



# Cabinet

## Minute of Decision

*This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.*


### **Report of the Cabinet Social Wellbeing Committee: Period Ended 1 July 2022**

On 4 July 2022, Cabinet made the following decisions on the work of the Cabinet Social Wellbeing Committee for the period ended 1 July 2022:

Out of scope



Out of scope




SWC-22-MIN-0120

**Completing the Christchurch Schools Rebuild**  
Portfolio: Education

CONFIRMED

Out of scope



Rachel Hayward  
Acting Secretary of the Cabinet

Proactively Released



# Cabinet Social Wellbeing Committee

## Minute of Decision

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### Completing the Christchurch Schools Rebuild

Portfolio                      Education

On 29 June 2022, the Cabinet Social Wellbeing Committee:

#### Background

- 1        **noted** that in 2013, Cabinet approved the Christchurch Schools Rebuild Programme to build new, rebuild, or repair 115 schools damaged by the 2010 and 2011 earthquakes [EGI Min (13) 26/2];
- 2        **noted** that following Cabinet approved adjustments in 2014 [CAB Min (14) 13/8] and 2018 [CAB EGI (18) 8] the current programme envelope is \$1.353 billion;
- 3        **noted** that an independent Close Out Review was undertaken to establish the expected cost to complete the programme and identify the options to transition Christchurch Schools Rebuild schools back into business-as-usual asset management process;
- 4        **directed** the Ministry of Education (the Ministry) to close out the Christchurch Schools Rebuild programme by delivering all essential work with the inclusion of some modernisation and upgrade works where co-delivery is efficient or offers economies;
- 5        **noted** that:
  - 5.1       without additional funding the Ministry will be unable to deliver the planned scope, and works that cannot be delivered within the current Christchurch Schools Rebuild programme envelope will be deferred until funding becomes available;
  - 5.2       the Ministry intends to seek up to \$301 million of additional funding from future Budgets;
- 6        **noted** that 9(2)(i) of project risk contingency has been included in the close out review adjustment to account for future cost escalation;
- 7        **noted** that scope increase, beyond scope identified and approved through the close out review, will be met from Ministry baseline funding;

#### Updated project delegations following the Close Out Review

- 8        **approved** up to \$30.0 million for the construction of Belfast West Primary, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope;

- 9 **approved** up to 9(2)(j) for the redevelopment of Burnside High School, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope;
- 10 **approved** up to 9(2)(j) for the redevelopment of Christchurch Boys' High School, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope;
- 11 **approved** up to 9(2)(j) for the redevelopment of Christchurch Girls' High School, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope;
- 12 **approved** up to 9(2)(j) for the redevelopment of Hagley Community College, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope;
- 13 **approved** up to 9(2)(j) for the redevelopment of Heaton Intermediate, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope;
- 14 **approved** up to 9(2)(j) for the redevelopment of Hillmorton High School, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope;
- 15 **approved** up to 9(2)(j) for the redevelopment of Papanui High School, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope;
- 16 **approved** up to 9(2)(j) for the redevelopment of Riccarton High School, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope;
- 17 **approved** up to 9(2)(j) for the redevelopment of Te Kura Kaupapa Māori o Te Whanau Tahi, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope;
- 18 **authorised** the Secretary for Education to sign construction contracts on behalf of the Ministry for the projects approved in the above paragraphs;
- 19 **authorised** the Minister of Finance and Minister of Education to jointly approve any future Christchurch School Rebuild project budget changes over \$35 million, where these can be met from the Christchurch Schools Rebuild programme envelope.

Rachel Clarke  
Committee Secretary

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**Present:**

Hon Grant Robertson  
Hon Kelvin Davis  
Hon Chris Hipkins  
Hon Carmel Sepuloni (Chair)  
Hon Andrew Little  
Hon Poto Williams  
Hon Peeni Henare  
Hon Kiri Allan  
Hon Dr Ayesha Verrall  
Hon Priyanca Radhakrishnan  
Hon Aupito William Sio  
Hon Meka Whaitiri

**Officials present from:**

Office of the Prime Minister  
Office of the Chair  
Officials Committee for SWC

In Confidence

Office of the Minister of Education

Cabinet Committee

## Completing the Christchurch Schools Rebuild Programme

### Proposal

- 1 I am seeking agreement to close out the Christchurch Schools Rebuild (CSR) programme, and transition schools back to business-as-usual asset management processes. This paper seeks Cabinet approval to confirm the final scope and close out the CSR programme by increasing the overall programme envelope by \$301 million.
- 2 Increasing the programme envelope and completing the programme now will enable us to utilise the market capacity in Christchurch and minimise our outstanding condition liabilities at Christchurch schools. Funding the programme will remain subject to prioritisation through future Budget rounds.

### Relation to Government Priorities

- 3 Raising student achievement and ensuring that all young people can access high quality teaching in modern educational environments is one of the Government's main priorities. The CSR programme has enabled the wider transformation of education in Christchurch, supporting a better alignment of the education network with the needs of post-earthquake students.
- 4 The programme has focussed on delivering better outcomes for all learners, providing for diversity and choice, and reflecting the aspirations and values of local communities through the physical buildings.
- 5 The Christchurch schooling network has benefitted from the significant investment over the duration of the programme with access to quality, modern classrooms and facilities. Now that the programme is nearing completion, it is important that Christchurch schools are supported as they are transitioned back into the business-as-usual asset management process. Further investment in Christchurch schools must occur within the context of the wider goals for the national school property portfolio.
- 6 The renewal of the education network in greater Christchurch has been a major source of economic activity, creating employment opportunities in the infrastructure and education sector. Completing the programme now provides the opportunity to leverage off an existing programme to deliver the programme's final projects, while continuing to support a sustainable economy.

## Executive Summary

- 7 The CSR programme was established in 2013 to build new, rebuild or repair 115 schools damaged by the 2010 and 2011 earthquakes, affecting around 45,000 students in the wider Christchurch area [CAB EGI (13) 234].
- 8 The programme set out to both restore the education system after the Christchurch earthquakes, and to “renew and modernise” affected schools [CAB Min (13) 39/6A].
- 9 The programme was originally focused on addressing earthquake damage. However, as projects began it became apparent the programme would also have to address years of historic underfunding and deferred maintenance.

### *Recommended approach to complete the programme*

- 10 The CSR programme is a proven infrastructure programme that has consistently delivered at a large scale. Since the programme was established, the Government has committed to a programme envelope of \$1.353 billion, and works are complete at 75 of the 115 schools.
- 11 The programme is now nearing completion, and it is appropriate to consider how to close out the programme. Christchurch schools need to transition back to business-as-usual asset management.
- 12 Over the past two years there has been significant cost escalation and inflation. Projects originally costing in 2013, or even those costing at the midpoint review in 2018 [CAB EGI (18) 8], could not have anticipated the impact of a global pandemic on construction market supply.
- 13 In early 2021, the Ministry commissioned an independent Close Out Review (COR), to establish the options and expected cost to complete the programme and identify the implications of transitioning CSR schools back into the business-as-usual asset management process.
- 14 As a result of price escalations that have had impacts across the whole sector, the CSR programme requires additional funding to deliver the intended scope of the original programme and ensure stakeholder expectations are met.
- 15 Following the COR, I considered several options, including what could be achieved with no additional funding, through to increasing the scope of remaining projects. After evaluating the options, I recommend Cabinet direct the programme to close out all essential work, while also co-delivering some modernisation and upgrade works that will minimise outstanding liabilities at these schools and support equitable outcomes across schools in the programme.
- 16 To achieve this, the programme envelope should be increased by \$301 million, with funding to be sought annually through future Budgets, phased over 3-4 years.
- 17 Delivering this work through the CSR programme will reduce our outstanding liabilities at these schools, which will also offset funding required for the National School Redevelopment Programme in the future.

- 18 Closing out the programme now provides the opportunity to utilise the programme's existing capacity, engaging established delivery teams and contractors. This offers efficiencies in delivery and minimises disruption to schools over the long term, allowing the focus to return to learning and teaching.

#### *Managing future escalation*

- 19 Since the COR was conducted, ongoing unprecedented levels of inflation and price escalation due to COVID-19 continues to place pressure on the construction market. As the completion of the programme will be phased over the next 3-4 years, further price escalation is expected.
- 20 It is important that a process is in place to manage escalation so that project delivery is not delayed unnecessarily. Therefore, the close out adjustment of \$301 million includes 9(2)(j) for project risk contingency 9(2)(j) which will ensure the Ministry can respond to actual tender prices at the time projects go to market.
- 21 Funding the COR adjustment will be sought through the annual budget process, allowing CSR funding decisions to be taken in the context of wider Government funding priorities. Funding sought each year will reflect up-to-date delivery forecasts for the financial year, continuing the process taken to date.
- 22 Due to the unprecedented cost increases that have occurred over the past two years, if the close out funding does not reflect updated costs the Ministry will be unable to deliver the planned scope to the remaining schools in the programme. Essential health and safety works will be delivered, however non-essential upgrade works will need to be deferred until funding becomes available, which could take several years. A nil funding approach would not deliver equitable outcomes for those schools that happened to be in the last phases of the programme.
- 23 The COR funding is not required immediately. The decisions in this report will be sought from Budget 2023 onwards.

### **Background**

#### *History of programme*

- 24 As at June 2022, \$998 million has been spent through the CSR programme, completing projects at 75 of the 115 schools in the programme.
- 25 Below is a table outlining the funding commitments and adjustments that have been made to the programme over time.

Table one: Christchurch Schools Rebuild funding timeline

Date	Funding Update	Decision context	Programme Project Status (as at June each year)
2013	\$1.137b envelope approved [EGI Min (13) 26/2]. Opex adjustment of \$14.0 million through Budget 14 [CAB Min (14) 13/8].	No allowance for escalation or inflation over the course of the programme. Limited contingency for uncertain building condition.	115 schools in the programme
2018	Midpoint review undertaken [CAB EGI (18) 8].	Adjusted for price escalation between 2013-2018.	26 complete 29 in construction 41 in planning and design 19 yet to enter
2020	Cabinet approved \$206m of midpoint review funding (includes \$4m reallocated from the original contingency) [CAB-20-MIN-0210.01].  Total approved envelope: \$1.353b.	6% cost escalation between 2018-2020. <sup>1</sup> Subsequently, the market experienced COVID-19 related cost pressures that the mid-point review could have not anticipated.	50 complete 27 in construction 35 in planning and design 3 yet to enter
2021	Close out review undertaken.	Unprecedented inflation due to COVID-19 pressures. Identified opportunities to address future liabilities within the existing programme to achieve delivery efficiencies.	64 complete 25 in construction 24 in planning and design 2 yet to enter
2022	Close out review reflects updated costs. Identifies \$301 m required to complete the programme, including 9(2) of project risk contingency to account for future cost escalation.	Increase in funding required to manage further cost changes due to inflation and escalation. Slight increase of scope of works, where appropriate.	75 complete 24 in construction 14 in planning and design 2 yet to enter <i>Note: This is at June 2022. A further 3 schools expected to be completed by end of the year.</i>

26 The majority of the programme will be concluded by 2024. The remaining projects represent mainly larger secondary schools, which require phasing beyond the original 10-year timeframe so that schools can remain operational throughout delivery.

27 A comprehensive project status summary has been provided as Appendix 1.

#### *Closing out the programme*

28 Christchurch schools have been allocated significant investment since the beginning of the programme, with a total commitment of \$1.353 billion. Christchurch now has one of the most modern schooling networks in the country.

<sup>1</sup> Te Puna Hanganga, Matihiko Annual Construction Cost Report 2020



- 29 The CSR programme is building better futures for learners and communities, benefitting 45,000 students. The new and redeveloped schools are future focused to respond to the needs of students and are able to efficiently accommodate changes in teaching and learning over time.
- 30 It is now appropriate to:
- 30.1 Consider how to complete the CSR programme, by addressing the changes in the financial climate since the programme was originally costed,
- 30.2 Transition schools back to business-as-usual asset management, and
- 30.3 Identify a plan to address ongoing and future upgrade liabilities.

### Analysis

- 31 The Ministry commissioned an independent review of the programme last year to establish the expected costs to complete the programme. The review also identified the implications of transitioning CSR schools back into our business-as-usual asset management process.
- 32 The CSR COR was completed in early 2021 and has been updated with the latest project and costing information.
- 33 I considered a range of options to complete the CSR programme, from a nil-funding approach, which would deliver only essential works, to options that expand the scope to deliver more extensive, non-essential upgrade and modernisation.
- 34 However, after evaluating these options, I recommended that all essential infrastructure issues be addressed, with non-essential upgrade and modernisation work co-delivered where it is efficient, offers economies and is sensible to do so. This option achieves the key objective of delivering safe, quality learning environments, however it does not inherently prioritise accelerated upgrade in Christchurch schools ahead of the wider school portfolio. For a more detailed analysis of the other options please see Appendix 2.
- 35 The option I propose will require additional funding. To close out the programme effectively, I recommend increasing the existing budget by \$301 million, bringing the total CSR programme budget to \$1.654 billion.
- 36 Further cost escalations are expected, as delivering the final stages of the programme is phased over the next 3-4 years. To ensure future escalation can be managed, <sup>9(2)</sup> of programme risk contingency <sup>9(2)(i)</sup> has been included in the COR funding. This will ensure the programme budget reflects actual tender over budget when projects go to market.
- 37 The table below outlines the breakdown of the additional funding for the CSR programme.

Table two: Additional funding for the CSR programme

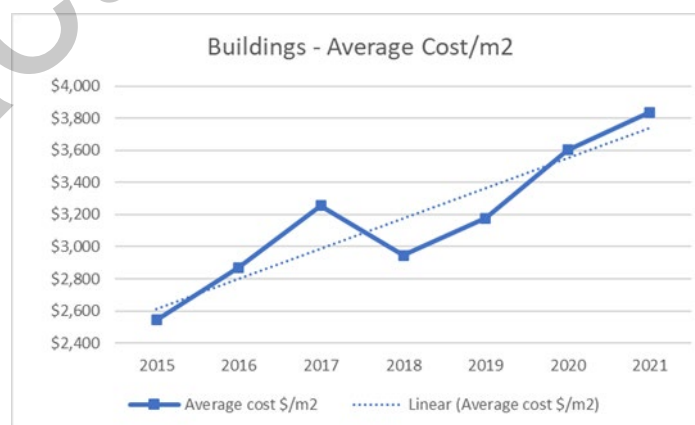
	Current envelope	COR funding
<b>Funding</b>	\$1.353b	+ \$301m 9(2)(j)
<b>Total programme envelope</b>	<b>\$1.353b</b>	<b>\$1.654b</b>

- 38 The funding identified by the COR is not required immediately and would be sought through the annual budget process, continuing the CSR funding approach to date. However, for the Ministry to undertake the necessary planning and to be able to enter construction contracts, a Cabinet commitment to the overall funding top up is required to close out the programme.

#### *Reflecting updated costs*

- 39 The original programme was costed in 2013 and cost escalations have materialised over the course of the nine-year programme. However, unprecedented inflation over the past two years due to COVID-19 has placed significant pressure on the programme.
- 40 According to Statistics New Zealand data, between 2015-2020 construction costs increased by around 2.5%-4.5% per year. In 2021 this increased further to 7.5% and are likely to increase by an additional 6-8% in 2022. Increasing the programme budget will reflect the update-to-date costs to ensure scope can be delivered.
- 41 The graph below illustrates the increase in tender price returns for CSR projects, highlighting a strong increase over the past four years.

Graph 1: Increase in tender price returns for CSR projects



- 42 Exceptional price escalation has been felt across the country. Construction costs across New Zealand increased by a total of 22.8% over 2020 and 2021, while in Canterbury

the costs increased by 16.9% over the two-year period.<sup>2</sup> Whereas over 2018-2019, construction costs increased by 12.8% nationwide. Although escalation was lower in Canterbury than the national average, the increases to project costs remains a risk.

*Proposed approach to managing further escalation*

43 Further price escalation can be expected over the next 3-4 years while the programme is completed. It is difficult to predict future cost escalation and what actual tender prices will be when projects go to market.

44 To ensure the Ministry has sufficient funding to deliver projects in the financial climate at the time projects go to tender, it is important that a buffer is in place to manage and respond to future cost escalation. Therefore, a contingency of 9(2)(j) has been included in the total COR adjustment.

45 9(2)(j)

■

47 I do not want to put unnecessary fiscal pressure on the Crown. Therefore, I want to ensure any future cost adjustments are manageable and balanced against a need to invest in other areas of New Zealand.

48 The benefit of this approach is that the Ministry have a process in place to manage updated costs, ensuring projects are not at risk of being deferred or delayed. Decisions can be taken through the annual Budget process, which will allow for trade-offs to be made in the context of wider priorities.

*CSR and the National School Redevelopment Programme*

49 I announced the National School Redevelopment Programme (NSRP) in 2020, to address the issue of deferred maintenance across the school portfolio. However, as the CSR programme was established earlier, the programme has had to address significant deferred liabilities in conjunction with earthquake damage.

50 The issues of underfunding and deferred maintenance are not exclusive to Christchurch schools, and infrastructure upgrades are required across the school property portfolio. However, the CSR programme has enabled us to address these issues sooner and minimise future liabilities at schools in the programme.

51 If the close out scope and funding is not approved, it would not remove the need for funding, and these deferred liabilities would simply be shifted to other property programmes, such as the NSRP. This would mean delivering the work over a longer timeframe, as projects would be prioritised against others in the national programme. We would also miss the opportunity to leverage off the existing suppliers and capacity

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<sup>2</sup> Ministry of Education CSR Escalation Review

currently available to us through the existing, established CSR programme and the suppliers already in place.

*Risk mitigation*

- 52 There are still risks associated with this option. Increasing the programme envelope to \$1.654 billion will meet some, but not all school expectations. Some schools will require non-essential modernisation and upgrade in the future. A list of these projects is provided as Appendix 3. These can be considered and prioritised in future within the context of the national portfolio, to ensure an equitable approach to school property investment across the country.
- 53 The Ministry has undertaken a risk analysis and mitigation review as part of the COR. This identified that the most significant risks to the programme are pressure on the construction market, stakeholder expectations and the impact of the public perception on the programme.
- 54 Completing the programme now and ensuring the essential scope is delivered is likely to put some additional pressure on the Christchurch construction market. However, the Ministry does not perceive this as a major risk as most of the funding will address cost uplifts in existing projects. Where further scope is incorporated it will occur as an extension of existing contracts.
- 55 To manage stakeholder expectations and public perceptions the following mitigations have been implemented:
- 55.1 The Ministry facilitates communication with internal and external stakeholders to create a shared understanding of the CSR programme moving forward.
- 55.2 The Ministry works to manage community expectations alongside fiscal restraints.
- 55.3 The Ministry works with stakeholders to ensure that media coverage presents a balanced view of the CSR programme.


*Project Specific Delegations*

- 56 In May 2020, Cabinet delegated financial authority to approve projects over \$35 million to the Minister of Finance and I, the Minister of Education, provided the project could be funded within the programme envelope.
- 57 If Cabinet approves increasing the programme envelope, I seek approval to extend the delegated financial authority to consider the revised programme envelope.
- 58 There are CSR projects at ten schools which can be approved by Cabinet now in response to the updated close out review scope and project budget. I am seeking updated delegations for these projects, which reflect the scope confirmed by the close out review and incorporate the funding adjustment from the updated programme envelope. These budgets include an allowance for escalation, so that projects can respond to the market conditions at the time of tender. The list of schools is provided in Appendix 4.

### Implementation of Close Out Review

- 59 The CSR programme is a proven infrastructure programme with a strong track record of spend and delivery. As of May 2022, the programme has spent \$998 million, completing works at 75 of the 115 schools. Projects are underway at a further 38 schools, with 2 schools still to enter the programme.
- 60 As an existing programme, the Ministry is well positioned to convert any additional funding from draw down to spend quickly by utilising the existing governance and delivery frameworks.
- 61 The graph below summarises the funding profile of the programme and forecasts how the additional COR funding will be spent to close out the programme.

9(2)(f)(iv)



- 62 Greater detail on spend to date and forecast phasing is provided as Appendix 5.
- 63 There is insufficient funding within the current envelope to complete all the approved projects. Only essential projects would be completed, significantly reducing the intended scope of the programme.
- 64 If the COR funding is approved, all school liabilities within the CSR programme will be addressed. The Ministry will continue the communications with schools through the regular project control group meetings and site visits, to ensure all schools are aware of the updates following the Cabinet's decision.

### Financial Implications

- 65 Close out review funding of \$301 million to complete the programme includes 9(2)(j) of contingency.

- 66 This funding is not required immediately. The programme has sufficient budget to continue delivery this financial year if Cabinet approves increasing the overall programme budget and extends the existing delegated financial authority to Joint Ministers. The Ministry would be able to commence design works and enter delivery agreements for projects based on the scope agreed to complete the programme.
- 67 If Cabinet agrees to the additional funding, the Ministry will prepare its CSR budget bids for Budget 23 and outyears as usual, adjusting for the COR uplift.
- 68 I will only seek to draw down funding as it is required to deliver the projects. This would be achieved through a slight increase in annual CSR bids from 2023/24, minimising the impact on Crown funding.
- 69 Additional works funded and delivered through the CSR programme will offset funding required for the NSRP over a long term. The reduction in funding required for the NSRP would not be felt in a single year, but over several years.

### *Conclusion*

- 70 Closing out the CSR programme following my recommended approach provides the most benefits relative to the risks associated. It delivers the intended scope of the original programme, meets stakeholder expectations, is balanced against a need to invest in other areas of New Zealand and does not require any immediate capital injection from the Crown. It utilises our resources and learning from the established CSR programme to deliver efficiently and effectively with equitable investment across the wider property portfolio.

### **Human Rights**

- 71 There are no human rights implications associated with this proposal.

### **Consultation**

- 72 The Ministry has worked collaboratively with the Treasury on the proposals in this paper and has its support for the recommended close out approach.

### **Proactive Release**

- 73 I recommend that this paper is not proactively released at this time as it contains budget sensitive information.

## Recommendations

It is recommended that Cabinet:

- a. **Note** that in 2013 Cabinet approved the Christchurch Schools Rebuild Programme to build new, rebuild or repair 115 schools damaged by the 2010 and 2011 earthquakes [EGI Min (13) 26/2].
- b. **Note** that following adjustments in 2014 [CAB Min (14) 13/8] and 2018 [CAB EGI (18) 8] the current programme envelope is \$1.353 billion.
- c. **Note** that an independent Close Out Review was undertaken to establish the expected cost to complete the programme and identify the options to transition CSR schools back into business-as-usual asset management process.
- d. **Direct** the Ministry of Education to close out the Christchurch Schools Rebuild programme by delivering all essential work with the inclusion of some modernisation and upgrade works where co-delivery is efficient or offers economies.
- e. **Note** that without additional funding the Ministry will be unable to deliver the planned scope and works that cannot be delivered within the current Christchurch Schools Rebuild programme envelope will be deferred until funding becomes available.
- f. **Note** that subject to approval of recommendation d above, the Ministry of Education will seek up to \$301 million of additional funding from future Budgets.
- g. **Note** that 9(2)(i) of project risk contingency has been included in the close out review adjustment to account for future cost escalation.
- h. **Note** that scope increase, beyond scope identified and approved through the close out review, will be met from Ministry baseline funding.

### *Updated project delegations following the Close Out Review*

- i. **Approve** up to 9(2)(i) for the construction of Belfast West Primary, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope.
- j. **Approve** up to 9(2)(i) for the redevelopment of Burnside High School, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope.
- k. **Approve** up to 9(2)(i) for the redevelopment of Christchurch Boys' High School, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope.
- l. **Approve** up to 9(2)(i) for the redevelopment of Christchurch Girls' High School, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope.

- m. **Approve** up to 9(2)(j) for the redevelopment of Hagley Community College, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope.
- n. **Approve** up to 9(2)(j) for the redevelopment of Heaton Intermediate, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope.
- o. **Approve** up to 9(2)(j) for the redevelopment of Hillmorton High School, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope.
- p. **Approve** up to 9(2)(j) for the redevelopment of Papanui High School, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope.
- q. **Approve** up to 9(2)(j) for the redevelopment of Riccarton High School, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope.
- r. **Approve** up to 9(2)(j) for the redevelopment of Te Kura Kaupapa Māori o Te Whanau Tahi, to be funded from the close out review adjusted Christchurch School Rebuild Programme envelope.
- s. **Authorise** the secretary for Education to sign construction contracts on behalf of the Ministry for the projects approved in recommendations k to r above.
- t. **Delegate** approval for any future Christchurch School Rebuild project budget changes over \$35 million to the Minister of Education and the Minister of Finance, where these can be met from the Christchurch Schools Rebuild programme envelope.

Authorised for lodgement

Hon Chris Hipkins

Minister of Education



**Appendices**

Appendix 1: Project status of the CSR programme as at 8 June 2022

Appendix 2: Analysis of alternate options to complete the CSR programme

Appendix 3: List of projects requiring non-essential upgrades

Appendix 4: List of projects requiring Cabinet delegation

Appendix 5: Spend to date, and forecast spend

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## Appendix 1: Project Status of the CSR programme as at 8 June 2022

Yet to Enter	Schools in design and planning	Schools in construction	Completed	Total
2	12	26	75	115
Chisnallwood Intermediate Ko Taku Reo (Van Asch Deaf Education Centre)	Belfast School Christchurch Girls' High School - Te Kura o Hine Waiora * + Elmwood Normal School Fendalton Open Air School Ferndale School (Christchurch) Ilam School Kirkwood Intermediate Riccarton High School * Russley School Templeton School TKKM o Te Whanau Tahī Yaldhurst Model School	Allenvale Special School and Res Centre Belfast West Banks Avenue School Burnham School – Te Kura o Tiorī Burnside High School * Burnside Primary School Casebrook Intermediate Christchurch Boys' High School Christchurch South Intermediate Cobham Intermediate Diamond Harbour School Hagley Community College Heaton Normal Intermediate Hoon Hay School Isleworth School Kimihiā Parents' College Mairehau High School Mairehau Primary School Merrin School Northcote School (Christchurch) Papanui High School * Paparoa Street School Riccarton School Shirley Intermediate Te Ara Maurea Roydvale School Thorrington School	Addington Te Kura Taumatua Akaroa Area School Ao Tawhiti Unlimited Discovery Ararira Springs Primary - Te Puna o Ararira Avonhead School Avonside Girls' High School Bamford - Ngutuawa School Beckenham School Bishopdale School Breens Intermediate Bromley School Cashmere High School Cashmere Primary School Christchurch East School Clearview Primary Cotswold School Duvauchelle School Gilberthorpe School Governors Bay School Haeata Community Campus Halswell Residential College Halswell School Harewood School Heathcote Valley School Hillmorton High School Hornby High School Hornby Primary School Kaiapoi Borough School Kaiapoi High - Karanga Mai TPU Kaiapoi High School Kaiapoi North School Knights Stream School - Mingimīngi Hautoa Linwood Avenue School Linwood College (Te Aratai) Little River School Lyttelton Primary School Marshland School Mt Pleasant School Oaklands School Okains Bay School Opawa School Papanui School Parkview School Pegasus Bay School Queenspark School Rāwhiti School Redwood School (Christchurch) Rolleston College Rolleston School Rowley Avenue School Shirley Boys' High School Shirley Primary School Somerfield - Te Kura Wairepo South Hornby School South New Brighton School Spreydon School St Albans School St Martins School Sumner School Te Ara Koropiko - West Spreydon School Te Matauru Primary Te Raekura Redcliffs School Te Waka Unua School TKKM o Waitaha Waimairi School Wairakei School (Christchurch) # Waitaha School Waitakiri Primary School Waltham School Westburn School West Rolleston Primary Wharenuī School Whītau School (Linwood North) Wigram Primary School Woodend School	

\* Construction is planned to be staged so that the school can remain fully operational

# Original scope complete but stage 2 being planned

+ First phase construction completed but further construction is planned

**Appendix 2: Analysis of alternate options to complete the CSR programme**

Option	Description	Risks	Implications
Option 1a*	Delivers essential remediation only, funding limited to the existing programme envelope. Remaining essential works will be prioritised and delivered by the NSRP.	Upgrade works deferred  School expectations not fully met	Deferred liabilities will be prioritised against wider portfolio requirements and may take up to 20 years to be delivered.
Option 1b*	Delivers essential remediation only completes all essential works under the CSR programme envelope.	Upgrade works deferred  School expectations not fully met	Deferred liabilities will be prioritised against wider portfolio requirements, and may take up to 20 years to be delivered
Option 2* [Ministry Preferred]	Delivers essential remediation works, with limited modernisation and upgrade where alignment with essential work offers economies.	Upgrade works deferred  School expectations not fully met	Deferred liabilities will be prioritised against wider portfolio requirements, and may take up to 20 years to be delivered
Option 3	Delivers the full scope of remediation plus modernisation and upgrade works.	Possible perception of 'over investment' in Christchurch ahead of schools from other regions	School expectations are met and future liabilities for CSR schools are minimised.

*\* These options transfer liabilities to the National School Redevelopment Programme. While this minimises, funding required for the CSR programme, the liabilities will still need to be addressed.*

### Appendix 3: List of projects with non-essential upgrades that will be deferred

CSR School projects that will require non-essential upgrades in the future, that will not be fully completed under the scope of the COR					
School	Type	Roll	Decile	Scope of Works	Education Benefits
Burnham School	Primary	181	10	New Administration block	These improvements be better positioned to serve the wider, fast-growing, Burnham and Rolleston communities.
Chisnallwood Intermediate	Intermediate	513	5	Holding amount pending outcome of education review	Education benefits are still to be determined pending the outcome of the education review.
Elmwood Normal School	Primary	443	10	Demolition of remaining surplus Teaching Spaces	Will create additional useable outdoor teaching and learning space.
Linwood Avenue School	Primary	400	2	Stage 2 new teaching spaces	Linwood Avenue School is located close to the Linwood Mosque in earthquake affected suburbs of the east. It serves a diverse community with a high proportion of Māori and Pacific whānau. These new Teaching Spaces will help to enable the curriculum to focus on local learners and whānau and create a sense of belonging to the school and community.
Papanui High School	Secondary	1,378	7	Refurbishment of hall, upgraded technology block and integration of cultural narrative across site	This will support the school to deliver the pedagogy in a consistent manner across the whole school and enhance their ability to meets the needs of a diverse community and priority learners.
Paparoa Street School	Primary	467	10	Stage 3 further refurbishment	This will support the school to deliver the pedagogy in a consistent manner across the whole school.
Parkview School	Primary	500	6	Replacement of 4 poor Teaching Spaces	These 4 teaching spaces will support the development of this school's modern teaching and learning practices that will be consistent with the rest of the school.

**IN CONFIDENCE**

Riccarton High School	Secondary	925	7	Stage 3 new Teaching Spaces block	This will further strengthen learning support and multicultural approach and add to the consistency of practice across the school.
Rowley Avenue School	Primary	200	1	Refurbished Teaching Spaces	Providing a fit for purpose environment for higher priority learners.
Te Ara Koropiko West Spreydon School	Primary	325	4	Modernisation of hall	This will ensure that the hall is fit for education purposes.
Waltham School	Primary	225	3	Bring original redevelopment in line with other schools	Addresses the limitations of the current design which impact the delivery of the pedagogy.
Wharenui School	Primary	200	3	Replacement of hall and administration	Redevelopment will support the Principal's and Board's drive to improve learning outcomes for priority learners and community. This will also enable this multicultural community to use the facilities.
	<b>Total ākonga</b>	<b>5,757</b>			

**IN CONFIDENCE**

## Appendix 4: List of projects requiring Cabinet delegation

School	Type	Roll	Decile	Total Delegation sought* (including COR) \$M	Scope of Works	Education Benefits
Belfast West	Primary	500	7	9(2)(j)	This will fund the completion of the new school.	There are benefits and opportunities for integration of learning and inclusion in co-locating with Allenvale Special School & Resource Centre. This new school will also address expected roll growth as the existing Belfast School site cannot support expansion.
Burnside High School	Secondary	2,051	8		Replacement of Administration Block and replacement of Block 3 (8TS)	Redevelopment will support modern learning and support physical health and well-being of students - making an environment that will better support inclusivity of students with learning needs and provide more equity across the site.
Christchurch Boys' High School	Secondary	1,300	10		Refurbishment of Main Block & allow for cost uncertainties with the unique nature of this building	Modernises 30 teaching spaces in line with the rest of the school.
Christchurch Girls' High School-Te Kura o Hine Waioara	Secondary	1,100	9		Replacing the main block, tech block, and upgrade of arts block	The school has a clear idea of the pedagogy they want to put in place, this provides the least disruption to teaching and learning while in construction.

**IN CONFIDENCE**

Hagley Community College	Secondary	1,400	6	9(2)(j)	Seismic and Weathertightness repairs to Block A, Block C, and the gym. Demo of surplus building, and redevelopment Pukaki block.	Hagley College has a long-standing reputation for innovation and inclusion. The upgrade enables the community's access to greater education pathways together with cultural support for whanau.
Heaton Normal Intermediate	Intermediate	540	9		Site wide infrastructure & 2 new blocks & weathertightness & modernisation of remaining school (tech & admin), remediate playing fields.	This will support the school to deliver the pedagogy in a consistent manner across the whole school. The school has a vital role in teacher education and therefore having consistent modern teaching spaces is essential.
Hillmorton High School	Secondary	1,000	5		Multi-use gymnasium with teaching spaces.	This will provide a full-size gymnasium suitable for the growing roll which will service the school and the wider community.
Papanui High School	Secondary	1,378	7		Refurbishment of hall, new library, and admin block, an upgraded technology block and integration of cultural narrative across site. Roof repairs to existing buildings and new build of East Block (13TS).	Redevelopment will support modern learning and support physical health and well-being of students; making an environment that will support inclusivity of students with diverse needs and provide more equity across the site. This school has an existing learning support unit which would benefit from these changes.
Riccarton High School	Secondary	925	7		New teaching community (instead of refurbishment of 12TS), refurbishment of remaining TS, new Wharenui (2 TS), weather-tightness upgrades and site infrastructure	The school is struggling with the current layout to provide for diverse learning needs. This will strengthen learning support and multicultural approach. This will improve access for students from learning support unit. This will further strengthen learning support and multicultural approach and add to the consistency of practice across the school.

**IN CONFIDENCE**

**IN C O N F I D E N C E**

Te Kura Kaupapa o Te Whanau Tahi	Wharekura	300	3	9(2)(j)	A complete rebuild of the kura including expanding the current capacity	This rebuilt school will address expected roll growth, the poor condition of the current facilities (weathertightness) and modernises the kura facilities.
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\* The project delegations include an allowance for escalation.

**IN C O N F I D E N C E**



## Appendix 5: Spend to date and forecast spend

	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	Total
Funding - baseline	23.67	44.98	47.27	47.63	0.00	64.60	22.64	50.91	88.03	17.73				407.47
Funding - baseline (MPR)										40.00				40.00
Funding - insurance proceeds		6.09	43.37	78.58	36.50									164.53
Funding - capital injection (Original)					99.02	68.50	96.97	79.31						343.79
Funding - capital injection (MPR)								7.42	56.00	87.58				151.00
Funding - capital injection (COR)											9(2)(f)(iv)			
Funding - capital injection (COR) - project risk contingency of 9(2)														
Funding - Opex (COR)														
	23.67	51.07	90.64	126.21	135.51	133.10	119.61	137.64	144.03	145.31				
Non- Development funds spent														246.54