

# Cabinet Paper material

## Proactive release

Minister & portfolio Hon Chris Hipkins, Minister of Education  
Name of package National Education Growth Plan to 2030  
Date of release 5 July 2019

### **These documents have been proactively released:**

**Cabinet paper: National Education Growth Plan to 2030**

Date considered: 4 June 2019

Author: Ministry of Education

### **Material redacted**

Some deletions have been made from the documents in line with withholding grounds under the Official Information Act 1982. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

The applicable withholding grounds under the Act are as follows:

Section 9(2)(f)(iv) to protect the confidentiality of advice tendered by Ministers of the Crown and officials

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[In Confidence]

Office of the Minister of Education

Chair, Cabinet Economic Development Committee

## **National Education Growth Plan to 2030**

### **Purpose**

1. This paper seeks Cabinet agreement to the National Education Growth Plan (NEGP) to 2030 and its approach to manage, maintain and grow the schooling network in response to current and forecast increases in the school age population.
2. The paper notes that in response to unprecedented population growth across New Zealand, the Coalition Government, through the Wellbeing Budget 2019, will allocate \$1.2 billion in new capital to deliver an additional 24,000 student places. This investment more than doubles the current number of student spaces funded and delivered and represents nearly half of the forecast unfunded student spaces required to address demand to 2030. The Wellbeing Budget 2019 delivers the largest investment in school property by a New Zealand Government.

### **Executive summary**

3. This Government has provided sustainable funding for school property. However, population growth is placing pressure on our school network in high growth areas of the country. This unprecedented population growth demands a significant shift in how the Ministry of Education (the Ministry) is funded and supported to provide student places in our schools. The high growth areas are all unique and experiencing growth in different ways. In some areas, we are seeing redevelopment and intensification of existing urban areas, while in other areas entire new communities are being established.
4. In response to these pressures I asked the Ministry to establish the NEGP. The NEGP is a first for New Zealand and represents a step change in the way we plan for, and manage, growth in the school-age population, school redevelopments and school builds. It provides a long term solution to a long term problem.
5. The NEGP is split by regions, then broken down into growth areas within those regions. The NEGP refers to those growth areas as 'catchments'. The plans for each catchment consider existing education pathways, schooling structure (eg primary, intermediate, secondary, kura) and geographic location. It identifies drivers of growth in each catchment and their impact on the current network of schools, and forecasts where new capacity is needed across the network.
6. I propose that the NEGP guides our approach to manage school age population growth pressures in high growth areas and to maintain and grow the schooling network. This will ensure that there is sufficient capacity in the schooling network and allow us to provide positive learning environments that promote student wellbeing for every child and young person.
7. Signalling a longer term view provides direction to the wider community, including other government agencies, local government, and infrastructure and service providers. These

catchments are intended to support conversations around long-term planning and investment and provides increased confidence to the sector that we are meeting the challenges of a growing population.

8. Through the Wellbeing Budget 2019, the Coalition Government has allocated \$1.2 billion in new capital through the School Property 10 Year Programme to deliver 24,000 additional student places. This gives schools planning certainty so that they can work with the Ministry on how best to configure the additional classrooms at their school. It also allows the Ministry to work with the construction sector to deliver additional school infrastructure efficiently. It does this through a commitment to a pipeline of work rather than through a piecemeal funding approach. This builds on our Budget 2018 commitment of \$332 million to fund 7,400 student spaces.
9. I believe this certainty will allow the industry to gear up resources across New Zealand as there will be a steady stream of projects available to contractors so that they can keep their workforce employed. The Government's initial investment of \$1.2 billion will be in four waves with wave one commencing immediately. I will be reporting back to Cabinet annually on progress and confirming future waves of projects.

## **Background**

10. I asked the Ministry to establish the NEGP, incorporating the draft Auckland Education Growth Plan (AEGP), to further address the complexity and transformation required across all of New Zealand's high growth regions to ensure that sufficient capacity is delivered nationwide in the right place at the right time.
11. The 39 catchment plans in the NEGP include 20 across the Auckland region and 19 elsewhere across New Zealand. Combined, these catchment plans forecast an additional 100,000 new student places to 2030.
12. We also need to effectively utilise our existing school property to manage growth. The Ministry will continue to work with schools and their communities to amend, change, shrink or increase existing school zones to balance available provision across the schooling network.
13. The medium term strategic view and planning approach taken by the NEGP is essential to improving equity and access to our schooling network. It will support greater cost-efficiencies, more stakeholder and community input into the design of the school network, and allow for more agile responses to rapid shifts in population. This approach is also an opportunity to provide an increasing level of certainty to schools, communities and infrastructure providers that we will work with them over the long term; and we can all plan accordingly.
14. I anticipate that as the NEGP is further developed and refined we will see increased value for the investment spend over the longer term as the Ministry articulates a clear picture of demand and response. With a longer term view, we can assess whether there are potential investment gaps or affordability issues beyond the 10 year horizon.
15. There are two forms of network planning that are currently not fully covered in the NEGP – planning for growth in demand for Māori Medium education provision and specialist school and satellite provision. The former cannot be done by the Ministry in isolation from local iwi and hapu and the latter will be considered in line with the Learning Support Action Plan.
16. I have asked the Ministry to undertake consultation throughout 2019/20 with stakeholders to gather data and insights in order to develop a long-term vision and comprehensive national

plan for Māori medium education and the provision of specialist schools and associated satellite units.

17. Separately, Cabinet agreed in April 2018 to the Ministry identifying opportunities to optimise the management, maintenance and presentation of school property, through a Comprehensive Reform of School Property. The School Property 10 Year Programme (covering roll growth, new capital investment, and Ministry capability) is a first step towards this reform programme, enabling the Ministry to intervene in property issues earlier, invest more effectively, and reduce the property burden on Principals and Boards.
18. Given the complexities and interdependencies across the Education Work Programme, I recommend that wider changes through the Comprehensive Reform of School Property should be considered in light of possible system changes through the Government's response to the recommendations of the Tomorrow's Schools Independent Taskforce.

### Overview of NEGP methodology and planning model

19. The NEGP is based on 39 growth areas, or "catchments", across New Zealand; each requiring a specific and targeted response. The NEGP compiles these responses across the decade to 2030 and provides the basis for forward-thinking decision-making on investment spend in high growth areas. The content in the NEGP will support the Ministry to have evidence-based conversations with schools about their own specific growth picture and that of their wider school network.
20. Catchment boundaries have been developed to support our future planning. These catchment areas consider the current education pathways, schooling structure and geographic location. The catchments identify drivers of growth, the impact on the current network and forecast where new capacity is needed across the compulsory school network.
21. The Ministry has developed the New Zealand Catchment Planning Model (NZCPM) to forecast the student place demand and distribution for education infrastructure. The model compares the forecast demand with the existing space available in schools (supply), including approved new space, to identify the potential future requirement for additional student places.
22. The NZCPM integrates Ministry data with insights and information from the education sector, local authorities and from across government agencies, as well as current and projected housing development activity at a catchment level. For example, the Ministry works closely with Auckland Council as part of the Unitary Plan along with other key agencies. This data will provide short, medium and long-term forecasts to guide the response to demand pressures across the school network.
23. Because each catchment can have different drivers for growth, how we deliver additional capacity in each catchment will be different. Catchments can be broadly categorised into three profiles. These are:
  - **Blueprint for Growth** – catchment areas where growth is designed and generally led by Government or developers plans for intensive housing developments. Typically, the key response to this type of growth is new schools and expansions.
  - **Complex Growth** – our most challenging type of growth. It is where there is limited room to expand outwards, yet growth is sustained and demands increasing density of housing. Typically, the key response to this type of growth is to add capacity at existing schools.

- **Steady Growth** – catchments where the rate of growth is steady but still requires a response to meet the progressive population changes. This type of growth occurs especially in areas of generational change with younger families moving into established suburbs.
24. Some areas will have accelerated growth rates while others will take longer for growth to materialise. The NEGP provides flexibility to deal with areas and catchments that grow at different rates and timeframes.
  25. The NEGP focuses only on high growth areas and the immediate demand for state and state integrated school infrastructure to 2030. However, the Ministry is planning to expand the framework of the NEGP across all regions and their catchments in 2019/20.
  26. The 39 catchment plans in the NEGP include 20 across the Auckland region and 19 elsewhere across New Zealand. Combined, these catchment plans forecast an additional 100,000 new student places to 2030. From previous budgets, we know that 22,000 new student places are in the process of being delivered. Of the 22,000 in the pipeline, 12,000 student places are in Auckland across new schools and roll growth projects, with a further 10,000 student places across the other high growth areas. The Wellbeing Budget 2019 will more than double the number of student places funded by adding an additional 24,000 spaces with 12,500 in Auckland and 11,500 across the rest of New Zealand. This will leave around 54,000 student places to be funded through future budgets. The breakdown is outlined in Table 1 below.

**Table 1: Student places funded and additional student places required by 2030**

NEGP to 2030	National Total	Auckland	Growth Regions
Catchment	39	20	19
Additional Student Places	100,000	60,000	40,000
Places already funded - to be delivered	22,000	12,000	10,000
<b>\$1.2 billion in new capital through the Wellbeing Budget 2019</b>	<b>24,000</b>	<b>12,500</b>	<b>11,500</b>
<b>Balance of forecast demand by 2030</b>	<b>54,000</b>	<b>35,500</b>	<b>18,500</b>

*Note: Numbers have been rounded in the high growth catchments and are as of March 2019*

**The NEGP aligns with, and is enhanced through, partnering with local authorities and other government agencies**

27. The 39 catchments are the same high growth urban areas identified under the National Policy Statement on Urban Development Capacity<sup>1</sup> (NPS-UDC). The NPS-UDC requires high growth councils to assess housing supply and demand, monitor and report on housing and development market indicators, and prepare 30-year future development strategies. This means they must identify spatially where future development will occur and the staging of this development. The Ministry is finding that this assessment and monitoring work is driving greater collaboration with councils as future growth planning occurs.

<sup>1</sup> A regulatory instrument issued under Section 52(2) of the Resource Management Act 1991

28. This work is particularly relevant to the NEGP because the catchments that are experiencing the most pressure and demand for new infrastructure are the same high growth urban areas identified under the NPS-UDC. This includes Greater Auckland, Greater Christchurch, Greater Hamilton, Tauranga and Western Bay of Plenty, Queenstown and, more recently, New Plymouth and Whangarei.
29. Information from local councils and other agencies such as Ministry of Housing and Urban Development have helped us develop the NEGP, and will continue to help forecast demand.
30. By taking a medium term view to 2030, we can assess whether there are potential investment gaps or affordability issues delivering the NEGP. This is a live plan that will be refreshed and updated as new information presents, and as we continue to work with other government agencies, local government, and infrastructure and service providers. This helps all parties with their long term planning and ability to adjust to trends and changes over time.

### **The network options available to respond to growth**

31. The NEGP provides options for managing growth in the short to medium term, including a range of interventions at a regional and catchment level, such as:
  - Reconfiguration of enrolment zone boundaries to better accommodate growth
  - Redeveloping existing schools to add capacity
  - Building new schools on greenfield sites
  - Developing new schools on brownfield sites – responding to urban intensification
  - Investigating options for change of class of existing schools
  - Investigating where revitalisation of less popular schools could improve utilisation
  - Assessing how we use the existing state-integrated network
  - Considering innovative types of schooling that could emerge within the network, for example an inner-city, vertically integrated urban school.

#### *Enrolment schemes as a key tool to manage growth*

32. The Ministry and school boards of trustees use a range of tools to manage and control growth at any particular school. Enrolment schemes help schools manage their rolls and avoid the risk of overcrowding.
33. Out of zone student enrolments occur across high growth areas. Factors influencing out of zone enrolments can vary but might include accessibility, specialised curriculum, historical schooling patterns, reputation, and school size or transportation.
34. In catchments of high growth and of significant urban density, the Ministry will continue to work with schools on enrolment schemes and changes to balance available provision in the schooling network. Enrolment scheme changes or the implementation of schemes in high growth catchments will most often only defer the requirements for additional places for the increasing student numbers.

### **How we are delivering through the Wellbeing Budget 2019**

#### *A multi-year capital appropriation to deliver capacity at scale*

35. The NEGP represents a step change in the way we plan for, and manage, growth in the school-age population across New Zealand. In response, the Wellbeing Budget 2019, for the

first time, makes a multi-year commitment to build new schools and more classrooms as part of the \$1.2 billion School Property 10 Year Programme.

36. The programme has set aside capital funding of \$1.2 billion to deliver approximately 24,000 student spaces. s 9(2)(f)(iv) [REDACTED] It also provides funding for new kura and learning support schools. 12,500 spaces will be in Auckland and 11,500 across the rest of New Zealand.
37. This more than doubles the 22,000 student spaces that are already funded and represents a significant step forward on how growth has been addressed previously. Further funding for the programme will be sought in future budgets to deliver the remaining forecasted student places to 2030.

*The programme will be delivered through four waves*

38. The initial \$1.2 billion of investment will be delivered in four waves. This will allow the Ministry to work closely with the construction sector to get the right mix of large, medium and small projects across the regions of growth. It will allow the Ministry to deliver at scale and use local suppliers in the regions when appropriate. Phasing the investment over 10 years (as opposed to the traditional 4 year time frame) provides greater certainty and the opportunity to leverage contract efficiencies that come from committing to a longer pipeline of work and will, over time, allow the Ministry to deliver more effectively.

*Delivery of wave one*

39. The Ministry is ready to deliver wave one of the programme and will drawdown through the Wellbeing Budget 2019 \$286.84 million in new capital and around \$40 million in operating (includes depreciation and capital charge) to build three new schools, expand four recently built schools and add around 150 roll growth classrooms to existing schools experiencing increasing rolls. The funding will also reimburse the Ministry for land already purchased for the planned new schools. The investment will deliver nearly 6,000 new student places in high demand areas of New Zealand over the next four years.

*The drawdown of waves two to four*

40. Funding of \$913.16 million for waves 2-4 of the programme will deliver a further 18,000 student places and is held in a tagged contingency. The funding for wave two will be drawn down subject to cabinet approval when I report back to Cabinet in 2019. It will outline the list of projects to be delivered in wave two, and an update on wave one projects. This will be summarised in a programme delivery plan. The plan will include detailed timeframes, costs, and expected benefits for the programme as a whole. Given the scale of investment, and the likelihood of requiring top up funding in future budgets, to address all future demand, I will be outlining in my report back to Cabinet the effectiveness of this long-term, strategic response to population growth, and the ability of the programme to respond to demographic changes across the schooling network to achieve the objectives outlined in the NEGP.
41. I will seek approval from Cabinet each year for future drawdowns and update on progress. I anticipate an annual report back to Cabinet for waves three and four.
42. The School Property 10 Year Programme is based on our current assessment and analysis of the best combination of funding and delivery options and approaches, but is likely subject to revision and change as forecasts develop and evolve over time, particularly in regard to waves 2 to 4.

*How we are improving the existing property network*

43. The School Property 10 Year Programme relates to new capital spending in schools. On top of this, I am also ensuring that existing schools get the funding they need to ensure their classrooms are fit for purpose. In addition to adding capacity the Ministry has a plan to upgrade school property through redevelopment of existing facilities. I have made a number of announcements recently in relation to this investment in schools and expect this to continue as we work through the pipeline of upgrade work.
44. Current estimates indicate that there are between 100-150 schools in the pipeline that will require significant upgrade over the next 10 years. The cost and scale of this work is still to be determined, and will be informed by factors such as individual building condition. To date, we have invested in 8 additional and 2 expanded redevelopment projects, committing over \$250 million. Funding for this work is covered by Ministry baseline depreciation funding, specifically set aside to address these issues. It is likely that more schools will be identified as needing to be upgraded as the programme progresses towards 2030.

#### *Comprehensive Reform of School Property*

45. In April 2018, Cabinet agreed to the Ministry of Education identifying opportunities to optimise the management, maintenance and efficiency of school property, through a Comprehensive Reform of School Property. The reform programme will be tailored to ensure all students and teachers can learn and work in quality environments that support their success.
46. The School Property 10 Year Programme is a first step towards this reform programme, enabling the Ministry to intervene in property issues earlier, invest more effectively, and reduce the property burden on Principals and Boards.
47. Given the complexities and interdependencies across the Education Work Programme, I recommend that wider changes through the Comprehensive Reform of School Property should be considered in light of possible system changes through the Government's response to the recommendations of the Tomorrow's Schools Independent Taskforce.

#### **Developing the broader network plan to 2030 and plans for Learning Support and Māori Medium**

48. The NEGP information and data will be used over the next decade to work with communities to co-create schooling networks. It is an opportunity to ensure we are providing schools that are in the right place, have the right kinds of learning environments, and support community aspirations and wellbeing outcomes.
49. The Ministry will also apply its forecasting methodology and planning lens to the remaining areas of New Zealand that may not be experiencing high growth, but are growing or are currently stable or potentially in decline. The Ministry will consider the quality of the schooling network and the choices families are able to make in these areas to ensure there is quality and equity right across our schooling system.
50. The focus on areas of highest need means other education provision (e.g. Māori medium and learning support) now require more dedicated resource to gather data and insights to develop the long term vision in these areas.
51. We know we need to do better for our tamariki and mokopuna within Māori medium immersion and bilingual settings. Some regions have identified specific demand and supply needs for te reo Māori pathways that require prioritisation in the growth plan. This approach demonstrates a need for nationally consistent and culturally responsive practice when co-creating policies/strategies for Māori about their education.



52. A te reo Māori network strategy is required to ensure access to Māori medium and bi-lingual education is equitable, accessible and meets the education aspirations and hauora of tamariki and their whānau. There are opportunities to grow both English and Māori medium provision (e.g. sharing sites as two equitable and independent schooling options).
53. The Ministry will also need to better understand and plan for growth across its learning support provision and further understand demand pressures to support access to early childhood education and transitions into local schools.
54. The Ministry currently has no role in planning or management of the Early Learning network. It only gets involved in licencing new centres and licences must be approved if the criteria is met. This has on occasion led to an oversupply in some locations with centres very close to each other. I have signalled as part of the Early Learning Strategic Plan that this needs to change. The Ministry is working on options for network planning in this area.
55. Wellbeing frameworks have been considered when developing the NEGP. These are in the development phase but any actions resulting from the frameworks, and future iterations of them, will have wellbeing initiatives at their core. This means considering broader community and social capital implications of investments in school infrastructure and providing the capabilities and opportunities for all children and young people to live lives with purpose, balance and meaning.
56. The NEGP is a flexible, dynamic and live document, subject to change and revision as required as new areas of growth emerge or patterns of development change. We will monitor the NEGP annually and review as required to ensure that we are continuing to provide accurate, reliable and up-to date information and data to inform the right investment decisions into the future.

#### **How this impacts on the wider Education Work Programme**

57. I have a comprehensive programme of work underway through the Education Work Programme, as agreed by Cabinet last year [SWC-18-Min-0004 refers]. Over the coming year, I will be asking Cabinet to consider the outcomes of three significant reviews – the Review of Vocational Education, the recommendations of the Tomorrow's Schools Independent Taskforce, and the Early Learning Strategic Plan.
58. These reviews will not change the need to manage, maintain and grow the schooling network in response to current and forecast increases in the schools age population; but they may impact on future education provision. Any changes arising from the reviews will take time to implement, require careful consideration about feasibility, resourcing, timing and sequencing and likely wide engagement. The NEGP and the Comprehensive Reform of School Property will need to be adaptable to the implications of the reviews.

#### **Consultation**

59. A range of key stakeholders including local authorities and government agencies, including the New Zealand Transport Agency, the Ministry of Business Innovation and Employment, and Ministry of Housing and Urban Development, have been engaged with and consulted on the development of the NEGP.
60. The Ministry has consulted with Treasury on the development of the NEGP and on this cabinet paper.
61. The Ministry will continue to engage with education sector groups, central and local government and community groups as the NEGP is further developed and implemented.

## **Financial Implications**

62. This paper itself has no direct financial implications. Budget decisions to meet the demand for student places to 2030 in the NEGP will be sought through the Wellbeing Budget 2019 and subsequent budgets.

## **Legislative Implications**

63. There are no legislative implications associated with this paper.

## **Impact Analysis**

64. Impact Analysis requirements do not apply.

## **Human Rights**

65. The proposals in this paper are consistent with the requirements of the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993. They support Government's commitment under the United Nations Convention on the Rights of the Child which includes the right to schooling without any type of discrimination, including on the basis of disability, and places strong emphasis on child wellbeing and development in an inclusive education system.

## **Gender Implications**

66. Gender neutral facilities are considered as part of the design and development of all new school builds.

## **Disability Perspective**

67. Disability perspectives are considered in all school infrastructure investments.
68. Any proposals associated with this paper and the NEGP will be consistent with Article 24 of the United Nations Convention on the Rights of Disabled Persons. Article 24 recognises the rights of persons with disabilities to education, with a view to people being able to realise this right without discrimination and on the basis of equality of opportunity.
69. Any changes will advance the objectives of the New Zealand Disability Strategy including to provide the best education for disabled people, create long term support systems centred on the individual and enable disabled youth to lead full and active lives.

## **Communications and Publicity**

70. The NEGP will provide transparency to our stakeholders, schools, the education sector and communities with regard to our long-term planning nationwide.
71. A communications and engagement plan will be prepared to announce the NEGP and the \$1.2 billion investment to deliver approximately 24,000 new student spaces in New Zealand schools. I intend to follow this with a phased programme of regional announcements, including release of the region-specific plans.
72. I propose to release information about the proposals outlined in this paper, once final Cabinet decisions are taken, at an appropriate time.

## Proactive Release

73. There is likely to be widespread interest in this work, including from the public, the education sector, local government and other government agencies. Accordingly, I intend to proactively release the NEGP. The release will be subject to commercial sensitivity for planning purposes and will meet the requirements of the Official Information Act 1982.

## Recommendations

74. The Minister for Education recommends that the Committee:
1. **note** that I asked the Ministry to establish the NEGP to further address the complexity and transformation required across all of New Zealand's high growth regions to ensure that sufficient capacity nationwide is delivered in the right place at the right time.
  2. **note** that the NEGP forecasts that approximately 100,000 additional student places will be required by 2030 in schools across 39 high growth areas, with 22,000 of these already being delivered.
  3. **note** that the Wellbeing Budget 2019 will allocate \$1.2 billion to add 24,000 additional student spaces across New Zealand, more than doubling the current number of student spaces being funded and delivered.
  4. **note** that the \$1.2 billion of new capital to deliver 24,000 student places will be managed through four funding waves, through the School Property 10 Year Programme. Wave one of \$286 million will be appropriated in the Wellbeing Budget 2019 with the remaining waves 2-4 funding of \$913 million held in tagged contingency. The Ministry is developing a delivery plan to manage the drawdown of funding. I will seek approval from Cabinet each year for future drawdowns and update on progress.
  5. **note** that the School Property 10 Year Programme is a first step towards a *Comprehensive Reform of School Property* and that further property reform will be considered in light of possible wider system changes through the Government's response to the recommendations of the Tomorrow's Schools Independent Taskforce.
  6. **note** that the Ministry is planning to expand the framework of the NEGP across all regions and their catchments in 2019.
  7. **note** that the Ministry will develop national plans for Learning Support and Māori medium education provision in 2019/20.
  8. **note** that I plan to release the NEGP progressively, on a region-by-region basis, as part of a series of regional Budget announcements in June and July 2019.
  9. **agree** to the National Education Growth Plan to 2030 and its approach to manage, maintain and grow the schooling network in response to current and forecast increases in the school age population.
  10. **note** that two examples of catchment-specific plans are included for your consideration, alongside a national overview. These are subject to change over time as the Ministry works with local communities and receives updated projections.

Authorised for lodgement

Hon Chris Hipkins  
Minister for Education

Proactively Released by the Minister of Education

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