



NEW SOUTH WALES TEACHERS FEDERATION

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SUBMISSION TO

THE SENATE EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS COMMITTEE

Inquiry into the Primary Schools for the Twenty-First Century Program

Authorised by

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General Secretary
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INTRODUCTION

When the Building the Education Revolution (BER) was first announced, principals, teachers and parents were heartened to see a federal government spending billions of dollars on long neglected and underfunded public schools.

The objectives of the program were exemplary as were the stated outcomes and outputs from the program:

Objectives

1. To provide economic stimulus through the rapid construction and refurbishment of school infrastructure.
2. To build learning environments to help children, families and communities participate in activities that will support achievement, develop learning potential and bring communities together.

Outcomes

1. Economic stimulus and job creation in local communities.
2. Modern teaching and learning environments for school and community use.

Outputs

1. The construction of major and minor infrastructure in schools within prescribed funding and timeframes.
2. Major refurbishment of existing facilities within prescribed funding and timeframes
3. Maintenance works within prescribed funding and timeframes
4. Creation of jobs through the construction and refurbishment of minor and major infrastructure.

The actual implementation of the Federal Government's BER economic stimulus package has raised many concerns about waste and mismanagement. Since the initial announcement the BER has generated concern and criticism on issues such as:

- Capacity for a school to determine and meet its particular requirements and priorities.
- Overpricing of building quotations and tenders.
- Gross discrepancies between building costs before and after the BER programs.
- Wasteful duplication - constructing new buildings instead of renovating and refurbishing existing buildings
- Public schools receiving trucked in prefabricated buildings while private schools are able to build permanent bricks and mortar buildings at much greater value for money

It was because of the above concerns that the NSW Teachers Federation called for an inquiry into the way the BER is being implemented in public schools in NSW

INQUIRY TERMS OF REFERENCE

1. The conditions and criteria for project funding

The Primary Schools for the twenty First Century program provided \$14.1 billion to Australian primary schools for, in priority order, the construction of new libraries, new multi-purpose halls and new classrooms. In the case of smaller schools, covered outdoor learning areas could be constructed in place of a multipurpose hall. Refurbishment of existing facilities was also listed as a fourth priority option. Where a school and its community determined that a school had no need for construction of any of the priority listings and had identified a need for an early learning centre, it could apply for funding.

Any government or non government school delivering primary education was eligible to apply for P21 funding. This meant 8,098 schools were eligible to apply for P21 funding. A school applying for P21 funding had to meet agreed commencement and completion dates for building works, as prescribed for each funding round. This was to meet the objective of the Plan to provide economic stimulus through the rapid construction of school infrastructure.

It was intended that all eligible Australian primary schools would receive a funding allocation under P21. Initially distance education student enrolments were excluded from the calculation of a school's notional funding allocation, on the basis they would not benefit directly from the school's facilities to be constructed or refurbished under P21. However further information from schools with distance education facilities showed that these students would directly benefit from BER facilities when they physically attended school premises a number of times throughout the year. The total amount of notional funding available to a primary school was calculated based on the school's full time equivalent primary level student enrolments.

| Indicative Funding Allocations for Schools under P21 | |
|---|--------------------------------|
| Primary School Size | Indicative Capital (\$) |
| 0-50 | 250,000 |
| 51-150 | 850,000 |
| 151-300 | 2,000,000 |
| 301-400 | 2,500,000 |
| 400 plus | 3,000,000 |

| Project by Facility Type | |
|---------------------------------|----------------|
| Facility | Numbers |
| Classroom | 3,033 |
| Covered Outdoor Learning Area | 1,572 |
| Early Learning Centre | 247 |
| Library | 3,089 |
| Multi-purpose | 2,866 |
| Other Facility | 1,872 |

2. The use of local and non-local contractors

With the initial announcement of the BER program many schools had the expectation that they would be able to manage their own projects. After consulting their communities as to the type of facility and structures required most schools after making their submission set about contacting local builders and trades people to obtain quotes for the proposed work. Principals were encouraged to submit the names of these tradespeople to their local BER Manager to add to a data base the DET was compiling.

Within weeks however it became apparent that schools were being discouraged from managing their own projects. Documentation outlining the serious liabilities principals could face in the event of cost “blowouts” on projects where it was suggested that the school would need to meet the shortfall, to consequences in terms of OH&S issues with the proposed work, meant that most principals decided not to self manage their school projects. It was fortuitous that so many principals did obtain quotes from local builders at this time as it did enable them to compare the costings under the centrally managed scheme with these original quotes.

Principals soon realised that the cost of many of the projects could have been halved if schools had been given the freedom to manage their own programs. Almost all government schools in NSW used government chosen contractors with the education department continuing to actively dissuade principals from running the projects themselves since principals were repeatedly told they would be personally liable. Only 20 principals eventually volunteered to locally manage their P21 capital works projects.

In contrast, independent schools were given autonomy in decision making in regard to their BER projects. Non-government schools were able to choose their own contractors. They were able to work with the builders and architects that they already had a relationship with, so their project management process was generally very smooth.

CASE STUDIES FROM INDIVIDUAL SCHOOLS

- (1) Public School had hoped to restore its hall and renovate the school’s 1950s toilet block, but was unable to refurbish the toilet block after it was given a \$230,000 quote from contractor Laing O’Rourke for building management and design of the hall. The local private school managed its own funds and employed a local contractor who used the P21 money to build 3 classrooms, a toilet block and playground area, with \$31,000 for building management and design. The school community felt ‘ripped off’ to see the neighbouring private school get more for its dollar, while the local contractor was more efficient. The President of the P&C stated that: *“By the time we were getting our costings, they had nearly finished construction. We felt that if the school had been allowed to self manage its own project we would have been able to deliver more money to our community – because we would have used local suppliers.”*
- (2) Public School received \$250,000 to install two screen doors, three blinds, awnings, concrete paths, soft fall mats and a new storage area. The local private school secured \$250,000 through the BER scheme and contractors delivered a new library, wet weather area and refurbishments. The local builder said that the whole system was

completely different to that used in Public Schools. *“Public Schools are being told what they’re getting and some don’t need it, and three times as much as money is being used.”*

- (3) Public School said they wanted to manage their P21 project but their new Principal said it would be too difficult. He stated *“It was so rife with conditions it was unworkable.”* A local builder linked to the school calculated that their building should have cost closer to \$500,000 not \$850,000. The school community stated that the scheme had not benefited the community because they had a builder who was doing 33 other school jobs. They had two area builders register but they did not even get a letter of response.
- (4) Public School had an experienced local builder provide a quote to all but rebuild the school for \$740,000. However because of threats of liability, the school had little choice but to hand the project over to the DET. What they received was a Sydney based company which provided a modular double classroom for \$907,000. There was no heating or cooling, no disabled access, no new meeting rooms, sick bay or Principal’s office – all things included in the local contractor’s plans. A cost breakdown showed the modular building cost \$344,790 while works such as the roof, walls, windows and carpet cost a further \$102,970. A quarter of the \$907,000 appeared to have been eaten up by design and management fees. The same classroom would have cost just \$450,000 through DET’s replacement classroom program.
- (5) Public School made a request to self manage as they had done successfully with their National Schools money but was told emphatically no by the DET. Their request to employ their local builder was totally ignored. The school community is outraged at the amount of money being spent to replace one set of demountables with another. They are to receive for \$861,000, a double pre-fabricated classroom, only slightly bigger than the two demountables they removed from the site. The added insult was that they took the two air-conditioners and aren’t replacing them.
- (6) Public School were discouraged from becoming Project Manager for their site and have ended up with a hall measuring 9 metres by 6 metres which they have worked out as \$25,000 per square metre
- (7) Public School were told that if they self-managed, they would have no rights to access the DET Legal Section and have to pay for their own solicitor. This school has been offered under Round 3, 6 pre-fabricated classrooms for \$3 million. They have a perfectly flat site, yet a neighbouring public school has signed off on the same 6 pre-fabricated classrooms for \$3 million on a very steep and uneven site. They can’t get a breakdown of costs.

3. The role of state governments

The role of the state governments was clearly defined under the National Partnership Agreement on the Nation Building and Jobs Plan. Each state was responsible for implementing BER within their jurisdiction. They were to consult with schools and school

communities about BER proposals for funding, and delivery of funding. States were to enter into funding agreements with the Commonwealth under which they would receive BER funding for their approved school projects. States would then administer the funding paid to their schools in accordance with the funding agreement and guidelines.

State governments were to call for and assess project proposals from their schools and ensure that their design, application and assessment processes for BER funding were fast tracked with minimal red tape. They were then to assess and prioritise infrastructure proposals in accordance with the guidelines and prepare project lists for approval by the Commonwealth. States were also to ensure that schools could begin and complete their projects within the prescribed time frames. States were also instructed to use their best endeavours to ensure that projects covered by the funding had at least 10% of the total contract labour hours undertaken by apprentices and trainees.

The reality in schools at the commencement of 2009 was that there were considerable delays at each of these initial planning stages. Principals were extremely prompt in submitting their project proposals but were often frustrated by changing personnel dealing with BER submissions. They were often dealing with a succession of people who all seemed to want to visit the school, assess the positioning of the proposed structure, take measurements, discuss their role in the whole process and leave with promises of work to be undertaken immediately. Any phone enquiry by the Principal seemed to be followed by yet another visit from more BER personnel.

Equally frustrating for Principals was the fact that many of their local tradespeople were not given any work under the BER program. State governments were instructed to communicate opportunities in local areas for tradespeople and other small businesses at the earliest practicable stage. In regard to non government schools, states were instructed to use their best endeavours to give priority in contracting and tendering arrangements to local businesses. This did occur in non-government schools where there was autonomy in decision making.

CASE STUDIES FROM INDIVIDUAL SCHOOLS

- (8) Public School's BER Library building arrived with cracks in the wall and support pylons for the verandah on the wrong side. The school community is adamant that the project does not represent value for money. They say more suitable facilities could have been constructed locally.
- (9) Public School's Multipurpose Hall arrived with cracks in the wall. The school community has argued that their modular design building was overpriced and did not meet their school needs. The MPH has been described by the school as "a lined tin shed which cost \$250,000."
- (10) Public School with 170 students qualified for \$2 million in funding. It requested a new library to replace the old demountable and a hall. Plans were drawn up for a two storey building with hall downstairs and library upstairs, preserving the limited playground space. The 2 storey building was rejected because it was not a standard design and they were told they could only have a small hall with no stage and no seats.

The community decided to do without the library and settle for a bigger hall only to be told they were \$450,000 over budget even with no stage or furniture.

- (11) Public School has 210 students and a very small playground area. The school has planted turf on this playground space which is used for sport and lunchtime games. The school community applied for BER funding to knock down the very old weatherboard temporary buildings that currently house the computer laboratory, staff room and one classroom. They requested a library unit and canteen with a new computer laboratory area. The BER people advised the school that this was not possible as they were not able to knock down existing structures. They advised that the new library would be located on the turf area of the limited playground. The new canteen was also costed at \$800,000 with what the school has described as an inordinate amount of money allocated for what seems to be supervision/site inspection etc.
- (12) Public School was not allowed to build the structures the school community requested. As a school they made collaborative decisions to build certain structures that the school needed. Instead they were told they would receive a 2 room pre-fabricated classrooms. The initial cost was going to be \$850,000 but this has seemingly blown out to \$1.5 million.

4. Timing and budget issues, including duplication

The National partnership established that there would be three application rounds under the P21 component of the BER. Funding was provided to each state on the basis that 20% of eligible schools would access funding in Round 1, 40% of eligible schools in Round 2, and 40% of eligible schools in Round 3.

Applications for Round 1 closed on 10th April 2009. A total of 2,010 projects at 1,499 schools across every state and territory were approved for funding of \$2.826 billion in Round 1. Projects were expected to commence in May-June 2009 and be completed no later than December 2010. Round 2 closed on 15th May 2009 with over 5,047 applications received from all education authorities. The Minister announced the successful schools between 9th and 14th June with a total of 4,973 projects at 3,716 schools being approved for funding of \$6.362 in Round 2. The expected completion date for these projects was estimated at no later than 31st January 2011. Applications for Round 3 closed on 10th July 2009 with a total of 3,796 applications received from 2,824 schools. In August approval was given for 3,718 projects in 2,746 schools at a cost of \$4.588 billion. These projects must be completed by 31st March 2011.

A final additional Round was held in September 2009 for monetary variations to approved projects. This only applied to schools whose approved funding was less than their notional allocation under the funding bands. These schools could apply to increase their funding by increasing the scope of their approved project or adding a second project. This round ensured that schools were given the greatest opportunity to participate fully in BER and to help support the economic stimulus measures by maximising construction and refurbishment activity around Australia. A total of 176 applications were received and 161

were assessed as eligible for approved funding. There were no further opportunities for approval of additional funding under P21. However, education authorities were able to reallocate funding between projects or schools to underspend and overspend.

An analysis of the timing and budget issues raised above reveals that the majority of projects already completed were approved under Round 1 (they had to be completed by December 2010). Only 1,499 schools received funding in Round 1 and it is from these schools that the majority of complaints have been derived. Most complaints relate to lack of value for money and shoddy workmanship in buildings constructed. A survey of 200 principals conducted by the Public Schools Principals' Forum revealed that 117 believed that the construction projects were not providing value for money or have been delayed, seriously disrupting classes and student activities.

The timing of this inquiry is fortuitous in that work is currently ongoing in the majority of schools given approval for funding. In many schools, particularly those from Round 3, work has not even commenced (these schools have a completion date of March 2011). Over 3,000 schools from Round 2 and over 2,000 schools from Round 3 are still waiting for projects to commence or are in the middle of construction. One can anticipate that if the current issues with poor construction, duplication, and builder's markups are allowed to continue after this inquiry there will be hundreds of more complaints from school and parent communities.

CASE STUDIES FROM INDIVIDUAL SCHOOLS

- (13) Public School received \$925,000 for replacement of 2 existing demountable classrooms. The pre-fabricated classrooms did not have air conditioning, interactive whiteboards and all weather access. The school community is concerned that these two classrooms could have been constructed at a fraction of the cost.
- (14) Public School was told that funding had been approved for \$250,000. They were subsequently informed that of the \$250,000 site management fees will cost \$77,870, the managing contractor will get an incentive fee of \$1,964 and project management will cost \$7,560. All of this is about 37% of the total funding allocation.
- (15) Public School is the only school in the region to self manage its construction work and has been able to get almost twice as much for its \$850,000 federal money as similar schools. The school is building a double permanent classroom, a single classroom plus concrete basketball court with lights, solar cells and rainwater tank. By comparison, a neighbouring Public School that received the same amount of money will get one prefabricated double classroom under department management and is \$42,000 over budget.
- (16) Public School received \$2.5 million to build a new hall and canteen. The school community has become aware of hundreds of thousands of dollars in unexplained charges for the project. A neighbouring private school has built a 1600 seat hall which holds 5 times as many students, at half the cost of the BER hall at the neighbouring public school.

- (17) Public School is in the very long process of getting two new classrooms and a new library. The classrooms were due to open on the 27th January and all teachers cleared their old rooms ready for the move as the old buildings were being removed from the school. It is now April and the staff still does not have access. The library still does not have a ramp or stairs as they are in a flood prone area and the building is raised above the ground.
- (18) Public School was really concerned about the lack of information as to when construction of new buildings was about to commence. They were promised by Bovis Lend Lease that work would begin before the end of 2009, during the Xmas holidays but demolition is now taking place in April.
- (19) Public School is very concerned about the lack of transparency in regard to costings given them. They have been told they are over budget with their Library/Admin building and that the covered walkway, the rainwater tank and the solar panels will have to be deleted because of the cost overruns. They have been informed that \$49,194 of the \$850,000 has had to be reserved to pay the building contractor an incentive to have the construction completed on time. This reserve is 5.7% of the total allocation.

5. Requirements for School Signs and Plaques

The requirement that all schools who have received P21 funding, i.e. the majority of primary schools in NSW, display signs supplied by the government did not pose a problem initially. These signs were attached to the safety fences on the perimeter of the construction sites at each school.

At many schools, with increasing dissatisfaction at the progress of the particular project, many of these signs were removed in protest. School communities who have experienced ongoing problems with the P21 program will be most reluctant to participate in any opening ceremonies or widespread praise of a government whose management of their particular project has caused them so much distress.

6. The management of the program

It is in regard to the management of the P21 Program that the Federation is concerned that the BER investment in public schools infrastructure is being undermined. Implementation problems of overpricing, waste and instances where DET Officers or building contractors have ignored objections and concerns in relation to a schools particular requirements and priorities, have been commonplace.

Principals, teachers and parents have raised concerns with us that some BER Projects are costing more than regular construction costs. There is much speculation that that builder's markups, management fees and multilayered bureaucracy are greatly inflating the cost of work under the BER. Figures from the NSW Integrated Program Office show management fees should be an average 4 % of funding. The managing contractors profit margin should be

2.85% and the site supervision fee 6.6%. The seven NSW managing contractors will also receive an incentive fee of 1.64 % or \$55 million payable if they deliver projects on time and on budget. It appears however, that management fees will account for up to a quarter of the states \$3.4 billion BER funding.

Of great concern is that there have been recent reports that BER contractors have publicly stated that management fees are usually calculated at 2% of the project costs.

An analysis of fees paid to the scheme shows that managing contractors in NSW will earn \$134 million in profits and be paid an estimated further \$80 million in project management fees to oversee the work. On top of these charges, the contractors, which include Brookfield Multiplex, Laing O'Rourke and Abigroup, will be paid \$200 million to fund site management costs, which cover organising tradespeople and ensuring the safety of children at the schools. The NSW Government has appointed seven managing contractors to oversee building projects in different regions.

The 3 managing contractors to earn the most in NSW, Bovis Lend Lease, Hansen Yuncken and Brookfield Multiplex, which will oversee construction at more than 1,000 schools, will share profits of \$71.5 million. Under the NSW Government guidelines, managing contractors are paid a 2.85% profit on all jobs undertaken and an incentive fee of between 1% and 3.25% of the value of all money allocated. The incentive paid to managing contractors that finish the projects on time and within benchmarked values, averages about 1.6% of the value of all money allocated. Other managing contractors include the Reed Group and Richardson Crookes Constructions. Under the funding model the 7 managing contractors are assigned schools and budgets and then put out projects to tender to builders, usually as a bundle of schools with similar requirements close to each other.

It has been revealed however that managing contractors in NSW have been charging fees of between 12.5% and 16.5% on projects, about three and a half times the amount suggested by the Federal Government, adding as much as \$500 million to overall costs. One managing contractor, the Reed Group, has been charging fees of 20.93% on projects delivered in NSW.

It is also of concern that the NSW government is receiving almost twice as much in administration and oversight fees as allocated to it by the Federal Government. NSW will receive \$45 million in project management costs under the under the scheme which it will levy on each new school building at a rate of 1.3% of full construction costs. These fees are on top of \$51.4 million provided to the state by the Federal Government for administrative costs and reporting under the BER.

Under the stimulus rollout, the Federal Government has provided the states with funding of 1.5 % on top of the value of all projects. This is to cover the total administrative costs associated with running the application process and the associated reporting under BER. The NSW Government describes the extra 1.5% as being an allocation for managing the procurement of projects including contract administration, scope and nomination management, variations process and reporting to the government. There is however a Fee A and a Fee B structure. Managing contractors who use in house builders are paid Fee A which averaged out at 11%. Managing contractors who employed outside builders to carry out the

work are paid Fee B which averaged 15%. The fee structures outlined above help to explain some of the huge variances between the cost of buildings under the BER and standard costs.

Huge variances in costings have been particularly noticeable in the construction of classrooms and Covered Outdoor Learning Areas or COLAs. Standard prefabricated double classrooms are typically built and fully installed by manufacturers to specifications similar to those under the BER at a price of \$500,000. Under the BER, the same structures are being costed at between \$800,000 and \$1 million - 60% higher than standard rate. Covered outdoor learning areas known as COLAs spanning 30m by 25m typically cost between \$170,000 and \$250,000, including full installation according to builders. NSW Government figures show more than 40 COLAs under the BER have been costed at more than \$800,000 each.

CASE STUDIES FROM INDIVIDUAL SCHOOLS

(20) Public School is a P5 school with 60 students. The Reed Group are the managing directors for their project. Over a 12 month period the school community has witnessed its unique curriculum based BER project reduced to a prefabricated building transported in from Sydney that is now costing \$1.3 million. The school community had identified the need for extra space for storage, lifelong learning and hygiene. The school was granted \$850,000 and the school circulated leaflets to subcontractors and suppliers in the immediate area asking them to register with Reed so that work would come their way.

All through the process the school was confident that there would be sufficient money for the \$70,000 refurbishment of a weatherboard building (forming a lifelong learning centre for their students). They were also confident that at least one of the demountables would be left to provide much needed space for support teachers and DET staff who often visit to administer special programs.

Local builders and suppliers were not employed by the Reed Group and more and more of the building features had to be descope. The cost ended up being \$1,303,505 - \$453,505 over budget. This is with no water tank, no solar panels, no underfloor storage, no covered walkway, no air conditioning and no economic stimulus to their local economy.

(21) Public School has expressed concerns at the cost of their new school hall, as well as the almost total lack of local workforce involvement. \$2.5 million has been allocated for the school hall and covered walkway. The project was supposed to provide a local economic stimulus but apart from 1 plumber, there had been no locals employed. A crane was even brought in from Sydney for 4 or 5 weeks at great cost even though the local town had 2 mobile crane companies.

- (22) Public School was placed in the funding category entitled to \$850,000. This allowed for \$50,000 for a hard court and \$550,000 for a new large brick classroom. The school was informed that the costs had blown out and the government can only afford a much smaller colorbond classroom to stay within their budget of \$850,000. They were told that one brick classroom would cost \$1.5 million to build.
- (23) Public School was excited about getting a state of the art canteen, hall and two extra classrooms thanks to a \$2.5 million from the BER scheme. The canteen did not come with an oven, or air conditioning or an adequate power supply. Parents are now being forced to fund the shortfall themselves. After the new school hall was to be built, the old hall was to be converted into two classrooms. However, now the two rooms have become performance spaces as funding dried up. Water tanks and solar panels have had to be cut from the project and plans to install a rubberised surface under the play equipment were dropped. The canteen also required extensive work to have the same fitout as the old one. The only cooking appliance in the new facility is a small two burner hotplate. There is no oven, nor is there the space for an oven or the necessary electrical wiring, exhausts and vents.
- (24) Public School ordered a prefabricated library that the community thought would cost \$377,000 leaving the rest of its \$850,000 stimulus money to fix long term safety issues and pay for other improvements. Instead, the library cost \$908,000 and arrived without a fire escape or double glazed windows and water tanks that had been approved as part of the project. No local builders were given the opportunity to tender for the contract which was awarded to Richard Crookes Construction, a Sydney firm. In addition to the \$377,000 price for the prefabricated building, the school was billed \$371,000 for construction costs, \$37,000 for management costs and \$12,000 for a contractors incentive fee.
- (25) Public School's Principal has expressed the view that his school community is not satisfied with what the school is getting for \$250,000. The Principal was not shown a diagram of the amenities block prior to seeing the builders copy on the 24th Feb. 2010. Taps and bubblers were not included in the new block until complaints were made. The existing amenities block was removed without prior warning and the drinking water facilities which had been verbally promised prior to this happening did not appear. Bovis Lend Lease informed the principal that the cost of this would come back to the school anyway and that they would be best off by supplying an alternative themselves.

The layout of the amenities block is totally unsatisfactory for a school of 20 pupils. It was changed from a Core 7 size to a Core 1 size without written notification. The establishment of a disabled toilet in the centre of the block is superfluous as they already have one at the school (much larger and more appropriate than what is being built). When the Principal queried this he was told that this was the standard layout and could not be changed. There have been no costings/breakdown of spent funds made available to the school throughout the process.

- (26) Public School saw their BER Project as an opportunity to restore an outdoor COLA covered space to an active indoor sports and all activities centre for students living in a

cold area. Their plan was to enclose the existing roof with 3 walls a floor and ceiling. They also wished to add an additional bay to achieve indoor sport specifications as well as a shower facility. Under floor water storage was also planned for this structure or at the very least, guttering feeding the rainwater into tanks. (There is no water supply in the local township.)

Following departmental advice the project was modified by the removal of space to achieve an active indoor sports area, the removal of the additional bay requested, the removal of the solar function of the skylights, the removal of the shower facility and the removal of guttering feeding into rainwater tanks.

- (27) Public School requested that their designated two classroom block be extended to four rooms to meet the growing enrolment at the school and in order to accommodate all the children at the school in permanent classrooms. To cover any additional costs they were prepared to forgo the second part of their program, the construction of a COLA. The cost of the COLA also concerned the school community as the original quote was for \$400,000 but the latest quote was for \$950,000. The school had built a similar cola in 2003 for \$80,000. As neither project had commenced, the school felt justified in asking for the 4 classrooms instead of 2 classrooms and a COLA. The costings for the 2 projects continue to concern the school community. They received originally a grant of \$3 million. The proposed COLA originally budgeted at \$400,000 is now going to cost \$1 million if it goes ahead. The original double classroom was originally budgeted at \$2.6 million but has now been reduced to \$1.8 million to offset the cost of the COLA.

CONCLUSION

With allegations emerging of rorting, secret fees, preferential treatment for certain contractors, inefficiencies and waste, it is timely that an inquiry into the P21 Program be held and we have welcomed the opportunity to put forward a submission on behalf of the Public School teachers in the state of NSW.

We have been able to provide examples where the BER dictated to schools what infrastructure project they would receive, whether the school needed it or not. Since schools were not responsible for arranging quotes for building works, it would appear that money has just been handed over with the quotes matching the amount granted. This is why covered outdoor learning areas were costed at \$850,000 instead of the real cost of \$250,000 and why one school is refusing to accept a canteen which is said to cost \$66,000 but which is no bigger than a large shed.

We have estimated from the many examples provided that there will be less than \$10 billion in actual value from the \$16 billion allocated under BER. The systematic failures detailed in our submission, resulting in colossal waste, gross mismanagement and extensive fee gouging are forcing our Public Schools to come forward and declare enough is enough.

Unfortunately, for some principals, teachers, students and parents, what should have been an exciting time of infrastructure investment has turned into something of a debacle. For others, the

building program has been a process that has given schools some long overdue facilities they realistically had no chance of achieving if not for the stimulus funding.

Regardless of the successes of the school building program there have been a significant number of failures that can no longer be brushed aside as an inevitable consequence of a program based on the need for a speedy rollout. This inquiry is timely to ensure that current mistakes are not repeated the next time governments offer Public Schools such a welcome injection of cash on such a grand scale.

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