

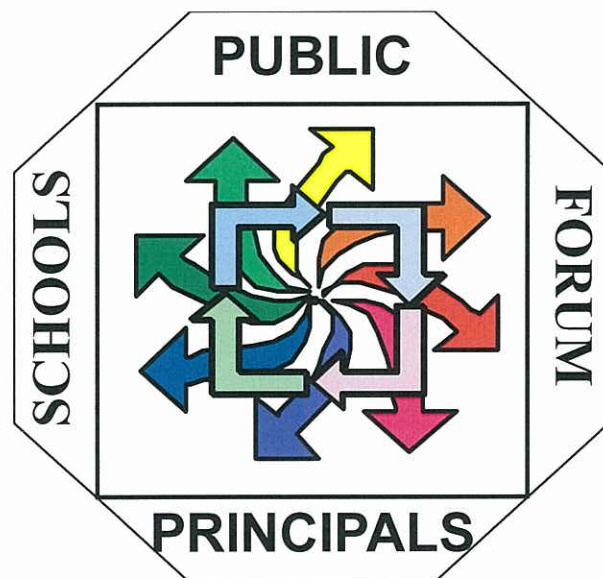
**Submission
No 109**

INQUIRY INTO THE BUILDING THE EDUCATION REVOLUTION PROGRAM

Organisation: Public Schools Principals Forum
Name: Ms Cheryl McBride
Position: Chairperson
Date received: 7/06/2010

Public Schools Principals Forum

Primary Education- A celebration of childhood



**A SUBMISSION ON BEHALF OF THE PUBLIC
SCHOOLS PRINCIPALS FORUM TO THE NSW
LEGISLATIVE COUNCIL INQUIRY INTO THE
BUILDING EDUCATION REVOLUTION PROGRAM**

NSW public school principals and their school communities celebrated the Rudd Government's decision to inject millions of Federal dollars into the upgrade of badly neglected school infrastructure.

However the following survey of principal satisfaction indicates there has been much disquiet amongst NSW primary school principals and their communities about how the Building Education Revolution (BER) program has been implemented in public schools in NSW.

On 8th March, 2010 the Public Schools Principals Forum (PSPF) randomly circulated the following satisfaction survey to principals across NSW-

SURVEY

***School Name** _____

***School Allocation** _____

***Initial Agreement (eg School hall, Shelter, & Classrooms etc)** _____

***What works are actually being undertaken?** _____

***Projected completion date** _____

***Is your school receiving value for money? Yes / No**

***Have revised costing or 'cost blow outs' been an issue for your school? Yes/ No**

***If so, please detail,** _____

***Were / Are there any other issues alarming your school community with regard to the B.E.R ?** _____

SURVEY RESULTS

*Approximately 220 surveys were received during 8th – 10th March.

*112 Principals indicated, “No,” in their response to question no.6,

“Is your school receiving value for money?”

*Approximately 57 Principals were unsure about their response to question no.6

***Three major themes emerged from the survey:**

1. 50+% of respondents indicated they did not believe that their school was receiving value for money. (See later case studies),

Many examples of dissatisfaction have been highlighted in various media outlets and are recorded by principals in the attached survey returns.

2 .**Local priorities were / are being frequently ignored.**

Principals have provided many examples and described their frustrations at having local priorities and requests either ignored or worse, agreed to initially and later changed / overridden without consultation. A common phrase emerging here is “...at the builders’ convenience”.

This refers to builders' unilateral decisions to, e.g. erect classrooms rather than halls or locate structures on site according to builders' preference rather than school planning and organisational priorities.

3. Principals have pointed to what has emerged as an obvious trend of, "...bricks and mortar in the private or non-government sector and modular in the public school sector."

It would seem that the non-government sector has managed its funds such that "extraneous costs and charges" have been minimised thus maximising the funds available for actual construction. This has obviously resulted, in most cases, in superior structures (size and quality of material) being erected in the non-government schools.

CASE STUDY -1

SHOAL HAVEN ANGLICAN SCHOOL

Project- Library 367m2
(permanent structure)

Total cost- \$850,000.00

Building cost- \$757,185.00

Fees- \$92,815.00

EUNGAI PUBLIC SCHOOL

Project- 2x Modular classrooms
200m2 (pre fab.)

Total Cost- -

Initial estimate- \$850,000.00

Final cost- \$892,000.00

Building Cost-

Modular building construction-

\$339,853.00

Sub & Super structure-

\$196,819.00

Site Services- \$45,576.00

Site Works- \$57,892.00

\$640,140.00

Site Management- \$86,073.00

Project Management \$40,020.00

Incentive fee \$5,927.00

\$132,020.00

Design field data \$119,840.00

CASE STUDY-2

Canley Vale Public School

Project 1. \$1.6m

Erection of 4 classrooms- two storey building

BER Primary Schools for 21st Century
CANLEY VALE PUBLIC SCHOOL
 4 CDR Homebase (2 storey)

Estimated Project Expenditure

Australian Government P21 Allocation

\$1,800,000

		ECS Stage (24/12/2009)	Forecast Cost (27/04/2010)
	Estimated Project Expenditure (all figures exclusive of GST)	Amount	Amount
1	IPO Project Management Cost (1.3%)	\$23,400	\$23,400
2	Contingency (5%)	\$90,000	\$90,000
3	Network Substation Allowance	N/A	N/A
4	Managing Contractor's Incentive Fee	\$36,988	\$33,102
5	MC Project Management Cost	\$51,783	\$46,343
6	Modular Building Cost	N/A	N/A
7	Design documentation, field data, site management	\$214,452	\$198,409
8	Preliminaries	\$134,113	\$67,200
9	Substructure	\$32,247	\$102,828
10	Superstructure	\$673,070	\$689,952
11	Site Works	\$317,675	\$235,560
12	Site Service	\$120,616	\$162,551
13	Design and price risk	\$135,303	\$0

Sub-total	\$1829,648	\$1,649,345
Forecast Balance (excl GST)	-\$29,648	\$150,655

* Items 1-8 – Management related costs - \$459,000 ≈ 28%

* Item 11 - Site works \$235,560 ≈ 14%

* Item 12 – Site Service (electricity, water???) \$162,551 ≈ 9%

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* Items 9 & 10 Sub & Super Structure (construction ???)

\$792,780 ≈ 49%

NB:- This site contains zero asbestos

- Demolition of 2 existing timber demountables required
- Classrooms located “at builders convenience”.

Project 2. \$1.2m

Refurbishment of 5 classrooms.

BER Primary Schools for 21st Century
CANLEY VALE PUBLIC SCHOOL
Homebase Refurbishment

Estimated Project Expenditure
Australian Government P21 Allocation

\$1,200,000

		ECS Stage (24/12/2009)	Forecast Cost (27/04/2010)
	Estimated Project Expenditure (all figures exclusive of GST)	Amount	Amount
1	IPO Project Management Cost (1.3%)	\$15,600	\$15,600
2	Contingency (5%)	\$60,000	\$60,000
3	Network Substation Allowance	N/A	N/A
4	Managing Contractor's Incentive Fee	\$23,908	\$24,022
5	MC Project Management Cost	\$33,471	\$33,631
6	Modular Building Cost	N/A	N/A
7	Design documentation, field data, site management	\$195,632	\$156,090
8	Preliminaries	\$147,765	\$124,035
9	Substructure	\$0	\$9,853
10	Superstructure	\$708,552	\$625,369
11	Site Works	\$0	\$141,640
12	Site Service	\$0	\$0
13	Design and price risk	\$0	\$0

Sub-total	\$1,184,928	\$1,190,240
Forecast Balance (excl GST)	\$15,072	\$9,760

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* <u>Items 1-8</u> – Management related costs -	\$413,000	≈ 35%
* <u>Item 11</u> – Site works	\$141,640	≈ 12%
* <u>Items 9 & 10</u> – Sub & Super structure (construction??)	\$635,222	≈ 53%

NB – This is an existing structure

St Christopher's School, Holsworthy

Project total = \$3m

- New hall (including stage)
- COLA (all children accommodated)
- Toilet block x 8
- 2 Special learning areas for Reading Recovery and
- English as Second Language
- Multi-purpose library (including sounds proof room),
- Storage area and staffroom
- 2 storage sheds (chairs and P.E equipment)

- Rainwater tanks
- Solar panels
- Interactive whiteboard

CONCLUSION

The Public Schools Principals Forum believes that one of the major underlying issues in the implementation of the BER program in NSW public schools has been, and continues to be one of 'conflicting goals'.

ie the goals of the three 'major players' - Federal Government

- NSW State Government

(Represented by Department of Education & Training Director General, Michael Coutts-Trotter.)

-Public school principals & their communities.

* **Federal Government** – primary goal was to inject funds into the national economy to minimise the effect of the global financial crisis.

Secondary to this primary goal was the desire to upgrade school infrastructure around the nation. By definition, an efficient project (from the Federal Government's perspective) is/was where projects commenced and concluded 'on time' and where allocated funds were spent expeditiously.

* **NSW Director General** – primary goal, in the opinion of the PSPF, was to 'do the bidding of the Federal Government' ie - commence the

projects on time and keep to budget.

PSPF is disappointed that the Director General did not communicate more forcefully and decisively with the Federal Authorities (via the State Minister) to insist on greater flexibility in the process to allow for local priorities to be respected and honoured and for higher quality structures to be erected.

* **Principals and School Communities** – primary goal was to make the most of a ‘once in a life time’ opportunity to genuinely upgrade and/or erect much needed infrastructure in their schools. Obviously principals believe that they owe it to their schools to maximise the return from every dollar invested.

THE WAY FORWARD

* The PSPF welcomes this inquiry by the NSW Legislative Council. If evidence of wrong doing or corrupt behaviour is uncovered we trust that those responsible will be held accountable.

* We urge the Inquiry Committee to call on the Federal Government to freeze plans for all projects not yet commenced :-

- To allow all cost estimates to be thoroughly scrutinised by objective third parties.
- To ensure that, wherever possible, local priorities are respected and honoured.

SECTION 2
SCHOOL SURVEYS