

CABINET - SUBJECTS FOR CONSIDERATION, 11 DECEMBER 2006 9:00 AM

1 New Initiatives/Policy Matters

101 MECS06/022CS Birdwood High School Music, Home Economics and
Technical Studies Redevelopment (Jane Lomax-
Smith)
APPROVED

Not Relevant

101

CABINET COVER SHEET

1. **TITLE:** Birdwood High School Music, Home Economics and Technical Studies Redevelopment
2. **MINISTER:** Jane Lomax-Smith
Minister for Education and Children's Services
3. **PURPOSE:** To seek Cabinet approval to refer the Birdwood High School Music, Home Economics and Technical Studies Redevelopment proposal to the Public Works Committee for consideration and report.
4. **IDENTIFY THE RELEVANT GOVERNMENT POLICY AND/OR SA's STRATEGIC PLAN TARGET** The provision of new facilities for High School education is a core element of the DECS service charter.
5. **ICT COMPONENT:** This submission has a material ICT Component.

The Office of the Chief Information Officer agrees with the basis of the assessment of the ICT component contained in this submission (refer Attachment 1).
6. **RESOURCES REQUIRED FOR IMPLEMENTATION:** No additional funds are required for the construction of the Birdwood High School Music, Home Economics and Technical Studies Redevelopment. The estimated cost of the redevelopment is \$4.7m (excluding GST) and these funds are included in the DECS Capital Program.

The Department of Treasury and Finance agrees with the basis of the assessment of costs contained in this submission (refer Attachment 2).
7. **COMMUNITY AND ENVIRONMENTAL IMPACT** Statement included with the submission.

This submission has no impact on business.
8. **RISKS** The main risks currently associated with this project relate to the tender exceeding the estimate for the project due to the current buoyant construction market.

9. CONSULTATION

Extensive consultation relating to all aspects of the project has been undertaken since 2004 with educational groups and leaders, community organisations, government agencies and architectural consultants.

The Department for Transport, Energy and Infrastructure has provided project and cost indication estimates, as well as risk management services.

10. COMMUNICATION STRATEGY

Statement included with the submission.

11. URGENCY

The commencement of construction of the permanent facilities for the Birdwood High School is proposed for May 2007.

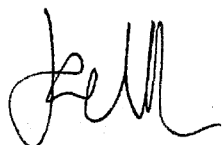
The construction program for the proposed new facilities now needs to commence without delay.

12. RECOMMENDATIONS

It is recommended that Cabinet:

- 4.1 Approve the referral of the Birdwood High School Music, Home Economics and Technical Studies Redevelopment proposal to the Public Works Committee for consideration and report.

I declare that I have no actual or potential conflict of interest in relation to the proposals contained in this submission.



Hon Jane Lomax-Smith
MINISTER FOR EDUCATION AND CHILDREN'S SERVICES

26/11/06

TO: THE PREMIER FOR CABINET

RE: BIRDWOOD HIGH SCHOOL MUSIC, HOME ECONOMICS AND TECHNICAL STUDIES REDEVELOPMENT

1 PROPOSAL

- 1.1 To seek Cabinet approval to refer the project to redevelop the Music, Home Economics and Technical Studies facilities at the Birdwood High School to the Public Works Committee.

2 BACKGROUND

- 2.1 The Department of Education and Children's Services (DECS) commissioned a Feasibility Report for Birdwood High School in July 2004 through the Department of Transport, Energy and Infrastructure (DTEI).
- 2.2 Birdwood High School currently consists of 11 buildings of solid construction including an Administration and Science Laboratory, a Technical Studies building, canteen, toilets, a gymnasium, change rooms, two student halls and re-locatable buildings.
- 2.3 Most of the solid buildings were constructed from the late 1960s to the early 1980s. The large gymnasium was constructed in 1983.
- 2.4 Eight timber transportable buildings, toilets and 13 metal transportable buildings have been provided to address enrolment growth.
- 2.5 Timber and metal transportable buildings currently accommodate Arts, Music and Home Economics facilities.
- 2.6 Music, Home Economics and Technical Studies were identified as the redevelopment priorities for the school.
- 2.7 A Capital Works project to address Music, Home Economics and Technical Studies was announced in the 2005/2006 Budget at an estimated cost of \$4.7m.
- 2.8 Actual and projected enrolments
 - 2.8.1 Based on the enrolment history of the school over an extended period, and projected enrolment demands, the enrolment trend is generally stable with a potential enrolment increase linked to improved facilities.
 - 2.8.2 Recorded enrolments are from the DECS annual student census (August). Projected enrolment figures for 2006-2009 are based on estimates and information provided by the Principal.

Birdwood High School enrolments

Year	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Birdwood HS	573	591	594	619	639	626	651	679	690	715	740	765

3 DISCUSSION

3.1 The proposed redevelopment project aims to provide modern, efficient and functional areas for the effective delivery of education to the community of Birdwood. The key drivers for the redevelopment proposal are:

- provide new and upgraded facilities to better support the school's curriculum
- improve the accommodation for the school and avoid the continuing, and escalating, high cost of maintenance of the re-locatable building structures.

3.2 Options

Three options were considered in the development of this project.

3.2.1 Option 1: Do Nothing

This option was discounted primarily due to the immediate need to provide a facility in the Adelaide Hills district that will accommodate an increasing number of students.

The result of delaying the provision of the Music, Home Economics and Technical Studies upgrade at Birdwood High School severely increases the (future) overall capital costs associated with the redevelopment of core services. It is expected that postponement of the redevelopment of Birdwood High School project will result in significant additional costs due to anticipated price escalation and associated fee and cost increases.

3.2.2 Option 2: Complete New Facility

A totally new facility was considered, however existing solid construction buildings are in good condition and suitable for renovation and extension but not sufficient in space to accommodate total enrolments.

3.2.3 Option 3: New Facility plus Redevelopment of some existing facilities on the Birdwood High School site

This represents the proposal contained in this submission and will provide the appropriate learning and educational facilities across the site for up to 750 students in a purpose built facility that represents contemporary requirements. Some of the existing Technical Studies facilities are located in solid buildings in good condition which could be effectively converted and linked to the new facility.

3.3 Financial Matters**3.3.1 Economic, Financial and Budgetary Implications**

Three options were considered in the development of this project. The table below provides an overview of the indicative Net Present Value (NPV) costs associated with each option. The NPV calculation is based on capital and recurrent costs associated with each option. In summary, although Option 1 results in the lowest cost to Government this is not viable due to the condition and suitability of the current accommodation plus the need to provide additional space.

Component	Option 1 Do Nothing \$'000	Option 2 New Facility \$'000	Option 3 Redevelopment \$'000
NPV 4%	\$38,954	\$52,453	\$42,689
NPV 7%	\$34,174	\$46,624	\$37,646
NPV 10%	\$30,244	\$41,754	\$33,478

3.3.2 Required Resources

3.3.2.1 No additional funds are required for this project as the program will be managed within the DECS capital works allocation.

3.3.2.2 The Department of Treasury and Finance (DTP) agrees with the basis of the assessment of costs contained in this submission.

3.3.3 South Australian Strategic Plan

3.3.3.1 This initiative is in line with Objective 1: Growing Prosperity and in particular target (T1.16) Strategic Infrastructure and with target (T3.2) Reduce energy consumption in Government Buildings.

3.3.4 Information and Communication Technology Requirements

3.3.4.1 The Information and Communication Technology (ICT) component of this project involves the extension of the school's existing Local Area Network for computing and telephone system lines. The estimated cost of the ICT component of this project is \$40,000. It does not include any active equipment.

3.3.5 Staffing Implications

3.3.5.1 There will be no additional staff required to operate the Birdwood High School Music, Home Economics and Technical Studies redevelopment when complete.

3.3.6 Impact on the community and the environment

3.3.6.1 It is considered that the construction of permanent facilities for the Birdwood High School will make a significant and positive

contribution to the families within the district and be of benefit to the community as a whole.

3.3.6.2 The redevelopment of the Birdwood High School Music, Home Economics and Technical Studies facilities will meet all legislative and Building Code requirements.

3.3.6.3 The project has considered the requirements of the Disability Discrimination Act with respect to making provision for persons with disabilities. The project will be fully certified in accordance with legislative requirements.

3.3.6.4 The National Native Title Tribunal has no record of Aboriginal sites in the proposed works location.

3.3.6.5 **Business Impact Statement**

3.3.7.5.1 Approval for the Capital Works will not directly impact on business, however local businesses will benefit to the extent that they participate in the construction of the facility.

3.3.6.6 **Environmental Strategies**

3.3.6.6.1 The consultant and stakeholder project team for the Birdwood High School Redevelopment recognise the importance and benefits of incorporating Ecologically Sustainable Development (ESD) principles into the new facilities. In particular the project team recognises that:

- a facility with good environmental qualities will provide a positive work environment for pupils and staff
- a facility that consumes less energy, reduces waste and encourages reuse of resources will provide benefits for both the school facility itself, and for the wider community.

3.3.6.6.2 All of the buildings are designed to Ecologically Sustainable Design principles. To support these principles, the buildings will include passive design features, energy efficient heating and cooling and water conservation.

3.3.7 **Risk Management Strategy**

3.3.7.1 DTEI, in conjunction with DECS, has initiated a formal risk management process, which has produced a risk plan that is reviewed regularly by the Project Control Group. The assessment indicated that the project was in the low range of risk.

- 3.3.7.2 The Risk Plan identifies possible risks against each phase of the project's progression in accordance with the phases of project development. This process is instrumental in identifying and managing possible and actual risks.
- 3.3.7.3 The formation of a Project Control Group, which consists of key stakeholders with the authority to make project decisions from DECS, Birdwood High School, architects and engineers will manage risks in a timely manner through proper communication and reporting through to project completion.
- 3.3.7.4 The main risk currently associated with this project relates to the tender exceeding the estimate for the project due to the current buoyant construction market.
- 3.3.7.5 Other risks that have been considered by DECS and DTEI include:
- the project is of a medium dollar value for a school project
 - project specific design experience is required
 - there are no known environmental, heritage, political or cultural issues
 - traditional procurement methods were to be utilised
 - DTEI is providing risk services in project management, design, cost and construction.

3.3.8 Consultation

- 3.3.8.1 DTP has evaluated the financial information presented and considers that it is in accordance with DTP guidelines.
- 3.3.8.2 The Crown Solicitor has been briefed on this project and considers that it has been developed in accordance with the legal requirements and accepted procedures and guidelines. No outstanding issues were identified.
- 3.3.9.3 The Office of Sustainability has endorsed the project and considers that it has been developed in accordance with the DTEI Guide note "Ecologically Sustainable Development in Planning and Design" and is consistent with the objectives and requirements of the Government Energy Efficiency Action Plan.

3.3.9 Implementation Plan

- 3.3.9.1 The project proposed by DECS involves the construction of a new two storey building to accommodate Music and Home Economics and the refurbishment of the existing Technical Studies building.
- 3.3.9.2 **Staging Plan for the New Facility.** The construction stage will be approached in a way to ensure:
- site infrastructure services will be programmed to ensure service and authorities' connections are completed with minimal disruption to the daily operations of the school

- noise, vibration, fumes and dust of construction is contained to limit impact upon the school and recreational areas
- there are no un-manageable constraints on the natural flow of construction.

3.3.9.3 The following are the key project program dates for the Birdwood High School Music, Home Economics and Technical Studies redevelopment project.

Activity	Date
Documentation Complete	August 2006
Planning Approval Granted	September 2006
Cabinet Approval	December 2006
Public Works Committee Hearing	January 2007
Public Works Report to Parliament	February 2007
Tender Call and Appraisal	March 2007
Award Contract	April 2007
Construction Commencement	May 2007

3.3.9.4 Project Management

- 3.3.9.4.1 The delivery of the Birdwood High School redevelopment will follow the best practice principles for project procurement and management as advocated by the State Government and construction industry authorities.
- 3.3.9.4.2 After the commencement of construction, project management led by DTEI will focus on on-site activities and the quality and timeliness of construction and effective liaison with the operating school.
- 3.3.9.4.3 Project Procurement. The project is being delivered in accordance with the Project Implementation Process (PIP), relevant DTF Instructions, and Premier and Cabinet Circulars and Statutory requirements.
- 3.3.9.4.4 Award of Construction Contract. DTEI is providing the risk management services prescribed in PIP to the project and is providing professional cost management services.

3.3.10 Communication Strategy

- 3.3.10.1 There will not be any associated costs of communicating the outcome of the Cabinet proposal to key stakeholders and the general public.
- 3.3.10.2 The implementation of the proposal will be communicated to all stakeholders through scheduled meetings with the Project team, High School, Governing Council and community.

3.3.11 Executive Council

No elements of the proposal will require the approval of Her Excellency the Governor in Executive Council after Cabinet approval.

4 RECOMMENDATIONS

It is recommended that Cabinet:

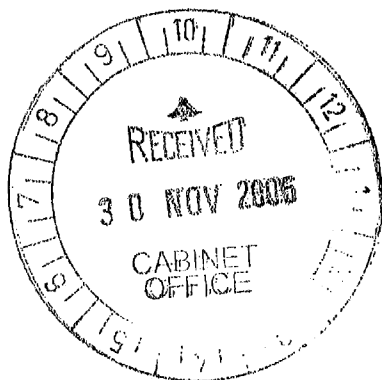
- 4.1 Approve the referral of the Birdwood High School Music, Home Economics and Technical Studies redevelopment proposal to the Public Works Committee for consideration and report.



Jane Lomax-Smith

MINISTER FOR EDUCATION AND CHILDREN'S SERVICES

26/11/06



In Cabinet

11 DEC 2006

