

# 4 Delivering investment and maintenance actions

## At a glance

### Background

Good plans translate into effective programs when actions are delivered as intended. In this part we examine the implementation of plans to manage school building assets by assessing whether:

- the department has applied processes to adequately monitor the implementation of asset management plans
- asset management actions had been completed in accordance with agreed timeframes and budgets.

### Key findings

- The department does not comprehensively track the timely and adequate completion of the maintenance works it funds.
- The department tracks the progress of building projects well.
- The department effectively manages the relocatable classrooms program and the asbestos program.
- The maintenance model does not provide the department with a thorough understanding of maintenance needs for all schools.
- The department performed adequately in managing projects around the specified timeframes and budgets.
- The programs for relocatable classrooms and dealing with asbestos risks have been implemented as planned.

## 4.1 Background

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Good plans translate into effective programs when actions are implemented as intended. In this part we examine whether:

- the department had applied processes to adequately monitor the implementation of asset management plans
- whether asset management actions had been completed in accordance with agreed timeframes and budgets.

## 4.2 Processes used to monitor the implementation of asset management plans

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### 4.2.1 The department does not comprehensively track the timely and adequate completion of the maintenance works it funds

The department has set up systems to monitor the completion of maintenance tasks by schools

School maintenance items are funded by the department through:

- recurrent funding for maintenance and minor works
- supplementary funding—for major/urgent items that cannot be funded by the school alone
- targeted funding—for specific programs like toilet blocks or roofing.

Schools are guided by the department to spend half of the recurrent funding on planned and the other half on reactive maintenance items.

The department has set up systems to record and monitor the expenditure on maintenance items by schools. These systems require schools to record the completion of planned maintenance items and to record other maintenance issues as they become apparent.

Several of the schools we visited did not keep these records up to date

Schools are responsible for updating the electronic database the department provides to record maintenance activities and needs. Our visits to 20 schools showed that there are schools where the data used by the department to monitor maintenance activities and expenditures was incomplete. Seven of these schools did not record all of their maintenance activities because of:

- time and resource constraints
- difficulties in understanding and operating the systems.

### The department only checks maintenance expenditures when schools apply for additional (supplementary) maintenance funding

When schools apply for this type of funding, the department's central office thoroughly checks past expenditure and the record of works to ensure that maintenance funding has been used as intended. Based on our school visits, we found that four schools do not apply for supplementary funding and so are not subject to detailed departmental scrutiny.

## 4.2.2 The department tracks the progress of building projects well

### An external program manager liaises with school-level staff to track the progress of most building projects

The department contracts a company to act as the program manager for more than 80 per cent of its building program. The program manager's role is to manage and co-ordinate all aspects of the assigned building projects including:

- planning
- design
- construction
- cost control.

Some of the smaller building programs, such as, the *Better Schools Today* program, are managed internally by the department in conjunction with external resources.

The processes for monitoring projects at existing schools, and new school projects, are different. In the case of existing schools, school management staff (including the principal) liaise with the department's building program manager to monitor building projects.

For new schools, the department uses the services of a planning committee during the planning and implementation phases of the project. The members of planning committees include:

- educational experts (principals and teachers)
- departmental representatives
- members of the local community, including local government.

The role of the planning committee includes:

- selecting the architect for the project
- developing the plan and scope for the project
- liaising with the program manager to monitor the progress of the project.

### The program manager reports monthly to the department on the progress of building projects

To track the progress of building projects, the program manager:

- liaises with school and project staff or the relevant planning committee relating to each individual project
- collates information across all the school construction projects across the state
- presents it to the department in monthly reports.

These reports provide individual and collective project information on actual and budgeted expenditure, project risks and planned and actual timeframes.

The monthly reports are followed up by meetings with the department to discuss the key issues from the report. The department escalates the key risks to senior departmental personnel as required.

## 4.2.3 The department effectively manages the relocatable classroom program and the asbestos program

### Relocatable classroom program

The department's relocatable program is managed and implemented by an externally contracted company. The department and regional offices both provide data and jointly supervise the management of the relocatables across the state.

From our review of departmental processes, and our school visits, we found that the department manages the relocatable classroom program satisfactorily to meet demand for classroom space across the state.

### The department has robust processes to monitor the management of hazardous materials such as asbestos

The department requires all schools to have an asbestos management plan detailing the processes and actions required to deal with asbestos risks. All asbestos works conducted at the school for the last 30 years are recorded in the plan. An asbestos audit is mandatory at the completion of building works.

The department uses the services of a specialist external contractor to manage risks associated with asbestos.

The schools we visited had asbestos management plans in place that were based on their individual asbestos audits. All the visited schools were also very satisfied with the performance of the external contractor.

## 4.3 Information on the performance of the maintenance program

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### 4.3.1 The maintenance model does not provide the department with a complete understanding of maintenance needs for all schools

The department relies on its systems for maintenance program information though some of this information is incomplete

The department's maintenance model provides a great deal of autonomy and flexibility to schools in the expenditure of funds. The department does not check whether all schools are using maintenance funding for its intended purpose. The department completes a detailed acquittal of maintenance funding only for those schools that apply for supplementary maintenance funding. We also found that some schools do not update the systems provided to record the completion of outstanding maintenance works and the addition of new maintenance needs.

The department cannot therefore rely on these records as a complete and accurate assessment of completed and outstanding maintenance works. The department stated that it provides reminders to schools about their obligations to complete these records.

The department has acted to strengthen these arrangements by delivering a compliance checklist

The department introduced a *School Compliance Checklist* in 2007 as an online web tool to support schools in meeting departmental, regulatory and legislative obligations. The checklist includes a facilities management component incorporating some maintenance sign offs.

We reviewed this compliance checklist that covers some aspects of buildings maintenance:

- compliance with departmental guidelines and required inspections for essential services
- appropriate building insurance
- adherence to the department's facilities procurement guidelines
- compliance with the department's building works quality standards and building works regulatory requirements
- reporting critical incidents where the safety of staff and students is at risk
- compliance with other requirements in relation to asbestos, emergency management planning and computer networks.

We noted that the checklist does not provide sufficient assurance about schools' maintenance expenditure or the completeness of the information meant to be entered into the School Maintenance System database.

### The department needs to review the systems and processes it uses to understand schools' expenditure and outstanding maintenance works

All the schools we visited have a very good understanding regarding their responsibilities for health and safety issues, and essential services (for example fire service) maintenance. Schools, however, were often unclear about the department's requirement to record the completion of other planned and reactive maintenance works.

The department needs good data and systems to understand and reliably monitor the effectiveness of the school maintenance program. The department needs to improve the systems and processes schools use to record maintenance information as part of its review of the current maintenance arrangements. Part 5 of this report, on the evaluation of asset management programs, includes a specific recommendation in this regard.

## 4.4 Information on the performance of the buildings programs

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### 4.4.1 The department performed adequately in managing projects around the specified timeframes and budgets

Figure 4A shows the results of our analysis of the records of expenditure and delivery timeframes for the projects managed by the department's external program manager. This information covers more than 80 per cent of the department's building projects.

#### Over the four-year period actual expenditure exceeded planned expenditure by 3.5 per cent

The table shows that the actual expenditure on buildings projects of \$1.19 billion was close to the budgeted amount of \$1.15 billion. The difference is explained by some projects having to draw on contingencies to address risks that materialised after the initial project planning. A few projects had experienced more significant overruns.

The percentage difference between actual and budgeted expenditures had fallen over time. Overall we consider the management of the program to be adequate in relation to actual and budgeted expenditures.

**Figure 4A**  
**Performance for building projects managed by the department's**  
**contracted program manager (2004–08)**

	Year project commenced				Overall
	2004–05	2005–06	2006–07	2007–08	
Budgeted expenditure (\$)	168 276	211 662	354 301	418 157	1 152 396
Actual expenditure (\$)	177 226	220 232	365 684	429 220	1 192 362
Total number of projects commenced	76	59	88	82	305
Total spending over budget (%)	5.3	4.0	3.2	2.6	<b>3.5</b>
Number of projects with defined timeframes:					
• Early	22	19	14	21	76
• On time	17	4	6	18	45
• Delayed	37	35	46	31	149
<b>Total</b>	<b>76</b>	<b>58</b>	<b>66</b>	<b>70</b>	<b>270</b>
Number of projects at design/tender stage <sup>(a)</sup>	0	1	22	12	35
Average delay (months)	2.2	1.6	2.5	0.8	<b>1.8</b>

(a) These projects did not have information on scheduled and actual timeframes at the time of the audit.

Source: Department of Education and Early Childhood Development building program manager monthly reporting.

Overall, the department has put in place adequate arrangements to manage the delivery of school buildings projects consistent with agreed timeframes.

Figure 4A shows that the average delay in delivering projects has fallen over the four-year period from 2.2 months in 2004–05 to less than one month in 2007–08. The delays experienced by most projects have been small and have not significantly affected the project outcomes.

Over the four-year period the average delay across all projects was 1.8 months with 45 per cent of projects delivered on or before the time scheduled

We noted a small number of projects suffering more significant delays due to issues such as soil contamination and land acquisition issues. We found these materialising risks were appropriately scoped and actively managed by the department.

## 4.5 Information on the performance of the relocatable classrooms and asbestos programs

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### 4.5.1 The programs for relocatable classrooms and dealing with asbestos risks have been implemented as planned

The department uses relocatable classrooms to cater for short-term changes in student enrolments and other issues such as emergencies and building works. The department has contracted an external company to manage the movements of relocatables across the state, based on advice by the department. From the schools we visited and the documents reviewed the relocatable classrooms program is performing satisfactorily.

The department's management of asbestos in schools has been contracted externally to a specialist. The contractor responds promptly to issues related to asbestos that arise. All the schools we visited were very satisfied with the performance of the external contractor regarding the management of asbestos issues.

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