Trust. I will be advising kōhanga whānau of this context to ease the concern that has clearly been raised with them. I hope this clarification will put that matter to rest.

The Government is not trying to dictate how the new governance entity should be run or how kōhanga reo should operate. We simply expect a modern governance model that allows kōhanga whānau to choose who represents them, that operates in a transparent and auditable manner and that is accountable to the wider kōhanga movement and the public. A possible outcome from a more representative model could be that kōhanga whānau elect some individuals who are currently serving Board members. Similarly, under the new model, the newly constituted governors might appoint whomsoever they see fit to be on its team to undertake further discussions on Wai 2336.

This is intended as further clarification as it is important to highlight again the importance that the Government places on modernising the form of the Trust governance, through an open and participative process, and the distinction between these and who should finally be entrusted with governance. Were any current trustees to be returned that would be entirely a matter for the process.

My expectations have been clear and consistent for almost two years. Total funding to kōhanga reo was about \$60 million in 2008/09 and has increased to an estimated \$89 million in 2014/15; this is a 50% increase during a six year period when enrolments in kōhanga reo have remained at about 9,000 children. The current level of investment has grown to be considerable.

In the letter of 3 April 2014, Ministers also expressed concern that the Master Agreement between the Ministry and the Trust Board was not achieving the support for kōhanga reo that is required. This was a point that Ministry officials advised me the Trust Board had also recognised.



The Trust Board's Master Agreement expired on 31 December 2014. As indicated previously, the Ministry was not prepared to agree to an extension until the Trust Board had provided the overdue milestone reports. The milestone reports have since been received by the Ministry, about six months after the contract ended.

Discussions have taken place between the Ministry and you concerning a further extension to the Master Agreement for the period 1 January 2015 to 30 June 2015. I understand the Trust management has a copy of the interim agreement for this period and once it has been signed payments may be made in accordance with the agreement terms. Because of the delays to date I am advised that the Secretary for Education, Peter Hughes, will write to you shortly to consult with you about options to support kōhanga reo going forward.

I acknowledge the amendment in the Trust Deed to change the terms of Board membership from life to five years. I look forward to hearing how you will now ensure that a transparent, open and participative process by kōhanga reo whānau is to operate, when the new governance structure will be in place, and to receiving a copy of an amended Trust Board Deed that gives effect to those changes.

Heoi anō rā



Hon Hekia Parata  
**Minister of Education**

cc: Hon Te Ururoa Flavell, Minister for Māori Development