



Implementing charter schools in New Zealand

Valuable lessons for maximising
student achievement for all

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Introducing charter schools

For the successful reintroduction of charter schools to our education system, the Government needs to carefully consider the theory of change* that underpins the model, ensuring there is continued adherence to the supporting intervention logic** during implementation.

Both the US and English education systems have demonstrated that large scale structural change in and of itself rarely delivers the promised gains in student achievement that many countries are seeking. Where there have been gains in student achievement, this has primarily been due to factors not directly related to the structural change. Closer to home, the 2014 policy flagship Communities of Learning | Kahui Ako is a timely reminder of the inherent difficulties associated with designing and managing change within complex systems. However, the mechanism of structural change can be used to achieve the desired outcomes if the design takes account of the theory of change, and more critically, the implementation of the model remains true to the underlying intervention logic.

The November 2023 Coalition Agreement between the National Party and ACT stated that Partnership Schools*** would be reintroduced, and further options would be explored to increase school choice. In April 2024, the government announced the launch of the charter school | Kura Hourua Establishment Board to guide the formation of the charter school model, so the first schools can open in 2025.

Hon David Seymour, the Associate Minister of Education (Partnership Schools) has shared key goals for the introduction of this new model to our education system. These include providing educators with greater autonomy, creating diversity, freeing educators from the interference of unions and the state, and raising overall student achievement, particularly for those who are currently underachieving or disengaged.

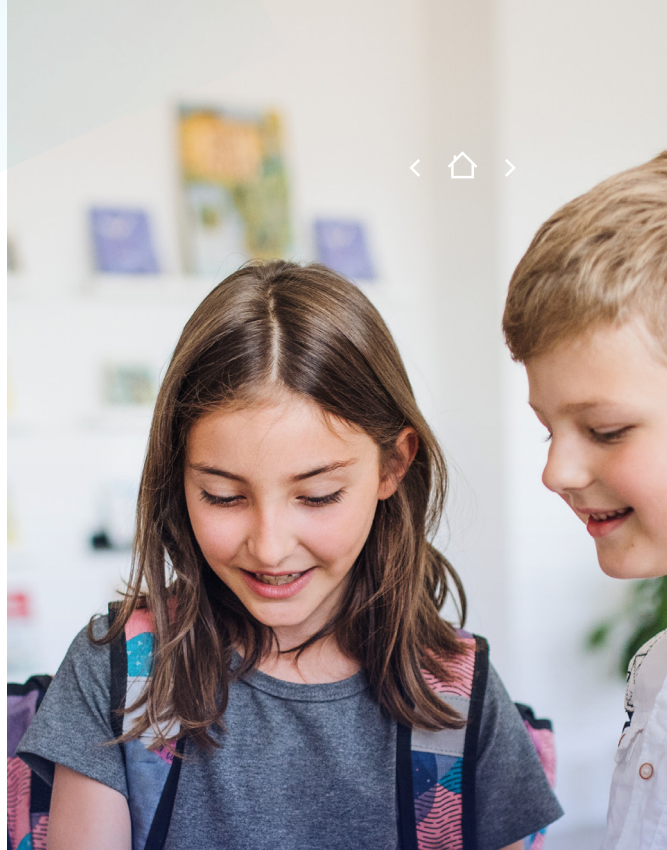
*Theory of Change is a description and illustration of how and why a desired change is expected to happen in a particular context.

**Intervention logic demonstrates the relationship between proposed interventions and their intended effects.

***Partnership Schools is the name given to the 2011 introduction of charter schools into New Zealand

Charter schools will provide educators with greater autonomy, create diversity in New Zealand's education system, free educators from state and union interference, and raise overall educational achievement, especially for students who are underachieving or disengaged from the current system."

HON DAVID SEYMOUR



A charter school is a school that receives government funding but operates independently of the established state school system. Charter schools have a different model of accountability, which provides more freedom in what is taught to students and how it is taught.

How charter schools can improve equity outcomes



New Zealand has a rich and diverse population that could significantly benefit from a more diverse education system that charter schools could provide.

Disparities in educational achievement between ethnicities across New Zealand have been in place for many years. For example, in years 4 to 8 reading and writing, Māori students are on average at least one year of expected progress lower than other students.¹ In mathematics both Māori and Pacific students have lower achievement levels at year 4 than other students and this gap gets wider by year 8, coupled with Māori and Pacific students indicating lower confidence in mathematics than non-Māori and non-Pacific students, respectively.² In addition, Māori and Pacific students have a far lower attainment of University Entrance than European or Asian students.³ The availability of alternative models of education could greatly assist students who would thrive under tailored learning environments that are not currently provided within mainstream schooling.

The following are some of the ways in which charter schools could benefit our students:

- a** Charter schools could offer a viable option to address educational disparities by providing students with tailored ways of learning that are culturally safe and relevant, and targeted at specific communities that currently are not well served by mainstream education.
- b** Charter schools could tailor their curriculum and teaching methods to the cultural needs and values of Māori and Pacific students.
- c** Enhanced parental involvement and engagement in their child's education can be especially beneficial for all students, particularly those with additional learning needs, and Māori and Pacific students, leading to improved academic outcomes and educational experiences for all students.
- d** Through a shared vision, charter schools could bring a greater sense of community and belonging which is at the heart of Te Ao Māori and all Pacific cultures.

- e** Struggling schools could benefit significantly from increased resources and targeted support to address their unique challenges by mobilising the whole school to drive improvements in student achievement.

Charter schools could provide an innovative approach to education if they are specifically designed to address educational disparities and provide a more diverse and inclusive education system. By offering tailored learning environments, culturally relevant curriculum and teaching methods, enhanced parental involvement, and fostering a greater sense of community and belonging, charter schools have the potential to significantly benefit students, particularly those from Māori and Pacific communities.

A robust theory of change that outlines clear goals and metrics for success is essential to ensure charter schools remain focused on their mission, fostering environments where evidence-based teaching methods and continuous improvement are embedded across the school. The government guidelines for the establishment and ongoing management of



charter schools must be sufficiently robust to ensure accountability standards are high and the operation of these schools is sufficiently transparent so that all parties can clearly observe whether progress against goals and targets is being made.

Charter school reintroduction within New Zealand



For the successful reintroduction of charter schools to New Zealand, a robust theory of change must be developed that carefully considers the model as a whole, and systematically maps the consequences, both desired and unintended, of the intervention. Learning the lessons from our past, as well as internationally, should ensure the necessary mitigations are put in place to support the delivery of Minister Seymour's intended outcomes

The mechanism of structural change can be used to achieve the desired outcomes if the design takes account of the theory of change, and more critically, the implementation of the model remains true to the underlying intervention logic.

To begin, a fundamental question must be addressed as to the purpose and design of charter schools: is the introduction of charter schools about choice and autonomy or is it about improving student achievement within struggling schools?

These two outcomes are very different, and each has a distinct intervention logic. If, as we understand, the Government wants to achieve both outcomes, the model should consider adopting two distinct approaches to implementation that are both underpinned by their own specific and robust theory of change.

Both the US and English education systems have demonstrated that large scale structural change in and of itself rarely delivers the promised gains in student achievement. Research suggests that where there have been gains in student achievement, this has mainly been due to the increase in resources and targeted help and support that struggling schools have received primarily benefiting students in urban areas;⁴ factors which are not directly related to the structural change itself. International implementation of the charter school model has provided sufficient lessons for New Zealand to consider in order to avoid the problems experienced by other jurisdictions.



Considerations for charter school reintroduction



The following are key considerations for the reintroduction of charter schools within New Zealand:

- a** Consideration must be given to the possible unintended consequences of the change and the design should include mitigations specifically to address these.
- b** Ensure there are clearly defined and appropriate areas of autonomy within the model, including the level of reporting and monitoring required. This will also need to include guidance around the degree of adherence required to the curriculum and assessment of students as these are current policy initiatives intended to increase standardisation across the education system. The introduction of increased autonomy within a policy framework of greater standardisation is challenging.
- c** Be clear on how the model is to be tailored for maximum benefit for the needs of the various communities and ethnic groups across New Zealand, ensuring cultural fit and appropriateness.

- d** Ensure the governing structures are suitably accountable and regulated, to promote transparency, prevent financial mismanagement, and to guarantee that the distribution of funding across the school is appropriate.

- e** Don't assume that the introduction of charter schools as a mechanism for change within the education system, will by default achieve the desired outcomes. The design and operational policy that accompanies the change must be clearly thought through and be underpinned by a clear intervention logic that can trace a path directly from the change to the desired outcomes.

For New Zealand to truly benefit from the charter school model, it is crucial to emphasise best practice implementation and adherence to a sound theory of change and intervention logic. This strategic design approach will help create a strong foundation for charter schools, maximising their potential to meet the unique educational needs of diverse student populations and contribute positively to the broader education system within New Zealand.

Learning Lessons

Learning lessons from international charter school model implementation

The experience of both England and the US clearly demonstrates that structural change in and of itself does not directly generate educational improvements. Why is this? To answer this, we need to consider the theory of change and intervention logic.

Within a complex system with multiple variables and stakeholders (such as a national education system), introducing any significant change can have several consequences, some of which may be undesirable. To limit the undesirable consequences, while promoting the desired outcomes, the impact of the change should have as direct an effect on the target as possible. We see this happening in practice when failing schools are directly targeted with focused help and support. With direct intervention the desired outcomes have a much greater chance of success.

Implementing a widespread structural change requires clear intervention logic connecting the actions of the change to the desired outcomes.

For example, the implementation of a charter school whose key vision is to provide tailored ways of learning that are culturally safe and relevant, and targeted at specific communities that are currently underserved, should look very different from a struggling mainstream school that adopts charter school status with the mission of raising student achievement and addressing poor attendance.

I hope and intend to see many new charter schools opening, and state and state-integrated schools converting to become charter schools."

HON DAVID SEYMOUR





Key lessons for implementation of charter schools within New Zealand

The following are key lessons that should influence the implementation of charter schools within New Zealand:

- a** Governing structures including clear guidelines, monitoring, and accountability frameworks must augment the change and mitigate the risk of unintended consequences. In addition, appropriate operational policy will reduce the variability of how the policy is operationalised across key risk areas.
- b** Once in operation, it is critical that appropriate reporting and data analysis is in place, both within the charter schools and as a requirement of schools by the new charter school agency. The use of data insights and analytics plays a significant role in measuring, monitoring and enhancing student performance, as well as holding school governance accountable for their oversight and leadership. Instances of financial irregularity and misappropriation of

assets can be prevented by promoting transparency and accountability, and conducting regular audits and inspections of financial records and management processes.

- c** With the introduction of charter schools, thought should also be given to mitigating risks inherent with introducing increased local competition into the market and how this could potentially adversely impact vulnerable and disadvantaged students. This has been a significant problem in England, where the focus on school performance has led to an increase in student exclusions.⁵

Taking time to ensure the design and implementation of charter schools is robust, as well as developing tools and resources to support schools as they open or transition, will mean that every step taken is purposeful and grounded in evidence, which in turn maximises the return on investment in terms of student success.

Learning lessons from our own recent past

New Zealand does not need to look to global examples of implementing large scale policy change within a complex system to identify the challenges. The 2014 education policy flagship Communities of Learning | Kahui Ako is a timely reminder of the difficulties inherent in designing and managing large scale change. Investing in Educational Success (IES) was heralded as having:

an unrelenting focus on giving all our young people a better education and raising achievement for all.”⁶

The initial design of the \$359m investment focused on enhancing school leadership and raising the quality of teaching practice by establishing new career pathways for teachers and leaders, incentivising teacher-led innovation of practice, getting highly effective principals into those schools in most need, and building strong incentives for collaboration and innovation across all schools.

These initiatives were based on international studies of best practice across OECD countries and had a robust theory of change.

However, the implementation of the change focused almost exclusively on the introduction of the mechanism to encourage collaboration – the Communities of Learning | Kahui Ako. Disproportionate focus was placed on the structural change, rather than the desired outcome of collaborative activities amongst professionals leading to improved teaching practice. The initiatives to provide effective leadership for disadvantaged schools and teacher-led innovation became secondary considerations with minimal, time-bound investment. Over time, the direction of the design and implementation of the IES policy moved further away from its original intent and the theory of change. It should therefore be no surprise that the promised improvements to student achievement never materialised.

A further consideration is New Zealand’s prior experience of implementing charter schools via the Partnership Schools model. Partnership Schools were introduced in 2011, with the first five opened at the beginning of 2014. At its height, there were 17 approved partnership schools across New Zealand. The model was introduced as an alternative option for disadvantaged students but faced ongoing debates and challenges due to a perceived lack of accountability and transparency in their operations. The model was not in operation long enough to see significant gains in student achievement. However, innovative practice across leadership and governance was reported and the freedom to implement the sponsor’s vision was seen as a significant advantage.⁷



International charter school models



Globally, public education has seen a significant increase in the integration of sponsors, benefactors, and private sector partners over recent years of which charter schools is one example.

Charter schools are publicly-funded but privately-operated and managed. International examples include the Charter system in the US, academies in England, Sweden's 'free school' (Friskolar) movement, Chile's Private Subsidised schools, Independent Public Schools in Australia, and private-public educational institutions in Canada and Germany. To date, there is considerable evidence published on how the charter school models have fared in both the US and England.

The history and features of the US charter school model

The charter school model was first established in the United States in 1991 as one of several bi-partisan reforms across the education system. These reforms were in response to falling student achievement, failing schools, and increasing numbers of illiterate students leaving high school.⁸ The model was introduced to revitalise public education by placing more decision-making at the school level in the hands of educators. The theory of change asserted that greater autonomy would foster greater engagement and a sense of responsibility amongst educators, allowing them to be innovative and experiment with new teaching strategies, thus raising student achievement. Although the model has been in place for over 30 years, charter schools still represent only a small proportion (7.5%) of public education.



As of the 2021/22 school year, there were approximately

7,847 charter schools

(6% of public schools) in the US serving over

3.7 million pupils

(7.5% of total public school enrolment) across 45 states.



The history and features of the English charter school model

The charter school model was introduced to England in the 2002/03 school year by the Labour government. England adopted the US charter school model to create publicly-funded but privately-managed academies that are a mixture of non-profit and for-profit organisations. Academies have the autonomy to make decisions on such things as the curriculum, term dates and school hours, budget allocation, teacher pay, equipment spend, and uniforms, for example.

England saw two distinct periods of academy school introduction, under different governments. The first round of 'sponsored' academies was a remedial school improvement programme directly aimed at turning around poorly performing and failing secondary schools. This round consisted of conversions from pre-existing schools, typically inner city poorly performing schools.

Businesses, churches, and the voluntary sector were all suggested as potential sponsors and partners for the new academies. By 2006, there were 46 academy schools across England, and by the start of 2010, this had increased to 203.

The second round involved a significant 'academisation' process, following the change of government in May 2010 to the Conservatives. In the first year alone, the number of academies doubled to 407 in total. The 2010 Academies Act enabled a wider range of schools to gain academy status, including primary schools. It allowed high-performing schools to convert to an academy without entering a sponsoring relationship. Today, England has a varied and complex range of academy types which has proven challenging for parents to navigate.

By November 2022,
there were a total of

10,146 academies

in England attended by

4.65 million pupils

equating to 79% of secondary pupils
and 40% of primary pupils.



Implementation of charter schools Internationally



Many of these models have been in place for several years, which provides us with significant insights to inform the implementation of charter schools within New Zealand.

One of the key features of the charter school model across both the US and England is that implementation has not reflected the original intent of the model i.e. there has not been a strong adherence to the theory of change, and yet the same outcomes - improved student achievement - are expected. In KPMG's view, successful change relies on fidelity to a robust theory of change.

Implementation of the US charter school model

In the US, the charter school model was promoted by successive administrations as a mechanism for greater parental choice as part of an open marketplace for education, and to promote greater diversity amongst the student population. This aligned with the neo-liberal ideas characteristic of the 1990s. It was anticipated that competition would drive up quality and thus raise student achievement.

However, this structural change has resulted in some significant undesired consequences. Compared with traditional public schools, charter schools on average have much higher teacher turnover rates, which has been attributed to lower engagement levels. In some US states charter schools have double the turnover of traditional schools.⁹ Charter schools have also turned out to be more segregated than traditional schools with lower racial and economic diversity.¹⁰ To date approximately 15% of charter schools nationally have been closed for failing to meet accountability standards to keep operating, including rates of student achievement and financial viability.¹¹

Have charter schools in the US seen a rise in student achievement?

Previous studies in 2009 and 2013 conducted by the Centre for Research on Educational Outcomes (CREDO) at Stanford University, showed charter school students performed either worse than, or about the same as their peers in traditional public schools.¹² However, the most recent study which covers student learning from 2014 to 2019 has shown the typical charter school student in their national sample had reading and maths gains that outpaced their peers in the traditional public schools, in particularly students of colour performed better at charter schools.¹³ Other similar studies tend to find positive effects for disadvantaged pupils in urban charters, but limited (and sometimes even negative) effects in non-urban settings.

In general, in the US, charter schools serve students who are poorer and more likely to be non-white than public schools at large. About 48 percent of public-school students nationally are low-income, while at charter schools, the proportion is 61 percent.

Charter schools also enrol a higher proportion of black and Hispanic students than public schools as a whole. Some charter schools have seen the achievement gap between white and non-white students eliminated.¹⁴

In summary, US charter schools have achieved notable success in disadvantaged urban schools helping low-income and minority students with raising achievement and preparation for college. Not unsurprisingly, those schools who need the most help are the ones that benefit most from the greater attention and focus that charter school status brings.

Implementation of the English charter school model

The first round of sponsored academies were introduced across England as part of a remedial school improvement programme directly aimed at turning around poorly-performing and failing secondary schools. The theory of change being that struggling schools would have direct access to help and support, along with additional funding from the sponsoring organisation. Academies would have greater autonomy to develop innovative teaching and learning strategies, and the autonomous management structure would support internal accountability and raise standards.

However, the second round of academisation became less about supporting struggling schools and more about a structural change to promote greater parental choice and introduce competition into the education sector. However, this type of structural change has brought with it a few unintended consequences. A 2022 study found that academies have higher permanent exclusion rates than other schools.¹⁵ In particular, academies are more likely to exclude more vulnerable students and those

with additional learning needs. In addition, the phenomenon of 'off-rolling'* students with additional learning needs has emerged.¹⁶ There have also been a number of cases of significant financial irregularity amongst certain charter schools and particularly the organisations that operate them.¹⁷

Have academies in England seen a rise in student achievement?

The picture across England is not dissimilar to that experienced by the US. Studies have shown that the first round of academy conversions that took place in the 2000s generated significant improvements in student performance for those targeted secondary schools, particularly in urban areas.¹⁸ The second batch of new academies tend to experience no positive changes in terms of the ability of the students enrolled.¹⁹ Particularly, a study of primary schools found that although they did change their mode of operation, utilising more autonomy and changing spending behaviour, there was no evidence of improved student performance resulting from the conversion to academy status.²⁰

In 2017 a study by the Economic Policy Institute concluded that,

*academies have not provided a panacea to school improvement. In the early days of the programme, potentially due to additional resources and improved leadership and governance, sponsored academies recorded a discernible positive impact on pupils' attainment. This has not, however, been sustained in new academies as the programme has expanded since 2010."*²¹

Again, we find that those schools who need the most help - those directly targeted in the first round of conversions - were the ones that benefited most from the change to academy status. The second round of academisation has provided no discernible improvements in student achievement.

* Off-rolling is the practice of removing a pupil from the school roll without using a permanent exclusion, when the removal is primarily in the best interests of the school, rather than the best interests of the pupil.



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Contact us



Peter Chew

PARTNER

E pchew1@kpmg.co.nz

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