

2017 Victorian Education Infrastructure Industry Briefing

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2017-18 State Budget

Chris Keating

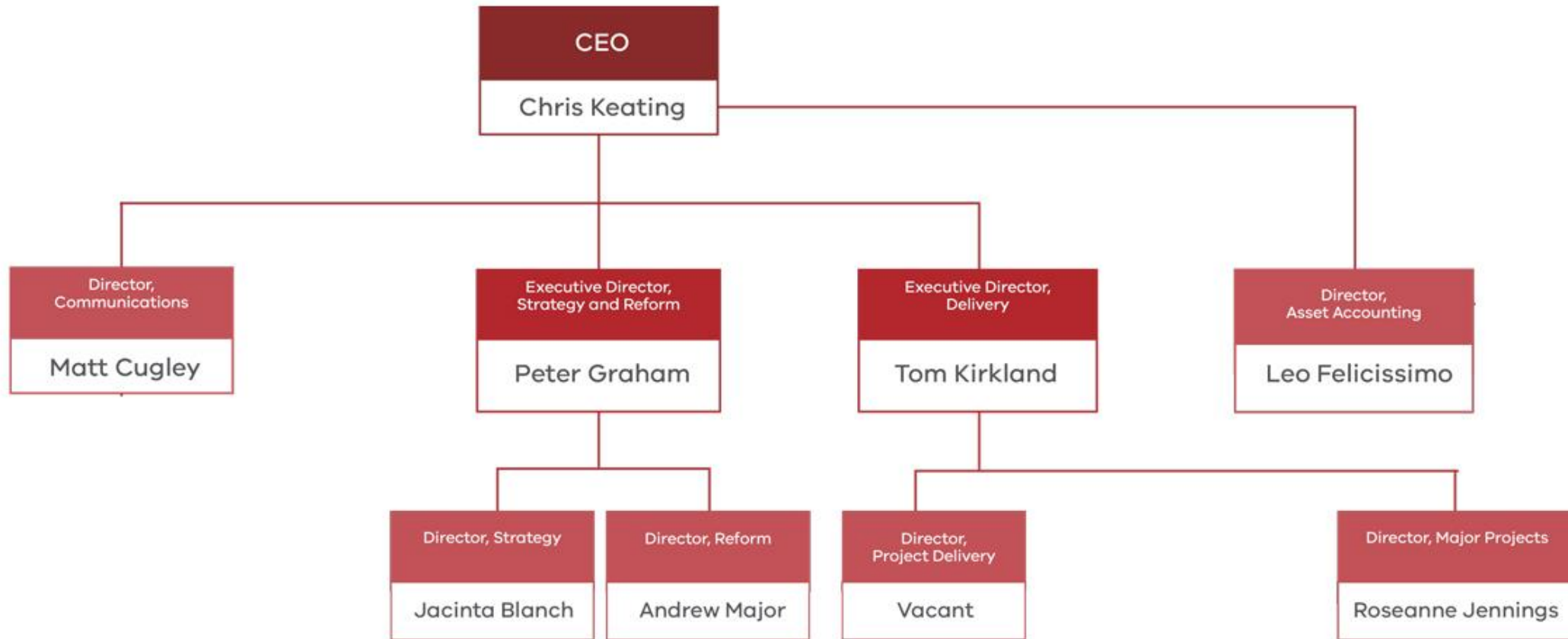
Chief Executive Officer

Victorian School Building Authority

- Established in August 2016
- Increased resources
- A separate, distinct brand
- Three priorities, reflected in structure
 - Delivery
 - Reform
 - Communications



Who are we?

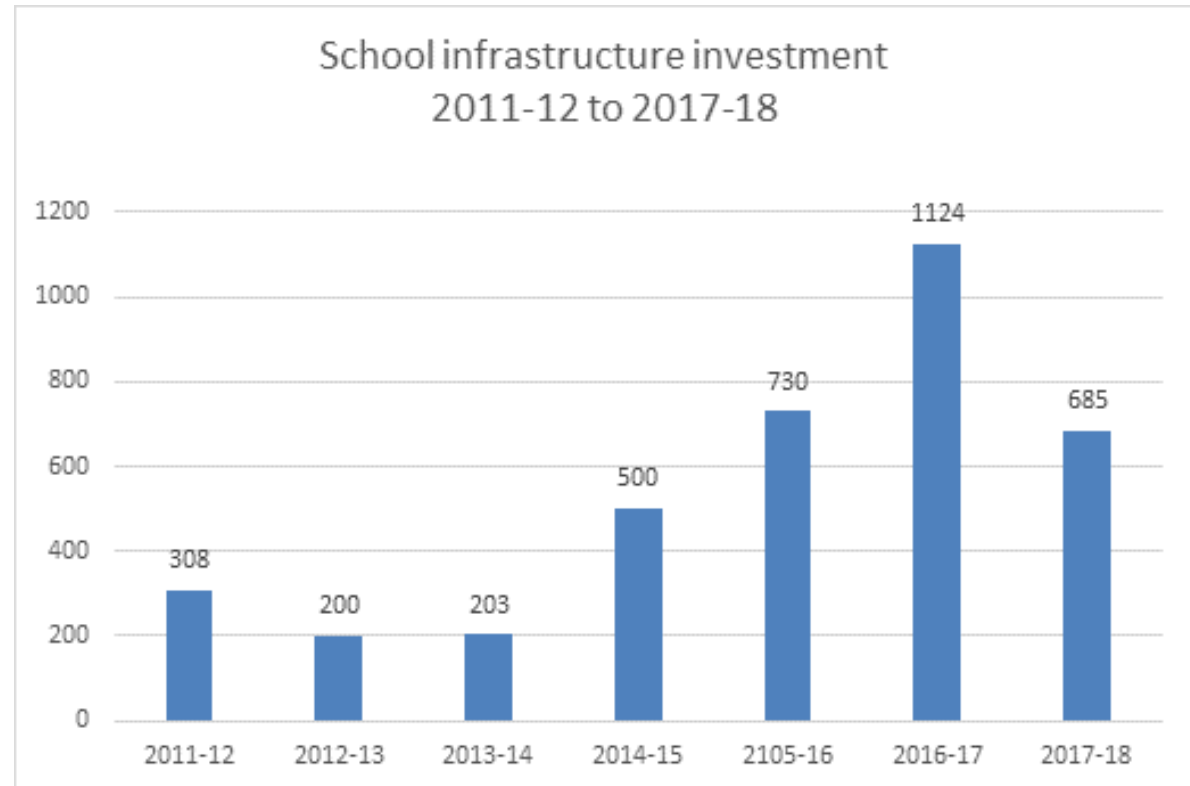


The context

- Growth
 - Additional 90,000 students entering Victorian schools over next 5 years
- Condition
 - A 2012 independent audit identified a \$420 million backlog to address around 3000 buildings in poor condition
- Community engagement
 - Communities want more information and involvement

Funding

- In the last three state budgets, there has been significant education investment
- This Government has invested **\$2.5 billion** over three years on education infrastructure
- Delivering 56 new school projects over three budgets



Meeting growth

- The 2017-18 Budget is delivering:
 - \$265 million for new schools
 - 9 new school constructions
 - 11 land acquisitions
 - 4 further stages of schools
 - \$75 million to provide 220+ relocatable buildings



Improving condition

- On track to clear the maintenance backlog of all schools in poor condition by next year
- Cyclical audits of school condition
- 2017-18 Budget provides \$195 million for school upgrades, \$44 million for special schools



School Upgrades

\$195 million

Engaging with communities

- Community Engagement team in place
- Active engagement on 30+ projects
- 3,000+ people have attended our community information events so far



What's to come?

- **Tom Kirkland** on Project Delivery – what this scale of investment means for how we work
- **Peter Graham** on Asset Management reform and asbestos removal – how these major programs will affect your projects
- **Matt Cugley** on Community Engagement – how we bring the community into our projects, without compromising on timeframes



Delivery & Reporting

Tom Kirkland

Executive Director, Delivery

What we're here to do

- Deliver school infrastructure projects on time and on budget
- There are over 1000 VSBA active capital & maintenance education infrastructure projects addressing two main factors:
 1. Asset Condition
 2. Growth

Prahran High School - animation

https://www.youtube.com/watch?v=_jMb0nR3Epw

Roles & responsibilities - players

- Government
- VSBA Delivery Division – project officers ‘own’ the project
- Portfolio Manager – Indec Arup
- Architects / Project Managers / Quantity Surveyors
- Contractors – builders & specialist engineers
- Schools & Local Communities

Changed world - context

- Unparalleled investment means:
 - Higher volume of projects
 - Higher expectations from Government
 - Lots more opportunities for you

Changed world – what it means for us

- Enhanced reporting, focus on delivery
- Increasing the number of suppliers we work with
- Working in a different way

Enhanced reporting

- Getting better at our monthly reporting
 - Timely submission
 - Identification of risks and issues affecting progress
 - Fair and reasonable forecasts
- iTWOcx is mandatory
 - Submissions of reports and resolutions of issues and actions
 - Budget and financial transactions
 - Monthly reports
 - Management of construction contracts

Delivery program milestone tracking - time

7 key milestones to be achieved at pre-set times that all projects must follow with additional attention on Steps 2 – 6:

Master Plan



1. Master Plan
agreement with
school community
(AMP process)
12 weeks

Design



2. Schematic Design
approved by
VSBA
10 weeks

3. Detailed Design /Design Development & submission of Tender/ Documentation
approved by VSBA
12 weeks

Construct



5. Tender Period to
invited contractors
as per Ministerial
Direction 1
4 weeks

6. Contract Award & Construction period
52 weeks

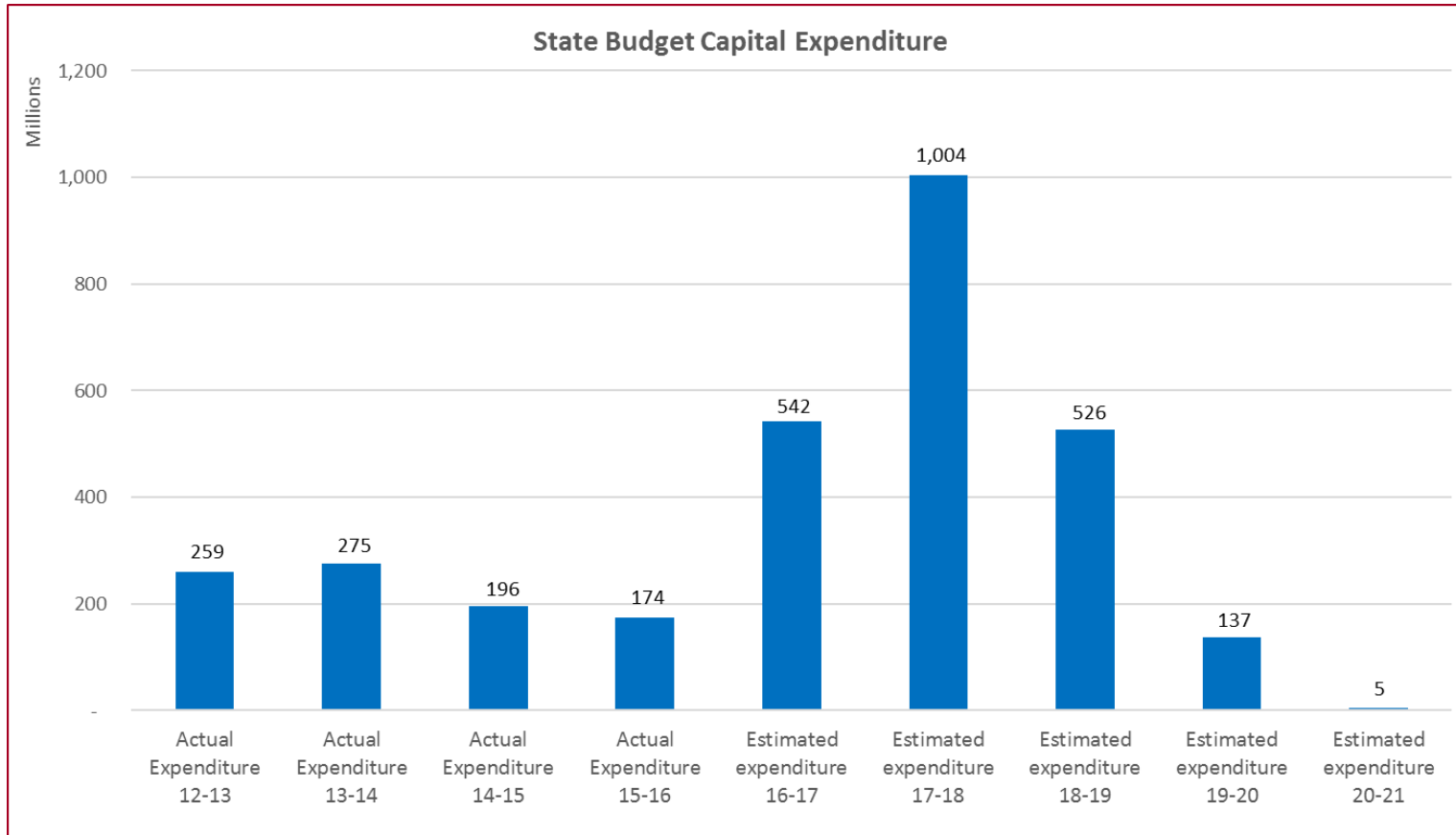
Complete



7. Practical Completion (project
or agreed stage)

8. Defects Liability Period

Delivery program milestone tracking - money



- Expenditure will be used to measure progress
- **\$4 million per working day**
- Welcome headline
 - VSBA Criticised for Spending Money Too Quickly

Increasing the number of our suppliers

- Working with DTF to engage with a broader Construction Supplier Register (CSR)
 - Overview of CSR
 - Why are we expanding our DET categories?
 - How can I register on the list?
 - How can we find out about tendering opportunities?

Working in a different way

- Bundling
 - New schools for both design and / or construction
 - Planned maintenance
 - Geographically sensible
- Social enterprise

Delivery and you...not delivery (maybe/at some time)

There are three key criteria our partners need to demonstrate:

1. Commitment
2. Innovation
3. Efficiency

And maybe a firm or two who “play like hair on fire”



Community Engagement

Matt Cugley

Director, Communications

The importance of communication

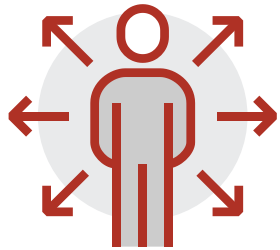
- The VSBA is delivering the **biggest education construction boom since the late 1800s**
- Communications and Community Engagement established as a **core VSBA function**
- More than **1,000 projects**
- To create the best schools, we need to **engage and inform communities**
- There is **enormous appetite** from parents to know more
- The statistics speak for themselves:
 - More than **3,000 people** have attended face-to-face information sessions
 - **36,000** visits to pages on the VSBA website every month
 - **170,000** people view VSBA content on Facebook each month
- Consulting with communities is how we ensure the best possible school facilities are built. Facilities that can be of benefit to the whole community.

Our obligation to engage the community



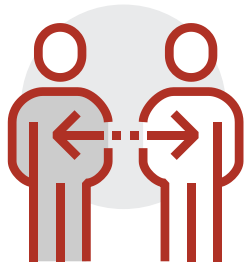
Public Participation Spectrum

Inform



Provide balanced and objective information to assist in understanding the problem, alternatives, opportunities and/or solutions.

Consult



Obtain public feedback on analysis, alternatives and/or decisions.

Involve



Work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.

Collaborate



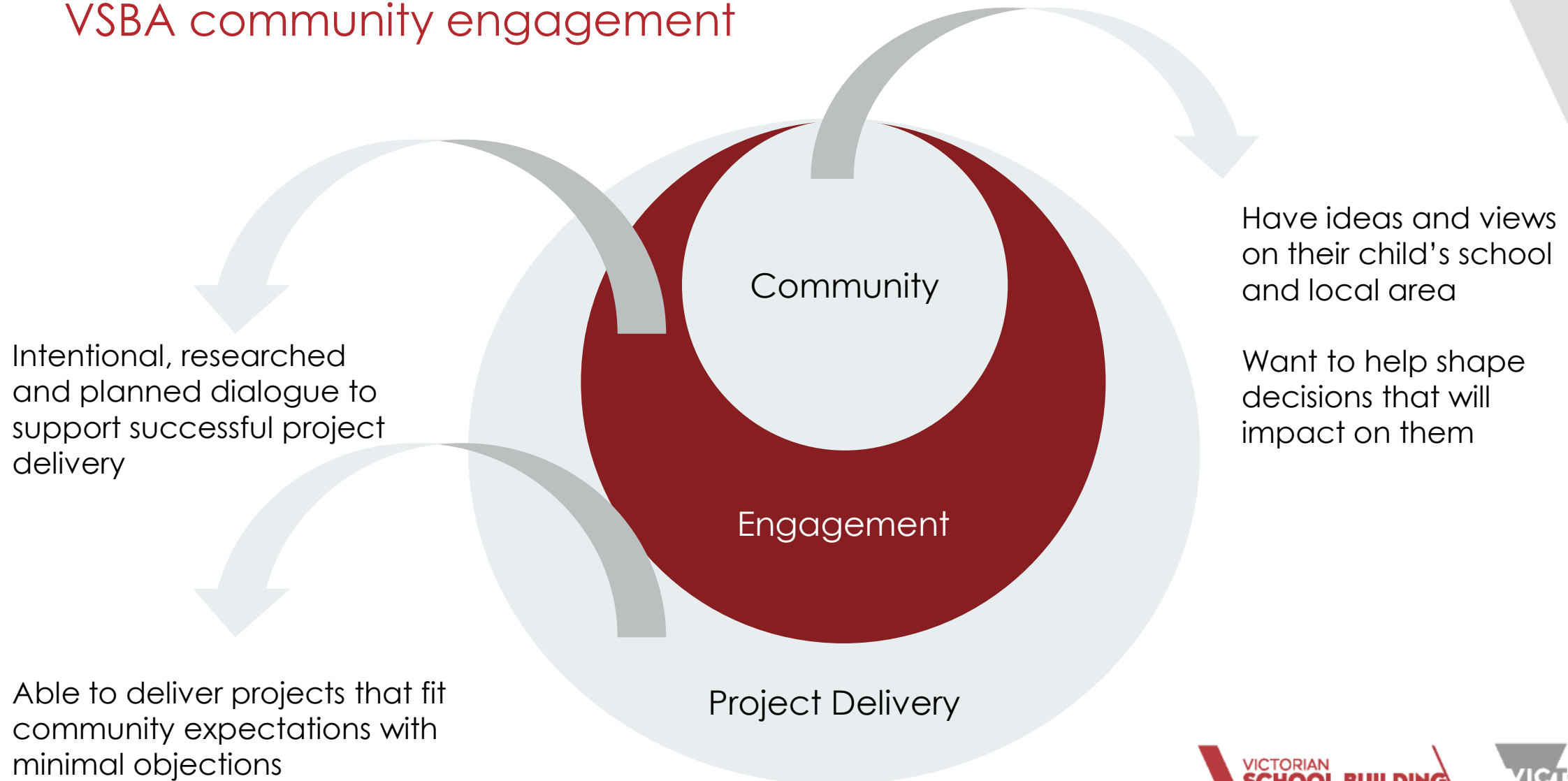
Partner with the public in each aspect of the decision including the development of alternatives and identification of the preferred solution.

Empower



Place final decision making in the hands of the public.

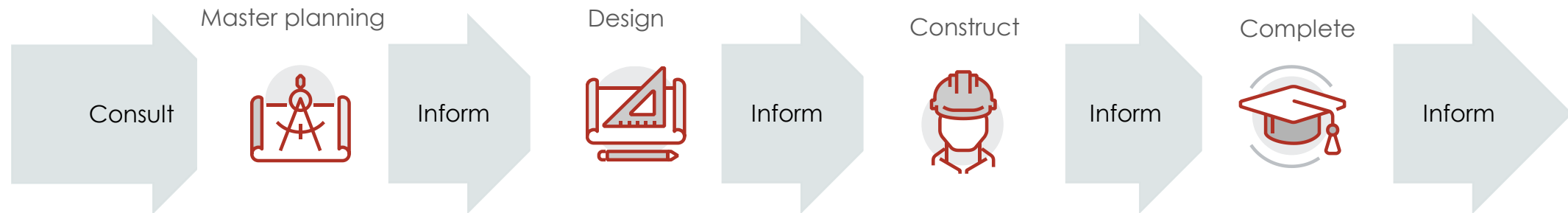
VSBA community engagement



Engagement process throughout the project life cycle

Undertaking community engagement within project timeframes

- VSBA manages community engagement at various stages of the project lifecycle
- Consultation and engagement is undertaken with the community via workshops and info sessions
- This engagement helps inform the design of the school, and communication of impacts





Case study **one**

What happens when we **don't** engage early

Providing accurate information early is critical to success

Original concept design released publicly



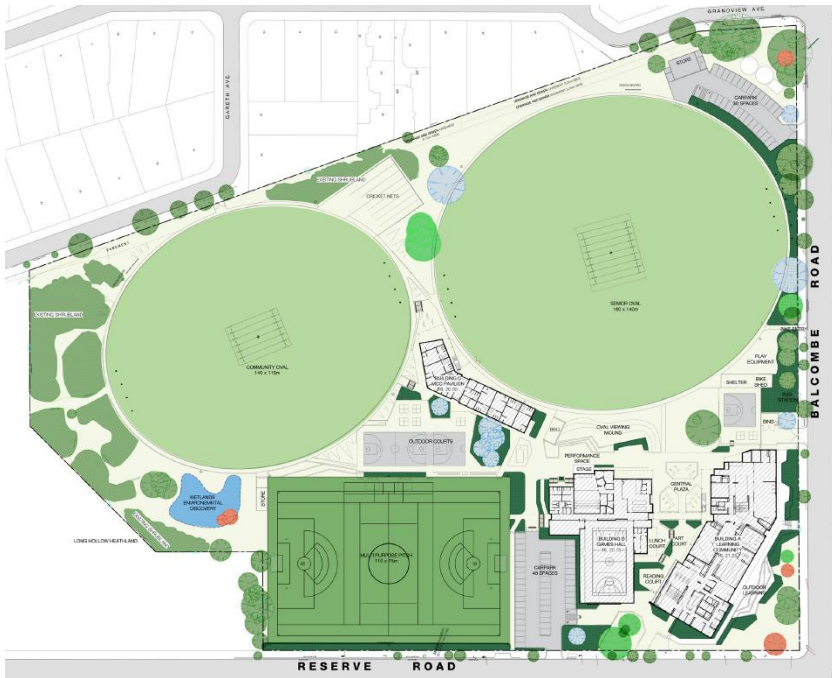
Managing public outrage and potential project impacts

More than **three months** of intense negotiation and engagement to reach a compromise on impacts



Genuine compromise for genuine outcomes

Final **tree retention** design



Future **tree planting** design





Case study **two**

What happens when we **do** engage early

Footscray Learning Precinct (FLP)

- Delivering a world-class education precinct in Footscray
- To accommodate future growth
- The project involves:
 - modernising and expanding existing education spaces
 - partnering with various stakeholders to build facilities that service the **community** and **expand educational opportunities**
- Result of extensive discussions with:
 - inner west school principals and school councils
 - students
 - Maribyrnong City Council
 - Victoria University
 - international education experts
 - community groups.

Footscray Learning Precinct (FLP)

Understanding the broader demographic context

Population
+167%



Birth rate
+251%



Children aged
5 to 11 years
+147%



Children aged
12 to 17 years
+169%



Adults aged
18 to 24 years
+200%



Source: idplacemaker, small area
forecast information for Footscray
suburb by number 2016 - 2036.

Footscray Learning Precinct (FLP)

Understanding the broader socio-economic context

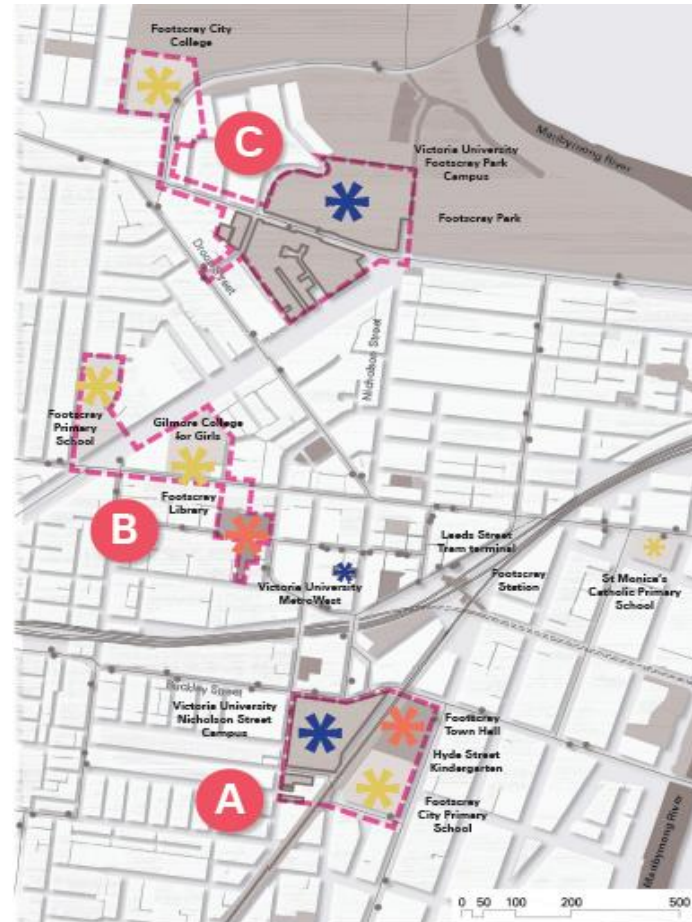
- Population **16,998** (ABS 2016 estimate)
- Median weekly household income \$1,054
- Households renting **48%**
- Non-English speaking backgrounds **42%**
- University attendance **11%**
- Bachelor or higher degree **30%**
- Unemployment **12.1%**

Source: <http://profile.id.com.au/maribyrnong/> - ABS Census Data 2011

Footscray Learning Precinct (FLP)

Project overview

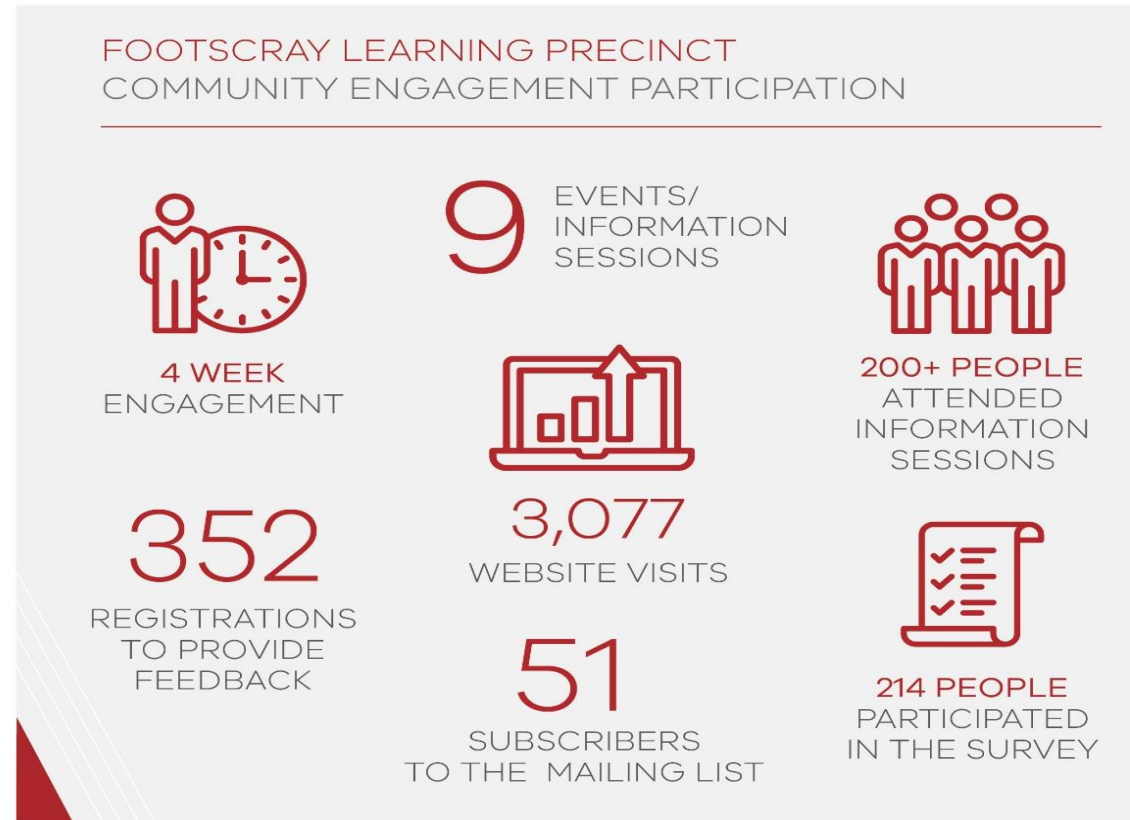
The precinct will be delivered across three hubs, integrating early childhood, primary, secondary and tertiary education.



Footscray Learning Precinct (FLP)

Over a four-week period, community engagement activities were implemented to express support or concerns in relation to the proposed concept.

Overall there is a high level of support for the proposed concept.



Video – engaging with students of Footscray

<https://www.youtube.com/watch?v=pZjmfGO8VV8>

Footscray Learning Precinct (FLP)





Case study **three**

What happens when we **do** engage early

Preston High School

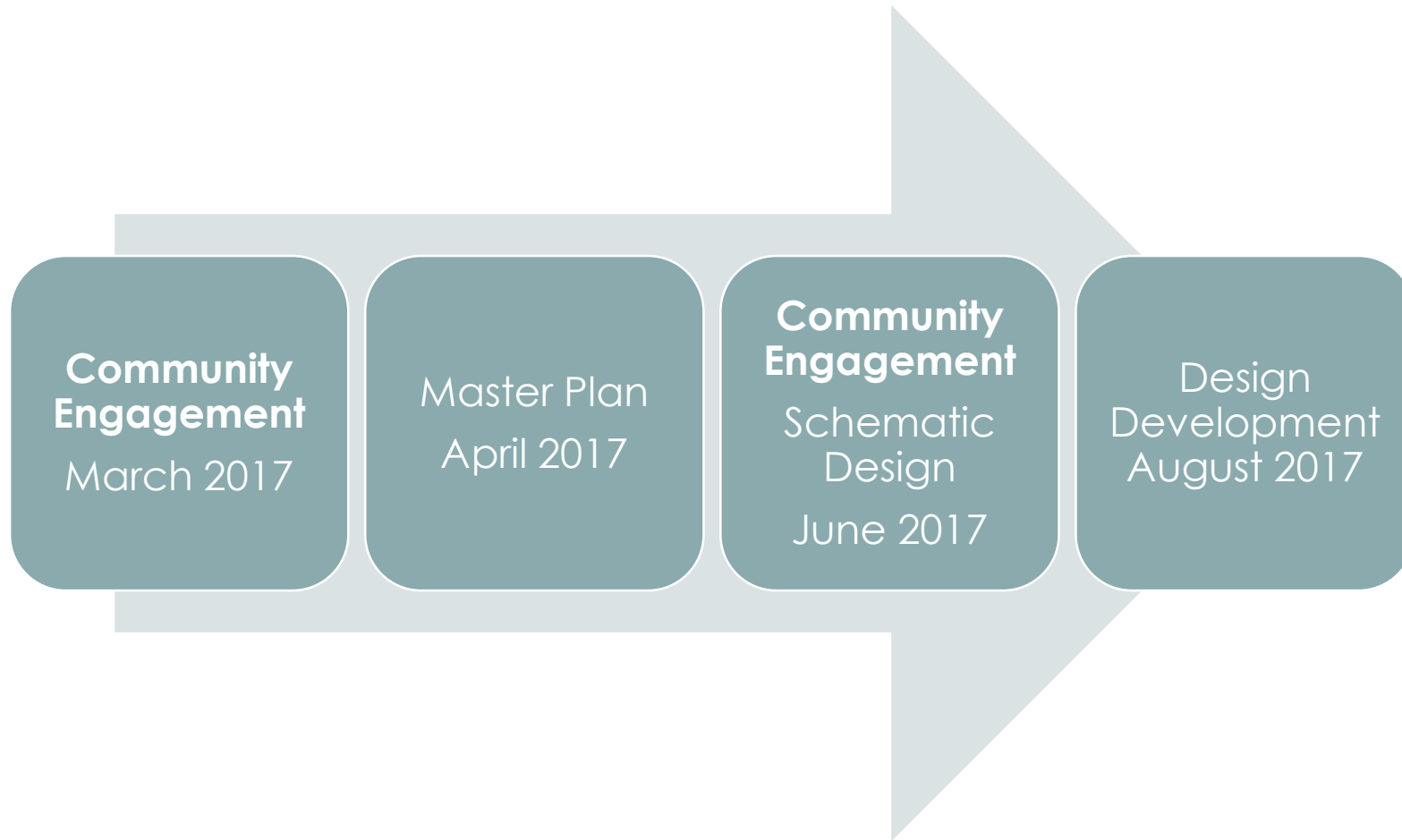
- Local campaign for a new school
- Minister announced a new school
- Strategic community engagement
 - Community workshop with educationalist (more than 200 attendees)
 - Online survey and engagement platform (345 submissions)
 - Social media campaign
 - Postcards (with website/survey) at all local primary schools
- Analysis of community feedback
- **Engagement report informs architects designs**
- **Next steps**
 - Highlight designs to the community showing their feedback

Preston High School

Community workshop



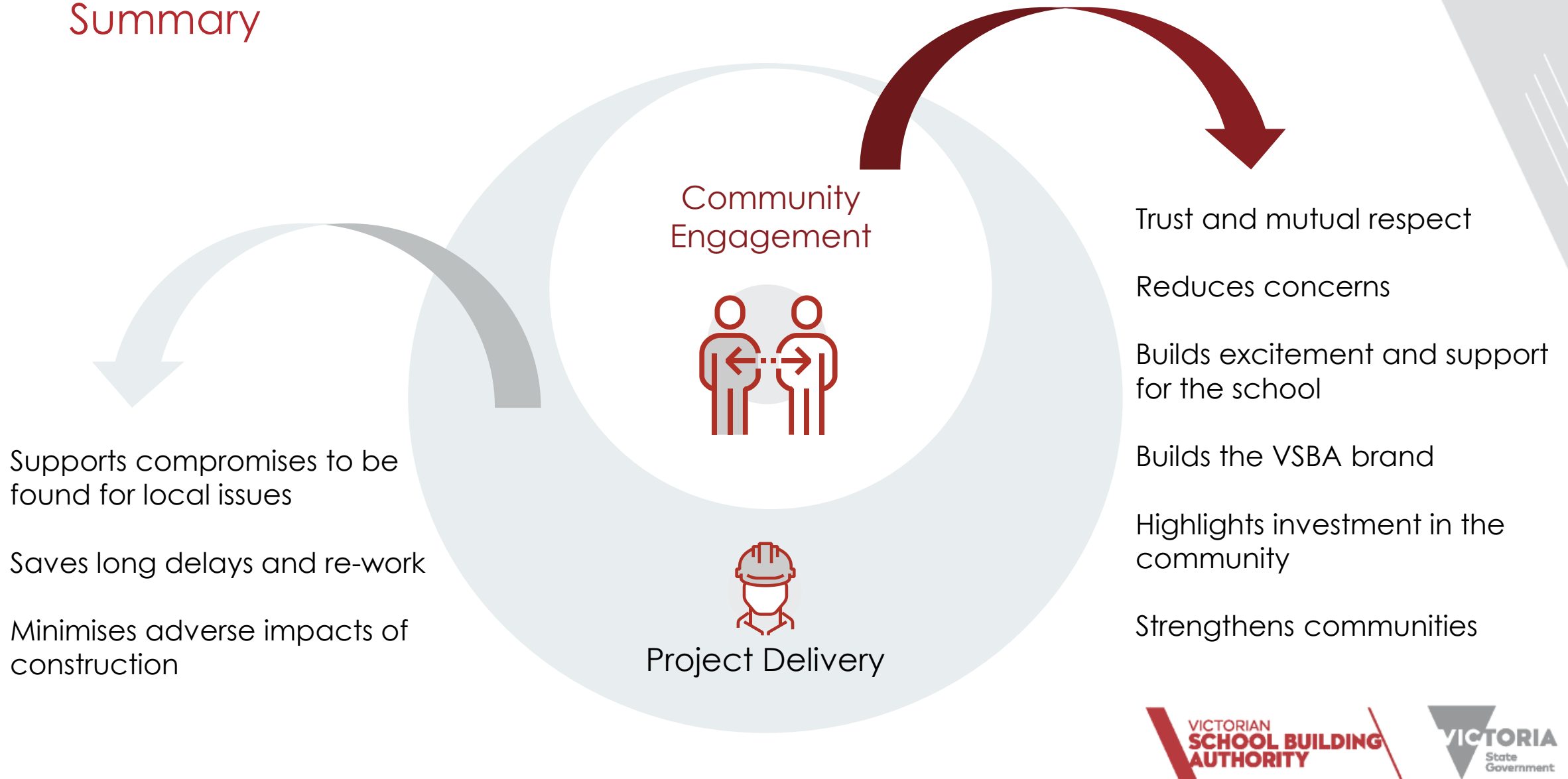
Preston High School



Summary

What's in it for you?

Summary



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Asbestos Removal Program & VSBA Market Opportunities

Peter Graham

Executive Director, Strategy and Reform



Our context – the school asset portfolio

- Educating 600,000 students in government schools across Victoria
- 1,547 government schools across more than 1,700 campuses
- Over 38,000 separate buildings, the vast majority of which were built prior to the ban on asbestos in 2003

Managing asbestos in schools

- The Department's asbestos management strategies have typically focused on:
 - In situ management - identifying and safely managing asbestos containing materials on school sites
 - Incident response - the removal and 'make safe' of asbestos at schools by qualified hygienists in response to incidents
- In more recent years, this has expanded to include:
 - Regular Division 5 (visual audits) by occupational hygienists
 - Establishing Asbestos Management Plans, including registers and inspections
 - Labelling buildings
 - Providing face to face and online training for relevant school staff

Achievements to date

- The 2015-16 and 2016-17 State Budgets provided \$70 million to deliver:
 - State wide audit of asbestos in 1,712 school sites
 - The removal of all identified high-risk asbestos containing material (rated A1 and A2) by March 2016
 - The demolition of 780 old relocatable classrooms, and the replacement of 280 of these to ensure that school capacity is not affected

Asbestos classification framework



A1 and A2	Damaged or exposed asbestos, for example, gaskets, switchboard backings. Scheduled for complete removal when identified through audits.
A3	Predominantly found in building eaves and sheeting in classroom walls. Programmed for removal in the medium term.
A4	Often in areas with limited access (e.g. in roof, under buildings, behind walls), should be programmed for removal during maintenance or refurbishment works.
A5	Predominantly found in adhesive mastic, should be managed and reinspected periodically.

The Victorian School Asbestos Removal Program

- In 2017-18 the VSBA will commence the next phase of the asbestos removal program
- The key focus of this phase is the removal of all identified A3 asbestos
- A3 asbestos is asbestos that, although not high risk, may pose a risk in the future
- This phase of the program has two key components:
 - Demolition of poor condition buildings with high amounts of A3 asbestos and replacement with permanent modular buildings
 - Planned removal and reinstatement of A3 asbestos at over 1,200 schools

What is happening this year?

- The 2017-18 Budget included \$85 million to commence this phase
 - Approximately \$56 million will be used to demolish up to 30 poor condition asbestos containing buildings, replacing them with modular buildings
 - The balance will fund planned removal of asbestos and the reinstatement and refurbishment of associated buildings
- This is in addition to the removal work being undertaken through other programs, including capital works

Permanent modular building program – rationale

- Designed to replace buildings with high levels of asbestos which are in poor condition
- Buildings will be selected using data from asbestos and school condition audits
- Target of 30 buildings over the next two years and 100 over life of program
- It also provides the VSBA with an opportunity to test the capacity of the market to provide cost effective modular solutions for schools as an alternative to capital works

Permanent Modular Program – implementation

- Detailed planning and program design over past nine months
- In early 2017, the Department released an EOI for the supply and design of permanent modular buildings
- The purpose of this EOI was to test the market for a range of services, including: supply of pilot buildings in 2017, off the shelf buildings, manufacture, design and demolition
- The EOI is currently being evaluated and will shortly be finalised

Remove, reinstate and refurbish program

- Removal of A3 asbestos not captured by the permanent modular building program
- Will target high number of schools with low to medium amounts of asbestos
- Works to be bundled in packages based on relevant characteristics including amount and nature of asbestos, and geographic location of the school
- Panel to be established to deliver through forthcoming tender during Q1 2017-18

What is the VSBA doing to make this possible?

- To deliver this program, the VSBA will:
 - Establish dedicated program management function to organise and coordinate the program of works
 - Establish a panel of works providers who can undertake demolition, removal, reinstatement in sensitive school-based environments
 - Broaden the field of available supplier by utilising Class B removalists where sensible and appropriate
 - Improve data management so that asbestos removal is recorded accurately and available in a consolidated way

VSBA policy regarding asbestos

- The Victorian Schools Asbestos Removal Program is distinct in that it targets A3 asbestos specifically
- No change to existing policies regarding the removal of asbestos:
 - all asbestos is required to be removed from the construction zone in capital works projects
 - all asbestos removed from relocatable buildings at the point of transfer
- For more information on the Victorian Schools Asbestos Removal Program, please contact asbestos.reform@edumail.vic.gov.au



Market Opportunities

VSBA business needs and market opportunities

- Our context has changed dramatically
 - Increased scale of delivery
 - Changed school and community expectations
 - Increased government scrutiny
- We need partners who:
 - Are responsive
 - High performing
 - Customer focused
 - Provide value for money

Progress to date

- We've already made a start this year:
 - Established the commercial advisory panel
 - Expanded the state wide minor works panel
 - Commenced procurement for audit services of school condition
 - Commenced procurement for services to implement the Greener Government Building program

Priorities for 2017-18

- In 2017-18, we will:
 - Review and retender our Portfolio Management Services contract
 - Establish more flexible arrangements for program management and ad-hoc project management
 - Establish new help desk arrangements to better manage increased volume and activity across the VSBA
 - Review the adequacy of our asset management system in light of new requirements under the Asset Management Accountability Framework
 - Review our compliance policies and related services with a focus on safety and assurance.

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