

**THE PARLIAMENTARY STANDING COMMITTEE ON COMMUNITY DEVELOPMENT MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART, ON FRIDAY 24 JULY 2009.**

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**PORT SORELL COMMUNITY SCHOOL PROPOSAL**

**Mr ANDREW FINCH**, DIRECTOR, FINANCE, FACILITIES AND BUSINESS SUPPORT, CORPORATE SERVICES WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Mr Kerry Finch) - Andrew, thanks very much for joining us. Andrew I realise it is a very busy time for you with all the schools that you have to deal with, so can you just give us an understanding quickly of the BER funding and how it is set up and how it is unfolding?

**Mr ANDREW FINCH** - The BER program, as you know, was announced back in February as part of the Nation Building economic stimulus plan and it is essentially for government schools providing around \$330 million and for non-government schools about another \$70 million.

**Mrs RATTRAY-WAGNER** - It is only primary, is that correct, Andrew?

**Mr ANDREW FINCH** - There are three elements of the BER and the biggest element is targeted at primary schools, so most of the money is targeted at primary. That is called the Primary Schools for the 21st Century element and that means that every primary enrolment - I will use that terminology rather than saying primary schools because there are primary enrolments in district high schools - is attracting funding for the schools and it can be up to \$3 million per school depending on the enrolment threshold. So it starts off at \$250 for very small schools, and Sassafras is in that category, and runs up to \$3 million for a school with a large number of enrolments.

**Mrs RATTRAY-WAGNER** - Sassafras had allocated \$900 000, though.

**Mr ANDREW FINCH** - No, Moriarty was \$850 000. There are a number of enrolment thresholds and I think Sassafras was in the \$250 000 category.

**Mr WHITELEY** - Wesley Vale is what?

**Mr ANDREW FINCH** - Wesley Vale is \$2 million out of this element and \$850 000 at Moriarty. Sassafras, I will just check that as we speak. That is the primary schools funding and that is the large amount of money and that is probably around \$268 million all around the State with about 168 schools participating in that. Then there is the National School Pride Program and that is really for all schools. So we have about 202 schools in that program and that gives schools between \$50 000 and \$200 000 for maintenance-type projects. That is a much smaller program and it is probably about 10 per cent in funding of the primary school money, just to give you a feel for quantum.

**CHAIR** - What does that do for your own maintenance allocations that you have with the Education Department, Andrew? Does it supplement or does it replace your normal maintenance allocation?

**Mr ANDREW FINCH** - For sure. I will answer that in a second. The third element of the BER is the science and language centres and we have received funding for 22 science and language centres. They are in secondary schools or district high schools and we have been funded for 22 at \$30.89 million. That is way above our expectations because that was a nationally competitive program so we fared much better than we thought on a per capita type ratio and we have also got another four provisionally approved that will give us about another \$1 million with a bit more information.

**Mrs RATTRAY-WAGNER** - For marginal seats, Andrew.

**Mr ANDREW FINCH** - So at the end of three elements - and that adds up to about \$330 million in total - we had to sign what was called a National Partnership agreement, or the Premier signed that. It was very clear in that agreement that you could not substitute any maintenance funding. There is quite rigorous reporting to the Commonwealth and some of it is monthly project reporting back to the Commonwealth that we handle centrally but we must keep demonstrating through Treasury reporting - heads of treasuries around the country - that we are maintaining our planned level of capital expenditure that the State had planned to spend, so this is all over and above. All these projects are purely school-driven so that is why the BER has been running pretty well in this State compared to some problems that have occurred in other States because what we have done is let schools drive the projects and determine what the priorities are for their projects.

To make it a fair and equitable process across the country, what the Commonwealth has done essentially is use the demographics as at February 2009. There is a school census done in late February when school starts so they have really just looked at how schools were situated at that time, what they were in terms of entities and in terms of the numbers of students. So they have really given us an allocation - apart from the science centres, which was a separate submission process nationally. But for the National Pride in the Primary Schools they have really said, 'We'll calculate your funding based on the enrolments and the numbers of schools that you have eligible, then individual schools can apply to the levels of funding that they are eligible for based on their enrolment'. That is what we have been doing, letting schools apply for their funding up to that amount that the Commonwealth has allocated.

We do have a number of situations around the State where schools are combining their funding. They will either form what we have called a 'federation' or they are officially amalgamating. There are a number of schools like the Glenorchy area schools where we have a number of primary schools amalgamating and pooling their funds under both those BER elements and then we are adding some State money and building some new schools or refurbishing one of the schools.

**Mr WHITELEY** - So, Andrew, on that basis it is quite clear that any change to the direction of the funding can only come where the school itself determines that it is okay to redirect it.

**Mr ANDREW FINCH** - That is right. Basically, the Commonwealth have said, if you are in that February demographic, as Wesley Vale and Sassafras and Moriarty are, if they want to accept anything less than 90 per cent of their entitlement they would send a letter through us and we would send it on to the Commonwealth saying that we are happy to accept 50 per cent or 85 per cent. If the movement is anything less than 10 per cent, they must submit something in writing to say that they are prepared to share their money with another school.

**Mr WHITELEY** - Right. So who does that letter go to?

**Mr ANDREW FINCH** - It goes to DEEWR who is the coordinating manager of the -

**Mr WHITELEY** - Does it go through your office and need an endorsement?

**Mr ANDREW FINCH** - Yes, it would come through our office. We have not had to have one of these letters as yet, but I would say that we have had letters in respect of our amalgamation schools and we have written to the Commonwealth about the three schools here just to ask to put the schools on hold, pending this inquiry.

**Mr WHITELEY** - I am of the understanding that should the Wesley Vale School, for example, make a decision or vote, to say that, given that 230 of their kids at that school are in the Port Sorell area, and they believe there should be a school at Port Sorell, it appears to me that they would more than likely be prepared to say to the Federal Government, 'Out of our \$2 million, we need a couple of hundred thousand dollars to fix up our hall for heating, but we also accept, in the long-term interests of the next generation coming forward, that this money could be better used as a down payment on a new school at Port Sorell.' Malcolm says this would probably cost somewhere around \$8 million. I can see nothing in what you have said now that would suggest that letter at least could not go off for consideration.

**Mr ANDREW FINCH** - I would be quite confident that it would be supported. In other things we have done, the Commonwealth has been very supportive.

**Mr WHITELEY** - They would be mad not to be, wouldn't they?

**Mr ANDREW FINCH** - Exactly.

**Mr WHITELEY** - Andrew, if that is the case, it is not beyond the realms of possibility that the school - and they seem to be the school with the least amount of -

**Mrs RATTRAY-WAGNER** - Opposition?

**Mr WHITELEY** - Yes, or concern of the impact. I think they recognise, given that 70 per cent of their school participants are Port Sorell-based, I do not think it is beyond the realms of possibility that they could see the future quite clearly. So it is beyond the realms of possibility that the school there, under the direction of its P&F or whatever they call it, could say, 'As long as we can get a bit of money to help fix our heating or whatever it is, that we can see that the real benefit of the other \$1.7 million would be better used in the school at Port Sorell.' So that is not impossible.

**Mr ANDREW FINCH** - No.

**CHAIR** - Welcome, Brenton. We have just been through and you will be able to check this on the *Hansard*, and with Andrew. He has just explained about how the BER funding works and is allocated around the State. We are now getting down to specifics of the area of concern and Andrew is just about to give an answer to Brett on some questioning in respect of perhaps some of the allocation from Wesley Vale going to the building of the new school at Port Sorell.

**Mr BEST** - Thanks, Kerry, and thanks, Andrew.

**Mr ANDREW FINCH** - No worries. I guess that, obviously, the new school wasn't in the set of demographics in February when we got our money so we didn't get any BER money in for what might be a new school but we do have it for the other three schools.

But if we spoke to the Commonwealth and said, 'Look, this is what is going on and these schools are going to be part of some form of federation working together -

**Mrs RATTRAY-WAGNER** - I don't think you could say that.

**Mr ANDREW FINCH** - Couldn't you?

**Mr BEST** - I wouldn't be so sure about that. I can talk a bit more about that in a minute.

**Mrs RATTRAY-WAGNER** - Right.

**Mr WHITELEY** - What's that? I missed the point there.

**Mr BEST** - That there is some sort of federation - Tania was saying she doesn't believe that that could happen but I think it could. I will talk to you a bit about that later. The lady came to see me from Moriarty, after our hearing.

**Mrs BUTLER** - Rhonda.

**Mr WHITELEY** - But the specific line of questioning at the moment is not to do with that, I don't think.

**Mr ANDREW FINCH** - No.

**Mr WHITELEY** - I am asking a question of whether the parents of Wesley Vale were prepared to accept that they could write a letter to say, 'We require this percentage of the amount allocated but we'd be happy for the other to be allocated to a new school at Port Sorell', that is clearly the area of interest I have.

**Mrs RATTRAY-WAGNER** - Can I say there though, Brett, that it appears to me that Andrew is answering as if the three schools were going to be part of that.

**Mr ANDREW FINCH** - No.

**Mr WHITELEY** - I think Andrew got that, didn't you?

**Mr ANDREW FINCH** - Yes.

**Mr WHITELEY** - My specific question was to do with Wesley Vale because I think I said that Wesley Vale was a school that seemed to be least concerned and they had probably more of an understanding of the need for a new school.

**Mr ANDREW FINCH** - Yes, I was saying in terms of talking about a federation, there could be really two schools so, to put up to the Commonwealth, we would say Wesley Vale and Port Sorell are going to work closely together.

**Mr WHITELEY** - That is right.

**Mr ANDREW FINCH** - In doing this, Wesley Vale wants to allocate some of its funding over to the new school.

**Mr WHITELEY** - They would become maybe the rural campus of it.

**Mr ANDREW FINCH** - That is right, but Moriarty and Sassafras would not need to be -

**Mr WHITELEY** - No, I am not talking about them because I think Tania and Heather would agree that they are the ones that have more concern.

**Mrs BUTLER** - Yes, but by the same token I don't want to be putting words in people's mouths either.

**Mrs RATTRAY-WAGNER** - I don't think we are putting any words into Moriarty's mouths that their parents are coming to the committee.

**Mr BEST** - I would like to add some information that occurred after our hearing last week, but I probably cannot do it right now.

**CHAIR** - No, is this of interest to Andrew or should we take more evidence from Andrew first.

**Mr BEST** - Yes, I think you should take more information from Andrew about this, Kerry.

**Mr WHITELEY** - Thanks for that, Andrew. I think you have answered that question for me. I appreciate that.

**Mrs BUTLER** - I want to find out what the cost of the bussing is from Port Sorell to Wesley Vale.

**Mr ANDREW FINCH** -The cost of the bussing. I wouldn't -

**Mrs BUTLER** - That would be through DIER, wouldn't it? They pay the school bus contracts.

**Mr ANDREW FINCH** - Yes, they do actually. We could find that out. We could take that on notice and find that out for you.

**Mrs BUTLER** - Thank you.

**Mrs RATTRAY-WAGNER** - They do pay the contracts though.

**Mr ANDREW FINCH** - Yes, DIER does so we would have to go there and find that out.

I might say when you talked about the \$8 million for a new school, I might put on the record that in doing further work for those three new primary schools, two in the Glenorchy area and one on the Parklands High School site.

**Mr WHITELEY** - Burnie, yes.'

**Mr ANDREW FINCH** - Where there are three schools, combining, and pooling their BER money and some State money, we are working on one standard design with some adjustments. Again, to save time and cost in design and so on, that is modelled on the St Aloysius Catholic School from Kingston and we are using the same architects for that, again to save time.

**Mr WHITELEY** - So that only comes down to a matter of a bit of orientation on the block.

**Mr ANDREW FINCH** - Yes, that is right and some minor adjustments for local need. But it is looking as if the cost of those new schools will be about \$12 million to \$12.5 million each.

**Mrs RATTRAY-WAGNER** - That is \$20 million then.

**Mr ANDREW FINCH** - Sorry?

**Mrs RATTRAY-WAGNER** - That will usually blow-out to \$20 million.

**Mr ANDREW FINCH** - No, this is the latest quantity surveyed-type estimate - QS estimate on it - based on the size and so on. But they are schools of about 450 so that is obviously relevant.

**Mr WHITELEY** - Does that include the purchase of land?

**Mr ANDREW FINCH** - The land is already available in those situations.

**Mr WHITELEY** - Is there any allocation within that \$12 million estimate for the land?

**Mr ANDREW FINCH** - No, that is really the construction, project management, budget et cetera.

**CHAIR** - Just on the subject of land, Andrew, what's your understanding of the Latrobe Council's allocation of that land? Would they gift that to the Education department? How does that work?

**Mr ANDREW FINCH** - I think in similar situations we would look at approaching the council and look at that being their contribution towards major infrastructure in the

community. The State Government could be investing several million dollars in construction and we would look at the council. That would be the first approach, asking them to gift that to the project and to infrastructure within their community.

**CHAIR** - There was a suggestion that this project would cost \$8 million and you were referring to \$12 million. What is your projection in respect of the Port Sorell school? Is it that \$8 million or are you suggesting that it could be as much as \$12 million?

**Mr ANDREW FINCH** - No, I think I was just clarifying - these things are fairly dynamic, given how much information is available about the design of the school, the current status of tendering and construction firms in the marketplace, how busy they are and so on. We are in that position of knowing that we are building three schools to cater for 450 students each.

**Mr WHITELEY** - So there'd be a bit of a saving but not massive.

**Mr ANDREW FINCH** - Yes, and it looks like \$12 million to \$12.5 million.

**Mr WHITELEY** - You're probably looking at \$9 million so that wasn't far out.

**Mr ANDREW FINCH** - No, that might be right. If it was a school of 300 or the like, you could scale it back from there.

**Mrs BUTLER** - Do you think it's a good idea to limit the size to 300, Andrew?

**Mr ANDREW FINCH** - No. Just for an example, I haven't really studied the demographics in recent times. I think we have looked at those in the past but I am not sure what the numbers are ...

**Mr WHITELEY** - I think the number that was bounced around was a 350 minimum.

**Mrs BUTLER** - A lot of those retirees pass away or move on and real estate sells to younger families.

**Mr WHITELEY** - That's right. Once there is a school there that becomes more an attraction.

**CHAIR** - As we have heard, Andrew, people are not choosing to move to Port Sorell in some cases because they discover that there is no primary school there.

**Mr ANDREW FINCH** - Yes.

**CHAIR** - The real estate people are saying that if there is a primary school there more people are going to come to the area.

**Mr ANDREW FINCH** - That is right. Just to finish that question about the land, there has been a report from council in the past and they have identified the Camp Boomerang site for a school site. It seems to be a sufficient size and so on. I don't think their report talked about whether they want a financial contribution but I think we would expect that that would be transferred over as part of the infrastructure.

**CHAIR** - They keep coming back to Camp Boomerang.

**Mrs RATTRAY-WAGNER** - I am thinking back to when we spoke informally with the council on site. They were looking for a bit of a swap in respect to Camp Banksia and Camp Boomerang. If I am correct, the State Government owns Camp Banksia. Is that right?

**CHAIR** - I am of the understanding that Latrobe exchanged the bowls club land for the Camp Banksia site.

**Mr WHITELEY** - Nothing like an ambit claim. I think we'll leave that for later.

**Mr ANDREW FINCH** - I am not certain what the ownership is.

**CHAIR** - In relation to the Port Sorell school, Andrew, I am wondering whether there is a sense that it might be achievable. If there is a recommendation - and a big 'if' - for a new school to be built at Port Sorell, would it be in the achievable basket?

**Mr ANDREW FINCH** - I'm not sure if I should comment on that.

**CHAIR** - That is okay. I thought that was what you would say.

**Mr ANDREW FINCH** - Achievable in what sense?

**CHAIR** - Financial.

**Mr ANDREW FINCH** - I think everyone knows about the budget at the moment and that things are fairly tight. There is obviously no current capacity within the capital investment program for this so it would need to be money that was found from a budgetary perspective. That would be the biggest hurdle, finding the funding source. It looks like the site is workable and obviously we could talk to that community based on the experience we are dealing with these other three schools around the same sort of design and so on. That could be achievable. There shouldn't be any difficulty in finding a building contractor at an appropriate time. So it is achievable in the sense of site, design and construction.

**CHAIR** - But it's just the money.

**Mr ANDREW FINCH** - Yes, I think the money is obviously the factor.

**Mr WHITELEY** - As I have said before on the record, and I will say it again, that is a political decision.

**Mrs BUTLER** - I got the impression that Sassafra was pretty keen to do their own thing.

**Mr WHITELEY** - That's right. My personal view is - and I don't mind saying it in front of Andrew - that Moriarty and Sassafra, as far as the money goes, are out of bounds.



**Mr BEST** - Andrew, given the BER funding and the Federal Government is really keen this year to have infrastructure around Building Education for the Future, is there any opportunity for a special case for Port Sorell school, where you could put some money towards it but we might need a bit of help with some other from the BER funding?

**Mr ANDREW FINCH** - I wouldn't think so because the BER allocated \$14.7 billion around the country. Because they have talked about the allocations for every school based on their enrolment, every school is taking up their full entitlement.

**Mr BEST** - If everyone is taking up, there is not going to be some left over somewhere is there?

**Mr ANDREW FINCH** - No, and as you work through some of these projects there is a risk of unmet scope. There is further risk as you get through the rounds about building inflating the market with a lot of work at the one time and adding to costs.

**Mr BEST** - Was there any contingency, though? Talking about large States - Victoria, Queensland, New South Wales - there is this allocation but is there any sort of contingencies outside, such as sundries in case the wheels fell off a project somewhere or it needed -

**Mr FINCH** - No, there isn't. It is finely calculated on every school's enrolment. What we do when we sit down in designing the work at a school is keep about 5 per cent back as a project contingency within their budget and then we release it into the project if the project is going well. Sometimes, obviously, there are variations from the time you sign a contract to build something and then things unfold over the construction period. What we try to do is set up a contingency within each project, which is the school's money and will be spent at the school but it provides a bit of a buffer. There isn't really any capacity for any central contingency with this.

**CHAIR** - Thank you, Andrew, for your time.

**THE WITNESS WITHDREW.**