

15 November 2010

Dr Shona Batge
Committee Secretary
Senate Education Employment and Workplace Relations Committee
PO Box 6100 Parliament House Canberra ACT 2600

Dear Dr Batge

Primary Schools for the Twenty First Century

I wish to bring to the Committee's attention an example of pressures applied to a school Principal to accept reduced funding to Building the Education Revolution Projects at the Principal's school. I suggest that the reason the Principal has not complained to the Building the Education Revolution Implementation Taskforce reflects more the imbalance of power between the parties within an educational authority rather than that there are no legitimate reasons for complaint.

The Head of the BER Taskforce, Brad Orgill appeared before the Senate Education, Employment and Workplace Relations Reference Committee on 1 November 2010:

Mr Orgill—I am not aware of anyone not complaining who would like to have complained.

Senator MARSHALL—So you do not believe that anyone has not been able to complain. What about once people have complained? Are you aware that there were some consequences for the people making a complaint?

Mr Orgill—No, I am not aware of that.

Mr Orgill wrote in the Australian on 6 November 2010:

I am not aware of any principal feeling they could not raise a complaint with the taskforce or they might be disadvantaged by their employer for doing so.

We have received assurances that no principal will be punished in any way for talking to us.

- Did the Taskforce receive such assurances from the ACT Block Grant Authority, the NSW Catholic Block Grant Authority and the Catholic Education Office of Canberra and Goulburn (CEO C-G)?

The Department of Education Employment and Workplace Relations issued *BER Guidelines* which referred to the governance arrangements between the Commonwealth, states, territories and Block Grant Authorities. The most recent version, Version 3, 21 September 2009, sets out the responsibilities of the BGAs including *Variations to Project Approvals*.

Another DEEWR publication *BER Guidance Memo, Project Variations*, September 2009 states:

DEEWR's prior approval is required in instances where the quantum of funding to be moved from one school to another is five per cent or more of the approved project. Where this applies, approval will be subject to the:

- provision of a signed letter from the school principal agreeing to the funding being moved;
- funding being tied to an overspend for a specific project at a specific school; and
- provision of justification of the overspend.

Project variations requiring approval must come to DEEWR for approval and be accompanied by appropriate evidence to justify the variation.

The CEO C-G was aware of these documents and advised its BER Architects in a meeting on 4 September 2009:

A funding reduction of >5% requires agreement of the donor school and DEEWR approval.

On 19 May 2010, there was this exchange between Mr John Barker, Head, Finance and Planning Services, Catholic Education Office, Canberra and Goulburn, with a member of the Senate committee:

Senator BACK—At a school where they were not to receive their full amount, was that on the basis of agreement with the principal and the school community?

Mr Barker—Yes, it was.

Senator BACK—Did you have any instances in which the principal or school board disagreed with the authority?

Mr Barker—No, none that I am aware of.

- What was Mr Barker's involvement in his organisation's later withdrawal of BER funding from St Benedict's Primary School Narrabundah ACT?

St Benedict's Primary School Narrabundah ACT

At a site meeting for St Benedict's on 23 July 2010, the CEO C-G announced that it had unilaterally withdrawn \$200,000 of BER funding from the BER Project Cost amount of \$2,000,000. The Principal of St Benedict's had first heard of this withdrawal of 10% of the Project Cost the previous day and protested vigorously during the Meeting.

In an email of 23 July 2010, copy to John Barker, the CEO C-G confirmed that its Reallocation Committee had determined that the BER Project budget for St Benedict's was now \$1,800,000.

- Who are the members of the Reallocation Committee?
- How does the Reallocation Committee justify its decision to withdraw 10% of the Project Cost of a BER Project without involving the Principal of the school concerned?

- Why did the Reallocation Committee disregard the Australian Government's BER requirements that a 5% or more reallocation of funding from one school to another required prior approval from the Department of Education Employment and Workplace Relations?
- And a signed letter from the school principal agreeing to the funding being moved?
- And funding being tied to an overspend for a specific project at a specific school?
- And the provision of justification of the overspend?

At the site meeting the CEO C-G indicated that at a meeting of all Principals earlier in the year it had set out the principles associated with the redirection of funds from one school to another.

- Did the CEO C-G inform the school Principals of DEEWR's requirements?
- Did the CEO C-G claim that BER funding had not been allocated to individual schools but allocated to the CEO C-G for it to determine allocation of funds between schools?

The CEO C-G later made two attempts to censor the Principal's comments as reported in the Minutes of that site meeting. The Principal had expressed concern about the CEO's Project Officer continuing in his role. The Project Officer had been aware of the CEO's intentions to withdraw 10% of the Project Cost but had not informed the Principal. The Principal stood by her comments and confirmed that the Minutes should not be altered.

The CEO instructed the Architect and Builder to ensure the project be finished within the newly allocated budget of \$1,800,000.

The Principal gained possible concessions from the CEO C-G as set out in its email of 23 July 2010:

Complete the existing and agreed additional scope of work within the revised budget, \$1,800,000; or

Complete the existing and agreed additional scope of work within the revised budget, \$1,800,000 plus a reallocation of additional funds from the central pool up to the value of the original allocation of \$2,000,000; or

Complete the existing and adjusted (affordable) scope of work within the revised budget, \$1,800,000 plus a reallocation of additional funds up to the value of the original allocation of \$2,000,000.

Despite extensive documentary evidence to the contrary, Moira Najdecki, Director, Catholic Education Office of the Archdiocese of Canberra and Goulburn, wrote in a letter, dated 15 October 2010, about the BER Projects at St Benedict's:

The CEO did not alter the scope of works or the funding arrangements for this project ...

The Principal gained some concessions from the CEO C-G and the final Project Cost was between \$1,800,000 and \$2,000,000 although the actual allocation from the different funding sources is unknown. However, this was only achieved by the Principal challenging the CEO C-G's right to unilaterally reduce BER funding. The Principal may not have complained to the BER Taskforce as there was a satisfactory financial resolution for the school. However, the

CEO C-G had originally presented the 10% reduction in BER funding as a decision which was solely the prerogative of the CEO C-G, not the school's or DEEWR's.

Discrepancies in financial information provided by the CEO C-G

Information prepared for the CEO C-G on 6 July 2010 for the BER Taskforce which was auditing the CEO's ACT schools differs markedly from that included in DEEWR's *Primary Schools for the 21st Century ACT, 30 September 2010*.

Project Description	Current BER funding at 30 September 2010	Architect's notional estimate at 6 July 2010
Refurbishment - Classroom	\$485,000.00	\$1,231,715.00
New Construction - Library	\$1,515,000.00	\$768,285.00

- Why did not the CEO C-G correct the information that continued to be published quarterly by DEEWR, which the CEO C-G knew did not conform with the actual known costs?
- Did the CEO C-G submit to DEEWR a Project Variation of a reduction of \$200,000 for St Benedict's after informing the school Principal, the Builder and the Architect that that was its intention?

Would the Committee please consider inquiring into the actions of the Catholic Education Authority of the Archdiocese of Canberra and Goulburn in relation to the allocation of funding by the Building the Education Revolution Program at St Benedict's Primary School Narrabundah ACT?

Yours sincerely,

Jeremy McGrane