



**AUSTRALIAN CONSTRUCTORS ASSOCIATION  
STATEMENT ON THE BUILDING THE EDUCATION REVOLUTION  
PROGRAM**

**Background**

The *Building the Education Revolution* initiative was announced in April 2007 and was the largest single element of the Nation Building – Economic Stimulus Plan.

The *Building the Education Revolution* (BER) program, was designed to deliver \$16.2 billion to:

- provide economic stimulus through the rapid construction and refurbishment of school infrastructure; and
- build learning environments to help children, families and communities participate in activities that will support achievement, develop learning potential and bring communities together<sup>1</sup>.

Stimulating investment in the non-residential building sector and supporting local jobs in communities across Australia were major goals of the program

The largest part of the program is the \$14.1 billion Primary Schools for the 21<sup>st</sup> Century (P21) element that was approved to deliver 10,567 projects in 7960 schools including new libraries, multipurpose halls, classrooms and the refurbishment of existing facilities.

The second element was the \$821.8 million Science and Language Centres for 21<sup>st</sup> Century Secondary Schools (SLC) that was approved for 537 schools to refurbish or construct new science laboratories or language learning centres.

The third element was the \$1.28 billion National School Pride (NSP) program that approved 12,743 projects in 9495 schools including the refurbishment of buildings and construction or upgrade of fixed shade structures, covered outdoor learning areas, sporting grounds and facilities and green upgrades.

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<sup>1</sup> National Partnership Agreement on the Nation Building and Jobs Plan: Building Prosperity for the Future and Supporting Jobs Now, 5 February 2009.

## **BER IN NSW**

The Building the Education Revolution Program Office has appointed seven Managing Contractors to manage the delivery of the Primary Schools for the 21<sup>st</sup> Century Program (P21) across NSW.

Managing Contractors were appointed in April 2009 via competitive tender and selected for their capacity to meet the program's tight timeframes, deliver value for money and provide local employment opportunities. All projects must meet the Federal Government's BER Guidelines.

The NSW Managing Contractors are:

Sydney	Abigroup
South Western Sydney	Hansen Yuncken
Western Sydney	Brookfield Multiplex
Illawarra & South East	Richard Crookes Constructions
Western NSW Riverina	Laing O'Rourke
North Coast New England	The Reed Group
Northern Sydney/ Hunter/Central Coast	Bovis Lend Lease

The Managing Contractor procurement model was selected by the NSW Government to deliver the P21 program. This model is a well recognized strategy for managing large projects by minimising risk and fast tracking delivery.

The Managing Contractor model was developed for the Department of Defence in the early 1990s. It was specifically designed for early contractor involvement. It has been used by the Department of Defence on most of its large complex multi-element projects and also by the public and private sectors.

Typically, the Managing Contractor:

- assists the Client with scoping studies, design development cost planning and programming;
- agrees with the Client the scope of work, the date for completion and target cost and the Managing Contractor's fees;
- provides at a fixed price (or alternatively at a percentage of the total contract price) certain elements of the work eg preliminaries including supervision, site sheds, crane hire etc;
- performs all or part of the design services;
- tenders and enters into contracts for trade packages on behalf of the Client;
- supervises the project and reports to the Client on progress commissions and hands over the works at completion

The Managing Contractor model is particularly useful in circumstances – like the BER program – where the scope of works is uncertain and where a more traditional fixed price contract would be inappropriate.

It also provides the Client with a high degree of control of the management of the project or in circumstances where the principal wants to have greater flexibility to vary its requirements.

On any measure the Managing Contractor procurement strategy was entirely appropriate to deliver the P21 element of the BER program in NSW.

## **HAS THE BER WORKED IN NSW?**

### **Economic Stimulus**

The stimulation of the construction industry and local economies is supported by official industry and economic data.

The National Accounts data for the March quarter published on 2 June 2010 showed that the economic stimulus spending helped underpin growth. The data showed *“gross domestic product would have stalled but for an 11.6 percent surge in Government investment that added 0.7 of a percentage point to March-quarter activity and helped offset the drag on growth from deteriorating business investment, lackluster household spending and disappointing export earnings.”*

Key indicators demonstrate that the NSW economy is in strong territory after five consecutive quarters of growth. The Stimulus Program will add 2 percentage points to GDP in the 2010/2011 financial year and it is clear that confidence has returned to Australian markets.

In a recently published Economics Research Note<sup>2</sup> the Australian Industry Group (Ai Group) noted

*“...in the ten years to 2008, work generated by private sector clients accounted for 76% (on average) of total non-residential building work. However, the advent of the global financial crisis saw a rotation towards public spending as the main driver of industry conditions, with the education stimulus program playing a key role in supporting activity. By the December quarter 2009, the public sector accounted for 40% of total work generated by the industry, double the proportion of the March quarter 2008.”*

The Ai Group report also noted that

*“reflecting the relatively weak base of building activity in NSW compared with other States prior to the commencement of the BER program, NSW derived the*

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<sup>2</sup> Impact of Education Stimulus on Non-Residential Building Sector, July 2010

*strongest boost from the stimulus package in the six months to December 2009 (the main period that approvals flowed from the program) with education building approvals rising by 1374.2%. This was followed by Western Australia (963.4%), South Australia (294.9%), Victoria (180.5%), and Queensland (84.6%).”*

## **Supporting Local Jobs**

By September 2010, **\$2.5 billion** will have flowed into the NSW economy through BER. This will get to **\$3.0 billion** by December 2010.

As noted earlier, the Building the Education Revolution (BER) is made up of three components, Primary Schools for the 21<sup>st</sup> Century (P21), National School Pride (NSP) and Science & Language Centres for 21<sup>st</sup> Century Secondary Schools (SLC).

In P21 and SLC alone:

- Around **3,300 apprentices** have worked over **660,000 hours**, including approximately:
  - 950 (28%) apprentice electricians
  - 650 (20%) apprentice carpenters
  - 460 (14%) apprentice plumbers
  - 220 (7%) apprentice roofers
  - 144 (4%) apprentice bricklayers.
  
- Of these apprentices, around 260 are of indigenous descent, including approximately:
  - 95 (37%) indigenous apprentice carpenters
  - 17 (7%) indigenous apprentice electricians
  - 21 (8%) indigenous apprentice plumbers
  - 22 (8%) indigenous apprentice roofers
  - 23 (9%) indigenous apprentice bricklayers.

Apprentices engaged across NSW on P21 include approximately:

- 550 apprentices on the Hunter/Central Coast region
- 350 apprentices in the Northern Sydney region
- 110 apprentices in the New England region
- 350 apprentices in the North Coast region
- 175 apprentices in the Western NSW region
- 245 apprentices in the Riverina region
- 350 apprentices in the Illawarra and South East region
- 315 apprentices in the Sydney region
- 320 apprentices in the South Western Sydney region
- 220 apprentices in the Western Sydney region.

The P21 program has had:

- Over seven million hours worked

- Over 91% local participation rate for workers
- Almost 1,000 indigenous employees work on projects.

Across all three elements of the BER Program there are around 11,400 estimated average daily numbers of on-site workers. Work is being provided in 34 trades across every region in NSW.

### **Scale of Program**

The NSW Infrastructure Coordinator General, Mr Robert Leece has described the scope of the BER undertaking in NSW as “like the Olympics in terms of budget and the amount of budget required but in one third of the time and on thousands of work sites across the State – not just a few “lumpy” projects around Sydney”.

The NSW Government was challenged to deliver more than 6,000 new social housing homes and more than 4,700 projects in schools including around 1,800 schools under the P21 program in just two years.

For example, Bovis Lend Lease (BLL) as Managing Contractor responsible for delivering P21 projects in Northern Sydney and Hunter/Central Coast regions delivered P21 projects in 362 primary schools from the Harbour Bridge to the Upper Hunter – an area around the size of Belgium, working 4.4 million hours since project commencement for the benefit of 110,000 students.

### **Conclusion**

There have been few capital works programs in Australia which match the magnitude of the construction challenge set by the BER.

The contracting industry has been asked to undertake thousands of construction projects concurrently in a geographic area spanning the continent.

NSW has been the leader in the implementation of the BER Program.

The industry confronted a project with unknown scope and a challenging timeframe. It also faced an enormous community relations challenge, with thousands of stakeholders ranging from clients, school communities, local communities, local trades people and local material suppliers and of course the young people who ultimately use the infrastructure.

These were competitively tendered projects with the successful contractors required to manage complex risks including safety, environment, time, cost and quality.

A significant legacy of the P21 program has been the safety leadership shown by Australia's major contractors and the subsequent improvement in safety performance across the sector.

The BER started with a clean sheet of paper, an ambitious task list and a budget attached to an almost impossible delivery schedule.

The program has delivered essential infrastructure, provided an important economic stimulus to communities across Australia, and supporting employment for thousands of Australian workers.

Time will judge the BER to be one of the most productive alliances between, governments, industry and the community and one of the most challenging infrastructure projects ever undertaken in Australia

## Comments by Schools

Comments from a Hunter School Principal, August 2010:

*"We have just been involved in the handover of our new school hall, which your company was the managing contractors for. I would like to acknowledge the great work of your staff did managing this project. In particular the leadership and management skills shown by (the project manager), who did an outstanding job in working closely with the school to ensure the whole building process was trouble free from our point of view. The end product is fantastic, we have a new school hall, that has been extremely well built and will provide a much needed facility for the...school community for decades to come. Great work and thank you."*

The school was selected to receive science centre refurbishment under the Science and Language Centres for 21st Century Secondary Schools component of Building the Education Revolution.

The school acknowledges that without this funding, the students would not have had the amazing facilities they now have. The project was undertaken with a high level of co-operation, safety was the highest priority and issues were quickly dealt with.

*"Doonside Technology High was chosen for involvement in the BER Science Labs program. Our builder was Bovis Lend Lease. The project was completed on time with no major issues. It was done with a high level of cooperation, safety was the highest priority and where I had issues they were quickly dealt with. The project came in under budget and our School obtained many other fantastic benefits including three connected classrooms which will be used in the most amazing ways to build engagement levels.*

*"Not enough is said about the fact that without this funding, in our case "real equity" funding, our students would not have had the amazing facilities that we have now." – School Principal Joe Begnell.*

Uki Public School (North Coast Region) has received a new library, computer laboratory, upgraded classrooms and new equipment under the Building the Education Revolution program. The works began in November 2009 and were completed by the end of Term one 2010 by local business, Robert Haigh Constructions.

The children, teachers, and P&C have all been impressed by the new facilities and equipment. The new state of the art facilities enable the school to tap into resources from around the country and the world, enhancing learning for students and staff training and development.

*"I have a beautiful school setting, surrounded by amazing rainforests and gardens. The new building completes the school. BER [is something I doubt] we will ever see again in my lifetime. I know I was lucky to get a fabulous builder who did a wonderful job, and I always looked at the BER as an amazing opportunity.*

*"I feel very lucky indeed. I know that staff, students and community members at my school are lucky to have these two amazing building projects - projects that we would otherwise not have, were it not for the BER." School Principal Jeff Robinson.*

Peakhurst South Public School (Sydney Region) has received a new hall, canteen, covered outdoor learning area and covered walkway under the Primary Schools for the 21st Century component of Building the Education Revolution. The new facilities are having a positive impact of the student's daily routine and have special significance for students involved in performing arts and sports. The entire school community is happy with the new facilities that will not only benefit current students, but also students for years to come.

*"Our new facilities - a hall, canteen, covered outdoor learning area and covered walkway - would not be at our school without BER. The hall will make a significant difference to our students, teaching staff and learning programs, especially as we will now have an all-weather space for performing arts, sport and community events.*

*"The entire school community could not be happier about these new facilities - they will not only benefit current students, they will benefit Peakhurst South Primary School students of the future."*

The school, just near Taree (North Coast Region), has a strong focus on its place in the Tinonee township and works hard to foster a caring and “extended family” attitude in its school community. Benefits of the school’s new hall and covered outdoor learning area spread beyond the school’s boundaries.

School Principal Don Mackenzie says the construction of the hall has been a positive experience for all involved.

*“[The school’s hall] is now a feature of our village and will be a fantastic resource for the school and community. Groups and organisations are busy enquiring about bookings. It really is an impressive building - the sprung blackbutt floor is outstanding. It looks to have been designed for our school site.*

*“We now have a resource that no one thought would possibly be available in our community.” - School Principal Don Mackenzie*

The new hall and COLA is making a huge difference to the school’s operations. They no longer have to hold events like assemblies, commemorative occasions or their student Easter parade out in the playground under the covered outdoor learning area.

Their dance groups and band can now practice in the hall and band members have space to keep all their instruments safely and free of dust. They can also use the hall for some of their mathematics groups.

The relieving school principal recognises that although the school community is very supportive, they would never have been able to fund the construction of this type of facility.

*“I am grateful for the BER funding and what it is providing for the students of today and those for the future.*

*“The school has a very active P&C group which is already looking at using the new hall and its outside areas for funding raising events such as discotheques, trivia nights and barbeques.” – R/School Principal Julie Cush*

A small one-teacher school on the Olympic Highway between Cootamundra and Junee (Riverina) has benefited from a new library.

Children now had access to a great facility, which would become a main learning hub with future upgrades to allow students to interact with other children from across NSW.

The work has also benefited the small town of Illabo. Students had previously used the old Illabo School house, the Mary Gilmore Room, as a library but now the building will be transformed into a drama and craft room and hall.

The school Principal kept the school community up to date as the work neared completion, and the school's librarian worked with a number of volunteers to move books, furniture, boards and artwork into the new facility.

*"I think you will all agree that this is a great resource for our students! What fabulous facilities Illabo Public School has! It will also be a training room for staff and the P&C to access." School Principal Meredith Holden.*

Euchareena Public School, a small school of 20 students, sits just off the Euchareena Road between Orange and Wellington in the State's Central West (Western NSW Region).

The Principal said the whole process had been very smooth and acknowledged that she'd never had the opportunity to work in such a modern classroom.

Students from kindergarten to year six have been using the new classroom. The new building came furnished with student desks, a teacher's desk, shelving for students' work as well as a storeroom.

*"[I am] absolutely happy [with the new facility.] The whole process has been really smooth. I've never had the opportunity to work in such a modern classroom. The school community and I are absolutely delighted with the results of the project." School Principal Meg Cross.*

The Principal at Grays Point Public School (Sydney Region) has been teaching for over three decades and is witness to a career first – courtesy of Building the Education Revolution.

The school is located in Sydney's southern suburbs with a student population of over 320 from kindergarten to Year 6. It's situated in a unique natural setting bounded by the Royal National Park on one side and playing fields on the other.

The Principal congratulated both the Managing Contractor and builder for their work and delivering a fantastic asset to the school and said that everyone at the school couldn't be happier.

*"The hall looks fantastic. I know there has been a lot of negative press, however as I told my community, in over 32 years teaching this is the first piece of infrastructure that I have seen built in a school in which I am working.*

*"The hall is of the highest standards and quality and our community and students are very excited about it." School Principal Phil Rouland.*

## Comments by Employers

### **Ichor Constructions – Sydney Region**

This company had a fulltime workforce of 20 people, when the global financial crisis hit, the company faced the prospect of having to reduce that by a third. However, as a result of being involved in BER, they now have a full time staff of 40, of which 27 - including two apprentices engaged under the Aboriginal/Indigenous program – are assigned totally to primary school works.

*“BER got Ichor out of a hole. Pre economic downturn we had a fulltime workforce of 20 people. When things started to turn sour we were looking at the prospect of having to reduce that by a third.*

*“Now we have a fulltime staff of 40, of which 27 - including two apprentices engaged under the Aboriginal/Indigenous program - are assigned totally to primary school works.” – George Kandyas, Ichor Construction*

### **Jarvis Constructions - Sydney Region**

Through BER, Jarvis Constructions has provided employment for additional staff, including two site managers, a construction manager, four labourers and an OHS/QA coordinator. They've employed an additional two apprentices and have been able to provide employment for three additional indigenous workers. They've also provided additional work for many local subcontractor trades people and suppliers.

*“[Through BER] we've been able to provide employment for additional staff, including two site managers, a construction manager, four labourers and an OHS/QA coordinator. We've employed an additional two apprentices and have been able to provide employment for three additional Indigenous workers. We've also been able to provide additional work for many of our local subcontractor trades people and suppliers.” – Dominic Jarvis, Managing Director.*

### **Waldock Construction Group - Illawarra and South East Region**

Waldock Construction Group (WCG) acknowledges that working with the Managing Contractor has helped develop their professionalism, systems management and work practices.

The Managing Contractor helped them implement changes required to deliver a quality project in an accelerated timeframe. They've also improved OHS work practices and processes to deliver well documented and quality projects as well as improved their opportunities to tender for future government projects.

Further, prior to BER, the company employed 11 full time staff and were looking at downsizing due to the downturn in the building industry. However, they now employ 18 full time staff, including four apprentices.

They were also able to engage over 30 local companies including those indirectly employed manufacturing windows, frames or trusses.

*"The BER work has enabled WCG to develop the business to higher levels of professionalism and systems management. Richard Crookes Constructions has assisted WCG in implementing the changes required to deliver a quality project in an accelerated timeframe. This has been recently proven with the handover of the Coledale Public School Library - one of the first BER projects in the Illawarra region.*

*"Since commencing the BER work we have been able to engage over 30 local companies giving a much needed boost to the local economy. Including those indirectly employed manufacturing windows, frames and trusses etc, we have also engaged over 180 workers on our BER sites. Prior to the BER work we were often forced to chase work outside the local area, but being able to localise our work and workforce has resulted in many savings including keeping jobs in the Illawarra, time and associated travelling costs." Mark Waldock, Waldock Construction Group.*

### **Piruse Constructions - Illawarra and South East Region**

Piruse Constructions won the tender to work at Jamberoo Public School, giving their company as well as contractors and suppliers, a continued workflow and providing an injection of money into the community. The company was able to engage 13 local companies in the Illawarra including those in the fields of earthworks, masonry, electrical, plumbing and roofing.

*"Winning this tender has given our company, contractors and suppliers a continued workflow and provided an injection of money back into the community."*

*"The reaction in the Illawarra has been very positive. It has provided the opportunity for the schools and the community to get a much needed facility, of a very high standard, which would normally have taken years to acquire." Joe Cachia, Piruse Construction*

### **Structus - Sydney Region**

Through the work it has received from the BER, local Sydney company Structus has been able to employ additional workers including a Aboriginal and mature age apprentice. The company, that had been in operation only a short time before the Global Financial Crisis hit, has not only been able to survive but grow as a result of the work opportunities provided by the BER program.

*"First and foremost the BER has been a employment provider."*

*"My company has been in operation less than two years and because of our involvement in BER we have been able to employ additional people including a young Aboriginal apprentice and a mature age apprentice."*

*"Many sub-contractors I've spoken to have been able to have been able to do the same but it would have been possible before BER because of the economic downturn"- Dennis O'Regan, Structus.*

**Berrington Design and Construction - North Coast Region**

Berrington Design and Construction on the NSW North Coast has been able to give something back to its local community through the BER program working on the construction of a new library at Wilsons Creek Public School, the same school owners, Paul and Robyn Berrington, children attended.

*“This project has been great for our business, as well as the local trades’ people we employed.” Robyn Berrington, Berrington Constructions.*

*“We have had very positive feedback from parents and they know that this is a facility built for the local community, by the local community, so its personal for them.” – Simon Cook, Wilsons Creek School Principal.*

**Paul Gilbert – Family owned electrical company – Sydney Region**

Paul Gilbert has been able to return to his former school to install the electrical requirements in three new classrooms that have been built under the BER program. The company has a staff of nine, all from the local area.

*“All of the trades people grew up in Engadine area and all of them did there apprenticeships with our company.”*

*“I think the work to be carried out will give all our staff a deal of satisfaction in that they are involved in a program of work benefiting the local school community.” – Paul Gilbert.*