

media release

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Infrastructure Development

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Australian Experience with Public Private Partnership in schools provides lessons for NZ

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A New South Wales Treasury post implementation review of new schools delivered under a private public partnership model has found them to be "an improvement on traditional public sector delivery".

"The report gives clear insight into the tangible benefits of public and private sector partnerships", says CEO of the NZ Council for Infrastructure Development, Stephen Selwood.

The New Schools Project was the first social infrastructure privately financed project (PFP) in NSW and the first schools PFP in Australia. A total of nine primary and secondary schools have opened in north-western and western Sydney, the Illawarra and the Central Coast between 2004 and 2005.

Under the model, the private sector financed, designed and constructed these schools to standards that meet or exceed the 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 until 31 December 2032, when the buildings will be handed over to DET.

The review found that while the project faced delays in its original time lines, due to the complexity of the first PFP contract model, the PFP schools were delivered some two years earlier, on average, than would have been possible had traditional public sector funding been used. PFP delivery has enabled a faster response to demographic needs in urban growth areas.

Other key benefits of the PFP 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, PFP allowed DET to bring forward new school delivery by three years on average.

"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."

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

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background

- > NZCID and the Institute of Professional Engineers are jointly running a series of seminars in early February in Auckland Wellington and Christchurch which look at lessons learned from the United Kingdom experience and the implications for best practice application of PPPs in the New Zealand context. [Click here for details.](#)
- > The full text of the NSW Treasury Research & Information Paper - New Schools Privately Financed Project Post Implementation Review can be found by [clicking here.](#)