

Senate  
Education, Employment and Workplace Relations References Committee  
Inquiry into the Primary Schools for the 21<sup>st</sup> Century program

Submission by the Annandale North Public School (NSW) P&C Hall Committee

Annandale North Public School has been granted \$2.6m under the P21 of the BER program for a multi-purpose hall. This is welcomed by the school community and will be well appreciated; however there are strong concerns at the apparent high cost of the project.

The project as negotiated with the Department of Education for tender included two special program rooms and a hall of 280m<sup>2</sup>. The two rooms and 70m<sup>2</sup> of the hall (ie resulting in 210m<sup>2</sup>) have been removed after tenders closed on the basis of cost.

We are advised by an experienced architect, quantity surveyor and project manager that in ordinary circumstances a realistic cost for the entire project as currently conceived would be:

320m<sup>2</sup> at a max of \$3500 / m<sup>2</sup> = \$1,120,000.00  
COLA at \$1200.00/m<sup>2</sup> = \$192,000.00  
Demolition and making good at \$1000/m<sup>2</sup> = \$108,000.00

**Thus total in the region of \$1,420,000.00**

Even with allowance for an additional 17% management fee = \$241,400.00

10% contingency \$142,000.00

**Total \$1,803,400.00**

On that basis there would be enough to fund the original project. This compares with an average of about \$5200 per m<sup>2</sup> at a cost of \$2.6m, or about \$7750 for 320m<sup>2</sup> with the COLA costed at \$114,000 (DET figure) for the total project on the figures supplied by the department. Further, we are advised \$3,500 per m<sup>2</sup> is at the high end of the industry standard range of \$2,500 to \$3,500 per m<sup>2</sup>. We are also advised these rates are being achieved on projects in Victoria and the ACT.

In view of this disparity between cost estimates we remain confident that savings and the “fair cost” and “benchmark value” provisions will, during documentation, preliminary works and construction, result in sufficient surplus funds to realise the original agreed plan (i.e. two special program rooms and a hall of 280m<sup>2</sup>).

We note the relatively high cost of some components of the estimates for the project. For example:

- “design documentation, field data, site management” and “preliminaries” account for 20% (\$780,855) of the total.
- “site works” is 17.8% (\$461,918)
- “Design and price risk” is over 7% (\$199,670) – noting there is another line item for contingency of 5%

That is, about 45% of the total cost lies in these items. We are concerned that these are both duplicative and excessive.

We also note the potential for transfers between schools, and the many statements that funding levels are only indicative and will be allocated according to need. The possibility of such transfers

is prominent on the NSW BER website, as is the prediction that 80% of projects will come in under budget, for example:

“...effectively we need to be able to transfer funds between schools at the either end of the spectrum – schools whose full project costs less and have money left over and schools who se project costs more despite all reasonable cost saving measures being taken.” and,

“If your school is getting its Australian Government approved project, in full without any changes, then you will be asked to allow any left-over funds to be transferred to another NSW public school whose P21 project can't be delivered within the school's funding allocation despite all reasonable efforts. This budget transfer process is fully supported by the Primary Principals' Association and the NSW Federation of Parents and Citizens Associations”

The school community has recently become aware of the redirection of about \$600,000 to Nicholson St Public School to enable construction there. A transfer of funds has been offered to ANPS by Bangor Public, a school well enough resourced to be unable to utilize all its allocation. Other local examples are: Annandale Public School, which at this stage has a positive balance of \$315,378.60, Abbotsford with \$98,187.14 and Wilkins with \$307,066.99. Judged by these examples there is likely to both be savings and surplus funds.

Within the DET's cost estimates there are further possibilities for savings to be redirected to the original project. In this context we note the cost estimate for 70m<sup>2</sup> of hall is \$175,000 (reduction) and at that rate for each special purpose room is \$80,000:

- The earlier DET indicative estimate allows for \$100,000 for network substation, the later detailed costing shows zero for this. This ought to free that \$100,000 for other works.
- The DET indicative estimates state at different points they are exclusive and inclusive of GST. It appears the figures do include GST, which would be recouped by DET and thus should be excluded from estimates. Were this done the overrun of the estimates would be greatly reduced and money effectively freed for the project.
- If the standard 5% contingency of \$125,000 is not called upon in part or whole it too could be reapplied to the project (the inclusion of the special contingency of \$100,000 and the retention in the project of the re-asphalting and COLA is appreciated).

The small marginal cost of the special program rooms and additional 70m<sup>2</sup> of the hall if built now is minimal compared to the cost of these if funded and added at some later stage under another funding program.

The two spotted gums are stated to be significant, implying their amenity outstrips the educational advantages of a larger hall which could accommodate the entire school and at least some parents at a site significantly affected by aircraft noise and rain. While such decisions will always be an expression of the views of the approving officer, it seems a poor bargain on a site such as this. The P&C has an arborist's report (copy attached) which recommends “their removal on the grounds of short safe useful life expectancy, loss of root zone, potential for hazard and likelihood of future damage to structures”. I have already received complaints from parents concerned at past and threatening limb drop. Further, the trees' roots are damaging retaining walls, asphalted areas and possibly the adjoining house. Their maintenance is an increasing burden on the school.

The school community is willing to plant suitable trees in compensation elsewhere on site or arrange for this at another location (in cooperation with the local council).

Community use of BER facilities is a condition of the funding. Leichhardt Municipal Council has long supported a hall at the ANPS, noting the high demand and current shortfall in the area. A larger hall would be of much more utility to the community and return benefits to ANPS.