



Education Report: Proposal to establish Te Kāpehu Whetū (Teina) and Te Kāpehu Whetū (Tuakana) as designated character schools in Whangarei

To:	Hon Chris Hipkins, Minister of Education		
Date:	29 June 2018	Priority:	High
Security Level:	In Confidence	METIS No:	1128923
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Messaging seen by Communications team:	Yes		S9(2)(a) OIA

Purpose of Report

The purpose of this report is to provide advice to inform your decision on whether to:

Establish Te Kāpehu Whetū (Teina) as a Year 1-8 state primary school under section 146 of the Education Act 1989, and designate it under sections 156(1) and 156AA as a designated character school, if you are satisfied it meets the requirements of section 156(4) of the Education Act 1989 (the Act);

Establish Te Kāpehu Whetū (Tuakana) as a Year 9-13 state secondary school under section 146 of the Education Act and designate it, under sections 156(1) and 156AA as a designated character school, if you are satisfied it meets the requirements of section 156(4) of the Education Act 1989 (the Act).

Summary

1. This report recommends that you establish Te Kāpehu Whetū (Teina) and Te Kāpehu Whetū (Tuakana) (the schools) as state schools under section 146 of the Education Act 1989 (the Act) and designate them as designated character schools under sections 156 and 156AA of the Act. The proposed schools would be located in Whangarei.

The proposed schools

2. The proposal to establish the designated character schools has come from He Puna Marama Charitable Trust, the current sponsor of the partnership schools | kura hourua (charter schools) Te Kāpehu Whetū – Teina and Te Kura Hourua O Whangarei Terenga Paraoa. The applicant proposes that two separate schools be established – Te Kāpehu Whetū (Teina) as a Year 1-8 full primary, and Te Kāpehu Whetū (Tuakana) as a Year 9-13 secondary school.

3. If agreed, the proposed schools would have an opening date of Term 1, 2019. We propose a maximum roll of 200 for Te Kāpehu Whetū (Teina), but that the specific Teina site be limited to 110, [REDACTED]
4. We propose a maximum roll of 250 for the proposed Te Kāpehu Whetū (Tuakana). This is the applicant's requested roll.

Designated character

5. The two proposed schools will provide education in te reo Māori (Levels 1-2¹). They will share the same designated character which is described as reflecting the tikanga of Ngāpuhi-nui-tonu and adherence to Te Tiriti o Waitangi with particular reference to Article Three rights of citizenship, which were affirmed by the men of the 28 (Māori) Battalion who paid the ultimate price of citizenship. The tikanga Māori-based programme builds on three pou: Kia Māori, Kia Mātau and Kia Rangatira ai (Be Māori, Be Educated, Be Rangatira).
6. Teaching and learning programmes are to be delivered through a wide range of experiences and opportunities with an emphasis on literacy and numeracy. Underpinning and interwoven through all programmes are Te Whare Tapu o Ngāpuhi, Ngā Tikanga o Paenuku and Ngā Pou Toru. Pedagogy is based on a Māori worldview that focuses on building the cultural confidence and competence of the student.
7. The character and vision of the proposed schools 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 *Te Marautanga o Aotearoa*.
8. We consider that the applicant has articulated a sound approach to curriculum design and teaching and learning practice.
9. We consider that the applications fit with the context of section 145AAA and the requirements of section 156(4) of the Act. Annex 4 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.
10. The Ministry supports the applications.

Consultation on the application

11. We consulted 21 schools whose rolls might be affected by the establishment of the proposed schools. Sector groups and the local iwi were also consulted.
12. Three submissions were received from schools (one supported the designated character of the schools but raised concerns around transport and the school's catchment), one supported the application and one requested additional information but did not subsequently submit a response after receiving that information. The New Zealand Educational Institute (NZEI) does not support the application due to the impact it believes the proposed school would have on immersion schools in the area and what it considers as a lack of difference in its designated character. Refer to Annex 7 for the submissions.

¹ Level 2 immersion is 51% - 80% of the time education will be in Te Reo Māori. Level 1 immersion is 81% or more of the time education will be in Te Reo Māori.

13. The applicant has provided letters of support from 11 sector, community or iwi groups. It has also considered the feedback provided from the two schools that have commented on the application and from NZEI, and provided further comment in response to the concerns raised. This is also included in Annex 7.

Property requirements

S9(2)(j) OIA

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Establishment Board of Trustees

17. The applicant has requested that a combined Board of Trustees for both schools be appointed if you agree to establish the proposed schools. Both schools are part of an education pathway provided by the Trust that includes five early childhood education providers. We recommend that you agree to a combined board under section 110A of the Act, as the Establishment Board of Trustees (EBOT) under section 98, if you establish both schools.
18. The EBOT comprises the principal when appointed, 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 schools for opening. We recommend that you appoint the five people nominated by the applicant to become members of the EBOT and sign the attached letters to do so.
19. A governance facilitator will also be appointed to support the EBOT.

S9(2)(j) OIA

Risks and Mitigations

20. We consider that the risks (including mitigations) of approving this proposal are:

- a. The proposed EBOT includes members of the He Puna Marama Trust Board which governs the current charter schools, who have been recommended due to their skills and familiarity with the schools' particular character. There is a risk that the members of the EBOT might be unable to manage the workload of simultaneously governing the charter schools and establishing the two new schools. To support them managing this workload, the EBOT can co-opt up to four additional members to assist with the establishment process. We understand that the EBOT members will be supported by He Puna Marama staff in completing their roles with the charter schools, which will increase their capacity to fulfil their EBOT roles.
- b. The EBOT members might find it challenging to delineate between their roles on the He Puna Marama Trust Board and the EBOT. To manage this, recommended members have been advised that the Trust and the EBOT have distinct roles and responsibilities. A governance facilitator will be appointed to assist the EBOT with its work, and to maintain its focus on the work of the establishment of the designated character school.
- c. The roll of the proposed secondary school is small. This may impact on the number of subject choices and opportunities available to secondary students. We would work with the school on this.

d.



S9(2)(j) OIA

Estimated funding requirements

21. If you agree to establish the proposed schools, the estimated annual operational cost to the Crown for both schools, based on their notional rolls³ (this is the same as the maximum rolls), is [REDACTED]. The Crown will also need to fund additional one-off establishment payments, which for both schools would be a total of \$2,443,337.

S9(2)(j) OIA

³ The notional roll is an estimated future roll used to provide a minimum level of funding and staffing entitlements during the establishment period of a new school.

Te Kāpehu Whetū (Teina): Estimated Operational costs – based on a notional roll of 150

Item	Estimated amount
Operational funding – annual payment	\$445,583
Staffing – 10.02 FTTEs – annual payment	\$816,298
Lease Cost – annual payment (site and buildings)	S9(2)(j) OIA [REDACTED]
Estimated Operational Funding per annum:	[REDACTED]
Establishment funding – one off payment	\$253,702
Establishment staffing* cost of teacher salaries (6 months)	\$148,170
Furniture and Equipment funding – one off payment	\$210,750
Transition Funding (cost of paying teaching staff above scale and CEO)	\$131,000
Establishment Costs:	\$743,622

Note: Figures exclude GST.

** Prior to the school opening, the establishment board can appoint a principal and senior teachers.*

Te Kāpehu Whetū (Tuakana): Estimated Operational costs – based on a notional roll of 175

Item	Estimated amount
Operational funding – annual payment	\$619,135
Staffing – 18.78 FTTEs – annual payment	\$1,625,560
Lease costs – annual payment	S9(2)(j) OIA [REDACTED]
Estimated Operational Funding per annum:	[REDACTED]
Establishment funding – one off payment	\$429,840
Establishment staffing* cost of teacher salaries (6 months)	\$494,160
Furniture and Equipment funding – one off payment	\$596,715
Transition Funding (cost of paying teaching staff above scale and CEO)	\$179,000
Establishment Costs:	\$1,699,715

Note: Figures exclude GST.

** Prior to the school opening, the establishment board can appoint a principal and senior teachers.*

22. As noted above, the Crown is also likely to incur property expenses in improving infrastructure in the short term, and for investing in permanent sites in the longer term.

Ministry recommendation

23. We consider that the requirements of sections 146, 156 and 156AA of the Act have been met and recommend that Te Kāpehu Whetū (Teina) and Te Kāpehu Whetū (Tuakana) be established as designated character state schools. The schools will have a 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 a 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.
24. If you decide to establish Te Kāpehu Whetū (Teina) and Te Kāpehu Whetū (Tuakana) as designated character schools, 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. A draft media statement covering all applications will be provided at the end of this process.
25. You have the absolute discretion under section 156(3) to decline these applications and not establish these designated character schools.
26. If you decide to decline these proposals, you are asked to sign the decline letters and we will provide a new media statement that reflects that decision.

Recommended Actions

The Ministry of Education recommends you:

- a. **approve** the establishment of Te Kāpehu Whetū (Teina) as a Year 1-8 primary school under section 146, and designate it as a designated character school under sections 156 and 156AA of the Education Act 1989;

Approve / Decline

- b. **note** that as part of establishing Te Kāpehu Whetū (Teina) we propose to ask the Secretary to agree to a maximum roll of 200, but will limit the Teina site to 110 students S9(2)(j) OIA meaning Year 7 and 8 students may continue to be accommodated at Te Kāpehu Whetū (Tuakana) while enrolled at the Te Kāpehu Whetū (Teina);

Noted

- c. **approve** the establishment of Te Kāpehu Whetū (Tuakana) as a Year 9-13 secondary school under sections 146, and designate it as a designated character school under sections 156 and 156AA of the Education Act 1989;

Approve / Decline

- d. **note** that as part of establishing Te Kāpehu Whetū (Tuakana) we propose to ask the Secretary to agree to a maximum roll of 250 students;

Noted

- e. **note** that both schools will be established on leased sites for at least the medium term;

Noted

9(2)(f)(iv) OIA

f.

Noted

g.

S9(2)(j) OIA

Noted

- h. **agree** that this Education Report is proactively released once final decisions have been made on all applications from the sponsors of charter schools. When the report is released, any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

Agree / Disagree

If you approve the proposal, the Ministry of Education recommends you:

- i. **sign** the attached establishment Gazette notice, letters to the applicant and letters to local Members of Parliament, and return the letter to the applicant to the Ministry to be delivered by Ministry staff;
- j. **agree** to establish a combined Board of Trustees for both schools under section 110A of the Education Act 1989;

Agree / Disagree

- k. **appoint** the five people named in the report to the combined 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 Ministry staff;
- m. **note** that a draft media release will be developed that will cover all applications from former charter schools;

Noted

If you decline the proposal, the Ministry of Education recommends you:

- n. **sign** the attached decline letters to the applicant and local MPs and return them to the Ministry to be delivered by Ministry staff.


Katrina Casey
Deputy Secretary
Sector Enablement and Support


Hon Chris Hipkins
Minister of Education

14/7/18

Proposal for Establishment as Designated Character Schools

1. We have received an application from He Puna Marama Charitable Trust (the current sponsor of the charter schools Te Kāpehu Whetū – Teina and Te Kura Hourua O Whangarei Terenga Paraoa – Tuakana) for the establishment of two designated character state schools, to be known as Te Kāpehu Whetū (Teina) and Te Kāpehu Whetū (Tuakana) (the schools).
2. The proposal is that the schools will together provide an education pathway for students with Te Kāpehu Whetū (Teina) providing Year 1-8 education, and Te Kāpehu Whetū (Tuakana) providing Year 9-13 schooling. The proposal is attached as Annex 6.
3. 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.
4. 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. To establish a new designated character school you must be satisfied that it meets the requirements in section 156(4) of the Act. The three key requirements are:
 - a. the designated character school will have a character that is in some specific way or ways different from the character of ordinary state schools
 - b. it is desirable for students (whose parents want them to do so) to get such an education
 - c. 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.
5. We consider that these three criteria for the establishment of a designated character school have been met for both proposed schools.
6. In 2001, the Cabinet Education and Health Committee issued guidelines for the establishment of state integrated and designated character schools (EHC Min (01) 7/5 refers). The purpose of these was to make Government intentions in establishing these types of schools more transparent to applicants. The guidelines cover expected school size, and impact on the schooling network. However, the Minister may still establish a school if it does not meet these guidelines. We have assessed the applicant's proposal against these guidelines, attached in Annex 4.

Designated character

7. We consider that the schools' proposed designated characters are in specific ways different from the character of ordinary state schools, through their reflection of tikanga o Ngāpuhi-nui-tonu.

8. The designated character for the proposed schools includes an approach to teaching and learning that differs from that of ordinary state schools. The applicant has provided the following description:

The designated character of Te Kāpehu Whetū (Tuakana) and Te Kāpehu Whetū (Teina) reflects tikanga o Ngāpuhi-nui-tonu and our adherence to Te Tiriti O Waitangi and the rights accorded us, with particular reference to Article three which grants us our rights of citizenship which were affirmed by the men of the 28 (Māori) Battalion who paid the ultimate price of citizenship.

This serves as a korowai for the kura. The designated character cements our unique educational approach of providing a tikanga Māori-based programme of learning that includes and supports ākonga to achieve their aspirations within the Kura and beyond.

It builds on three pou:

Kia Māori – an education and an environment that validates Māori knowledge and ways of learning

Kia Mātau – encouraging innovation, inquiry and the development of specialised knowledge and skills

Kia Tū Rangatira ai – the development of strong character and personal excellence, living with mana.

“Tu ki te marae.....Tu ki te Ao”

9. *The vision and direction of the schools is underpinned by the three pou above. These pou are the foundation for the curriculum, management, governance, and operation of the kura, and would guide the schools’ activities.*

Educational considerations

10. The schools’ curriculum design is shaped by tikanga Ngāpuhi and mātauranga Māori, and delivers *Te Marautanga o Aotearoa*. The application states that its vision is to “raise generations of Ngāpuhi who are confident, competent and capable so that they may find their place on the marae and their place in the world.”
11. The schools’ local curriculum delivers *Te Marautanga o Aotearoa* through a wholly Māori approach. Pedagogy is based on a Māori worldview that focuses on building the cultural confidence and competence of ākonga. The curriculum uses inquiry and experiential learning as key parts of the teaching and learning approach, and focuses on developing the oral, reading, writing and mathematics skills of students.
12. The proposal outlines the way an education based on tikanga Māori will be delivered through the three pou – Kia Māori, Kia Mātau, Kia Tū Rangatira Ai – each of which shapes teaching across the Wāhanga Ako (the Māori medium equivalents to Learning Areas) of *Te Marautanga o Aotearoa*. The learning pathways are intended to enable students to engage purposefully with the environment while teaching programmes are holistic.
13. The proposal recognises the importance of whānau participation in teaching and learning programmes and outlines an approach based on Hui Whakapakari – hui with students and their whānau to provide an opportunity to reflect on progress and plan next learning and teaching steps. The proposal also states that detailed reports will be provided to whānau twice a year, and whānau are encouraged to maintain contact at any time around their child’s progress.

14. The proposal outlines an approach to assessment for learning that covers building learning-focused relationships, having clarity about what is to be learnt, active reflection, promoting further learning and building shared clarity about next learning steps. This provides the schools with confidence that their approach to assessment informs teaching and learning.
15. We consider that the schools have articulated a sound approach to curriculum design and teaching and learning practice, and that:
 - a. it is desirable for students (whose parents want them to do so) to get an education in line with this designated character and curriculum design approach
 - b. 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.

Projected rolls

16. We consider that the 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 of this type.
17. The July rolls at the charter schools Te Kāpehu Whetū – Teina and Te Kura Hourua o Whangarei Terenga Paraoa – Tuakana (which provide a similar type of education to that proposed for the schools) in the table below demonstrate parental support for this type of schooling provision.

	Year levels	2014	2015	2016	2017
Te Kapehu Whetū – Teina	Year 1-6	0	51	89	101
Te Kura Hourua o Whangarei Terenga Paraoa – Tuakana	Year 7-13	53	75	156	212

18. The applicant has provided roll projections for the proposed Te Kāpehu Whetū (Teina).

S9(2)(j) OIA




Year	2019	2020	2021
Projected Roll	110	110	110

19. These roll projections for the Teina do not include Year 7-8 students that currently attend the secondary charter school run by the Trust. There are currently 23 students enrolled as Year 7 at Te Kura Hourua o Whangarei Terenga Paraoa – Tuakana. As a capped figure, the projections also do not reflect the potential demand from the early childhood services that are operated by the Trust. The application includes the 2019 new entrant waiting list of 16 tamariki, as well as a list of 107 students currently enrolled as Year 1-6 students at Te Kapehu Whetū – Teina.

20. If all current and identified prospective students re-enrol at the proposed Teina, demand in 2019 could be 146 students. The Ministry is supportive of the proposed school becoming a Year 1-8 school and would advise the EBOT that Year 7 and 8 students would need to be managed within the maximum roll of the proposed Teina,

S9(2)(j) OIA



21. The applicant has not provided roll projections for the proposed Tuakana. The application requests a maximum roll of 250 students. This is lower than the current maximum roll of Te Kura Hourua o Whangarei Terenga Paraoa – Tuakana, accounting for the fact that Year 7 and 8 students would enrol in Te Kāpehu Whetū (Teina).
22. We have developed a notional⁴ roll of 175 for the proposed Tuakana based on the current rolls of the charter schools, reflecting the applicant's expectation that primary students would progress onto the proposed Tuakana kura, completing the schooling pathway, and assuming that current patterns of growth will continue.

Impact on the schooling network

23. Whangarei is an area experiencing areas of population growth and schools in the network are generally well subscribed, with some having roll pressure and enrolment schemes in place. This means that should these applications be approved, the impact on any one school is likely to be minimal and offset, over time, by school aged population growth.
24. It is likely that the proposed schools will enrol students that are currently attending the two charter schools and will attract students that wish to seek either an immersion or bilingual education.

Māori medium provision

25. The Whangarei district has a high proportion of Māori students, with 44% of students enrolled in schools in July 2017 identifying as Māori. Within the Whangarei township, there is one full Māori medium education option, Te Kura Kaupapa Māori o Te Rawhiti Roa, which is a Year 1-13 composite school. In addition, Te Kura o Otangarei, a Year 1-8 full primary provides Māori medium and bilingual education. Five schools in Whangarei also have some Māori medium provision, by operating immersion or bilingual classrooms.
26. Both proposed schools will provide further choice for parents seeking Māori Language provision within the context of the designated character the schools offer. In 2017, 7% of all students across the district were enrolled in Level 1 or 2 Māori medium settings.
27. Currently Te Kāpehu Whetū – Teina provides full immersion education, and Te Kura Hourua o Whangarei Terenga Paraoa is the equivalent of Māori language level 2 (51-80%). Both school rolls are comprised entirely of Māori students and deliver Māori medium education to 42% of students enrolled in Level 1 or 2 settings within Whangarei.

⁴ The notional roll is an estimated future roll used to provide a minimum level of funding and staffing entitlements during the establishment period of a new school.

28. The two proposed schools intend to deliver schooling in te reo Māori. The application notes that the Teina would deliver the curriculum in immersion and that the Tuakana would provide bilingual provision. The immersion levels will need to be more accurately assessed upon transition into the state system. If approved, these two schools will provide further opportunities for students seeking education in te reo Māori within the state schooling sector in Whangarei.

English medium provision

29. We consider that if approved, the Teina will not have an impact on the English medium primary school network across Whangarei. We consider that if approved, the proposed Tuakana will have a limited impact on the English medium secondary school network across Whangarei.
30. We note that Tikipunga High School, a co-educational Year 7–15 secondary school located in Whangarei, is currently below the roll threshold outlined in the Cabinet Guidelines. Its roll has a high percentage of Māori students and offers English medium education. The roll of this school has been falling over some time from a 2013 July roll of 491 students to a 2017 July roll of 293.
31. The Tikipunga 2014 Education Office Review (ERO) report identified concerns about school performance, including low student achievement, governance capability issues, ineffective teaching and curriculum, and lack of internal evaluation. Support was being provided to the school through a Ministry Student Achievement Function (SAF), however the 2017 ERO report recommended that the school receive *“external support to build leadership and teaching capability to promote excellent and equitable outcomes for students”*. We are working with Tikipunga High School to support improved outcomes.

Maximum roll

32. 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.
33. The applicant has requested a maximum roll of 200 students for the Teina roll. It has indicated that it expects that this could consist of 130 Year 1-6 students and 70 Year 7-8 within this maximum figure of 200.

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S9(2)(j) OIA

35. Agreement to a maximum roll of 200 for the Teina will mean that the numbers of students attending at the Teina site can be increased as capacity is provided, without future boards having to go through a full maximum roll increase application process.

S9(2)(j) OIA

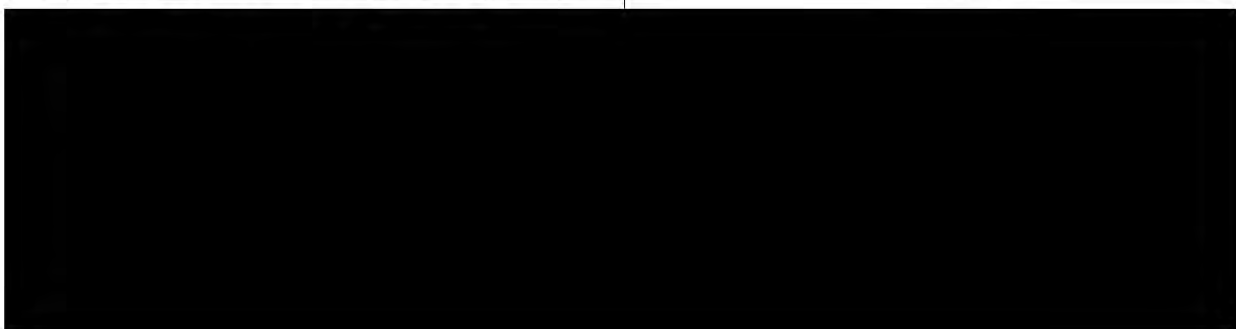
36. The applicant has requested a maximum roll of 250 students for the Tuakana. The requested figure is lower than the Cabinet Guidelines for the establishment of a new secondary school by 50 students. However, we consider that there is sufficient support (proposed enrolments) for the school to grow to the figure specified in the guidelines, if the property of the proposed school could support this. The school board can apply for an increase to its maximum roll should additional capacity be provided.
37. In requesting a maximum roll of 250 for the Tuakana, the applicant is requesting a total maximum roll across both kura of 450 students. This is the same level of provision that exists under the current charter school structure. Year 7-8 students from the Teina will initially need to learn at the Tuakana site. If you agree to establish both schools, we will work with the EBOT to ensure these limits are managed.

Leadership Academy of A Company

38. The applicant also operates a Leadership Academy of A Company (the Academy). The Academy has links to the 28th Māori Battalion and was established in 2010 by the Trust. The Academy works with whānau, high schools, and the wider community to support young Māori men to achieve their academic potential and be confident, capable individuals. The programme includes a residential hostel facility licensed under the Education (Hostels) Regulations 2005. In 2015, the Academy became part of the secondary charter school and was funded and staffed through the charter school.
39. The application has requested that a Service Academy be approved for the Year 9 – 13 school to enable the Academy to continue. Service academies offer military-style programmes within ordinary state schools that offer courses in leadership and outdoor education, while also helping students achieve NCEA literacy and numeracy requirements. They are run through secondary schools, with assistance from the New Zealand Defence Force.
40. We currently fund 29 Service Academies across New Zealand, and have fully allocated all of the funding available for this programme. If you agree to establish the Tuakana, the EBOT can register interest in establishing a Service Academy. We are currently not accepting applications as there is no capacity funding for additional Service Academies to be established. Should additional funding become available, applications would be sought and assessed alongside other registrations of interest that we currently hold.
41. As it is unlikely that a Service Academy at the Tuakana could be established in the short or medium term. The EBOT could consider prioritising operational grants to ensure the programme can continue. The governance facilitator could assist the EBOT with this process.

Proposed location and property

S9(2)(j) OIA



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Te Kāpehu Whetū (Tuakana)

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School Transport

55. The Ministry currently provides around \$90,000 towards transport assistance for services shared by both charter schools. This includes a conveyance allowance for three students who cannot access a school bus route.
56. Should you agree to establish both state schools, student eligibility for transport assistance will be unchanged, so we anticipate these costs will remain similar. As Māori medium kura, both schools would be eligible for Māori medium transport funding to transport its students to and from school. The actual method of funding the two entities, the funding split and the future transport arrangements may change, but as eligibility of individual students is unlikely to change, future costs should not vary significantly.

Financial Implications (operations)

57. If you decide to establish the proposed schools, the following tables show the estimated costs to the Crown, based on the notional rolls for both schools as shown. It is usual practice to fund a new school on a notional roll in order to give the EBOT some certainty of funding in its establishment period. If the actual roll exceeds the notional roll, the school will be resourced on its actual roll; if the actual roll is lower than the notional roll, the school will be resourced on its notional roll.

Te Kāpehu Whetū - Teina

58. If you agree to establish the proposed schools, the estimated annual operational costs to the Crown for both schools are [REDACTED]. The Crown will also need to fund additional one-off establishment payments, which for both schools would be a total of \$2,443,337.

Te Kāpehu Whetū (Teina): Estimated Operational costs – based on a notional roll of 150

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Establishment Costs:	\$1,699,715

Note: Figures exclude GST.

** Prior to the school opening, the establishment board can appoint a principal and senior teachers.*

Governance

59. If you agree to establish the proposed schools, they will initially be governed by an establishment board of trustees (EBOT). It is important to have an EBOT in place as soon as possible after establishment so that it can prepare the school for opening.
60. The applicant has requested that a combined EBOT be appointed, if you agree to establish the proposed schools. You are able to combine boards under section 110A of the Education Act 1989. The Ministry supports appointing a combined board as the EBOT for both schools, as it will enable the proposed schools to continue to provide an aligned and collaborative education pathway for students in Years 1-13.
61. Under the Act, you can form the EBOT either by appointing five members or by asking the parents of students likely to be enrolled at the school in the year it opens to elect five members. We recommend that you appoint five members to the EBOT.
62. The Ministry recommends that you appoint the following five individuals to the EBOT, all of whom were nominated by He Puna Marama:
 - a. Adrian Warren
 - b. James Nair
 - c. Jason Pou
 - d. Nathan Matthews
 - e. Raewyn Tipene.
63. Information about each of the recommended EBOT members is attached as Annex 8. They are all current members of the He Puna Marama Trust Board, which provides governance support to the charter schools. We consider that with support, these members have the ability to support both proposed schools to open by Term 1, 2019.
64. We are aware that one of the recommended EBOT members, Raewyn Tipene, is likely to apply to become Principal of the proposed schools. We cannot confirm whether Raewyn is a registered teacher, which would be a requirement of appointment. If her appointment was made she would need to recuse herself from any EBOT matters involving appointment of a principal. The governance facilitator will work with the EBOT so that they are aware of this potential conflict of interest and the steps needed to ensure that the process of appointing a principal is transparent.
65. The members have been advised that should the school be established, and should they be appointed to the EBOT, their role on the Trust governing the charter schools and on the EBOT are to be separate, with the two entities having separate roles, responsibilities, and meetings.
66. There is a risk that the trustees may struggle to manage the workload of simultaneously running the current charter schools and establishing the two new schools in 2018. To manage this the EBOT can co-opt up to four additional members to support them in their functions.
67. In addition, 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

68. The application includes a proposal that an alternative constitution is put in place. We have accommodated this request by specifying in the establishment Gazette Notice that the schools will have an alternative constitution for their substantive board once it transitions out of its EBOT phase.
69. When the schools are ready to transition out of the establishment phase, we will work with the EBOT to develop the alternative constitution under section 98A of the Education Act 1989. This will be submitted to you for consideration and approval.

He Puna Marama Trust

70. The applicant has requested that the He Puna Marama Trust provides corporate services to the EBOT. The services referred to include human resources, accounts, property, legal, audit and health and safety.
71. A board can seek outside advice and may subcontract some of its functions, however it needs to be aware that it retains full responsibility for the end outcomes of the services that it has outsourced. The governance facilitator will be able to work with the EBOT regarding this and ensure that members recognise their roles and responsibilities.

Employment relations

72. 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.
73. The applicant has requested that Raewyn Tipene be reconfirmed as the principal of the proposed schools. We have advised that the appointment of the principal is the role of the EBOT, so we cannot provide assurance that this will be the case.
74. Although the proposal is to establish two schools, the applicant has indicated it wishes to appoint one principal across both schools. Section 75A of the Education Act allows for this. This would be a decision for the EBOT, and the governance facilitator will be able to ensure that full advice and guidance is obtained before any appointments are made.
75. The EBOT will also appoint staff to positions at the proposed schools. 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.
76. The governance facilitator and the New Zealand School Trustees Association will be able to assist the EBOT in this matter.

Consultation

77. 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.

78. We have undertaken this consultation on your behalf, and consulted 21 state schools across the primary, intermediate and secondary sector in the wider Whangarei area. Two responses were received in support of the application, Kamo High School and Bay of Islands College, although the latter noted transport concerns as it considers the schools may send busses out of their catchments to pick up students. One request for further information was received from Tikipunga High School. We provided Tikipunga High School with further information, but no additional comments were received.
79. We have also consulted with sector groups and local iwi. NZEI did not support the application as it considered the proposed schools could negatively impact on the stability and viability of the existing Māori medium schools in Whangarei, and that it felt there were not major differences between the designated character and programmes that are already expected of schools with high Māori rolls.
80. We did not receive specific feedback from other sector groups or iwi but note that the applicant did receive letters of support from a number of rūnanga in the area.
81. The applicant also consulted within its network prior to submitting its application. It received letters of support from the following organisations, and copies are attached with the application in Annex 6 for your reference:
- Sheryl Mai, Mayor of Whangarei
 - Te Rūnanga o Ngāti Hine
 - Rotary District 9910
 - Ngatiwai Trust Board
 - Hihiaua Cultural Centre Trust
 - Te Uri o Hau Settlement Trust
 - Te Rūnanga o Ngāti Whātua
 - Te Rūnanga A Iwi O Ngāpuhi
 - Pehiaweri Māori Church and Marae
 - Kawiti Marae Ki Waiomio
 - Mokopuna ECE and Care Centre.
82. Feedback received during the Ministry's consultation has been shared with the applicant and they responded. The applicant acknowledged the support of Kamo High School and Bay of Islands College. It also responded to the concerns raised by NZEI, noting the differences between Te Aho Matua schools and its proposed designated character, specifically in relation to its kaupapa stemming from Te Whakaputanga o Nui Tirini (Declaration of Independence by the Northern Chiefs), Te Tiriti o Waitangi and the sacrifice of men of the 29 (Māori) Battalion as a symbolic commitment to Māori citizenship.

Risks and Mitigations

83. In analysing the application the following risks have been identified:
- a. The proposed EBOT is comprised of members of the current charter school board, and they might struggle to transition to operating as a Board of Trustees. These members have been recommended for appointment due to the skill set that they offer and their knowledge of the schools' proposed 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 charter school Board and the EBOT have different roles and responsibilities. The appointment of a governance facilitator will also assist with managing this risk.

- b. The proposed EBOT members might not have the capacity to govern the charter school and undertake the work required to have the two schools (Te Kāpehu Whetū Teina and Tuakana) ready to open for 2019. As members of He Puna Marama Trust the proposed EBOT members also provide governance to the ECEs that He Puna Marama owns and operates in Whangarei, Moerewa and South Auckland. Trustees may find themselves stretched as a result. The EBOT is able to co-opt up to four other members to support it in its work. The Ministry will recommend to the governance facilitator and the EBOT that they should consider co-opting other trustees. In their roles as trustees of He Puna Marama Trust the EBOT members will be supported by He Puna Marama staff and systems, which should increase their capacity to perform their roles on the EBOT. The original application for the primary charter school noted that there were 55 staff employed to support the work of the He Puna Marama Trust.
- c. The roll of 250 students at the proposed secondary school is considered small. The size of the school may impact on the number of subject choices and opportunities available to secondary students. [REDACTED] We will ensure that the governance facilitator works with the EBOT to consider this risk and opportunities available to respond to it.
- d. He Puna Marama Trust has operated the Leadership Academy of A Company (Academy) since 2010. The Academy has the support of community groups and the applicant considers that if it does not become a Service Academy then their opportunity for young Māori men in Whangarei will disappear. The EBOT will have access to more operational funding for the two schools than it would get for a Year 1-13 school. Following an assessment of their resourcing we consider the staffing for both schools will be higher than the charter schools received. This means that the EBOT should be able to access a greater level of operational funding and staffing which and should enable the programme to continue.

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Next Steps

- 84. We consider that the requirements of the legislation have been met and recommend that Te Kāpehu Whetū (Teina) and Te Kāpehu Whetū (Tuakana) be established as a designated character schools under sections 146, 156 and 156AA of the Education Act 1989.
- 85. You are asked to approve a combined EBOT and appoint its membership (refer to details of the candidates at Annex 8 and appointment letters attached as Annex 3).
- 86. If you approve establishment, a governance facilitator will be appointed to support the EBOT as it works to ready the schools to open in 2019.
- 87. If you approve this application, you are asked to sign the attached letters, *New Zealand Gazette* notices and notice appointing the Establishment Board, and agree to issue a media statement (draft statement attached).
- 88. If you decide to decline this application the Ministry will:
 - a. work with the sponsor to manage the wrap up of the charter schools
 - b. support families / students to enrol in other schools and to transition to their next school

- c. 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

89. It is intended that this Education Report be proactively released once final decisions have been made on all applications from the sponsors of charter schools. Any information that might need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

Annexes

- Annex 1A: Letters to Applicant and Local MPs (approve)
Annex 1B: Letters to Applicant and Local MPs (decline)
- Annex 2: Gazette Notice
- Annex 3: Letters to the Establishment Board of Trustees
- Annex 4: Ministry's Assessment of the Application
- Annex 5: Maps
- Annex 6: Copy of the Application
- Annex 7: Consultation Feedback
- Annex 8: Establishment Board of Trustees
- Annex 9: Correspondence with Applicant