

**Submission  
No 111**

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

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## **BER PROGRAM INQUIRY - Submission to the NSW Legislative Council**

### **ABBOTSFORD PUBLIC SCHOOL**

#### **Background**

Abbotsford Public School was successful with funding for 2 projects under the Federal Government's Building the Education Revolution (BER) Project.

#### **1. National School Pride**

\$150 000 was granted, based on a school enrolment of 330 pupils.

The Abbotsford Public School community chose to self manage this project in spite of quite onerous reporting conditions and responsibilities being placed on the school.

These conditions included:

- Responsibility for all OH & S, Work Cover, Working with Children checks.
- Monthly reporting guidelines of significant complexity
- Sole responsibility for any Legal follow-up resulting from issues arising from the project. DET was not prepared to provide legal support to schools who chose to self manage their projects.

A number of colleagues (Principals) indicated they were dissuaded from the self-management pathway by the onerous conditions and lack of support by DET.

The same colleagues also indicated that they did not feel they achieved value for the NSP project when it was managed by DET.

#### **2. Primary Schools for the 21<sup>st</sup> Century.**

\$2.5 million was granted to Abbotsford Public School based again on the school's enrolment of 330 pupils.

Prior to the \$2.5 million figure being announced, the school, in consultation with its community discussed 8 projects for consideration. These projects were discussed with both the State and Federal members. This list was requested by the BER Office (State) and was compiled through consultation with the school community of students, staff and parents.

Preferred Projects: (not in order of priority)

1.
  - a) A large COLA for assembly/play area in the K-2 area. This was a commitment made by the State Government in 2008.
  - b) A smaller COLA adjoining the Kindergarten classrooms
  - c) An amphitheatre & COLA near the K-2 area of the school

2. School Oval refurbishment project – to remove fibro fragments and restore the surface to a safe condition.
3. Toilets upgrade – ultimately achieved (self managed) through the National School Pride programme
4. Refurbish Block H – new carpet and a fresh coat of paint in this 4 classroom and 4 storeroom block
5. Library refurbishment
6. ESL/STLA learning space
7. School signage
8. Multi-purpose sports court

However, when the \$2.5 million amount was announced, additional classroom space became the school community's priority. The school community identified the opportunity to increase the net classroom capacity of the school to accommodate the increase in enrolments and future needs of the school and the local community. Additional classroom space also provided the opportunity to provide classroom accommodation to STLA (Support Teacher Learning Assistance) students who have been taught in a makeshift space in an old hall area for some years.

A space was identified on the grounds of the school and had four classrooms been built in that identified area, Abbotsford Public School would be in a position to adequately service the local community with an accommodating Public Primary School for future generations.

There would have also been substantial saving with no need for four demountable classrooms at a reported \$200,000 to be placed on the site. \$200,000 to a school community is a substantial sum of money.

The school's priorities were ignored by the State Government. However, by the end of negotiations the State Government offered the School Community an additional \$1 million in assets to include:

1. 4 classrooms – in replacement for the demolished 4
2. 2 special program rooms (1 of these ultimately funded by the State Government at \$400,000)
3. 2 external store-rooms
4. A renewed commitment to a K-2 COLA (funded by the State Government at \$100,000)
5. Funds committed to address soil issues including fibro fragments in the playing field (Funded by the State Government at up to \$500,000)

The school's priorities were ignored by the State Government. The Department of Education and the NSW Education Minister advised the school community that the entire BER funds would be used to demolish and rebuild block H (a set of 4 classrooms). Following a definitive response that the 4 classroom block would be demolished from the NSW Education Minister, in correspondence to the P&C President dated 2 August 2009, an extra-ordinary meeting of the P&C was called. That meeting eventually took place on the 9 September 2009. In the weeks and days prior to the meeting, journalists from the Australian Newspaper had spoken with the P&C President regarding the community opposition to the project. The Australian Newspaper then ran the article on page 1 on the 9<sup>th</sup> of September, with follow up article on the 10<sup>th</sup> of September 2009.

What aggrieved many of the parents was that at no stage of the deliberations by the Abbotsford Public School community was the demolition and replacement of Block H ever approved or seen as a preferred project option as reported by certain politicians in the press and in parliament. To the contrary, from day one, it was seen as a waste of taxpayer funds where other real priorities existed.

The P&C was always open to reasonable compromise and negotiation and suggested some alternatives to the Government in correspondence dated the 29 September 2009. However, the long, protracted and frustrating negotiations ensued with the Government at one point appearing to cease communication with the Executive of the P&C.

This led to parents seeking assistance from both the press and Opposition politicians to achieve a common sense result for the community.

The School was visited by many Opposition Politicians including Mr Malcolm Turnbull and Senator, Guy Barnett during the difficulties experienced. Visitors also included Mr Don Harwin MLC and Mr Adrian Piccoli MP. Following discussions with Mr Harwin MLC, he spoke about Abbotsford Public School in the Legislative Council on the 28 October, 2009.

An article that ran in the Inner West Courier Newspaper on the 29 October 2009 quoting the P&C President that a real risk existed that either Italian or Music lessons were at risk if a net increase in classrooms could not be achieved.

Following Mr Harwin's speech and the article of the 29 October, a meeting was held between the Education Minister's Chief of Staff, the State Member for Drummoyne and the Abbotsford Public School Principal. No one from the school community was invited. From that meeting, the project was expanded to include 1 additional 'Special Programme Room' (with strict advice that this room could not be used as a classroom but would provide space for the teaching of children with learning difficulties and those studying music) and 2 storage areas.

On Friday 6 November 2009, the P&C President received a telephone call from the State Member for Drummoyne. In that call, Ms D'Amore MP stated that she had been able to secure a second 'Special Project Room' with State Funds, to the tune of \$400,000. She also stated that up to \$500,000 would be set aside to address the asbestos in the school oval, which has been an important issue for the school for some years. Additionally, she re-affirmed a

Government commitment to the erecting of a Covered Outdoor Learning Area that was promised to the school in correspondence from Ms Firth MP in 2008.

By the end of negotiations, the State Government offered the School Community an additional \$1 million. In total the commitment to the school was:

1. 4 classrooms – in replacement for the demolished 4
2. 2 special program rooms (1 of these ultimately funded by the State Government at \$400,000)
3. 2 external store-rooms
4. A renewed commitment to a K-2 COLA (funded by the State Government at \$100,000)
5. Funds committed to address the possibly asbestos containing soil in the playing field (Funded by the State Government at up to \$500,000)

At no stage of the deliberations by the school community was the demolition and replacement of Block H ever approved or seen as a preferred project option as reported by certain politicians in the press and in parliament. To the contrary, it was seen as a waste of taxpayer funds where other real priorities existed.

<b>1. Levels and appropriateness of fees and charges imposed by various NSW Government agencies.</b>
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Fee levels imposed by the Primary Schools for the 21<sup>st</sup> Century Project are excessive.

Cost outlines for Abbotsford Public School's \$2.5million construction project included the following figures:

The costings were provided by Managing Contractor, Abi-Group on 22 March 2010:

IPO Project Management Costs (1.3%)	\$ 37 700.00
Contingency (5%)	\$145 000.00
Managing Contractor's Incentive Fee	\$ 66 218.95
Managing Contractor's Project Man Cost	\$ 23 431.32
Design Documentation, field data, site management	\$248 143.60
Preliminaries	\$221 000.00
Substructure	\$ 92 997.00
Superstructure	\$980 859.00
Site Works	\$279 532.00
Site services	\$189 979.00
Design & price risks	<u>\$142 152.00</u>
Sub-Total	<u>\$2 427 012.86</u>
Balance	\$ 472 987.14

Detailed costings released by BER Program Director, Angus Dawson, , on 21 September 2009  
show a number of conflicting amounts:

IPO Project Management Costs (1.3%)	\$ 32 500.00
Contingency (5%)	\$125 000.00
Managing Contractor's Incentive Fee	\$ 79 625.00
Managing Contractor's Project Man Cost	\$ 26 939.00
Electrical Services	\$181 790.00
Site Electrical Services	\$148 930.00

The above fees are in stark contrast to 2 projects completed by our school in recent years.

**A.** The Howard Government's **Investing in our Schools Project (IIS)** resulted in \$150 000 being paid to the school for a heat reduction project.

The project was self- managed by an Abbotsford PS staff and parent committee (Government School Community organisation) and resulted in

- All classrooms, learning spaces and offices being air-conditioned
- New blinds installed across the school
- Ceiling insulation installed in 2 classroom blocks (Block A & ceiling of Block A upstairs)
- "Whirligigs" installed on the roof of each building. Block A, Library, Block G, Block H, Block F.

**B.** The Rudd Government's **National School Pride (NSP)** project resulted in a direct grant of \$150, 000 to the school. This project was also managed by an Abbotsford PS Parent and Staff Committee and resulted in:

- The renovation and refurbishment of student and staff toilet areas featuring:
- The installation of 6 skylights to provide significant natural lighting to toilet areas
- New tiling (wall and floor) in student toilets and more than 50 lineal metres of student designed tile murals
- New door and partitions in 4 student toilet areas: Primary Girls and Boys; Infants Girls and Boys
- Replacement of old taps and bubblers with new spring loaded models to conserve water.
- New fluorescent lighting featuring reflector strips to increase efficiency and save electricity. Old light fittings in the student toilets used 32 fluorescent tubes. New light fittings use 12 tubes across the same toilet areas.
- New light and movement sensors that mean that electricity (lights) are only needed at night time and on very cloudy days.
- New soap dispensers and mirrors

In both projects there were no management fees involved: all monies were spent on construction or materials/equipment costs.

**Investing in Our Schools** – 17% under budget,

**National School Pride** - 5% over budget (cost over-run met from school budget)

**Comment**

Fees and charges levied on this P 21 BER project appear extremely excessive and cannot be described as ‘value for money’.

1. Why is an incentive fee of \$66 218.95 required for this project? Feedback from the building industry as well as the project management field has consistently questioned this category and amount.

2. A quite staggering amount of project funding has been used for fees:

• MC Project Management Costs	\$ 23 431.32
• Design Documentation, field, data, site management	\$248 143.00
• Preliminaries	\$221 000.00
• Design and Price risk	<u>\$142 152.00</u>
Total	\$634 726.32

There has been no explanation given for what appear to be similar categories  
eg Design and Price Risk

vs

Preliminaries

vs

Design Documentation

**Physical Construction Costs appear to total \$1,938,067.60.**

**This figure is based on the Abi-Group figures of 22 March 2010 and include:**

<b>Design Documentation, field data, site management – 70%</b>	<b>-\$173,700.60</b>
<b>Preliminaries</b>	<b>\$221,000.00</b>
<b>Substructure</b>	<b>\$92,997.00</b>
<b>Superstructure</b>	<b>\$980,859.00</b>
<b>Site works</b>	<b>\$279,532.00</b>
<b>Site Services</b>	<b><u>\$189,979.00</u></b>
<b>Total (Physical Construction)</b>	<b>\$1,938,067.60</b>

While there will be dispute on ‘what is a fee and what is a cost’ the fact remains that it appears likely that fees will exceed 30% for this \$2.5 million project.

**These fees, based on Abi Group figures of 22 March 2010 include:**

<b>Contingency</b>	<b>\$145,000.00</b>
<b>Managing Contractors Incentive Fee</b>	<b>\$79,625.00</b>
<b>Design and price Risk</b>	<b>\$142,152.00</b>
<b>30% of Design documentation, field data, site management</b>	<b>\$74,443.00</b>

One P & C member with Project Management expertise commented “We are all used to hiding a bit of money in our costings but there is a lot hidden in a number of different places in this costing outline.” (21 Sept 2009 outline)

Communication from the BER Project Office has included the concept that schools may be asked to “sign over” funds left over to other schools.

It is highly unlikely that the Abbotsford Public School community will agree to this proposal if put. It would be much preferable if any left over funds were put towards further fit out of classrooms (additional IWBs) or allocated to one of the other 8 projects identified by the school.

**The school community is of the view that fees levied on the P21 project are significantly above industry standards.**

<b>2. Whether costs charged for construction of BER projects are in line with industry standards.</b>
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Item costs advised for the key components of the school’s P21 project are shown below:

- 1. 4 classrooms @ \$600 000 per classroom      \$6 666 per sq m
- 2 special programs rooms @ \$400 000 per room\*      \$8 000 per sq m.

Information from the Catholic Education Office indicates their classrooms are being constructed for \$2,500 to \$2,600 per square metre.

\*The 2 special program rooms were added to the P21 after significant and protracted lobbying by the school community on the grounds that the proposed project did not represent either a good outcome for the school or good value for money. One special program room was funded by the state government and was not included in the school’s \$2.5 million allocation.



DET explained the cost differences for classrooms as being due to the “higher standards and specifications of DET classrooms”.

This “higher standard” does not seem to be supported by increased warranties by builders:

**Structural warranties for buildings are 5 years.**

**Fixtures and fittings warranties are for 7 years**

As a university student of Industrial Design has noted: “A chair has a 5 year warranty.”

As the pace of construction of our project has been remarkably slow, with sub surface works only now being completed despite a December 2009 project beginning, it is not possible to make any assessment of the veracity of the “higher standards and specifications” touted by DET.

It would be anticipated that a faster construction pace would have reduced significantly the fees required for our project.

Significant anecdotal evidence from colleague principals has provided clear evidence of great differences in “normal” building costs compared with BER P21 building costs.

Examples have included toilet blocks and classroom blocks constructed in other program phases (normal DET Capital Works Programs) for costs ranging from \$1 750 - \$3 300 per square metre.

These figures can be contrasted with costs of our P21 project of

Classrooms @ \$6 666 per sq m

Special program rooms @ \$8 000 per sq m.

It is clearly understood that project costs include the placement of 4 demountable classrooms required while Block H was demolished and rebuilt.

The school was advised that each demountable classroom would cost \$50,000 to have on site for the life of the project.

### **3.The effectiveness of government oversight and review of contracts signed by Head Contractors and the NSW Government.**

Communication with other schools indicates there was significant variation between Managing Contractors with respect to what documentation was provided to schools.

One Managing Contractor provided a “Beginning Project Pack” to their schools which included plans, risk assessments and other detailed information about each school’s project.

Information from the DET Integrated Program Office indicated that “not all Managing Contractors provided a Beginning Project Pack.”.

Such information would have been invaluable to the school in communicating effectively with its community about the building works.

It would clearly have been more effective if all Managing Contractors had been given the same requirement to provide the pack.

### **4. The use of local builders and tradespeople during the construction of BER projects.**

We are unable to comment on this category at this point in time.

### **5. Whether outcomes were of acceptable quality and suitable to be needs of each individual school.**

The quality of final outcomes remains to be verified upon completion which has been advised will be late August 2010.

The question of the needs of the school must be examined from differing standpoints.

- The school’s need for a designated Music Room and a designated Support Learning Room will be met through the provision of the 2 special program rooms. These 2 rooms will not at any future stage be able to be reallocated as a classroom (DET Policy).
- The need for replacement storage (replacing storage that existed in the demolished Block H) was only met after extended lobbying by the school community. This storage had a multitude of uses including P&C storage, Music storage and Sports Equipment storage. It is yet to be determined if the new storage will be an improvement on what it is replacing or a reduction in available storage.

- The increasing birth rate in the Canada Bay Council area (0-5 population demographic) is and will continue to place pressure on current accommodation levels (classrooms) available to the school. In 2009 there were 7 classes in the K-2 section of the school. In 2010 there are 8 classes in the K-2 section of the school and 14 classes K-6. It is likely that this number will further increase in 2011 and beyond. The school currently has one spare classroom with 15 classes being the limit of accommodation currently available. It would be the school's strong preference that the current spare classroom remain available as a Support Learning Room in the Yr 3-6 part of the school. As a split-site school, the availability of two designated Support Learning Rooms (one on each 'campus') is central to the delivery of learning support programs in secure and private learning spaces.

## **6. Any other related matters.**

A number of issues have arisen to date with the construction project.

1. The 2 special program rooms ("SPR") were scheduled to receive an Interactive White Board (IWB) each. The school had indicated to the Integrated Program Office (IPO) that the SPRs would be used as a Music Room and an English as a Second Language (ESL) Support Teacher (STLA) room respectively.

The school applied to the IPO for approval to have the 2 IWBs relocated to 2 of the 4 classrooms. The rationale outlined for this request was that both the Music and ESL/STLA programs would have minimal use for an IWB.

The school's request to the IPO was declined. This is at a time when school communities, including the Abbotsford School Community is doing its best to raise funds to install IWB into classrooms where main stream academics are taught.

The school next applied to the Director General of Education, Mr Michael Coutts-Trotter, for approval to relocate the IWBs from the SPRs to 2 of the 4 classrooms. This request was ultimately approved and the 2 IWBs will now be installed in classrooms rather than the SPRs.

It was unfortunate that the school community needed to go to such lengths to achieve a common sense and 'best use of money' result. However, this is an example of the inflexibility of the Department of Education and BER Office which has been experienced in many other areas along the way in this BER project.

2. The school's second SPR, which is funded by the State Government, will not have an internal store area like the SPR paid for under the Federal funds. One will have internal storage and the other will have access to external storage.

Due to the absence of an internal storeroom in the second SLA, the floor area will not exceed 50 square metres. The Integrated Program Office has decreed that SPRs cannot exceed 50 square metres in floor area.

This ruling has seen a "step" introduced into the design of the second SLA, so that where the building completed could have been a simple 4-sided structure, a "step" of approximately 1.3metres has been introduced into the design. Visually this will do little for the aesthetics of the building: from a construction cost viewpoint, the Project Manager has indicated that there will be no cost saving realised by introducing the "step". An opinion from a Builder who is also an engineer, indicates that there will be additional costs involved in the "Step"

This point can be seen in the document attached as Appendix 1 .

The school's repeated attempts to have this issue addressed, notwithstanding the fact that independent people in the construction industry have insisted that there would be no construction cost saving, have been unsuccessful.

There appears to be little value in applying a "formula" ruling to this situation. The measure has no aesthetic merit and merely loses 7.15sq metres of floor space that would have been very valuable to the second SPR.

3. The State Government insisted that the replacement classrooms built in place of the demolished block H were not going to be air conditioned, notwithstanding that the now demolished rooms were recently air conditioned through a Federal Grant by the Howard Government and fundraised monies.

After lobbying, the State Government agreed to re-install the air conditioning units that were removed from the demolished block.