

**ASSOCIATION OF INTEGRATED  
SCHOOLS NEW ZEALAND**



VISION STATEMENT ... AISNZ equips member schools to make an increasingly distinctive and influential contribution to Special Character education in New Zealand.

MISSION STATEMENT ... Through exemplary representation, networking, support and stewardship AISNZ will provide a service to member schools, in particular Proprietors, Boards, Principals and Bursars enabling enhancement of Special Character and positioning amongst New Zealand's most influential schools.

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# Handbook for a Proprietor of a State-Integrated School

2018

# Introduction

Welcome to the AISNZ Proprietor Handbook.

Boards of Trustees and Principals receive significant advice and support in their roles from the Ministry of Education and the New Zealand Schools Trustees Association. This handbook is designed to provide governance and operational advice for Proprietors of state-integrated schools.

The AISNZ commend this handbook template to you. It contains a wide range of topics of interest for Proprietors, provides strategic and operational advice, and can be customised to your local context.

By following the link below Proprietors (and Boards of Trustees if they wish) can review their current understandings and practice in the light of the large amount of information out there on their role and responsibilities.

Follow the link to find a set of self-review questions [Self Review Questions for Proprietors](#)

AISNZ can provide further coaching support for Proprietors as they work through this material.

Mark Larson  
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Association of Integrated Schools NZ

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# 1 Proprietor as Vision Carrier

The Proprietor (in most cases) established the school (most likely as a private school) and laid down the reasons for its existence. What is unique about the school? What sets it apart from other schools in the network?

The answer to the question, “Why does the school exist?” is mainly answered in the school’s Special Character Statement contained in the Integration Agreement.

Proprietor members must love and understand the Special Character of the school. The centre of Proprietor function is the protection and enhancement of the Special Character of the school.

All proprietor trustees are vision carriers!

The Proprietor holds the vision; the Board of Trustees delivers the vision under delegated authority to the Proprietor. It’s a delegation, not an abdication!

There are three reasons vision seeps away:

- Success
- Failure
- Everything in between!

Vision needs to be continually cast and recast in the school community and beyond by the Proprietor. Special Character vision does not come from the school community, it is the prerogative of the Proprietor. However, the Proprietor needs to ensure all parts of the school community understand, and are engaged with, the school’s Special Character.

We commonly underestimate how often, and in how many different modes, the vision needs to be cast and recast to achieve widespread buy in.

The Special Character of the school is most helpfully captured in a succinct, compelling and faithful paragraph. Easily remembered. Easily shared.

## 2 Proprietor and the Education Legislation

### Brief History

Formal education, pre-1877 in New Zealand, was largely the domain of Church schools or home-schoolers.

In 1877 a new Education Act established a national network of state primary schools. Parliament was unable to agree on the degree of religious influence and so decided that these schools would be free, compulsory and secular.

Between 1877 and the 1960s the private schools' sector continued to grow and many held the view that the Church continued to have a role to play in general education and that parents should have a choice in that respect.

Most state schools continued to include religious instruction. There were some non-religious schools.

Post World War II the combination of significant population growth (particularly school age), the shortage of teachers from the religious orders in Catholic schools, escalation of operational and capital costs, the cost pressure of secondary specialisation and investment, an aspiration to keep fees low and haphazard control structures in the Catholic system all led to the Catholic Church approaching the Government to indicate a collapse of the Catholic system was looming.

MP Jonathan Hunt had the original idea for state integration.

The 1972-1975 third Labour Government under Norman Kirk entered into intense negotiations with the Catholic education authorities, the result of which was the Private Schools' Integration Act passed into law on 31 October 1975. (The last day of the last parliamentary session of the third Labour Government!)

This globally unique piece of legislation made it possible for the private school to 'integrate' into the state system yet retain its Special Character and remain in private ownership.

The Act bound the Crown (as did each school's individual Integration Agreement).

Not all NZ legislation binds the Crown.

The first school to be integrated was Wesley College (Methodist).

Over the coming years the tax payer invested \$220M to bring struggling private schools which integrated into the state system up to state code. This support included the Housing Corporation and suspensory loans.

State-integrated schools continued to advocate for equal treatment to state schools, where applicable, over the years. This resulted in the establishment of Policy One and Policy Two funding.

More recently a High Court declaration made it clear that Attendance Dues could be used for administration of the collection of Attendance Dues. The leasing of school properties by Proprietors became permissible.

In 2016 new greenfield state-integrated schools received the same start-up operational/staffing funding that state schools received. (Note: this does not apply to property funding.)

The New Zealand schooling landscape now has independent schools, state schools, state-integrated schools, partnership schools, specially designated Character and kura kaupapa.

There are currently approximately 330 state-integrated schools with close to 100,000 students. 75% of these schools are Catholic which make up to 75% (approx.) of all state-integrated school students.

The Association of Proprietors of Integrated Schools was set up in 1982 as the lead organisation for state-integrated schools. The Secretariat of APIS is the Catholic Education Office. APIS represents its member schools politically and operationally with the Minister and the Ministry of Education.

The Association of Integrated Schools NZ was established in 1988 as a 'sub network' of APIS focussing on the needs of non-Catholic state-integrated schools.

## Summary of the Powers and Obligations of the Proprietor Under the Education Legislation

During 2015/2016 the Education Act (1989 and amendments) was reviewed by the Government. Part of that review included a review of the Private Schools' Conditional Integration Act. APIS worked with the Ministry of Education to develop a Memorandum of Understanding providing the ground work for subsuming the Private Schools' Conditional Integration Act into the new Education Legislation. This included some modernisation and tidying up of the language of the legislation.

The Memorandum ensured that all the protections and rights available to state-integrated schools were transferred to the new legislation.

New Education Legislation became law in 2017. All references which follow throughout this document pertain to the Education Act (EA) 1989 incorporating the 2017 updates.

Follow this link and you will find an indexed copy of Part 33 of the Act. [Education Act Part 33](#) If you set your printer settings to A3 this document prints in such a way that you can then fold and staple to make a handy booklet.

Powers and obligations of the Proprietor under Part 33 of the Education Act can be summarised as follows:

1. The Proprietor supervises the maintenance and preservation of the education with a Special Character provided by the school. **[EA s416(3)(a)]**

2. The state-integrated school shall on integration continue to have the right to reflect through its teaching and conduct the education with a Special Character provided by it. **[EA s416(1)]**
3. If in the opinion of the Proprietor the Special Character of the school as defined and described in the Integration Agreement has been, or is likely to be jeopardised, he may invoke the powers conferred upon him by this Act. **[EA s416(4)]**
4. The legislation sets out the various obligations of the Proprietor and the Crown in establishing, disestablishing or closing a school. **[EA s418-439]**
5. The governing body of the school is the Board of Trustees. **[EA sch6 s4]**
6. The Proprietor has responsibility for the definition and the determination of preference of enrolment as part of negotiating the Integration Agreement. There are conditions of attendance and engagement with the school's Special Character programme. **[EA s442,443]**
7. The legislation establishes that it is a condition of enrolment and attendance that the parents or other persons accepting the responsibility for the education of the child shall pay Attendance Dues (if the proprietor requires). **[EA s447(1)]**

There are further provisions for the collection and expenditure of Attendance Dues. There are provisions for the Proprietor to act when Attendance Dues are not paid. **[EA s447(3)(4), s449]**
8. The Proprietor may seek other financial contributions from within the school. **[EA s451]**
9. The Proprietor owns or leases the school property and must plan, pay for and execute such improvements to the school buildings and associated facilities as may be required in accordance with the Integration Agreement to bring the said buildings and associated facilities up to the minimum standard laid down from time to time by the Secretary of Education. **[EA s456]**

There are provisions and obligations in the legislation for the Crown and Proprietor in respect of:

  - Capital works
  - 10-year property plans
  - Insurance
  - Access for the Proprietor to the school property
10. There are steps provided for in the Education Legislation for Proprietors unable to meet their obligations under the Act. **[EA s462]**
11. The Proprietor must be appropriately consulted by the controlling authority (BOT) on the establishment of, and appointment to, tagged positions. **[EA s463, s469]**
12. The Minister can require the Proprietor to provide information around its financial means. **[EA s457(3)]**

13. The Proprietor is required to periodically monitor the viability and contribution of its school(s) within the wider state network. **[EA s457(1)(2)(4)]**



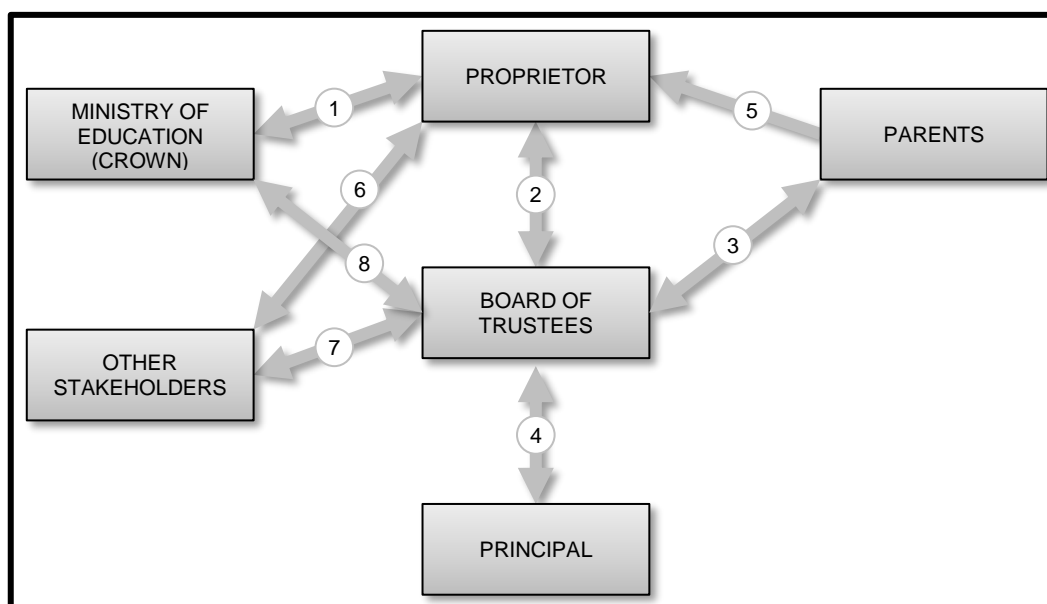
### 3 Education Legislation, State-Integrated Schools and Other Legislation

1. Provisions related to state-integrated schools in Part 33 (**s475**) of the Education Act shall prevail in respect of provisions in other Enactments provided that provisions for state-integrated schools in the legislation are interpreted in a way that is consistent with other Acts or Enactments where it is appropriate and reasonable.
2. There is very little case law around this, however one reasonable legal interpretation of the provisions for state-integrated schools in the Education Legislation is that the Proprietor's right to continue to reflect through its teaching and conduct the education with a Special Character provided by it, and its right to determine what is necessary to preserve and safeguard the Special Character of the education provided by the school shall have precedence over the requirements of other legislation like the Bill of Rights Act and the Human Rights Act.

## 4 Roles and Responsibilities in a School Context – Proprietor, Board and Principal

The Proprietor's primary working relationships in the school context are with the Board of Trustees (and indirectly the Principal), the Ministry of Education, and parents.

The diagram below summarises key linkages with commentary.



1. Ministry of Education ↔ Proprietor
  - The Crown and Proprietor are bound by an Integration Agreement which establishes such things as the school's class and structure, its Special Character, its maximum roll, the number of tagged positions, definition of preference of enrolment, property requirements, etc.
  - The Proprietor commits to the Crown to maintain and preserve the Special Character of the school.
  - The MOE provides Policy One and Policy Two funding to the Proprietor. (see Glossary for more information about Policy One and Policy Two funding)
  - The Proprietor collects Attendance Dues (see Glossary) from parents to provide land and buildings for the school. It is required to report annually to the MOE on the expenditure of Attendance Dues.
  - The Proprietor spends Policy One income as per MOE requirements. (see Glossary)
  - The Proprietor and Crown may from time to time agree on Supplementary Integration Agreements related to such things as site plan changes and maximum roll increases.
2. Proprietor ↔ Board of Trustees
  - All pertinent features of the Integration Agreement are incorporated in the Board's long term and annual planning and operations.

- Proprietor and Board maintain operational arrangements to ensure the maintenance and preservation of the Special Character of the school with reference to such things as curriculum, staffing and enrolments, etc.
  - The Board and Proprietor maintain and work to an agreed master campus plan and 10-year property plan.
  - The Proprietor appoints its allocation of proprietor appointees on the Board to ensure the Board is working within Proprietor expectations and is appropriately supported by the Proprietor.
  - The Proprietor does whatever else is necessary from time to time to ensure the maintenance and preservation of the Special Character.
  - AISNZ recommends the practice of developing a Proprietor/Board Memorandum of Understanding to capture all the key elements of this vital partnership. (see next page)
3. Board of Trustees ↔ Parents
- The Board reports to, and consults with, parents on the Charter and other operational matters of mutual interest, including the Special Character and property matters. School Charters will be replaced by a four year Strategic Plan and an Annual Implementation Plan.
4. Board of Trustees ↔ Principal
- The Board supplies direction and support for the Principal through the Charter and policy frameworks which will include Special Character features.
  - The Board has accountability measures in place for the Principal, including reporting on Special Character and property matters.
  - A clear distinction is maintained between governance and management.
5. Proprietor ← Parents
- Parents pay Attendance Dues to the Proprietor.
  - The Proprietor may communicate with parents from time to time on Special Character and property matters.
6. Proprietor ↔ Other stakeholders
- There may be other legally constituted stakeholder groups with a relationship to the Proprietor and/or Board (eg. Parent Association, Foundation, other fundraising entity, Church, Association of Integrated Schools NZ, Association of Proprietors of Integrated Schools, etc.)
  - These other stakeholders may be represented on the Proprietorship.
  - Where fundraising is involved there will often be legal definition of the purposes and expenditure of such fundraising.
7. Board of Trustees ↔ Other stakeholders
- There may be other stakeholders who pass funding to the Board.
  - Stakeholders, like a Church, may interact with the Board of matters of mutual interest from time to time.
8. Board of Trustees ↔ Ministry of Education (Crown)

- The School is Crown entity and the Board is charged with delivering the educational priorities of the government through its strategic and annual planning in largely the same way that State schools do.
- The school is resourced through the Operations Grant and centrally funded staffing in the same way that State schools are.

## Memorandum of Understanding

AISNZ highly recommends the practice of documenting the respective roles and responsibilities of the Proprietor and Board in something like a Memorandum of Understanding. This could include such areas as:

- Legal constitution of the Proprietor (usually a charitable trust) and the Board (Crown entity and controlling authority)
- Special Character Guidelines – in addition to the Integration Agreement in what other ways does the Proprietor wish to record its expectations of the Board of Trustees in respect of Special Character
- The function of Proprietor appointees on the Board
- Campus master planning
- 10-year property planning
- Direct Proprietor use of school facilities
- Proprietor and Board sharing staffing
- International students
- Use by the school of unintegrated space owned by the Proprietor
- Administration of fundraising
- Joint communications
- Financial transactions between the two entities
- Consultation by the Proprietor with the Board regarding the setting of the level of Attendance Dues
- Dealing with Attendance Due defaulters
- Student management systems and parent invoicing
- Furniture and equipment grants
- Property and ground maintenance
- Insurance
- External use of school premises
- Enrolments
- Appointment to tagged teaching positions
- Sharing of minutes, etc.
- Dispute resolution

Link to [Draft MOU between Proprietor and Board of Trustees](#)

## Board of Trustees Governance Handbook

AISNZ recommends that the Proprietor works with the Board and NZSTA to ensure governance practices across the two entities are aligned. See below for a link to a template for a recommended governance policy section for the Board of Trustees Handbook that includes critical references to the role of the Proprietor and the working relationship between the two entities.

Link to [Board Governance Manual Template](#)

## 5 Proprietor Governance Model and Policy

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*Proprietor to insert appropriate content from its Trust Deed or other foundational documents. For example,*

- 1. Aims and objectives*
  - 2. Membership rules*
  - 3. Meeting procedure*
  - 4. Permitted activities*
-

## 6 Proprietor and Special Character

1. The Integration Agreement, and in particular the Special Character statement contained therein, provides the basis for the working relationship between the Proprietor and the Board. The Special Character statement should be front and centre in the Board's Charter and should inform Board policy, etc.
2. The Proprietor may wish to consider supplementing the Integration Agreement's Special Character statement with other forms of guidance around Special Character.
3. Three critical areas of school life where Special Character has a great influence are enrolments, staffing and curriculum. What follows are some focussing questions for Proprietors to consider and links to examples of best practice.

- a) Enrolments – the Proprietor determines preference of enrolment. Proprietor and Board must have clarity around the criteria for determining preference and the delegation of that responsibility.

The Education Legislation provides for a determination of preference which demonstrates a special connection to the schools' Special Character and for a general connection with the schools' Special Character. See link below for AISNZ advice on enrolments for state-integrated school. **[EA s442]**

(NOTE: the Proprietor should record any understandings/practices it shares with the Board on enrolments in this section.)

Link to [AISNZ Advice on Enrolments and Associated Matters](#)

- b) Staff – some teaching positions in each state-integrated school will be 'tagged' for staff 'willing and able to provide religious instruction appropriate to that school'. **[EA s464]**

Follow the link below to AISNZ advice on best practice around advertising appointment induction and performance management of tagged positions.

(NOTE: the Proprietor should record any understandings/practices it shares with the Board on tagged positions in this section.)

Link to [AISNZ Advice on Tagged Teaching Positions](#)

- c) Curriculum – what principles guide the Proprietor's understanding of how the Special Character will be reflected/taught in the curriculum? **[EA s444(2)]**

(NOTE: the Proprietor should record any understandings/practices it shares with the Board on curriculum in this section.)

4. The Proprietor should routinely gather evidence about the health and vitality of the Special Character of the school. Typically, this would occur in four main ways:
  - Routinely through the proprietor appointees on the Board, other reports from the Board and Principal (see [page 27](#))
  - Special annual meeting with the BOT with a Special Character focus

- Proprietor appointee annual reports to the Proprietor (AISNZ can provide a template for these)
- Periodic Special Character reviews (follow the link below for an AISNZ Special Character review template)

A Proprietor-led programme of Special Character reviews will stimulate a culture of internal review of Special Character in the school and will provide the school with evidence to the Education Review Office about the health and vitality of the Special Character of the school

Link to [Special Character Review Model](#)

5. The Proprietor needs to consider what might trigger engagement with the Board over concerns regarding the Special Character of the school or other concerns.

Monitoring of risk, and good communication, are the key to managing this aspect of school life well.

A Memorandum of Understanding template provides some guidance here. (follow the link below)

Link to [Draft MOU Between Proprietor and Board of Trustees](#)

A Communications policy template is provided. (follow link below)

Link to [Joint Proprietor/Board Communications and Complaints Policy](#)

How might this engagement look and be managed? What strategies do the Proprietor and Board have in place to manage risk around the integrity of the Special Character of the school? (see [page 29](#))

6. The Proprietor may have discretionary financial and other resources it can use to support the Special Character of the school.

- Special Character donation or other donations
- Requests, philanthropic grants, etc.
- Income from other non-school activities and business operations



## 7 Property

### Introduction

The Education Legislation provides for the Proprietor to own or lease the school property. The owner must plan, pay for and execute such improvements to the school buildings and associated facilities as may be required in accordance with the Integration Agreement to bring the said buildings and associated facilities up to the minimum standard laid down from time to time by the Secretary of Education. **[EA s456]**

There are provisions and obligations in the Education Legislation for the Crown and the Proprietor in respect of:

- Capital works
- 10-year property plans
- Insurance
- Access for the Proprietor to the school property

### Master Planning

The Proprietor is required to maintain a current and fit-for-purpose campus master plan.

That plan accurately maps all current buildings, facilities, land, etc.

The plan, developed and maintained in consultation with the Board of Trustees, also includes future plans for new accommodation related to roll growth, etc.

The Ministry of Education Property Tool Box for state-integrated schools provides advice to Proprietors on master planning (see link below). Ministry of Education advice to state schools in respect of property projects to provide for roll growth, modernisation, and health and safety issues (project management) may be useful to Proprietors.

Link to [MOE Project Management](#)

### 10-Year Property Planning

Proprietors and their Boards of Trustees should work together to plan how they will work the maintenance and capital funding provided by the Ministry of Education. **[EA s456(d)]**

Having a long term property plan that coordinates capital development and maintenance spending will make best use of both funding sources.

The MOE website provides information about [maintenance funding](#) and [capital funding](#) provided to integrated schools.

## Maintenance Plans

Boards must annually prepare and deliver to their Proprietor a rolling 10-year maintenance plan to assure the Proprietor that they are meeting their maintenance obligations.

## Capital Development Plans

The Ministry of Education provides Policy One funding to Proprietors to modernise and upgrade their integrated property. Proprietors, in consultation with their Boards of Trustees, must prepare a rolling 10-year capital development plan showing how this funding will be spent. It must be updated and signed annually.

Proprietors, with their Boards of Trustees, can choose to follow the MOE 10YPP process for the maintenance and capital planning for their integrated properties.

More information about the Ministry of Education's 10YPP process can be found in this link [MOE Integrated Schools Property Management](#).

All school and related property data is stored electronically on the Ministry of Education property management information system **HELIOS**.

The Association of Proprietors of Integrated Schools (APIS) can support integrated schools developing their 10YPP's.

APIS contacts:	Association of Proprietors of Integrated Schools (APIS) C/- NZCEO Catholic Centre 22-30 Hill St PO Box 12 307 Wellington 6038	ph: 04 496 1739 fax: 04 496 1734 email: nzceooffice@nzceo.org.nz
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## Site Plan Updates

Significant changes to integrated space for land is to be advised to the Ministry of Education through the site plan update process. (See link below for more site plan update information)

Link to [APIS assistance to update site plan for state-integrated schools](#)

## Insurance

The Education Legislation requires the Proprietor to appropriately and adequately insure all school property. **[EA s456(g)(h)]**

It is good practice for the Proprietor to consult with the Board regarding procuring insurance as the Board and Proprietor may benefit from a joint insurance process.

## Building Warrant of Fitness

This is normally the responsibility of the property owner.

## Rates

Boards of Trustees are funded for rates in their operations grant.

## Designation of School Sites

Proprietors should be aware that in a number of territorial authorities around New Zealand state-integrated schools have been given same or similar designation as a state school. This exempts the Proprietor from certain planning requirements when undertaking capital works.

The Proprietor should be able to obtain further information from its local authority on the District Plan status of its school site.

## Board/Proprietor Property Committee

Most Boards of Trustees operate a property subcommittee which may include proprietor appointees to the Board or other Proprietor staff/delegates.

The Property Committee works with the Proprietor on master planning, 10-year property planning, including processing Board requests to the Proprietor for projects involving Policy One and Attendance Due expenditure.

See link below for a draft Property Committee Terms of Reference template.

Link to [Property Committee Terms of Reference](#)

## Health and Safety

Health and Safety legislation approved by Parliament in 2016 require all Proprietors to develop a strong Health and Safety culture and, as PCBU's, ensure appropriate policies and procedures are in place to scaffold their relationship with other PCBU's (particularly Boards of Trustees and contractors).

See link below for a Proprietor Health and Safety policy template.

Link to [Health and Safety Policy template](#)

## Miscellaneous

The Memorandum of Understanding between Proprietor and Board of Trustees template (follow link below) includes suggested policies/procedures in relation to:

- Furniture and equipment grants
- Hireage of school facilities
- Status and use of non-integrated space **[EA s456(e)]**
- Grounds maintenance
- Access by the Proprietor, with the permission of the Board, to the school property to fulfil its legal obligations. **[EA s456(i)]**

Link to [Draft MOU Between Proprietor and Board of Trustees](#)

## Property and Special Character

The property of the school should reflect the school's Special Character. This may occur in a number of ways, including but not limited to:

- Devotional/worship spaces
- Representation of appropriate cultural narratives
- Recognition of those who have made a special contribution to the history of the school
- Artefacts and other archival material telling the story of the school
- Student work reflecting their understanding of, and experience with, the Special Character of the school

## 8 Financial Administration

### Ministry of Education Advice

#### Introduction

Ministry of Education website provides good advice to Proprietors and Boards, particularly in relation to financial contributions (what is allowed and what is not).

A summary of MOE advice is set out below, including a link to the appropriate sections of the Ministry of Education website.

#### Terminology

There are three basic types of payments by parents to schools:

1. *Attendance Dues* – parents have no choice at all but to pay (state-integrated schools only). This is the only instance of a compulsory payment in schools.
2. *Charges* – payment must be made for the purchase of goods or services, but only after a parent has freely chosen to make the purchase. Examples include food from the canteen, and a stationery pack bought from the school rather than from a downtown retailer.
3. *Donations* – payment is entirely voluntary. Donations fall into two categories – general (for any unspecified purpose) and specified (for a particular purpose, such as library books or sports equipment).

#### Summary

School payment requests may vary from school to school. There is no charge for education at state and state-integrated schools for students aged 5-19 years who are domestic students.

In state and state-integrated schools charges can apply where a student has chosen to buy and take home an item or chosen to participate in an activity additional to the delivery of the curriculum. As with the supply of any good or service, prior agreement is needed before any charge can be made. Boards of Trustees may also ask for, but cannot insist on, payment in advance for various goods or services it knows are likely to be provided during the year.

Proprietors of state-integrated schools may charge a compulsory levy called 'attendance dues'. The level of attendance dues must not be greater than the amount approved by the Minister of Education and published in the New Zealand Gazette. There can be no interest charged for unpaid dues. Proprietors are also able to seek donations.

Other than attendance dues in state-integrated schools and charges for goods or services, all other requests for payment should indicate clearly that they are a request for a donation and accordingly are voluntary in nature. Boards of Trustees and Proprietors are able to request donations, and may suggest an amount for a general or

specified donation. Where a donation is requested, payment can neither be insisted on nor enforced and interest should not be charged.

In prospectuses, website information, and notices to parents, Boards of Trustees must clearly distinguish between charges and donations. Further, in state-integrated schools, it must be made clear which payments are being sought by the Board of Trustees and which are being sought by the Proprietor.

### Attendance Dues

The Education Legislation enables Proprietors to collect attendance dues once those dues have been approved by the Minister of Education and notified in the New Zealand Gazette. The attendance dues are compulsory. Non-payment may result in Court action, and the Principal of the school may suspend a student and remove that student's name from the school register if the dues are not paid. **[EA s447,449]**

The Act also requires Proprietors to provide audited annual accounts of attendance dues income and expenditure to the Secretary for Education. **[EA s450]**

The Act makes provision for Proprietors to seek contributions (donations) for any purpose. Those contributions must be voluntary. Proprietors must make audited accounts of those contributions available on request to parents and to other contributors. **[EA s451]**

### Donations

Many Boards of Trustees (and Proprietors) will ask parents to pay a specified sum of money to support the provision of additional services which benefit students. It is lawful to seek such donations (general or specified) – but they are voluntary. Parents have the right to pay donations in full, in part, or not at all. **[EA s451]**

### Fundraising by Proprietors

Under the Education Legislation Proprietors may fundraise. This means Proprietors of state-integrated schools may request donations. Parents cannot be compelled, however, to pay donations or to become involved in fundraising activities. **[EA s451]**

### Financial Management of Payments

Requests for payment must make a clear distinction between attendance dues, charges, and donations - and between Board of Trustees' and Proprietors' items.

Ideally, invoices should specify attendance dues (for state-integrated schools) and charges for agreed optional goods or services only. Strictly speaking, Boards of Trustees and Proprietors cannot 'invoice' donations as non-payment of donations does not give rise to a debt that is owed. On the other hand, it can make practical sense to list all requests for payments in a single document. In such cases, it must be made very clear which payments are voluntary and which are not. It is misleading to include a donation within a total which is described as 'owed' by a family.

Schools should not record unpaid donations in accounts receivable.

Attendance dues and donations to a Proprietor must be accounted for separately from Board of Trustees items, since they are the income of the Proprietor, and not of the Board. In particular there must be no suggestion that attendance dues and donations are one and the same thing.

Notices or reminders which are poorly set out or where items are not correctly described can cause confusion. The terms 'fee' and 'levy' should not be used in relation to donations.

Donations become part of Board of Trustees' funds once given to the school, and thus must be accounted for and spent by the Board in accordance with the Board's normal legal responsibilities.

MOE website link to [MOE Payments by Parents of Students](#)

## Financial Administration Manual Template for a State Integrated School

Many AIS NZ Member Schools Finance Administrators (administration teams) look after the finances of both the Board and the Proprietor. Administration for two entities introduces a number of complexities unique to State Integrated Schools. A Financial Administration Manual has been developed which can be customised to individual schools. (follow link below to view template)

Link to [Financial Administration Manual](#)

The contents include:

- State Integration
- Financial Governance and Management – State Integrated Schools
- Board of Trustees Financial Administration
- Proprietor Financial Administration – Introduction
- Glossary
- Proprietor Administration Team – Roles and Responsibilities
- Schools – Role and Responsibilities
- Proprietor – Role and Responsibilities
- The Proprietor Executive – Role and Responsibilities
- Enrolments and Withdrawals
- Payments and Procedures
- Overdue and Outstanding Accounts
- Subsidies and Scholarships
- Definitions, Conditions and Use of Payments Collected by the Proprietor
- Summary of Administrative Responsibilities
- Proprietor and Board of Trustees – Related Parties Financial Administration

## 9 International Students

1. State-integrated schools generally have an enrolment scheme for managing domestic enrolments within a maximum roll (relating to domestic students) set in the Integration Agreement.
2. A state-integrated school may choose to enrol international fee-paying students. The enrolment of such students is not subject to the requirements of the domestic enrolment scheme.
3. The Board ought to consult with the Proprietor regarding the enrolment and education of international fee-paying students, and in particular on the following matters:
  - How the Board will ensure the enrolment of international fee-paying students does not compromise the education with a Special Character provided by the school.  
Proprietor may wish to be more proactive in this respect and communicate an expectation to the Board that international students will be positively influenced by the Special Character of the school.
  - The Board should advise on how accommodation will be provided for the education of international fee-paying students so that the general education of domestic students is not compromised.
  - The Board needs to advise the Proprietor of any extra accommodation to be provided by the Proprietor for the education of international fee-paying students.
  - The Board needs to agree with the Proprietor how any extra accommodation provided by the Proprietor for international fee-paying students is funded out of international student fees.
4. The Memorandum of Understanding template (between Proprietor and Board) provides further advice on these matters. (follow link below)

Link to [Draft MOU Between Proprietor and Board of Trustees](#)



## 10 Proprietor and the Ministry of Education

### 1. Working with the Regional MOE Office

Your regional MOE office is likely to have at least one staff member with a particular working knowledge of state-integrated schools. The Board of each of the Proprietor's schools will be allocated a senior adviser in the regional office.

It is recommended that the Proprietor (or perhaps a group of local proprietors) meet regularly with the designated MOE person to discuss items of mutual interest, including:

- The medium- to long-term aspirations of each Proprietor and how they wish to work with the Ministry on reaching those aspirations.
- Current Proprietor applications/submissions to the MOE.
- Developments in the state network which may have an impact on the Proprietor.
- Special achievements in the Proprietor's schools.
- Concerns/challenges in the Proprietor's schools which the Ministry need to be aware of, or perhaps can help with.
- Area strategies/network reviews.

The Proprietor should ensure it aligns its interactions with the MOE and with any interactions by the Board(s) of its school(s) may have with the MOE.

If the Proprietor is aware of emerging concerns or media interest with its school or schools, then the MOE appreciate having a 'heads up' on such matters in advance.

### 2. Ten-Year Property Plans

Further information about property plans can be found by following the link: [MOE Integrated Schools Property Planning](#).

### 3. Attendance Due Reporting

The Proprietor is required annually (by 31 March) to provide an audited report to the MOE (template provided by MOE) to provide evidence that it is complying with its lawful obligations in the expenditure of [MOE Attendance Dues](#)

### 4. Policy One Expenditure

Policy One funding is provided on a per student basis annually to the Proprietor to meet its major maintenance, modernisation and health and safety obligations.

The MOE periodically audit a sample of proprietors to ensure they are meeting the [Policy One Guidelines](#)

## 5. Area Strategies

In areas of rapidly changing demographics the Ministry will review the provision of state-integrated school capacity.

In areas of increasing school-age population there are opportunities for Proprietors to grow the capacity of their existing network or establish new schools. In areas of declining school-age population the Education Legislation requires the Proprietors to take cognisance of such in their planning.

Further information about area strategies can be found by following the link: [MOE Strengthening schooling in areas of population change](#).

## 6. Maximum Roll Increase Application (plus Policy Two, if applicable)

The Proprietor, in consultation with the Board of Trustees, is responsible for submitting a maximum roll increase application. The final determination is the Proprietors. The Ministry will ask the proprietor if it wishes to apply for Policy 2 funding as part of its Maximum Roll Increase application.

There are two deadlines annually (31 March and 1 September) for the submission of these applications. Further information about maximum roll increase applications can be found by following the link: [MOE Increasing the maximum roll of an integrated school](#).

## 7. Change of Class Application

Any application to change the year levels at which the Proprietor's school or schools operate is the responsibility of the Proprietor in consultation with the Board. The final determination is the Proprietor's.

There are a small number of categories for changes of class.

- [MOE Primary Schools changing to Years 1-10 schools](#)
- [MOE Primary Schools changing to Years 1-13 schools](#)
- [MOE School decapitation](#)
- [MOE School recapitation](#)

## 8. Closing/Dis-establishing a School

A state-integrated school cannot be closed without the express permission of the Proprietor. The Education Legislation makes provision for school closures. **[EA s432]**

The Act provides that an Integration Agreement may be cancelled by:

- The Minister
- The Proprietors
- Agreement between the Minister and Proprietors

The Minister may cancel an Integration Agreement if it appears to the Minister on reasonable grounds that the Proprietors, or the BoT of the integrated school, are not sufficiently carrying out the functions and obligations expected by them or it under this Act or under the Integration Agreement, or if the Minister has

consulted with the Proprietors, the controlling authority, and such other interested persons or groups as he or she considers appropriate.

The Proprietors may give notice of an intention to cancel the Integration Agreement if it appears to the Proprietors on reasonable grounds that the Special Character of the integrated school has been, or is likely to be, jeopardised or if the Minister, or any controlling authority, is not carrying out the functions and obligations accepted by the Minister or controlling authority under this Act or the Integration Agreement.

The Proprietors may give notice of an intention to cancel the Integration Agreement having consulted with the Minister, the controlling authority and any such other persons or groups as the Proprietors consider appropriate.

The Act also provides for appropriate notification to be given regarding such closure and the disposal of Crown assets. **[EA s433-437]**

#### 9. Multiple Schools Under One Board of Trustees and/or One Proprietor

The Act makes provision for both of the above scenarios. **[EA s110, s423]**

#### 10. Furniture and Equipment Grants

When the Proprietor builds new square metres associated with roll growth, it applies to the MOE for furniture and equipment funding for those new square metres based on an agreed formula. An application form can be found in this link: [MOE Furniture and equipment for integrated schools](#).

The furniture and equipment grant is paid out to the Board of Trustees.

In addition, the Board of Trustees receive an annual furniture and equipment grant in its operations funding using a formula based on Policy One funding. This payment is designed to allow a Board to keep its furniture and equipment stock up to date and in good repair. Further information about furniture and equipment grants can be found by following the link: [MOE Furniture and equipment funding guidelines](#).

#### 11. Establishment of a School/Integration

A fundamental principle of integration legislation is the Proprietor's right to extend existing schools and build new ones to meet the demands of legitimate expansion and proven need, including schools with special purposes. Further information can be found by following the link: [MOE Becoming an integrated school](#).

## 11 Proprietor Appointees on Boards of Trustees

1. The Education Legislation provides that in the constitution of a Board of Trustees, the Proprietor may appoint proprietor appointees up to a number one less than the number of parent elected trustees to a maximum of 4.
2. The Proprietor may appoint proprietor appointees at any time but in general it is good practice to review those appointments during the board election season.
3. An appointment is made or terminated by giving appropriate notice before the relevant Board meeting.
4. A proprietor appointee job description is included in the governance material recommended for inclusion in the Board Handbook (follow link below to a draft proprietor appointee job description in the Board Governance Manual).

Link [Board Governance Manual](#)

5. The draft Memorandum of Understanding provides further advice for Boards and Proprietors regarding proprietor appointees. (follow link below for more information on proprietor appointees from the draft Memorandum of Understanding)

Link to [Draft MOU Between Proprietor and Board of Trustees](#)

## 12 Crisis and Risk Management Strategies

1. AISNZ recommend the Proprietor develop a 'risk register'. This matrix identified types of risk, their potential impact on the organisation and mitigation strategies. (follow link below)

Link to [Risk Register](#)

Proprietor trustee meetings should include periodic reports on emerging risks using the risk register as a basis.

2. AISNZ further recommends that the Proprietor and Board develop a shared risk policy. (follow link below)

Link to [Risk Policy](#)

3. Board of Trustees and Proprietors Communication Policy. (follow link below for an example of good practice)

Link to [Joint Proprietor/Board Communications and Complaints Policy](#)

## 13 School Hostels

The AISNZ acknowledges that some member schools operate boarding hostels with related trading activities. This handbook does not include coverage of these.

Further information and advice can be provided by APIS.

## 14 Glossary

<b>AISNZ</b>	Association of Integrated Schools for New Zealand – the support and networking organisation for non-Catholic state-integrated schools. The vast majority of AISNZ schools are member schools of APIS. AISNZ and APIS work together on matters of common interest. Website: <a href="http://www.aisnz.org.nz">www.aisnz.org.nz</a>
<b>APIS</b>	Association of Proprietors of State Integrated Schools – the body that represents the Proprietors of all state-integrated schools in NZ. It is recognised as the official negotiating body for matters affecting state-integrated schools in general. The NZ Catholic Education Office is the secretariat for APIS members. Website: <a href="http://www.apis.org.nz">www.apis.org.nz</a>
<b>Attendance Dues</b>	A fee charged by state-integrated schools as a condition of the enrolment and attendance of children at the school. Attendance Dues must be approved by the Minister and notified in the New Zealand Gazette and must only be used for improvements to school buildings and associated facilities, for capital works as required by roll growth or changes in the curriculum, or for meeting debts or other charges associated with the school’s land and buildings.
<b>BOT</b>	Board of Trustees – the governing body of the school. A group of people elected by parents (and appointed by Proprietors) to govern and oversee the operation of a state school.
<b>ERO</b>	Education Review Office – the government department that evaluates and reports on the education and care of students in schools and early childhood services.
<b>Education with a Special Character</b>	Education within the framework of a particular general religious or philosophical belief and observances or traditions appropriate to that belief.
<b>Integrated school</b>	See ‘state-integrated school’.
<b>Integration Agreement</b>	The agreement entered into by the Proprietor and the Minister of Education under which provision is made for establishing a private school as a state-integrated school.
<b>Minister (The Minister)</b>	The Minister in the NZ government responsible for the country's schools and in charge of the Ministry of Education.
<b>Ministry (The Ministry or MOE)</b>	Ministry of Education – the government agency responsible for the New Zealand education system, with responsibility for strategic leadership, policy development and operation of schools.

<b>Policy One funding</b>	The Ministry provides proprietors of state-integrated schools with funding to modernise and upgrade their integrated school property. This funding is known as 'Policy One' funding and fulfils a similar purpose to the 5 Year Agreement (5YA) funding the Ministry provides to state schools.
<b>Policy Two funding</b>	The Ministry of Education may provide Policy Two funding towards the costs of building either new classrooms in an existing integrated school, or a new integrated school.
<b>Proprietor</b>	The entity which has primary responsibility for maintaining a state-integrated school's Special Character and which owns or leases the land and buildings that constitutes the school premises. A school's Integration Agreement is established between the Proprietor and the Crown.
<b>Proprietor appointee</b>	The Board of a state-integrated school can have up to four proprietor appointees. This ensures that all members of the Board share a common understanding of the Special Character and its consequences for the administration of the school.
<b>School master plan</b>	The master plan is a comprehensive long term planning tool intended to establish and guide the future development of the school site. It is a blueprint that reflects a clear vision for the future direction of teaching and learning at the school and is supported by policies, guidelines and priorities.
<b>School maintenance plan</b>	The 10YPP sets a 10-year schedule of property work. In your 10YPP, prioritise: <ul style="list-style-type: none"> <li>• health and safety work that keeps buildings safe</li> <li>• essential infrastructure works</li> <li>• plan for maintenance work</li> <li>• plan for any potential changes in roll numbers</li> <li>• plan to modernise learning spaces</li> </ul>
<b>State-integrated school</b>	A previously private school established to provide education with a Special Character it has, by free choice of its Proprietor, become part of the state system of education in New Zealand and teaches the national curriculum.
<b>State school</b>	State schools are owned and funded by the state. They teach the national curriculum and are secular (non-religious).
<b>Supplementary Integration Agreement</b>	An agreement that varies the terms of the original Integration Agreement (for example, to allow for a maximum roll increase, a change in a school's year levels, or changes to site plans, etc.)



## 15 Proprietor and other Support Organisations

### Association of Integrated Schools New Zealand (AISNZ)

CEO: Mark Larson

Address: C/- Middleton Grange School, 30 Acacia Avenue, Christchurch 8041

Phone: 03 348 9826 ext.929

Fax: 03 348 8317

Email: [mlarson.aisnz@gmail.com](mailto:mlarson.aisnz@gmail.com)

Website: [www.aisnz.org.nz](http://www.aisnz.org.nz)

### Association of Proprietors of Integrated Schools (APIS)

CEO: Paul Ferris

Address: C/- NZCEO, Catholic Centre, 22-30 Hill St, PO Box 12 307, Wellington 6038

Phone: 04 496 1739

Fax: 04 496 1734

Email: [nzceooffice@nzceo.org.nz](mailto:nzceooffice@nzceo.org.nz)

Website: [www.apis.org.nz](http://www.apis.org.nz)

### New Zealand School Trustees Association (NZSTA)

General Manager Operations: Rob Gold

Address: Level 8, 142 Lambton Quay, Wellington

Postal: PO Box 5123, Wellington

Phone: 04 471 6417 or 0800 782 435

Fax: 04 473 4706

Website: [www.nzsta.org.nz](http://www.nzsta.org.nz)