



Education PPPs: What we should monitor

Dr Dahle Suggett

مستقبل الشراكة
مع القطاع الخاص

SHAPING
THE FUTURE OF
PUBLIC PRIVATE
PARTNERSHIPS

Education PPPs – here to stay

BUT

- *Concept has expanded* – not private v. public; not only infrastructure; not one-size-fits all
- *Now a continuum of flexible models* – tight contracting to collaborative networks
- *Needs new decision making framework* – context contingent; based on where value is gained

This presentation looks at success factors

Explores 3 case studies (Victoria Australia) using 5 part evaluation/ decision making framework

➤ *School infrastructure*

- strong results; will expand

➤ *Govt. fee assistance for VET private provision*

- partial failure; damaged integrity

➤ *School-business-community local collaboration*

- Strong short term results; longer term risks

What do we know about education PPPs?

A broad landscape – options are expanding; shifting boundaries and new functions; used in developed and developing economies

Philanthropic support, contracting to private management, vouchers, capacity building, complementary services; infrastructure

Education sensitivities and complexities need tailored solutions – commercial gain and public accountability are not easy partners!

Pragmatic decision making and monitoring: Context driven, provider neutral

We need a broad lens

- Strategic purpose – expected benefits?
- Adding value – where in ‘value chain’?
- Costs and benefits – will gains exceed costs?
- Capabilities – resources/ skills for partnerships?
- Accountability and regulatory control – right balance of public interest and red-tape?

Snapshot EPPP: School infrastructure

**SOUTH MELBOURNE PRIMARY SCHOOL - 129
FERRARS STREET, SOUTH MELBOURNE**



Snapshot EPPP: School infrastructure

- Proportion of Victorian government schools financed, designed , constructed and maintained by private sector over 25 years
- Selected on Public Sector Comparator (PSC); 2008 successful bid was 2.6% lower than PSC
- Also considers local social partnerships
- Partner roles are expanding

Snapshot EPPP: School infrastructure

How does it rate?

‘Allows school staff to do what they are meant to – focus on teaching and learning’

Decision making/ evaluation framework	Rating
Strategic purpose	Strong – clear and uncontested; sharp division of responsibilities
Adding value	Strong –right location in ‘value chain’; principal leads instruction; building design is superior
Costs and benefits	Strong – whole of life efficiencies in PPP model deliver benefits ; excellent design and maintenance
Capabilities	Medium – skills for relationship management are more demanding than anticipated; cost implications
Accountability and regulatory control	Strong – local and immediate as well as formal and centralised.

Snapshot EPPP: VET fee assistance



**Why exploitation and corruption
continue to dog Australia's VET sector**

July 3, 2017 3:53pm AEST

Snapshot EPPP: VET fee assistance

- Contracting end of the PPP spectrum
- VET 'market', private and public, opened up 20 years ago (Victoria) – rationale strong
- Students choose provider; providers therefore compete for students
- Fee assistance by Commonwealth Govt. expanded loans for diploma and advanced diplomas 2014- boosted enrolments by 90 %
- Fee paid directly to providers but small number of private providers exploited this and recruited extensively and unethically; these students unlikely to repay loans
- Providers exposed and scheme altered 2017

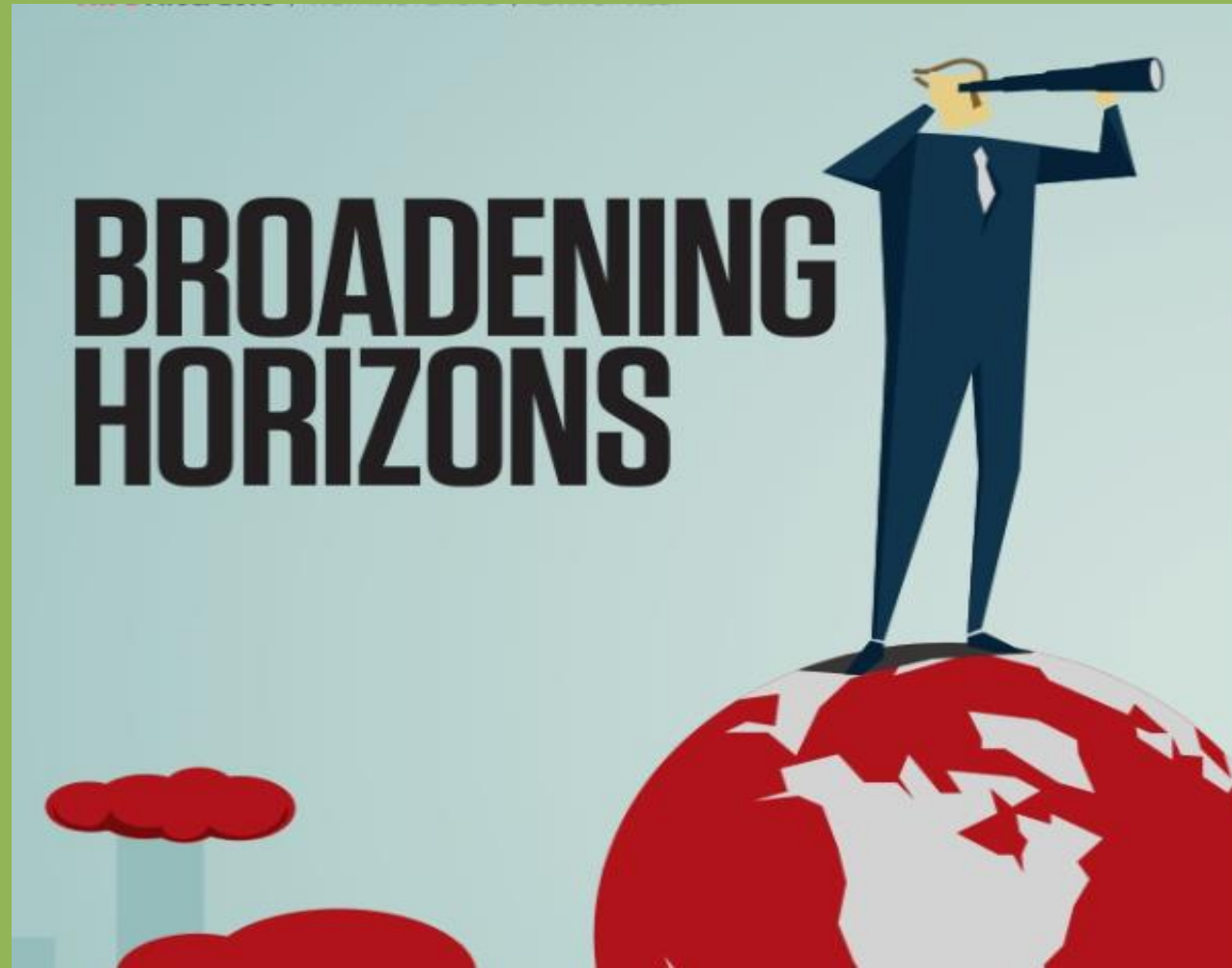
Snapshot EPPP: VET fee assistance

How does it rate?

‘Harrowing evidence of misconduct by private VET providers ... massive profits at public expense’

Decision making/ evaluation framework	Rating
Strategic purpose	Medium – goal of demand/ industry led private and public VET system is sustained but fee assistance scheme weak in delineating its purpose
Adding value	Weak – structure inadequate for the purpose; fees paid directly to providers; led to exploitation of incentives
Costs and benefits	Weak – expensive scheme; price of a diploma ‘skyrocketed’ as fee assistance became easier to access
Capabilities	Weak – incomplete data on private providers; extremely diverse size and structure; query governments’ capacity to relate
Accountability and regulatory control	Weak – major problem; no one level of govt fully responsible and accountable; mixed regulation and funding

Snapshot EPPP: Partnership for school-industry - community



Snapshot EPPP: Partnership for school-industry - community

- A collaborative, network based local EPPP
- 2014 regional scheme for 10 secondary schools and 17 industry partners; 14-16 years olds; 20 % of their time for one year
- 2 fold aim - 21st century skills (collaboration, problem solving ...) for students; and build new skills for employment in local business
- Teachers work with industry representatives – real solutions for authentic industry problems

(e.g. How to market Australian dairy products in Asia; how to reduce illegal dumping in national parks; how do we adapt land management for environmental benefit?)

Snapshot EPPP: education partnerships for school and industry

'I've never worked this way with my school friends; we are working on real problems and business people are listening to our ideas'

Decision making/ evaluation framework	Rating
Strategic purpose	Strong – two complementary purposes; students acquiring 21 st century skills ; regional economic development
Adding value	Strong – structure and timing well designed; local and fit-for-purpose
Costs and benefits	Medium-Strong – benefits are subjective and only seen longer term; costs not well quantified
Capabilities	Medium – challenging; all need time for new relationships; crossing boundaries is hard
Accountability and regulatory control	Medium – local partnerships can be vulnerable in large systems- who are they accountable to?

What do we conclude?

Contemporary EPPPs need broad and coherent decision-making and evaluation – a 5 part framework has been applied in this presentation

- Need exacting decision making – understand causal links in production of outcomes; focus on value chain; where will a PPP make a difference
- Boundaries change- need feedback loops and responsive mechanisms
- Relationship management is vital – and a cost
- Complexity of contracting, funding, accountability, regulation needs to be acknowledged; crucial to settle – governance failure is a major setback and community will not tolerate the consequences.

What do we conclude?

Future for public sector?

“ While most PPPs are achieving significant outcomes and unleashing innovation, the same initiatives should be achievable by the public sector but in reality are not. Private operators are not inherently better but their context is different.”

“What can the public sector learn; it should not stand still.
High quality service provision is moving beyond a simple public private split - there may be a new hybrid form emerging.”

THANK YOU!

