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Secretary for Education’s foreword

I am pleased to present the New Zealand School Property Strategy, which sets the vision for school property as Safe and Inspiring Learning Environments.

The strategy highlights what we need to do differently to improve both the performance of individual school environments and the state school property portfolio.

It is widely recognised that school environments influence student learning and teaching practice. Therefore, we need schools that have appropriate physical infrastructure, ICT and environments that support the learning needs of all students.

There are also some substantial imperatives facing the management of the portfolio. These include a defective building remediation programme, repairing the damage caused by the Canterbury earthquakes, modernising an aging property portfolio, managing increases in the primary school student population and increased levels of student retention at secondary level.

New procurement approaches, such as Public Private Partnerships, and standards for weather-tightness are already changing the way we deliver new schools. The modern learning environment tool sets the benchmark for upgrading existing schools. Delivering these imperatives at a time when there are significant constraints on Government expenditure means we must have the clear vision, goals and priorities for school property that this strategy provides.

The school property strategy sets out the changes needed under three strategic goals:

- **School property is well managed** - through proactive management of the portfolio which focuses on value for money, and places greater emphasis on developing a property service model that recognises the property needs of individual schools.

- **School property is fit for purpose** - through further work to ensure that school design and capital projects deliver internal environments that support educational achievement.

- **A high-performing portfolio of schools** - by ensuring new schools and additional capacity is delivered in a timely and cost effective manner. Also, by identifying further ways to minimise the amount of surplus property and optimising the number of schools required to deliver educational services.

We can only improve the performance of the property portfolio and lift student achievement by doing things differently. For school property, this strategy provides the framework and tools for the Ministry and those involved in school property to meet the challenges that lie ahead.

Karen Sewell
Secretary for Education
Context of the strategy

Why do we need to have a strategy for school property?

The Ministry of Education is focused on having a world-leading education system that equips all New Zealanders with the knowledge, skills and values to be successful citizens in the 21st-century.

A key assumption is that the state will continue to provide a national education system. School buildings will continue to be the primary and the preferred infrastructure from which education services are delivered.

Decisions that influence the look and feel of school property are important because they have long-lasting implications that can either enhance or constrain subsequent decisions for education.

The New Zealand School Property Strategy sets the direction for state-owned school property, and in doing so will help ensure that property investment decisions target the needs of a modern education system.

18,000 hectares of land, 6.5 million sqm of property

The state school property portfolio is comprised of over 2,300 primary, intermediate, secondary, kura and special education schools situated across the length and breadth of New Zealand, including Stewart Island, Chatham Island, Pitt Island and Waiheke Island.

What will the strategy mean to me?

The extent to which the strategy influences the look, feel and management of state schools will depend on the level of engagement from those involved in school property.

- The Ministry of Education, as the owner of state schools, requires a portfolio of well-maintained schools supporting a modern education system that produces skilled people who can contribute towards a productive economy.
- Principals and school boards of trustees, as the custodians of schools, will follow Ministry standards and guidelines to ensure their property is well managed and supports the delivery of education by meeting the learning needs of the community in which their school is located.
- The Schools Property Infrastructure Group, as business owner, will communicate the vision and goals to the sector. It will provide the leadership and direction needed to achieve the right types of schools, in the right location, at the right time, to meet educational demand.
- Project managers and consultants involved in school property projects will use the strategy to design and construct schools that meet best practice design standards. They will ensure that schools are being maintained in good physical condition so the life of our school property assets is constantly being preserved.
The New Zealand School Property Strategy

**Vision**

- **Safe & Inspiring Learning Environments**
- School property is well managed
- Schools are fit for purpose
- High-performing portfolio of schools

**Strategic Goals**

- School property supports teaching and learning
- Schools are safe and in good physical condition
- The portfolio is efficiently run and well utilised
- The portfolio is responsive to increases in student numbers
- The portfolio is responsive to decreases in student numbers

**Property Priority Areas**

- The Ministry is recognised as a good property manager
- Boards of trustees and the Ministry work cohesively
- The Ministry represents the Crown’s ownership interest

**School Buildings Deliver Education Services**

- Empowering students to learn and teachers to teach

**Investing in Schools is Value for Money**

- Contributing towards productivity and economic growth

**Schools Help Make Vibrant Communities**

- Contributing to the interests of the wider community

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**Profile of the school property portfolio**

- **Primary schools** cover the first six years of schooling and are focused on developing students’ literacy and numeracy skills. These are the foundation for continued learning across the curriculum.

- **Intermediate schools** operate at years 7 and 8 and provide a two-year transition between primary and secondary schools. As part of this transition, students receive an introduction into the technical subjects that will be available at secondary schools.

- **Composite schools** are schools that incorporate a range of year groups that transcend the normally accepted year group boundaries between primary and secondary schools.

- **Secondary schools** cover years 9 to 13, when students commence a journey that results in the attainment of formal qualifications across a broad range of academic and technical subjects. These qualifications provide entry into higher (tertiary) education or prepare students for entry into the labour market.

- **Special schools** allow children and young people who have special education needs to participate in education. These schools, which provide adapted programmes and learning environments, can be incorporated within mainstream state schools or established as stand-alone schools.

- **State integrated schools** are former private schools that have been integrated into the state system. While the Ministry provides property funding to integrated schools to reduce demand for capacity in state schools, the land and buildings are owned by the proprietor.

- **Kura Kaupapa Māori** (a subset of composite schools) are state schools where Māori is the principal language of instruction.

- **Early childhood education centres** are specialised centres for pre-school aged children that may be located on the grounds of, or within, state schools.
A journey through time

1900s

- In New Zealand’s colonial days, the provision of educational facilities was largely the concern of churches and private secular organisations
- These organisations came to be assisted by limited grants from state funds
- New Zealand’s national education system was established under the Education Act 1877

1950s

- Large building programmes were undertaken to meet the needs of the post-war baby boom
- Standard designs based on the “school block” principle were built to save time and money
- Made from solid timber construction with internal loadbearing walls and coal fired boilers, many of these buildings remain uninsulated and are inefficient in comparison with modern buildings

1980s

- Large numbers of prefabricated buildings were moved onto existing school sites to respond to demographic changes
- Changes to teaching and learning saw the introduction of open plan teaching in some new schools
- The Tomorrow’s Schools model was introduced, under which schools became self-managing autonomous entities

2010

- Innovative design with emphasis on spaces that support flexible styles of teaching and learning
- Building system failure leads to a large number of buildings needing remedial repairs
- Increased environmental awareness with a move towards sustainability
- Large technology influence

Into the future...2050

- Smaller learning communities change the role and configuration of schools
- Continuing need for flexible, open and adaptable teaching spaces
- Reliance on technology
- Environmentally driven decisions
- Schools have less involvement in property procurement processes
Vision for school property

The vision of the New Zealand School Property Strategy is to create “safe and inspiring learning environments” in schools.

**Safe** means that school buildings and facilities are structurally sound and hazard free.

**Inspiring** means the design and configuration of the physical space empowers students to learn and teachers to teach.

Irrespective of age and location, our aspiration is to have state school environments that:

- support the needs of a modern education system
- are inspiring places for teachers to teach in
- provide parents with confidence as being safe environments for students to learn in, and
- give students a sense of pride and a desire to learn.

Goals for school property

As the owner of state schools, the Ministry is focused on being a quality property manager that provides leadership and guidance to the sector and expert property advice to the government.

To achieve this objective, the strategy addresses the following key goals:

1. **School property is well managed**
   - The Ministry of Education is seen as a high quality property manager and advisor to government

2. **Schools are fit for purpose**
   - State schools are safe environments that empower students and teachers to succeed

3. **High-performing portfolio of schools**
   - The portfolio of state schools responds to changes in demand and is well utilised and efficiently run
Goal 1  School property is well managed

The Ministry of Education is seen as a high quality property manager and advisor to government.

Fostering relationships with school boards

Elected boards of trustees are responsible for individual schools. A large number of the schools in New Zealand are small and some are in isolated locations. Small schools generally have fewer resources and smaller budgets to manage. The communities that support them are also small.

With assets ranging from teaching and administration blocks through to science laboratories and performing arts centres, the management of school property is complex. School boards of trustees must have a broad range of skills to manage their property. However, many of the boards that represent schools do not possess all the skills or expertise needed to manage school property.

Furthermore, the three-year duration of school boards means that their decisions must be constantly balanced with the need for decision-making that recognises the longevity of school property. For these reasons, the Ministry is committed to providing greater support, leadership and management in line with its other responsibilities.

In the future, school boards will be able to request greater support to manage their property. This will include the introduction of a flexible service delivery model. This model could extend to outsourcing the maintenance of schools to third parties, including professional project managers and property consultants. This will ensure that work done on schools is carried out to the required standard by qualified people. It will reduce the risks associated with the short tenure and the lack of property expertise within some school boards.

To ensure project managers and consultants have appropriate experience and qualifications in school property, they will need to be accredited under the Ministry’s school property accreditation regime. Those involved in the construction industry will need to be licensed under the Licensed Building Practitioner Scheme.

Representing the Crown’s interest

While elected boards of trustees are responsible for individual schools, the Ministry is accountable for the Crown’s ownership interest.

Overseeing the Crown’s ownership interest means making informed and timely decisions about how school property should be delivered and used to improve education outcomes for New Zealand students.

The recent earthquakes in Canterbury and incidences of defective buildings demonstrate the importance of having robust systems and processes to support decision-making for school property. These systems and processes must enable strategic oversight of the portfolio at the highest level. This will assist in coordinating “business as usual”, as well as managing extraordinary events that affect property. As part of this work, the Ministry will:

- update its property management information system to support best practice property management processes. This will include providing system access to project managers
- develop standards, risk management and assurance frameworks and procurement strategies. This will ensure that the Ministry and school boards understand and follow the correct processes for managing school property and overseeing the portfolio
- develop an audit function to ensure schools comply with the Ministry’s requirements for school property and that the Ministry’s property and asset management information is accurate.

Recognised as a high-performing property management team

Being a high-quality property manager and advisor to government means having an excellent reputation. It means being accepted as a leader by the sector and the government on issues associated with school property, as well as responding to events that affect property. This will be achieved by developing new, innovative procurement models to deliver the requirements of a modern education system that ensures capital is used efficiently and effectively.

One of the challenges of developing high-performing property models is securing people with the right skills and capabilities to oversee a large and diverse portfolio of property spanning over one hundred years.

In addition to the traditional skills associated with the procurement, maintenance and disposal of land and buildings, the Ministry now needs a much wider array of skills and expertise. These include:

- strategic asset management skills and a greater knowledge of efficient building techniques and environmental impacts.
- a good understanding of the total cost of ownership and assessing the remaining life of assets.
- commercial acumen needed to develop innovative portfolio procurement models.

In order to be recognised as a high-performing property management organisation, the Ministry will attract, train, and retain people with the right skills. This will be done through recruitment policies, professional development programmes that complement the required management functions, and through a pathway of career opportunities within the organisation.
Goal 2  Schools are fit for purpose

State schools are safe environments that empower teachers and students to succeed

Creating modern learning environments

Many of New Zealand’s schools were built between the 1950s and 1970s following the post-war baby boom. During this era, education was based on a teacher-centred system that revolved around structured classroom lessons.

Approaches to teaching and learning have changed over the last 20 years. While classrooms are still the most highly utilised areas in schools, they need to respond to these changes as their performance is critical to modern education delivery.

Modern schools comprise of flexible teaching zones that can easily be reconfigured and used in a variety of ways. They have better environmental qualities (heating, lighting, ventilation and acoustics), and are wired for ICT.

For this reason, modernising classrooms and converting them into modern teaching spaces will be a high priority over the coming years.

Classroom assessments commenced in 2010 with the introduction of a Modern Learning Environment (MLE) standard that schools will adopt as they become due for their next round of property funding.

Achieving this outcome is critical to modern education delivery and will ensure that the performance of the physical environment is linked to educational outcomes. Schools that lack the range and quality of teaching spaces needed to support educational outcomes will need to upgrade these spaces before they undertake other projects. With over 38,000 classrooms across the portfolio, it is expected that it will take until 2021 for all schools to modernise all of their teaching spaces.

17,000 buildings & 38,000 classrooms

While some buildings in the portfolio are relatively new, almost 70 percent are between 30 and 100 years old. Of these buildings, approximately 5,500 are re-locatable buildings that were originally shifted onto school sites as a low cost way of providing additional temporary capacity.
Ensuring that schools are safe and in good physical condition

A key focus of the strategy is to ensure school property assets and facilities are well maintained. This is important because schools are the most visible component of the education system and the public’s perception of state schools affects their confidence in the education system.

Standards for the condition of school property will be developed to support the lifecycle replacement and maintenance of assets critical to the operation of schools. These standards will help schools prioritise their funding to preserve the life of their assets, and address urgent issues that pose a high risk to school operations.

Data on the condition of school property will be collected through a centralised condition assessment system. This will provide school boards and the Ministry with information on the cost of maintaining schools. Having a centralised system will mean this data can be analysed on a school-by-school basis, and at a regional or national level to:

- identify schools with high maintenance costs, which may indicate that they are having difficulties undertaking their property functions
- develop benchmarks and funding models for maintaining school property.

Future-proofing school facilities

While creating modern learning environments and maintaining the condition of schools helps to future-proof school property and ensure it retains its educational value, a large number of New Zealand’s schools were built before computers and other useful technology was available. This means that many schools need to be upgraded to enable their use of these technologies, as without upgrades they will be unable to support modern styles of teaching and learning.

From a national perspective, the Ministry will continue to undertake programmes to ensure school property continues to support education in the years ahead. This will include carrying out remedial repairs on defective buildings to protect them against structural failure.

This remedial work is critical if these assets are to retain their value and be prevented from deteriorating further. This programme has three key objectives:

- identification of defective buildings through a national survey, to commence in early 2011
- remediation and repair of defective school buildings; and
- prevention of further defects through the introduction of new design and building standards for school property.

Future-proofing school facilities

<table>
<thead>
<tr>
<th>PRIORITY AREA</th>
<th>KEY INITIATIVES</th>
<th>KPI MEASURE</th>
<th>TARGETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPORTING teaching and learning</td>
<td>Ensuring schools have the range and quality of teaching spaces needed to support education</td>
<td>Existing school property meets the Ministry’s MLE standard</td>
<td>10% of schools meet the “core” MLE Standard by 2015</td>
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<tr>
<td>New school buildings meet the “advanced” MLE standard</td>
<td>New school buildings meet the “advanced” MLE standard</td>
<td>100% of new schools meet the “advanced” MLE Standard by 2012</td>
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<tr>
<td>PRESERVING the condition of school property</td>
<td>Ensuring schools preserve the life of their assets over time</td>
<td>The condition of the state school property portfolio is being maintained or improved over time</td>
<td>A sampling methodology to measure the school property portfolio is developed by 30 September 2012</td>
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<tr>
<td>Programmed maintenance for school buildings ensures they remain in a safe condition for students</td>
<td>Programmed maintenance for school buildings ensures they remain in a safe condition for students</td>
<td>Percentage of maintenance costs spent on priority 1 or 2 (health and safety/high risk) reduces over time</td>
<td></td>
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<tr>
<td>FUTURE-PROOFING schools so they retain their education value</td>
<td>Ensuring school property continues to support education in the years ahead</td>
<td>The Ministry has a prioritisation process in place for assessing health and safety concerns</td>
<td>Documented health and safety processes</td>
</tr>
<tr>
<td>Defective school buildings (weather-tightness problems) are identified and repaired in a timely manner.</td>
<td>Defective school buildings (weather-tightness problems) are identified and repaired in a timely manner.</td>
<td>80% of schools with defective buildings complete the remediation process within 18 months of formal notification</td>
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<tr>
<td>The Ministry will upgrade schools to be ready to access ultra-fast broadband</td>
<td>The Ministry will upgrade schools to be ready to access ultra-fast broadband</td>
<td>Work in 2011/12 includes: - connecting up to 102 schools to a National Education Network (NEN) trial extension - management of the upgrade of schools’ infrastructure cabling to prepare for broadband connection for 240 schools</td>
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</tbody>
</table>
Goal 3  High-performing portfolio of schools

The portfolio of state schools is responsive to changes in demand, well utilised and efficiently run.

Managing increasing demand

In addition to overseeing the Crown’s ownership interest in the state school property portfolio, the Ministry is responsible for ensuring there is sufficient capacity within the portfolio to meet the demand for education.

Demographic projections indicate that student numbers will rise by 50,000 by 2020. When internal and external migration is combined with births, it is estimated that 2,500 additional teaching spaces will be needed by 2020. This growth needs to be coordinated at a national level.

New land for schools is becoming increasingly difficult to find. Prime locations are sold for residential dwellings, leaving only land that needs extensive site works available for schools. In most areas, growth in the student population can be accommodated by providing additional capacity within existing schools. However, continued urbanisation puts pressure on existing schools to accept larger numbers of students than they were designed for. One option to consider is redeveloping some of the existing sites in light of the difficulties in acquiring land for schools.

The Ministry owns a number of large sites, some of which could be selected and redeveloped into modern, energy efficient schools by using modern building techniques. The advantage of this option is that:

- old buildings that do not support education and are expensive to modernise can be retired in exchange for modern facilities that could be attended by a larger number of students;
- savings could be achieved through fewer site purchases and through economies of scale by merging and closing some nearby schools that could be amalgamated into the redevelopment.

State school property is efficiently run

High land values and legislative requirements have led to new schools being individually designed to fit within the constraints of a site. This is driving up the cost of building new schools.

It is not imperative for the Crown to own land and buildings, provided that educational outcomes can be maintained and any operational risks to schools mitigated. To this end, further work on how public finances should be invested in school property will be carried out to ensure the Crown’s investment in land and buildings returns the best value for money.

For example, sale and leaseback arrangements are being considered in the private sector as a way of freeing up capital funding. This is where an organisation sells the land beneath its property and leases it back from the new owner. Sale and leaseback arrangements are being used to settle Treaty of Waitangi claims. If these work successfully, the Ministry could consider leasing land for new schools rather than purchasing new sites, as this would reduce the cost of building new schools.

Public Private Partnerships (PPPs) have been used overseas to reduce the total cost of ownership of property. A key benefit of PPPs is that they transfer the risks associated with property ownership and free up school staff to focus on student achievement.

Managing decreasing demand

Over the past 40 years, people have been gravitating towards towns and cities and to warmer climates, to the extent that half of New Zealand’s population now lives north of Taupo.

While demand for school property is increasing, 16 percent of the property in state schools is surplus because the property is located in the wrong place.

Surplus school property is inefficient as it drains valuable resources that could be redeployed on other activities. Schools with surplus property will be required to develop plans for reducing their buildings over a period of time. The Ministry will also instruct boards to remove buildings which are no longer economical to maintain.

While removing buildings is one way of reducing property, other uses for surplus capacity (such as providing early childhood centres on school sites) will be explored further.

In areas where there are a large number of small schools or schools with surplus property, school mergers will be considered. Merging schools could generate efficiency gains by reducing duplication between schools and by reducing surplus property.
### Getting started

#### Priorities for 2011/12

A number of projects are already underway to assess the condition of the current portfolio and to modernise and develop the portfolio for the future. A number of initiatives commenced in 2011 are listed below:

- The restructuring of the property group has been completed to improve the overall performance and management of the property portfolio. The new Schools Property Infrastructure Group is in place and operational.
- The Building Condition Assessment methodology has been piloted and the Modern Learning Environment tool is in the process of being implemented as schools renew their five year capital funding.
- The Property Management Information System (PMIS) user requirements phase is underway.
- The Defective Building Programme is underway and an additional survey of schools will commence in 2011.
- Alternative procurement models are being explored to get better value from current expenditure, and a school in which to test a Public Private Partnership has been identified.
- Options for rebuilding the schools damaged by the Canterbury earthquakes are being developed.
- 240 schools will be upgraded to make them ready for highspeed broadband through the School Network Upgrade Project.

### PrioritY AREA | KEY INITIATIVES | KPI MEASURE | TARGETS
---|---|---|---
**RESPONSIVENESS to increases in student numbers** | Ensuring the right types of schools are in the right place at the right time | The Ministry has regional property plans in place to identify and address issues around capacity (over-and under-supply of school property) | Evidence of plans in each region by 30 September 2012

**ENSURING the portfolio is efficiently run and well utilised** | Maintaining oversight of state schools throughout their life cycle | The proportion of maintenance funding spent on maintaining surplus buildings (in open schools) continues to reduce | Evidence that the funding spent on maintaining surplus buildings is reducing

**RESPONSIVENESS to decreases in student numbers** | Disposing of assets that are surplus to requirements | Surplus property in open schools is rationalised in a timely manner | Surplus property is reduced to 15% by 30 June 2012

| | Buildings in closed schools remain in a saleable condition | At least 80% of closed school buildings meet saleable quality levels |

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## GOAL

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<thead>
<tr>
<th>SCHOOL PROPERTY STRATEGY INITIATIVES FOR 2011/12</th>
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<tbody>
<tr>
<td><strong>School property is well-managed</strong></td>
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<tr>
<td>- Licensed Building Practitioner scheme rolled out</td>
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<tr>
<td>- Staff training framework developed</td>
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<tr>
<td>- Property assurance / audit frameworks developed</td>
</tr>
<tr>
<td>- Property Management Information System user requirements completed</td>
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</tbody>
</table>

| **Schools are fit for purpose** |
| - Business case and implementation plan for a condition assessment methodology |
| - Implementation of the MLE standard |
| - Schools Network Upgrade Project |
| - Defective Building programme survey completed |

| **A high-performing portfolio of state schools** |
| - New schools and kura programmes are delivered according to the School Property Capital Plan |
| - Development of new procurement models and approaches |
| - Property policy options for the redevelopment of existing schools in areas of high urban growth and significant roll decline |

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