

Nation Building and Jobs Taskforce Update | 14 August 2009

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Monitoring value for money in the Education Program

In rolling out the Primary Schools for the 21st Century projects, NSW is concerned about guarding against the possibility of rising prices with peak demand for materials and skills. One way in which NSW is managing this possibility is by working closely with the Managing Contractors to keep costs within benchmarked levels.

At each stage in the development of a project, Education's Integrated Program Office checks the project costs prepared by the Managing Contractors and works with them to ensure that costs are in line with similar projects across NSW. Once construction commences, the Program Office develops a benchmark value for project construction costs using benchmark costs and other market rates. The benchmark is compared with 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% of the benchmark.

Housing Project expenditure in Newcastle and Central Coast Regions reaches \$7m

\$4.8 million social housing Stimulus projects are underway in the Maitland area and \$2.6 million in Wyong. 19 new homes will be built in Maitland and 12 new homes in Wyong – all of which are part of the first stage of construction works which will deliver 858 new social housing homes in NSW.

Maitland-based builder, Valley Homes is constructing six, two bedroom units worth around \$1.4 million in Morton Street, East Maitland and Newbuild Developments is similarly constructing six, two bedroom units worth around \$1.3 million in Northcott Avenue, Watanobbi. The builders estimate that they will be using around 50-60 tradespeople including a number of apprentices on each project.

Other projects in the area include:

- Fieldsend Street, East Maitland, six, two bedroom units worth more than \$1.5 million
- George Street, East Maitland, seven, two bedroom units worth more than \$1.9 million
- Watanobbi Road, Watanobbi, two, two bedroom units worth more than \$500,000
- Harvey Street, Wyong, four, two bedroom units worth more than \$800,000

Additionally, over \$2.6 million and \$1 million is being invested in maintenance work in the Maitland and Wyong areas respectively which is also part of the Nation Building work.

By the end of the program, Housing NSW will spend around \$390 million in the Newcastle and Central Coast regions on construction and maintenance projects.

Managing Contractors assist small, local builders to meet government requirements

Lists of successful builders are available via the NSW eTendering Contract Notice Search. All you need to do is select the "contract notices" period, then select "view". The information that can be viewed includes address of site, brief details of project, contract date, contract value and contractor name and address.

Recognising the challenge for small operators to be aware of and know how to comply with government regulations necessary to work on Education sites, NSW Managing Contractors along with the Master Builders Association, have been assisting them by streamlining the paperwork and nominating Indigenous apprentices.

Contrary to newspaper reports over the last week there is no requirement under NSW guidelines that contractors employ women, disabled people or former prisoners. The NSW Government however does set safety, environment, quality, training and Indigenous employment requirements for construction sites. These apply to all government funded projects not just those built under Nation Building projects and contractors who have tendered for work in the past will be well aware of them.

Safety requirements protect the safety of workers, school staff and students while work is being undertaken on school sites. Environmental requirements ensure the local environment is minimally impacted. Quality standards guarantee delivery of consistent and appropriate quality facilities that are built to last.

Training requirements strengthen NSW's skills base and address skills shortages. All contractors working on Nation Building projects must ensure that at least 20% of their employees are apprentices. Indigenous employment requirements work to improve outcomes for Aboriginal people. In addition, for work on school sites, the NSW Department of Education and Training expects Working with Children Checks to ensure the safety of children.

These are not intended to be onerous but are necessary to ensure appropriate quality projects are delivered by qualified workers in a safe environment.

In addition to the Local Employment Forums held throughout NSW in June/July, the Managing Contractors have pulled the paperwork together to make it easier for smaller builders and tradespeople to work through the registration process. Managing Contractors and the Master Builders Association (MBA) can also assist small operators find apprentices. The MBA has been training up Indigenous workers, liaising with elders to find the right workers for the job.

While it takes a bit of time, those who have gone through the process know that it is worth getting registered and thereby have the potential to work on some of the Stimulus projects.

For those wishing to prepare for the next round of work offers, contact your relevant Managing Contractor or the MBA directly. Details can be found on the Taskforce website www.nsw.gov.au/nationbuildingtaskforce

\$206m for Western Sydney social housing renovations

Housing Minister David Borger announced this week that more than \$206 million of the historic \$548 million committed for social housing renovations in NSW is earmarked for Western Sydney during 2009/10.

Mr Borger said the work will provide a welcome boost to building manufacturers and suppliers in this area with almost half the maintenance spend focussed in Western Sydney.

The total investment in NSW social housing renovations is made up of \$130 million Nation Building funds and funds from the NSW Government including \$200 million the Premier brought forward late last year.

Local contractors and suppliers are being used as much as possible to deliver this work.

Projects include installing new bathrooms and kitchens, painting, new carpet, plumbing and re-wiring and because Housing NSW undertakes regular property inspections work has been able to start immediately.

This is on top of the \$309 million which has already been spent upgrading nearly 120,000 homes across NSW.

The quantities of materials used so far is huge and includes:

- 450,000 litres of paint (enough to fill an average 25 metre pool)
- 66 kilometres of fencing (both timber and metal fences)
- 15 hectares of carpet; and
- 2,489 new kitchens and 300 new bathrooms.

For lists of supply requirements for the social housing program click [here](#).