



# NSW Catholic Block Grant Authority

Administering the Australian Government Capital Grants Program, National  
Secondary Schools Computer Fund, Trade Training Centres Program,  
Building the Education Revolution Program (Primary Schools for the 21<sup>st</sup> Century,  
Science & Language Centres for Secondary Schools, National School Pride Program)  
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## SUBMISSION TO THE SENATE COMMITTEE INQUIRY ON THE FEDERAL GOVERNMENT'S PRIMARY SCHOOLS FOR THE 21<sup>ST</sup> CENTURY PROGRAM

### Introductory Statement

1. This submission is from the New South Wales Catholic Block Grant Authority (NSW CBGA) which has a membership of 573 Catholic schools across the State. Some 449 Catholic primary schools, or mixed schools with primary sections, were eligible to apply for grants under the P21 Program in 2009 of which 445 schools did apply and received funding approval for their applications over the three funding rounds.
2. The NSW CBGA is the administrative and reporting authority for all BER and other capital block grant programs from the Federal Government. The NSW CBGA was the signatory to the various funding agreements under BER. The NSW CBGA will be in receipt of \$888.2 million in grant funds for projects and an additional \$13.3 million for administrative support for a total of \$901.5 million over the life of the P21 Program. It is also managing additional funding under the National School Pride and Science and Language Centres components of BER.
3. Our experience of the P21 program has been most positive and we are pleased to relate that view to the Senate Committee. Schools and the wider school communities have enthusiastically embraced the P21 program and appreciated the opportunity to build new facilities such as multi-purpose halls, libraries and classrooms that were beyond the financial capacity of most schools. The available funding is being well spent on essential facilities and infrastructure to enhance student learning.
4. There were a few administrative 'teething' problems with the introduction and operation of the P21 Program but they were in the broad scheme of things relatively minor and were corrected as the program progressed. The responsible officers in the Department of Education, Employment and Workplace Relations (DEEWR) have consulted with stakeholders on a regular basis and responded to suggestions for change.
5. We are indebted to the Federal Government for the opportunity to substantially improve and add to the infrastructure of all our Catholic primary schools within the Government's primary objective of stimulating the economy and generating employment. An undertaking of the magnitude of P21 was well beyond the financial capacity of the Catholic system and allowed individual schools the opportunity to build new specialist facilities that they would never have achieved within their own funding capacities.

## 1. Conditions and Criteria for Project Funding

- 1.1 The project allocations by school enrolment were reasonable and allowed for facilities appropriate to school size. The use of February 2009 enrolments as the base gave every school opportunity to be considered at its current enrolments.
- 1.2 While the priorities were for the building or upgrading of libraries and multi-purpose halls, there was a sufficient range of options to give flexibility for every school to propose a project to meet its requirements. The variations process allowed by DEEWR enhances flexibility in facilities options.
- 1.3 Contrary to some media reporting, schools were not forced to accept or duplicate facilities they did not want or need. In our sector, schools were pleased to accept the Government's priorities and those with modern hall and library facilities (such as in newly built schools or schools in receipt of recent major upgrades) were able to nominate for other facilities they needed.
- 1.4 Similarly, schools which did not require their full financial allocation were not forced to waste money on unnecessary items or to 'pad' projects. The Guidelines allowed our sector to reallocate funds among schools where particular schools could usefully apply additional funding. The flexibility allowed by the Program for fund reallocations was a sensible concession allowed by the Government to avoid waste and duplication and to allow additional support where most needed. In our sector, 105 schools (24% of P21 recipients) voluntarily released some of their P21 funding and 89 schools (20%) received additional funding. A total of \$60.4 million has been redistributed, constituting some 6.8% of the total of P21 grants for the NSW Catholic school system.
- 1.5 The scheduling of P21 applications and start/completion dates grants over three rounds allowed more time to develop proposals for the more difficult projects. Overall the timelines for submission of projects were very tight but were manageable and understandable within the Government's desire to provide a rapid stimulus to the economy. The opportunity to submit on price estimates and almost final drawings that could be later finalised within approved project scope enabled project applications to be submitted on time. If fully detailed plans and final tender costs had been required the application timeline could not have been met. Subsequent to approvals, project applications were in the main reasonably accurate in scope and most have proceeded without the need for major adjustments.
- 1.6 Our sector did not support the use of templates; that process not being a part of our historical and ongoing building program. However, because most schools had well developed master plans it was possible to fast track drawings and applications to school needs. We are able to claim that all P21 projects have been architecturally designed, designed to site and in permanent construction. There were of course opportunities to utilise commonalities in design to hasten the process. DEEWR accepted our viewpoint on the non-use of templates and did not insist on their use.
- 1.7 While it would have been ideal under other circumstances to have more time for project planning, the commencement and completion dates mandated in the Guidelines have not been a concern, firstly, because of the interpretation allowed by DEEWR for 'commencement date' ("any expenditure post the design phase"). Secondly, DEEWR acknowledgement in consultations with BER Coordinators that completion dates were "a little ambitious" and that there would be flexibility where construction had been started in good faith and building had been progressed as

far as possible to meet the desired completion dates. The variations process developed in later iterations of the Guidelines allows for extensions of completion where reasons are sound. DEEWR administrators have listened to concerns and suggestions from those in the field and adjusted Guidelines accordingly.

- 1.8 A timing issue that requires consideration, and is being looked at by DEEWR, is the 7 months requirement for completion of small projects (up to \$850,000) as against 18 months for large projects. The very small projects with short completion times are in rural and isolated areas where it is traditionally difficult to engage builders. In some remote towns it is almost impossible to engage any building contractor of quality. It is usually easier to meet deadlines in large city projects. We hope that extensions will be readily granted where projects cannot meet the 7 months completion date in small remote communities.

## **2. Use of Local and Non-Local Contractors**

- 2.1 This has not been a concern. Expressions of interest to tender were sought in regional and local areas and our experience is that in most cases local builders have been engaged where they could demonstrate sufficient experience and ability in projects of P21 scale. Some local builders may have expected a total priority for their engagement but other priorities of experience and scale of project had to be applied to achieve value for money.
- 2.2 With schools all across the State being in the program, city builders were fully occupied locally and regional and rural builders have gained local contracts. Where builders have been contracted from outside of the immediate local area, sub-contractors from the local area have constituted the labour force.

## **3. The Role of State Governments**

- 3.1 The NSW State Government has been of particular assistance in fast tracking building approvals through its National Building Taskforce. The Taskforce has scheduled regular meetings with the schools sector and assisted in whatever way possible to approve projects, assist with finding builders in remote areas in conjunction with government schools, and the monitoring and scheduling of building supplies.
- 3.2 The role of the State Coordinator-General and Taskforce is much appreciated.

## **4. Timing and Budget Issues, Including Duplication**

- 4.1 Comment has been made above on timing for submission of applications and commencement and completion dates. As noted, the timing requirements have been tight but not unmanageable and we have no major concerns. The difficulty noted at 1.8 above for the 7 months completion for projects in small towns is one that is being addressed.
- 4.2 BER provided considerable welcome administrative support to engage additional contract staff to meet the tight timelines.
- 4.3 Duplication is a non-issue for us, as noted in points 1.2 to 1.4 above. Funding was able to be redirected to more needy schools to avoid waste, duplication or the 'padding' of projects.

- 4.4 Some concern had arisen with the funding schedules and projections that as construction starts gathered momentum there could be shortfalls in cash flow and a possible need for bridging finance. Minister Gillard and DEEWR responded positively and quickly to the concern and have guaranteed that funding allocations within financial years can be brought forward if the need arises. DEEWR has indicated that no authority will be forced into bridging finance for P21 or any BER project.

## **5. Requirements for School Signs and Plaques**

- 5.1 The general requirement for signs and plaques is not onerous and identical with requirements for Government-funded capital projects for the past 20 years, covering both Labor and Coalition Governments. No schools have had an issue with the requirement.
- 5.2 The P21 requirements are less onerous than in the past as the program is providing the signs and plaques that under past programs (such as the Investing in Our Schools Program) had to be met from the school's grant.

## **6. Management of the Program**

- 6.1 Overall, the management of the program has been efficient, consistent and courteous. The DEEWR officers have held regular consultations with BER Coordinators by teleconference and face to face meetings and there has been opportunity to openly express views and concerns. Issues and concerns have been dealt with quickly and positively and DEEWR (and Minister) have been prepared to change an administrative position where a better solution was suggested.
- 6.2 There were a few 'teething' problems and matters needing clarification at the start of the program, not unexpected where a program of the magnitude of BER had to be devised from scratch and policy and guidelines published at short notice. While adjustments have been made in the course of the program, they have been beneficial to participants and not disruptive; the basic structure and guidelines published in February 2009 remain intact and operational.

## **7. Other Related Matters**

- 7.1 With the improvement in the Australian economy, the time might be opportune to slow the P21 and other BER programs in terms of construction start and completion dates in order to:
- Take the heat off anticipated price increases as the demand for labour and materials increases, this will likely impact more on the third round P21 projects;
  - Extend the employment generating impact of BER; and
  - Improve cash flows and lessen the Government's need for forward commitment of P21 funding.

These are offered as positive suggestions to Government for the P21 Program, not as criticisms of the Program.

- 7.2 The Government is urged to recognise that despite the massive expenditure put into BER and P21 in particular, there are considerable unmet capital demands in schools that need to be addressed by a continuation of the existing Capital Grants Program and related programs. P21 has been focused on the provision of much required multi-purpose halls and modern library facilities but has largely untouched facilities such as classrooms, staff and administration facilities and student amenities. P21 has no provision for secondary schools (apart from the few Science and Language Centres Program and the relatively small National School Pride grants), new schools and continuation stages of new schools remain to be constructed and there will be demands arising from increasing enrolments.
- 7.3 In conclusion, P21 has been a much welcomed and appreciated support for NSW Catholic schools. The Program requirements were demanding but not unmanageable and have addressed facilities needs in Catholic schools that could not be met within existing financial capacity. The DEEWR management of the program has been done in a cooperative spirit and sensible administrative changes made as a result of regular consultations. P21 and all BER elements have been embraced enthusiastically and positively, any deficiencies have been of a very minor nature and easily rectifiable, and have not detracted from the Program's intention to improve facilities in the nation's primary schools.