



# STATE INTEGRATED GROWTH INITIATIVE (SIGI) PROGRAMME

## Policy and Process Guidelines May 2026

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### Overview

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In Budget 2025 Government approved funding to assist proprietors in providing more teaching spaces at their state integrated schools in high priority school age population growth areas.

The funding, \$30 million over four years, is managed through what is called the *State Integrated Growth Initiative (SIGI) programme*.

The difference between SIGI and Policy 2 is only in the property delivery phase. Like Policy 2, applications will come from proprietors and must be supported by an approved maximum roll increase (MRI) which follows a parallel process.

If applications pass this MRI threshold and proprietors seek funding assistance, funding will be prioritised based on school age population criteria like Policy 2 was. If an application is not eligible to receive SIGI funding, the Ministry of Education will approach the proprietor to ascertain whether they wish to continue with the MRI application.

All schooling sectors are included in the eligibility criteria but higher growth is currently being experienced in the secondary school age sector. This growth needs to be planned for at a network level and Policy 2/SIGI has always been a tool for doing so.

The property delivery phase is supported by capital rather than operating (opex) funding which means that the Ministry must have an ownership interest in the accommodation provided. This change requires a different administrative structure from Policy 2.

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### The application process

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The first step in the process is proprietors submitting their MRI applications, as they usually do, indicating if SIGI funding is required to support the applications. The first round closes on 30 June 2026 which includes earlier applications received after July 2025 when the programme was

announced. Decisions on the first round will be made in July 2026. In consultation with the Association of Proprietors of Integrated Schools (APIS).

Some successful applications may have funding disbursed over the programme's successive years depending on the dollar quantum relative to yearly budgets as well as proprietors own building plans.

It is a rolling programme over four years and information about subsequent rounds are likely to be every three months depending on demand.

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## Eligibility criteria

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Assuming approval in principle is given to the MRI application, eligibility for SIGI funding will be determined by criteria based on school age population growth and then prioritised relative to the available budget. The criteria are:

- secondary schooling within high growth areas such as Massey / Hobsonville / Kaipara (Auckland), Ormiston Mission Heights (Auckland), Rolleston (Christchurch); and
- the following additional high growth areas across the motu: Papakura/ Rosehill/ Drury; Hamilton East; Massey/Hobsonville/ Kaipara; Manurewa/ Alfriston/ Takanini; Waitakere/Rutherford/ Henderson; Rolleston; Halswell; Orewa/ Whangaparaoa; Albany/ Long Bay/ Rangitoto; Westlake/ Takapuna; Selwyn/ Glendowie/ Tamaki; Mt Albert/ Mt Roskill/ Lynfield; Ormiston/ Mission Heights; Sir Edmund Hillary/ Tangaroa; Greater Waimakariri; Hastings; Grammars/Western Springs; Lincoln; Glenfield/ Birkenhead/Northcote; and Hamilton West.
- the local school network is defined;
- current demand within the local state school network is equal to or more than 90% of current capacity across the schools. This includes schools with the same special character as the applicant, the school and proprietor;
- state schooling demand projections will be greater than current capacity within five years' time; and
- there is an agreed property plan in place demonstrating that funding, if approved, will be used within two years.

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## Delivery options

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For successful applications after the prioritisation process has been completed and assuming the accompanying MRI application is also approved, there are two delivery pathways which recognise the Ministry of Education's ownership interest:

- Transportables (relocatable classrooms) that the Ministry itself will deliver and establish on site at its cost (if the site is practicable). The buildings may come from other schools within the state network and they will meet Ministry standards. The completed building(s) will be subject to a long-term lease between the Ministry and proprietor (a standard template lease will be provided in consultation with APIS).

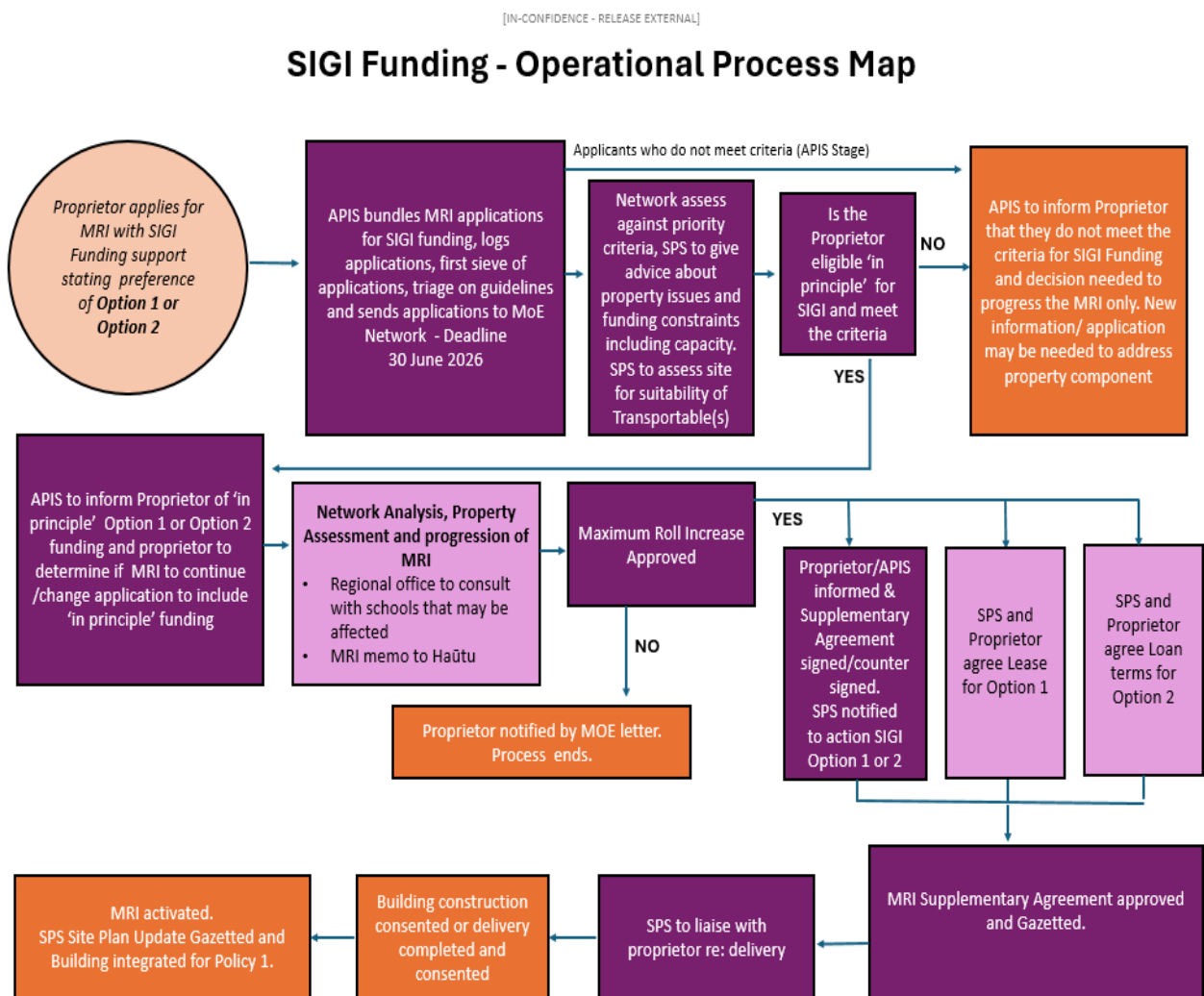
- Suspensory loans based on 85% of the Ministry’s standard construction rates per classroom, written off over a period (yet to be confirmed) of 15-20 years. This option is similar to Policy 2 settings. An administrative structure for suspensory loans is currently under development.

For both options, the completed building(s) can be integrated and therefore receive on-going Policy 1 investment by the proprietor with maintenance funding generated to the board of trustees.

Schools on leasehold property will be eligible, but the lease must not be at variance with the integration agreement (the Ministry’s relationship is with the proprietor and not the landlord) and must comply with Ministry guidelines.

## In more detail

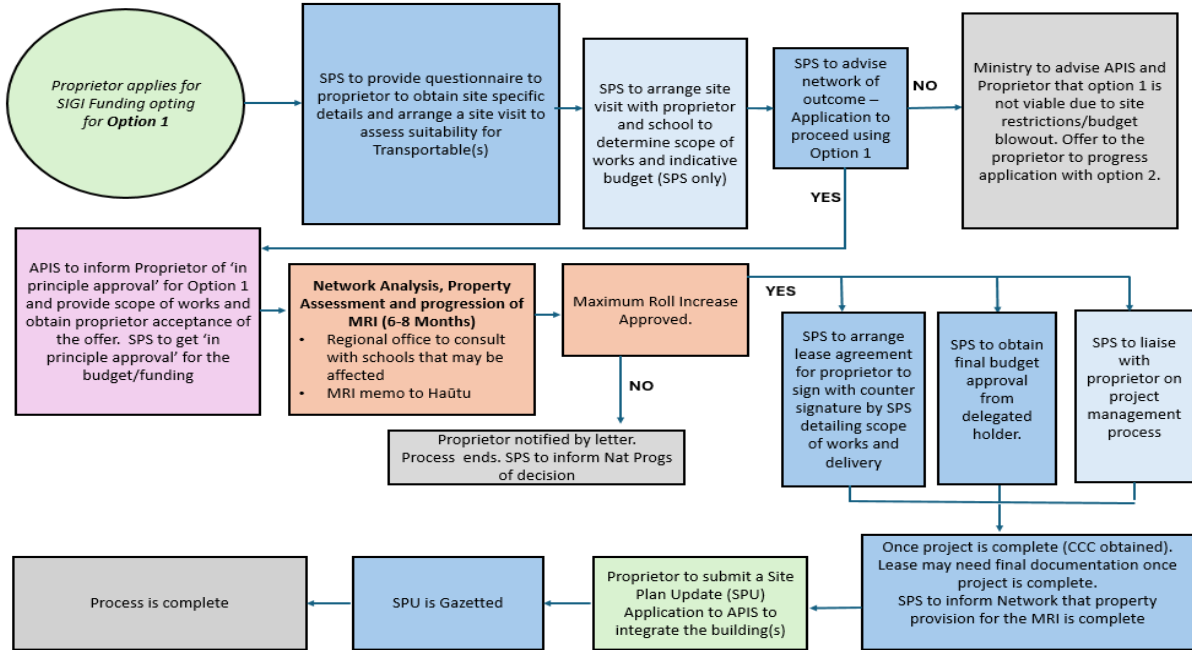
The start to finish operational process for SIGI can be illustrated as follows:



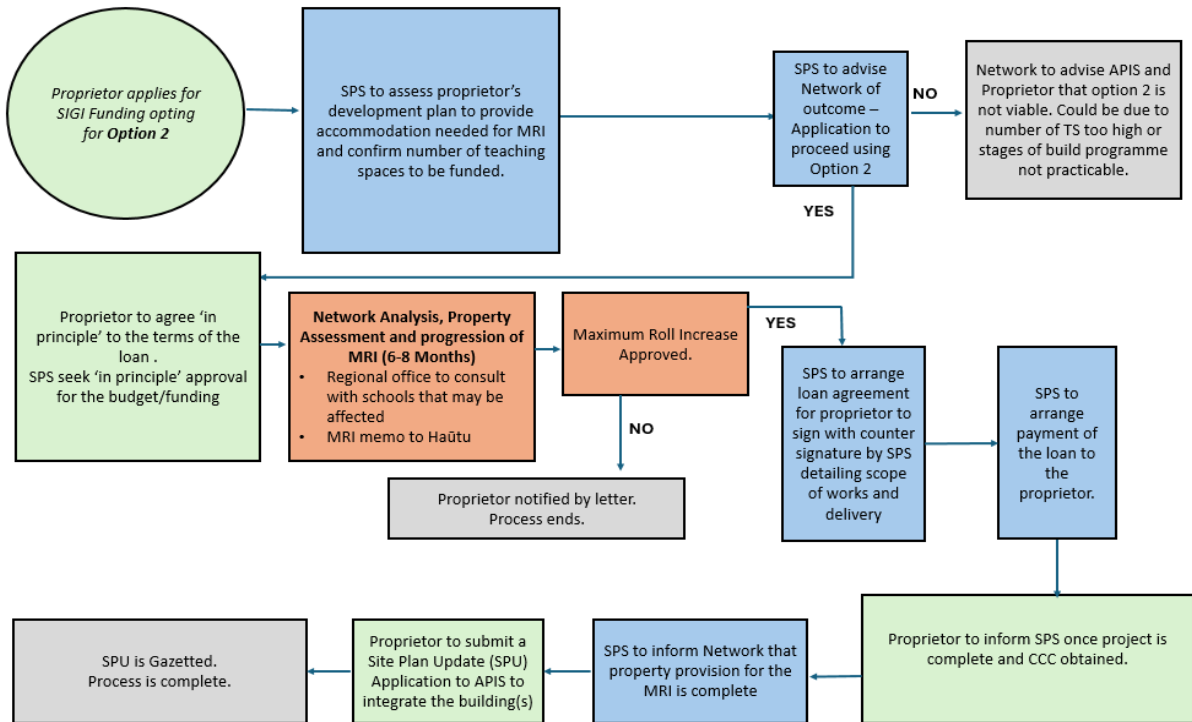
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The process for the two delivery options is as follows:

## SIGI Funding Option 1 – Transportable(s)



## SIGI Funding Option 2 – Loan to Proprietor



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## Frequently asked questions (and their answers)

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### **What is this new funding for?**

*SIGI funding is to support the provision of additional classrooms at state integrated schools in areas of high school age population growth.*

### **How much is it and for how long?**

*The Minister of Education has announced that there will be funding of \$30 million over four years (see <https://www.beehive.govt.nz/release/more-classrooms-state-integrated-schools>). Unspent funds in any given year can be transferred into the following financial year.*

### **How is SIGI different from Policy 2 funding which has been used to support proprietors with property projects in high growth areas of the country?**

*The main difference between SIGI funding and Policy 2 is that the Ministry of Education will have an ownership interest in the classroom(s) funded. The reason is that the funding source is “capital” rather than “operating” which Policy 2 was. Capital funding requires an ownership interest which in the case of SIGI will be recognised by leasing transportable(s) to the proprietor or by suspensory loans where the proprietor provides the accommodation themselves.*

### **What are the criteria to be eligible for SIGI funding?**

*Eligibility for SIGI funding will be determined by criteria based on school age population growth and then prioritised relative to the available budget. This is covered in the section “Eligibility Criteria” in the guidelines.*

*The proprietor also needs to advise us how additional classrooms will fit into its property plan. We would expect the accommodation to be provided within two years of approval or an alternative delivery plan agreed to.*

### **How do proprietors apply for SIGI funding?**

*The proprietor must apply for a maximum roll increase and indicate on that application that SIGI funding is being requested to support the increase. The first round closes on 30 June 2026 which includes earlier applications received after July 2025 when the programme was announced.*

### **Should we discuss our application with our regional Ministry office contacts?**

*Yes, regional Ministry office staff will be able to confirm the local schooling network details including the schools that would be included in the assessment, the network’s current capacity and future demand projections.*

### **If my school is not eligible for SIGI funding, can I still apply for a maximum roll increase?**

*Yes, proprietors can apply for increases to their maximum rolls at any time throughout the year. If the application indicates that SIGI funding is required, and it becomes clear through the assessment process that the application does not meet the criteria, the Ministry will inform the proprietor and ask if they wish to continue with the application.*

*Where a proprietor is not eligible for SIGI funding, they will need to provide the additional accommodation from their own resources.*

### **How much is SIGI funding?**

*Transportable(s) and the supporting site works will be provided at the Ministry's cost and will therefore differ from site to site. For suspensory loans, the Ministry's contribution will be 85% of the Ministry's standard construction rates per classroom which are regularly reviewed. This is like Policy 2 settings. We will be discussing with proprietors the preferred option once an application is approved.*

### **Why transportables and how does this option work?**

*The Ministry already has a stock of transportable classrooms that can be moved from school to school in the state network with a team responsible for doing so. Extending availability to integrated schools makes the best use of this valuable resource.*

*This option is dependent on a vacant, developed building platform already being available. Once the scope of work is agreed with the proprietor, the Ministry will complete required siteworks to establish the building(s) and attend to all costs and payments itself. The proprietor is responsible for ensuring the required services are provided to the boundary. For example, if a new electricity transformer is required it will be at the proprietor's cost as it will be serving the whole school.*

*Once this process is completed the Ministry and proprietor will enter into a long-term lease based on a standard template. The lease will enable integration and the proprietor will then be required to look after and maintain the building(s) like any other integrated asset using Policy 1 with the board of trustees using its property maintenance grant (PMG). The proprietor's responsibility extends to insurance just like the assets they own.*

### **Who owns the transportable(s) once delivered?**

*The Ministry does but leases the building(s) to the proprietor for up to 20 years. The leases provide the proprietor security of tenure which is a condition of integration.*

### **What happens when the lease expires?**

*If the proprietor still requires the building(s) it is envisaged the lease will be renewed. If the proprietor no longer requires the asset the Ministry will take it away.*

### **Can a proprietor that leases the school site still take advantage of SIGI?**

*Schools on leasehold property will be eligible but the lease must not be at variance with the integration agreement as the Ministry's relationship is with the proprietor and not the landlord.*

### **How does the suspensory loan option work?**

*If SIGI funding is approved for the suspensory loan option, an agreement will be entered into with the proprietor like the Deed of Covenant used for Policy 2. Once signed, the funding will be released to the proprietor who will be responsible for providing the accommodation within two years. A suspensory loan fits the definition of "capital" funding.*

**Currently our maximum roll is higher than our current property capacity. Can we apply so that we can accommodate the maximum roll?**

*Each proprietor should ensure that their school can enrol and accommodate students up to the maximum roll. Where this is not possible the proprietor should prioritise funding for additional property from their own resources or apply to reduce the maximum roll. The SIGI funding is for additional classrooms at integrated schools to accommodate students in areas of high population growth. It is not to rectify current property issues at schools within the sector. It is expected that proprietors would be applying for a maximum roll increase to coincide with the additional SIGI property.*

**How many classrooms can be built with this funding?**

*SIGI funding is a rolling programme over four years. This provides flexibility to align funding with the proprietor's building plans over this period in the event a multiple number of classrooms are approved.*

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