



NSW Nation Building and Jobs Plan Taskforce

NSW Government Submission to the Senate Education, Employment and Workplace Relations Committee Inquiry - Primary Schools for the Twenty First Century

“The new facilities are just fantastic and will definitely be well utilised here at Ebor Public. Our new COLA comes with roll down plastic screens which means we will be able to use it all year. The covered walkway will allow us to get to the bathrooms without getting drenched when the rain comes. Inside in our library and administration area, the refurbishments have delivered us a lovely fresh and bright environment to work and teach in and the new double glazed windows will keep us much warmer when the temperature drops down to zero and below in winter.”¹

*Comment from Katrina Sangster
Principal, Ebor Public School*

¹ “Building the Education Revolution Bulletin No. 5”, BER Program Office, October 2009

Introduction

The NSW Government is pleased to provide this submission to the Senate Education, Employment and Workplace Relations Committee Inquiry into Primary Schools for the 21st Century.

NSW has been allocated \$3.03 billion of the total \$14.1 billion Primary Schools for the 21st Century (P21) program funding. This means around 1,800 NSW government primary and central schools will have projects delivered from the Commonwealth Government through this program. An additional \$1 billion is being spent on projects by Independent and Catholic Schools in NSW.

The NSW Department of Education and Training has partnered with the Commonwealth Department of Education, Employment and Workplace Relations to deliver this historic program of works.

The objectives of the program are considered threefold:

1. Ensuring this component of the *Nation Building – Economic Stimulus Plan* is supporting jobs.
2. Improving educational infrastructure across the State.
3. Creating an infrastructure legacy that will last for decades to come.

The scale of the program is larger than any infrastructure program embarked on in the past – with a scope considered more complex than the delivery of the Sydney Olympics Games.

It has taken a lot of innovation and persistence to get the program going and now to keep it on track.

The NSW Government welcomes the employment opportunities afforded to local employees as well as the consequences of improved school facilities across the State.

The NSW Government offers the following comment with regard to this inquiry's terms of reference.

(a)(i) Consideration of the Federal Government's Primary Schools for the 21st Century program, with particular reference to the conditions and criteria for project funding

The Commonwealth Government set the *Building the Education Revolution* Guidelines which includes the P21 program. The Guidelines state that:

“... all eligible Australian primary schools will receive a funding allocation under this program (although there may be some exceptions to this, e.g. where a school has just been constructed and has no need for any new facilities).”²

The BER Guidelines have a range of strict conditions which include timeframes, definitions around project commencement and project completion, funding eligibility criteria, conditions for funding, use of funding and payment of funding.

The Commonwealth has been responsive to the input of NSW and other around these definitions and the Guidelines have been updated twice to provide greater clarity around particular issues.

Comments in relation to the Commonwealth's timing of the delivery of projects will be commented on at (a)(iv).

NSW has 1,784 eligible public primary schools and central/community schools with each school having at least one building project delivered through this program. Projects approved at these schools are a result of extensive consultation between the BER Integrated Program Office and school communities.

On 25 February 2009, the IPO embarked on a process in which every government school Principal in the state was asked to identify capital works projects for consideration for funding under *Building the Education Revolution* program under the three programs, ie Primary Schools for the 21st Century, National School Pride and Science and Language Centres for 21st Century Secondary Schools.

² Building the Education Revolution Guidelines, Version 2 – 26 August 2009, p. 4

To expedite this process and meet the Commonwealth's timelines for lodging Round 1 applications, the Department of Education and Training pre-identified government schools with more than 150 students that did not have a library or hall for possible inclusion in the program.

Principals were invited to submit their project nominations based on the Commonwealth's priorities for Primary Schools for the 21st Century through an on-line survey service called Zoomerang.com. The NSW Department of Education and Training has successfully used this service in the past to collect data and submissions from school communities.

This data was subsequently analysed by the BER Integrated Program Office, in particular Principal Liaison Officers. Principal Liaison Officers are school Principals who have been seconded to work with their colleagues to explain guidelines, offer advice and negotiate suitable nominations. The Principal Liaison Officers discussed each school's nomination with that School Principal. Each Principal was required to consult with their P & C and school community before nominations were finalised. They were required to confirm in writing that this consultation had taken place.

Applications were then lodged with the Commonwealth in line with timeframes

As of Friday, 23 October 2009, some 484 P21 projects had commenced physically on-site. Every government school project receiving funding under the P21 program has achieved financial commencement³ within the definition of the BER Guidelines.

The construction and refurbishment of eligible facilities including halls, libraries, classrooms, and administration blocks has well and truly begun with the program nearing the period when there will be peak production with approximately 80 projects entering construction every week.

This is having a real impact on local employment with hundreds of employment opportunities being created, small builders no longer needing to put people off and a renewed focus on apprenticeships and Aboriginal employment. The NSW Master Builders Association has recognised this through its ramp up of its own apprenticeship training programs.

³ For a complete list of schools that have physically commenced work, see Appendix A.

The feedback received from school communities has been almost uniformly positive and welcoming of the opportunity to construct and/or refurbish facilities.

The Australian Primary Principals' Association's recently released national survey recently released⁴ found that 85 percent of primary school Principals gave the program a high rating.

The report stated:

“Given the negative publicity which have surrounded some specific cases, it is important to note that the commentary from individual respondents was overwhelmingly positive. A significant proportion of respondents was euphoric, describing the program as ‘a dream come true’, ‘incredible’, ‘a huge bonus’, ‘the best thing to happen to our school’ and ‘a never to be repeated opportunity’. Even respondents who rated the program 1 or 2 nevertheless agreed in many cases that the program would have significant benefits.”⁵

Principals and communities have publicly embraced the program. For example, on 23 September 2009, Mr Ron Brown, Principal of Maitland Public School stated in a letter to the *Sydney Morning Herald*:

“Soon my students will have a real library rather than two empty classrooms. Two teachers will be able to develop their innovative class structure with a soundproof moveable wall. The dance and gymnastics groups will no longer have to practice on pebblecrete. The concert band will not have to dismantle equipment after each rehearsal. The cost of hiring a hall for our annual performance will disappear. The success of speech day will not depend on the weather. **In more than 30 years of teaching I am experiencing a most exciting and rewarding time. My school and its community will be forever grateful.**”

Consistent with Commonwealth priorities, the following breakdowns of projects and funding have been approved by the Department of Education, Employment and Workplace Relations:

⁴ <http://www.appa.asn.au/index.php/appa-business/reports/699-appa-survey-building-the-education-revolution-1-october-2009>

⁵ APPA Survey, *Building the Education Revolution*, p. 3

P21 Round	Data	Total
Round 1	No. Schools:	254
	No. Projects:	321
	Funding Approved:	\$389,100,000.00
Round 2	No. Schools:	991
	No. Projects:	1307
	Funding Approved:	\$1,601,961,000.00
Round 3	No. Schools:	539
	No. Projects:	792
	Funding Approved:	\$994,039,000.00
Total No. Schools:		1784
Total No. Projects:		2420
Total Funding Approved:		\$2,985,100,000.00

NB: \$3,029,876,500 when Administration component is included.

Facility Type*	P21 - Round 1	P21 - Round 2	P21 - Round 3	Grand Total
Classroom	27	424	195	646
COLA	50	122	130	302
Early Learning Centre	0	1	0	1
Library	45	272	86	403
Multi Purpose Hall	129	198	85	412
Covered Walkways	2		0	2
Administration	1	16	14	31
Storage Facility	2		0	2
Toilets	1	12	11	24
Canteen	0	13	8	21
Grand Total	257	1058	529	1844

* Listed by New Construction Type. 576 refurbishment projects were also approved across all three rounds of Primary Schools for the 21st Century.

(a)(ii) The use of local and non-local contractors

The P21 program is the largest of the BER funding streams with nearly \$3 billion in capital works approved for NSW public schools. Its implementation provides the greatest opportunity to affect employment and economic stimulus funding outcomes.

The Prime Minister has repeatedly said that economic stimulus efforts, such as BER are all about job creation. The NSW Government endorses these efforts and is keen to make this a reality.

To achieve local employment outcomes, the NSW Department of Education and Training has partnered with seven Managing Contractors in the ten Departmental regions.

The BER Program Office and Managing Contractors have proactively engaged local businesses to get them involved in the delivery of the program, including:

- advertising information on how local businesses – large and small - can become involved;
- providing information sessions for local businesses interested in obtaining work with the relevant Managing Contractors; and
- providing opportunities for suppliers to register their interest on-line.

The Managing Contractors were selected following a competitive tender process involving on average three or four competing tenderers for each region. Each tenderer's application was weighted heavily on their commitment to and ability to engage local contractors wherever possible, supporting positive employment outcomes in trade and construction industries right across the State.

The successful Managing Contractors are:

REGION	MANAGING CONTRACTOR
Hunter & Central Coast	Bovis Lend Lease
Illawarra/South East	Richard Crookes
New England	Reed Constructions
North Coast	Reed Constructions
Northern Sydney	Bovis Lend Lease

South West Sydney	Hansen Yuncken
Sydney	Abigroup
Western NSW	Laing O'Rourke
Western Sydney	Brookfield Multiplex
Riverina	Laing O'Rourke

To support local employment, the BER Program Office and the Managing Contractors held a series of 25 Local Employment Forums in communities across the State. Around 2,000 people attended these forums across the State at the following locations:

Bathurst	Wollongong	Wagga Wagga
Griffith	Albury	North Sydney
Leichhardt	Dubbo	Orange
Gosford	Sutherland	Penrith
Newcastle	Queanbeyan	Parramatta
Port Macquarie	Bourke	Richmond
Tweed Heads	Hornsby	Broken Hill
Maitland	Tamworth	Armidale
Lismore		

For those unable to attend meetings, the Building the Education Revolution website featured a page for businesses to register their interest in participating in the program. This page received over 3,000 expressions of interest. All details received were subsequently passed on to the appropriate Managing Contractors in the various regions of the State.

The NSW Nation Building and Jobs Plan Taskforce has also been working with the Master Builders Association (NSW) to promote to their members the need to register with relevant Managing Contractors. A NSW Nation Building and Jobs Plan Taskforce Update is distributed to over 2,000 industry representatives and other key stakeholders by email each Friday. It lists opportunities, contact data, responds to key issues and outlines the progress of the overall program.

Managing Contractors have been tasked with the difficult job of balancing local employment with value for money and quality outcomes.

They are responsible for ensuring local subcontractors and suppliers are utilised where these businesses are able to meet specific requirements for building at schools, such as Occupational Health and Safety, child protection, workers compensation and insurance coverage and licensing requirements.

Local subcontractors' work must also meet the NSW Department of Education and Training's Schools Facilities Standards which are purposefully designed for schools to ensure that students and teachers enjoy robust, modern facilities that meet standards and expectations of safety, durability and energy efficiency. So long as they can meet these requirements, there is no theoretical bar to their engagement on P21 projects, or indeed any part of Building the Education Revolution program.

Principals have provided quotes from local businesses for assessment by the Managing Contractors. If these quotes represent value for money over the entire life of the project to be constructed, and if requirements and standards can be met, the Managing Contractor and school may decide to go with the locally-obtained quote.

In addition, the BER Program Office and Managing Contractors have been eager to work with school communities and local contractors. Their goal is to make sure primary schools and their communities receive projects that meet their needs while providing economic stimulus and employment support.

It should be noted that local quotes are often found to be competitive with those obtained through the Managing Contractors' tender processes. However, there have been instances where local quotes have been presented to the BER Program Office which at first glance appear far less costly than their estimates, but which on further examination did not represent value for money in terms of quality of the product required to meet the Schools' Facilities Standards.

At Epping North Public School for example, a parent and builder on the P&C indicated he could complete the building works cheaper than the Managing Contractor's estimated price for a hall, COLA and canteen. The BER IPO arranged for the Managing Contractor to include this builder in the tender process. His quote was the most expensive option at well over \$3 million for the project – or 50 per cent higher than his original claim.

The BER IPO is collecting details of local contractors engaged by Managing Contractors. The evidence so far is that Managing Contractors are overwhelmingly using local contractors to deliver the P21 program. For example, in the Federal electorate of Riverina, 30 out of 31 project contracts have gone to businesses based within in the electorate. In the Federal seat of Cowper, 47 out of 51 project contracts have gone to businesses based within in the electorate.

NSW has identified the need to ensure all jobs supported through the *Nation Building - Economic Stimulus Plan* are identified by a region, program or State-wide. The manner in which jobs are calculated is different when dealing with many projects spread across a wider area. It is not as simple as jobs employed on all projects in the region.

The NSW Government has endorsed the use of a multiplier relevant to the education, housing and transport construction sectors when calculating jobs supported by the *Nation Building - Economic Stimulus Plan*. The multiplier calculates:

- on-site full time equivalent employees;
- on and off-site jobs including suppliers and manufacturers; and
- uses the industry multiplier figure of 9 jobs per \$1 million expenditure per annum.

For the *Building the Education Revolution* program, the number is estimated to be 15,000 full time equivalent direct and indirect jobs support each year for two years, across Australia.

In addition the employment information required under the BER Guidelines is being reported monthly to the Commonwealth. Information about workers including apprentices and trainees working on BER projects are monitored and reported monthly to the NSW BER Program Office via the website asset.gov. The report is broken further into indigenous and non indigenous workers, apprentices/trainees, trades and professionals and local participation.

The register only counts an apprentice or trainee once, even if they work on several projects. The data will be matched with the VET State Training Services database where all apprentices and trainees in NSW are held.

It should be noted that this information only gives a headcount on the number of people employed on a specific project or group of projects for the life of the project. The report will not track if a worker has signed on to more than one project during the month or to another project the following month.

(a)(iii) The role of state governments

The NSW Government is a key partner in delivering the P21 program. This role is set out in the National Coordinator's Implementation Report for February – September 2009 which states:

“The states and territories are responsible for implementing the National Partnership, maintaining their planned expenditure and developing bilateral agreements and/or implementation plans for elements of the Plan.”⁶

The NSW government is successfully implementing the program and is on track to meet the completion deadlines set by the Commonwealth Government at the outset of the program.

Market Capability

The NSW Nation Building and Jobs Plan Taskforce has established a Framework for Identifying and Managing Potential Supply and Demand of Resources Issues with the aim of minimising risks to the delivery of the *Nation Building – Economic Stimulus Plan* by avoiding resource bottlenecks and maximising opportunities for involvement by Australian industry through early planning for demand.

In conjunction with the peak industry bodies, NSW is leading and coordinating the identification and management of potential constraints across the eastern states, where resources are more likely to be drawn from a common pool.

Generally, the building industry has indicated it will be able to meet the demands of the program, particularly if they are able to confidentially plan with the benefit of early demand forecasts.

⁶ *Building the Education Revolution: National Coordinator's Implementation Report*, p. 2

Innovation

The NSW Government has taken an innovative approach to the delivery of the entire *Nation Building – Economic Stimulus Plan*. In implementing the *Building the Education Revolution* component of the Plan, the following innovations have been achieved:

- the creation of the NSW Nation Building and Jobs Plan Taskforce which coordinates with existing agencies;
- procurement of resources for the combined public and private sector model – the speed needed for the set up and delivery of the program necessitated that a new model be developed;
- developing the Managing Contractor model which allows for devolution of the stakeholder engagement task and brings big picture procedure and project delivery expertise to relatively small projects;
- the creation of the Integrated Program Office for agency delivery;
- the enactment of the *Nation Building and Jobs Plan (State Infrastructure Delivery) Act 2009*, which provides powers for the Infrastructure Coordinator General to approve projects which may not otherwise be delivered within the Commonwealth time frame;
- a new focus on outcomes has been created, particularly in relation to tender review processes;
- usual barriers to delivery around engagement, procurement and process are being challenged while still ensuring the integrity of these processes;
- open communication with the business community.

Value for money

The NSW Government ensures successful delivery at every step of the implementation of the P21 program. Managing Contractors are supervised by the BER Program Office, which checks the project costs prepared by Managing Contractors and works with Managing Contractors to ensure costs are in line with similar projects in each region and across the State. This process ensures each school benefits from the best value for money.

Once construction commences, the BER Program Office develops a benchmark value for project construction costs using benchmark costs and other market rates. This benchmark is compared to the actual final construction cost for the project and the Managing Contractor is paid the lesser of either the final actual cost or a maximum of 105 percent of the benchmark. This acts as a real incentive for Managing Contractors to keep costs down.

There is also a small proportion of the school's budget that will act as a performance incentive for Managing Contractors. This ranges from one percent to three and a quarter percent. The State-wide average for the incentive fee is 1.64 percent. The tender process was designed to ensure that the incentive fee was kept low.

This is an important component which will ultimately ensures projects are given top priority, finished on time and one budget. This incentive regime underpins our partnership approach to delivering value for money throughout the program.

To further minimise costs, the BER Program Office has entered into an agreement with the Department of Services, Technology and Administration. This means resources can be drawn on for vital functions such as costing, procurement and oversight.

Savings will be made by moving the knowledge and know-how already present in our government to where it is needed most, ie:

- re-deploying Department of Services, Technology and Administration personnel to the Integrated Program Office on an "embedded" basis – which means that they will be working to help deliver this program on a full-time basis, under the direction of managers at the Department of Education and Training; and
- employing other staff to the Program Office, where needed, on a "consultancy" basis and their services will be billed at a nominal charge-out rate that competes highly favourably with the private sector.

Quality public education assets

The NSW Government is also responsible for setting the standards for classrooms, science learning spaces and other special teaching spaces constructed under *Building the Education Revolution* program which are fit for the 21st Century. The standards also ensure that our schools set minimum accessibility standards.

The Schools Facilities Standards sometimes exceed those set by Australian Building Code and Regulations. For instance, child safety dictates that all windows must be made of shatterproof laminated glass with no glazing below 100 cm. Only low volatile organic compound paints can be used in schools to ensure that a high level of indoor air quality is achieved.

In some cases we have set higher standards in response to the findings of judicial proceedings and coronial inquiries. These responses are designed to ensure that our schools are safe for students, teachers and the broader community.

The minimum quality requirements set by the Schools Facilities Standards mean that school projects can initially be more expensive than domestic or commercial projects. However, over the life of the building our schools offer very good value for money.

The Schools Facilities Standards ensure that our schools are not only safe but that they are also durable, long lasting and cost effective to maintain and clean throughout their life. The upfront quality we put into our schools saves us money over the long-run.

Finally, they ensure that schools are fit for purpose and that the right balance is struck between the upfront cost of a building and the long term cost of maintenance and cleaning.

The Standards apply to all new build projects, including P21 projects, at public schools. In relation to refurbishment projects the Standards provide guidance and are applied to the extent that it is reasonably possible given the constraints of the existing building.

The Standards are continually under review by the Department's Educational Facilities Research Group to ensure that they continue to represent the best balance between safety and educational outcomes and issues such as environmental impact, cost effectiveness, durability and ease of maintenance and cleaning. These same Standards are present in the *Building the Education Revolution* program.

Principals project managing P21 at their school

Principals have the opportunity to project manage their own works locally. The BER IPO sent an information package and extensive application form to all Principals who had expressed an interest in local project management for P21.

All applications had to be approved by the Infrastructure Co-ordinator General. A small number of applications were received, and four schools were approved to manage their projects locally. These schools included Stanmore Public School, Bateman's Bay Public School, Moruya Public School and Black Hill Public School. A number of other schools which applied dropped out before the assessment was complete.

There was no requirement for schools to lodge security deposits with the Department in order to self manage.

(a)(iv) Timing and budget issues, including duplication

The NSW Government is committed to ensuring all *Building the Education Revolution* funding comes on top of the State's historic funding commitment to maintenance and capital works in our schools.

We have ensured that each school's full funding allocations were drawn down from the Commonwealth Government. In the case of P21 projects, the BER Program Office has deliberately made preliminary costings conservative to give better assurance that there would be sufficient funds to meet the costs of the projects.

It must be remembered that in P21 the costs are not just for the actual building. Costs include pre-construction work, site investigations, concept design, detailed planning, approvals, services, site works, quality assurance and much more.

School communities do not usually experience these costs as they are expended long before work starts on-site.

It is also important to note that we must ensure the value for money test meets the targets of providing the best education facilities for our children and that the state balances the cost of construction with ongoing asset maintenance costs over the next 40 to 50 years.

While both these things may add to the initial construction cost, they are worth it in the long term for all in NSW.

The BER Program Office is minimising the risk of school project budget over-spends by carefully assessing costings before allowing projects to proceed. This could include tendering whole projects, elements of a project, or packages of several projects, to get the best value from the market.

For large construction projects it makes sense to set aside a proportion of each school's budget as a contingency to cover unforeseeable factors. For P21 that proportion is between 5 and 10 percent.

Budgets for halls and libraries will also have money set aside for specific items like power upgrades, where required. We know not every school will need an electricity upgrade, but some of them will, and we want to make sure there is a pool of funds ready to pay for this work so that each building is completely ready to use as soon as it is constructed.

In addition, to ensure affordability across the whole P21 program, the BER Program Office needs to manage individual school's project budgets, as well as a procedure for transferring funds between schools where appropriate.

Schools whose projects are affordable within their indicative funding allocation progress straight to construction. However, there are other schools whose projects are **not** affordable within their funding allocations.

For example, schools in remote locations may find that their projects are more expensive simply because of the cost of transporting building supplies and tradespeople to the site. In other cases, the school may be located on a very difficult site, leaving little room available for construction of new buildings. Other schools might be subject to multiple easements, flooding, or even be home to koala colonies which cannot be disturbed.

All these factors can add to the expense, as the new building may need to be on a sloping part of the site, or the school may need to have existing buildings removed before new construction can commence.

Similarly, where a school is located in a bushfire zone, the building materials, fixtures and fittings we use must be very carefully selected. Even the pinboards used in the new classrooms need a high fire rating in these kinds of schools, which can be very costly.

The BER Guidelines allow for funding to be transferred from one school to another, provided the Principal approves. Principals in NSW public schools understand that they are all part of the same public education system, and that the best outcome is for as many public schools as possible to receive their P21 projects.

Where there is money left over when the school's project is fully costed, Principal Liaison Officers from the program office are contacting schools to seek their approval to transfer the money to other schools whose projects may be over budget.

We are asking only those schools that will have money left over after their full project is delivered to allow the BER Program Office to use the left over money to top up another public school in NSW whose P21 project can't be delivered within the school's funding allocation despite all reasonable efforts.

The NSW Primary Principals Association and the NSW Federation of Parents and Citizens Associations supports this approach to managing affordability across the total P21 program and transferring left-over funds between P21 schools.

Finally, in a program as large and comprehensive as the P21 program, there is an inevitable risk that works may clash with other programs and events scheduled to take place at a particular school. This risk was identified at the inception of the program, and an analysis was begun to identify potentials for clashes between *Building the Education Revolution* projects and other minor and major capital works taking place at Government schools. This analysis has been delivered to Regional Program Directors, who are progressively implementing its recommendations with Managing Contractors, who are then working with the Department of Education and Training's regional Asset Management Units to resolve any identified clashes.

The newly developed School Projects and Programs clash management reports are designed to provide a pictorial view of all project and program activity in schools and to assist with the management and programming of these activities. These new reports will provide a summary of projects and programs being undertaken in schools. The reports contain:

- All State and Federally funded Major Capital Works projects;
- All current and planned State funded Minor Capital Works projects including projects in the Principal Priority Building Program (PPBP);
- All Building the Education Revolution (BER) projects, including Primary Schools in the 21st Century (P21), National School Pride (NSP) and Science and Language Centres (SLC) projects;
- All Asset Maintenance Projects being undertaken via the Asset Maintenance Contract;
- All Digital Education Revolution (DER) projects including Next Generation Educational Networks (NGEN), Connected Classrooms and Laptops for Learning projects; and
- School Programs including the HSC, School Certificate, National Assessments and National Partnership programs

The reports are available on the NSW DET intranet.

The Taskforce's work on market capability mentioned above will also inform this process.

(a)(v) Requirements for school signs and plaques

The Commonwealth arranges the erection of Nation Building signs outside school projects directly with the schools and the NSW Government is not directly involved in that process. However, the State has asked the Managing Contractors to assist schools to erect these signs as part of site establishment.

The NSW Government supports the erection on signs outside schools undergoing BER work in order to notify members of the school community that work will be undertaken at the site and to give notice of potential disruption.

The erection of plaques at the completion of building works has traditionally been carried out at the completion of all school building works whether funded by the Commonwealth or State Governments or a combination of both. The BER requirements for plaques does not depart significantly from current practice.

Site signage, identifying the contractor and contractor details are separately installed by the Managing Contractors as required.

The BER Program Office will assist schools to comply with Commonwealth Guidelines for recognition ceremonies. Such events are a normal part of capital works projects and are regularly undertaken by the NSW Department of Education and Training to allow school communities and the wider public to celebrate the opening of facilities.

(a)(v) *The management of the program*

The *Building the Education Revolution* program will see almost \$3.5 billion spent in public schools in NSW. The Department of Education and Training established a dedicated Program Office to manage a program of this size and complexity.

It must be recognised that this is on top of and over four times the size of the current DET school capital works and maintenance program.

The Commonwealth Government has already acknowledged that government and non-government education authorities need to exercise overall program management. It is providing funding of 1.5 percent on top of the funding provided for individual projects.

This funding pays for the staff dedicated to managing the program strategy, planning, coordinating the funding applications, delivery, review of value for money and reporting.

Program office staff also monitor project expenses and ensure that contractors are delivering the best value for money. They also ensure that child protection and OH&S requirements are met.

This is funded by 1.3 percent of project budgets, which is within market benchmarks for a program of this scale.

Finally, the BER Program Office as well as the NSW Department of Education and Training has worked hand in hand with the Commonwealth Government to ensure the successful management of the program. At every step of the way both State and Federal bodies have worked together through regular meetings and teleconferences, as well as through informal day to day contact, to resolve issues as they arise.

(b) Other related matters

NSW is already seeing some interesting industry-wide legacies emerging which should have long term benefits for the State. These include:

- small builders have had the opportunity to upgrade their systems by being exposed to the Managing Contractor regimes;
- there is a renewed focus on apprenticeships and on Aboriginal apprenticeships;
- an improved and coordinated approach to the management and analysis of material supplies in NSW; and
- the implementation of streamlined planning procedures for government projects.

In NSW, the *Nation Building – Economic Stimulus Plan* is effective if measured against its goal, ie local employment is stable and confidence in the NSW economy is returning.

There is no doubt that the Plan is effective in generating and retaining jobs throughout the building and construction industries and associated professional services.

It is doing this by utilising the best minds of the public and private sectors.

Through these activities, NSW is developing the confidence upon which businesses will commence reinvestment.