

**Submission
No 13**

INQUIRY INTO THE BUILDING THE EDUCATION REVOLUTION PROGRAM

Organisation: Stuarts Point Public School P&C
Name: Ms Karina Daniels
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PARENTS & CITIZENS ASSOCIATION

ABN

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NSW Legislative Council-Building the Education Revolution

Inquiry Submission

The Stuarts Point Public School community welcomes the opportunity to make a submission to the Legislative Council's inquiry into the Building the Education Revolution. Our concerns can be broadly categorized as:

- ❖ Apparent lack of value for money
- ❖ Lack of effective consultation and communication throughout project
- ❖ Lack of transparency relating to project costs.

Overview

We are a small school from an area with a low socio-economic profile. We see the BER funding as a once in a generation opportunity to improve and upgrade the facilities at our school. When the P&C were first advised that the allocation would be in excess of \$800,000 we were overjoyed by what we might reasonably expect to achieve for this amount. Our initial enthusiasm has since turned to frustration and despair at the realization that all we will receive is a small, massively over-priced building that does not really meet the needs of the school and its community. Indeed, at one stage DET proposed to remove two of our older buildings in exchange for the new building. If the school community had not fought so hard to preserve the one of the existing building on heritage grounds the BER process would have actually left the school in a worse position than when we started.

Apparent lack of value for money.

Stuarts Point Public School.

The library under construction at Stuarts Point Public School is a prefabricated, modular building of approximately 120²m which is being built for a projected cost in excess of \$931,000 or over \$7,500 per ²m. By way of comparison, the Lismore Diocese BER projects are being capped at \$2,200 per ²m for high quality buildings built to comparable or higher standards than that at Stuarts Point. At this price the cost of the Stuarts Point building would be about \$265,000. The cost of the modular building alone (ie price to site before construction) is listed as \$250,000. On top of this is an additional \$144,000 in costs associated with the building. These include items that could be reasonably assumed to be included in the modular building cost, including cladding, windows, and timber fixtures. Several cost items appear to be either duplicated or broken up to appear as two separate items. Electrical services of \$20,256 and electrical site services of \$25,000 for work that an independent electrical contractor advised should cost no more than \$7,000. Hydraulic services of \$20,256 and site hydraulic services also \$20,256 (this figure appears three times in our ECS) for work that an independent plumber advised was generously quoted at \$3,000. It is our understanding that hydraulic services consist of plumbing in one basin from the main, and guttering to the stormwater. According to Country Energy, our local electricity supplier, a report on the energy requirements of this project was completed May 2009, which indicated that there was no need to upgrade the network substation, the cost of this report was \$120 plus GST however the line costing is listed as \$50,000. Construction costs of nearly \$400,000 for an 8x15m colourbond clad building on a perfectly flat site are outrageous when compared to the type of home or commercial building that could be built in this area for the same price. On top of this there are another \$531,000 worth of costs and fees.

Lack of effective consultation and communication throughout project.

Stuarts Point Public school received initial information about the BER program approximately one week prior to submissions being due. The first priority for our school was a semi-covered outdoor learning area large enough to allow for the entire school body to congregate in shelter. Our second priority was some multi-purpose teaching areas. After preparing some submissions in consultation with our Principal, we were advised that we would be getting a library.

From May until December our Principal had frequent contact with the Scope Manager IPO BER including picking colour swatches and looking at final plans. Once work actually started on the site at the school, the frequency of contact dropped off.

In February the school community began to hear about project omissions at other schools and efforts to clarify the true financial situation of this project commenced and continues today. The BER general

enquiries number was able to suggest four people who may be able to provide a costing for our project. Of the four, one was available- she couldn't help but suggested three more, five days later one of those three was able to email us the Estimated Construction Sum (ECS). The ECS indicated that our school had been allocated \$900,000 and the project cost was \$931,000- the following day we attempted to clarify situation and asked that if our project was to have items omitted could we please be consulted? We made our initial request to the Scope Manager on February 17th and continued our attempts to clarify the financial situation. In analysing the ECS, we found several cost items including allocation for a electricity sub-station upgrade which were unnecessary for our project. On March 17th we met with the Scope Manager, believing we were in a position to negotiate for the original project scope to remain; we were only advised at this meeting that the project had been 'descoped' on December 23rd. At the meeting the Project Manager from the contractor and the Scope Manager were very apologetic for this lapse in communication and could offer no explanation why our repeated requests to be consulted in the planning of any "descoping" that may be required did not alert them to the fact they had failed to advise us that our project had already been "descoped"

Unfortunately the school had unnecessarily spent nearly \$9,000 of our National School's Pride funding to relocate a water tank late last year as it was in the way of an undercover walkway from the new library to the COLA –the undercover walkway was 'descoped' in December.

Lack of transparency relating to project costs.

Since learning of the inflated price of the building, and the plans to descope the project, the P&C have worked hard to establish how the building could cost so much and to have the project meaningfully audited. While departmental staff have been professional and friendly in all our dealings, we have found it very difficult to get real information and feel that we have been drowned by a tide of bureaucratic verbiage, obfuscation and spin.

The Estimated Construction Sum is promoted through the BER website as a costing for individual school's projects. When members from Stuarts Point Public School community questioned individual line items, particularly the electrical substation upgrade allowance mentioned previously, we were advised that the ECS was in fact an average across similar projects. We have repeatedly asked for the actual costings of our project, and to know which other schools our school was grouped with in order to get an understanding of the building conditions that would result in such inflated 'average' costings. We were advised by the Scope Manager that it was impossible to get an itemized inclusion list and costing breakdown for the modular building. Contacting the manufacturer of the modular building

directly to find out what was included in their building cost was referred back to the Scope Manager who advised that the P&C were not to contact contractors nor could we speak with her without our Principal being present.

DET has now agreed to undertake an audit of our project but the basis of that audit is not clear though it is our understanding that the audit will examine whether the proper processes have been followed, whether the actual costs of the project are in line with the ECS, and whether the costs are in line with 'benchmarks'. We have tried in vain to find out the basis for these 'benchmarks' but our current understanding is that they will be based on similar BER projects. The audit has just added to our frustration because, as far as we can ascertain, at no time will it address the fundamental question of whether the building being constructed at Stuarts Point is worth \$931,000.

Summary

The building under construction under the BER program at Stuarts Point does not appear to represent value for money and does not adequately meet the needs of the school. Attempts by the P&C to get detailed costings on the building have been frustrated. The proposed DET audit of the project does not address our fundamental concerns. The community has not been adequately consulted throughout this process.

The Stuarts Point P&C believes that a reasonable cost for this building would not exceed \$300,000 and we would expect that difference between this reasonable cost and our original allocation of \$900,000 should be returned to the school and be spent, in consultation with the school community, on projects that genuinely meets the present and future needs of the school.

Once again, we thank you for the opportunity to present our concerns to this enquiry.

Yours sincerely

Karina Daniels
P&C President

Geoff Goldrick
P&C Vice President



Photo of the building taken in the first week of March - the building is currently still under construction some 10 weeks later.