



## Ultraset crashes

Victoria's 1,600 state schools were closed for an extraordinary student-free professional development day in August, while the state's 3,500 state schools principals and assistant principals were called to Melbourne to be told about the state's new \$77 million Ultraset online learning network. Back in their schools, staff were meant to be training to use the Ultraset, which promptly crashed and ran extremely slowly after the crash was fixed. Victorian Employers Chamber of Commerce and Industry Chief Economist Steven Wojtkiw said the outage led to a loss of productivity in the vicinity of 'tens of millions of dollars.'

According to the Victorian Department of Education and Early Childhood Development (DEECD), the Ultraset aims, among other things, to, 'Improve responsiveness to individual learning needs; provide better information to parents, the school system and government; (and) improve efficiency of the learning environment and school administration.'

Premier John Brumby defended the Ultraset. 'It's a little bit slower because there are so many people using it,' he said. Presumably, the system is not meant to be used by so many people.

The DEECD scrapped an eXpress landing page and 'learning contacts' components of the Ultraset in June after the Victorian Privacy Commissioner raised privacy issues.

## Boom time for interactive whiteboards

IF YOU DON'T HAVE AN INTERACTIVE WHITEBOARD YET, SOMEONE IS ABOUT TO TRY TO SELL ONE TO YOU. STEVE HOLDEN REPORTS.

Canadian-based interactive whiteboard company Smart Technologies was publicly listed on the NASDAQ in the United States and the Toronto stock exchange in Canada in July in what turned out to be the largest technology initial public offering in the US so far this year.

According to the preliminary prospectus filed with the US Securities and Exchange Commission, Smart Technologies placed 8.8 million Class A shares at US\$17 a share to raise US\$135 million after costs, expecting to use US\$59 million to pay off loans.

Funds advised by Apax Partners and Intel Corporation sold a further 26.5 million Class A shares for \$484 million. Funds advised by Apax originally purchased a 49.9 per cent stake in Smart Technologies in August 2007 and have a significant investment in Smart's main competitor, Britain's Promethean.

Smart Technologies cofounders David Martin and Nancy Knowlton held on to their shares. They control 22.3 per cent of the equity, while new shareholders have a 28.5 per cent interest. At US\$17 per share, the initial public offering values Smart Technologies at around US\$2.1 billion. Promethean is valued at US\$630 million.

Previously undisclosed financial details in the prospectus show Smart Technologies has grown quickly. Revenue grew from US\$379 million for the year ending March 2008 to

US\$648 million for the year ending March 2010, mostly as a result of increased demand in Canada, the US and Mexico as well as Britain, markets where whiteboard penetration rates are high. Smart Technologies is planning to expand its education market in Europe and the Asia-Pacific region where penetration rates are lower, but also to increase volume in the North American and British education market by providing additional hardware, software and content.

Acquisitions of companies and patents are also a key part of Smart's strategy. In April this year Smart Technologies acquired New Zealand-based NextWindow, which specialises in digital vision touch technology. Smart Technologies last year filed a patent infringement lawsuit against NextWindow with the US District Court for the Northern District of Illinois regarding its digital vision touch technology patents, which form the basis for the intellectual property licences behind Smart's technology portfolio. According to Knowlton in April last year, 'When a fair and reasonable licensing agreement cannot be reached, we have no choice but to pursue legal action to protect our patent portfolio and our licensees' – or buy out the competition.

*Smart Technologies interactive whiteboards are distributed in Australia by Electroboard.*

## AUSTAR for schools is a FREE subscription of 24 educational channels on AUSTAR

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cross section of key learning areas and support the curriculum.



# Building the Education Revolution – money wasted

THERE'S BEEN 'SOME' WASTE AND MISMANAGEMENT IN BUILDING THE EDUCATION REVOLUTION, AS STEVE HOLDEN REPORTS.

The interim report of the Building the Education Revolution (BER) Implementation Taskforce led by Brad Orgill, the former chairman and chief executive officer of UBS Investment Bank Australasia, has found there was some waste and mismanagement in the rollout of the \$16.4 billion stimulus program.

The report found that, on average, educational authorities were paying between five per cent and six per cent more for BER work than they had been paying before the BER.

It also found that the speed with which the program was rolled out to address the impact of the global economic crisis was 'impressive,' but did lead to problems, particularly in New South Wales.

The interim report found the NSW Department of Education and Training (DET) paid \$3,900 per square metre for its school projects, compared with \$2,823 a square metre in NSW Catholic schools and \$2,112 a square metre in NSW independent schools. According to the interim report, all figures are preliminary.

Reporting in the *Australian*, Anthony Klan and Milanda Rout identified NSW DET estimates of 'anticipated final costs' of individual BER projects. Anticipated final costs in NSW state schools are \$4,860 per square metre for a standard school library, \$3,833 per square metre for a block of four

classrooms and \$4,290 per square metre for a school hall. The NSW Catholic Block Grant Authority estimates the anticipated final costs at \$2,451 per square metre for a standard Catholic school library, \$2,426 per square metre for a block of four classrooms and \$2,541 per square metre for a school hall.

The interim report found costs for projects in Victorian state schools were roughly \$1,000 per square metre lower than in NSW state schools, while costs for projects in Western Australian state schools were roughly \$1,600 per square metre lower than in NSW state schools. Queensland and WA refused to comply with Orgill's recommendation that all education authorities immediately release individual BER project costs. Victoria agreed to release individual costs.

In NSW, rigid templates meant schools had a 'limited ability to self-manage across any more than a small percentage of the 1,800 government schools,' the report found.

'I think that we've got more complaints in NSW because they consciously went fast and they externalised the process to managing contractors, many of which had not dealt with education and schools before,' Orgill told ABC Radio's Lyndal Curtis on *PM*. 'And secondly I think the NSW educational authority, in process on various

fronts, has been more centralised and more remote from principals and that's come home to roost in terms of the complaints in this program.'

According to John Wanna, Professor of Politics and Public Administration at the Australian National University and Griffith University, 'The main cost blowout has occurred...as a result of labour costs, construction costs, material costs, extra costs for subcontractors and a concept called in the report "flow-down risk": passing jobs down to other providers, who may then pass them down, too, each taking a cut... The main providers all work on a cost-plus-profit basis, guaranteeing themselves a "decent slice of the pie."'

The Liberal-dominated Senate Standing Committee on Education, Employment and Workplace Relations Inquiry into the BER – Primary Schools for the 21st Century (P21) program tabled its interim report in June.

The Senate inquiry is addressing the conditions and criteria for project funding; the use of local and non-local contractors; the role of state governments; timing and budget issues, including duplication; requirements for school signs and plaques; and the management of the program. 'In particular,' according to the Senate Committee website, 'the Committee is currently seeking information directly from P21 managing contractors or builders that addresses claims being made in submissions and at hearings regarding inflated costings and failure to achieve value for money for P21 projects.'

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