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School Property Funding in New Zealand

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discussed these issues and have attempted solutions with varying degrees of success. Technology has improved offering the foundation to realise ongoing dreams for the potential of the learning environment. This seminar gave energy to those dreams through built examples and demonstration projects which explored many possibilities. The initiatives on the part of the UK Department for Education and Skills inspired the discussions and were echoed in the work of others from throughout the world. This is a continuing discussion giving evidence that, as described by John Locke of New Zealand, the quality of life for the learner and learning leader will improve in the future.

Web sites

www.notschool.net

www.joinedupdesignforschools.com

www.sorrellfoundation.com

www.i-cert.net (Ultralab)

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SCHOOL PROPERTY FUNDING IN NEW ZEALAND

New Zealand's special funding system allows state schools a greater level of independence in managing their property compared to most other countries. Schools receive a fixed budget as an entitlement from the three "pots" of the educational property funding structure. The government's unique use of accrual accounting together with a new Five-Year Property Plan agreement gives schools a high degree of certainty of the property funding available, as well as responsibility for deciding how to modernise their own buildings.

The government delegates expenditure decisions to schools in the belief that those who are closest to the educational action are best placed to solve their related property problems.

Background

The framework under which New Zealand schools operate was established in 1989 and is called "Tomorrow's schools". The Ministry of Education for the most part owns the schools' land and buildings, however with the advent of this framework, property became the responsibility of

the individual schools (under their Boards of Trustees¹). Initially under "Tomorrow's schools", property was allocated to schools which bid for it to the government and therefore depended on their lobbying skills and often on the projects' attractiveness. A survey in 1998 showed that, despite the NZD 500 million spent on deferred works over the framework's first decade, schools were unhappy with the state of the buildings and with the lack of transparency in how funding was allocated; many felt they were not getting their fair share.

In 2000, a new programme was designed to overcome variability in funding between schools. The Five-Year Property Plan agreement introduces fixed budgets and allows the schools themselves to decide how best to utilise funds available from the government.

Property funding structure

The educational property funding structure in New Zealand is comprised of three "pots": maintenance, baseline and capital injection (in 2004, NZD 62 million, NZD 204 million and NZD 90 million respectively). The first two "pots" cover existing buildings and the third serves to ensure that enough property is available. The Ministry of Education provides all three "pots" to schools on an entitlement basis; that is, schools no longer lobby the ministry to gain access to them. The ministry itself receives funding from the New Zealand government as an entitlement for the first two pots only; the third, the capital injection, is the subject of an annual business case to Treasury which sets out the demand for new buildings to support growth forecasts.

The New Zealand government uses accrual accounting, rather than cash accounting, for managing its books and presenting its National Accounts; therefore the Ministry of Education is not obliged to turn to the Treasury annually for either the maintenance or baseline funds.² The result is that depreciation, and hence the cash it generates for school maintenance and improvements, is an entitlement. The entitlement basis of this funding gives both the ministry and schools a greater degree of certainty of income and consequently a longer-term planning horizon.

1. Each school's Board of Trustees reports directly to the government (the Ministry of Education acting as the government's agent); there are no intermediate bodies.

2. In accrual accounting, depreciation is an automatic line item, whereas cash accounting has no allowance for depreciation (hence the annual negotiations between education ministries and treasuries for school modernisation in some countries).

Maintenance

Maintenance funding is supplied to schools through their “operations grant” and averages NZD 10/m² for existing property. This cash is not tagged to property items and indeed may be spent anyway the school desires. It is designed to cover items that would need maintaining within a ten-year cycle. Schools’ accountability for keeping their buildings well maintained is provided through a ten-year property plan which they are required to review every three years.

Baseline

Baseline funding is supplied to schools both to keep up the building fabric (not covered by routine maintenance funding) and to upgrade buildings for changing use.

As with short-term maintenance, covered by the operations grant, schools are required to forecast longer term “baseline” maintenance for projects in their ten-year property plan.

Capital injection

Capital injection is additional funding provided to schools for enrolment growth classrooms and school property guide deficiencies as well as for new educational policy. Enrolment growth classrooms are to ensure that enough classrooms for the teachers supplied. The school property guide area is the total property “envelope” (not individual facilities, such as an administration block) that a school is entitled to depending on its total enrolment and enrolment structure. This funding results in increased square metres.

Five-Year Property Plan

Under the Five-Year Property Plan (5YPP) agreement, budgets are set in a transparent way and take account of each school’s previous expenditure. The schools not only decide on the property projects they will undertake but also manage them with no intervention from the Ministry of Education, once a five year agreement is signed.

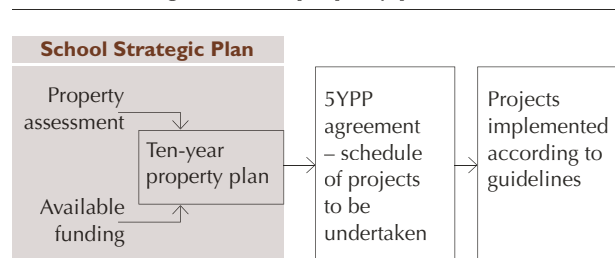
The 5YPP agreement is based on a school’s strategic plan for education and its property plan. First the school writes a ten-year strategic education plan, followed by a ten-year property plan which supports the education plan and is broken up into two five-year periods. The school must design its strategic and property plans according to National Administrative Guidelines and National Educational Guidelines.

Once the school and the ministry reach an agreement on the property plan, the ministry fixes the school’s five-year

property budget. The ministry can choose not to sign the agreement if it considers that the plan overlooks parts of the plan. However the ministry is generally lightheaded, expecting schools to build the new buildings they propose, and only intervenes in exceptional circumstances. Further, when implementing their projects, schools must follow the ministry’s Property Management Guidelines. The budget is based on the year levels of its students and the amount of modernisation funding the school has received over the previous 25 years.

To calculate the budget, first the total quantum of funds available to the ministry is derived from the replacement value of New Zealand’s school property (NZD 5 billion) using the line item “Depreciation”, at a rate of 4%. This generates baseline funding of NZD 200 million annually. The total area of school property is 5 million m² thus the average funding rate is NZD 40/m². However the state of school property varies dramatically across the country, and to address this deficiency there is a minimum baseline of NZD 20/m² and a catch-up rate to recognise past funding that an individual school has received. The actual range of funding provided varies from NZD 20 to NZD 70/m².

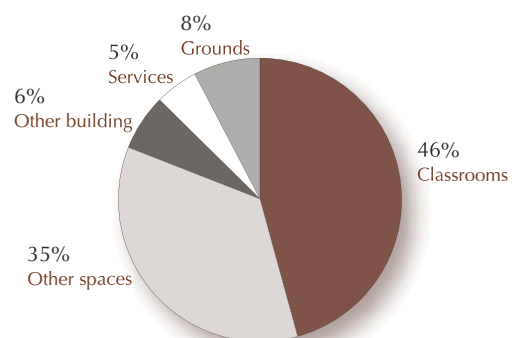
Figure 1. The property process



Assessment of 5YPP

The 5YPP programme has been assessed from three perspectives: the type of projects undertaken by schools, the size of the projects, and the schools’ views of the process. The breakdown of the type of projects is shown in Figure 2.

Figure 2. Type of 5YPP projects, 2000-03



Surprisingly, over 50% of the projects cost less than NZD 25 000 and nearly three quarters cost less than NZD 50 000. This is despite no school having a budget below NZD 30 000 and 75% of the schools having a budget over NZD 60 000. The average budgets for schools are shown in Table 1.

Table 1. Average 5YPP budgets for schools of different enrolment sizes

Enrolment	5YPP budget (NZD)
< 100	60 000
100 - 249	175 000
250 - 749	430 000
750 +	1 500 000

The Ministry of Education surveyed 200 schools in 2003. On the whole, schools are positive about the new regime. Most believe that there is now far better overall planning for a property strategy within their school. Similarly the 5YPP programme is seen to enhance school culture, better align property with educational priorities, create more opportunities to self-manage, give more certainty as regards funding for property, create better opportunities to maximise the use of funding and promote innovation.

Future projects

The ministry is developing projects to help schools make property decisions. One is a methodology to evaluate the quality of facilities, giving special attention to the classroom. Another major project is to improve the quality of information to schools, in particular how property can enhance educational outcomes.

New Zealand is giving their schools power to make the decisions they think will create learning environments that will best suit their students for the 21st century. This is a framework that allows experimentation by schools. While some mistakes may be made they are confined to a particular school, and successes can be copied by other schools that believe them appropriate for their students.

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CRIME PREVENTION THROUGH ENVIRONMENTAL DESIGN

Crime Prevention Through Environmental Design (CPTED, pronounced \sep-ted\) is a term that was coined by U.S. criminologist C. Ray Jeffery in the early 1970s. In essence, Jeffery's work suggests that the physical and social environment can provide opportunities for crime to occur, and it follows that opportunities for crime can be reduced by varying environmental factors. Jeffery's CPTED concept, along with the principles of "Defensible Space"¹ advanced by architect and researcher Oscar Newman around the same time, was a turning point in the evolution of the "art" of crime prevention. Applying CPTED strategies to schools can significantly contribute to a safer learning environment by influencing the behaviour of students and visitors.

CPTED has three overlapping primary concepts that are intended to reduce opportunities for crime as well as fear of crime: access control, surveillance and territorial reinforcement. These core concepts offer a framework for the effective design and use of space to minimise undesired behaviour. It should be noted that while the design of an environment is important, the use and management of that space is equally important when applying CPTED strategies.

In a CPTED context, the term *access control* refers to the use of symbolic or actual barriers to restrict, encourage or channel the movement of people or vehicles into, out of and within designated areas. Access control assists with defining space and contributes to the approach of territorial reinforcement.

Surveillance is intended to increase the opportunity to see and be seen within a given space, through improved sightlines, lighting, and compatible adjacent uses. This has the affect of discouraging undesired behaviour by enhancing opportunities for intervention.

Territorial reinforcement aims to strengthen ownership and behavioural expectations within a given space, as well as to facilitate guardianship. Both access control and surveillance contribute to defining the territory and raise expectations that there will be a response to undesired behaviour.

1. Newman, Oscar (1972), *Defensible Space: Crime Prevention Through Urban Design*, Macmillan, New York, NY.