Executive Summary

WA Labor is committed to delivering better schools for our children.

Positive physical environments for all school staff and students and well-maintained spaces where children can relax, play and learn are important to our children’s future.

But school buildings and grounds require regular upkeep and we know that P&Cs, school boards and school councils spend much of their time raising money to assist in making the physical buildings and outdoor space better.

The school community often expresses frustration with the current centralised system of getting work done around a school. They are concerned that quotes for that work are much higher because the work is being done in a government facility. Often the wide range of skills and local community contacts that parents have means they know they could get quality work done safely and to standard for a cheaper price than the current system allows.

Giving greater control to schools to manage their own maintenance provides schools with the flexibility to engage in competitive contracts can produce better value for money and good service delivery. It is not without precedent.

Queensland adopted an opt-in model which allowed schools to choose to take responsibility for getting their own quotes for work. This direct-to-market (D2M) maintenance model gave schools the authority, support and funding to directly engage their own maintenance contractors. The Queensland Auditor General found that while only 29 per cent of schools opted in to this model, the competitive effect reduced the prices of work for all schools.

WA Labor is seeking your feedback from school communities on the introduction of a direct-to-market (D2M) maintenance model in WA schools.

Provide your feedback at markmcgowan.com.au/D2M
D2M - What does it mean for my school?

WA Labor is seeking feedback from school communities on the introduction of the direct-to-market (D2M) maintenance model. D2M provides efficiency in service delivery and better value for money.

Key features of the model include:

- Flexibility to contract and manage services contracts including routine maintenance
- An annual maintenance allocation
- An opt-in model which means the scheme would be voluntary
- Oversight and support from the Department of Education

A review by the Queensland Auditor General on a similar model used in Queensland schools found that the competitive effect reduced the prices of work for all schools.

Survey

Please complete our online survey at markmcgowan.com.au/D2M

Or complete the attached survey and return:

- Via email to leader@loop.wa.gov.au
- Postage paid to: Mark McGowan, WA Labor Leader, Reply Paid 84126, West Perth WA 6005 - no stamp required
Why the need for change?

Currently some schools can engage contractors for small maintenance works under $1,500. At present, there are 159 schools that have opted to manage their own breakdown repairs and faults. However any breakdown repairs that cost more than $1,500 are managed and funded centrally.

Parents and school leaders have frequently raised with WA Labor concerns and frustration about how much extra work seems to cost just because its work for a government school. There are now unprecedented amounts of pressure on parents to raise additional funds for schools and school communities want to get the very best value for the spend of those dollars.

Queensland adopted an opt-in model which allowed schools to choose to take responsibility for getting their own quotes for work.

In a 2015 report on school maintenance, Queensland’s Auditor-General said:

“Introducing the option to use D2M to procure maintenance… has provided benefit to all schools. It has encouraged price competition and reduced costs.”

The Queensland Government department estimated savings realised of around 20 per cent. If these savings were realised in Western Australia and then put back into maintenance, our $80 million average yearly spend could buy the equivalent of $96 million in work to improve our schools.

D2M

- Direct-to-market (D2M) maintenance model provides efficiency in service delivery and better value for money
- Queensland estimated savings of around 20 per cent from a similar model
School Maintenance: Getting Value for Money

Making the system more flexible

Schools could opt to either continue using the centralised tendering method for works through Building Management and Works in the Department of Finance or use the direct-to-market (D2M) method.

Building Management and Works, which manages the current maintenance work for most WA schools, has the advantage of larger “buying power” when allocating work to contractors. However this does not always translate into savings for the Department of Education and schools miss out on savings that could be made.

D2M could provide schools with the autonomy to select their own service providers and allow for a more efficient use of the maintenance budget and more value for money.

Schools would have the flexibility to contract and manage services contracts including routine maintenance and would be given an annual maintenance allocation to achieve this.

D2M would be voluntary and would be provided with oversight by the Department of Education.

Safeguards in place

The Department of Education would govern the D2M program and oversee its implementation. There would also need to be a timely release of funds so that schools can schedule work over the summer holidays if required.

Schools will have to ensure the contractors have the required licences and insurance cover to carry out the maintenance tasks. The contracting work will have to be signed off to ensure the work is completed to the required standard.

In Queensland there was a web portal that provided schools with support and assisted them in implementing the D2M program and the Department also provided training and expert advice to schools. Similar supports would be put in place here.

WA Labor would investigate a value limit for schools to which D2M would apply.

In Queensland the model had a value limit of $5,000 for schools to contract maintenance work to a contractor of their choice. Schools are still able to manage their own projects and funding over $5,000 but they are required to use one of the centrally approved contractors for these larger jobs.

The condition of school buildings would continue to be assessed at a State Government level so that it can report objectively on how school maintenance programs have affected the condition of these buildings.

WA Labor would develop a business case to provide a detailed analysis of the maintenance backlog and establish measuring capabilities to assess and report if the program objectives have been achieved.
School Maintenance: Getting Value for Money

Issues for feedback and consultation

- If the appropriate checks, balances and support for schools were in place, would the option of a D2M method of maintaining schools be of benefit to your school community?

- What assistance and resources would your school leaders, P&Cs, and school boards need to be able to take on the additional responsibility.

- If a group of schools in a local area adopted the D2M method of contracting maintenance work, would there be opportunities for your school to make greater savings?
  - For example, if a number of local schools required similar work, would it be of benefit to tender the work as a package, to achieve a lower price per school?

- Should the current $1,500 threshold for Independent Public Schools to manage their own breakdown repairs and faults be raised and if so, to what level?

- Should the system be expanded beyond management of faults and reactive maintenance?
  - Should schools be able to engage, for example, a contractor to paint the whole school, rather than small sections?

- What would be an appropriate value limit for WA schools before requiring centrally approved contractors?

- How often should schools have to report to the Department of Education on school expenditure?

- Are the current ‘gateways’ of funding to schools for faults management payments – March and July – appropriate for maintenance funding?

- Other issues?

Conclusion

The Queensland Government’s direct to market delivery program showed the need for diligent and consistent oversight as well as expert support and assistance to schools. But it also showed success in improving value for money in school maintenance spending.

WA Labor wants to improve the delivery of maintenance to our schools and get value for money while doing so. Making use of local knowledge and expertise in sourcing contractors can become an essential part of achieving a warm, welcome and well-maintained learning environment for our children.

Survey

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    Mark McGowan, WA Labor Leader, Reply Paid 84126, West Perth WA 6005
    - no stamp required
School Name: 
Contact Name: 
Position: 
Email: 
Mobile: 

1. If the appropriate checks, balances and support for schools were in place, would the option of a D2M method of maintaining schools be of benefit to your school community?

☐ Yes
☐ No

Comment: ____________________________

2. What assistance and resources would your school leaders, P&Cs, and school boards need to be able to take on the additional responsibility?

_______________________________

_______________________________

_______________________________

3. If a group of schools in a local area adopted the D2M method of contracting maintenance work, would there be opportunities for your school to make greater savings? For example, if a number of local schools required similar work, would it be of benefit to tender the work as a package, to achieve a lower price per school?

☐ Yes
☐ No

Comment: ____________________________

4. Should the current $1,500 threshold for Independent Public Schools to manage their own breakdown repairs and faults be raised and if so, to what level?

☐ $1,500
☐ $3,000
☐ $5,000
☐ $10,000
☐ Other ___________________
5. Should the system be expanded beyond management of faults and reactive maintenance?

Should schools be able to engage, for example, a contractor to paint the whole school, rather than small sections?

- Yes
- No

Comments

6. What would be an appropriate value limit for WA schools before requiring centrally approved contractors?

- $5,000 and above
- $10,000 and above
- Other _______________

7. How often should schools have to report to the Department of Education on school expenditure?

- Per term
- Per semester
- Per school year
- Other _______________

8. Are the current ‘gateways’ of funding to schools for faults management payments – March and July – appropriate for maintenance funding?

- Yes
- No

9. Other issues and comments:

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