



Australian Government

Department of Education, Employment and Workplace Relations

Secretary
Lisa Paul PSM

Dr Shona Batge
Committee Secretary
Senate Standing Committee on Education, Employment and Workplace Relations
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Shona
Dear Dr Batge

Following my Department's appearance at our recent Budget Estimates hearing I am writing to clarify two issues.

Proof Hansard reference – EEWR page 103

Mr Parsons made a statement that illustrated the differences that can arise between estimated building costs and actual costs. In his statement, Mr Parsons was reading from a small sample of actual costs obtained from the NSW Department of Education and Training.

Mr Parsons referred to the Russell Lea Infants School when he should have referred to St Peters Public School. Russell Lea Infants School's final costs are 4% higher than the estimated cost.

The correct figures for St Peters Public School are an estimated cost of \$795,692 for a new Covered Outdoor Learning Area with a final cost of \$628,248. The other school on that list that illustrates the point being made was Carinya School which had an estimate of \$246,895 for refurbishment of classrooms. The project was delivered for \$180,880. Mr Parsons indicated that he would give two examples, however interjection prevented him from giving his second example.

The relevant corrections to the Proof Hansard are as follows (replacement text is underlined and is coloured blue):

Mr Parsons—I thought it might be helpful just to share an example or two of the variance that we see between the New South Wales published estimated costs. For a couple of projects that have completed, where they have got their final invoices and so on, I can tell you what the final cost of the projects were, just to give you a sense of the deviation. If I can quote first a school called ~~Russell Lea Infants~~ St Peters Public School. It is a school in ~~Five Dock~~ St Peters in Sydney, some six kilometres ~~west~~ south of the GPO in Sydney. The figure that you will find on the New South Wales Department of Education and Training website will show that the estimated cost for that school is ~~\$835,426~~ \$795,692. There ~~are a couple of new classrooms~~ is a Covered Outdoor Learning Area being delivered, so that is \$800,000 round about. When all the tallying up was done and the project was finished, that project came in at ~~\$530,204~~ \$628,248. A second example is Carinya School which had an estimate of \$246,895 for refurbishment of classrooms. The final cost for this project was \$180,880. I have got a calculator, but I have not done the maths, but you can see that there is a fair bit of margin.

Proof Hansard reference – EEWR page 112

There was a discussion between Senator Mason and departmental officials about whether media comparisons of building costs between the Catholic Education Commission of NSW and NSW Department of Education and Training were legitimate comparisons.

Mr Parsons stated that a difference between the two metrics was that the NSW Catholic Education Commission figures did not include fittings and fixtures.

The Catholic Education Commission, in fact, has provided building costs information to DEEWR that pertain solely to construction, construction costs plus an 8% allowance for travel, and construction costs plus a further 40% allowance for non-construction related expenses. Media reports since our appearance at our Budget Estimates hearing has incorrectly drawn an inference that the Department believes the Catholic Education Commission of NSW's buildings are inferior to those of the NSW Department of Education and Training. This inference is not correct. The point being made was that valid comparisons need to compare apples with apples.

Yours sincerely



Lisa Paul
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