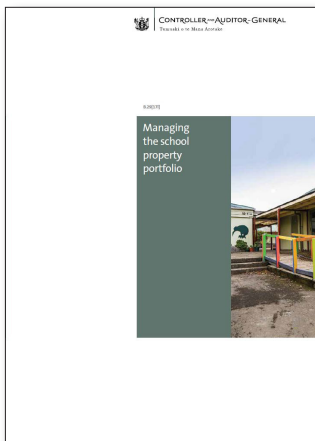




# Summary of our report

## Managing the school property portfolio



The school property portfolio, valued at about \$14 billion at 30 June 2016, is one of the largest publicly owned portfolios of property assets. It is also arguably the most complex. Although the Crown owns the school property and the Ministry of Education (the Ministry) has overall responsibility for its management, some of the responsibilities for managing school property rest with more than 2100 school boards of trustees.

We last looked at how the Ministry manages school property in 2006. Then, the Ministry did not have a strategic plan for managing the school property portfolio, did not have information on the condition of school property, and did not know how well schools were maintaining their buildings. We made 24 recommendations.

For this report, we looked at the effectiveness of the Ministry's property strategy and the Ministry's role as an asset manager, including how well the Ministry plans, monitors, and reports on its performance against the strategy. Because of the important role school boards of trustees play in managing school property, we asked a sample of 39 schools for their views on school property matters and the support the Ministry gives them.

Given the significance of the school property portfolio, we expected the property function to be integral to the Ministry's operations. Instead, we found that there is only limited consideration of property matters in the Ministry's accountability documents, strategic planning, risk management, and performance information framework. Property is seen by the Ministry as infrastructure supporting schools and there is no direct link made by the Ministry to how good property management can positively affect educational outcomes. We consider that property is more than bricks and mortar. It is critical to educational success.

Schools have a limited understanding of the Ministry's property strategy, but are generally clear on their day-to-day responsibilities for managing school property. Some of the responsibilities are often delegated to external property planners and project managers. However, most schools we talked to felt they needed more training and support in property matters. Property is an important part of the school boards' and principals' role, and they need to be better equipped to carry out this role.

### Vital statistics:

- 58 pages
- Presented to Parliament on 27 July 2017
- Download from [www.oag.govt.nz](http://www.oag.govt.nz)
- Contact: [reports@oag.govt.nz](mailto:reports@oag.govt.nz)

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The Ministry has considerably strengthened its approach to managing school property in the 10 years since our last report. In 2013, the Ministry set up Education Infrastructure Services (a business unit in the Ministry) to manage the school property portfolio. This has increased the Ministry's capacity and capability, particularly in planning and directing major programmes of work, providing high-quality technical guidance to those providing professional services to the sector, and communicating more clearly with schools.

However, there is room for further improvement. We saw no evidence that the Ministry uses its whole-of-portfolio view of the condition of school property for decision-making. Instead, it has relied on its staff putting business cases forward for the schools most in need of investment. The Ministry also does not know whether schools are spending their annual maintenance funding wisely or getting value for money.

We acknowledge that there are currently some barriers to the Ministry being able to act as an effective asset manager. These include current funding mechanisms and how it deals with the large amount of underutilised classrooms. However, the Ministry needs to consider how it can better use information from schools, such as monitoring the use of maintenance funding and sharing the lessons from projects of all sizes. The Ministry should also consider how it uses the levers available to it to ensure that schools are using the funding provided effectively and efficiently.

Our report includes eight recommendations for the Ministry, one of which was also a recommendation in our 2006 report.