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Australia's First Public Private Partnership School Project

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OECD

PEB Exchange Programme on Educational Building

In the storerooms, lights with integral infra-red presence detectors are installed. No wall switch is provided for these lights, making it impossible for them to be left on when the room is unoccupied.

For exterior lighting, compact fluorescent and high pressure sodium lamps are used. Exterior lights for safe entry and egress are switched on by a photocell and off by a timer. This ensures that they only come on when required at dusk but do not remain on all night. Security lighting is provided by floodlights with PIR sensors.

The **roofing** materials were selected to achieve a balance between their ecological, energy efficient and practical functions. The roof system, the same as used for the Gaelscoil, has a lightweight green roof option that enhances the insulation performance of the build-up. The roof also has a low embodied energy, continuously processes CO_2 gases through photosynthesis and serves as a specific learning tool for the pupils through supporting micro-ecosystems. Its sedum blanket contributes to rainwater attenuation and provides external noise absorption.

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Roseberry Road Primary School



Poole Road School for Specific Purposes



Horsely Primary School



Source: Hansen Yuncken

AUSTRALIA'S FIRST PUBLIC PRIVATE PARTNERSHIP SCHOOL PROJECT

The design and construction of nine schools has commenced in Australia using a Public Private Partnerships (PPPs) methodology. This is the first project in Australia where social infrastructure has been acquired in this way.

PPPs are arrangements commonly used in the United Kingdom and throughout European Union countries to acquire social infrastructure such as toll roads, rail projects and bridges which derive an income for the private sector operator. However more and more projects involve developing hospitals, prisons and schools, where the infrastructure provides little or no income for the developer; the developer relies entirely on government payments for its income.

The Australian project is being managed by the New South Wales (NSW) State Government through its Department of Education and Training, the country's largest provider of educational services.[1] The PPP contract for the new schools has been let to Axiom Education Pty Ltd who is financing the design and construction of the schools and providing facilities management services including building and grounds maintenance, security, and cleaning for the 30-year period of the contract. The Department of Education and Training pays a monthly fee for the schools being "available" for classes.

The advantages recognised by the government of entering into a PPP arrangement of this type include increased attention to education and cost savings. The school's

1. The Department operates over 2 200 schools and 130 post-secondary education colleges and manages AUD 15 billion in assets.

Table 1. **Schools included in the project**

Facility	Accommodation requirements			
	Location	**School type**	**Capacity**	**School delivery date**
Horsley	Wollongong	Primary	400–630	January 2004
Mungerie Park	Baulkham Hills	Primary	400–630	January 2005
Perfection Avenue	Blacktown	Primary	400–630	January 2004
Shell Cove	Shellharbour	Primary	400–630	January 2005
Mataram Road	Wyong	Primary	400–630	January 2005
Rosebery Road	Baulkham Hills	Primary	400–630	January 2004
Poole Road	Baulkham Hills	Special needs	85	January 2004
Glenwood	Blacktown	Secondary	1 000	January 2005
Horningsea Park	Liverpool	Secondary	1 000	January 2005

administrators are able focus on delivering educational services without concerning themselves with day-to-day facilities management problems. Cost savings of up to 7% have been achieved when compared to the way schools are designed, constructed and managed under existing arrangements. Building cost savings are achieved through the economies of scale which results from packaging the nine schools together. This packaging also translates into savings during the design and facilities management phases of the contract.

The new facilities, located in new urban release areas of the state, include six primary schools (years kindergarten-6) with an enrolment capacity of 400-630 students; a school catering for 85 students with physical and/or intellectual disabilities; and two secondary schools (years 7-12) with an enrolment capacity of 1 000 students. (See table 1.)

The capital cost of the schools is estimated to be AUD 90 million, and the net present value of the entire contract is approximately AUD 133 million.

Senior officers of the Department of Education and Training and NSW Treasury formed a project team to assess a PPP proposal following the publication by the NSW Government of a Green Paper and subsequent formal guidelines entitled "Working with Government – Guidelines for Privately Financed Projects" (available at www.treasury.nsw.gov.au/wwg/pdf/wwgguidelines.pdf). The project commenced in March 2001 under the name the New Schools – Privately Financed Project.

From tender to construction

The tender phase of the contract presented difficulties for the project team as there were no precedents for this type of contract arrangement in Australia. However the team was able to gather a great deal of information and benefit from the experiences gained in the United Kingdom on similar school projects, as the laws of the two countries are comparable. The project's financial advisers and lawyers were able to provide personnel who had had direct United Kingdom experience. This proved to be invaluable in finalising the project's tender documents and in creating the assessment and final contract documentation.

To begin the tender phase, a request for registration of interest by the private sector was advertised publicly and closed in November 2001. Eleven submissions were received and these were eventually short-listed to four.

A request for detailed proposals was then called from the four short-listed organisations. Next, documents were issued to two bidders requesting best and final offers. Bids were received from both consortia.

In December 2002 the government announced that Axiom Education Pty Ltd had been awarded preferred bidder status. Financial close was achieved, and the contract became commercially enforceable in March 2003.

Construction commenced immediately on four of the nine schools; these were completed and classes begin in them in January 2004. All of the remaining schools are expected to open in January 2005.

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