

Media Release
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AUSTRALIAN EXPERIENCE WITH PUBLIC PRIVATE PARTNERSHIPS IN SCHOOLS PROVIDES LESSONS FOR NZ

Australian experience in delivering new schools under a private public partnership model has found them to be "an improvement on traditional public sector delivery and should be considered in New Zealand," says CEO of the NZ Council for Infrastructure Development, Stephen Selwood.

Mr Selwood was commenting on a statement by the National Party Leader John Key that the National Party was considering using a PPP model to develop schools here.

"Public Private Partnerships for the development of schools is common place in the United Kingdom and also been very successful in New South Wales."

"Essentially, the PPP model enables government agencies to oversee and control service standards while allowing the private sector to reduce costs through good management and innovation and share the risks."

"This allows teachers and headmasters to get on with the job of teaching, instead of having to look after all the buildings and facilities," Selwood says.

In New South Wales nine primary and secondary schools have opened in north-western and western Sydney, the Illawarra and the Central Coast between 2004 and 2005. Based on the success of this initiative, a further 10 schools are now under development, as are tertiary education centres.

Under the model, the private sector finance, design and construct schools to standards that meet or exceed the NSW Department of Education and Training's (DET) standards. In addition the private sector provide cleaning, maintenance, security, safety, utility, furniture, equipment and grounds maintenance and other services for these school buildings for a thirty year period, when the buildings will be handed back to the education department.

A NSW Treasury review published in 2006 found that the privately financed schools were delivered some two years earlier, on average, than would have been possible had traditional public sector funding been used. Private sector delivery has enabled a faster response to demographic needs in urban growth areas.

Other key benefits of the model identified in the NSW Treasury report included:

The schools were constructed in a shorter time frame and enabled an earlier opening than would normally have been possible,
In addition to the school facilities, the Contract has provided a child care centre at eight of the schools,
Improved management of school facilities by the provision of an on-site manager,
Release of a school Principal's and teachers' time that was previously spent dealing with facilities management issues,

The New Schools Project was able to deliver better value for money as tested against the Public Sector Comparator and allowed DET to bring forward new school delivery by three years on average. The first and second NSW Schools PPPs have provided savings of approximately 7% and 23% against the public sector alternative (figures taken from the Auditor-General's Performance Audit, March 2006).

"There are important lessons to be learned from this for NZ", Selwood says.

"Improved infrastructure development is vital for our future growth and prosperity, but we are lagging behind other nations in this regard."

"Public-private partnerships (PPP) are being used extensively worldwide to bridge the gap between infrastructure demand and the limitations of public funds. As this example demonstrates, well-managed PPPs can provide better value for money and clear control and accountability for service standards."

Copy of the NSW Treasury Report available at:
<http://www.nzcid.org.nz/otherpublications.html>