



**Education Report: Proposal to establish a designated character school in Albany, Auckland to be known as Vanguard Military School**

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	1 May 2018	<b>Priority:</b>	High
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1121588
<b>Drafter:</b>	Philippa Pidd	<b>DDI:</b>	[REDACTED]
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<b>Messaging seen by Communications team:</b>	Yes	<b>Round Robin:</b>	No S9(2)(a) OIA

**Purpose of Report**

The purpose of this paper is for you to:

**Consider** the proposal to establish Vanguard Military School as a Year 9-13 designated character state secondary school, and approve it, if you are satisfied it meets the requirements of section 156(4) of the Education Act 1989 (the Act);

If you decide to approve the application you are asked to:

**Sign** the attached notice for the establishment of the designated character school for publication in the *New Zealand Gazette*;

**Appoint** the five members of the current Vanguard Advisory Board as members of the state school's Establishment Board of Trustees;

**Sign** the attached letters to the applicant, appointees to the Establishment Board of Trustees and local Members of Parliament notifying them of your decision; and

**Agree** that this Education Report is proactively released as part of the next publication.

## Summary

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1. This report asks you to approve a proposal to establish Vanguard Military School (the proposed school) as a state school under section 146 of the Education Act 1989 (the Act), and designate it as a designated character school under sections 156 and 156AA of the Act. The proposed school would be located in Albany on the North Shore of Auckland.

### The proposed school

2. The proposal to establish the designated character school has come from Advance Training Group, the current Sponsor of the partnership school | kura hourua (charter school) Vanguard Military School. The charter school was established in 2013 and opened in 2014.
3. If agreed, the proposed new school would have an opening date of Term 1, 2019 and have an initial maximum roll of 192 students. The proposed school would be a Year 9-13 secondary school, but provide education for Year 11-13 students initially. Year 9-10 provision would be introduced from 2020, subject to provision of appropriate curriculum planning documents, confirmation from the Education Review Office that the school is ready to provide education for Years 9-10 and the location of suitable premises.
4. Section 145AAA of the Act states that the purpose of Part 12 of the Act (which is focused on changes to the schooling network, including the establishment of schools) is to:
  - (a) enable the provision of a schooling network that assists parents to meet their obligations to enrol their children at school; and
  - (b) assist the efficient and effective use of the government's investment in schooling;and
  - (c) recognise the role of diversity in the provision of schooling, including the provision of Māori medium education.

### Designated character

5. The designated character of the proposed school would be to *use the ethos and training methodology of the military to develop young men and women from all over Auckland to become productive, responsible citizens of New Zealand.*
6. Section 156(4) of the Act details the requirements for the establishment of a designated character school as:
  - the designated character school will have a character that is in some specific way or ways different from the character of ordinary state schools
  - it is desirable for students (whose parents want them to do so) to get such an education
  - students at the school will get an education of a kind that differs significantly from the education they would get at an ordinary state school.
7. The character and vision of the proposed school is such that students will get education of a kind that differs significantly from the education they would receive at an ordinary state school. There are no schools in the area with a similar character, there is demand for this provision and we consider that the character is compatible with the New Zealand Curriculum.

8. We consider that the application fits with the context of section 145AAA and the requirements of section 156(4) of the Act. Annex 5 provides an assessment of the application. The consultation process required by section 157 has been completed and therefore this application is ready for your consideration.
9. The Ministry supports this application.

#### Consultation on the application

10. Nineteen schools were consulted about the establishment of the proposed school. Sector groups<sup>1</sup> and the local iwi<sup>2</sup> were also consulted. Twelve submissions were received (eight from schools and four from sector groups). Refer to Annex 8 for the submissions.
- Five of the schools did not raise concerns about the possible establishment of Vanguard as a designated character school.
  - One school did not comment on the establishment specifically, but did not support the proposed school offering classes below Year 11, as it considered that the pathways for Year 9 students in a school such as the proposed school were not appropriate.
  - One school had no objection to the proposal if the proposed school was to receive the same funding (per student and by year level) as other designated character schools and its' teachers would have the same qualifications and employment regulations as required for state schools.
  - One school had "*significant reservations*" about the application. It says that since 2014 (when Vanguard Military School opened) it has had a negative impact on its enrolments and its Services Academy. It states that if Vanguard is to become a Year 9-13 with a roll of 400 it is not confident that it would not further impact on the College's roll.
  - NZSTA had no comment and APIS did not oppose the application.
  - PPTA and NZEI are not in favour of the establishment of the proposed school. Their concerns include: the narrow range of the curriculum, unqualified staff, high costs to the Crown, possible governance capability and the narrow range of the Military ethos compared to the fullness of the New Zealand Curriculum.

#### Property requirements

11.



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<sup>1</sup> The sector groups were New Zealand Educational Institute (NZEI), Post Primary Teachers' Association (PPTA), the Association of Proprietors of Integrated Schools (APIS) and New Zealand School Trustees Association (NZSTA).

<sup>2</sup> Ngāti Whātua ō Ōrakei.

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#### **Establishment Board of Trustees**

14. If you agree to establish the proposed school, it will be governed by an establishment board of trustees (EBOT). The EBOT comprises the principal, and at your discretion, either five people elected by parents of students who will be enrolled at the school or five people appointed by you. It is important to have an EBOT in place as soon as possible so that the board can prepare the school for opening. We recommend that rather than opt for an election, you appoint the five people nominated by the applicant to become members of the EBOT and sign the attached letters to do so.
15. Following the appointment of the EBOT we will organise for it to meet as soon as possible in order to begin the process to ready the designated character school for opening. A governance facilitator will be appointed to support the EBOT and the school's establishment funding will be able to be accessed.

#### **Risks and Mitigations**

16. We consider that the risks (and mitigations) of approving this proposal are:
  - There is no detailed information on how the proposed school will offer education to Years 9–10 students from 2020. To mitigate this, we propose that you agree in principle to the enrolment of Year 9–10 now, but that it is implemented only once a detailed Year 9-10 curriculum plan is provided, ERO has recommended that the school is able to meet the needs of these students and there is suitable premises.
  - The proposed EBOT includes members of the Vanguard Advisory Board, who have been recommended due to their skills. In these situations there can be a risk that these members could struggle with collective decision-making and the fact that the principal will be an active participant in that collective, as the principal is a member of the EBOT. The principal has not been part of the charter school Advisory Board. The EBOT members may also need to adjust to the role of the presiding trustee not being an autocratic 'Chairman of the Board'. To mitigate this the governance facilitator will assist the EBOT to function as a board of trustees during the school's establishment phase.
  - There is also a risk that the members of the EBOT might be unable to manage the workload of governing the charter school and establishing the new school. The EBOT can co-opt up to four additional members to assist with the establishment process.
  - The EBOT members might find it challenging to delineate between their roles on the Advisory Board and the EBOT. To manage this, recommended members have been advised that both Boards have distinct roles and responsibilities. The governance facilitator will also assist the EBOT to maintain its focus on the work of the establishment of the designated character school.

**Estimated funding requirements**

17. If you agree to establish the proposed school, its initial maximum roll would be 192 and it would be funded on this roll. Funding for 2020 and 2021 would be based on a notional roll of 312 students (which is our estimated roll at the end of the school's third year).<sup>3</sup>

18. The practice of setting a notional roll for resourcing a new school is standard. It allows a level of certainty in the initial period of the life of the new state school.

Table 1: Estimated Operational Costs to the Crown if the proposed school is established (roll 192).

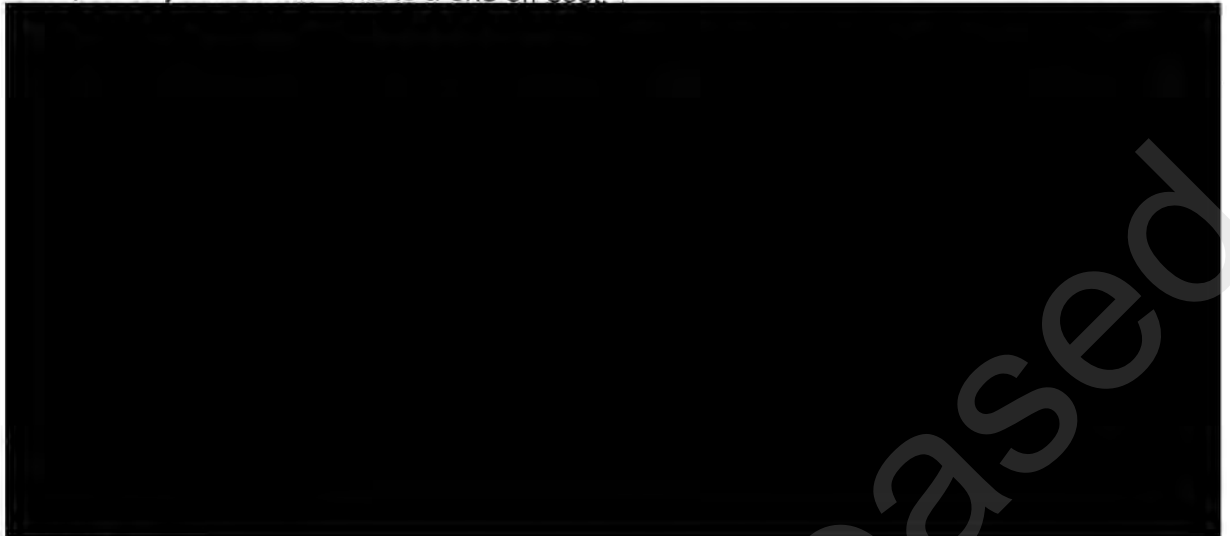
Year and roll	Estimated Operational Funding	Estimated amount
In preparation for opening 2019 (July-Dec 2019)	Establishment funding	\$1,047,213
	Staffing and funding - one off payment	
	Furniture and equipment – one off payment	\$445,000
	Estimated Establishment Funding	\$1,492,213
2019: roll 192	Staffing – 17.49 FTTEs - annual payment	\$1,454,900
	Operational funding – annual payment	\$623,011
	School transport provision – annual payment	\$200,000 <sup>4</sup>
	Estimated Operational Funding 2019	\$2,277,911
2020, 2021: notional roll 312	Staffing – 26.81 FTTEs – annual payment	\$2,226,604
	Operational funding – annual payment	\$864,795
	School transport provision – annual payment	\$325,000
	Estimated Operational Funding 2020, 2021 Per annum	\$3,416,399

<sup>3</sup> If the school's actual roll is more than its notional roll it will be resourced on its actual roll.

<sup>4</sup> Based on current funding.



Table 2: Estimated Costs (Capital) to the Crown if the proposed school is established and possibly relocated. This is a one off cost.



#### Network analysis

19. Vanguard charter school has accepted enrolments from across Auckland. Its local catchment on the North Shore of Auckland is projected to experience a slow population increase in the number of secondary students over the next ten years. However, due to the small percentage and wide distribution of the students enrolled at the charter school, the impact of the establishment of the designated character school on any given school in the catchment is likely to be minor.
20. Glenfield College has raised concerns about the impact of the proposed designated character school on its roll, including on its Services Academy programme. The College does not want this programme put at risk as it is working to grow the roll. The Ministry acknowledges this concern and will support the Board in its work to transition the school.

#### Ministry recommendation

21. We consider that the requirements of sections 146 and 156 of the Act have been met and recommend that Vanguard Military School be established as a designated character state school. The school will have a military character that is different to that of ordinary state schools, there are parents who want that character and it is desirable for students to access such character. Through this different character the students will get an education of a kind that differs significantly from the education they would get at an ordinary state school.
22. If you decide to establish Vanguard Military School as a designated character school, you are asked to sign the attached letter to the applicant, Gazette notices, letters to the EBOT appointees and the local MPs. We will meet with the applicant and provide them with the attached letter and a copy of this report. A draft media release (attached) has also been provided.
23. You have the absolute discretion under section 156(3) to decline this application and not establish this designated character school.
24. If you decide to decline the proposal, we will provide a new media statement and letters to the applicant and local MPs that reflect that decision.

## Recommended Actions

The Ministry of Education recommends you:

- a. **approve** the proposal to establish Vanguard Military School as a Year 9-13 designated character secondary school under sections 146, 156 and 156AA of the Education Act 1989 (preferred option);

Agree / Disagree

- b. **approve** as part of the establishment the school initially offering education to Years 11–13, with approval in principle to the introduction of Years 9–10 once a detailed Year 9-10 curriculum plan is provided, ERO confirms that the school is ready to enrol these students and appropriate property provision is available;

Agree / Disagree

- c. **approve** as part of establishing the school a maximum roll of 192 students for 2019, 312 students for 2020 and 2021 or when the enrolment of Year 9-10 students begins;

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Agree / Disagree

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e.

f.

- g. **note** that there are three aspects of transition support, that we will provide you with advice on separately, if the proposal is approved:

- the ability of teachers to transfer to the new school
- the cost of transition of teachers where there could be additional costs for a period
- other transition costs, such as 6 months of a CEOs salary.

- h. **note** that for Vanguard we have estimated the cost of transition of teachers where there might be additional costs of \$77K (for six months); and

- i. **note** that the other transition cost for Vanguard is the cost of employing a CEO for six months. This is estimated at \$100K.

If you approve the proposal, you are asked to:

- j. **sign** the attached establishment gazette notice, letters to the applicant and the local MPs. You are asked to return the letter to the applicant to the Ministry to be hand delivered;

- k. **appoint** the five people named in the report to form the Establishment Board of Trustees, under section 98(1)(a) of the Education Act 1989;

Agree / Disagree

- l. **sign** the attached letters of appointment and return them to the Ministry to be delivered by our Auckland staff;

- m. **note** that a draft media release has been developed for you to announce your decision;

**OR**

- n. **decline** the proposal to establish a designated character school under sections 146 and 156 of the Education Act 1989.

Agree / Disagree

If you decline the proposal you are also asked to:


- o. **note** that alternative letters and media statement will be developed for your signature;

**AND**

- p. **agree** that this Education Report is proactively released as part of the Ministry's next publication of reports on its website, with appropriate redactions.

Agree / Disagree

  
Katrina Casey  
Deputy Secretary  
Sector Enablement and Support  
1/5/2018

  
Hon Chris Hipkins  
Minister of Education  
8/5/18



## Proposal for Establishment as a Designated Character School

1. We have received an application from Advance Training Group (the current Sponsor of the charter school Vanguard Military School) for the establishment of a designated character state school with a military ethos, also to be known as Vanguard Military School (the proposed school). The proposal is that the school offers Year 11–13 education in 2019 and moves to providing full secondary provision (the addition of Years 9 and 10) from 2020. The proposal is attached as Annex 7.
2. Under sections 156 and 156AA of the Education Act 1989 (the Act), you have the ability, when establishing a state school under section 146 of the Act, to designate the school as a designated character school. This ability is in your absolute discretion. In order for a new designated character school to be established you must be satisfied that it meets the requirements in section 156(4) of the Act. The three key requirements are:
  - the designated character school will have a character that is in some specific way or ways different from the character of ordinary state schools
  - it is desirable for students (whose parents want them to do so) to get such an education
  - students at the school will get an education of a kind that differs significantly from the education they would get at an ordinary state school.
3. Cabinet has also developed guidelines for establishing designated character schools. We have prepared a document assessing the applicant's proposal against these criteria, attached as Annex 5.

### Designated character

4. The designated character for the proposed school includes an approach to teaching and learning that differs from that of ordinary state schools. This is detailed in the application as follows:
  - The designated character will be based on a military model, with it becoming the only military school in New Zealand.
  - The proposed school "*...aims to use the ethos and training methodology of the military to develop young men and women from all over Auckland to become productive, responsible citizens of New Zealand. We will strive for excellence in all tasks both academic and attitudinal, will unlock the potential of each individual and create a positive pathway for their future*".
  - The applicant proposes that the school be "*....established primarily for students who require a second chance at education. Vanguard Military School offers cadets opportunities to improve themselves in this unique educational environment. The school will offer an education programme that promotes self-discipline, self-worth, pride in achievement, and that teaches integrity, honour, respect and leadership skills*".
  - Military drills and attitudes including camaraderie, discipline and physical training are considered as integral to the approach to learning and are evident throughout the application.
5. The curriculum, teaching and learning practices outlined in the application clearly reflect the vision and philosophy of the designated character. The ethos and military training methodology is evident across the curriculum and values of the proposed school.

6. An assessment of the application is attached as Annex 5. The assessment notes that there are opportunities for the proposed school to strengthen aspects of its planning, including the development of a Year 9–10 curriculum plan. This work can be undertaken by the EBOT and supported by the governance facilitator. As part of the Education Review Office readiness review process ERO will also support the development of this documentation.
7. The rolls at Vanguard charter school (which provides a similar type of education) in the table below demonstrate parental support for this type of schooling provision.

Table 1: Roll of Vanguard charter school

Year	2014	2015	2016	2017	2018
1 July roll	93	123	142	167	177

8. The applicant has provided the following roll projections for the proposed school. These projections are based on the assumption that each year group will follow through into the next school year.

Year	2019	2020	2021
Projected Roll	192	313	328

9. The application notes that 143 re-enrolments at Vanguard charter school have been confirmed for 2019 and that a further 60 applications for enrolment at the school in future years have been received since the start of 2018.
10. We consider that these roll projections demonstrate a parental desire for this model of schooling and that the proposed designated character would provide choice for families who wish to access education based on a military ethos.
11. We have considered the rolls provided and their calculation. We agree that the 2019 roll will be a maximum of 192. Our view is that the 2020 and 2021 rolls will likely grow to be closer to 312. We have estimated operational funding for 2020 and 2021 on this notional roll. Should this application be approved we will discuss the notional roll with the EBOT. It is usual practice to fund a new school on a notional roll over its first three years in order to give the board some certainty of funding in its establishment period. If the actual roll is higher than the notional roll it will be resourced on its actual roll.
12. We consider that the three criteria for the establishment of a designated character school have been met. These are that:
  - the designated character school will have a character that is in specific ways different from the character of ordinary state schools
  - it is desirable for students (whose parents wish them to do so) to get such an education
  - students will receive education of a kind that differs significantly from the education they would get at an ordinary state school.

## Impact on the schooling network

13. It is likely that the proposed school will draw its students from across a wide catchment. Vanguard charter school, being very similar to the proposed school can provide a basis for network modelling. At March 2017, only one third of the charter school's roll was drawn locally from the North Shore. A map showing the geographic spread of the charter school's current students is attached in Annex 6.
14. The application notes that the 2018 intake of Year 11 students at the charter school had previously attended 35 schools, with data indicating that no school lost more than seven students (South Auckland Middle School and Whangaparaoa College each lost seven students respectively).
15. It is considered that the establishment of the proposed school would have a minimal effect on the schooling network.
16. The North Shore catchment has a large secondary population, with more than 10 schools providing some form of secondary education. This, combined with the wide catchment that the applicant's students are likely to be drawn from, makes a localised change in demand on the North Shore unlikely to occur in response to your decision on the proposal.
17. If the proposed school achieved its projected Year 9 and 10 rolls of 60 students in each year level, and these students are drawn from the same catchment area as Vanguard charter school currently takes its students from, then these 120 students would represent about 0.3% of the total Year 9 and 10 students in the network. Due to the small percentage and wide distribution of the students, the impact on any given school in the catchment is likely to be minor.

### **Glenfield College – Services Academy**

18. Glenfield College, which is approximately 5 km from the site of the proposed school, operates a Services Academy programme. This programme is also based on a military philosophy, but is run from an ordinary state school. The Services Academy at Glenfield has a 2018 roll of 20 students, which is a full complement.
19. The Senior Leadership Team of Glenfield College consider that should this application be approved it could likely impact on the roll of its school, and its Services Academy. The College is actively re-growing its roll and does not want anything to negatively impact on this.
20. While there is a risk that the establishment of the proposed school could impact on the enrolments at the Services Academy, this is currently not the case as both are existing alongside each other and have viable rolls. Should the proposed school be relocated away from the area, it would further lessen this risk.

### **Maximum roll**

21. Under section 156(8) of the Act, the Secretary for Education must set a maximum roll for a designated character school, and the school's board of trustees must ensure the number of students enrolled at the school does not exceed the maximum roll. The applicant has requested a maximum roll of 400 students.

22. In recommending the maximum roll for the proposed school, we

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recommend an initial maximum roll of 192 students for 2019. We propose that this increase to 312 in 2020 and 2021 dependent on the timing of the beginning of the school offering Year 9-10 education. The EBOT can apply to change this maximum at any time.

#### Staffing

23. Should the school be established with a maximum roll of 192 Year 11-13 students, it would generate 17.49 Full time Teacher Equivalents (FTTEs).

24. The EBOT, supported by the governance facilitator will work through the process of appointing staff, including the principal.

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#### Proposed location and property

25. It is proposed that the school be established at 8 Rothwell Avenue, the site currently leased and occupied by the Vanguard charter school, which is a refurbished industrial premises in Albany, Auckland. Should you agree to establish the school, we expect the school to operate from this site for at least 2019.



### **Transport**

32. School transport provision is the same for students at designated character schools as at charter schools.
33. Vanguard currently receives around \$198,000 per annum under the School Transport Assistance policy. The charter school enrolls students from across Auckland, and the school is directly resourced to help meet transport costs. Should you agree to establish the proposed school, the Ministry anticipates this assistance would continue.
34. Should the school be established and relocated, notional routes that are consistent with the Ministry's Transport policy would be designed and costed.

### **Financial Implications (operations)**

35. The proposed school would be entitled to an establishment grant (\$1.492 million) based on the predicted opening roll of 192. This establishment grant includes:
- funding for the EBOT to undertake administrative processes – hold meetings, access secretarial provision etc
  - staffing – for the principal and other staff, once appointed, to be released /backfilled in order to focus on work associated with the opening of the new designated character school
  - furniture and equipment – for the EBOT to buy / lease school resources including IT and library resources.
36. If you decide to establish the proposed school, the estimated annual operational cost to the Crown (staffing, school transport and operational funding for a roll of 192 and school transport provision) is \$2.278m for 2019.
37. Based on the notional roll of 312 the estimated annual operational cost to the Crown (staffing, school transport and operational funding) is \$3.416 million per annum for 2020 and 2021.

### **School Transport**

38. School Transport Assistance will be provided for students that are eligible for this support.

### **Staffing**

39. Should the school be established with a maximum roll of 192 Year 11-13 students, it would generate 17.49 Full time Teacher Equivalents (FTEs). With a notional roll of 312 in 2020 and 2021 (including 30 Year 9 and 30 Year 10 students) the roll would generate 26.81FTEs.
40. The EBOT, supported by the governance facilitator will work through the process of appointing staff, including the principal.

### **Transitional funding**

41. Following submission of its application, the applicant provided a request for support with:
- Transitions of staff – a "transitional grant" for staffing, to assist in converting staff from one model to the other.
  - Resourcing – a one off transitional payment for a time limited period for the CEO.



42. There is a separate report being prepared to go to Cabinet by the end of May regarding transition arrangements and costs.
43. The report identifies that there are three aspects of transition support:
- the ability of teachers to transfer to the new school subject to policy advice about the legislative change required to achieve this
  - the cost of transition of teachers where there might be additional costs for a period
  - other transition costs, such as 6 months of CEOs salary.
44. These costs will be different for each applicant depending on its business model, which means that the transitional grant is best calculated on a case-by-case basis for each school based on their actual costs.
45. The purpose of a one-off transitional grant would be to meet these costs on a temporary basis so as to help with a smooth transition. This would allow each board time to change its school's staffing structure.
46. We have estimated the cost of transition of teachers for Vanguard to be approximately \$77K for a six month period. We have estimated that the other transition cost for Vanguard is the cost of employing a CEO for six months. This has been estimated as \$100K.

## Curriculum

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47. The application has not included information about the curriculum delivery for Year 9-10 students. It is recommended that the school be established as a Year 9-13 and that it only enrol Year 11-13 in 2019. It is recommended that the additional Year 9-10 students are able to be enrolled subject to provision of appropriate curriculum planning documentation, confirmation from ERO that the school is ready for these students and the location of suitable premises.
48. This will allow time for the EBOT to work alongside the Principal to develop a curriculum plan as part of the preparation for these new year levels.
49. As with any new school we will engage ERO to undertake a Readiness Review, if this application is approved. This sees ERO in the role of a critical friend to the EBOT as it works to establish the state school. In this case, as part of this process, ERO will be asked to assure the Ministry that the school is able to meet the needs of Year 9-10 students, before they are enrolled.

## Governance

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50. If you agree to establish the proposed school, it will be governed by an establishment board of trustees (EBOT). It is important to have an EBOT in place as soon as possible so that it can prepare the school for opening.
51. An essential initial task for the EBOT will be the appointment of the principal. It is anticipated that the principal will take up his/her position as soon as possible after appointment so that he/she may participate in the planning the framework and processes for the state school.

52. Under section 98(1) of the Education Act 1989, you can decide to form the establishment board either by appointing five members or by asking that the parents of students likely to be enrolled at the school in the year it opens, to elect five members. Regardless of whether they are appointed by you or elected, these five people may then co-opt up to four more members of the Board. You also have the option of delegating this authority.
53. The Ministry recommends that you appoint the following five individuals to the EBOT:
- Jonathan Gale
  - Katene Eruera
  - [REDACTED] S9(2)(a) OIA
  - Kirk Richardson
  - Nick Hyde.
54. Information about each of the recommended EBOT members is attached as Annex 9. They are all current members of the Vanguard Advisory Board, which provides governance support to the charter school. The recommended members acknowledge that they will need to make some adjustments to working within the state system. We consider that with support, these members have the ability to get the school ready to open by 2019.
55. Under the state school governance model, decision-making is undertaken collectively. A board of trustees appoints its own presiding trustee whose only role is to preside at meetings and have a casting vote if a question/issue is deadlocked. There is a small risk that the members of the EBOT could struggle with collective decision-making, with the future principal being an active participant in that collective, and the role of the presiding trustee not having the powers of an autocratic 'Chairman of the Board'.
56. The members have been advised that should the school be established and they are appointed to the EBOT, their role on the Advisory Board and on the EBOT are to be separate, with the two entities having separate roles, responsibilities, and meetings.
57. There is a risk that they may be unable to manage the workload of running the current charter school and the establishment of the new school. To manage this the EBOT can also co-opt up to four additional members to assist with the tasks that are required.
58. To support the EBOT to have the school open by 2019, and to assist with the risk identified above, we will appoint a governance facilitator. One of the governance facilitator's main roles will be to assist the EBOT in understanding its roles and responsibilities in governing a state school.

#### **Alternative constitution**

59. The application includes a proposal that the Board of Trustees is made up of five members appointed by the Advance Training Group and that this is achieved under an alternative constitution. It states that this "...would allow the current Advisory Board that are operating the charter school to bring their 5 years of experience in running a school to the new school".
60. The section of the Act (section 98A) that allows alternative constitutions does not apply until the school is up and running, when the EBOT may request one.

61. We have instead accommodated the applicant's request to have the Advisory Board's members on the EBOT through the appointment process under section 98(1) of the Act which allows an EBOT to be composed of five members appointed by the Minister.
62. When the school is ready to transition out of the establishment phase, we will work with the EBOT to develop an alternative constitution under section 98A of the Education Act 1989. This will be submitted to you for consideration and approval.

### **Employment relations**

63. The EBOT will appoint staff to positions at the proposed school. The EBOT must ensure that appointments are made in compliance with the State Sector Act 1988 (including appointment on merit, equal employment opportunities and being a good employer) and the terms and conditions of appointments within the education collective agreements that are applicable to the proposed school.
64. The governance facilitator and NZSTA will be able to assist the EBOT in this matter.

### **Consultation**

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65. Section 157 of the Act requires you to consult the Boards of Trustees of all state schools whose rolls might be affected before deciding whether to establish a new designated character school.
66. We have undertaken this consultation on your behalf. Nineteen schools were consulted, and responses were received from eight.
- Six of the schools had no concerns about the establishment of the proposed school. Rangitoto College provided verbal feedback identifying that while it generally supported the application it has concerns about the school offering education to Years 9 and 10. This is because they do not believe that the pathways for Year 9 students in a school of this type are appropriate. Whangaparaoa College had no objection if the school was to receive the same levels of funding as a state school and they comply with the same teacher qualifications and employment regulations as a state school.
  - Four sector groups were also consulted. The following feedback was received about the application. We note that some submissions have comments about the operation of the charter school, which is a different entity from the proposed new school and therefore not relevant to your decision whether or not to establish the proposed school.
    - NZSTA had no comment.
    - NZEI does not support the application as it's view is that:
      - in the charter school there is a lack of some key competencies (eg self-expression through the arts), which will be needed in life even assuming many students may join the military in the short term
      - there are concerns about the teacher qualifications
      - it is expensive for the Crown
      - the application does not show a full understanding of the legal requirements when operating a state school, particularly relating to curriculum, property and resourcing.

- APIS did not seek to challenge or oppose the application.
  - PPTA opposes the proposal. Its view is that:
    - the learning opportunities for a school with a military focus will be limited compared to the opportunities provided at an ordinary state secondary school - career tracking for students from age 13 would severely limit their opportunities by age 18
    - there are 30 secondary schools that have service academies, and it is arguable whether the military focus (which is based on discipline, hierarchy and compliance) is consistent with the values and principles of the New Zealand Curriculum
    - a roll of 400 is ambitious, but is still extremely small for a secondary school. Small secondary schools are a high cost to the Crown
    - the membership of the board of Vanguard (which it considers is a commercial board) may not be able to transition to being members of a board of a state school.
  - No response was received from Ngāti Whātua ō Ōrakei, the local Iwi.
67. We provided the submissions from NZEI and PPTA to Vanguard for comment. A full response was provided (refer Annex 8). A summary of the comment from Vanguard is below:

Vanguard's comment about PPTA's submission:

- Tracking – Vanguard considers that PPTA has misunderstood the difference between using a military ethos to teach the NZC and a school that produces recruits purely for the military. Vanguard has a military ethos. Its curriculum for its senior school allows pathways for both vocational recruits and those who wish to go to university. The Year 9-10 curriculum will have a reduced military ethos and offer the full curriculum (including music and art).
- Military ethos – the school's values and principles include having high expectations, cultural diversity, inclusion, learning to learn, community engagement, coherence and Treaty of Waitangi. Vanguard sees itself as offering quite different programme from the Service Academies.
- Size of the school – Vanguard is confident in growing the school to a roll of 400.
- Governance and management – Vanguard is confident that its highly competent governance body and highly effective management structure can adapt to a new environment.

Vanguard's comment about NZEI's submission:

- The narrow range of curriculum learning areas – Vanguard states that it is not a vocational institute. Its curriculum focuses on literacy and numeracy and allows for individuals to choose their own career path by providing a number of pathways. The school is flexible and sensitive to the needs of learners and the greater society into which the learners will pass once they have left school.
- The large number of unqualified staffing teaching areas – Vanguard states that it has no unqualified staff. All teachers either have Limited Authority to Teach (LAT) documents, or are registered teachers.



- The cost to the state of managing the property component – Vanguard identifies that it is already funded by the state for property. Should the application be approved it would be state owned property.
- Understanding the legal requirements of a state school and its board of trustees – Vanguard states that its current board has operated as a professional board for the past five years. It has met all requirements as a charter school and will easily adapt to a new environment. The board members are very aware of the requirements of being a state school.

#### **Ministry comment on Vanguard response**

68. We do not agree with many of the concerns raised by PPTA and NZEI. Designated character schools need to offer something different from state schools, and their curriculum and their approach to responding to students' needs is part of this. Vanguard has provided documentation which has given assurance that it is able to provide the New Zealand Curriculum for Year 11-13 students within a military ethos.
69. The EBOT will work to prepare a document detailing the Year 9-10 curriculum programme. The development of this document will be supported by the governance facilitator and ERO will consider the plan as part of its Readiness Review process.
70. PPTA's concern about the size of the school relates to the cost of running small secondary schools. As Vanguard provides for a niche educational market, it is not likely to become large. It provides an educational choice for students, some of whom are our most vulnerable learners.
71. Both NZEI and PPTA raised a concern about the Vanguard board transitioning to become an effective EBOT. The Ministry will provide a governance facilitator to support the EBOT to function well as the Board of a state school. Should additional support be required to achieve this, then it will be provided.
72. The submissions, and the full Vanguard response is provided in Annex 8.

#### **Risks and Mitigations**

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73. In analysing the application the following risks have been identified:
  - The application is not detailed on how the proposed school will offer education to Year 9–10 students, and it might not be able to provide appropriately for them.
74. It is recommended that the school opens with Year 11-13 students and Year 9-10 are enrolled subject to provision of the appropriate curriculum planning documents, confirmation from ERO that the school is ready for Year 9-10 and the location of suitable premises.
75. This will enable the EBOT to work alongside the governance facilitator and Principal to develop a Year 9-10 curriculum plan and to strengthen the other areas of curriculum management as identified in Annex 5. ERO will be asked to comment on these aspects as part of its ERO New School Readiness Review and Year 9–10 provision will be enrolled when ERO confirms the school is able to meet the needs of these students.
  - The proposed EBOT is comprised of members of the current charter school Advisory Board, and they might not transition to operate as a board of trustees.



76. These members have been recommended for appointment due to the skill set that they offer and their knowledge of the designated character. To mitigate risk, they have been advised that their activities on behalf of both entities need to remain separate and we have stressed that the Advisory Board and the EBOT have different roles and responsibilities. It is considered that the appointment of a governance facilitator will also assist with managing this risk.
- The proposed EBOT members might not have the capacity to govern the charter school and undertake the work required to have the school ready to open for 2019.
77. The EBOT is able to co-opt up to four other members to support it in its work.

## Next Steps

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78. We consider that the requirements of the legislation have been met and recommend that Vanguard Military School be established as a designated character school under sections 146 and 156 of the Education Act 1989. If you approve this application, the school will open in 2019 for students in Year 11–13 with Years 9–10 being added once a detailed Year 9-10 curriculum is provided and suitable premises have been located and made ready for use.
79. You are asked to appoint the EBOT (refer to detail of the candidates in Annex 9 and appointment letters attached as Annex 3).
80. A governance facilitator will be appointed to support the EBOT as it works to ready the school for the instruction of its students.
81. If you approve this application, you are asked to sign the attached letters, *New Zealand Gazette* notice, notice appointing the Establishment Board and to agree to issue a media statement (draft statement attached).
82. If you decide to decline this application the Ministry will:
- work with the Sponsor to manage the wrap up of the charter school
  - support families / students to enrol in other schools and to transition to their next school
  - work with the schools who receive students from the charter school so that they are well placed to respond to their needs.

## Proactive Release of this Report

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83. It is intended that this Education Report be proactively released as per your expectation that information will be released as soon as possible. Any information that might need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

## Annexes

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Annex 1:	Letters to Applicant and Local MPs
Annex 2:	Gazette Notice
Annex 3	Letters to the Establishment Board of Trustees
Annex 4:	Communications Plan: Draft Media Release
Annex 5:	Ministry's Assessment of the Application
Annex 6:	Map
Annex 7:	Copy of the Application
Annex 8:	Consultation feedback, including comment from Vanguard about the feedback form PPTA and NZEI.
Annex 9:	Establishment Board of Trustees