



## PARENTS & CITIZENS ASSOCIATION

ABN 86113246381

President: Karina Daniels  
Vice-President: Geoff Goldrick

Treasurer: Margaret Vanderjagt  
Secretary: Asher Ovenden

To the Committee,

As was stated in our written submission to the Inquiry, our concerns are broadly

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

As requested the following are details of our efforts to establish the actual cost of the BER project at SPPS, to convey our concerns regarding the apparent lack of value of the project, and requests for a meaningful audit.

In an effort to allow your quick referral to relevant documents, each entry's code corresponds to an email printout or letter which is attached.

### **1 Apparent lack of value for money**

Phonecalls to BER information P&C advised Phil King was appropriate person to provide project costing

**1a :-11.02.10 P &C *email*** Phil King requesting cost breakdown. Advised cost breakdown available shortly.

**17.02.10.** P&C *Phone* to Phil King re: no cost breakdown- advised he was on 2 weeks leave- Rebecca Wark now IPO Scope Manager

**1b :- 17.02.10** P&C receive *email* from Rebecca Wark- Advised Costing breakdown would be emailed that evening

**1b:1** Estimated Construction Sum

**1c :- 17.02.10** P&C *email* Rebecca Wark requesting clarification of apparent budget disparity and the opportunity to contribute in the planning of any cost cutting measures required.

**1d :- 17.02.10** P&C *email* Bernie Stewart (Ware Buildings) requesting details of what is included in a Modular Design Range (MDR) building.

**1e :- 01.03.10** Meeting with Andrew Stoner MP to discuss costings and quality of BER projects –request representation to Verity Firth re: reinstatement of items “descoped”

**1e.1 :-**Reply from the Hon Verity Firth’s office-“matters raised...noted and are presently receiving attention”

**1e.2:-** Letter from Hon Verity firth’s office to Andrew Stoner MP-“matters raised currently receiving attention”

## **2 Lack of effective consultation and communication throughout project- including perceived stonewalling by DET/BER personnel**

**2a :- 25.11.09** *Email* from Tonya Worling to BER seeking confirmation that rainwater tanks, air conditioning and solar panels would be retained by core 7 libraries – no reply received.

**19.02.10** *Phonecall* from Robyn O’Neill School Education Director to Tonya Worling Principal SPPS, advising her that P&C members are “under no circumstances” to contact contractor directly.

**19.02.11** P&C member *phone* Robyn explaining our concerns-Robyn advised P&C to direct all queries to Rebecca Wark.

**19.02.10** Voice mail message from Rebecca Wark on P&C member's home phone advising it was no longer appropriate for her to discuss BER without Tonya being present.

**25.02.10** P&C *phone* Andrew Browett Reed Project Manager who indicated that there was possibly some descoping with this project and advised us to contact Lynne Walker Program Manager Reed Group.

**25.02.10** P&C *phone* Lynne Walker- unable to discuss project at this time-made appointment to telephone 26.02.10.

**26.02.10** P&C *phone* Lynne Walker- advised P&C members that she was unable to discuss costings and descoping with us and arranged meeting for March 9<sup>th</sup>.

**2b :- 26.02.10 Email** to Tonya Worling from Robyn O'Neill and Lynne Walker-re role of P&C

**13.3.10** Meeting with Luke Hartsuyker, MP presented request for full project costing to the Hon. Julia Gillard during Question time -question not completed.

**17.03.10** Meeting between, Rebecca Wark, Lynne Walker, Tonya Worling, Lynne Osborn, (Teaching Staff SPPS) and Karina Daniels (P&C)- Tonya asked had project been descoped and was then advised descoping occurred on December 23<sup>rd</sup> 2009. No explanation for delay relaying this information given. P&C members queried Electricity sub-station upgrade allowance on ECS as Country Energy advised that an assessment of the project had been undertaken and a report prepared which indicated that no upgrade was necessary and that the total cost of the assessment and report was \$132.00- \$49,000 less than what had been allocated. Rebecca Wark advised that costing in ECS were the average across a group of similar projects and costings were not reflective of individual projects.

### 3

### Lack of transparency

**3a :- 09.04.10** P&C *email* Angus Dawson BER Director following ABC radio interview clarifying whether offer of complete costing breakdown offered to Eungai school available to all schools.

**3a-1:- 10.04.10** Reply via *email* from Nicole Fear BER IPO implementation Taskforce. Reply referred enquiries via school Principal to BER Director, Contractor or BER Principal Liaison Officer.

**3b :-26.03.10** P&C write to the Hon. Verity Firth requesting audit, P&C input to audit, in event of unreasonable costs, amount to be reinstated to school, and advise Principal not to sign off on building.

**3b.1 :-29.04.10**Reply received from the Hon. Verity Firth MP's office-they understand project will be audited.

**3c :- 18.03.10** *Email* from Tonya Worling to Angus Dawson requesting “descoped” items and money needlessly spent from National schools Pride to be reinstated.

**3c.1 :- 07.04.10** *Email* from Angus Dawson to Tonya explaining how projects were “bundled “ together and how “benchmarks” are determined- no acknowledgement of misspent National Schools Pride funding.

**3d :- 18.03.10** *Email* from P&C to Angus Dawson requesting audit of two line items of costing which our investigation found to be excessive, and reinstatement of covered walkway.

**3d.1 :- 18.03.10-Email** from Angus Dawson- assurance that issue will be worked through

**3d.2 :- 12.04.10 P&C email** Angus Dawson following up 3d-

**3d.3 :-12.04.10** – “will check in morning and get back to you”

**3e. 8.03.10 P&C email** Rebecca Wark cc Angus Dawson re: concerns of apparent inflated costings and requesting raw figures that the “average” costings in the ECS were calculated, names of other schools in the group with Stuarts Point Public School, the actual cost of our project, and the names of the schools whose building cost were so high as to make \$931,000 the average.

**3e. 1 18.03.10 email** from Angus Dawson- assurance that issue will be worked through-(same email as 3d.1)

**3e.2 P&C email** Rebecca Wark cc Angus Dawson repeating request of 3e.

**3e.3** Rebecca Wark **email** to Geoff Goldrick- information is being collated and will be given to Tonya as soon as it is available.

**3f :- 13.04.10 email** from Josh Ebeleven-BER Governance Unit –audit of SPPS BER project 15.04.10

**3g:- 15.04.10 :-** Meeting Josh Ebeleven, Rebecca Wark, Tonya Worling Geoff Goldrick and Karina Daniels-concerns re BER process and costings conveyed. **Printout** breakdown of ECS costing distributed at this meeting.

**3h :-16.04.10 email** to Josh Ebeleven and Rebecca Wark clarifying process and goals of audit.

**3i:- 16.04.10 email** to Angus Dawson querying how “benchmarks” are determined.

**3j:- 21.04.10 email** reply from Rhys Williams responding to 3h & 3i

**3j.1:- 21.05.10 email** to Dr Rhys Williams conveying the frustration of the P&C ‘s experience of semantics and stonewalling in working through this process.

**3k:- 21.04.10 *email*** to Angus Dawson seeking clarification of how “benchmarks” are determined

**3k.1:- 22.04.10 Reply via *email*** from Dawn Fisher Executive Assistant to Angus Dawson to P&C – will respond in due course

**20.04.10 Meeting with Luke Hartsuyker-** request representation to the Hon. Julia Gillard MP-BER Implementation Taskforce to(i) include in their Terms of Reference comparison between projects constructed under BER and those outside BER, and(ii) for Stuarts Point and Eungai Public Schools to be included in the taskforce as a matter of urgency.

**3l :- 23.04.10 *Email*** from Luke Hartsuyker MP confirming request for SPPS to be included in Taskforce conveyed to the Hon. Julia Gillard.

**3l.1 *Letter*** from Luke Hartsuyker MP confirming 3l.

**3l.2 *Letter*** (copy) from Hon Julia Gillard to Luke Hartsuyker MP confirming 3l.

Once again we thank you for the opportunity to contribute to this Inquiry, and are happy to provide any further information if required.

Yours sincerely

Karina Daniels  
President

Geoff Goldrick  
Vice President.

All Messages Get new

Email (8)

SMS & MMS

Voicemail

Videomail

Drafts (7)

Sent Items

Junk Empty

Deleted Empty

My Folders New

BER

stuff

Contacts

Calendar

Tasks

Notes

Syncing

Settings

My BigPond Storage

121MB of 1024MB

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Link your Telstra mobile

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What's new

To: Karinadaniels<

11.2.10

From:

To:

Subject: Costing BER Project Stuarts Ppoint PS

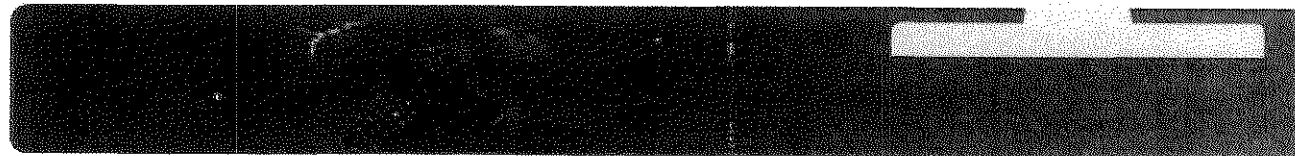
Hi Phil,

Could you please send costing breakdown for BER project at Stuarts Point Public School.

Cheers

Karina Daniels

1a



Internet access

- Wireless broadband
- ADSL
- Cable internet
- Dial-up internet
- Internet access overseas
- Email spam filter
- Anti-virus
- Web hosting
- Special offers & discounts
- Buy domain names

Mobile

- Mobile ring tones
- Caller Tones
- Mobile phone wallpapers
- Mobile games
- Mobile TV
- Foxtel on mobile

News

- Live news
- Breaking news
- Celebrity news
- Sports news
- Business news
- Australia news
- International news
- Science news
- Games news
- Weather forecast

Entertainment

- Rent DVDs online
- Download latest movies
- Movie trailers
- Movie times
- Download music
- mp3 download
- Free music
- Latest games
- Download games
- Game rentals

Online shopping

- BBQ
- Beauty care
- Digital cameras
- Fashion accessories
- Games
- Home appliances
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- Tickets
- Toys

More

- Watch video
- Live scores
- Online office
- Create a Blog
- Online photo printing
- Sydney Jobs
- Melbourne Jobs
- Symphony orchestra



see all BigPond Sites

From: Karinadaniels-  
To: Karinadaniels-

Date: 25 May 2010 12:19:06 PM

[View message details](#)

-----  
From:  
To:  
CC:  
Subject: RE:RE: Stuarts Point PS

17.2.10.

1C

Hi Rebecca,

Many thanks for costing. It appears that this project is over budget by some \$30,000-is this correct? If so, Tonya and the P&C would appreciate the opportunity to contribute in the planning of any omissions or other cost cutting measures that may be required.

Cheers

Karina Daniels  
Secretary P&C

1B

-----  
From:  
To:  
CC:

Subject: RE: Stuarts Point PS

Hi Tonya and Karina

Further to our short discussion today Karina attached is the breakdown referred to. Phil is on leave and this one must have slipped through before he went. Apologies.

Tonya - you should have a data sheet issued from the IPO regarding the items included in each section. Let me know if you don't and I can forward one to you.

Please call me should you have any queries. I am travelling in New England this week so you could also contact Todd Lee if I am "out of range". Todd's email is

Regards  
Rebecca  
Rebecca Wark  
Scope Manager  
BER IPO - North Coast & New England

-----  
From: King, Phil  
Sent: Friday, 12 February 2010 9:54 AM  
To:  
Cc:

Subject: RE: Stuarts Point PS

Hello Karina,

Please note correspondence below. I should have the cost breakdown of the preconstruction estimate, nominated as the ECS in the BER program, soon. Will forward it on as soon as it comes through.

Also, I believe that you were inquiring about the provision of an interactive whiteboard in the new library. In fact, as a library, the new building for Stuarts Point receives a full connected classroom as part of the P21 program.

Will be in touch shortly with the cost breakdown.

Regards,  
Phil King

-----  
From: Tran, Lucien  
Sent: Friday, 12 February 2010 9:19 AM  
To: Wark, Rebecca  
Cc:

Subject: RE: Stuarts Point PS

Hi Rebecca,

I have the correct data now for the projects you need, will email it within the hour.

Regards,

Lucien P Tran  
Quantity Surveyor  
Building The Education Revolution

-----  
From: Wark, Rebecca  
Sent: Thursday, 11 February 2010 3:31 PM  
To: Tran, Lucien



To:  
Cc:  
Subject: Stuarts Point PS  
Importance: High  
Hi Lucien / Phil

The cost information for Stuart's Point has not been uploaded onto the BER website (not sure if it's because there's a problem or if it is the next batch). It wasn't on the list withdrawn from batch 3.

It's one of the Reeds' lump sum MDRs, 7 core library.

Can you please provide the cost details in the format on the website asap?

Thanks  
Rebecca  
Rebecca Wark  
Scope Manager  
BER IPO - North Coast & New England

\*\*\*\*\*  
This message is intended for the addressee named and may contain privileged information or confidential information or both. If you are not the intended recipient please delete it and notify the sender.  
\*\*\*\*\*

12/2/2010

BER Primary Schools for 21st Century  
STUART POINT PUBLIC SCHOOL  
NEW LIBRARY

SCH ID  
3236

Estimated Project Expenditure

Australian Government P21 Allocation \$900,000

	Estimated Project Expenditure (all figures exclusive of GST)	Amount
1	IPO Project Management Cost (1.3%)	\$11,700
2	Contingency (5%)	\$45,000
3	Network Substation Allowance	\$50,000
4	Managing Contractor's Incentive Fee	\$5,927
5	MC Project Management Cost	\$40,027
6	Modular Building Cost	\$341,172
7	Design documentation, field data, site management	\$104,143
8	Preliminaries	\$86,037
9	Substructure	\$0
10	Superstructure	\$144,158
11	Site Works	\$57,892
12	Site Services	\$45,576
13	Design and price risk	\$0
	<b>Sub-total</b>	<b>\$931,632</b>
	<b>Balance (excl GST)</b>	<b>-\$31,632</b>

**for karina**

**Sent:** Tuesday, 25 May 2010 4:24 PM

**To:** School, Stuartspt-p

---

From:  
 To:  
 CC:  
 Subject: FW: FW: Costing SPPS

---

From: Bernie Stewart  
 To:  
 Subject: FW: Costing SPPS  
 Karina  
 Have forwarded your request.  
 If you don't get a reply soon, please contact me again  
 Thanks  
 Burn  
 Bernie Stewart  
 Compliance Manager

---

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From: Lynn Walker  
 Sent: Thursday, 18 February 2010 8:51 AM  
 To: Bernie Stewart  
 Cc:  
 Subject: RE: Costing SPPS  
 This is being handled through the IPO  
 Thank you  
 Lynn Walker  
 Program Manager  
 The Reed Group  
 Level 3, 41 McLaren Street, North Sydney NSW 2060  
 PO Box 6395, North Sydney NSW 2060  
 Reception 02 9965 0399  
 Facsimile 02 9955 8812  
 <<http://www.reedgroup.com.au>>  
 P Please think of the environment before printing this email

---

From: Bernie Stewart  
 Sent: Thursday, 18 February 2010 6:31 AM  
 To: Lynn Walker  
 Cc:  
 Subject: FW: Costing SPPS  
 Could you forward this to someone who can answer the lady's enquiry?  
 Bernie Stewart  
 Compliance Manager

---

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-----Original Message-----

From:

Sent: Wednesday, 17 February 2010 8:25 PM

To: Bernie Stewart

Cc:

Subject: Costing SPPS

Hi Bernie,

Could you please forward details of what is included in the cost of the MDR currently under construction at Stuarts Point Public School?

I look forward to your email.

Cheers

Karina Daniels

Secretary P&C

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Id.

1e.

Re: Fwd: New submission on contact form

From: ElectorateOffice Oxley<ElectorateOffice.Oxley@parliament.nsw.gov.au> | Date: 22/02/2010 10:10 AM | Email  
To:

[View message details](#)

Dear Karina

Thank you for your email.

As discussed a proposed meeting has been scheduled at the Oxley Electorate Office for Monday 1 March at 11am.

I understand you will be calling shortly to confirm. I will wait to hear from you.

Jodie Griffiths  
Electorate Officer for:  
Andrew Stoner MP

>>> Bree Price 22/02/2010 9:43 am >>>

>>> Andrew Stoner MP <support@myelectorate.com.au> 22/02/2010 9:26 am >>>

Someone has submitted the contact form. Details below:

first\_name: Karina

last\_name: Daniels

email:

postcode:

message: Good Morning Mr Stoner,

I and members of P&C Associations from at least four and up to nine schools in the Nambucca/Macleay region would like to discuss our concerns re:the BER program in general and specifically programs in each of our schools with you. These projects have been scaled down with significant items being omitted from original plans due to budget blowouts, which we believe is due to gross financial mismanagement.

Thank you

Karina Daniels

P&C Secretary

Stuarts Point Public School



1e.1

Ms Karina Daniels  
President  
Stuarts Point Public School Parents and Citizens Association  
195 Grassy Head Road  
GRASSY HEAD NSW 2441

RML10/1730  
13650

31 March 2010

Dear Ms Daniels

I write in response to your letter of 27 March 2010, co-signed by Mr Geoff Goldrick, Vice President to the Minister for Education and Training.

The matters raised by you have been noted and are presently receiving attention.

Yours sincerely

**Angus McFarland**  
Office of the Hon Verity Firth MP  
Minister for Education and Training

Mr A J Stoner MP  
Member for Oxley  
PO Box 120  
WEST KEMPSEY NSW 2440

RML 10/1776  
13703

8 April 2010

1e.2

Dear Mr Stoner

I write in response to your representations of 10 March 2010 to the Minister for Education and Training on behalf of Mrs Karina Daniels, President and Mr Geoff Goldrick, Vice-President, Stuarts Point Public School Parents and Citizens Association, 195 Grassy Head Road, Grassy Head 2441.

The matters raised by you have been noted and are presently receiving attention.

Yours sincerely



**Vyvyan Nickels**  
Office of the Hon Verity Firth MP  
Minister for Education and Training

13 APR 2010



**From:** Firstname Lastname  
**To:** howden, karina

**Date:** 20 May 2010 05:38:29 PM  
[View message details](#)

Can't find a reply to

this e-mail!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!  
Tonya Worling  
Principal  
STUARTS POINT Public School

2a.

A proud member of the Nambucca Valley Community of Public Schools  
"Small Schools are Great Schools"

---

**From:** Worling, Tonya  
**Sent:** Wednesday, 25 November 2009 11:00 AM  
**To:** Wark, Rebecca  
**Subject:** RE: Inter-active whiteboards and BER

Hi Rebecca

There is a lot of talk going around about things not being installed on our BER buildings. Can I confirm that rainwater tanks, solar panels and air con will still be retained on the Core 7 library? I was very pleased to hear that the connected classroom will also go ahead.

Many thanks  
Tonya Worling  
Principal  
STUARTS POINT Public School

A proud member of the Nambucca Valley Community of Public Schools  
"Small Schools are Great Schools"

---

**From:** Wark, Rebecca  
**Sent:** Monday, 23 November 2009 9:57 PM  
**To:** O'Neill, Robyn; Worling, Tonya  
**Cc:**  
**Subject:** RE: Inter-active whiteboards and BER

Hi Robyn and Tonya  
A 7 core library will receive the IWB/interactive classroom.  
Sorry for any confusion, it is the smaller BDR library which does not (<50 students).  
Regards  
Rebecca

Rebecca Wark  
Scope Manager  
BER IPO - North Coast & New England

---

**From:** O'Neill, Robyn  
**Sent:** Monday, 23 November 2009 5:00 PM  
**To:** Worling, Tonya  
**Cc:** Wark, Rebecca  
**Subject:** RE: Inter-active whiteboards and BER

Hi Rebecca  
Could you please clarify this for Tonya? I put the item in my newsletter this week, so there may very well be more enquiries.

Regards

Rob

Robyn O'Neill  
School Education Director  
Mid North Coast  
Corner Lyons and Toormina Roads  
(P.O. Box 400)

**Karina Daniels**

---

**From:**  
**To:**  
**Sent:** Tuesday, 25 May 2010 10:41 AM  
**Subject:** FW: FW: Stuarts Point descoping and costing

2b

---

From: "Worling, Tonya"  
To: "howden, karina"  
Subject: FW: Stuarts Point descoping and costing  
Tonya Worling  
Principal  
STUARTS POINT Public School  
A proud member of the Nambucca Valley Community of Public Schools  
"Small Schools are Great Schools"

---

From: O'Neill, Robyn  
Sent: Friday, 26 February 2010 11:24 AM  
To: Lynn Walker; Worling, Tonya; Wark, Rebecca  
Cc:  
Subject: RE: Stuarts Point descoping and costing  
Hi Lynn et al

I have spoken with Tonya about the (in)appropriateness of the P&C's role. I am aware that a member of the P&C has contacted about 30 principals in the area trying to raise concerns about costing. I have kept Tuesday 9th free to meet with the principal from Lord Howe Island PS, who is only here a couple of times a year. The meeting at Stuart's Point would need to be early in the day so that I am able to keep this commitment. Please let me know asap so that I can re-organise the day.

Regards

Rob

Robyn O'Neill  
School Education Director  
Mid North Coast  
Corner Lyons and Toormina Roads  
(P.O. Box 400)  
Toormina NSW 2452

P Please consider the environment before printing my email.

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From: Lynn Walker  
Sent: Friday, 26 February 2010 11:16 AM  
To: Worling, Tonya; Wark, Rebecca  
Cc:  
Subject: Stuarts Point descoping and costing

Tonya

I have just had another conversation with Karina regarding info about descoping and costings for the project at your school, I have reiterated with her that it is probably inappropriate for me to discuss descoping and costings with her. The IPO are quite clear that we discuss all of these matters with the

principal first.

I asked Karina if you would be available on the Tuesday 9th March to meet with Rebecca, Robyn and myself re your project, she told me she would not be able to commit to a meeting on your behalf.

Therefore can you please confirm regarding your availability on that day and we will arrange a meeting accordingly.

I believe there had also been a comment on you not receiving the schematics o having signed off on them attached is a copy of the aforementioned document, you raised a concern with the siting of the building , which I confirmed with the architect that the building was located as close to the boundary as we are allowed to go as a planning issue.

Please advise as soon as possible on your availability to attend a meeting on the aforementioned date so we can resolve your issues, thank you for your assistance in this matter

Lynn Walker  
Program Manager

The Reed Group  
Level 3, 41 McLaren Street, North Sydney NSW 2060

PO Box 6395, North Sydney NSW 2060

Reception 02 9965 0399

Facsimile 02 9955 8812

[cid:image001.jpg@01CAB6D5.17209120]

[cid:image002.gif@01CAB6D5.17209120]<<http://www.reedgroup.com.au>>

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**Karina Daniels**

---

**From:** "Fear, Nicole"  
**To:**  
**Sent:** Wednesday, 10 March 2010 8:45 AM  
**Subject:** BER cost breakdown

3a.1

Dear Karina,

Thank you for your email regarding Building the Education Revolution. Angus has asked that I respond on his behalf.

The Department of Education and Training is committed to delivering the whole Building the Education Revolution (BER) program in an open and transparent manner. Detailed information on the costs of delivering projects under the Primary Schools for the 21st Century component of BER is progressively being made available on the NSW BER Website: [www.ber.nsw.gov.au](http://www.ber.nsw.gov.au)

At this stage the cost breakdowns are based on the Estimated Construction Sum for each school's project/s. The cost breakdowns will be updated when the Benchmark Value is assessed for the schools project and again at the end when the actual final cost of the project is known. The school principal is provided with cost information before it is posted on the website at Estimated Construction Sum, Benchmark Value and Final cost stages.

If school communities have any questions on project costs, they should raise them with their School Principal. The School Principal can seek further information/clarification on costs from their Managing Contractor, BER Program Director or BER Principal Liaison Officer.

Kind regards,

Nicole Fear

Information Officer  
BER Implementation Team  
Email:

-----Original Message-----

**From:**  
**Sent:** Tuesday, 9 March 2010 2:10 PM  
**To:** Dawson, Angus  
**Subject:** BER cost breakdown

Good Afternoon Angus,

I was interested to hear the discussion on BER projects on the radio this morning, and was wondering if your offer of a complete breakdown of the costings listed on the BER website was available to all school P&Cs or only Eungai?

I look forward to hearing from you soon.

3a

regards  
Karina Daniels

\*\*\*\*\*

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**PARENTS & CITIZENS ASSOCIATION**  
**ABN 86113246381**

Stuarts Point Public School. Banksia Street, Stuarts Point, NSW 2441

**President:** Karina Daniels  
**Vanderjagt**  
**Vice-President:** Geoff Goldrick  
**Ovenden**

**Treasurer:** Margaret  
**Secretary:** Asher

26th March 2010

The Honourable Verity Firth MP  
 Minister for Education and Training  
 NSW Parliament House  
 Macquarie Street  
 Sydney NSW 2000

Dear Minister Firth,

**AUDIT OF BER FUNDED BUILDING AT STUARTS POINT PUBLIC SCHOOL**

As you are aware, the Stuarts Point Public School community are concerned at the seemingly excessive cost of the building currently under construction at the school as part of the *Building the Education Revolution* program. We are concerned that the building is much less than we would expect from an allocation of \$900,000 and particularly distressed by the news that the project is over-budget and therefore being 'descoped' and the school will not receive several of the key items originally promised.

In your interview with Katya Quigley on ABC Mid-North Coast on 26 March 2010, you stated that you were willing to audit the costs of the project at Stuarts Point Public School. You also gave the guarantee, in response to a similar audit of a proposed COLA at Hastings Public School, that Hastings Public School would not be disadvantaged and that all the funds originally promised to that school would be allocated to building infrastructure there.

In light of these statements we request:

1. that you immediately audit of the costs of the BER project currently under construction at Stuarts Point Public School to investigate whether the costs are reasonable for a building of this size and type;

2. that you allow the Stuarts Point Public School community, through their Parents and Citizens Association, input into the audit process;
3. that you guarantee that in the event that the audit finds the building costs exceed what would be reasonable for such a building, Stuarts Point Public School will not be disadvantaged but will receive the difference between the originally allocated funds and the reasonable cost of the building, to be spent on further improvements to the school in consultation with the school community; and,
4. that you advise our Principal, Ms Tonya Worling, not to sign off on the building until these issues are resolved.

Given that this building is nearing completion, we request urgent action on this matter. We will also be asking our local member, Mr Andrew Stoner, to pursue this matter on our behalf. As you know, there is considerable public and media interest in this topic at the moment and, especially in light of the near completion of the building, a speedy resolution of this matter would be in the interest of all parties.

We thank you for considering our request and look forward to your prompt reply.

Yours faithfully

Karina Daniels  
President

Geoff Goldrick  
Vice-President

Stuarts Point Public School P&C  
195 Grassy Head Rd  
Grassy Head NSW 2441



# THE HON VERITY FIRTH MP

Minister for Education and Training

3b.1

Ms Karina Daniels  
President  
Mr Geoff Goldrick  
Vice-President  
Stuarts Point Public School Parents and Citizens Association  
195 Grassy Head Road  
GRASSY HEAD NSW 2441

RML 10/1730  
13650

3b.1

Dear Ms Daniels and Mr Goldrick

I write in response to your correspondence of 27 March 2010, requesting an audit of Building the Education Revolution works at Stuarts Point Public School. The Minister has asked me to respond on her behalf.

I understand that the Building the Education Revolution program is committed to transparency and is being overseen by a number of state, federal and independent auditing bodies. I further understand that your request for an audit has been submitted to the Building the Education Revolution Program Office, and should an audit be performed the results will be available through your school Principal.

I thank you for your correspondence and I trust that this information is of assistance.

Yours sincerely

**Karyn Paluzzano MP**  
Parliamentary Secretary for  
Education and Training

29 APR 2010

3

Tonya Worling  
Principal  
STUARTS POINT Public School

A proud member of the Nambucca Valley Community of Public Schools  
"Small Schools are Great Schools"

---

From: Worling, Tonya  
Sent: Thursday, 18 March 2010 4:27 PM  
To: BER Program Director  
Cc:   
Subject: RE: Stuarts Point - P21 Cost Estimate Breakdown  
Hi Angus

Thank you for the breakdown in costs. I had received this costing sheet a few weeks ago (16th Feb) after my school requested some clarification.

I also had a meeting earlier this week with Robyn O'Neill (SED), Lynn Walker (program manager for REED group) and Rebecca Mark (Scope Manager for BER) to clear up what appears to have been some communication issues in relation to the time-line and scope of works at Stuarts Point Public School. Our school was due for Commissioning and Handover from 24th-28th Feb according to the project launch report and as the date seemed to be fast approaching and I had not heard of any de-scoping to be taking place I was a little shocked to find out that we were in fact over budget and had been de-scoped of our solar panels, rainwater tank and covered walkway. I was informed at this meeting that there had indeed been a lack of communication and that the three items I've listed above have been de-scoped from my project.

I am asking (as I did at the meeting) to have the opportunity for these items to be added back onto my building as per the specs we signed and sent to REED dated 28th Oct. Our school's building is on a very flat site where little pre-preparation had to take place and is very accessible for all work.  
Also in justification in asking for these items to be included; I used \$8810 of our school's funds from the National Pride to have an existing school water tank shifted and installed in a different position in order to make way for the covered walkway from the new BER building to our COLA area. To now find that the covered walkway has been removed after having spent the money to shift our tank feels very unfair.

Hoping you can help us.



Regards  
Tonya Worling  
Principal  
STUARTS POINT Public School

A proud member of the Nambucca Valley Community of Public Schools  
"Small Schools are Great Schools"

---

From: Dawson, Angus  
Sent: Tuesday, 16 March 2010 4:19 PM  
To: Stuarts Point Public - School.Principal  
Subject: Stuarts Point - P21 Cost Estimate Breakdown  
Dear Principal

Re: BER P21 Estimated Cost Breakdown

Your schools page on the BER Website will shortly be updated to include the attached estimated cost breakdown for your schools Primary Schools for the 21st Century Project at Estimated Construction Sum (ECS) stage. This information will be updated when your schools Benchmark Value is assessed and again at the end when the amount paid to the Managing Contractor is known. We will let you know before we update this information.

A document explaining each of the cost terms used is available at: <http://www.ber.nsw.gov.au/wp-content/uploads/2009/11/ECS-Description-and-Terms-Defined-Final.pdf>.

**Estimated Construction Sum, Benchmark Value and Final Cost**

The Estimated Construction Sum (ECS) amount is an estimate only of the total costs of developing and delivering your schools project. The ECS provides the information required to test whether the project fits within your schools budget and can proceed to construction.

The total amount shown in the ECS is not the amount which will be paid to the Managing Contractor for the works undertaken. The amount that is paid to the Managing Contractor is determined through a benchmark value process.

As construction nears the halfway mark, the Integrated Program Office will formally benchmark your school's project using the actual tender costs received for your school's project and the tendered costs we have for similar projects. At completion,

the Integrated Program Office will compare this 'Benchmark Value' to the actual construction costs incurred by the Managing Contractor. The Managing Contractor will be paid the lesser of either the actual construction costs incurred or a maximum of 105 per cent of the Benchmark Value.

Transfer amount

Your schools estimated project costs are over-budget at the moment despite all reasonable efforts being taken to align the project with the school's P21 allocation. The Integrated Program Office has been able to approve your school project to proceed to construction because top-up funds have been identified from other public schools through the budget transfers procedure.

We will review the top-up amount at the benchmark value stage and at the end to make sure that the amount transferred is sufficient to deliver your school's project, as approved at ECS stage. The aim of this process is to ensure that all NSW public schools benefit fairly from the P21 program, and that no Australian Government funding is lost to our school system.

Please contact your Regional Program Director or Principal Liaison Officer if you have any questions regarding the estimated cost breakdown.

Yours sincerely

Angus Dawson  
BER Program Director

\*\*\*\*\*  
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\*\*\*\*\*

30.1

**FW: Stuarts Point - P21 Cost Estimate Breakdown**

**From:** Worling, Tonya<

**To:** howden, karina

**Date:** 15/04/2010 1:41 PM | Email  
Goldrick, Geoff

[View message details](#)

Tonya Worling  
Principal  
STUARTS POINT Public School

A proud member of the Nambucca Valley Community of Public Schools  
"Small Schools are Great Schools"

**From:** Dawson, Angus

**Sent:** Wednesday, 7 April 2010 2:03 PM

**To:** Worling, Tonya

**Subject:** Stuarts Point - P21 Cost Estimate Breakdown

Dear Tonya,

Thank you for your email of 18th March 2010 concerning the cost of your school P21 project at Estimated Construction Sum (ECS) stage.

The ECS is an estimate only of the full cost of developing and delivering the project. In line with our project budget management strategy, the MCs and the School Principals work together to finalize the project scope to make sure that it fits within the school's project budget. This process ensures that projects are approved when they are within budget which reduces the risk of overspends once construction starts.

Your school's ECS was approved as part of a project bundle. The projects in this bundle were approved to start construction on the basis of estimated costs across the bundle and in most cases without a solar panel, rainwater tank or covered walkway. We approved the bundle so that construction could start quickly and because the scope items could be reintroduced relatively easily once construction has started if the school budget allowed.

I understand that Lynn Walker (Program Manager, REED group) has agreed that it is regrettable that you were not consulted regarding the changes that were made to your school's project scope. I would also like to express my regret over this situation and apologise for any distress this may have caused you or the school community. The BER Program Office and Reeds have taken on board your comments and are revising their work practices to make sure that this kind of communication breakdown doesn't happen again.

Your schools project has been competitively tendered to make sure that the price is fair, reasonable and above all, good value for money in the current market. It has been compared to tender results for your schools project to the tendered costs of similar P21 projects and a Benchmark Value has been set. At the end of your schools project we will compare the benchmark value to the actual costs incurred by the MC to determine the final cost. The MC will be paid the lesser of either the actual costs incurred or up to 105% of the benchmark value. The MC has to cover any costs that exceed 105% of the benchmark value. More information on the checks and balances that are in place to deliver value for money is available at: <http://www.ber.nsw.gov.au/index.php/primary-schools-for-the-21st-century/p21-value-for-money/>.

We will continue to monitor costs on your schools project. If it looks like the costs are going to come in under your schools project budget we will look to deliver the solar panel, rainwater tank and/or covered walkway in accordance with your priorities and subject to budget availability.

If a school project is estimated to cost more than the budget, we work with the school Principal and explore ways of reducing costs by, for instance, re-siting the building or re-focusing the project's scope to meet the school's priorities.

Regards

Angus Dawson  
BER Program Director

---

From: Worling, Tonya  
Sent: Friday, 19 March 2010 5:38 PM  
To: Dawson, Angus  
Subject: FW: Stuarts Point - P21 Cost Estimate Breakdown  
Hi Angus

This bounced back yesterday as your BER Program Director e-mail box was full. Please read below.

Many thanks

Re: Stuarts Point Public School BER

From: Dawson, Angus <

> | Date: 18/03/2010 8:45 PM | Email

To:

Cc:

[View message details](#)

Good evening Karin.

Thank you for your email. I also received a copy of an email from your vice president this afternoon.

I will respond to both personally.

In the normal course of events we work with the school community through the principal. I will make sure your principal is copied in on all our correspondence.

Thank you for raising these issues with me. I look forward to working through them with you.

Regards.

Angus.

On 18/03/2010, at 8:32 PM, "

> wrote:

- > Please find attached a letter on behalf of Stuarts Point Public
- > School P&C requesting your attention to two issues related to the
- > BER project at our school. I look forward to discussing these with
- > you at your earliest convenience.

> Karina Daniels

> President

> SPPS P&C

>

3d.1

3e.1

3d.

- > Good Morning Mr Dawson
- >
- > Please find attached a letter on behalf of Stuarts Point Public
- > School P&C requesting your attention to two issues related to the
- > BER project at our school. I look forward to discussing these with
- > you at your earliest convenience.
- >
- > Karina Daniels
- > President
- > SPPS P&C
- > <Angus Dawson re costing audit.docx>

\*\*\*\*\*

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## PARENTS & CITIZENS ASSOCIATION

ABN 86113246381

President: Karina Daniels  
Vice-President: Geoff Goldrick

Treasurer: Margaret Vanderjagt  
Secretary: Asha Ovenden

Mr Angus Dawson  
Program Director  
Finance and Infrastructure  
Department of Education and Training  
PO BOX 33,  
SYDNEY NSW 2001

March 17<sup>th</sup> 2010.

Dear Mr Dawson,

We are writing on behalf of Stuarts Point Public School Parents and Citizens Association requesting that you take action in two areas regarding the descoping that has occurred on the BER project at our school.

At present construction is partially completed on a modular core7 library at our school. Like many other schools, this project was descoped of items including a covered walkway. Apparently, this descoping was finalised in December 2009, however, our Principal found out 2 weeks ago. Prior to finding out, our school community had decided to use nearly \$9,000 of National Schools Pride money to move a rainwater tank from the path of the planned undercover walkway. We are requesting that this money be credited back to the school.

Our school Principal and a representative from the P&C have met with Rebecca Wark Scope Manager BER IPO and Lynn Walker Program Manager from Reed who explained how costing breakdowns are averaged over a number of similar projects, and are not reflective of individual projects. While this may seem reasonable in regard to line items such as site works, preliminaries and substructure, where the construction environment varies we are concerned about the seemingly high prices paid for line items that would be standard across all similar buildings.

We refer specifically to the costs of carpet and painting of core7 libraries. We have obtained a price for Low Volatile Organic Compound Paint, including undercoat and two coats for walls and ceiling of a

Stuarts Point Public School. Banksia Street, Stuarts Point, NSW 2441

120<sup>2</sup>m building of \$520 plus labour. With an average cost of \$20,257 for painting it is difficult to see where the remaining \$19,000 has gone. Similarly quotes obtained for 48oz wool carpet, as installed in DET buildings, came in a \$9,000 including carpet, underlay, profit and labour, 40% less than the costing.

We are requesting that you undertake an audit of the 20 or so modular buildings in the group with our library to establish if these line costings are correct. While \$25,000 is a small proportion of the total cost, combined with the \$7,000 NSP it may be sufficient to reinstate the covered walkway to this project and perhaps assist other schools in similar situations.

Our school has over the past few years had an average of 135 wet days and an annual rainfall of 1641mm. Without a covered walkway our students will have a library that is unusable, and we urge you to take action to investigate these avenues.

We look forward to discussing this with you at your earliest convenience and can be contacted on  
or \_

Yours sincerely

Karina Daniels

Geoff Goldrick

President

Vice President



# still more stuff for karina

3d.3

From: Karinadaniels

Date: 26 May 2010 09:26:54 PM

To: stuartsp-t.school

[View message details](#)

From: "Dawson, Angus"

To:

CC:

3d.2

Subject: Re:

Good evening Ms Daniels

I'll check in the morning and get back to you.

Regards.

A

On 12/04/2010, at 10:15 PM,

> wrote:

> Good Morning Mr Dawson,

> I refer to an email sent to you March 17th requesting an audit of  
> two line items in the costing for the BER project at Stuarts Point  
> Public School, and the reinstatement of National Pride funding that  
> was unnecessarily spent. We thank you for acknowledging our email  
> on March 18th, and are now querying any progress that has been made  
> in these two areas. I have attached a copy of the letter, and look  
> forward to your reply.

> Yours sincerely

> Karina Daniels

> President P&C

\*\*\*\*\*

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3e.3

RE: BER Costings Stuarts Point Public School

From: Wark, Rebecca

To: 'Geoff Goldrick'

Cc:

Date: 26/03/2010 12:14 PM | Email

[View message details](#)

Good afternoon Mr Goldrick

I acknowledge receipt of your email and I apologise for the delay in coming back to you.

Responses to your enquiries will be provided via the Stuarts Point PS Principal, Tonya Worling, as soon as the background information is collated and available. I confirm that the intention is to be completely transparent about all of the BER processes, including costings and the issue at hand is purely one of timing which was explained at the meeting at the school on 16 March.

Again, I am sorry I have not responded sooner.

Regards

Rebecca

Rebecca Wark  
Scope Manager  
BER JPO - North Coast & New England

From: Geoff Goldrick

Sent: Friday, 26 March 2010 12:49 PM

To: Wark, Rebecca

Cc:

Subject: Fwd: BER Costings Stuarts Point Public School

Dear Rebecca

3e  
3e  
2  
On the 18th of March I wrote asking for details of the BER costings at Stuarts Point Public School (see below) but have not as yet received a reply or even an acknowledgement that you have received the correspondence. In light of the fact that this morning on ABC MidNorth Coast radio your Minister described the BER as the most 'audited and transparent' process undertaken by the government, could you please advise when I might expect a response to my questions.

Yours faithfully

3e  
Geoff Goldrick  
Vice President  
Stuarts Point P&C

----- Forwarded message -----

From: **Geoff Goldrick**  
Date: Thu, Mar 18, 2010 at 4:13 PM  
Subject: BER Costings Stuarts Point Public School  
To: Rebecca Mark  
Cc:

3e  
Dear Rebecca,

I am writing to request more information about the costings for the BER building under construction at Stuart's Point Public School.

In discussions with our P&C President, Karina Daniels, these high costs have been justified on the basis that they do not reflect the actual costs at Stuarts Point but are 'average' costs distributed over a group of similar schools. Fortunately, I was paying attention the day we studied averages at school, and this explanation seems implausible.

At four to five times the normal commercial value, the projected to cost of \$931,632 for our 8 x 15 metre single-story building exceeds what would be reasonable on even the most difficult of sites. For this to represent the 'average' for such buildings would require many of the rest to be built on vertical cliff faces.

Nor does this explanation explain the excessively inflated price for those costs that should be standard for these buildings regardless of location. \$341,172 seems exorbitant for a modular building like this. And how can it possibly cost \$20,257 to paint the interior of a building of this size.

As a result of these concerns, I took a look at you BER website and was very relieved to discover that your " value for money and budget management strategies minimise the risk of overspends". Unfortunately, I remain plagued by a niggling scepticism. So that I can satisfy myself that these costs are entirely justified, and that therefore it would be unreasonable to expect that our project would not be appropriately 'de-scoped', could you please supply me:

- the detailed figures on which these averages were based;
- names of the other schools in our group;
- the actual costings for Stuarts Point Public School;
- the names of those schools for which the construction difficulties are so great that they have so excessively inflated the average for the whole group.

Thank you and I look forward to your reply,

Yours faithfully

Geoff Goldrick  
Vice President  
Stuarts Point Public School

\*\*\*\*\*  
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\*\*\*\*\*

2P

**FW: RE: RE: RE: Proposed School Meeting**

**From:** | **Date:** 14/04/2010 1:02 PM | **Email**

**To:**

**Cc:**

[View message details](#)

---

**From:** "Abeleven, Joshua"

**To:**

**CC:** "Williams, Rhys"

**Subject:** RE: RE: RE: Proposed School Meeting

Karina,

Thanks for the reply and confirmation of yours and Geoff's attendance.

The purpose of the meeting is to simply get a better understanding of the issues at your school so that we can properly undertake the audit process.

We have requested Rebecca's attendance at the meetings as she has in depth knowledge and dealings with your schools.

With regard to information you require, anything you have that relates to your concerns would be beneficial.

At this stage we anticipate being at Stuards Point School at about 12.30pm.

Regards

Josh Abeleven

Specific Project Audits

BER IPO Governance Unit

T:

E:

-----Original Message-----

**From:**

**Sent:** Wednesday, 14 April 2010 9:45 AM

**To:** Abeleven, Joshua

**Cc:**

Rebecca

**Subject:** RE: RE: RE: Proposed School Meeting

Hi Josh,  
Geoff and I will be available to meet with you on Thursday-we will continue to try to contact Tonya and advise her of the meeting. As both schools have previously met with Rebecca Wark regarding our concerns with the projects we are unsure what the goal of this meeting is. We note that you conduct audits on specific projects and assume that both projects will be audited -is this the case and if so what information do we require? My number is 65699373-Stuarts Point is about 10 minutes drive from Eungai and we will be happy to meet you there.  
regards  
Karina

---

From: "Abeleven, Joshua"  
To:  
CC:  
Subject: RE: Proposed School Meeting

Hi Karina,  
I've left 2 messages for Tonya but have not had a reply as yet, nor have I had a reply from Geoff. So at this stage, yours is the only reply I have had. We are attempting to have Rebecca Wark attend the meetings also.  
Would you be able to provide me with your mobile number so that I can call you about an hour prior to us arriving at Eungai?  
Regards  
Josh Abeleven  
Specific Project Audits  
BER IPO Governance Unit

T:  
E:  
-----Original Message-----  
From:  
Sent: Tuesday, 13 April 2010 7:47 PM  
To: Abeleven, Joshua  
Subject: RE: Proposed School Meeting  
Hi Josh - I will be attending meeting on Thursday and look forward to working through our issues with you- will Tonya, Geoff and myself be meeting with you at Eungai or separately?  
cheers Karina

---

From: "Abeleven, Joshua"  
To:  
Subject: Proposed School Meeting

Dear Karina and Geoff,

I refer to your recent written correspondence to Angus Dawson and Rebecca Wark regarding scope of works and financial concerns about Stuarts Point Primary School.

Myself and Rhys Williams are part of the Governance Unit within the BER IPO. We work with Angus Dawson and perform tender and cost audits for specific projects. This Thursday 15 April 2010 we are scheduled to meet with Tony Buckley and Mark Sheppard between 10 and 11am at Eungai Public School.

We were hoping we could also meet with yourselves and Tanya Worling to discuss the concerns you have about your school. I have left a message on Tanya's mobile phone, but have not been otherwise able to contact her.

Could you please reply to this email to confirm you have received it, and whether you would be available to meet on Thursday.

I will continue to try Tanya's phone, but if you would also attempt to contact her and advise of the proposed meeting, that would be appreciated.

Regards

Josh Abeleven

Specific Project Audits

BER IPO Governance Unit

13.4.10

T:

E: \*\*\*\*\*

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\*\*\*\*\*

FW: Stuarts Point Public School BER-preliminary audit meeting

From: Williams, Rhys

| Date: 21/04/2010 10:07 AM | Email

To:

[View message details](#)

Dear Karina and Geoff,

As the Senior Officer of the Governance Unit, Angus has asked me whether I can respond to your email to him on Friday 16 April 2010.

You are correct when you state that the current publicly-available projected costs are the Estimated Construction Sum (ECS). This amount is an estimate provided by the Managing Contractor (MC) to the BER Program Office. It has been developed by the MC as guide and is primarily based on the scope of works approved, the site conditions and the MC's knowledge of the market place. In the case of the project at Stuart's Point, it also included consideration of the procurement process for a number of modular buildings, since a bulk procurement strategy was implemented for these building types.

What we in the Governance Unit will review in this audit is:

1. whether the bulk procurement strategy was conducted in the correct manner and whether it satisfied the objectives of the BER program AS WELL as government procurement requirements (including value for money)
2. whether the project at Stuart's Point has any cost allocations that appear unreasonable

In examining the first of these two issues, there are clear guidelines that we will use, and these have been set for the whole of NSW Government by the NSW Department of Services, Technology and Administration.

The second issue of whether there are costs that appear unreasonable in your project, this will be conducted using the tendered prices, rather than the ECS. What we have found in our audits up till now, is that these tendered costs are slightly lower than the ECS. You are partially correct in understanding that the comparisons will be made using other similar BER projects. However, there is an additional criteria that we use to establish whether costs are higher than expectations and we are currently working to finalise this measure. Unfortunately, there are no projects that have been undertaken in a similar manner, and so we have no previously established measures or benchmarks that we can use, but need to develop them as we go. This is one of the reasons why an audit process can take longer than expected.



**Stuarts Point Public School (School ID 3643)**

39.

Website Headings	Description	Detail Breakdown	Website Cost Summary
Design Doc, Field Data, Site Management	Statutory Planning, Design, Documentation and Certification Costs	60,768	
	Field Data Capture	701	
	Site Supervision	39,455	
	Profit Margin	18,917	119,840
MC Project Management	MC Project Management	40,027	40,027
Modular Building Cost	MDR Building Cost	250,475	
	(1) Design and construction of in-situ substructure for MDR Building unit including cutting and filling site to levels, excavation, disposal of spoil, concrete piers and footings, backfill and compact ready for installation; (2) Transportation of MDR Building unit from the manufacturer's premises to site, unload and install in final position including making weathertight and connections to services;	75,000	325,475
Preliminaries	Preliminaries comprising Site Establishment and Dis-Establishment, Site Accommodation, Site Labour, Temporary Works, Site Fencing, Security and the like	86,037	86,037
Substructure	Earthworks	0	
	Termite Control	0	
	Concrete	0	
	Masonry	0	
Superstructure	Concrete	0	
	Roof Structure	0	
	Timber Flooring	0	
	Light Steel Framing	0	
	Structural Steel	0	
	Light Timber Framing	413	
	Masonry	0	
	Roofing	0	
	Cladding	1,446	
	Doors	0	
	Overhead Doors	0	
	Windows and Glazing	2,084	
	Hardware	0	
	Ceilings	0	
	Terrazzo	0	
	Plastering and Linings	259	
	Tiling	0	
	Resilient Finishes	12,660	
	Carpet	15,192	
	Painting	20,257	
	Metal Fixtures	0	
	Timber Fixtures	4,978	
	Miscellaneous Fixtures and Furniture	31,165	
	Signs and Display	0	
	Extinguishers and Blankets	0	
	Hydraulic Services	20,256	113,000
	Mechanical Services	15,192	
Electrical Services	20,256		
Lifts	0	144,158	
Site Works	Demolition	0	
	Site Preparation & Bulk Earthworks	15,192	
	External Works - Excluding Power Upgrade	37,636	
	External Works - Power Upgrade	0	
	Landscaping	5,064	57,892
Site Services	Site Electrical Services	25,320	
	Site Hydraulic Services	20,256	
Design and Price Risk	Design and Price Risk	0	45,576
IPO Project Management Cost	IPO Project Management Cost	11,700	11,700
IPO Contingency	IPO Contingency	45,000	45,000
Substation Allowance	Substation Allowance	50,000	50,000
MC Incentive Fee	MC Incentive Fee	5,927	5,927
		<b>931,632</b>	<b>931,632</b>

## FW: RE: Stuarts Point Public School BER-preliminary audit meeting

3h

From: Karinadaniel.

Date: 26 May 2010 09:40:22 PM

To: stuartsp-t.school:

View message deta

-----  
From: I

To:

CC:

Subject: RE: Stuarts Point Public School BER-preliminary audit meeting  
-----

Dear Rebecca and Joshua

Thank you very much for the fruitful meeting on Thursday 15 April during which we raised some of our concerns regarding the BER process in general and the project at Stuarts Point in particular. While the meeting is still fresh in our minds, we'd like you to confirm our understanding of the discussions/outcomes of the meeting.

We understand that:

- the audit to be conducted by Joshua will essentially be evaluating whether in constructing the library at Stuarts Project, Reeds costs are in line with benchmark values.
- these benchmark values will be calculated by comparison with similar BER projects completed by the DET.
- The projected costs currently publicly available for the Stuarts Point project are based on the Estimated Construction Sum (ECS)
- These ECS have already been audited and are therefore, presumably, considered to be in accord with the 'benchmarks'.
- Joshua's brief is limited to determining whether the project is completed in line with the costings of the ECS
- the audit process will NOT be comparing the costs for the Stuarts Point building with similar projects constructed:
  - by DET but outside the BER process
  - non-government schools, particular those in the local area (eg. Catholic Lismore Archdiocese).
  - other commercial buildings of a similar size and standard.

In short, the brief for this audit does NOT include examining the fundamental question of whether the building constructed at Stuarts Point represents \$930,000 worth of infrastructure, but rather whether it has been constructed in line with BER processes and meets the BER benchmarks.

Could you please confirm that this is the essence of what was discussed at the meeting or alternatively clear up any misunderstandings we might have.

Thanks again for the meeting

31

**FW:**

**From:** Karinadaniels  
**To:** stUARTSPT-p.school:

| **Date:** 26 May 2010 09:47:52 PM

[View message deta](#)

-----  
**From:**  
**To:**  
**CC:**  
**Subject:**

Good Morning Angus,

Thank you for responding to our request for an audit of the BER project at Stuarts Point Public School- we and our Principal Tonya Worling, met with Josh Abeleven and Rebecca Wark yesterday to voice ou concerns about the BER program in general and our project specifically; informing the audit process. We are still a little unclear on the process for establishing benchmark values under the BER. The descriptio on the BER website "compares the tendered cost of the project to the tendered cost for similar projects is ambiguous as it does not clearly define what other these projects are.

Presumably the contract between Reeds and the Department clearly established the basis on which these benchmarks will be determined, and the conditions under which the Department would not be obliged to pay the full costs of a constructed project. While we understand that the full details of any contract may be commercial in confidence, could we never the less be supplied with the sections relevant to benchmarks and payments. Could you also clarify whether the process of determining the benchmark value is consistent across the States or specific to NSW?  
Many thanks for your continued attention and action to our concerns.

16-4

**From:** Karinadaniels  
**To:** Rhys Williams

**Date:** 20 May 2010 09:29:01 PM  
 View message details

3j

**Bcc:**

Dear Dr Williams

Thank you for response to our email of Friday 16 April 2010, but if you had experienced the type of stonewalling and obfuscation that we have endured for the past few months you would forgive us for finding your email somewhat of an exercise in patronising semantics. Of course we understand that the cost of a building includes "EVERY aspect of the project" from the "design costs, right through to the provision of services and furniture and everything in between." The bottom line is that when you buy a packet of cereal you ask yourself whether the cereal inside is worth the price, you don't concern yourself with the associated services such as the fabrication and design of the packet, the marketing, the distribution. Similarly we are concerned with whether we have received a building which meets our present and projected needs at a price that is reasonable.

Regardless of whether the "procurement strategy was conducted in the correct manner" or whether the building "satisfied the objectives of the BER program AS WELL as government procurement requirements", every man, woman and most of the children in Stuarts Point can see that the building is not worth almost a million dollars. It would be generous to value it at even \$250,000 dollars. To suggest otherwise is to play us for fools.

yours faithfully

Dr Geoff Goldrick, BPharm, BSc (Hons), Grad Dip Ed, Grad Cert Physics Teaching, PhD.  
 Vice President  
 Karina Daniels RN, BA, Grad Cert Mental Health Nursing, Amateur Fraud Investigator  
 President  
 Stuarts Point Parents & Citizens Association

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 From:

To:

Subject: FW: Stuarts Point Public School BER-preliminary audit meeting

Dear Karina and Geoff,

As the Senior Officer of the Governance Unit, Angus has asked me whether I can respond to your email to him on Friday 16 April 2010.

You are correct when you state that the current publicly-available projected costs are the Estimated Construction Sum (ECS). This amount is an estimate provided by the Managing Contractor (MC) to the BER Program Office. It has been developed by the MC as guide and is primarily based on the scope of works approved, the site conditions and the MC's knowledge of the market place. In the case of the project at Stuart's Point, it also included consideration of the procurement process for a number of modular buildings, since a bulk procurement strategy was implemented for these building types.

What we in the Governance Unit will review in this audit is;

1. whether the bulk procurement strategy was conducted in the correct manner and whether it satisfied the objectives of the BER program AS WELL as government procurement requirements (including value for money)

2. whether the project at Stuart's Point has any cost allocations that appear unreasonable

In examining the first of these two issues, there are clear guidelines that we will use, and these have been set for the whole of NSW Government by the NSW Department of Services, Technology and Administration.

The second issue of whether there are costs that appear unreasonable in your project, this will be conducted using the tendered prices, rather than the ECS. What we have found in our audits up till now, is that these tendered costs are slightly lower than the ECS. You are partially correct in understanding that the comparisons will be made using other similar BER projects. However, there is an additional criteria that we use to establish whether costs are higher than expectations and we are currently working to finalise this measure. Unfortunately, there are no projects that have been undertaken in a similar manner, and so we have no previously established measures or benchmarks that we can use, but need to develop them as we go. This is one of the reasons why an audit process can take longer than expected.

I wish to assure you that we will provide a report that examines the fundamental questions. The fundamental questions, from my perspective are:

1. Whether the processes used for the procurement of the modular buildings was in line with the tendering guidelines and consistent with the objectives of the Federal BER Program, and

2. Whether the breakdown for the various cost elements of the project at Stuart's Point are reasonable.

One thing that I would like to clarify to you both, is that the ECS for the project at Stuart's Point that you find on the BER website does not indicate that the infrastructure costs for the project is \$930,000. This is a common misunderstanding. This amount represents the estimated construction sum for EVERY aspect of the project. This includes, as you can see, design costs, right through to the provision of services and furniture and everything in between. So in answer to your final question, you are not getting an answer as to whether the project at this school represents \$930,000 worth of infrastructure, but more importantly, whether the spending for everything in relation to this project represents value for money.

I hope that this helps

Regards  
Dr Rhys Williams PhD, MBA, BSc, Certified Fraud Examiner  
-----Original Message-----  
From: Dawson, Angus  
Sent: Saturday, 17 April 2010 8:16 AM  
To: Wark, Rebecca  
(

Subject: Re: Stuarts Point Public School BER-preliminary audit meeting  
Thanks Rebecca.

I'll ask Rhys to respond. We'll talk next week.

A.  
On 16/04/2010, at 8:52 PM, "Wark, Rebecca"

< wrote:

> Hi Angus  
> I think this email is in addition to the one sent to you this morning  
> by Karina Daniels.  
> Enjoy the weekend.  
> Rebecca

>  
>  
> Rebecca Wark  
> Scope Manager  
> BER IPO - North Coast & New England

>  
>  
>  
>  
>

> -----Original Message-----

> From: ...  
> Sent: Friday, 16 April 2010 8:47 AM  
> To: Abeleven, Joshua  
> Cc: Wark, Rebecca  
> Subject: RE: Stuarts Point Public School BER-preliminary audit meeting

>  
> -----

> Dear Rebecca and Joshua  
> Thank you very much for the fruitful meeting on Thursday 15 April  
> during which we raised some of our concerns regarding the BER process  
> in general and the project at Stuarts Point in particular.  
> While the meeting is still fresh in our minds, we'd like you to  
> confirm our understanding of the discussions/outcomes of the meeting.  
> We understand that:  
> - the audit to be conducted by Joshua will essentially be evaluating  
> whether in constructing the library at Stuarts Project, Reeds costs  
> are in line with benchmark values.  
> - these benchmark values will be calculated by comparison with similar  
> BER projects completed by the DET.  
> - The projected costs currently publicly available for the Stuarts  
> Point project are based on the Estimated Construction Sum (ECS)  
> - These ECS have already been audited and are therefore, presumably,  
> considered to be in accord with the 'benchmarks'.  
> - Joshua's brief is limited to determining whether the project is  
> completed in line with the costings of the ECS  
> - the audit process will NOT be comparing the costs for the Stuarts  
> Point building with similar projects constructed:  
> - by DET but outside the BER process  
> - non-government schools, particular those in the local area (eg.  
> Catholic Lismore Archdiocese).  
> - other commercial buildings of a similar size and standard.  
> In short, the brief for this audit does NOT include examining the  
> fundamental question of whether the building constructed at Stuarts  
> Point represents \$930,000 worth of infrastructure, but rather whether  
> it has been constructed in line with BER processes and meets the BER  
> benchmarks.  
> Could you please confirm that this is the essence of what was  
> discussed at the meeting or alternatively clear up any  
> misunderstandings we might have.  
> Thanks again for the meeting  
> Karina and Geoff

\*\*\*\*\*

This message is intended for the addressee named and may contain

**Karina Daniels**

---

**From:** "Fisher, Dawn"  
**To:**  
**Sent:** Thursday, 22 April 2010 8:49 AM  
**Subject:** RE: BER Benchmark query

3k.1

~~Dear Karina and Geoff~~

Thank you for your email to Angus. We will respond to your email in due course.

Kind regards

3k.

Dawn Fisher  
Executive Assistant to Program Director  
BER Program Office  
Level 12  
151 Clarence Street  
Sydney NSW 2000

Ph: (02) 9561 1673  
Fx: (02) 9561 1674

-----Original Message-----

**From:**  
**Sent:** Wednesday, 21 April 2010 10:43 AM  
**To:** Dawson, Angus  
**Cc:** ...orling, Tonya  
**Subject:** BER Benchmark query

~~Good Morning Angus,~~

Many thanks for your attention to our email to Rebecca Wark and Josh Abeleven regarding the audit process at Stuarts Point Public School. Rhys's email provided some clarification.

As we wrote last week, we are still unclear on the process for establishing benchmark values under the BER. The description on the BER website "compares the tendered cost of the project to the tendered cost for similar projects" is ambiguous as it does not clearly define what other these projects are. Presumably the contract between Reeds and the Department clearly established the basis on which these benchmarks will be determined, and the conditions under which the Department would not be obliged to pay the full costs of a constructed project. While we understand that the full details of any contract may be commercial in confidence, could we never the less be supplied with the sections relevant to benchmarks and payments. Could you also clarify whether the process of determining the benchmark value is consistent across the States or specific to NSW?

We appreciate your continued attention and action to our concerns.  
Cheers Karina and Geoff

\*\*\*\*\*

This message is intended for the addressee named and may contain privileged information or confidential information or both. If you are not the intended recipient please delete it and notify the sender.

\*\*\*\*\*

**Karina Daniels**

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**From:** "Hartsuyker, Luke (MP)"  
**To:**  
**Sent:** Friday, 23 April 2010 12:24 PM  
**Subject:** Update re Luke Hartsuyker Meeting

31

Karina,

Luke has asked me to let you know that he has made representations to Julia Gillard, as discussed at your meeting on Tuesday. As requested, he has asked the Minister to direct the BER taskforce to look into the projects at Eungai and Stuarts Point as a matter of urgency.

Regards,

Kind regards,

Jesse Young  
Electorate Officer

25/05/2010

**NATIONALS**

**uke HARTSUYKER MP**  
FEDERAL MEMBER FOR COWPER



31.1

Ms Karina Daniels

Dear Ms Daniels,

I have now received the enclosed reply from the Minister for Education, Julia Gillard, regarding the issues you raised in connection with Stuarts Point Public School's Building the Education Revolution (BER) project.

You will note that the Minister has referred the matter to the BER Implementation Taskforce. Please let me know if I can help further.

As for the Minister's remarks about my lack of support for the BER programme, you can rest assured that I will support any programme that is fair, efficiently run and delivers value for money for the recipients and taxpayer. This has not been the case with the BER and is presumably why the Minister has appointed a taskforce to examine its operation.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'LH' or similar initials, written in a cursive style.

Luke Hartsuyker  
**The Nationals Federal Member for Cowper**  
Shadow Minister for Consumer Affairs, Financial Services,  
Superannuation and Corporate Law  
20 May, 2010  
LH:RL

## **or You and Your Family**

For correspondence to: 39 Little Street (PO Box 2056) Coffs Harbour NSW 2450  
Telephone: (02) 6652 6233 Toll Free: 1300 301 793 Fax: (02) 6651 4346  
Web: www.lukehartsuyker.com.au



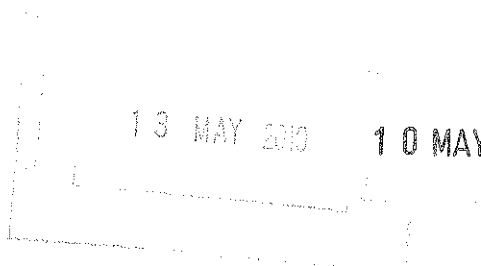


31.2

**THE HON JULIA GILLARD MP**  
**DEPUTY PRIME MINISTER**

Parliament House  
Canberra ACT 2600

Mr Luke Hartsuyker MP  
Member for Cowper  
PO Box 2056  
COFFS HARBOUR NSW 2450



31.2

Dear Mr Hartsuyker

Thank you for your letters of 1 April 2010 and 22 April 2010 on behalf of Eungai Public School and Stuarts Point Public School Parents and Citizens (P&C) Committees concerning their Building the Education Revolution (BER) projects.

As you are aware, on 12 April 2010 I announced the establishment of a BER Implementation Taskforce. The Taskforce will work closely with state and territory education authorities to investigate complaints about the BER program. The Taskforce commenced operation on 3 May 2010 and can be contacted leaving comments through the website at [www.bertaskforce.gov.au](http://www.bertaskforce.gov.au).

I have asked my Department to refer the issues raised by the P&Cs at Eungai Public School and Stuarts Point Public School to the Taskforce for consideration.

I trust this information is of assistance. I also trust that you have advised the parents, teachers and students of both Eungai Public School and Stuarts Point Public School that you voted against the creation of the BER program and therefore voted against funding to their school.

Yours sincerely

**Julia Gillard**  
**Minister for Education**