



Charter School Authorisation Board Te Poari Whakamana Kura Hourua

OOC Board Paper

Title	Out of Cycle Decision - Initial fixed term for Charter School Agreement with Society of Holistic Learners Trust for Pakaraka School
Date	11/09/26
Approver	Juliette Hayes, Head of Performance and Monitoring
Author(s)	Colleen Lawson, Contract Lead
Security level	IN-CONFIDENCE - RELEASE EXTERNAL

Purpose

1. This paper asks for a decision by the Charter School Authorisation Board (the Board) on whether to offer a 20-year initial fixed term for the Charter School Agreement with the Society of Holistic Learners Trust as the sponsor for Pakaraka School.

Recommendations

2. It is recommended that the Board:
 - a) **indicate** your preferred option – in negotiating the Charter School Agreement the Charter School Agency should:
 - i. **Option 1:** retain a 10-year initial fixed term
 - ii. **Option 2:** offer a 20-year initial fixed term. (recommended)

Background

3. At the Board meeting on 11 August 2026, you approved the Society of Holistic Learners Trust (SOHL) as the sponsor for Pakaraka School.
4. The Charter School Agency (CSA) has been negotiating the Charter School Agreement (Agreement) with SOHL. As part of those negotiations, SOHL have requested that CSA consider an initial 20-year fixed term.
5. In June 2025, Cabinet agreed that CSA can contract:
 - for a fixed term of 20 years for sponsors of converted charter schools, subject to the Board's assessment
 - with two rights of renewal of 10 years each, with the Crown having the right to extend the contract subject to the sponsor continuing to meet the terms of their contract.
6. The policy intent behind this change was to provide greater certainty to sponsors of converting schools, recognising that these schools generally have an established student population, demonstrated community support, and a higher degree of operational maturity than new schools.
7. At the Board meeting on 16 September 2025 (item 5.2 20-year contracts' paper), the Board agreed that CSA could offer a 20-year initial fixed term to the sponsors of 9(2)(ba)(ii), 9(2)(j).

Discussion

SOHL request

8. SOHL has requested that CSA consider an initial 20-year fixed term for the Agreement, stating that a longer term would provide greater certainty to support future borrowing and planned school growth.
9. As set out in their application, SOHL intend to grow from a primary to composite school and this includes a staged infrastructure plan to fundraise and build three additional classrooms over 5 years.
10. SOHL has indicated that a longer initial term would strengthen lender confidence, improving its ability to secure funding and sustain principal repayment over a longer period than would typically be available with a 10-year fixed term.
11. While the Agreement provides for two subsequent renewal terms of 10 years each, SOHL considers that a 20-year initial term would provide a stronger platform for long-term financial planning, investment and growth.
12. CSA therefore seeks the Board's decision on whether a 20-year initial fixed term is appropriate to address SOHL's concerns and support the negotiations.

Views of the Ministry and ERO

13. The Cabinet paper sets the expectation that the Board seeks the views of the Ministry and ERO on the initial contract term as part of its standard consultation processes prior to sponsor approval.
14. CSA has sought the views of the Ministry and ERO regarding the 20-year fixed term for Pakaraka School. Their views are summarised below.
15. ERO has advised that they do not have a view on the length of the contract being 10 or 20 years. We note that ERO reiterated the concerns previously provided to the Board in July. The full response is provided in Appendix 1.
16. The Ministry advised that it did not consider the proposed 20-year contract term to present any greater risk than a 10-year contract term. The email received is provided in Appendix 2.

Views of CSA

17. CSA considers that:
 - 17.1 SOHL's request is consistent with the policy intent of Cabinet's decision and may improve SOHL's confidence in securing and sustaining future lending required to support planned growth.
 - 17.2 a 20-year initial fixed term for the Agreement is the most straightforward way to provide this certainty and address SOHL's concerns.
 - 17.3 a longer initial term would not materially increase risk to the Crown. The Crown's contractual protections regarding intervention, performance management and termination rights would remain substantially unchanged and continue to apply throughout the term of the Agreement.
 - 17.4 consistent with previous advice, the practical difference in risk between a 10-year and 20-year initial term is also limited through the contract management and accountability framework remaining unchanged.

Assessment

18. The Board may wish to consider whether a 20-year initial fixed term appropriately balances support for SOHL's long-term objectives while maintaining adequate protections for the Crown.

19. As set out in the Board paper for 16 September 2025 (item 5.2 20-year contracts' paper), there are a number of factors that may need to be considered when assessing if to offer a longer contract term to sponsors. These are detailed in the table below:

Factor	Description
Property lease – RMA (MoE)	If a charter school leases only part of a site, then the longer contract term could have implications under the RMA as the site could be deemed to have been subdivided and require relevant consents.
Property lease – fit for use (MoE)	9(2)(g)(i) [REDACTED]
Student demand	There may be concerns about the pipeline of students for the school (for example, declining population projections).
Network implications	A longer contract (20+10+10) may have more implications for the network of publicly funded schools than a 10+10+10 contract.
Sponsor	There may be information regarding the proposed sponsor that would raise a concern if a longer initial contract were to be negotiated or might mean that a shorter initial term might mitigate any risks.
Community Support	The Authorisation Board may want to consider the depth of community support for the conversion and sponsor.

20. With regards to property, SOHL will lease the entire school site and the property lease is nearly finalised. We will update MoE as soon as possible of any change in the initial term so that the terms and key dates can be aligned.
21. The Board may wish to consider SOHL's planned transition to a composite school, planned investment and long-term growth objectives alongside the established operation of Pakaraka School when assessing whether a 20-year initial term is appropriate.

Next steps

22. CSA will continue negotiations with SOHL for Pakaraka School, based on your decision on the initial contract term.

Appendices

Appendix 1: ERO comment



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Comment on school / kura applying to convert to a Charter School | Kura Hourua

10 September 2026

School Name: Pakaraka School Profile Number: 1073

Kia ora Sean

You sought the Chief Review Officer's view on whether this potential converting school ought to be considered for a 20-year contract, instead of 10 years. We provide the following to the Charter School Agency Authorisation Board to support their decision making in accordance with CAB-25-MIN-0223 refers.

We also refer you to ERO's 3 July 2026 updated view on the assessment of the new sponsor, the Society of Holistic Learners (SOHL).

Members of SOHL recently gained positions on the Pakaraka School Board. At the same time, the school's roll has undergone a substantial demographic shift within a predominantly Māori community. This demographic shift aligned with the application to convert Pakaraka School to a Charter School | Kura Hourua with a Steiner education approach.

Adopting a Steiner approach represents a significant change in educational philosophy for this school serving an isolated community in the highest Equity Index range. This change may reduce the school's ability to meet the needs and preferences of local learners and whānau who do not support the Steiner philosophy, in an area with limited schooling alternatives. In our view, it is not yet possible to predict the impact of this shift on the region's education network.

9(2)(g)(i)

On the issue of the 10 year or 20 year contract, we appreciate being asked for our position on this. We do not have a view on the length of the contract being 10 or 20 years.

Ngā mihi

A handwritten signature in blue ink, appearing to read 'D. Ferguson', is written over a light blue horizontal line.

David Ferguson
Chief Executive | Chief Review Officer

Ko te tamaiti te pūtake o te kaupapa. The child — the heart of the matter

Appendix 2: Ministry comment

RE Seeking views on Pakaraka contract - Message (HTML)

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RE: Seeking views on Pakaraka contract

Summarize

Therese Young

To Sean Teddy

Cc Juliette Hayes; Colleen Lawson; Helen Hurst

UNCLASSIFIED

ReplyReply AllForward

Thu 10/09/2026 4:07 pm

[UNCLASSIFIED]

Kia ora Sean,

Thank you for seeking the Ministry's views.

The Ministry has considered the proposed 20-year contract term and does not consider this to present any greater risk than a 10-year contract term.

Ngā mihi,

Therese Young (she/her)
Manager – School Operations
Te Mahau

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