

Office of Te Minita Whanaketanga

Cabinet Social Wellbeing Committee

Supporting Māori Boarding Schools: Infrastructure Investment Model

Proposal

- 1 This paper seeks agreement to a funding allocation model for progressing the four Māori boarding schools' infrastructure improvements and the transfer of monies.

Government Priorities

- 2 This initiative supports the Government's education, te reo Māori revitalisation, and modernising aging infrastructure priorities, including strategies such as *Ka Hikitia*, *Tau Mai Te Reo*, and the *Maihi Karauna / Maihi Māori*.
- 3 *Tau Mai Te Reo* is the Māori language in education strategy which reflects the central role of Māori identity, language and culture to Māori enjoying and achieving educational success. This is critical to achieving positive outcomes for Māori and New Zealand's ongoing economic and social outcomes.
- 4 It also aligns with the Government's commitment for New Zealand to be the best place for children to grow up and connects with domestic government work programmes such as Te Pae Tawhiti (WAI 262) which has a strong focus on Māori culture, identity, and language outcomes.
- 5 There are strong links to international indigenous rights instruments. The UN Declaration on Indigenous Rights, which is supported by New Zealand, states that indigenous peoples have rights to their own institutions, spiritual and religious customs and language and identity, and the improvement of their social conditions, including in education and other areas.

Executive Summary

- 6 The Māori Boarding Schools initiative requires an investment allocation decision so the remaining funds - \$14.952 million - can be fully distributed to the four schools involved: Hukarere Girls' College (Hukarere), Te Aute College (Te Aute), Hato Pāora College (Hato Pāora), and St Joseph's Māori Girls' College (St Joseph's).
- 7 While within my ministerial delegation, I consider it prudent - given the other portfolio interests involved (e.g., Education and Māori Crown Relations) - that a collective Cabinet decision is reached regarding my proposal as set out in paragraph 11.
- 8 In Budget 2021, \$20 million over a two-year period (2021/22 and 2022/23) was allocated to address significant critical infrastructure issues at the Māori boarding schools. This fulfilled the Government's Māori manifesto commitment to recognise the important role Māori boarding schools play in growing future Māori leaders and to assist them "*to continue to house, educate and manaaki rangatahi in their care.*"

- 9 Condition assessments were undertaken to establish the state of infrastructure for the private facilities at each school (e.g., the hostels) and the estimated costs to remediate. Common issues include roofing problems, asbestos, and deficient electrical, plumbing, and fire safety systems. This process identified that St Joseph's has the highest level of critical infrastructure needs to be addressed, Te Aute and Hato Pāora have similar levels of critical infrastructure need, and Hukarere has a lower level of critical infrastructure to be addressed.
- 10 As a result of the assessments, several infrastructure issues were identified at two of the hostels requiring urgent attention as they carried immediate health and safety risks to the students. To address these, I approved the initial funding of \$2.337 million to both Hato Pāora and St Joseph's in April 2022 so this work could begin.
- 11 Given the infrastructure assessments point to differing levels of critical infrastructure that need to be addressed across the schools, a simple allocation of a four-way split across the schools is not practicable. I now seek agreement to a needs-based allocation across the schools as follows:

Table 1. Proposed funding allocation*

SCHOOL	PROPOSED FUNDING ALLOCATION (\$)
<i>St Joseph's</i>	\$8.7m
<i>Hato Pāora</i>	\$5.2m
<i>Te Aute</i>	\$5.1m
<i>Hukarere</i>	\$1.0m
Total	\$20m

**Less the early release payments of \$2,337,000 made to Hato Pāora and St Joseph's and departmental administration costs.*

- 12 This allocation will ensure the Proprietors of the schools have sufficient resources made available to support them to ensure their hostels and the facilities required to support the hostel (e.g., kitchen, dining, common spaces) meet minimum safety expectations for at least the next five years. In doing so, this investment will maintain four important Māori institutions and enable them to continue to produce Māori leaders and provide a safe and healthy environment for rangatahi.
- 13 Due to rising construction costs, the schools will have to prioritise improvements to stay within the available funding envelope. Such matters will need to be considered by the Proprietors as they develop their programmes of works.
- 14 As the available funding was appropriated to address critical infrastructure needs it will not address many of the challenges the Proprietors face as they lie outside of the scope of this work. This means the long-term viability of the schools remains an ongoing issue.

Background

Government Māori Manifesto Commitment and Budget 2021

- 15 In Budget 2021, \$20 million over a two-year period (2021/22 and 2022/23) was allocated to Vote Māori Development to address significant critical infrastructure issues at the four remaining Māori boarding schools. This initiative also fulfils the Government's Māori manifesto commitment to recognise the important role these schools play in growing future Māori leaders and to assist them *"to continue to house, educate and manaaki rangatahi in their care."*
- 16 The scope of the appropriation is limited to addressing the critical infrastructure needs of boarding hostels and other associated private facilities at the schools. 'Critical infrastructure' includes dormitories, kitchens, laundries, plumbing and electrical systems. As the Ministry of Education funds classroom infrastructure and chapels are the responsibility of the churches these facilities are out of appropriation scope.
- 17 The funding is intended to improve the quality of the property infrastructure, particularly boarding facilities, to ensure students are safe and well housed. Funding performance measures include critical infrastructure priorities to be identified for the four Māori boarding schools and for approaches to infrastructure sustainability to be considered through a Te Puni Kōkiri facilitated process.

Māori Boarding Schools have a unique character and whakapapa

- 18 Māori boarding schools are iconic Māori institutions. While usually considered within an education context, these schools are significant to Māoridom as having played an important role in growing Māori leaders throughout the history of Māori communities and wider New Zealand.
- 19 For over 160 years, Māori boarding schools have produced high calibre Māori leaders such as Sir Apirana Ngata, Sir Peter Te Rangihiroa Buck, Sir Maui Pōmare, Dame Whina Cooper and many more pupils that have contributed to Māori communities, leadership roles in Aotearoa, and the preservation of Māori culture. The schools with their boarding facilities continue to nurture young Māori leaders and provide quality education.
- 20 All four Māori boarding schools are Special Character State-Integrated schools.¹ Their special characters are based on a blend of tikanga Māori and religious values; each proprietor relates to a Church body either Anglican or Catholic.²

¹ Education in state integrated schools is funded by the government, but schools will also charge compulsory fees - also known as 'attendance dues' - to help maintain their facilities.

² Te Aute and Hukarere are Anglican schools while Hato Pāora and St Joseph's are Catholic.

- 21 A strong sense of leadership and lived Māori values are instilled in students through the boarding experience, not just through schooling. Māori boarding schools have been long-standing and strong advocates of te reo me ngā tikanga Māori, kapa haka and other aspects of Māori culture. As noted in the manifesto commitment, the rangatahi who attend these schools “*live and breathe tikanga, reo and develop a sense of whanaungatanga that can only be achieved inside these unique institutions.*”
- 22 Only four Māori boarding schools remain in New Zealand: St Joseph’s (Hawke’s Bay), Hukarere (Hawke’s Bay), Te Aute (Hawke’s Bay) and Hato Pāora (Feilding). As state-integrated schools with significant history and mana, the schools themselves are unique and different to the broader schooling system and pre-date the current Māori-medium setting of education.
- 23 Today, the Māori boarding schools have very small rolls compared to the average secondary school (the average roll for a secondary school is 845) which impacts their income streams.³ All the hostels and associated facilities are under the ownership of Proprietors who have responsibilities under Part 33 of the Education and Training Act 2020.
- 24 As at 1 July 2021, the rolls of the Māori boarding schools were:

Table 2: School population

St Joseph’s	176 students
Hato Pāora	127 students
Te Aute	82 students
Hukarere	82 students

Maintaining infrastructure to acceptable standards is difficult

- 25 Many of the hostel and associated facilities are now very dated. At least one-third of the buildings across all four schools were first built more than 50 years ago. New health and safety regulations have also brought additional and costly requirements for more boarding staff. These costs coupled with dated accommodation and related facilities have a negative impact on the overall sustainability of the schools and in some cases has created a spiral of decline.
- 26 This situation also runs the risk of hostel closure. The standards codified in the Education (Hostels) Regulations 2005 have the primary purpose of ensuring the safety of boarders in school hostels. The Regulations cover governance and management of hostels as well as minimum standards for hostel premises and facilities. As the licensing authority, the Ministry must ensure that school hostels provide evidence of maintaining these standards in order to have their licence renewed every three years. Hostels that do not hold a current licence cannot accommodate boarders.
- 27 Low attendance dues from small roll numbers, along with a need to ensure fees are affordable to a broad range of whānau has made it difficult for the Proprietors to raise sufficient funding to meet the ongoing capital upgrades

³ With the establishment of Kura Kaupapa Māori and Wharekura (Māori-medium education schools) across Aotearoa, more whānau Māori are choosing to enrol their tamariki and mokopuna into kaupapa Māori based schools closer to home.

required by the schools to keep pace with modern expectations, affecting the overall physical environment in which future leaders are developed.

- 28 There have been successive attempts to seek significant capital injections from the relevant churches and while they remain strongly involved it was necessary for the Government to provide some short-term funding to enable critical infrastructure problems to be addressed.⁴

Condition Assessments

Infrastructure condition assessments have been undertaken for each school

- 29 Consistent with the policy intentions for this work, a series of infrastructure condition assessments were undertaken for the hostels and associated facilities at each school. Working with each of the Proprietors of Hato Pāora and St Joseph's in 2021, Te Puni Kōkiri sought independent and appropriately qualified property consultants to undertake these assessments.
- 30 The scope of the work and approach was agreed with each Proprietor, and, in the case of Hato Pāora and St Joseph's, representatives participated in the panel decisions on the procurement of the company that conducted the assessments. The condition assessment reports for St Joseph's and Hato Pāora were externally peer-reviewed by independent experts.
- 31 The Te Aute Trust Board, supported by Te Puni Kōkiri, led its own procurement process resulting in a company being engaged to conduct the assessment. The independent experts who assessed St Joseph's and Hato Pāora's reports also visited Te Aute and Hukarere to conduct a visual site inspection.⁵
- 32 Over late 2021 and early 2022, the independent assessors conducted assessments of each of the school's non-classroom facilities resulting in advice to Te Puni Kōkiri and the school's Proprietors on the critical infrastructure problems. The timing of some of the inspections was hampered by restrictions due to COVID-19.
- 33 Onsite investigations covered the student hostels/dormitories, kitchens/laundries, roofing, and core systems such as electrical and plumbing. Infrastructure issues were identified, and estimated costs of both remedial and redevelopment options were provided to both Te Puni Kōkiri and the Proprietors. The redevelopment options identified are outside the scope of this work programme and are for the Proprietor's consideration in the future.

⁴ The Anglican Church has recently forgone a \$14.8 million debt related to Te Aute and Hukarere; the Catholic Education Board is supporting construction at St Joseph's including a Performing Arts Centre and an extension to the Gymnasium; the Catholic Diocese of Palmerston North is working closely with Hato Pāora on its remedial work and the future of the school.

⁵ Two property advisory companies undertook the assessments of the four schools during September 2021. One company was engaged by Te Aute Trust Board, as part of a wider review by the Proprietors, to inspect Te Aute and Hukarere while Te Puni Kōkiri directly contracted a company to undertake assessments of Hato Pāora and St Joseph's. Te Aute and Hukarere's estimated costs have been adjusted to ensure a similar costing methodology applies to all four schools.

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- 34 While the condition reports provide a good basis for understanding the infrastructure issues, the associated cost estimates are subject to a level of uncertainty given fast-moving increases in construction costs over the period.
- 35 More detailed investigation - including some detailed quantity surveying - will be required by the Proprietors to finalise the costs associated with any schedule of work to be undertaken. This will be done as each Proprietor develops detailed work programmes to address the upgrades required. The reports are sufficient to enable funding allocation across the schools for the purposes of addressing critical infrastructure needs.

The condition assessments found that there are health and safety issues requiring urgent remediation

- 36 Although there are commonalities across all the facilities, each school has its own unique infrastructure profile. Hukarere's hostels and facilities are in better condition overall compared to the other schools. Cost estimates provided by Te Aute Trust Board indicate the remedial work to bring Hukarere's facilities up to a modern standard fall between \$800,000 and \$1 million.
- 37 The estimated costs of upgrading Hato Pāora and Te Aute's critical infrastructure sit between \$5 million to \$5.2 million – with Hato Pāora having a marginally higher level of estimated cost to address the critical infrastructure needs than Te Aute College [REDACTED] S9(2)(b)(ii)
- 38 St Joseph's - the largest of the schools in terms of its size (square meterage and scale) and with the largest student roll - [REDACTED] S9(2)(b)(ii)
- 39 The St Joseph's condition assessments indicate that addressing the critical infrastructure issues identified by the investigators will support the Proprietor to meet the relevant regulatory standards for a period of at least 5 years. The cost estimates for the necessary remedial work and infrastructure upgrades to achieve the minimum regulatory standard are estimated to be between \$8 million and \$9.1 million.

Current status of the funds

Funds to Hato Pāora and St Joseph's have been released early to address urgent safety issues

- 40 I have already approved a payment of \$2.337 million each for the respective trust boards of Hato Pāora and St Joseph's in May 2022, to enable an immediate start on urgent works.
- 41 I deferred approving an allocation to Te Aute Trust Board, as Proprietor for Hukarere and Te Aute College, pending a Cabinet discussion on the overall investment allocation across the schools. I anticipate payments to Te Aute Trust Board in July 2022, once Cabinet has considered the proposal outlined in this paper.

Investment Allocation Approach

- 42 While an investment decision is within my ministerial delegation, I consider it prudent - given the other portfolio interests involved, particularly Education and Māori Crown relations - that a collective Cabinet decision be reached regarding my proposal, as outlined below.
- 43 A needs-based allocation model is the approach I intend to take to the overall funding allocation. An equal distribution of \$5 million for all the schools was discounted on the basis that providing Hukarere with the same level of funding as St Joseph's was not equitable, nor appropriate, given the findings in the condition assessment reports and the appropriation having been provided for critical infrastructure needs.
- 44 I now seek agreement to my approach to distributing the remaining funds - \$14.952 million - during 2022/23, as follows.

Table 3: Māori Boarding Schools Investment Model

School	Needs-based allocation model ¹	% of total funds	Proposed 2022/23 final payments
St Joseph's	\$8,700,000	43.5	\$6,200,310
Hato Pāora	\$5,200,000	26	\$2,765,760
Te Aute	\$5,100,000	25.5	\$5,004,630
Hukarere	\$1,000,000	5	\$981,300
Total	\$20,000,000	100	\$14,952,000
¹ Less payments of \$2,337,000 already made in 2021/22 to Hato Pāora and St Joseph's and departmental administration costs.			

- 45 This investment approach will result in St Joseph's receiving a higher proportion of funds overall before fees (\$8.7 million), Hato Pāora and Te Aute approximately the same (\$5.1 to \$5.2 million), and Hukarere the smallest allocation (\$1 million).
- 46 Should you agree to this model then \$2.337 million - the early release payments - will be deducted from both Hato Pāora and St Joseph's final allocations. In 2022/23, St Joseph's will receive \$6.2 million, Hato Pāora will receive \$2.766 million, and Te Aute Trust Board would receive \$5.986 million for Te Aute and Hukarere combined.
- 47 The Ministry of Education supports a needs-based approach to allocation and while the trust boards may consider each school merits more funding it is widely recognised that St Joseph's requires more financial assistance than the other schools.

Costs of remedial work versus full redevelopments

- 48 The St Joseph's report notes the hostel is likely to benefit from a full redevelopment as the construction of new, modern facilities would significantly minimise ongoing maintenance and improvement costs. [REDACTED]

S9(2)(b)(ii)

- 49 The other three schools are in similar situations. The assessors of Te Aute, Hukarere, and Hato Pāora advise that remedial works will not address deficiencies such as the lack of communal space or improve - or expand - dormitory capacity which limits future growth. These matters will need to be considered by the Proprietors as they are outside of the scope of this work.
- 50 In an environment of rising construction costs, the Proprietors will need to carefully prioritise what works are undertaken and when. The limited nature of this funding means the long-term viability of these schools is not addressed and therefore, as noted in the Budget 2021 initiative, the schools may need to reapply to the Government for further support in the future.

Monitoring and managing the investment

- 51 The master planning and feasibility process that will be undertaken by the schools will include risk assessment as well as setting realistic budgets for the critical work that needs to be undertaken.
- 52 The funding outcomes for this investment is to repair and remedy infrastructure issues within the school grounds so that, at the end of the two-year period of this agreement, it satisfies the Ministry of Education's hostel licensing requirements and all other required compliance for hostel and related infrastructure.
- 53 The monitoring process includes regular progress reports and a high-level infrastructure sustainability plan which will be provided to Te Puni Kokiri by 31 December 2023. This planning and monitoring approach will ensure that the investment will achieve the intended outcomes within the budget available.

Next Steps

- 54 With your agreement to the funding allocation across the four schools I intend to write to the three Proprietors advising them of the funding allocated to address the critical infrastructure needs at each school.
- 55 Te Puni Kōkiri will then enter into funding agreements with each Proprietor and will monitor the expenditure and the progress with addressing each Proprietors' works programme.

Financial Implications

- 56 As at the end of May 2022, \$4.7 million has been spent against the 2021/22 appropriation leaving a balance of \$5.139 million for 2021/22. An in-principle expense transfer of up to \$5.139 million has been sought to transfer any unspent 2021/22 funding to the 2022/23 financial year to ensure the full funding is available to the schools.

Legislative Implications

- 57 There are no legislative implications for this paper.

Impact analysis

- 58 A regulatory impact statement and a climate implications of policy assessment are not required for this paper.

Human Rights

- 59 Supporting Māori Boarding Schools aligns with New Zealand's existing human rights obligations and the Universal Declaration of Human Rights (the right of children to an adequate standard of living, including housing).

Consultation

- 60 The Ministry of Education, the Office for Māori Crown Relations: Te Arawhiti, and the Treasury were consulted on a draft version of this paper. The Department of Prime Minister and Cabinet was informed.

Communications

- 61 A communications package, including a media release and a factsheet, will be developed for media inquiries.
- 62 I will write to the heads of the Anglican and Catholic churches in New Zealand to advise them of the Government's investment decision and to encourage them to further support the schools given they are the Proprietors and responsible for the physical and spiritual health of the students.

Proactive Release

- 63 Subject to Cabinet approval, please note my intention to release this Cabinet paper on the Te Puni Kōkiri website within 30 working days of Cabinet approval.

Recommendations

I recommend that the Committee:

Budget 2021 funding decision

- 1 **note** that \$20 million was appropriated in Budget 2021 to improve the critical infrastructure of Māori Boarding Schools (Te Aute College, Hukarere Girls' College, Hato Pāora College, and St Joseph's Māori Girls' College).
- 2 **note** this funding fulfils a Government Māori Manifesto commitment that recognises the important role Māori boarding schools play in growing future Māori leaders and aims to assist them "*to continue to house, educate and manaaki rangatahi in their care.*"

School infrastructure condition assessments and implications

- 3 **note** that the non-classroom infrastructure of each of the four Māori boarding schools has been independently assessed by suitably qualified experts who have identified a series of critical infrastructure issues that need to be addressed if the hostels and associated facilities are to meet minimum relevant health and safety standards over the next five years.

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- 4 **note** the common critical infrastructure issues identified in the assessments included roofing problems, asbestos, and deficient electrical, plumbing, and fire safety systems and that the appropriation is confined to the private facilities of the schools, not classroom or chapel settings.
- 5 **note** that the condition assessments identified some urgent issues requiring immediate attention at St Joseph's Māori Girls College and Hato Pāora College that are being addressed through works being undertaken by the relevant Proprietors.
- 6 **note** the 'minimum standards' codified in the Education (Hostels) Regulations 2005, have the primary purpose of ensuring the safety of boarders in school hostels - hostels that do not hold a current licence cannot accommodate boarders.
- 7 **note** initial payments of \$2.337 million were provided in May 2022 to the proprietors of both Hato Pāora College and St Joseph's Māori Girls' College to address the critical works requiring immediate attention.

Funding allocation need

- 8 **note** that based on the condition assessments and advice on the estimated costs from the independent providers, the following level of funding allocation need is proposed:
- 8.1 St Joseph's Māori Girls' College (High)
- 8.2 Hato Pāora College (Medium)
- 8.3 Te Aute College (Medium)
- 8.4 Hukarere Girls' College (Low)
- 8 **agree** to the following total funding allocation from the Māori Board Schools appropriation across 2021/22 and 2022/23 to the relevant proprietors for each of the four Māori boarding schools as reflected in the table below:

St Joseph's	\$8.7m*
Hato Pāora	\$5.2m*
Te Aute	\$5.1m
Hukarere	\$1.0m
Total	\$20m
<i>*Less payments of \$2,337,000 already made in 2021/22 to Hato Pāora and St Joseph's less departmental administrative costs.</i>	

- 6 **note** that the available funding will not address longer-term challenges faced by the schools and their proprietors caused by aging building infrastructure which remain issues for them to resolve under the deeds of integration and consistent with the Education and Training Act 2020.

- 7 **note** that an in-principle expense transfer of up to \$5.139 million has been sought to transfer any un-spent 2021/22 funding to the 2022/23 financial year to ensure the funding is available following decisions in this paper.

Communications

- 8 **note** that te Minita Whanaketanga Māori will advise the Te Aute, Hukarere, Hato Pāora, and St Joseph's trust boards and the heads of the Anglican and Catholic churches regarding the Government's investment allocation decision following Cabinet confirmation.

Authorised for lodgement

Hon Willie Jackson
Te Minita Whanaketanga Māo