

# **Education (Public Good not Profit from Charter Schools) Amendment Bill**

Member's Bill

## **Explanatory note**

### **General policy statement**

This bill aims to put the interests of children and a quality public education ahead of private profits for partnership schools kura hourua (“charter schools”) sponsors. We believe that charter schools should not be allowed to operate as private, profit-making enterprises. Schools should be run for the benefit of children, not a private company and every dollar skimmed off in profits is a dollar less for students learning.

At present charter school sponsors are allowed to run charter schools at a profit, creaming off taxpayer funding for their own benefit. When private companies profit from our state-funded schools, children lose out. They have less money for books, for quality teachers, for school visits and computers. This bill will help ensure that New Zealand children get the best quality teaching and learning resources possible by removing the ability of for-profit organisations to operate state-funded charter schools. A charter school sponsor previously approved may continue to operate a school for up to one year after this amendment comes into force before they must either close the school or transfer sponsor status to a not for profit entity such as a Trust.

Ostensibly charter schools are aimed at raising the achievement of underperforming students in New Zealand. Yet the evidence to suggest that charter schools will in fact improve educational outcomes does not take into account the high results that New Zealand is already achieving for its students through the public education system. The charter school scheme overlooks the widely accepted understanding that educational underachievement is inextricably linked to poverty and increasing income inequality.

Charter schools therefore represent the privatisation and commercialisation of an important public good. We do not support a system that puts profit before kids and the interests of the community. And we are not alone. Allowing charter school sponsors

to profit from the public funds provided for the education of our young people is not supported by the majority of New Zealanders.

### **Clause by clause analysis**

*Clause 1* is the Title clause.

*Clause 2* is the commencement clause and provides that the bill comes into force on 1 January 2016.

*Clause 3* states that the Act being amended is the Education Act 1989.

*Clause 4* amends section 158A by replacing the definition of body.

*Clause 5* is a transitional provision that will allow for a body that was approved to be a sponsor of a partnership school kura hourua before the substitution of the definition of body by this Act to continue to operate the school for no longer than a year after this Act comes into force.

*David Clark*

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## **Contents**

	Page
1 Title	1
2 Commencement	1
3 Principal Act	1
4 Section 158A amended (Interpretation)	1
5 Transitional provision	2

### **The Parliament of New Zealand enacts as follows:**

#### **1 Title**

This Act is the Education (Public Good not Profit from Charter Schools) Amendment Act **2017**.

#### **2 Commencement**

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This Act comes into force on 1 January of the year after the date on which the bill receives the Royal assent.

#### **3 Principal Act**

This Act amends the Education Act 1989 (the **principal Act**).

#### **4 Section 158A amended (Interpretation)**

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In section 158A, replace the definition of **body** with:

**body** means a society, association, or organisation (whether incorporated or not) that is not carried on for the profit or gain of any member, and whose rules

do not allow money, property, or any other benefit to be distributed to any of its members

## 5 Transitional provision

- (1) This section applies to a partnership school kura hourua that, immediately before this Act comes into force, has a sponsor approved under section 158B of the principal Act that is not a body as defined in section 158A of that Act solely because of the substitution of the definition of body in that section by **section 4** of this Act. 5
- (2) Despite section 158F of the principal Act, the body may continue to operate the partnership school kura hourua for no longer than 1 year after the day on which this Act comes into force. 10