



## **Briefing Note:** Meeting with the Association of Proprietors of Independent Schools, 22 February 2023

<b>To:</b>	Hon Jan Tinetti, Minister of Education		
<b>Date:</b>	16 February 2023	<b>Priority:</b>	Medium
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1304080
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<b>Messaging seen by Communications team:</b>	N/A	<b>Round Robin:</b>	No

### Purpose of paper

This paper provides information to support your meeting with the New Zealand Association of Proprietors of Integrated Schools (APIS) on Wednesday 22 February in your office.

### Summary

- You are meeting: Dr Kevin Shore (Chief Executive Officer, APIS); Karen Raitt (Manager, Strategy, Projects and Policy, APIS); and Mark Larson (Chief Executive Officer, Association of Independent Schools New Zealand).
- APIS has advised that it wishes to discuss with you:
  - operational funding for integrated schools, including equity funding, especially in South Auckland; and
  - the briefing paper APIS has provided you as incoming Minister.
- We also provide information regarding the safety and inclusion of students in state integrated schools, including Rainbow Ākonga.

## Proactive Release

**Agree** that the Ministry of Education will release this briefing following the meeting.

**Agree** Disagree



Alanna Sullivan-Vaughan  
**Senior Policy Manager**  
**Te Pou Kaupapahere**  
16/02/2023



Hon Jan Tinetti  
**Minister of Education**

18/02/2023

## Background

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1. Integrated schools make a valuable contribution to the schooling network. For example, the Ministry is processing an application from Elim Christian Proprietors to establish two integrated schools in areas of high population growth in Auckland.
2. In your last meeting with the Association of Proprietors of Integrated Schools (APIS) on 14 December, you discussed: issues surrounding Bethlehem College including the Education Review Office's review of the school; progress made within the integrated school sector on inclusive practices; and ways APIS can have ongoing conversations with Ministers. You and Dr Shore agreed to meet regularly.
3. Your next meeting is scheduled for Wednesday 22 February. The following representatives are attending (more details in Annex 1):
  - Dr Kevin Shore – Chief Executive Officer of APIS and the New Zealand Catholic Education Office (NZCEO)
  - Karen Raitt (Manager, Strategy, Projects and Policy, APIS and NZCEO)
  - Mark Larson (Chief Executive Officer, Association of Integrated Schools New Zealand (AIS)).
4. Mr Shore wrote to you in January indicating that APIS wishes to discuss the Equity Index and operational funding for integrated schools in South Auckland. APIS has also provided you with a briefing as incoming Minister of Education, and Dr Shore will briefly discuss it with you at the meeting.

## Key topics

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### The Equity Index and operational funding for state integrated schools

5. Replacing deciles with the Equity Index for allocating equity-weighted resources to schools has generally been welcomed by the sector, but some schools that will see funding reductions have raised concerns. Integrated schools in South Auckland, especially, have been found to be less disadvantaged than their deciles would imply (see the second page of Annex 2 for a more detailed comparison). The Ministry provided advice on the reasons for this in October 2021 (METIS 1270424 refers).
6. Compared to deciles, the Equity index gives a more comprehensive, evidence-based and up-to-date picture of the socio-economic barriers to educational achievement facing each school's students. It reflects the conditions of each student's home life rather than the

residents of the local area. Reasons deciles may have over-stated the socio-economic barriers at integrated schools in South Auckland include:

- deciles are based on outdated 2013 Census data on households in the local community
  - enrolment at integrated schools is more selective than at state schools due to their special character and attendance dues, making them less representative of their local community – attendance dues probably deter some low-income parents, despite waivers for some students
  - integrated schools usually draw students from a larger area that, statistically, is likely to be closer to the national average in terms of socio-economic barriers
  - the 37 variables in the equity index (fewer in some cases where data is not available) are weighted based on their relationship with NCEA achievement and cover many more factors than the five equally weighted variables determining deciles
  - deciles treated young people over the age of 10 sharing a room as ‘crowding’, likely overstating socio-economic barriers in areas of relatively dense housing.
7. Support is being provided to ease the transition to less funding. In 2023, no school or kura will experience a reduction in per-student equity and isolation funding, as a result of the shift from deciles to the Equity Index. From 2024 onwards, schools facing a reduction will receive transition support for a period depending on the forecast proportional reduction in their operating grants.
8. As requested by your office, we have provided a list of South Auckland schools detailing the impact of the shift to the Equity Index (Annex 2), and talking points for your discussion of the Equity Index with APIS (Annex 3).
9. In early November 2022, De La Salle College, an integrated school in South Auckland, wrote to the Ministry arguing that the Equity Index does not fairly reflect the socio-economic barriers facing the school’s students. We replied in detail in late November, setting out our view that the Equity Index is a fair representation of the socio-economic barriers facing the students at a school (see Annex 4).

#### **Update and risks regarding the safety and inclusion of ākonga in integrated schools**

10. The Ministry of Education is providing support to ensure that integrated schools are providing safe, non-discriminatory, and inclusive environments for all students, including rainbow ākonga, and giving effect to learners’ rights set out in the Education and Training Act 2020 (the Act), the New Zealand Bill of Rights Act 1990, and the Human Rights Act 1993.<sup>1</sup> There is an interface between these obligations and:
- the right of integrated schools to reflect, through their teaching and conduct, the special character of their school; and
  - the right of the proprietor to determine what is necessary to preserve and safeguard the special character of the education described in the integration agreement.<sup>2</sup>
11. Since concerns were raised in 2021 the Ministry has worked intensively with Bethlehem College to ensure it meets the expectations of the Act. ERO recently confirmed that on 13 February 2023, Bethlehem College is scheduled to receive its report, which would be posted to the ERO website shortly after. The Ministry will continue to work with Bethlehem College as required. We expect this work to extend to other integrated schools later this year.

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<sup>1</sup> Education and Training Act 2020, section 127.

<sup>2</sup> Education and Training Act 2020, Schedule 6, Section 1.

12. The Proprietors of Kaitaia Abundant Life School decided in 2022 to close rather than meet statutory requirements. You advised the school that it needed to stay open until the end of Term 2 to plan and transition its students to alternative schools. The school has advised parents that “all classes will be operating as per normal up to the end of Term 2”.<sup>3</sup>

### **Matters raised in the APIS briefing**

#### *The Essential Property Maintenance Programme, paragraph 4.1 of APIS briefing*

13. The School Investment Package announced in 2019 provided funding to state schools to accelerate upgrades. APIS raised concerns about integrated schools’ exclusion from this package. The Essential Property Maintenance Programme (EPMP) was a one-off \$52.8 million fund from Budget 21 to support proprietors to deliver essential property upgrades. Its purpose is to support the Government’s goal of quality learning environments by 2030. By 31 December 2022, 612 projects had been approved, costing \$52.2 million.

#### *Insufficient Policy Two funding for integrated schools since 2017, paragraph 4.2 of APIS briefing*

14. The Government gives proprietors of integrated schools ‘Policy One’ funding for capital maintenance and modernisation projects. This funding is to keep existing integrated school property in a state of repair comparable with that of state schools. ‘Policy Two’ funding is discretionary funding of up to 85% of the construction costs of new classrooms or schools. This rate reflects the fact that the proprietor will own the property.
15. Policy Two funding is only provided if it avoids having to provide extra capacity in state schools. It depends on Ministerial approval and the Budget process. Preference is given to growth within the non-integrated state schooling sector. Policy Two funding cannot be used for hostels or accommodation.

#### *APIS would like integrated schools to receive operational grant funding for building insurance OR gain access to the ‘state school insurance scheme’, paragraph 4.3 of APIS briefing*

16. The Ministry’s School Building Insurance Funding Programme (backed by private sector insurance) covers state school buildings for damage after an incident. It is based on the risk profile of the portfolio and our maximum probable loss from a single event.
17. Under the Act, integrated schools must insure their properties – an operational expense. Beyond different ownership arrangements, integrated schools and proprietors likely have a lower risk appetite and capacity (capital available to cover losses) than the Ministry, making their inclusion in our insurance programme challenging. In previous correspondence, APIS was investigating centralised insurance for all integrated schools. You may wish to ask Dr Shore about this.
18. Boards of integrated schools can join the Ministry’s Risk Management Scheme which offers full contents insurance. This scheme is levied on a per student cost.

#### *Application of a small percentage of attendance dues to pay for Catechetical Programme fees for teachers in teacher training*

19. The Act allows integrated schools to charge attendance dues as a condition of enrolment. This revenue must be used solely to meet costs relating to land, buildings, facilities and required capital works.
20. APIS has for some years proposed allowing a small percentage of these funds to be used to pay for a religious education training programme for trainee teachers. APIS states that

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<sup>3</sup> Kaitaia Abundant Life School website, 17 January 2023: <https://www.smores.com/uhgbn-welcome-to-2023>.

the issue arose following repeal in 2016 of the Private Schools Conditional Integration Act 1975. The Act required state colleges of education (which were merged with universities in 2007), in planning courses of study, to take account of special educational needs of students intending to teach in integrated schools. It did not require the training to be free.

21. The Secretary for Education committed to “arrange further discussions with the Education Council about how best to resolve” the issue of specialised teacher training, but this discussion did not result in the Education Council adding an explicit requirement for initial teacher education (ITE) programmes to provide this training. Suitable programmes are available, but the NZCEO sees the tuition cost (which we understand to be approximately \$3-5,000) as a possible barrier to uptake.
22. The Ministry advised Associate Minister Salesa on this issue in September 2019 (METIS 1201560 refers). Our key concerns were to avoid broadening the exception to free state education, barriers to schooling, and inequities between schools with different types of special character, or diverting funding from the Government’s priority education objectives.
23. Schools could fund specialised training from fundraising, voluntary donations, or operations grants, or trainees could meet the cost (eligible for student loans). Some scholarships are available, and the programme (or part of it) could be covered by the first year fees free policy for tertiary education. Teachers may apply through TeachNZ for a study award or grant (applications are assessed by a panel). However, the donations scheme removes donations as a funding option for schools that opt into the scheme.

## Annexes

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Annex 1: Attendees

Annex 2: Data on the equity index and integrated schools in South Auckland

Annex 3: Ministry reply to concerns expressed by De La Salle College

Annex 4: Talking points regarding the Equity index and its treatment of integrated schools

### **APIS**

The Association of Proprietors of Integrated Schools (APIS) brings together all the Proprietors of the nation's 335 integrated schools (one further secondary college opening in 2024). Proprietors of five small state integrated schools do not belong to APIS. APIS recently provided you with a briefing that provides further information about the Association and its concerns.

### **NZCEO**

The NZCEO describes itself as “a catalyst engaging Catholic schools to become leaders in New Zealand education, delivering outcomes in the spirit of the Gospel” on their website. It works on national issues, mainly in relation to national and operational policy for schools.

### **Association of Integrated Schools New Zealand (AIS)**

The Association of Integrated Schools New Zealand is a support and networking organisation for non-Catholic state-integrated schools. It was set up in 1982 when the Proprietors of Integrated schools recognised the importance of all Proprietors, irrespective of their religious or philosophical position, working together in their relationship with government and government agencies.

### **Dr Kevin Shore - APIS**

Dr Shore is the Chief Executive of both APIS and NZCEO. He has been in this position since October 2020. Before that he was principal of St Peter's College in Palmerston North and has served in educational leadership positions for 30 years in both state and integrated schools. Kevin has a PhD in Education, and a Masters' degree in Educational Administration.

### **Karen Raitt - APIS**

Karen Raitt is the Deputy Chief Executive, Manager of Policy, Projects, Strategy and Governance. She has worked at NZCEO and APIS for three years and had extensive experience working for NZSTA before that. She has a business management background, and strengths in project management and governance.

### **Mark Larson - AIS**

Mark Larson has had a long career in and with New Zealand schools. He is Chief Executive Officer of the Association of Integrated Schools, in which capacity he is attending this meeting. He is also Chief Executive of the Christian Schools Trust, Chair of the Board of Rolleston Christian School, and a past Principal of Middleton Grange School and past Deputy Principal of Papanui High School.

## Annex 2: Data on the equity index and integrated schools in South Auckland

In South Auckland, state integrated schools are significantly more likely than state schools to see a reduction in their operating grants in 2024 due to the replacement of the area-based decile system with the student-based Equity Index for measuring socio-economic barriers to student achievement. Transition funding will limit reductions to per-student equity funding and isolation funding as a result of the shift from deciles to the Equity Index to nil in 2023 and to 5% of schools' 2022 operations grants (as projected when schools were notified of their allocations in September 2022) in each subsequent year.

In this Annex we define "South Auckland" to mean the following suburbs of metropolitan Auckland: Clendon, Clendon Park, East Tamaki, Ellerslie, Favona, Greenlane, Hingaia, Mangere, Mangere Bridge, Mangere Central, Mangere East, Manukau Central, Manukau City, Manurewa, Onehunga, Otahuhu, Otara, Otara South, Papakura, Papatoetoe, Randwick Park, Takanini, Wattle Downs.

We exclude Teen Parent Units, Activity Centres and Special Schools, but all of these are state institutions receiving more funding due to adoption of the Equity Index.

### State integrated schools in South Auckland

This table shows the amount of funding to be provided to state integrated schools in South Auckland to ease the transition to the Equity Index. It also indicates the total reduction as a percentage of projected 2022 operating grants.

Name	Suburb	Transition funding \$ 2023	Transition funding \$ 2024	Transition funding \$ 2025	Transition funding \$ 2026	Reduction
<b>Primary (all Full Primary except St Mary's Ellerslie (Contributing))</b>						
St Anne's Catholic School	Manurewa	162,557	109,374	56,190	3,006	15-20%
Holy Cross School	Papatoetoe	117,950	67,864	17,778	-	10-15%
St Joseph's School	Otahuhu	105,922	72,211	38,500	4,790	15-20%
St Mary MacKillop Catholic School	Mangere	96,461	59,177	21,892	-	10-15%
South Auckland S D A School	Papatoetoe	68,630	30,587	-	-	5-10%
Holy Trinity Catholic Primary School	Takanini	67,142	41,652	16,162	-	10-15%
St John the Evangelist Catholic School	Otara	61,675	35,081	8,487	-	10-15%
St Joseph's Catholic School	Onehunga	30,677	11,377	-	-	5-10%
St Mary's Catholic School	Papakura	19,652	-	-	-	<= 5%
St Mary's School	Ellerslie	16,357	-	-	-	<= 5%
Waatea School	Favona	-	-	-	-	None
Te Kura Akonga O Manurewa	Randwick Park	-	-	-	-	None
<b>Secondary and Composite</b>						
Al-Madinah School (Composite)	Mangere	231,473	170,854	110,235	49,616	15-20%
McAuley High School (Year 9-15)	Otahuhu	185,756	77,873	-	-	5-10%
De La Salle College (Year 7-15)	Mangere East	91,691	-	-	-	<= 5%
Zayed College for Girls (Year 7-15)	Mangere	8,000	-	-	-	<= 5%
Auckland Seventh-Day Adventist High School (Year 9-15)	Mangere Bridge	4,754	-	-	-	<= 5%
Michael Park School (Composite)	Ellerslie	-	-	-	-	None



## Comparing integrated schools with state schools in South Auckland

This table indicates the number of schools experiencing a range of reductions in funding within each school authority (state or state integrated) and type as a percentage of projected 2022 operating grants.

School authority School type	No reduction	Reduction ≤ 5%	Reduction 5-10%	Reduction 10-15%	Reduction 15-20%	Total
<b>State</b>	<b>76</b>	<b>21</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>106</b>
Contributing	27	10	5	1	1	44
Full Primary	20	10	2			33
Intermediate	10	1				11
Composite	3					3
Restricted Composite (Year 7-10)	1					1
Secondary (Year 7-15)	1					1
Secondary (Year 9-15)	14					14
<b>State: Integrated</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>18</b>
Contributing		1				1
Full Primary	2	1	2	4	2	11
Composite	1				1	2
Secondary (Year 7-15)		2				2
Secondary (Year 9-15)		1	1			2
<b>Grand Total</b>	<b>79</b>	<b>26</b>	<b>10</b>	<b>5</b>	<b>4</b>	<b>124</b>



#### Annex 4: Ministry response to letter from De La Salle College

The Ministry's response is attached.

Proactively Released