

NSW LEGISLATIVE COUNCIL
Inquiry into the Building the Education Revolution program

Brad Orgill - Opening Statement

Thanks for this opportunity to address the Inquiry about the work and role of the Building the Education Revolution Implementation Taskforce.

If I may, I would first like to give you a little background.

In April the Deputy Prime Minister announced the Taskforce would be established to receive, investigate and respond to complaints about the administration of the BER Program.

Importantly, we have also been asked to investigate whether schools and education authorities are getting 'value for money' from their BER projects.

This, I would say, is fundamental to the work we are doing.

We have also been asked to make recommendations to the Deputy Prime Minister about any changes to BER Program policy, contracts or projects we think could improve the delivery of the school projects.

Our first report will be delivered to the Deputy Prime Minister in August with additional reports as the program continues out to the end of next year.

Where are we up to?

Over the past six weeks I have put together a team of building, education, legal and finance experts to work with me.

We have developed our thinking about what the community would broadly accept as a reasonable definition of "value for money".

The three core criteria to this are:

- Quality – is the building fit for purpose, achieves the required outcomes, has the required functionality, complies with relevant standards, and is suitable for location and use
- Time – has the project been delivered in accordance with agreed timeframes
- Cost – has the project come in on budget and within an acceptable range relative to cost benchmarks, including historical experience.

We are also developing benchmarks to compare 'like with like' and to enable us to apply these criteria to each of the schools we visit and to the schools that have made complaints.

The benchmarks will take into account industry standards for school construction costs as opposed to comparing them with domestic housing market or commercial building costs.

They will also take into account the costs of different types of projects such as COLAs, libraries, classrooms and canteens against pre-BER school construction projects.

By using this process we are confident that we will be able to;

- compare the delivery and costs of projects in the private and public sectors;
- the difference in the delivery of projects between States; and
- the impact, and additional costs, of rolling out the projects over a relatively short time frame to achieve the governments stimulus objectives

Who have we been talking too?

So far we have visited more than 60 schools.

We have spoken with organisations representing School principals, members of P&Cs and individuals with a strong personal interest and understanding of the BER.

We have met with all the key education authorities in NSW - both private and public - charged with delivering the BER projects on behalf of the Federal Government.

We are examining the different procurement models used by each State and Territory and will soon be able to comment on the comparative costs of each.

We have also met with NSW managing contractors who are rolling out the program across the State on behalf of the NSW Department of Education.

Along the way we are collecting important documents including:

- agreements between the Federal and State Authorities;
- contracts between State Authorities and managing contractors, and
- agreements between managing contractors and individual builders on individual projects.

These documents will tell the story of who is receiving how much and for what.

What have we found so far?

So far I have personally visited 9 schools and my team has visited another 58. Those schools have had both good and bad experiences with their BER projects.

Issues I have heard from the principals, P&C representatives and building supervisors at these schools include:

- Concerns over value for money;
- The scope of projects changing as budgets change;
- Problems with ongoing IT provisions, maintenance costs and other installation costs, and
- The inflexibility of the State Education Departments and the managing contractors.

While it is still early in our investigations what seems to be becoming clear is that the more rigid, the more centralised, the less flexibility and the more distance between decision-makers and the school communities, the more problems schools seem to have.

There's also another element which is coming out and that is smaller projects seem to have more complaints because there's a fixed cost in the rollout which is not related to the size of the project.

These are early impressions and might be validated or dismissed as our work continues. I would also like to add that we are hearing of many cases where school systems and schools are delighted with the new infrastructure delivered.

Where to from here?

I think it is important to get on the record what we can do on the ground as we move towards our first report in August and beyond.

There are projects at some schools we have identified where we are going back to the education authorities and asking them to take another look.

To any reasonable person these schools seem to have been disadvantaged by decisions made well beyond their school fences.

And while we can't make a canteen bigger or turn a COLA into a toilet block we can say to bureaucracies that what is on the ground isn't good enough.

These are real problems, in school yards, that are part of what is generally accepted as a good initiative, building new schools class rooms and infrastructure.

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These problems need to be identified and addressed by the education authorities charged with delivering these projects.

The result of our intervention will largely depend on government agencies being prepared to go back and fix them.

Where we can be most effective in doing this is before construction begins.

If a school community is concerned about its project before building starts then that is when the Taskforce can go to the contractors or the Department and say 'don't start work until this is sorted out'.

At this stage in our investigations, that is where we can add the most value.

But in the long term we want to go beyond the problems at individual schools.

Our key role is to report on whether the taxpayer and the school communities, across the board, are getting value for money out the \$16.2 billion BER spend.

We want to be able to make recommendations to the Federal Government and to school and other agencies about the best way to deliver major infrastructure projects.

Currently all the different states are using different delivery models – it goes without saying that some will be better than others, and it is inevitable that even the best can be improved.

If the Taskforce can help establish the best way to spend tax payers money on these sort of programs than it is something that will benefit the community well beyond the completion of the BER program.

This is an issue, as a taxpayer, that is just as important me as I'm sure it is to you and the rest of the community.

Thank you

A vertical, handwritten signature in black ink, appearing to be a stylized name or set of initials.