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Auditor General finds PPP project on track, but improvement needed to fully realise benefits over long term

In her report tabled in Parliament today the Auditor General, Caroline Spencer, found the Schools Public Private Partnership (PPP) Project to design, build, finance & maintain 8 schools until 2047 was on track, however, the Department of Education must improve its contract management if it is to realise the full benefits of the project.

The audit assessed whether the \$631 million PPP contract with the EduWest consortium for 4 primary and 4 secondary schools was on track to deliver its intended benefits.

Ms Spencer said the project had a reasonable start and was currently on time and close to budget, however, the Department did not have a contract management plan and audit or inspection program to adequately manage the contract and check service performance.

'It needs these contract management tools in place to get the best out of the PPP over the next 30 years,' she said.

The report outlines several issues with the handover of the first schools in 2017, which led to some school dissatisfaction with early services. This included under-resourcing by EduWest of gardening and cleaning staff, limited consultation with school principals into classroom fitouts and inadequate training about how the PPP model would work.

Ms Spencer said lessons learnt from opening the first schools had minimised issues in opening the first PPP-built secondary school in 2018.

'The PPP contract was a new approach for schools in WA, using an asset-driven, lifecycle cost approach to construction and maintenance, and setting the levels and costs of maintenance and facilities management for over 30 years,' she said.

'It is a departure from how WA schools have been built and maintained, and is intended to deliver a range of benefits including innovation in design and construction, lower whole of life costs and reducing the time school staff spend on buildings and maintenance.

'The 8 schools within the PPP will be run differently, and the role of the schools and the Department has to change from operational management to contract management and performance oversight roles.

'How effectively the Department and schools adapt will be a key driver in realising planned benefits and delivering high quality teaching and learning environments for students and staff,' she said.

The Auditor General's report, *WA Schools PPP Project* (Report 11 – June 2018), is available on the Office of the Auditor General website at www.audit.wa.gov.au

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School type	School name	Build type	Handover date	Opening date	Design and construction costs (millions)
Primary	Carnaby Rise	Full build	9 Dec 2016	2017	\$17.01
	Alkimos Beach	Full build	9 Dec 2016	2017	\$17.90
	Baldivis Gardens	Full build	9 Dec 2016	2017	\$16.64
	Woodland Grove	Full build	9 Dec 2016	2017	\$18.99
Secondary	Aveley	Stage 1	8 Dec 2017	2018	\$57.69
		Stage 2	11 Dec 2020	2021	\$17.95
	Lakelands	Stage 1	14 Dec 2018	2019	\$57.15
		Stage 2	10 Dec 2021	2022	\$17.06
Hammond Park	Stage 1	13 Dec 2019	2020	\$53.76	
	Stage 2	9 Dec 2022	2023	\$16.79	
Harrisdale	Stage 1	N/A		2017	N/A
	Stage 2	13 Dec 2019		2020	\$27.06

Table 1: School design and construction valued at \$318 million