

## **INQUIRY INTO THE BUILDING THE EDUCATION REVOLUTION PROGRAM**

**Organisation:** Eungai Public School P&C Association  
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Eungai Public School P&C Association believes the project built at our school under the BER program, namely, two classrooms, is overpriced. Costs are currently estimated at just under \$900,000 whereas our research shows a more reasonable costing to be \$400,000. We received classrooms which will replace two demountables, therefore we have a net gain of nothing in terms of resources. Our project was "descoped" - we were promised, but will not receive air-conditioning, a water tank, solar panels and a covered walkway. We believe the project managers submitted an overpriced tender, which was accepted by the NSW Department of Education & Training without appropriate checking of the tender price taking place. Finally, we wanted a multi-purpose hall, which our school does not have, but were told we could not have one as our school is too small. Please read the attached documents for our full submission.

## **SUBMISSION**

### **BUILDING THE EDUCATION REVOLUTION PROGRAM**

Eungai Public School P&C Association welcomes the opportunity to make a submission to the NSW Legislative Council's inquiry into the Building the Education Revolution program.

Our concerns with the program are as follows:

#### **LACK OF EFFECTIVE CONSULTATION WITH THE COMMUNITY BY THE NSW STATE GOVERNMENT**

When the BER program was announced, our P&C was excited by this once-in-a-lifetime opportunity to increase the built resources at our small school on the mid-North Coast of NSW. As we already have a good sized library, adequate toilet facilities and enough classrooms to cover our enrolments, our desire was to see this money used to provide a multi-purpose hall which would have been well used by both our school and the wider community.

At present, there is no enclosed space at the school which will hold all the students, staff and the many interested and supportive parents who attend prize-giving day, school assemblies, concerts, recitals and other special events. We hold our annual prize-giving day outside, under a COLA as this is the only space that will contain everyone. In summer it becomes very hot under the COLA and when it rains, some people get wet and it can be very difficult to hear people due to the noise of the rain on the COLA.

We were very disappointed when we were informed by the NSW Department of Education and Training that our school was not eligible for a hall; that, in effect, we were too small for a hall. When students, staff and parents congregate, there have been times when over 130 people have been present!

Our community expressed our dismay to the representative who came to the school to "consult" with us, but to no avail. When the projects were announced, we discovered we were to receive two classrooms, which would replace two demountables. So, we would have a net gain of ... nothing.

#### **GROSS OVER-VALUING OF THE PROJECT**

The allocation for our two classrooms was \$850,000 which soon blew out to \$892,000. For a building of approximately 200 square metres, this equates to a square metre cost of approximately \$4,500!!! We have been advised that industry standards are in the order of approximately \$1,500 per square metre. A number of our parents and community members work in project management, engineering and for a local council and are of the opinion that \$4,500 per square metre is grossly overvalued. For example, the bare, pre-fabricated (or "modular") building was costed at almost \$265,000 (see attached figures). This did not include transporting it, bolting it together, fitting it out, painting it and so on. We have seen 4 bedroom houses valued at less than this one cost – which, for the house, is a finished price, including a kitchen, bathrooms, complete fitting out, as well

as preliminary costs such as design documentation, certification of plans, site preparation, site management and profit margins etc.

It beggars belief that a building of the standard of the two classrooms we have received has been costed at three to four times that of a finished dwelling constructed of brick.

Many other costs have been grossly overvalued, based on our research. Total electrical services come in at over \$45,000. This appears highly excessive and is costed in two places (see attached). Preliminaries are \$86,000 and these don't include design documentation, planning and certification costs of almost \$61,000 – nearly \$150,000 of expenses before the project gets started.

Then there is the nearly \$110,000 contained in site supervision, project management, profit margin and IPO project management costs. That's \$260,000 worth of costs that have been incurred that only indirectly relate to the building of our classrooms.

### **PROJECT “DESCOPING”**

Our demountable classrooms were both air-conditioned. One has a covered walkway all the way up to the door; the second has one almost up to the door.

The new classrooms have allegedly gone over budget and have now been “descoped”. They were to have air-conditioning, as promised to our principal last year in a meeting – now they will not be air-conditioned because they don't meet DET's “hot zone” requirements. A promise has been broken. During summer afternoons, the building gets very hot and it becomes difficult for the children to concentrate. It would be interesting to compare the temperature in the classrooms on a Eungai summer's afternoon with the temperature in the Sydney air-conditioned offices of the DET.

A covered walkway was included in the project and shown on plans. Due to cost overruns, this has been “descoped” and has not been built. Another promise broken.

Solar panels were to be placed on the roof to help the classroom and the school to be more environmentally sustainable. These will not be forthcoming. Another promise broken.

A water tank was to be installed beside the classroom to collect the run-off from the roof. We are not connected to mains water and thus are dependent on tank water to flush our toilets, wash our hands and drink. Our school ran out of water last year and had to make an emergency call to buy water from a water carrier. This is now a lost opportunity to increase the water holding capacity at the school and boost our environmental sustainability.

### **LACK OF VALUE FOR MONEY**

Media reports have made it abundantly clear that those schools that have self-managed or been managed by an independent organization, such as the various Catholic Dioceses, have received far greater value for money than

our school. Halls of twice the size have been built for less money than at NSW State Government schools. Yet again, the State system suffers due to the incompetence of its bureaucracy.

## **CONTRACTORS**

Some of the costings for our project, when we saw them on the NSW BER website, were identical to other schools. How can this be, when each site presents differences with regard to soil, engineering requirements, bushfire conditions, contours and so on?

It appears possible to us that our contractor, Reed Constructions found out exactly how much each school was allocated in the area they were interested, looked at the projects the NSW Government wanted constructed at each school, and formulated a proposal that multiplied the number of schools by the funds available and presented that to the government as their price for all the projects. They then divided these costs equally between schools allocated the same amounts, which accounts for their over-priced, identical costings.

We believe the NSW State Government was under immense pressure from the Commonwealth Government to act quickly and accepted these prices without a thorough check of whether they were reasonable or not.

## **SUMMARY**

It appears from our research that the building provided has been over priced by approximately \$500,000 (see attached worksheet)

The original scope was to include the following items that have now not been delivered: a covered walkway, air-conditioning, solar panels and a water tank.

This is not acceptable and reeks, at least, of mismanagement and possibly misappropriation.

## **THE FUTURE**

If you consider that many of our children today are being educated in buildings constructed many years ago you realize the responsibility upon us. What we create today will become our legacy for tomorrow!

Australia has a once-in-a-lifetime opportunity under the unique Building the Education Revolution program to have a major impact not only on education and the day-to-day lives of our children today but for generations still to come. It is incumbent upon all of us to ensure we deliver to the nation, our children and grandchildren the best possible outcome we can under the BER program so that we achieve the best possible value for money, quality, sustainability and functionality in our education system's infrastructure, much of which will outlast many of us here today.

We implore you to ensure the highest quality product is being delivered at the most reasonable budget possible. Any money available for the education of our most precious asset, our children, and in turn our collective future

should be invested and managed wisely with much responsibility. Funds squandered or mismanaged now impact on our society for years to come. The national debt has to be repaid by all but seen as an investment in our future and managed appropriately these funds will build a better today and a greater tomorrow.

Our project – and possibly hundreds more – is overvalued and does not represent the value for money that the scheme decried. Nor has it allowed our small school to improve its teaching resources – a once-in-a-lifetime opportunity missed. We would like this to be acknowledged by the Commonwealth and State Governments, and for the balance of the determined ‘true value’ of our allocation (in the order of \$500,000) to be returned to our school so that we can self-manage a project to build the hall we originally wanted.

The intentions of the BER program are ostensibly good, but the implementation has not resulted in satisfactory outcomes. The program needs to continue under stricter control so that schools yet to complete projects can benefit from greater assets. Those with completed and unacceptable projects need to be given the opportunity to further realize the benefits and true value this scheme was designed to supply.

Thank you

Lisa Hall

For

Eungai Public School P&C Association

