

INQUIRY INTO THE BUILDING THE EDUCATION REVOLUTION PROGRAM

Organisation: Merrylands East Public School Parents and Citizens Association
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Partially Confidential

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Merrylands East NSW Teachers Federation
Myee Street
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NSW Inquiry into the Building the Education Revolution Program
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Committee

The Merrylands East Public School Parents and Citizens Association (P&C) is concerned about the NSW Implementation of the Building Education Revolution: Primary Schools for the 21st Century, in particular the value for money and transparency.

Context:

Merrylands East Public School is located in the South Western Sydney and services children from kindergarten to Year 6. The school services students from over 30 different language backgrounds with 10% refugee backgrounds.

Merrylands East school site is only 1.2 ha and a residential house cuts into the rectangular shape of the school grounds from the north. The school has won numerous environmental awards, including the United Nations Association of Australia World environment Day Award 2009 (a first for any NSW school), the NSW Department of Education Director General's Award for Leadership in Sustainability 2009, Holroyd City Council Garden and Environment awards 2009. (Appendix 1). The school has also won numerous national awards in Wakakirri story-dance Eisteddfod in the Environment and cultural Diversity section.

The BER Office indicated that our school would receive a core 14 hall and core 14 toilet block for the total value of \$2 729 577 out of our allocation of \$2.8M. (Appendix 2)

As part of our P&C experience with the BER Office, we were extremely concerned that our nationally award winning landscape would be concreted over with the plans of the BER Office. The garden and other sustainability measures have strong sentimental value and links with other sustainability measures.

In our search of the NSW BER documentation to understand the process and the cost associated with our projects our Parents and Citizens Association (P&C) initiated a Freedom of Information on the 10th December after a protracted negotiation with the BER Office in which they were determined to concrete over our sustainability measures without the genuine possibility of relandscaping after giving a commitment on the meeting back in October 2009.

Our P&C soon discovered a BER Officer's used the term "#@&ing garden" in an email correspondence. (See Appendix 3). We believe that this description of our landscaping is highly offensive and insults the whole school community. Our P&C will be seeking an apology from the BER Officer concerned but it now helps us understand the negative attitude of the BER Office towards our school's environment with respect to the author and those that read the correspondence.

The Commonwealth Building Education Revolution P21 is a welcomed addition to the Merrylands East school community. The school community had high hopes and expectations that the \$2.8Million allocated will enable our school to move into the 21st century. Our confidence for the program has slowly diminished as we confronted a BER Office that showed little empathy towards our schools and at times contempt for our school environment.

Our P and C and school community have been monitoring the reasons for the inflated costs associated with not just our projects but all school projects.

- 1) Child Protection – if the increase costs are partly due to child protection and criminal checks, then how are the independent and catholic schools achieving better value for money and still complying with the various checks?
- 2) Superior Products – suppliers of building materials do not have products that indicate one is for public schools and the other is for independent and catholic schools? BHP still does not distinguish their steel and colorbond from one school sector to another.
- 3) Superior Buildings – the assumption is that public school buildings are better than the independent and catholic sectors. If this was true, then the managing contractors should be prepared to accept ongoing maintenance costs for the long term upkeep. Our school has a prefabricated classroom building that is currently being rolled out to many schools. Within 4 years of the building being installed, the rooms have been damaged by water leaks, ceiling panels have come off and joints have not been secured properly. We also have a modern core 14 library where large cracks have emerged in the Office section. These are not examples of superior buildings.
- 4) All inclusive and ready to move in – the argument that the school facilities in public schools are receiving value for money because the halls come with chairs, PA system etc and the independent school hall are coming without is quite misleading. If anything, the independent school halls are coming with more.

VALUE FOR MONEY

A) Merrylands East Public School community believes that our school will not be receiving value for money and that some of our landscaping and sustainability measures will be removed without adequate replacement. For example, the BER Office and the Managing Contractor's are prepared to remove a water tank that is currently connected to a toilet block but won't reconnect it to a new toilet block. As part of their plan, the BER Office was willing to connect the water tank up to gutters and downpipes but the outflow of water would go nowhere.

Costs (Attachment 4)

Site Supervision

Hall \$131 921 and Toilet Block \$37263:

Total: \$169 184

Comment: Merrylands East Public School community is aware that the managing contractor places a site supervisor on site but works across multiple sites. The site supervisor is not on site full time. The proposed hall and toilet sites are with 20metres of each other and the charge \$169 184 for a part-time supervisor who is beyond community expectations.

Site Services

Electrical

Hall \$182 345 and Toilet Block \$12 200: Total: \$194 545

Hydraulic

Hall \$118 146 and Toilet Block \$22 160: Total: \$140 306

Comment: The existing proposed sites are both within 5-10metres of existing services. We believe that no quantity surveyor from the Department of Education BER Office has physically visited our school site to locate the existing services but rather relied on the managing contractor. Local tradespersons in our school community have seen the costs and they have all indicated well beyond market rates. At no time has the managing contractor provided a detailed scope of works for hydraulic or electrical. In a meeting on Tuesday, 20th April 2010 with our P&C Representative, the Managing Contractor inferred that there is a cost whenever schools asked for information.

With respect to the toilet block, our school community installed electricity from 15 metres away to another toilet block at a cost of \$3000.

Superstructure

Electrical

Hall \$101 716 and Toilet Block \$61 866: Total: \$163 582

Hydraulic

Hall \$62 603 and Toilet Block \$77 445: Total: \$140 048

Comment

Our school is very concerned with the cost for hydraulic and electrical for our school hall and toilet block.

- 1) How many lights are there in a toilet block and are they really at a cost of \$61 866?
- 2) The core 14 hall has a male, female and disable toilet and gas heaters. The cost of running sewerage, gas and mains within the hall structure at a cost of \$77 445 is overpriced.

Demountable Movements

The BER Office has estimated that the costs of demountable movements is \$20 000. (See Appendix 5) This is almost doubled the costs to the response to a question asked to the Minister for Education and Training on the 13th May 2009, even when site specific issues are added. Our school has no site specific issues, and our demountable classrooms have only electricity and not water, gas or sewerage.

Comment

Our P&C believes that the BER Office and the Managing contractor need to disclosed their costs for demountable movements, not just for our project but for all projects across NSW and to then benchmark it with the Minister's response.

Fees and charges

Documents obtained under the Freedom of Information indicate that our:

Toilet block cost \$512 371

School Hall cost \$1813 916

Documents sent to our school on the 11 April 2010 indicates a differing amount:

Toilet block cost \$590 718

Hall cost \$2 138 859

We believe that the differential in costs can be summed up in the bottom line Appendix 6.

We believe the discrepancy in the amounts can be explained in the bottom sentence: "notes: Management fees will be added in asset.gov".

When analysing our school figures, we note that when the following figures fees referred on the bottom page excludes:

IPO Project Management cost

IPO contingency

Substation Allowance

MC Incentive Fee

MC Project Management

When all these costs are added, the total adds up to \$78 347 for the toilet block and \$324 943 (with rounding off). In other words 15% in fees, which far exceeds the capped 4%.

TRANSPARENCY

B) On the 10th December 2009, the Merrylands East P&C submitted a Freedom of Information request for all documentation related to the Merrylands East Public School BER P21 Projects and paid a \$30 fee. On the 23rd of December, our P&C spoke to Miss Burgman who was less than forthcoming with the documentation required. Subsequently, the school paid an additional \$450 on the 24th December 2009 for the requested documentation. A further \$525 was paid with the parameters of the FOI restricted. In total, \$1050 was paid for our FOI request and the cost would have been more if the Department had not reduced some of the cost. Some documentation was received on the 19th April – well beyond the 21 days for the turn around of FOIs.

After receiving the FOI documents, our P&C were disappointed in the transparency. In particular, the BER Office have merely produced emails trails between our Principal, the School Education Director and very little documentation about process about costs and decision making associated with costs. We were also alarm to read that the BER Office is now dictated by the Managing Contractor in respect of the release of documentation.

Within the covering letter from the NSW BER IPO to our P&C (Attachment 7 and 10):

"HY responded on 4th March 2010 to indicate that they wanted 6 pages exempt in full. A second consultation was carried out in order to partially release the documents. On 16th March 2010, HY was contacted via telephone and at this time agreed to partial release of the relevant pages. The Department was keen to release these pages in full and as such contact HY again to try and obtain their consent. They agreed to release page 309 in full; however, the other pages were still being considered by them to be exempt in part. I decided to agree with their view and consequently, similar information on additional pages will be released in a similar manner. (Lucy Bergman)

HY = Hansen Yuncken

On the 25th March 2010, the P&C heard a radio interview between the Minister for Education and Training and 2GB. During that interview, the Minister made the comment:

"Any school that wants access to any of their documents is absolutely entitled to them. We will give it to them."

On the 26th March 2010, following an interview on 2GB that discussed our school's BER Office, Mr Dawson office immediately contacted the school principal to inform him that he was on his way to visit. During the visit, Mr Dawson walked around the school playground and made a comment that our Covered Outdoor Learning Area wouldn't have cost \$900 000. The principal responded by saying that it costed \$47 000 for approximately 540 square metres. We have since discovered that our COLA has been described as 6 stars by the Managing Contractor Hansen Yuncken. (See appendix 8)

During the visit, Mr Dawson indicated to the principal that he couldn't be involved in the release of the documents due to the FOI.

As a result of the radio interview on the 25th March, the P&C wrote to Mr Dawson on the 26th March and requested all the documents concerning our school's BER. (See Appendix 9).

On the 16 April, the P&C received 313 pages of the 5436 pages from the FOI on the 10th December. Many of the documentations were repetitious and contained emails between our principal, the School Education Director and the BER Office. What the documents reveal was the commitment of our principal and the school education director to represent the P&C and the school community in their wishes.

It wasn't until Friday, 27th May that Mr McKenzie from the BER Office contacted the school principal and indicated that he will bring the documents out to the school on Thursday 3rd June 2010. During this meeting with the Principal, P&C Representative and Staff Representative, Mr McKenzie indicated that he had the school's complete file. On examining the file, it was evident that the number of documents fell short of the 5436 as indicated in the letter titled: Notice of Determination FOI-09-413. Within the file, very little documentation existed about costs, budgets etc and many of the 313 documents granted under the FOI were missing from the file. When asked about

all the financial costing and the other documentation, Mr McKenzie indicated that they may be with Hansen Yunksen and we needed to contact Mr Dawson.

While we have faith in the Minister that the documents would be supplied, it appears that the BER Office and the FOI Officers have been deliberately stalling on the granting of the documents to our P&C.

The Merrylands East P&C is totally dismayed at the obscurity used by the BER Office in their failure to release documentations about our school's costing. We believed that the commitment by the Minister for Education and Training during radio interviews on 2GB is not reflective of the practices that are taking place with the BER office and the issue of transparency. They seemed to be running their own agenda. Miss Burgman has clearly made the decision that the documents are not for public viewing and this can only be concluded that our school is not receiving value for money. Secondly, the initial intent of the Managing contractor to withhold documentation from our school indicates that they are concerned about BER costs.

The BER Office consistently sends the message that the costs are only estimates. However, we believe that the estimated costs are well wide of industry expectations of the actual costs. This is disappointing as our school dates back to 1928 and any surplus would be invaluable to our school community. Currently, staff park their cars on the road to enable enough playground space for our students, asphalt is cracking and render is falling off walls.

The Department of Education and Training and the Managing contractor have provided an opportunity for schools to provide quote. However, our belief is that the managing contractors are receiving enough fees to ascertain the quotes themselves. However, they have listed their preferred tenderers on their website.

The Merrylands East school community is dismay by the costs associated with our school project. Our community believes strongly that we should be receiving value for money – as the spirit of the program intent.

The current situation is that the NSW BER Office has provided Merrylands East school community with an alternative plan. This involves the scaling back of a core 14 toilet block to a core 7 and building a core 14 hall, COLA and canteen. The proposed new site for the entire project will be on a site of a demountable administration building and toilet block – in other words, the site services are already available. This provides the BER Office and the Managing contractor an opportunity to ensure that all costs are reflective of market rates.