

Te Rautaki Rawa Kura

The School Property Strategy 2030



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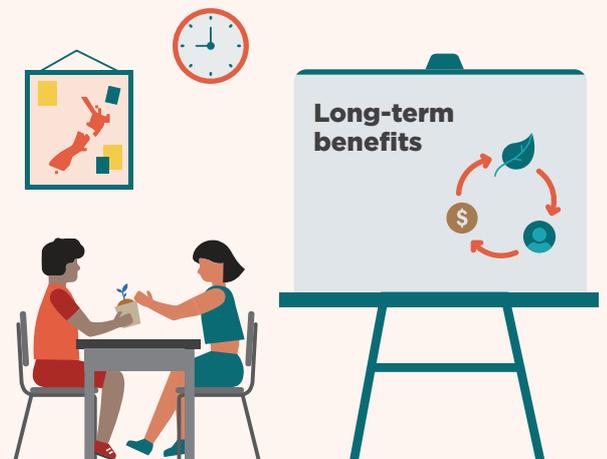
Te Rautaki Rawa Kura - The School Property Strategy 2030

All schools will have quality learning environments as part of a well-managed and sustainable portfolio that helps deliver equitable and excellent outcomes for every child



Sustainable portfolio

Policies, planning and investment optimise long-term social, environmental and economic benefits



Quality learning environments

School property meets agreed standards to support learners/ākonga and teachers to succeed

Condition



Fit for purpose



Operational efficiency



Well-managed property

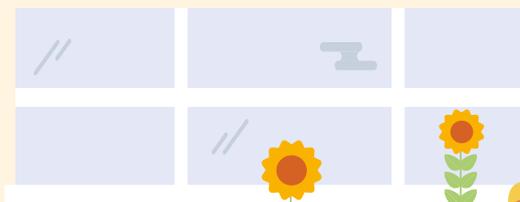
Everyone knows their role in managing school property and is supported to deliver

Delivering together



Equitable outcomes

Diversity is recognised, and schools and learners/ākonga with the greatest needs are prioritised



Prioritise need



Foreword

I am pleased to present our strategy, which shares our vision and sets the direction for school property management through until 2030. The strategy outlines our journey so far. It builds on our strengths, is open about the challenges we face and identifies opportunities.

Te Rautaki Rawa Kura - The School Property Strategy 2030 sets out the desired future state for school property management system through four strategic objectives (see opposite page). With learners/ākonga at the centre of our thinking, we want to ensure property supports education opportunities and outcomes for all learners/ākonga.

The Government has set a target of all schools having quality learning environments by 2030. This is about school buildings meeting standards across three elements - condition, fitness for purpose and operational efficiency. Over the period of this strategy we will be developing the standards, assessing school property and investing where it is most needed.

It is part of the Ministry of Education's purpose to deliver equitable outcomes. We believe it is important to call this out as a school property objective so that it is at the forefront of everything we do to support learners/ākonga to achieve their potential.

The stewardship role of the Ministry in managing the school property portfolio means we want school property to support teaching and learning, provide benefits to local communities, and realise and sustain its value for all New Zealanders. We want this to be the case for future generations.

At the time of this strategy's release, the Government is embarking on a far-reaching work programme aimed at transforming the education system. This includes ensuring we have a better balance between local and national responsibility for school property. In these times of change, this strategy provides the direction to guide and support our enduring focus on school property management.

I am proud of the work we do at the Ministry, and the continued focus we have on working with schools to deliver quality learning environments for teachers and learners/ākonga across New Zealand to progress, achieve and excel.



Kim Shannon

Head of Education Infrastructure Service



Quality learning environments

School property meets agreed standards to support learners/ākonga and teachers to succeed

Ngā horopaki ako kouna tiketike

Ka tutuki i ngā rawa kura ngā paerewa i āta whakaaetia e tika ana kia tino eke ai ngā ākonga me ngā kaiako ki te taumata.

SEE PAGE 26 »



Sustainable portfolio

Policies, planning and investment optimise long-term social, environmental and economic benefits

He rārangi puritanga toitū

Ka whakaranea ngā kaupapa here, ngā mahi whakamahere, me te haumitanga i ngā huanga ā-pāpori, ā-taiao, ā-ōhanga wā roa.

SEE PAGE 30 »



Well-managed property

Everyone knows their role in managing school property and is supported to deliver

He rawa e tino tika ana ōna whakahaere

Kei te mārama ngā tāngata katoa ki tō rātou tūnga i te whakahaere rawa kura, a, he pai te tautoko i a rātou.

SEE PAGE 32 »



Equitable outcomes

Diversity is recognised, and schools and students with the greatest needs are prioritised

He putanga ōrite

E whakamihia ana te kanorau, ā, ka meatia ngā kura me ngā ākonga e tika ana kia āwhinatia nuitia hei aroākapa.

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Context

Schools are valuable, long-lived public assets. They have provided access to education for generations of learners/ākonga so they can learn and succeed.

The Ministry of Education's (the Ministry's) purpose¹ is to shape an education system that delivers equitable and excellent outcomes. This requires us to be effective stewards of the school property system.

We want to sustain and enhance the contribution of schools for future generations so that all learners/ākonga have the opportunity to excel, while recognising and supporting their diverse needs.

We are committed to the principles of Te tiriti o Waitangi. We acknowledge mana whenua of land held for education purposes and consider the identity, language and culture of ākonga māori and their whānau. We also support Māori to exercise tino rangatiratanga when making decisions about school property.

As well as providing access for learning, schools are important to their local communities. They can be sites of cultural significance to the local iwi/hapū, physical landmarks and social meeting places, and they may be a source of community pride. Also, the management of school property supports local employment. Nationally, the scale of annual investment is important for our economy, particularly for the health of the construction industry. We want to ensure schools enhance our social, economic and environmental wellbeing for decades to come.

The purpose of the *Te Rautaki Rawa Kura - The School Property Strategy 2030 (School Property Strategy)* is to help us carry out this stewardship role and improve the quality of school property for the enduring benefit of learners/ākonga and their families and whānau, teachers and school leaders, and local communities. It does this by establishing a clear vision and setting strategic objectives to guide policies, plans, investment decisions and services across the school property portfolio.

The *School Property Strategy* positions us to deliver the Government's commitment to ensure all learners/ākonga and teachers can learn and work in quality environments that support their success. At the time of its release, the Government was part-way through a far-reaching *Education Work Programme* aimed at transforming the education system to meet the needs of the 21st century. The programme has been developed to deliver on the Government's five education objectives² and will look to ensure we have a better balance between local and national responsibilities for school property. The *School Property Strategy* will help guide, support and provide continuity as system-wide changes take place.

In this environment of change, we will regularly review the strategy to ensure it remains relevant and aligned to the education system and the Ministry's direction. While this *School Property Strategy* is expected to endure, system changes may impact how and when we carry out the outlined initiatives, including the allocation of roles and responsibilities across the system.

¹ [Appendix A - Alignment with the Ministry's strategic priorities](#) outlines the priorities that underpin the Ministry's purpose and how this *School Property Strategy* aligns with, and contributes to, these.

² <https://conversation.education.govt.nz/conversations/shaping-a-stronger-education-system-for-all/>

Scope of this strategy

The *School Property Strategy* applies to the management of school land, buildings and IT infrastructure owned by the Ministry.

The next section provides an overview of this portfolio.

The following assets are out of scope:

- school houses
- early childhood education or tertiary education assets on school sites
- property owned by school boards
- state-integrated school assets, which are owned by state-integrated school proprietors.



The school property portfolio



**2nd
largest**

social property portfolio
in New Zealand



\$17.8b

book value
as at 30 June 2018

\$28.7b

replacement value
as at 30 June 2018

\$906m

of capital expenditure
was spent on school
property in 2018/19



Nearly
2,100
State schools

More than
15,000
school buildings

More than
35,500
teaching spaces

More than
8,000
hectares of land
as at 30 June 2018



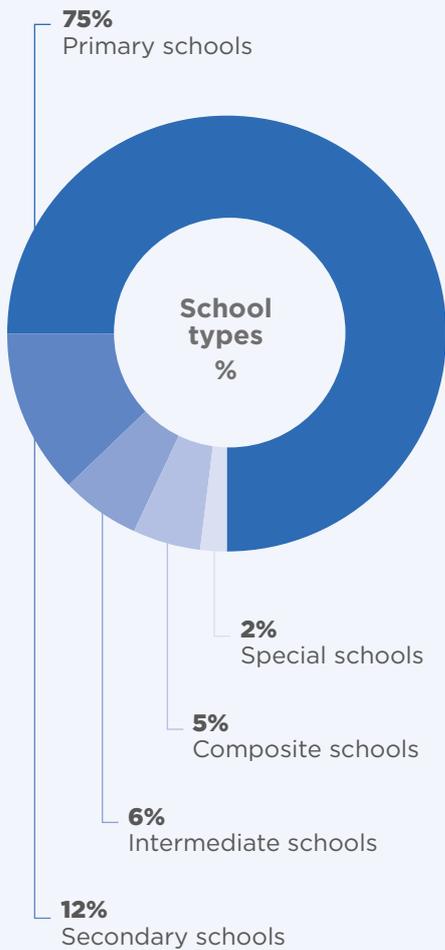
We estimate
100,000
 additional student places
 are needed in high-growth
 areas by 2030



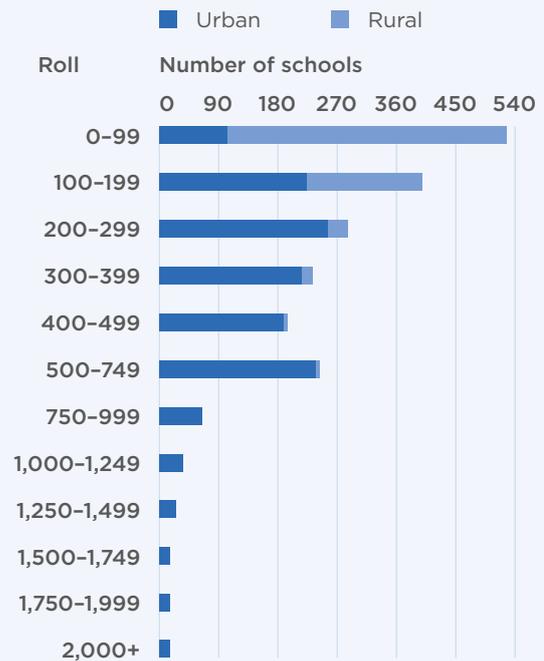
33%
 of buildings were first built
 more than 50 years ago

22%
 of buildings have been built
 in the last 20 years

PORTFOLIO SPLIT



SCHOOL SIZE - RURAL AND URBAN



- Just over a quarter of schools have rolls **under 100**. Of these, **77%** are located in rural areas.
- The median school roll across the portfolio is **around 230**.
- **92** schools have a roll of **1,000 or more**. Of these, **86** are secondary schools.
- The average roll size of a primary school is **236**. For a secondary school the average roll is **845**.

The school property management system

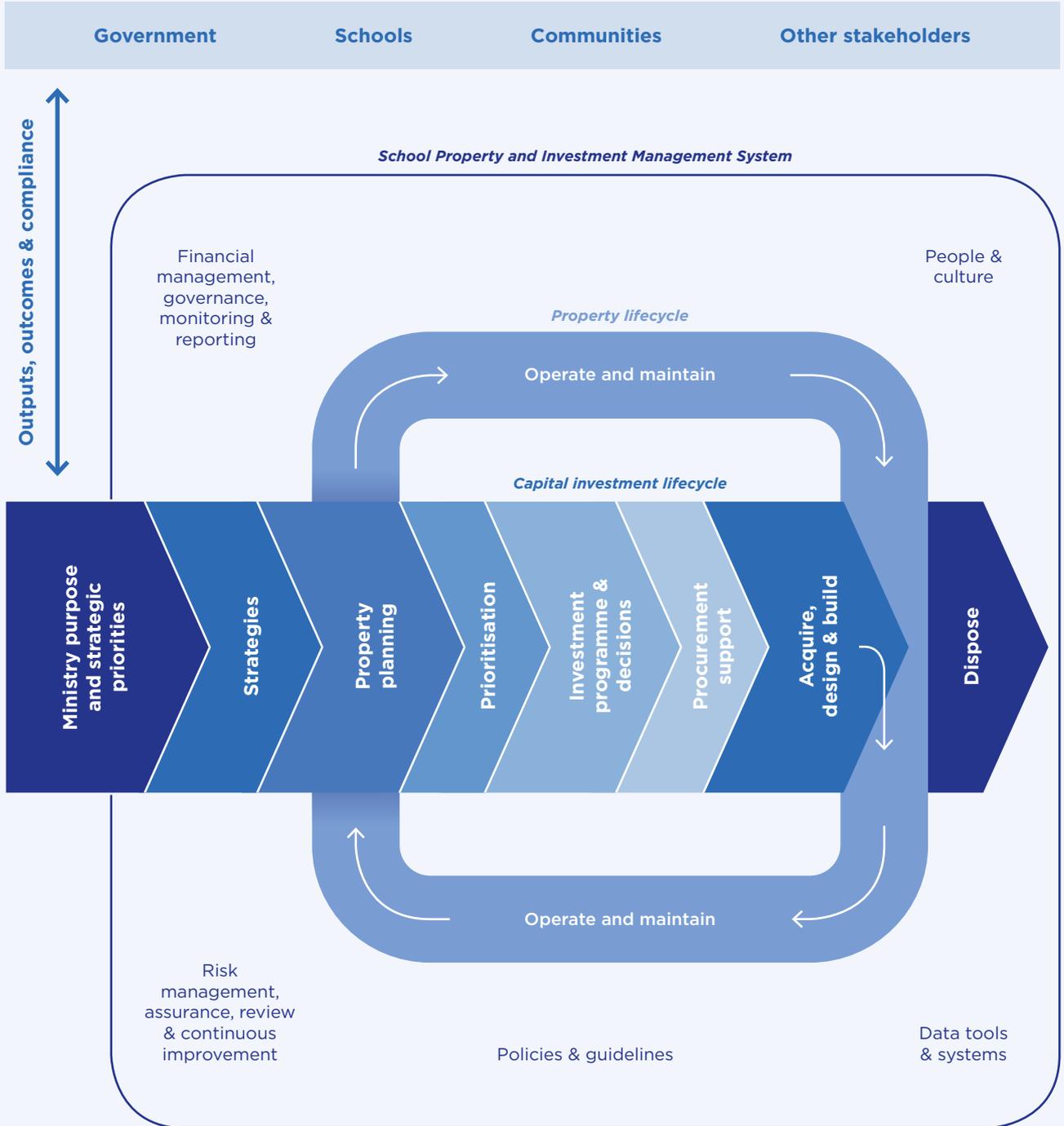
School property management is delivered through a semi-devolved model, which we operate in partnership with schools.

The School Property and Investment Management System Framework (see simplified figure on opposite page) has been developed to illustrate:

- the range of activities required to successfully deliver school property management
- the relationships between the activities
- the critical service role property management provides in ensuring school property contributes to the Ministry's purpose and strategic priorities for the benefit of schools, communities, the Government and other stakeholders.



The School Property and Investment Management System Framework



The school property journey

Over time, school property management has become more complex.

Before the establishment of the national education system under the Education Act 1877, providing educational facilities was largely the concern of churches and private secular organisations.

In the 1950s, large building programmes were carried out to meet the needs of the post-war baby boomers. During the 1980s, further major demographic changes resulted in many prefabricated buildings being moved onto school sites. Changes in teaching and learning practice saw some new schools move to open plan teaching.

Following the introduction of *Tomorrow's Schools* in 1989, schools became self-managing, autonomous entities. The result was a mix of centralised funding by the Ministry and localised management by individual school boards of trustees. The responsibility for making property-related management decisions, specifically on capital renewal and operational maintenance, fell to individual schools. Funding was provided on a roll or area entitlement basis, along with a high degree of school-level independence over management and spending decisions and limited oversight or control from the Ministry. The model relied on the capability of school staff and boards of trustees to understand property management.



Ardlussa School



Te Akau School

Since then, there has been variability in the way school property has been managed. Some schools with greater capability and/or fewer challenges have managed well, while others have increasingly struggled.

Over time, school property management has become more complex. This is because of changes in legislative requirements in areas such as health and safety, as well as in design considerations, technologies and supplier markets.

Since about 2010, a series of large events and emerging issues have further challenged the management of school property, and the teachers, learners/ākonga and communities who use these assets, including:

- population growth, and changes in the pattern and nature of demand, with roll growth concentrated in urban areas and roll decline affecting rural areas
- systemic weathertightness failure due to poor design, materials used and/or the construction of buildings from 1994 onwards
- property damage and redistribution of demand caused by the Christchurch earthquakes of 2010 and 2011.

³ <https://www.oag.govt.nz/2017/school-property>

The Ministry responded by developing the *School Property Strategy 2011–2021* and setting up the Education Infrastructure Service (EIS). The establishment of EIS in 2013 signalled a shift in school property management towards a more strategic, portfolio-wide focus.

EIS introduced better support and information for schools to help with their property planning, and took responsibility for running capital projects where this was likely to better manage risk and deliver value. Currently, the Ministry manages all large and complex projects, which amounts to about 70% of projects by value, up from about 25% in 2010. Schools continue to deliver most projects by volume, but they are smaller value and less complex.

In 2017, the Office of the Auditor General (OAG) published a report, *Managing the School Property Portfolio*.³ The report noted that EIS had improved the way the Ministry managed the portfolio and interacted with schools, particularly in planning and directing major work programmes, providing high-quality technical guidance to those offering professional services to the sector, and communicating more clearly with schools.



Ross School



The Gardens School

The OAG also noted areas for improvement. [Appendix B – OAG recommendations](#) sets out the OAG's recommendations and outlines the Ministry's responses through this strategy.

In 2019 following the review of Tomorrow's Schools, the Government announced its approach to the reform of governance, management and administration of the schooling system. This included the need for a better balance between local and national responsibilities for school property. A programme is now in place to implement changes to reform the schooling system.

The insights gained since the formation of EIS, the significant changes that have occurred, the findings and recommendations from the OAG's report and the initiatives developed to reform the schooling system have informed this *School Property Strategy*.



Kelburn Normal School

Assumptions about school property

Four key assumptions underpin the *School Property Strategy*:

1

School property management will continue to operate under a semi-devolved model.

The importance of property in providing effective access to education, combined with the scale and dispersed nature of the portfolio, means we expect schools will continue to be involved in the planning and day-to-day management of their property, and be supported to carry out these activities. The split of roles and responsibilities and the institutions involved may change, as we seek a better balance between local and national responsibilities but a mixed management model will remain.

2

Physical schools will be needed through the life of this strategy and beyond as the main means to support access to school-age education.

The delivery of education will continue to evolve, in particular because of digital technologies. However, physical schools will continue to play an important role in bringing learners/ākonga, teachers and communities together, and to support parents to remain in the workforce. The ways in which buildings are used may change, but a quality school property network will be needed into the future.

3

Parental choice will remain an important feature of the schooling system.

Parents will continue to make decisions about where they send their child to school. The Ministry's design of schooling networks, and the closure or consolidation of schools, will remain limited and subject to consultation and broad-based agreement. This means there will continue to be some inefficiencies in the provision of school property, with more property needing to be maintained than would be the case in a more centralised system.

4

Operational and capital funding will support the direction and pace of change envisioned in this strategy.

This assumption will need to be tested over future Budgets and alongside changes in the Ministry's operating model to understand the impact of funding gaps on achieving the strategic objectives.

If one or more of these assumptions changes, the *School Property Strategy* will need to be reviewed and revised.

Strengths in school property management

The School Property Strategy builds on the committed approach to property management taken by many schools, and the increased capability and support delivered through the Ministry.

Key strengths in the system include:

- **Many examples of well-maintained school properties.** Although there is variability in the way school property is managed, many schools do this well. This provides opportunities to learn and share with other schools.
- **Capital funding.** The introduction of systems to allocate and prioritise capital funding enables most schools to maintain and upgrade their property. Where issues cannot be resolved, school buildings are prioritised for further investment.
- **The value many communities enjoy from their school property.** This can be particularly important in smaller rural communities where schools can be the main public asset. Also, schools are often used as Community Emergency Hubs.
- **The scale and dispersed nature of the school property portfolio.** This means that property management is an important employer, supporting the sustainability of businesses and the wellbeing of local communities.
- **Network planning.** The National Education Growth Plan provides better information about network demand to inform decision making about types of schools and where to build them.

Since the establishment of EIS, improvements have included:

- **Improved condition and functionality of school property** due to capital investment in schools with significant infrastructure issues. This has been delivered through projects and programmes, including major redevelopments, the weathertightness programme, the ICT infrastructure upgrade and the Christchurch Schools Rebuild.
- **Standards such as Designing Quality Learning Spaces being introduced** to support technical professionals and schools during the design process. These standards often set requirements higher than legislation, recognising the importance of school property in New Zealand. They have a role in ensuring learning environments are fit for purpose into the future.
- **Expanded and improved capability of EIS service delivery functions,** which provides a strong base to further extend, outsource or devolve services that deliver and maintain quality infrastructure to schools.
- **Increased engagement with schools,** including through sector forums, reference groups, surveys, newsletters and social media. We have a good base through which to engage with schools about this *School Property Strategy*.
- **International research,⁴** which is providing evidence about how school property contributes to educational achievement. This is beginning to inform how we target investment to improve outcomes.

4 Impact of physical design on student outcomes



School property challenges

Despite the strengths in school property management, we still face many challenges and threats.

Variable quality of properties

Reasons for variable quality include:

- **Different ages and building designs.** Generally, older buildings are resilient, but less functional, than modern buildings. Modern buildings tend to be functional, but some of those designed and built after 1994 have exhibited, or are at risk of, weathertightness failure.
- **Management of the property lifecycle is disconnected.** The Ministry controls or oversees the capital investment in new and existing properties, but schools control operational maintenance and the Ministry has limited visibility of this. Capital investment choices are often focused on minimising the up-front build costs, but this can be a false economy when it results in higher operational costs. Sometimes we don't see examples of poor maintenance until the damage is evident and significant investment is needed to rebuild run-down schools, which can contribute to the view that schools are not accountable and that poor maintenance is rewarded. Expensive new buildings can quickly deteriorate if the ongoing operational maintenance is inadequate, which can occur for the reasons described below.
- **Inconsistent maintenance practices.** Most boards and principals are not specialists in property management. Some principals, particularly of smaller schools, tell us that maintaining property is beyond their means and takes up a lot of time.

There can also be misunderstandings about property management roles and responsibilities. Unclear property standards mean schools may not know the maintenance standard level to which they need to keep the property.

- **Maintenance funding is spent on other priorities.** The property maintenance grant is funded as part of schools' operating grants. Schools are able to choose how they use this funding and may use it for other immediate operational pressures. Repeated deferral of maintenance (eg, painting, building wash-downs and gutter cleaning) impacts on the quality of the property and seriously reduces its life.
- **Funding isn't always aligned with need.** The property needs of schools are not well understood because of lack of information and clear standards. Schools with the greatest property needs are not always well served by existing formula-based funding models. Funding is mostly determined by student numbers or area, rather than factors such as quality and maintenance costs. Schools are not funded for capital renewal of surplus property and the effect of this can be to run down the property over time. Also, operational funding has not been adjusted to reflect the increased costs associated with modern building design and services.
- **Management of school IT infrastructure is dispersed and inconsistent.** Digital technology has become progressively integral to learning. There is likely to be a growing dependence on schools' IT network infrastructure, which schools manage and maintain from existing funding allocations. Some boards struggle with how to maintain suitable network performance and the costs of doing so.

Changes in demand

- **Areas of population decline mean many schools have surplus property.** Schools unable or unwilling to remove surplus property due to configuration issues, lack of funding, or because they have other uses for it find it harder to maintain their property for the reasons described previously.
- **Areas of strong population growth put pressure on existing capacity.** Population growth in parts of the country is projected to be substantial over the term of this strategy. These growth areas tend to be where land is limited and expensive. Building new classrooms at existing schools in urban areas is often more expensive due to constrained sites and the increasing need for multi-storey development.
- **Growth in learning support needs.** We must do better to support those with disabilities and/or learning support needs. Strong growth and the demand for greater inclusivity puts pressure on school property to be adaptable to meet the needs of all learners/ākonga.
- **Growth in demand for Māori medium education.** Further development and strengthening in Māori medium pathways as well as growth creates extra pressure within the system.
- **Parental choice and competition between schools can result in inefficiencies.** As well as the broad demographic changes described above, local-level choice and competition results in movement between schools and the risk of surplus capacity at one and demand for more capacity at another.

Capacity and capability constraints

- **Fiscal constraints are limiting the range and quality of property services.** Departmental operational funding for property management⁵ has not fundamentally changed since before EIS's formation. Over this time we have lifted capital delivery services and procurement capabilities to improve capital-funded investment. However, broader improvements in capabilities and operational services, such as information and planning, and direct support to schools, have been heavily constrained. Operating cost pressures have also continued to increase, including the growth of Treaty settlement sale and leasebacks and the increasing need to rationalise surplus property.
- **Construction industry capacity is constraining delivery.** The high demand for construction industry design, project management and delivery capabilities at a time of high employment has challenged our ability to keep up with the need for new buildings. The construction sector is operating at or near capacity, pushing up costs and impacting on the amount of work that can be completed within a finite budget.
- **School-level focus is constraining system-level improvements.** The Ministry's property management services focus on helping schools navigate policies and funding, and carry out school-level planning. This school-level focus may be constraining our potential to improve the efficiency and effectiveness of the school network and the portfolio as a whole.

⁵ Departmental operational funding for property management is defined as the School Property Management departmental operational appropriation less depreciation, capital charge and public private partnership related expenditure.

School property opportunities

Overcoming the challenges will unlock significant benefits. There are also opportunities through better leveraging the scale and reach of the school property portfolio.

Improving educational outcomes

- **Improving the quality of school property can enhance teaching and learning.** School property should support all learners/ākonga to succeed, recognising their diversity, including family background, and learning needs. Improving the performance of learning environments and better matching property design to teaching practices can remove environmental impediments to learning and help teachers to teach. Helping schools to better manage and maintain their IT infrastructure will enable more reliable use of digital technology in the classroom as this becomes increasingly prevalent and critical.
- **Reducing the burden of property management on schools will allow boards and principals to focus more on educational outcomes.** Better support could be given, through simplifying or removing infrastructure management and maintenance responsibilities from boards and centralising key services, such as planned and preventative maintenance.

Improving social outcomes

- **Helping learners/ākonga to better access social services through schools.** Increasing shared use of school property, offering extensive wraparound services with other government agencies and their providers could improve student access to social services.
- **Helping local communities to better access school facilities.** Stronger collaboration across central and local government and iwi/hapū could make it easier for local communities to enjoy greater use of school property.
- **Supporting local and national employment through procurement.** Working differently with property management and construction industry suppliers could better support local employment opportunities and improve skills training and job security.
- **Recognising local iwi/hapū as mana whenua.** Whakawhanaungatanga will be a key principle in our engagement with iwi/hapū. This will help identify how school property can support their cultural needs.

Improving environmental outcomes

- **Exploring and implementing ways to reduce emissions.** The scale of the school property portfolio presents opportunities to demonstrate approaches to reducing emissions.

Improving economic outcomes

- ***Improving and better maintaining property condition could reduce long-term liabilities.***
Improving the base level of condition, and the consistency and effectiveness of operational maintenance, could reduce the liability associated with otherwise needing to extensively rebuild an aging portfolio.
- ***Developing and implementing network access strategies and plans could improve the portfolio's efficiency and effectiveness.***
Network access strategies and plans could help direct the coordination of policies, services and resources towards better optimised networks of schools.
- ***Better coordination of urban new development and regeneration plans could help the Government and developers meet the demand for housing.*** Early involvement in urban planning can help improve the speed and success of developments by leveraging the importance of schools to local communities.

- ***Improving the health of the construction industry through strategic procurement.***
More flexible funding arrangements, combined with longer-term bundling of projects and published project pipelines, could support the construction industry's ability to plan and manage its resources on a more sustainable basis.

The *School Property Strategy* builds on the strengths of the existing school property management system, and responds to the challenges and opportunities described above to inform our strategic direction through to 2030. This strategic direction is described in the next section.



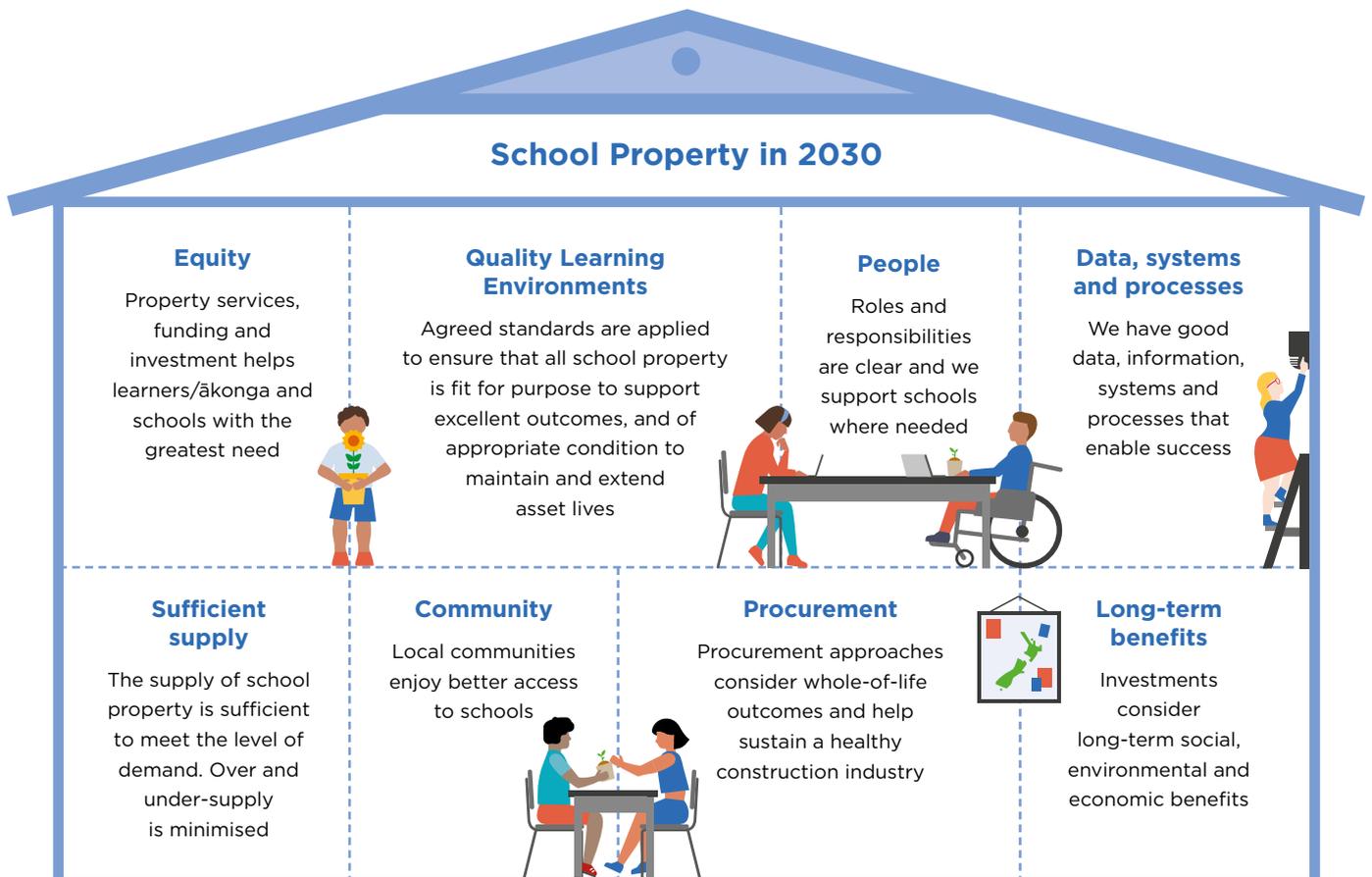


Te Rautaki Rawa Kura – The School Property Strategy 2030

The School Property Strategy continues our progress towards a more strategic, portfolio-wide approach to managing school property.

School property by 2030

- All schools will have quality learning environments that reflect agreed standards of condition, fitness for purpose and operational efficiency. These will better support teaching and learning, and help to maintain the portfolio for the long term.
- We will be making better use of school property by reducing our environmental impact and supporting access to local communities.
- The portfolio will be better utilised and we will be working well across government to meet demographic and social challenges.
- We will be working better with the construction industry to help it sustain jobs and develop skills.
- The management of school property will be more consistently carried out, with more timely and effective maintenance, and with less of a burden falling on schools.



Our school property vision

Our vision for school property is:

OUR VISION

All schools will have quality learning environments as part of a well-managed and sustainable portfolio that helps deliver equitable and excellent outcomes for every child.

Ka whai horopaki ako kounga tiketike ngā kura katoa, ā, hei wāhanga nui tēnei o tētahi rārangī puritanga toitū e tino tika ana ōna whakahaere, hei āwhina i te horanga o ngā putanga ōrite, hira hoki mō ngā tamariki katoa.

The objectives aim to improve the quality of school property and the system of property management, and to sustain the portfolio to deliver greater value for money in the long term. The vision and the four strategic objectives will help us to achieve the Ministry's strategic priorities.⁶

The four strategic objectives are described in more detail on the following pages.

⁶ Refer to [Appendix A - Alignment with the Ministry's strategic priorities](#) for further detail on how we contribute to the Ministry's strategy.

The four strategic objectives

Our vision is supported by four strategic objectives:



Quality learning environments

School property meets agreed standards to support learners/ākonga and teachers to succeed.

Ngā horopaki ako kouna tiketike

Ka tutuki i ngā rawa kura ngā paerewa i āta whakaaetia e tika ana kia tino eke ai ngā ākonga me ngā kaiako ki te taumata.

SEE PAGE 26 »



Sustainable portfolio

Policies, planning and investment optimise long-term social, environmental and economic benefits.

He rārangi puritanga toitū

Ka whakaranea ngā kaupapa here, ngā mahi whakamahere, me te haumitanga i ngā huanga ā-pāpori, ā-taiao, ā-ōhanga wā roa.

SEE PAGE 30 »



Well-managed property

Everyone knows their role in managing school property and is supported to deliver.

He rawa e tino tika ana ōna whakahaere

Kei te mārāma ngā tāngata katoa ki tō rātou tūnga i te whakahaere rawa kura, a, he pai te tautoko i a rātou.

SEE PAGE 32 »



Equitable outcomes

Diversity is recognised, and schools and learners/ākonga with the greatest needs are prioritised.

He putanga ōrite

E whakamihia ana te kanorau, ā, ka meatia ngā kura me ngā ākonga e tika ana kia āwhinatia nuitia hei aroākapa.

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Quality learning environments

Ngā horopaki ako kounga tiketike

School property meets agreed standards to support learners/ākonga and teachers to succeed

Ka tutuki i ngā rawa kura ngā paerewa i āta whakaaetia e tika ana kia tino eke ai ngā ākonga me ngā kaiako ki te taumata

We will develop quality learning environment standards for school property. These standards will set out the levels of condition, fitness for purpose and operational efficiency that are necessary for school property to perform safely, functionally, efficiently and enduringly. We will assess school buildings and their internal environments against the standards to determine which buildings need improving. For these buildings we will target our services and investment to lift their quality.

How we will get there



We will establish a comprehensive and consistent, evidence-based set of standards. These will cover the most important elements of condition and fitness for purpose. Also, we will set standards for the cost of operating and maintaining school property.

We will carry out a national assessment of school property performance against the standards.





Quality learning environments in 2030

- 1 Standards for condition, fitness for purpose and operational efficiency are in place.
- 2 School property has been assessed against the standards and the performance of all school property is well understood.
- 3 Investments have improved the condition, fitness for purpose and operational efficiency of school property (including school IT infrastructure) where these were assessed as being below the acceptable standards.
- 4 All schools have quality learning environments.

We will continue to provide schools' existing 5 Year Agreement funding, prioritised towards lifting property to at least meet the agreed standards of condition and fitness for purpose.



In improving condition and fitness for purpose we will identify interventions and modifications to reduce ongoing operating costs (eg, energy consumption).

What are quality learning environments?

Quality learning environments are school properties that meet the minimum standards needed to be safe, functional, efficient and enduring.

School property in this context includes land, buildings, IT infrastructure and the physical environments inside the buildings.

We break the standards into three areas: condition; fitness for purpose; and operational efficiency.

Condition Te āhua o te takoto



The condition of school property contributes to the experience of learners/ākonga and teachers, and of the surrounding communities.

School property that is in good condition is safer and healthier. It can be effectively and enduringly maintained, and is therefore more resilient. It is more likely to instil pride in local communities and help the school attract and retain learners/ākonga.

School property in poor condition can disrupt learning. It may become harder to maintain and can deteriorate more rapidly, leading to costly repairs or rebuilds.

We cannot afford to extensively rebuild school property that has been poorly maintained. We need property to last and serve generations of learners/ākonga and teachers.



The owner's perspective

Fitness for purpose
Te tōtika mō ngā mahi



The performance and usability of the physical learning environment supports teachers and learners/ākonga to succeed. Learning can be impeded if the room temperature is too hot or cold, the acoustics make hearing difficult, the lighting is too dim, or poor ventilation means that high levels of carbon dioxide causes drowsiness.

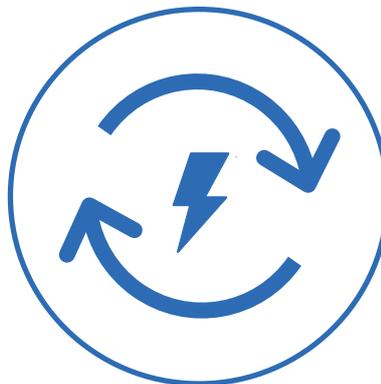
Quality digital infrastructure is critical to teaching and learning with more importance and reliance being placed on it.

Basic functionality of the buildings needs to align with the teaching and learning practices at each school. Future planning should consider and enable a schools vision and any changes in the delivery of education. The functionality of property should also support cultural diversity, inclusivity and accessibility.



The occupier's perspective

Operational efficiency
Kia kakama ngā whakahaere



Inefficient buildings often require a lot of time and money to maintain and operate. Poor condition can be the cause of inefficiency, but so too can design features, heating choices and operational behaviours.

Schools bear the cost of inefficiency. They need to fund costs from their operational grants. Inefficient school property means less money goes towards meeting educational needs.

Changes to operating behaviours (eg, energy use) and capital interventions for significant issues (eg, replacing an inefficient or high-emission heating system, or improving insulation) can improve operational efficiency.

By ensuring schools meet agreed standards for operational efficiency they will be better able to afford property costs, less likely to defer maintenance, and better able to fund other educational priorities.



The bill payer's perspective

Sustainable portfolio

He rārangi puritanga toitū

Policies, planning and investment optimise long-term social, environmental and economic benefits

Ka whakaranea ngā kaupapa here, ngā mahi whakamahere, me te haumitanga i ngā huanga ā-pāpori, ā-taiao, ā-ōhanga wā roa

The school property portfolio is an inter-generational social asset and it benefits learners/ākonga and teachers by providing access to education. It also benefits local communities and helps support the construction and property management industries and the many people they employ. School property affects the natural environment through its design, construction and operation. We need to demonstrate first hand to learners/ākonga the concept of kaitiakitanga and look for ways that we can minimise negative impacts and maximise positive ones. We will seek to leverage the scale and reach of the portfolio and our ongoing investment to enhance these enduring benefits.

Against these benefits, the school property portfolio is expensive to build and maintain. Over-investment and maintaining surplus property limits other investment opportunities. To sustain economic wellbeing we need to efficiently and effectively maintain the condition, functionality and volume of school property to preserve and extend its life and reduce long-term liabilities. Effective network management and meeting quality learning environment standards will help ensure fiscal sustainability.

How we will get there

We will improve the efficiency of the portfolio and respond to the growth and decline identified through the development of our network access strategies and plans including the National Education Growth Plan.



We will shift our investment decisions away from lowest capital cost to best value whole-of-life cost solutions. This will also enable other social and environmental benefits to be promoted through our contracting.



We will work with the Treasury to develop approaches to long-term funding arrangements. Having done so, we will use procurement methods that provide greater medium to long-term certainty for the construction industry and generate scale economies for improved value for money. It will enable us to seek commitments to local employment and skills training from our suppliers.



A sustainable school property portfolio in 2030

- 1 The portfolio is more efficiently used, improving access in areas of high demand and reducing over-supply in areas of declining demand.
- 2 Longer-term funding arrangements support more timely and effective procurement to meet growth pressures.
- 3 Investment pipelines and procurement initiatives support a healthier New Zealand construction industry and the jobs it provides.
- 4 Procurement and investment decisions focus on whole-of-life, value-for-money outcomes.
- 5 Communities enjoy greater benefits from their local schools through a mix of: increased use of school facilities; better access to social services through schools; local employment; and effective urban regeneration projects.
- 6 Schools are more environmentally sustainable through smarter design and more efficient operation, and more environmentally friendly supply chains.
- 7 Future liabilities are affordable.

We will work with other agencies and local government to better plan and deliver regeneration projects.



We will review policies and guidelines to support increased community use of school property, and investigate opportunities within government to use schools to support access to social services and potential full service sites.



We will prepare and implement an environmental sustainability action plan that includes: environmentally sustainable design requirements; guidelines for energy consumption, generation, emissions and waste; and other interventions to lift environmental performance.



Well-managed property

He rawa e tino tika ana ōna whakahaere

Everyone knows their role in managing school property and is supported to deliver

Kei te mārama ngā tāngata katoa ki tō rātou tūnga i te whakahaere rawa kura, a, he pai te tautoko i a rātou

The Ministry shares responsibility for managing the school portfolio with school boards of trustees, but the success of this model varies. Many schools do a good job, but others don't understand their roles and some struggle to manage and maintain their property. Even when schools do well, the management burden can be high and a distraction from core education delivery.

The Government's approach to the reform of governance, management and administration seeks a better balance between local and national responsibilities for school property. As the system's steward, we will need to ensure roles and responsibilities are clear and everyone has the capacity and capability to perform their roles.

How we will get there

We will review policies to ensure incentives are aligned with effective school property management.



We will clearly communicate roles and responsibilities for everyone involved in school property management, with service-level expectations for all, supported by an accountability framework.

We will improve information channels and advisory support for schools.



We will provide advice on the feasibility and cost of taking more property related responsibilities from boards.



Well-managed school property in 2030

- 1 Roles and responsibilities are consistently well understood by everyone involved in school property management.
- 2 To the extent schools retain property management responsibilities, they are better supported through training, advice and easier access to property management services.
- 3 There is greater accountability for the quality of school property management.
- 4 Data, information, tools, policies, processes and systems support effective property management at the school, regional and portfolio levels.
- 5 School property lifecycle management is well connected, with smarter up-front design choices and more timely, consistent and effective maintenance.
- 6 The burden of school property management on boards and principals is reduced.



We will invest in data capture and information management to better support everyone's understanding of school property management performance across the portfolio and to better inform policies, investments and service design.

We will extend planning horizons to give greater certainty to schools, suppliers, government and other stakeholders about future activity.



We will improve the quality of school property plans, incorporating quality learning environment information, and help align the plans with each school's education vision.



We will look for opportunities to support schools, including moving to a centrally managed model, to improve management of IT infrastructure.

Equitable outcomes

He putanga ōrite

Diversity is recognised, and schools and learners/ākonga with the greatest needs are prioritised

E whakamihia ana te kanorau, ā, ka meatia ngā kura me ngā ākonga e tika ana kia āwhinatia nuitia hei aroākapa

We want to see greater equity for schools and their learners/ākonga in the way they experience and benefit from school property. We want an inclusive education system that gives all learners/ākonga the opportunity to succeed by recognising and supporting their differing learning needs and family backgrounds. Each of our *Quality learning environments*, *Sustainable portfolio* and *Well-managed property* objectives will help us achieve this, but as an overall system objective we want more equitable outcomes to be a focus of our efforts.

In promoting greater equity, we are focused on helping schools with the greatest needs. We want to ensure our policies, investments and services better recognise and respond to this difference in need. Our aim is not to penalise schools that are relatively well off, but to lift those schools that are not.

How we will get there

We will review our policies, funding models and investment approaches, and make the changes needed to support more equitable outcomes.



For example:

We will develop approaches that identify and prioritise need. We will consider quality, cultural diversity, inclusivity, accessibility and other needs in these approaches.



We will look for ways to more equitably distribute capital funding over the longer term by reducing the need for major redevelopments, enabling us to increase funding for many schools.



Equitable outcomes in 2030

- 1 Policies and funding models are more flexible and enable us to differentiate the support we provide to schools and their learners/ākonga, based on need.
- 2 Increased support is provided for those schools that find managing school property challenging.
- 3 Investments to improve school property are prioritised to ensure those with sub-standard condition and fitness for purpose are prioritised.



We will look at options for fairer allocation of operational maintenance funding to recognise the higher costs associated with some school property over others.

We will consider alternative capital funding allocations to recognise situations where surplus space needs to be retained for legitimate alternative uses or because of configuration constraints.



Implementation

Programme

The initial implementation will focus on:

- establishing quality learning environment standards, carrying out assessments against these standards and investing in interventions that target improving condition, fitness for purpose and operational efficiency where these are below standard
- implementing our construction category procurement strategy
- developing our asset management planning and investment frameworks
- developing our asset management information systems
- developing an environmental sustainability action plan
- reviewing existing policies to ensure they support the strategic objectives
- supporting the decisions from the *Tomorrow's Schools Review* that affect property management.

Implementation is likely to evolve as initiatives from from the *Education Work Programme* are confirmed and progressed. The plan will continue to be updated as workstreams are further developed and progressed over the life of the *School Property Strategy*.

Performance

The main performance target is for all schools to have quality learning environments by 2030. Further targets and milestones will be set as implementation initiatives are developed.

Management and governance

The Head of EIS is responsible for approving the *School Property Strategy*.

The management and governance structures will ensure that the implementation programme remains on track to achieve the strategic objectives, support the implementation of decisions arising from the *Education Work Programme*, and help meet both the Ministry's and the Government's priorities.

Investment approach

The introduction of quality learning environment standards will require us to align our investment approach to lift the quality of school property assessed as below standard. This alignment and targeted investment will apply to the use of depreciation funded investment, as follows:

- 5 Year Agreement (5YA) funding will be the first layer of funding to achieve quality learning environments
- extra funding will be provided for schools where their 5YA funding is insufficient to meet the standards, which will be prioritised based on schools with the greatest needs
- rebuilds will be carried out where it is uneconomic to achieve quality learning environments by repairing existing property.

Reviews and updates

This investment approach will improve our ability to preserve and extend the life of properties. Over time, this will enable us to reduce the frequency and extent of rebuilds and re-prioritise the depreciation funding more equitably across the portfolio. Maintaining quality will help better support educational outcomes and improve the portfolio's fiscal sustainability.

The transition to achieving quality learning environments may require funding over and above existing levels of depreciation. Once we have established the standards and assessed the extent of gaps across the portfolio, we will be able to quantify the investment needed to close these gaps and the extent of extra funding required.

Investment in new capacity to meet growth in student enrolments will continue to be funded through the Budget process. This investment will benefit from longer-term funding arrangements being introduced in Budget 2019.

Considering the extent of change underway across the education system and within the Ministry, and in line with the Ministry's *Asset Management Policy*, we will review the *School Property Strategy* annually. If significant changes occur we will issue an update.

As a minimum, we aim to issue an updated *School Property Strategy* before the end of 2022.

This will provide an opportunity to report on progress towards the vision and objectives.



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Appendix A

Alignment with the Ministry's strategic priorities

The Ministry's purpose is to shape an education system that delivers equitable and excellent outcomes. This is underpinned by five strategic priorities:

Lead the design for the future of education

We invest in capability and capacity to lead co-design for future education, including through research and development, policy, regulation, infrastructure, services, people and curriculum. System change is coherent, aligned to and anticipating broader social, economic and global contexts, and sustainable.

Lead the development of a capable workforce for early childhood and schooling

We deliver, implement and monitor an education workforce strategy to attract the right people to the education profession and support them to be excellent practitioners. We build the knowledge, tools and capability to design for a culturally responsive and inclusive system, enabling effective intervention and improved education outcomes.

Embed continuous improvement

Continuous improvement is embedded into how we deliver on our role and purpose. People's voices, evidence, data and feedback loops enable action and advice to improve the system for children, young people and learners/ākonga.

Adopt optimal service delivery

We select the best delivery approaches to meet the needs of children, young people and learners/ākonga, including understanding the effectiveness of interventions for children, young people and learners/ākonga with learning support needs.

Invest to support access to learning

We understand, plan and organise our investment in the best possible way to support the delivery of, and access to, education services.

Each of our *School Property Strategy* objectives align with some or all of these priorities, as shown in the table opposite.

Alignment between the school property strategic objectives and the Ministry's strategic priorities

Strategic objectives	Lead the design for the future of education	Lead the development of an education workforce strategy	Embed continuous improvement	Adopt optimal service delivery	Invest to support access to learning
Quality learning environments	✓	✓	✓		✓
Sustainable portfolio	✓		✓		✓
Well-managed property	✓	✓	✓	✓	✓
Equitable outcomes	✓		✓	✓	✓

Appendix B

OAG recommendations

The Office of the Auditor General (OAG) made eight recommendations as part of its report *Managing the School Property Portfolio, July 2017*.

The table below lists these recommendations and our responses through this *School Property Strategy*.

Office of the Auditor General's recommendations	Response through the <i>School Property Strategy</i>
<p>1 Fully integrate school property matters with the rest of its functions to recognise the contribution of school property to its educational outcomes. Priority should be given to:</p> <ul style="list-style-type: none"> aligning its property strategy with other key accountability documents ensuring that all of its functions support the implementation of the property strategy having measures showing how investment in, and management of, school property contributes to its educational outcomes including property risks in the Ministry-wide Risk Management Framework. 	<p>The <i>School Property Strategy</i> incorporates the Ministry's vision, strategic priorities and system objectives. Appendix A outlines how school property objectives align with, and contribute to, the Ministry's strategic priorities.</p> <p>The management and governance of the implementation plan will help ensure the <i>School Property Strategy</i> has cross-functional support.</p> <p>The fitness for purpose measures, as part of our quality learning environment standards, will be based on evidence about school property's contribution to educational achievement.</p>
<p>2 Further develop and promote the use of its whole-of-portfolio view of the school property portfolio's condition, to support effective evidence-based investment decisions.</p>	<p>In developing quality learning environment standards, we will set minimum requirements for the condition of property across the portfolio. Condition will be assessed and data systemised as part of improvements to how information is managed. The information will be used to support effective evidence-based investment decisions, ensuring they are targeted at more equitable outcomes.</p>

Office of the Auditor General's
recommendationsResponse through the
School Property Strategy

3

Collect information and feedback from schools and property advisors on completed projects so that lessons can be shared, including the educational benefits achieved.

The implementation of the *School Property Strategy* will use a series of pilots to help test and develop the best approaches to achieving the objectives. Integral to these pilots and subsequent continuous improvement processes will be our engagement with schools, suppliers, staff and other stakeholders, to gather feedback.

4

Consider the way annual maintenance and renewal funding is allocated to schools so that it responds better to different property types, age, condition, and purpose of buildings.

We have a strategic objective to improve equitable outcomes. This looks at how policies, services and investment can better respond to differences in need.

5

Identify schools not maintaining their property to the required standards, find out why, and establish interventions to remedy the situation.

Establishing quality learning environment standards and assessing school property against these standards will help to identify property that requires intervention and schools that need extra support.

6

With the school sector, more clearly define the roles and responsibilities of the Ministry, principals, and boards of trustees in managing school property and recognise that these may differ between schools.

We will address this through the Well-managed property strategic objective and align with *Education Work Programme*.

7

Enhance the relevant training, tools and support provided to schools to allow them to carry out their property management responsibilities.

As part of our Well-managed property strategic objective, we are committed to ensuring all responsible parties within the school property system are supported to succeed. We will improve the information, tools, processes and systems that support school property management, and improve training to school boards and principals.

8

Increase the capability and capacity of school property advisors so that frontline services to schools can be improved.

As part of our Well-managed property strategic objective, we will improve training, information and tools for school property advisors so they can better support schools.

AD TANKHT





