



## Education Report: Agreement to integrate Iqra Elementary School (744)

<b>To:</b>	Hon Chris Hipkins, Minister of Education		
<b>Date:</b>	30 April 2020	<b>Priority:</b>	High
<b>Security Level:</b>	In Confidence	<b>METIS No:</b>	1216525
<b>Drafter:</b>	Theresa Webb	<b>DDI:</b>	§ 9(2)(a)
<b>Key Contact:</b>	Isabel Evans, Director of Education for Auckland	<b>DDI:</b>	
<b>Messaging seen by Communications team:</b>	No	<b>Round Robin:</b>	No

### Purpose of Report

This report seeks your agreement to integrate Iqra Elementary School in New Lynn, Auckland City. You have already agreed to negotiate an integration agreement with Algoritmi Educational Trust, the proprietor of Iqra Elementary School. [METIS 1190182 refers]. This is to be a co-educational Year 1-10 composite school, achieving all year levels by 2024.

### Consideration of this report

1. The school's integration process began at the beginning of 2019, and we expected it to have been completed by the end of 2019. We identified some technical issues with the proprietor's status as an organisation (not being a body corporate), which caused delays, particularly as the school's contracted change manager was overseas during a significant part of this time.
2. Approval to negotiate an integration agreement was given on 9 November 2019. We identified 54 schools with which we needed to consult, but this could not be done during the Christmas holiday break. As a result the proposed integration date of Term 1, 2020, was delayed to integration on the start of Term 2, 2020, operating as an integrated school from Term 3. (It was originally expected the school would be integrated for Term 1, 2020, and start operating as an integrated school for Term 2.) We have now deferred this to 4 May 2020.
3. Most of the families at the Iqra private school are lower income, and the school is subsidised in large part by the two philanthropists who established it as a private school (and are the proprietor's trustees). Distance learning costs resulting from COVID – 19 have also been met by these philanthropists.
4. A significant proportion of the private school's funding comes from private donation during Ramadan, as this is a religious obligation. Employment and income effects of COVID – 19 could impact on the level of donations this year.

5. Integrating the school sooner rather than later would provide a level of certainty of sustainability for the school at this time.
6. The school has operated as closely as possible to a state school model to minimise transition requirements, so Term 3 is still an achievable opening date.

## Summary

---

1. On 9 November 2019 you gave approval to enter into negotiations to develop an integration agreement with the Algoritmi Education Trust (The Trust), the proprietor of the private school, Iqra Elementary School, Auckland, to integrate the school. [METIS 1190182 refers]. This approval had been delayed due to the proprietor needing to address technical/legal matters regarding its status as an organisation.
2. It is proposed that if integrated, initially the school will provide education for students in Years 1 - 6 (for the latter part of 2020) and grow to a Year 1 – 10 school by 2024. The maximum roll of the school will be 300 students. There is an intention by the proprietor to grow the school to a Year 1 – 13 school in the future.
3. The proposed initial maximum roll is 320 students, subject to a limit of 210 students until space on the ground floor of the building is commissioned and integrated. 210 students is the capacity of Level One, which will initially be integrated.
4. The proposed effective date of integration is 4 May 2020, with the school expected to operate as a state integrated school from 20 July 2020 (Term 3).
5. The proposed school will be situated at 7 Hugh Brown Drive, New Lynn, Auckland, which is the present site of the private school. The land and buildings are leased by Trust. The building is in generally good condition and is fit for purpose. Only minor maintenance work is expected to be needed. The building has a capacity of 520 students if all levels are utilised.
6. New Lynn is in the Avondale – Green Bay – Kelston catchment plan of the National Education Growth Plan 2030. This catchment area is classified as a strategic growth area. Additional capacity at both primary and secondary level will be required to cater for the anticipated population growth.
7. We anticipate the need for new primary school provision in new Lynn in the mid-2020s. Additional secondary school capacity will also be required within this timeframe. Sustained growth in the New Lynn area is projected beyond 2030. It is also an area with a large, and growing, Muslim population. The site has been specifically chosen to meet the demographics of this community.
8. The proposed special character is that the school will provide an Islamic-based education. Within Auckland there are two other state integrated schools with Islamic special characters that serve the increasing Muslim population within the region.

9. Consultation on the application has been undertaken and of the 54 schools consulted only seven responses were received. Three supported the application and three had no objections. One school had some concerns that integration might affect its roll.
10. We have also consulted with the Association of Proprietors of Integrated Schools (APIS), NZEI Te Riu Roa (NZEI), the Post-Primary Teachers' Association (PPTA) and Independent Schools of New Zealand (ISNZ).
11. APIS supports the application. ISNZ's policy is that the Government should provide more financial support for private schools as a less expensive option to funding integrated schools.
12. PPTA advises that it does not oppose integration at this time, but reserves the right to comment further as the roll increases and possibly affects other schools in the area. NZEI has not responded.
13. The Ministry of Education and the Trust have negotiated the terms and conditions of the attached integration agreement.
14. We are satisfied that the terms and conditions of integration have been met and recommend that you sign the attached deed.
15. The projected annual operational cost to the Crown (excl GST) is approximately \$1.16 million for the projected 2020 roll of 175 and \$2.1 million for the projected 2024 roll of 350. It should be noted that this is not all *additional* cost, as many students would not be able to attend a private school for financial reasons. Those students would otherwise enrol at an ordinary state school. Policy 1 funding would be approximately \$131,300 (excl GST) per annum based on the projected 2020 roll.
16. This report has been forwarded for consideration as a matter of urgency, as the financial situation of the private school will not allow it to continue for the rest of the year without integration. This is the last stage of the integration process and your consideration of it will provide a level of certainty and sustainability for the school at this time.
17. We recommend you approve the application to integrate Iqra Elementary School, for the reasons detailed above.

## Recommended Actions

---

The Ministry of Education recommends you:

- a. **agree** to integrate Iqra Elementary School (744) into the state education system under section 421 of the Education Act 1989 as a Year 1 – 10 composite school;

☒ Agree ☐ Disagree

- b. **approve** the effective date of the integration as 18 May 2020:

☒ Agree ☐ Disagree

- c. **agree** that the maximum roll of Iqra Elementary School be 300 students with the maximum number of non-preference students being 5% of the maximum roll. This maximum will be subject to a limit of 210 students until part of the ground level of the building is commissioned and integrated, as this is the capacity of Level One;

☒ **Agree** ☐ **Disagree**

- d. **sign** and have witnessed the attached copy of the deed of integration as marked;
- e. **sign** the attached *New Zealand Gazette* notice, notifying the integration agreement as required by section 425 of the Act;
- f. **sign** the attached letters to the proprietor and local MPs, notifying them of your decision;
- g. **agree** that this report be proactively released in line with your expectations that information be release 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.

☒ **Release** ☐ **Not Release**



Katrina Casey  
**Deputy Secretary**  
**Sector Enablement and Support**

30/04/2020



Hon Chris Hipkins  
**Minister of Education**

9/5/2020

## Background

7. Iqra Elementary School is a fully registered Year 1-6 co-educational private school in New Lynn, Auckland, established and provisionally registered in 2016. Its roll is almost entirely composed of Asian and “Other ethnicity” students (primarily Middle Eastern). Its 1 July 2019 roll was 109.
8. The school recently relocated to New Lynn from Mt Roskill and now occupies the buildings formerly occupied by BEST Pacific Institute of Education. The property is owned by Logarithm Education Company Limited. The proprietor, the Algoritmi Educational Trust (the Trust) was not a body corporate at the time of purchase. The Trust permanently leases the property from Logarithm for a peppercorn rental. The Trust will make repayments against the property mortgage. Once paid off, it is intended that the property will be transferred to the Trust.
9. On 9 November 2019 you gave approval to enter into negotiations to develop an integration agreement with the the Trust, the proprietor of Iqra Elementary School, to integrate the school. [METIS 1190182 refers].
10. It is proposed that, if integrated, the school will initially provide education for students in Year 1 - 6 and grow to provide for Year 1 – 10 by 2024. The Trust’s long term intention is to provide a full Year 1 – 13 education pathway for students. We propose that years 1-10 are approved at this time, as the proprietor is new to having a state integrated school, and the (private) school has not offered secondary education to date. We would expect an application to change the year levels of the school to years 1-13 in due course, once the Education Review Office (ERO) has undertaken a review of the school to support the application and provide confidence that the school is ready to have senior secondary students.
11. The Trust is also in the process of applying for registration for an Early Childhood Centre. The application is for a 3-year-old + centre with 60 students. It is expected the majority of these would transition to Iqra Elementary School.

## Demand

12. The school’s capacity has been constrained by its previous premises. It moved into its current premises in Term 1, 2019, and is now able to enrol students that were pre-enrolled or on its waiting list. The school’s 1 July roll numbers since 2015, and projected roll for 2020, are set out in Table 1:

**Table 1: Iqra Elementary School’s roll numbers 2016 – 2020**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020 (estimated)</b>
<b>Total Roll</b>	28	46	99	109	175
<b>Year levels</b>	1 - 2	1 - 3	1 - 4	1 - 5	1 - 6

Source: MoE July Roll Returns.

13. The property inspection report indicates that the capacity of the current site is a maximum of 520 students.

## Network implications

14. The applicant's roll projections for the next five years are set out in Table 2 below. The applicant considers these might be underestimated, as it has had increased interest in enrolments since the events in Christchurch on 15 March 2019, including from families who have relocated from Christchurch.

**Table 2: Iqra Elementary School's projected roll numbers 2020 - 2024**

	2020	2021	2022	2023	2024
<b>Total Roll</b>	175	212	255	276	336
<b>Year levels</b>	1 - 6	1 - 7	1 - 8	1 - 9	1 - 10

15. The National Education Growth Plan (NEGP) identifies what we know from a range of sources about the anticipated locations and patterns of growth in school-aged children, as well as identifying measures that the Government might need to consider in order to meet growth through to 2030.
16. New Lynn is in the Avondale – Green Bay – Kelston catchment plan of the NEGP. This catchment area is classified as a strategic growth area.
17. We anticipate the need for new primary school provision in New Lynn in the mid-2020s. Additional secondary school capacity will also be required within this timeframe. Sustained growth in the New Lynn area is projected beyond 2030.
18. At the 2018 census the number of Muslims in New Zealand was 57,276, up 24% from 46,149 in the 2013 census. The majority of New Zealand Muslims are concentrated in Auckland.
19. Within Auckland there are two other state integrated schools that have an Islamic special character:
- Zayed College for Girls is a decile 3 Year 7 – 13 single sex school in the Mangere electorate. Its July 2019 roll was 119 students. The maximum roll of the school is 300.
  - Al-Madinah is a decile 2 Year 1- 13 co-educational composite school located in the Mangere electorate. Its 1 September 2019 roll was 555 students. The maximum roll of the school is 550.
20. The two existing integrated schools are both in geographically distinct catchments from Iqra. During the consultation process the Commissioner for Al-Madinah commented that within Auckland there is clearly a significant demand for education in a Muslim context as shown by the size of Al-Madinah's waitlist of over 700 students.
21. The Muslim population of Auckland has increased from 15,318 in 2001 to 31,155 in 2013 and continues to increase. The addition of Iqra Elementary School into the state integrated network will provide the Auckland Islamic community with another schooling option and might alleviate some of the pressure on Al-Madinah.

22. No state school would become marginal if Iqra Elementary School were integrated, based on the projected rolls.
23. If the proposal to establish Iqra Elementary School as a Year 1- 10 school is approved there are other state schools that students could choose to attend for their senior secondary education. However, none of these would provide the same special character education outlined in the application.
24. There is a risk that transitioning to another school at Year 11 might be disruptive for some students, especially as they move into more formal NCEA assessments and exams. However, there are already some schools in the network with this structure. We note that the school intends to apply to extend its provision to Year 13 in 2025.

## Consultation

---

25. On your behalf the Ministry consulted with all schools whose rolls might be affected if the application to integrate Iqra Elementary School is approved. Due to the special character of the proposed school, a large catchment of schools was approached. Of the 54 schools invited to comment the Ministry received seven responses. These are summarised in Annex 1.
26. Three schools supported the application and three schools had no objections. St Leonard's School had some concern that integration might impact on its roll as it has worked to be supportive and inclusive of its growing Muslim community. It also advised that it hoped that, if approved, Iqra Elementary School would aim to foster tolerance and understanding between all religions and ethnicities and teach the New Zealand Curriculum.
27. The results of the consultation were shared with the applicant. The applicant advises that for the past four years Iqra Elementary School has taught the New Zealand Curriculum and it strives to grow good New Zealand citizenship amongst its student body.
28. We also consulted with APIS, NZEI, PPTA and Independent Schools of New Zealand. APIS supports the application and considers this would be a "very worthy addition to the faith based options for [Aucklanders]".
29. PPTA advises that, although it is opposed to integration of private schools as a general principle, in this instance, due to the special character of Iqra Elementary School and PPTA's commitment to inclusion and diversity, it does not oppose integration at this time. PPTA adds "We do however reserve the right to comment further as the roll increases, and possibly affects other schools in the area."
30. NZEI has not responded.
31. ISNZ's policy is that the Government should provide more financial support for private schools as a less expensive option to funding integrated schools.

## Integration agreement

---

32. The Ministry and Trust have negotiated a deed of integration, subject to your approval. The following terms have been agreed upon:
  - a. The proprietor is the Algoritmi Educational Trust.

- b. The special character is defined as a school based in the pedagogical principles of Islamic tradition, particularly prophetic principles, and the pedagogical principles of contemporary educational thought allowing students the opportunity to confidently experience an integrated approach to knowledge consistent with their Islamic faith.
  - c. The school will be a co-educational Year 1 – 10 composite school.
  - d. The maximum roll of the school will be 300 students, subject to a limit of 210 students until part of the ground level of the building is commissioned and integrated, as this is the capacity of Level One.
  - e. The non-preference roll will be 5% of the maximum roll.
  - f. The following staffing positions have been classified as tagged:
    - i. 80% of teaching roles will be positions of importance carrying a responsibility for religious instruction.
    - ii. The Deputy Principal position will be identified pursuant to section 467 of the Act as a special “tagged” position.
  - g. The land and buildings are identified and recognised in the integration agreement.
  - h. The proprietor will be responsible for undertaking the tasks identified in the Development Plan referred to in the third schedule to the integration agreement after the opening date.
33. The deed of integration is attached as Annex 2.

## Financial Implications

### Resourcing

34. Based on the predicted roll of 175 students in 2020 and a maximum roll of 350, to which the school aspires in 2024, the estimated annual operational costs to the Crown are set out in the following table.

**Table 3: projected costs (excl GST) if Iqra were a state integrated school**

Roll	Staffing	Operations Grant	Salaries	Total
Current Private School funding		\$117,050		
175 (proposed roll) 2020	9.4 FTTE and 14 units	\$630,471	\$795,220	\$1,155,390
350 (projected 2024 roll)	18.4 FTTE and 26 units	\$854,053	\$1,501,036	\$2,084,789

35. As a private school, Iqra Elementary School would receive funding of \$117,050 from the Ministry for 2020. If Iqra Elementary School is approved for integration, the operational costs to the Crown will be approximately \$1.155 million per annum rising to approximately, \$2.085 million per annum if the roll rises to around 340 to 350 students, as proposed by the Trust.

36. It should be noted that this is not all *additional* cost, as many students would not be able to attend a private school for financial reasons. Those students would otherwise enrol at an ordinary state school.

#### *Policy 1 funding*

37. Upon integration Policy 1 funding would be approximately \$131,300 (excl GST) per annum based on the projected 2020 roll.

### **Other Matters**

---

#### *Establishment Board of Trustees*

38. Every new school has an Establishment Board of Trustees (EBOT). The EBOT's responsibilities include employment of the principal and staff in the school, setting the school's strategic direction in consultation with parents, staff and learners and providing input into the new school design process. The EBOT is also responsible for overseeing the management of personnel, development of the curriculum, property, finance and administration.
39. Once nominations have been assessed against the criteria for appointment, appointments will be made under section 98(1)(a)(i) of the Education Act 1989.
40. Should you agree to the integration we will also commence the appointment process for a governance facilitator to support the board to become an effective governance body and to prepare the school for opening as an effective learning organisation.

#### *Attendance dues*

41. Should you approve the integration of the school and countersign the deed of integration, the proprietor will be entitled to charge attendance dues as a term of the integration agreement. The proprietor will apply to the Ministry to negotiate the level of attendance dues to be charged.

### **Property**

---

42. Proprietors are principally responsible for providing accommodation at state integrated schools. The Proprietor has not applied for Policy 2 funding for this application.
43. The school site has been leased by Algoritmi Educational Trust from Logarithm Education Company Limited. The property was already zoned for educational purposes, having been previously owned by the BEST Pacific Institute of Education.
44. The proprietor has recently engaged Rubix to undertake a building assessment report to ensure that the property provision at the proposed school site is up to state standards. The consultant's report identifies that the building is fit for purpose, with only a few low-level changes that need to be addressed in the immediate future to meet Ministry minimum standards. There is also a small number that will need to be addressed as the roll increases in the future.
45. Level One has a capacity of 210 students. The maximum roll of 300 is limited to 210 students until space on the ground level is commissioned and integrated.
46. The building has a capacity of 520 students if all levels are utilised.

## Staffing

---

47. Section 471 of the Act allows for teachers employed in a private school that is integrating into the state system to be treated as an employee in the state integrated school. Each teaching position at the state integrated school must be advertised under the State Sector Act 1988 within 60 days of the effective date of integration. s 9(2)(a)

## Conclusion

---

48. We recommend that you agree to integrate Iqra Elementary School, for the following reasons:
- Integration would meet a growing need for Islamic-based education by the growing Muslim community in this area of Auckland.
  - The school is located in a network that has been identified as a high growth catchment in the NEGP, and where the Crown will be required to provide additional capacity.
  - No state school would be made marginal by the proposed integration.
  - ERO has confirmed the quality of education and curriculum, and that health and safety matters are appropriately managed.
  - We are satisfied with the Trust's financial projections, and that the Trust will be able to meet its obligations as a proprietor.
  - We are satisfied as to the overall suitability of the proprietor as required by the Act.
49. We recommend that the school be initially approved as a Year 1 – 10 school, as the proprietor has not been in existence long enough to establish a track record financially, and has not previously delivered senior secondary education. An application to extend provision to years 11 to 13 can be considered in light of future ERO reviews.

## Risks and mitigations

---

50. The proposal to integrate Iqra Elementary School into the state system was assessed as Year 1 – 10 application, noting that throughout the application there was a future intention to become a Year 1 – 13 school. During negotiations, it became clear the Trust had thought it had submitted an application to establish a Year 1 – 13 school.
51. We have worked with the Trust's representative regarding this issue. The proprietor intends to offer Year 11 - 13 education in 2025 providing a full pathway for its students, from early childhood education to Year 13. We have advised that this can occur with an application for a change of class levels. This time frame will allow Iqra to establish

itself as a state integrated school, become NZQA accredited, and for ERO to provide us with an assurance that the school is ready for senior secondary students.

52. s 9(2)(g)(i)

## Next Steps

---

53. If you approve the integration you are asked to sign, initial each page, and have witnessed the integration agreement attached (Annex 2). Please return this to the Ministry.
54. Please also sign the attached notice for the *New Zealand Gazette* (Annex 3), and the letters to the proprietor (Annex 4) and local MPs (Annex 5).
55. If you approve the integration, the Ministry will work with the EBOT, the governance facilitator and ERO to ensure the school is ready to become operational as a state integrated school for Term 3, 2020.
56. If you do not agree to integrate the school we will prepare a decline letter for your signature.

## Proactive Release

---

57. It is intended that this education report and the stage one report for this application be proactively released as per your expectation that information 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

---

Annex 1: Consultation feedback

Annex 2: Copy of the Deed of Integration

Annex 3: *New Zealand Gazette* notice

Annex 4: Letter to proprietor

Annex 5: Letters to local MPs

## Annex 1: Consultation feedback

---

School	Consultation response
Al-Madinah School	Is supportive of the application and noted that there is a significant demand for education in a Muslim context as shown by the size of the waiting list at Al-Madinah, which exceeds 700 students.
Blockhouse Bay School Chairperson	No objections.
Edendale Primary School	Asked process questions and raised no concerns with the application.
Kaurilands School	No objections.
Oratia District School	Supportive of the application.
Prospect School	No objections.
St Leonards Road School	Noted the potential impact on its roll. Commented that it has a multicultural environment and that it has worked to be supportive and inclusive of its growing Muslim community. Noted that it hopes that if approved Iqra will aim to foster tolerance and understanding between all religions and ethnicities and teach the New Zealand Curriculum.

Annex 2: Copy of the Deed of Integration

---

Proactively Released

## INTEGRATION AGREEMENT

This Agreement is made as a Deed on the 9th day of May 2020.

### Between:

Her Majesty the Queen in right of New Zealand acting by and through the **Minister of Education** ("the Minister")

and

the **Algoritmi Educational Trust** ("the Proprietor"),

together the Parties.

---

### Background

- A. The Proprietor is a body corporate that intends to establish and integrate **Iqra School** ("the School").
- B. The School will be for students from Year 1 to Year 10 offering education with a special character as defined in the Act and described in this Agreement.
- C. The Proprietor is the lessee of (including on the basis that it may be applied for purposes provided for by, and consistent with, the terms of this Agreement) the School premises specified in Schedule 2.
- D. The Parties have agreed to enter into this Agreement pursuant to the Act, to establish the School as a State integrated school.

---

### Terms of agreement

#### Definitions

- 1 In this Agreement, unless the context requires otherwise, terms not otherwise defined in this Agreement have the meanings specified in the Act and:
  - (a) *Act* means the Education Act 1989 as amended or replaced from time to time and includes all regulations and rules made under the Act;
  - (b) *Agreement* means this Integration Agreement, as amended by any Supplementary Agreements from time to time;
  - (c) *Depreciation Rate* means four percent (4%) of the depreciated value of state school buildings as set out in the "Statement of Accounting Policies" in the Ministry of Education's Annual Report;

- (d) *Effective Date* means 18 May 2020;
- (e) *Minister* means the person holding the office of Minister of Education from time to time and also includes any other Minister of the Crown who is responsible for the administration of Part 33 of the Act;
- (f) *Supplementary Agreement* means any supplementary agreement entered into by the Parties in writing to amend this Agreement;
- (g) *Works* means the capital works specified in Schedule 3.

A reference to a particular provision in the Act includes any provision that is intended to be a replacement or substitute for that provision.

***Special character***

- 2 As from the Effective Date, the School is established as a State integrated school under Part 33 of the Education Act 1989 to provide education with a special character (through its teaching and conduct) that is, or is based on, the Islamic Religion. Schedule 5 has more detail on the specifics as they relate to the special character.
- 3 Integration must not jeopardise the education with a special character of the School. This agreement must be interpreted in a way that is consistent with maintenance and preservation of this education with a special character.
- 4 The Proprietor has (and must at all times during the term of this Agreement continue to have):
  - (a) responsibility for -
    - (i) determining the special character of the School; and
    - (ii) supervising the maintenance and preservation of that special character<sup>1</sup>;
  - (b) the right to determine what is necessary to preserve and safeguard the special character of the education provided by the School.
  - (c) the right to access to the School at all reasonable times to ensure that the special character of the education provided by the School is being maintained.
- 5 The Proprietor may specify (by notice in writing to the board of trustees of the School) what the Proprietor considers to be necessary to provide, maintain, preserve and/or safeguard education with the special character of the School.

---

<sup>1</sup> The Proprietor does not have sole responsibility for maintaining the school's special character but has ultimate responsibility for this.

- 6 The Proprietor shall regularly monitor the operation of the School to ensure that education with the special character is at all times provided, maintained, preserved and safeguarded by the School.
- 7 The Proprietor may invoke the powers conferred upon a proprietor by Part 33 of the Act if, in the opinion of the Proprietor:
- (a) the special character of the School has been, or is likely to be, jeopardised; or
  - (b) education with that special character is no longer being preserved and safeguarded.

For this purpose, "jeopardise" includes when the School is not acting consistently with any notice provided by the Proprietor under clause 4.

***School programme***

- 8 Religious instruction and observances form part of the School's education with a special character and will form part of the general school programme after integration.

***School premises***

- 9 As at the Effective Date the Proprietor is the lessee of (including on the basis that it may be applied for purposes provided for by, and consistent with, the terms of this Agreement) all the land and improvements specified in Schedule 1 ("**the Proprietor's land**").
- 10 The School premises will be the portion of the Proprietor's land (including any improvements) specified in Schedule 2 ("**the School premises**").
- 11 The Proprietor may make available for use by the School any other land, buildings, and/or associated facilities (not forming part of the School premises) that the Proprietor considers may assist with providing and maintaining the special character of the School.
- 12 The Proprietor must at all times during the term of this Agreement continue to own or lease the School premises or hold the School premises in trust (including on the basis that it may be applied for purposes provided for by, and consistent with, the terms of this Agreement).
- 13 The Proprietor must plan (including obtaining all consents and approvals required by law), implement and complete (consistent with all consents and approvals) and pay for:
- (a) the Works; and
  - (b) such capital works and associated facilities at the School as the Minister may from time to time (by notice in writing to the Proprietor) approve, with a view to replacing, improving or enlarging the School, its buildings and its associated facilities in order to maintain the School premises at, or consistent with, the minimum standards specified by the Secretary for comparable State schools; and

- (c) such capital works and associated facilities at the School as the Minister may from time to time (by notice in writing to the Proprietor) require (acting reasonably) because they are necessary in order to maintain the School premises at, or consistent with, the minimum standards specified by the Secretary for comparable State schools.
- 14 The Minister will support the Proprietor by providing, as a minimum, eighty-five percent (85%) of the non-integrated school funding rate of additional property costs resulting from future educational policy change. In-ground costs may be included if they are an integral part of delivering education as a result of the policy change. Funding eligibility is subject to the following:
  - (a) The funding to be provided will be determined by an assessment by the Minister of the investment the Proprietor would need to undertake to meet the requirements of the policy change;
  - (b) Funding is contingent on an assessment by the Minister that the school is sustainable and likely to remain open over the medium term (at least five to ten years).
- 15 At all times during the term of this Agreement the Proprietor (and not the Minister, the Secretary, the Ministry or any other person) will:
  - (a) be solely responsible for complying with the terms and conditions (including making all payments, in full and on time) under any mortgage, lien, or other charge or security interest over or affecting the land and buildings making up the School premises; and
  - (b) maintain insurance for the School premises in accordance with sections 456(g) and (h) of the Act.
- 16 Nothing in clause 12 or 13 shall limit any right or entitlement the Proprietor may have to request, apply for or receive property funding from the Ministry.

### ***Discharge of Maintenance Obligations***

- 17 (a) The Minister will, after the Effective Date, pay to the Proprietor in each year the Sum as determined under Schedule 4 to:
- assist the Proprietor in maintaining the School premises and the associated facilities in a condition equivalent to that of a comparable non-integrated state school;
  - provide for the maintenance of the School chattels as though the School were a non-integrated state school.
- (b) The School will be entitled to such furniture and equipment as the Minister supplies from time to time to comparable non-integrated state schools.
- 18 The Minister may pay the Sum to the Proprietor in instalments on the same dates as the Minister provides operations funding to the Board of Trustees.
- 19 The Proprietor must on receipt of the Sum in each year undertake the maintenance of that part of the School premises not required to be undertaken by the Board of Trustees during the course of that year to the standard to which the Crown maintains comparable state schools.
- 20 The Sum shall be applied to meet the obligations in Clause 19. After the obligation in clause 19 has been met in full and if there is a balance of the sum remaining the Proprietor may apply the balance in the following ways:
- (a) to capital works or other purposes directly related to the School;
  - (b) to maintenance, capital works or other purposes related to any other integrated school.

#### ***No liability for default in certain circumstances***

- 21 Neither party will be liable for any act, omission, or failure to fulfil its obligations under this Agreement, if such act, omission or failure arises from any cause reasonably beyond its control including acts of war, epidemics, earthquakes, or other natural disasters or acts of God. ("Force Majeure Event").
- 22 The party unable to fulfil its obligations due to a Force Majeure Event shall:
- (a) immediately notify the other in writing and provide full information concerning the Force Majeure Event including an estimate of the time likely to be required to overcome the event
  - (b) use its best endeavours to overcome the event; and
  - (c) continue to perform its obligations as far as practicable.

- 23 Despite clause 20, if in any year Parliament has not appropriated sufficient public money to enable the Minister to maintain non-integrated state schools, the Minister will not be required to pay the instalments of the Sum from that point onward until an appropriation is so made. In that event the Minister will only pay the instalments of the Sum due from the date on which that appropriation is made.
- 24 If the Sum is not paid as a result of Clause 23, the Minister's assistance to the Proprietor under this Agreement to maintain the School premises, from the point that Parliament decides not to appropriate the monies until an appropriation is made that enables the payment of the Sum to be recommenced, will not be discharged and the Minister will remain required to provide that assistance on the same basis as to other state schools.

#### *Information*

- 25 The Minister may by notice to the Proprietor, require the Proprietor to supply to the Minister any information including but not limited to accounting or banking records in the possession or control of the Proprietor (whether stored on electronic media or otherwise) relating to the performance of the Proprietor's obligations under clauses 17 – 24.
- 26 The Minister shall be entitled to make and retain copies of any information supplied to the Minister in accordance with Clause 25.

#### *Disputes*

- 27 The Minister and the Proprietor shall endeavour to resolve by negotiation any disputes that arise between them concerning clauses 17 – 24 within 30 days of one party advising the other of the existence of the dispute.
- 28 If the Minister and the Proprietor are unable to resolve a dispute by negotiation, they shall refer the matter to mediation, and shall choose jointly a mediator. If the parties are unable to agree on the appointment of a mediator then the mediator shall be appointed by the then New Zealand President of the Resolution Institute or, failing that, by the then President of the New Zealand Law Society. The mediation shall thereafter be conducted by the mediator in accordance with the usual practice for the Resolution Institute mediation.
- 29 The obligations of the Minister and of the Proprietor under clauses 17 – 24 shall not be affected by any dispute regarding these clauses, and each party shall continue to perform its obligations as if the dispute had not arisen.

30 Breach of obligations under clauses 17 – 24.

- (a) If the Proprietor is in breach of its obligations under clauses 17 – 24, and if in the reasonable opinion of the Minister the breach is able to be remedied, the Minister may by notice to the Proprietor require that the breach be remedied within 60 days (or such further or other period as may be specified) of the date of the notice.
- (b) If the breach is not remedied within the period specified in the notice, or if in the reasonable opinion of the Minister the breach is not capable of being remedied, the Minister may terminate clauses 17 – 30 of this Agreement on giving 14 days notice to the Proprietor.
- (c) If clauses 17 – 30 of this Agreement are terminated in accordance with this clause the balance of this Agreement shall continue to apply to both parties.
- (d) Nothing in this clause shall be construed as limiting or affecting the powers that the Minister has under the Act.

***Proprietor's interest in the integrated property***

31 The parties acknowledge the following principles in relation to the Proprietor's interests in the property:

- (a) The Proprietor should have reasonable access to the use of the school for its own purposes when not in use for school purposes
- (b) The Proprietor retains an interest in the use of the school property by third parties, particularly where such use might conflict with the Proprietor's /school's religious or philosophical character.

***Enrolment***

32 The maximum number of students who may be enrolled in the School is 300, subject to a maximum of 210 students while only Level 1 of the building is integrated. The children of parents who, in the Proprietor's opinion, have a particular or general philosophical or religious connection with the School must be preferred to other children for enrolment at the School.

33 The number of students who do not have preferential enrolment at the School under section 442 of the Act, but are required to be enrolled if places are available, is limited to **5% of the maximum roll.**

***Employees***

34 Where any person employed at the School is paid (whether in whole or in part) out of money appropriated by Parliament:

- (a) the Proprietor agrees that it will not, directly or indirectly:

- (i) pay that person any remuneration in connection with their role as an employee of the School additional to that provided for by the Act; or
- (ii) grant or permit that person any condition of service more favourable than that permitted for a person employed in the same (or a materially equivalent) position in a State school that is not a State integrated school; and

35 The following proportion of teaching positions at the School will be positions of importance carrying a responsibility for religious instruction:

80% of teaching positions will have a responsibility for religious instruction.

An advertisement for such positions must state that a willingness and an ability to take part in religious instruction appropriate to the special character of the School is a condition of appointment to the position. Any person appointed to any of these positions at the School must accept this requirement as a condition of the person's appointment.

36 Any advertisement for the position of deputy principal or assistant principal at the School must state that a willingness and an ability to take part in religious instruction appropriate to the special character of the School is a condition of appointment to the position. Any person appointed to these positions at the School must accept this requirement as a condition of the person's appointment.

37 The Proprietor may employ any person, whether as a chaplain or otherwise, for duties relating to religious instruction appropriate to the special character of the School. The provisions of section 470(2) and (3) of the Act apply to that person's appointment.

#### ***Attendance dues***

38 The Proprietor may enter into an agreement with parents (or other person/s with legal responsibility for the education of a child) that provides that the parents (or such other person/s) must pay attendance dues as a condition of the child's enrolment and attendance at the School.

#### ***General Delegates***

39 The Minister may appoint any person to undertake the administration of this Agreement on the Minister's behalf and to do all things under this Agreement that are expressed or implied as able to be done by the Minister. Any change to the person holding office as the Minister will not affect any appointment previously made, unless such appointment is subsequently revoked.

#### ***Assignment or transfer***

40 The Proprietor will not assign any of its rights or transfer any of its obligations under this Agreement unless that assignment or transfer is permitted by (and will comply with) all laws and has first been approved in writing by the Minister.

*No agency*

- 41 The Proprietor is not a representative or an agent of any of the Minister, the Secretary or the Ministry and may not hold itself out otherwise to any person.

*Privity*

- 42 Except as expressly set out in this Agreement, nothing in this Agreement is intended to confer any right, benefit, privilege or obligation on any third party.

*Amendment*

- 43 The Parties may amend this Agreement by one or more Supplementary Agreements. Any amendment to this Agreement will be effective from the date a Supplementary Agreement is executed by both Parties.

*Costs*

- 44 Each Party will bear its own costs in the preparation of this Agreement and any Supplementary Agreement.

*Good faith*

- 45 Each Party agrees to act in good faith in its dealings with the other Party under this Agreement.

*Precedence*

- 46 On and after the Effective Date the School will be a State integrated school in terms of the Act and part of the State system of education in New Zealand. In the event of any inconsistency between the terms of this Agreement and the provisions of the Act, the provisions of the Act will prevail. Nothing in this Agreement overrides or excludes the application of the Act in any way, including as regards the exercise of any right, power or discretion that the Minister, the Secretary or the Ministry may have under the Act or that the Proprietor may have under the Act. The Minister may (but will not be obliged to) exercise any rights and powers conferred by this Agreement at the same time as, or at any time in addition to, the rights, powers and discretions given to the Minister, the Secretary and the Ministry (as the case may be) under the Act.

*Notices*

- 47 All notices that are required to be sent under this Agreement or the Act must be in writing and sent to the following addresses unless otherwise agreed in writing between the Parties. For the purposes of this clause, "in writing" includes by email.

- (a) All notices to the Minister must be sent to The Associate Deputy Secretary, Operational Delivery, Ministry of Education, PO Box 1666, Wellington, facsimile (04) 463 8252 or [education.network@education.govt.nz](mailto:education.network@education.govt.nz).
- (b) All notices to be sent to the Proprietor must be sent to **Adbul Majiid El-Saddik, PO Box 27702, Mt Roskill, Auckland** or [abdul@shefco.co.nz](mailto:abdul@shefco.co.nz)

---

**Execution**

Signed on the 14 day of April 2020 by:

**Algoritmi Educational Trust** by Abdul Majid El-Saddik , *Trustee*:

---

---

in the presence of:

---

Name: Nasemun Khan

Occupation: Manager

Address:

(Town/city) Block house Bay Auckland

By signing this Agreement, each representative of the Proprietor confirms that s/he has the authority to sign for and on behalf of the Proprietor, and that the Proprietor is and will remain a body corporate with capacity to enter into this Agreement under s 421(3) of the Act.

Signed on the 14 day of April 2020 by:

**Her Majesty the Queen in right of New Zealand**, acting by and through **the Minister of Education**:



---

in the presence of:

---

Name: Alexandra Marett

Occupation: Ministerial Advisor

Address:

(Town/city)

Wellington.

## SCHEDULE 1: PROPRIETOR'S LAND

The Algoritmi Educational Trust (the Trust) leases the premises on Hugh Brown Drive, New Lynn from the Logarithm Education Company Limited. There is a contract in place until 2037. The Trust and Limited Company have trustees and directors in common. The total land package is 1391 square metres more or less.



The land to be integrated comprises all that land outlined in red leased by the Proprietor on the above plan.



**RECORD OF TITLE  
UNDER LAND TRANSFER ACT 2017  
FREEHOLD  
Search Copy**



*R. W. Mair*  
Registrar-General  
of Land

**Identifier** **NA61C/544**  
**Land Registration District** **North Auckland**  
**Date Issued** 26 August 1986

**Prior References**

NA1061/295      NA1085/186

---

**Estate** Fee Simple

**Area** 1391 square metres more or less

**Legal Description** Lot 1 Deposited Plan 109406

**Registered Owners**

Logarithm Education Company Limited

---

**Interests**

Fencing Agreement in Transfer 519186 (affects part)

11390173.3 Mortgage to ANZ Bank New Zealand Limited - 22.3.2019 at 4:17 pm

## SCHEDULE 2: SCHOOL PREMISES

All that part of the Proprietor's land in Schedule 1 as outlined in red on the plan below (which forms part of this Schedule 2) together with all the School buildings outlined in green and other improvements.



The school building consists of three levels.

Level	Current use	Future use
Level 1 (integrated)	Currently operating as the school	The next 3 years will see the addition of 4 new year levels. The current space (physical area) allows for the addition of these increased numbers. This space allows for up to 210 students.
Ground (to be integrated in future)	Currently tenanted. Lease expires 2024.	As the role increases this additional area will be made available to the school to use when required. When the school grows into this space there will be a combined area enough for a minimum of 300 students.
Basement (to be integrated in future)	Currently used for storage and car parking	Future use as gym and storage.

### SCHEDULE 3: WORKS

The Condition Survey shows that the building is fit for purpose and that there are only a few low-level changes that need to be addressed in the immediate future to meet Ministry minimum standards. There are also a few that will need to be addressed as the number using the building increases in the future.

These works are to be planned, executed and paid for by the Proprietor subject to the provisions of this schedule in relation to the buildings and associated facilities, and constructed to meet minimum standards of a comparable state school.

All work is to be carried out by a competent tradesperson in a workmanlike manor to comply with all the relevant New Zealand building codes, statutory requirements, and Territorial Local Authority and Ministry of Education standards

Building/Area/Property	Work to be carried out	Completed by
Main building - Level 1	Recommended actions in Electrical report carried out by Owl Electrical in February 2020	Refer and adhere to the timelines set out in the report
Ground Floor	Commission teaching spaces according to the SPG before the school roll exceeds 210 students	27 January 2024 (projected)

## SCHEDULE 4: MAINTENANCE FUNDING

### Calculation of the Sum

1. The Sum will be calculated on or before 1 January of each year in accordance with the following formula:
  - (a) The depreciated value (or net carrying value) of the buildings comprising state schools as shown in the most recent Ministry of Education Annual Report (V) is multiplied by the Depreciation Rate (r).
  - (b) The figure thus obtained is divided by the total number of students enrolled in state schools as determined by the most recent actual rolls used for the purposes of operations funding in the year preceding that for which sum is being calculated (S), to give a per student amount.
  - (c) The per student amount is then multiplied by the number of students enrolled in the School as determined by the most recent actual roll used for the purposes of operations funding in the year preceding that for which the sum is being calculated (R) (which number must not exceed the maximum roll provided for in the Integration Agreement).
  - (d) Goods and Services Tax is then added to this figure (GST).

Paragraphs (a) to (d) are expressed in the following formula:

$$\frac{V \times r \times R}{S} + \text{GST} = \text{the Sum}$$

2. If it is not possible by 1 January in any year to calculate the Sum in accordance with clause 17 of this Agreement by using numbers and/or values from the immediately preceding year, the Sum shall be the Sum for that preceding year ("Deemed Sum").
3. If Clause 2 of this Schedule applies and if the Deemed Sum has been paid in whole or in part in accordance with Clause 17 of this Agreement the Minister shall calculate the Sum as soon as numbers and/or values are available for the preceding year in accordance with clause 1 (the sum so calculated being referred to as "the Revised Sum").

4. Subject to the provisions of Clause 5 of this Schedule, in the event that the Revised Sum is more than the Deemed Sum the Minister shall pay the amount of that difference. If the Deemed Sum is more than the Revised Sum the Proprietor shall pay to the Minister the amount of that difference. In either case the payment will be taken into account in the instalments of the Sum paid in accordance with Clause 18 of this Agreement.
5. If the Minister has in any year and for any reason paid the Proprietor more than the Proprietor is entitled to be paid under this Agreement, the Minister may at his or her election recover the overpayment by deducting it from any instalments of the Sum payable, in the current or any future year or years.
6. Where the Effective Date is later than 1 January then in the first year of the operation of this Agreement the Sum shall be deemed to be the amount of the remaining instalments of the Sum, calculated in accordance with this clause 1 of this Schedule for the whole year, payable for the period from the Effective Date to the end of that year

## **SCHEDULE 5: SPECIAL CHARACTER**

Islamic or Muslim schools pertain to Islamic faith and quality of education, that is, the desire for children to both maintain their faith and be positive participants in and contributors to the society they belong to. The school focuses on pedagogical issues rather than just the addition of Islamic subjects and curriculum Islamisation. This provides an explicit Islamic pedagogical framework for teachers, many of whom have also come from vastly differing education systems. This framework applies across all subjects and allows students the opportunity to confidently experience an integrated approach to knowledge consistent with their Islam.

Following the Prophetic principles, Iqra School engages all learners through an enriched holistic education, ensuring their optimal achievement in an Islamic environment. Iqra School has aligned this Islamic-based curriculum with the learning areas and the key competencies of The New Zealand Curriculum (NZC). The programme includes Arabic Language, Qur'anic and Islamic Studies. The Iqra curriculum has been developed to ensure that all students will be active learners, contributors and participants in the Muslim community, New Zealand and the world.

Islam has a set of moral and behavioural principles that encompass all aspects of life that brings meaning and purpose to the believer. We believe that this faith system, on which we base our mission and vision, will develop the key values and ethics of our Special Character in our students. It is through these key values, ethics, our teaching programmes, the development of key competencies (NZC) and our particular delivery practices that we aim to create students who are engaged learners who achieve.

Proactively Released

### Integration agreement

Under section 425 of the Education Act 1989, notice is given that an integration agreement to integrate Iqra Elementary School has been signed between the Minister of Education, on behalf of Her Majesty the Queen in right of New Zealand, and Algoritmi Educational Trust.

The integration agreement was executed on the 9th day of May 2020. A copy of the integration agreement is available for inspection without charge by any member of the public via the following email address: [enquiries.national@education.govt.nz](mailto:enquiries.national@education.govt.nz) and is available online at [www.education.govt.nz](http://www.education.govt.nz).

Dated at Wellington this 9th day of May 2020.



Hon Chris Hipkins  
Minister of Education

Proactively Released

Mahmoud Alhardan  
Trustee  
Algoritmi Educational Trust  
PO Box 6377  
Wellesley Street  
AUCKLAND 1141

Dear Mahmoud

I am pleased to advise that I have signed the agreement that will see the integration of Iqra Elementary School in New Lynn, Auckland, into the state education system. The Ministry will work with your Trust regarding the effective date of integration, and when the school will be able to open for instruction as a state integrated school.

As agreed during the negotiation process, the school will open with a maximum roll of 300 students with a non-preference roll of five percent (5%). This maximum roll is subject to a limit of 210 students being taught on Level One of the building. I understand that there is an intention to grow the school to offer education to senior students in the future. This will be subject to a separate process and I encourage you to keep in contact with the Ministry of Education regarding this. I would expect that as part of the application to progress to Year 1-13 the Education Review Office would affirm that the school is ready to enrol senior secondary students.

As part of the next phase of integrating the school, you or your representatives need to apply to the Ministry of Education to set the level of the attendance dues that can be charged, if you wish to charge attendance dues.

I look forward to hearing of the progress of Iqra Elementary School, and I wish you well as you prepare the school for opening as a state integrated school.

Yours sincerely



**Chris Hipkins**  
**Minister of Education**

cc Paul Ferris, CEO, Association of Proprietors of Integrated Schools  
Christine McLeish, Acting Principal, Iqra Elementary School  
Isabel Evans, Director of Education for Auckland

Proactively Released

Dr Deborah Russell  
MP for New Lynn  
Parliament Buildings  
WELLINGTON 6160

Dear Deborah

I am pleased to advise that I have entered into an integration agreement with Algoritmi Educational Trust for the integration of Iqra Elementary School in New Lynn, Auckland, into the state education system.

The Algoritmi Educational Trust is the proprietor for this Year 1 – 10 composite school.

The special character is defined as a school based in the pedagogical principles of Islamic tradition, particularly prophetic principles. Its approach is to combine this with education under the New Zealand Curriculum, enabling its students to live in and contribute to 21<sup>st</sup> century New Zealand society while maintaining their Islamic faith.

There are currently two Islamic schools in Auckland, both in Mangere. I am confident that Iqra Elementary School will further support the growing Muslim community in Auckland.

The school is planned to open with a starting maximum roll of 300.

Yours sincerely



**Chris Hipkins**  
**Minister of Education**

Hon Peeni Henare  
MP for Tāmaki Makaurau  
Parliament Buildings  
WELLINGTON 6160

Dear Peeni

I am pleased to advise that I have entered into an integration agreement with Algoritmi Educational Trust for the integration of Iqra Elementary School in New Lynn, Auckland, into the state education system.

The Algoritmi Educational Trust is the proprietor for this Year 1 – 10 composite school.

The special character is defined as a school based in the pedagogical principles of Islamic tradition, particularly prophetic principles. Its approach is to combine this with education under the New Zealand Curriculum, enabling its students to live in and contribute to 21<sup>st</sup> century New Zealand society while maintaining their Islamic faith.

There are currently two Islamic schools in Auckland, both in Mangere. I am confident that Iqra Elementary School will further support the growing Muslim community in Auckland.

The school is planned to open with a starting maximum roll of 300.

Yours sincerely



**Chris Hipkins**  
**Minister of Education**