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THE PARLIAMENTARY STANDING COMMITTEE ON PUBLIC WORKS MET AT THE CIRCULAR HEAD COUNCIL CHAMBERS, SMITHTON, ON TUESDAY 19 JANUARY 2016.

SMITHTON HIGH SCHOOL MAJOR REFURBISHMENT

Mr TONY LUTTRELL, CHIEF FINANCIAL OFFICER, DEPARTMENT OF EDUCATION; **Mr KEITH BILLING**, PRINCIPAL, SMITHTON HIGH SCHOOL; AND **Mr ANDREW FLOYD**, PRINCIPAL/ARCHITECT, PHILIP LIGHTON ARCHITECTS, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mr Brooks) - Welcome, everyone. Thank you for appearing before the committee.

This hearing is a proceeding in Parliament and this means it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to speak with complete freedom without the fear of being sued or questioned in any court or place outside of Parliament. It applies to ensure Parliament receives the very best information when conducting its inquiries. It is important to be aware that this protection is not accorded to you if statements that may be defamatory are repeated or referred to by you outside the confines of the parliamentary proceedings. This is a public hearing; members of the public and journalists may be present and this means your evidence may be recorded.

Mr LUTTRELL - We have already submitted a comprehensive submission to the committee so I will make some opening comments and then pass to Keith to provide an overview of the work and how that impacts on learning for students.

The Smithton proposal is part of the Government's \$95 million capital investment program over the next three years. It is a large component for Smithton so it represents a good investment on behalf of the Government. The department, in terms of the submissions it puts to government, has a strategy around focusing in this period on secondary schools. As part of the Building the Education Revolution there was a large focus on primary schools, less so for the secondary schools, so the department is keen to progress and improve the learning facilities for students for secondary schools. That is part of the Smithton proposal.

Mr BILLING - This project allows Smithton High School to connect the dots from our previous building refurbishments. We have recently had a trade training centre built across on the south side. We never got a chance to have a look at that on our tour but it is a state-of-the-art facility. You saw our gymnasium, which is the most recently completed. Back about six years ago we completed the technology block, which is the upstairs/downstairs area, which I didn't show you in the tour, but all three of those areas are very much state of the art. It has our home economics block, which is a top-notch facility and enables first-rate learning. Everywhere in between those three dots were very much archaic and filling-in situations and not conducive to great learning. We've already seen, by providing great facilities, how it can engage students more in their subjects and give them up-to-date technology which brings us in line with twenty-first century learning design. This enables the buildings to represent more of what we are about so far as providing twenty-first

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century learning in twentieth century buildings. It will allow greater supervision and far better access for students and shelter for the winter months in particular. At Smithton that's something we saw with the creation of the gymnasium. Over this last winter two-thirds of our school population at any recess or lunchtime would have been found in the gymnasium because we finally had shelter from the prevailing south-westerly. It has changed the whole mood of the school. I have every confidence that this latest build will bring the whole thing together and make it a first-rate learning facility.

Mr LUTTRELL - The community is quite strong in its support for this. The community has been engaged and is in support of the proposal.

Mr FLOYD - I will talk for a few minutes on the philosophy behind the master planning. It was to utilise the existing building fabric where we could, maintain the quality infrastructure but replace old infrastructure, to identify and reinforce the various year groups and their flow through the school, to make sure we created learning precincts, to cluster the year groups around the school core, to position the library for easy access by parents and community groups on the side of the school, and to maintain existing access to bus and car parking.

We have created 11 new classrooms, four program rooms, and a science, music and library space.

With regard to environmentally sustainable design we have tried to maximise the number of general learning areas on the north side of the building, maximise external shading to reduce excessive solar gain, and we have made sure we have created a highly insulated building to reduce heat loss. We have included double-glazing. We have ensured that we have high levels of natural ventilation and cross-ventilation, and we have introduced as much natural light as we can, particularly into the central common space. We have adopted highly efficient LED lighting and energy efficient heating. These are all quite significant improvements from the existing building stock.

Your walk around the site today would have shown some of the problems that the school faces with narrow access ways, changing heights, old building fabric and small classrooms. The development increases the classrooms to 75 square metres, which is the required area now, and introduces technology to support teaching into the twenty-first century.

CHAIR - The committee cannot change the plan; it can either approve or not approve. The three things required under the act that the committee consider are that it delivers on the stated purpose, it is necessary or advisable to carry it out, and it gives present and prospective public value of the work. They are the requirements of the act that the committee look at.

Mr FARRELL - Before the building commences there is a fair bit of demolition required and I think this is the first school we've seen in recent times where there is such a large amount of demolition. I think it is about 20 per cent of the school.

Mr BILLING - I think once it is finished it is more like 42 per cent. Part of the exercise was to reduce the FECA.

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Mr FARRELL - I have just noticed that some of the older buildings have been maintained really well, which I think is a credit to the school; they look in very good condition. Travelling around it was pretty obvious that there are old buildings. Do you think the school will see savings in maintenance and general school operations because of this rebuild and removing the buildings?

Mr BILLING - That is probably where we have the most to gain with this, because heating in particular during the winter months is far more costly than a lot of more recent schools. I cannot do a comparison, but I could consult with my business manager if you needed me to give the actual figures. There is a lot of external maintenance with weatherboards and a lot of those are at the stage where they just cannot be repaired anymore. The costs with maintaining it were going to blow out considerably from this point on.

Mr LUTTRELL - I might also add not only the ongoing sustainability aspect for the school - that is, the cost of heating. If you see the age of the building stock and the infrastructure such as electricity, and we saw that switchboard and where it is positioned, the cost to the department for work over \$20 000 we would expect to be significant and continuous if the buildings were to be retained. Not only for ongoing, day-to-day operational aspects from the school, there will also be significant savings for the department in terms of the main buildings that we are responsible for.

Mr FARRELL - A lot of people would say it seems strange that you are removing what they probably see as perfectly good buildings. It is important to get the reasons for that.

Mrs RYLAH - Was is the figure when the new design is complete; how much does it reduce? It says here that it is 9 798 square metres? Do we know what it is going to be?

Mr LUTTRELL - It is currently approximately 9 700, and we are taking out 1 958 square metres in terms of -

Mrs RYLAH - It is very significant.

Mr LUTTRELL - It is significant.

Mrs TAYLOR - What are you doing in terms of the buildings that are going to be demolished. Is there going to be recycling? I hope you are not going entirely waste all that material.

Mr LUTTRELL - It depends on the nature of the building material.

Mr FLOYD - A lot of the old roofing materials would not be of much value. We normally say it is either salvaged for re-use or salvaged for recycling or demolition, or it becomes builder's salvage. The builder goes through and makes allowances in his tender for materials that he thinks have salvage value and he can offset his cost of demolition against the salvage value of those items.

Mrs TAYLOR - Has that happened in this case?

Mr FLOYD - That is a usual process and I am certain that will happen by any competent builder who tenders on this. For instance, roof iron would be potentially used as salvage for unseen formwork for concrete.

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Mrs TAYLOR - There are a lot of weatherboards there.

Mr LUTTRELL - Yes. As you have seen in previous submissions, it has a focus on recycling material such as dado and the wood. Where there are opportunities that do not put the project at risk from a budgetary perspective - that is, exorbitantly expensive to recycle - we would be looking to recycling where possible.

Mrs TAYLOR - If you have a smaller footprint, what affect does that have on your budget? Do you get less money if you have fewer buildings?

Mr BILLING - That would be the case.

Mr LUTTRELL - There is a formula in the budget area that calculates what the school resource package is. I would expect there will be less costs in relation to the school having to absorb or pay.

Mrs TAYLOR - In terms of maintenance?

Mr LUTTRELL - Yes, and cleaning staff. If the footprint reduces then the cleaning costs reduce and there is less need for cleaning staff to clean those buildings. The centre provides a school resource package and some of that would have regard to the size of the buildings. Less footprint means less cleaning staff required and there will be less provided to the school for staff that no longer would be required.

Mrs TAYLOR - My question to the principal is how will that affect you? Is that a negative implication for you or not?

Mr BILLING - The main gain would be that the quality of the areas they are maintaining would require a lot less effort to maintain new buildings and to keep these at the standard they have been. We have only just completed a refurbishment of what is going to become the library, so for the amount of funds that we have pumped into refurbishing we would never have committed that sort of money to keeping those as maintainable classrooms had we known this announcement was imminent. That is just part of it.

Basically we try to upgrade two or three classrooms each year. There would be money set aside, so there is going to be a saving for many years to come in that we will not have that continual upgrade required. Last year we lashed out and basically upgraded four rooms because that area had become -

Mrs TAYLOR - So is this funding a surprise to you?

Mr BILLING - Initially, yes.

Mr LUTTRELL - Coming back to your question around the impact on the school, the school is not going to be disadvantaged at all by the demolition of the building. There is not going to be a net recovery out of the school. The school, if anything, will benefit.

Mrs TAYLOR - That is on the public record, Keith, in case you ever need to argue with that one.

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Mr LUTTRELL - I suspect I might well get a quote.

CHAIR - I suppose you have been surprised because subsequent previous governments have ignored the plight of the school. Just my observation, of course.

Ms OGILVIE - I am interested in the technology aspect of the building and construction, and how you are making sure that the school is going to be fit for purpose for IT and technology, in your cabling, and STEM courses and how all that fits together.

Mr LUTTRELL - You have mentioned a range of different dimensions to technology. In terms of the ICT, certainly that is the key component to the design. The department has a large input into the cabling and the type of cabling, so there are specifications that we require to be provided so that we have a sufficient or base level of ICT infrastructure in every school. That is covered off.

Mrs TAYLOR - Has Smithton got NBN yet?

Mr BILLING - Yes.

Mrs TAYLOR - The school has NBN?

Mr BILLING - Unfortunately we have not had the infrastructure to connect, and this will allow that. We get to choose what we think is the appropriate number of points in each of these new learning areas and the withdrawal areas where we can use it out in those substantial corridors - more a mall than a corridor. It is going to allow for lots of flexibility of how we use our technology, and the wi-fi throughout the building multiplies everything from where it is at the moment.

Mr LUTTRELL - The department supports schools with wi-fi in terms of working through how much access is at each access point. Indeed in terms of this design and I think some of the electrical outlets even have USB points - even students who obviously use the phones all the time. It is going from that real lower level detail of USBs to the infrastructure.

Mrs TAYLOR - I was quite surprised, particularly thinking where Smithton is, to hear that you are looking at architects. Why did you go just for concrete and steel when you live in a forested area? I am really glad to hear this wonderful timber mill is supplying the floor for the gym, which would have been a good order for them - huge. You are going to do heavy duty plaster for internal walls. It is not called heavy duty plaster. It is called low-impact or high-impact -

Mr FLOYD - High-impact resistant.

Mrs TAYLOR - High-impact resistant plaster. Why would you not be looking at using more wood in the building?

Mr FLOYD - There is a lot of wood in the building.

Mrs TAYLOR - Framing?

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Mr FLOYD - Yes. Starting at the ground level, we have concrete slabs, which allows us to get the floor level of the building very close to the ground. We have great access opportunities for staff and students to get onto the ground. It is barrier free at ground level.

Mrs TAYLOR - Excellent.

Mr FLOYD - The low level walls are precast concrete. They are high-impact resistant, great longevity, great in a moist environment. The frame of the building is a steel frame. That will allow us to erect the building quickly and will provide us with volumes where you can run cabling and infrastructure, and get the installation in to make a good-quality airtight building.

The steel frame - because of the steel - is able to go over large spans. The walls within that steel frame are pine timber. They are sheeted with plaster or the various internal finishes we have. Those walls are non load-bearing, which means in 15 or 20 years, those internal spaces can be relatively easily changed, if that is how things go. The skeleton, or frame, of the building is steel. That will last a very long time. It will be very quick to erect. It will mean you can get the roof on the building early in the building processes, so all those other finishes are protected while it is being built. It is also a very economical building.

Mrs TAYLOR - Did you say the internal walls are going to be wood?

Mr FLOYD - The internal walls are made with timber studs.

Mrs TAYLOR - But they are not lined. Why would you not consider lining them with timber rather than with high-impact plaster?

Mr FLOYD - The impact-resistant material that we are using at low level is MDF, which is wood.

Mrs TAYLOR - Coming from where?

Mr FLOYD - I am not quite sure where it comes from. I believe it is probably a pine sub-base and a laminate finish over the top. That has been selected for its ease of cleaning and wiping off, and also for the colour palette. We did not want to introduce too many dark colours low in the building. Timber is certainly an option. We are not necessarily averse to that.

Mrs TAYLOR - I suppose looking at it from a broader Tasmanian economic picture, we ought to be looking more at timber rather than -

Mr FLOYD - Andrew and I were talking about this as we were walking through, looking at opportunities to recycle what we could, where. If there is a possibility of recycling existing wood in there, we would look at doing that. Andrew is saying they have not finalised exactly the internal fitout with regard to the finishes.

Mrs TAYLOR - Certainly, you would want to benefit the local industry if you possibly could.

Mr FLOYD - We will certainly have a look at it.

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Mrs RYLAH - I would like to ask about the foundations. Two of the challenges I see living here and where the high school is located, is that there is a lot of rising damp because it is in the bottom of a valley, even though the high school actually sits on a slight sand hill. There is rising damp, and the other challenge is the wind - in particular, the prevailing south-westerlies. Are these slabs insulated, and what are we doing about the damp issue?

Mr FLOYD - The damp issue will be dealt with by usual building practices where we have a layer of sand and gravel underneath the slab with a layer of plastic over the top of that, which will stop any moisture coming up. There will be a slab - which I believe is 125mm thick - slab edge insulation. We have slab edge insulation and that insulation runs underneath the edge of the building, which is where you get most of your heat loss.

Mrs RYLAH - Is that polystyrene?

Mr FLOYD - I believe it is polystyrene.

Mrs RYLAH - In regard to the wind issue - the wind aspect of the westerly and the south-westerly coming onto the site and the design of how all of this, the windows, all that work.

Mr FLOYD - The windows are double glazed. The building fabric is highly insulated, above Part J of the building code. We have been aware of the wind issues. We have some barriers in front of some of the principal doors. We are proposing to relocate the last steel external structures that were outside the library, which was a long, covered roof area. We are planning on re-using all of that to provide shelter and shade outside the building itself. Part of the design with that internal courtyard recognises the unique Smithton microclimate, and the expectation that there are a lot of days when the students are going to be forced to be inside. They have this circulation spine, which is an extension of their teaching area and engineering space to be in addition -.

Mr BILLING - Could I come in on that too? With the initial design, where the new gymnasium has been built, that has created a natural block to prevailing south-westerly wind. As we were designing this new spine connecting the two buildings, we slid that as far towards the road as possible to regain as much of this northerly aspect as we can. It has created a 'U' in there. That is an extremely sheltered spot. The design of that part is trying to use that gymnasium as a block from the south-westerly wind too. That is one of the better parts of the design. The architects have done a brilliant job with that.

CHAIR - Can we talk about the timeframe? Has it gone to tender?

Mr LUTTRELL - Yes. It went on the weekend, on Saturday.

CHAIR - Were there any parts of the tender that were desegregated?

Mr LUTTRELL - No. My understanding was it was complete,

CHAIR - Why was not anything desegregated?

Mr LUTTRELL - I do not think there was any need to, was there?

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CHAIR - There was no opportunity to reduce it down to allow a greater ability for smaller business to partake in the tender process?

Mr LUTTRELL - We have the view that in the past we have gone out and the contractors, local contractors, have been successful. If you look in the south, north, and north-west, and here recently, the local contractors are successful in being contracted by the lead contractor. We believe local contractors are engaged in these bids. It is time driven. We do have a 2015-16 imperative, and 2016-17 in terms of delivering the build. We are dealing with really tight timelines. Having multiple tenders would take a long time to come to a build or construction. They are some of the factors that we put as a condition in the tender.

CHAIR - I suppose that part of that taking longer, the prime contractor, for example, a contractor such as Stubbs, would subcontract that tender work anyway - go out to a local electrical contractor, or a multinational electrical contractor if it so chose. I am not sure how that would add to the timeframe, given that contractor would have to provide a quote as part of the tender process anyway. Is your evidence saying it would take longer?

Mr LUTTRELL - In terms of how we contract, we have very strict terms and parameters, in how we have to tender for work - lead times, preparation times. If you look in terms of private industry, they can do these things quicker in terms of allowing timelines to contractors to get quotes in. They are not driven by the same type of impediments that we have.

Mrs TAYLOR - It is not as though this has been sitting here for a very long time waiting to be done. We have just heard that it has all been very quick. It has been a surprise, otherwise the school would not have spent money on refurbishing over the last few years.

CHAIR - I am interested in the approach taken by the department around desegregation of contracts. I have not seen a contract put forward by the Department of Education that is desegregated, in stark contrast to the Government's position and the Treasury's instruction requiring it.

Mr LUTTRELL - We have had one down south, which was Montrose. We contracted a small element. The issue is, we have only arrived on these plans very recently, so if we were to - there are two other dimensions I might add to that. One is, in terms of the tenders themselves, and how we assess the tenders, the local content is provided with a weighting.

CHAIR - Yes, but that is your requirement.

Mr LUTTRELL - That is a requirement.

CHAIR - Is it more than the minimum 10 per cent?

Mr LUTTRELL - There is a minimum.

CHAIR - What is the minimum?

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Mr LUTTRELL - The greater level of involvement of local contractors, the better rating it gets. What we find is - and I will be corrected if I say something inconsistent - bids we do receive around the state, including south, north, north-west, we find the local contractors figure quite heavily in terms of the work that is undertaken in each of the specific regions. We are confident that would be the case in the north-west. I believe we did tender this in two papers, which were the north-west and the north, so we are looking for involvement across the north. We are confident that the local contractors would be successful in gaining work with this. Andrew, you mentioned the management aspect of the work.

Mr FLOYD - In contracts or sites like this site, where there is a lot of existing infrastructure, it is often best to have one principal contractor who takes responsibility. If somebody turns the water or the power off, the sheeting home of responsibility and the costs associated with that - there is complete clarity. Often, if there is more than one principal contractor on a site it leads to - not mismanagement - but a lot of issues that really would be better not faced.

CHAIR - You can issue a prime contract to manage the project. There are a lot of buildings where the contractor does not do it all. The client may prefer to use their own electrician or contractor, and they engage a project manager to manage the project. That is then their responsibility.

Mr FLOYD - In my experience, that will add another 10 per cent to your contract.

CHAIR - What was the weighting given to the local benefit test for this tender?

Mr LUTTRELL - There are two components - 10 per cent for the local contractor, and another 10 per cent for the small to medium businesses. In total, there is 20 per cent given to local contractors.

CHAIR - That second 10 per cent - how is that given to the local contractors? Does that have a local benefit component of it?

Mr LUTTRELL - Yes, it does.

Mrs TAYLOR - Perhaps we could have another person at the table.

Mr LUTTRELL - They have to say how they are supporting local industry.

CHAIR - Is that included within the scope of the local benefits test as well?

Mr LUTTRELL - Yes. It is included in the scope of the local benefits test.

CHAIR - How many contractors have been awarded school upgrades in the last that did not get the local benefit test weighting?

Mr LUTTRELL - We will need to go back and look at contracts and come back to you, but I am not aware of any.

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CHAIR - I may have posed that question incorrectly. I will get to the point of this in a minute. How many contractors that tendered for contracts for the Education department were not awarded the full weighting of the local benefits tests?

Mr LUTTRELL - I will need to take that on notice and come back to you. In terms of the work we do, the vast majority is local contractors. Todd is confirming what I said previously, that we are not aware of any around the state.

CHAIR - There are a couple of reasons for that. We have gone through this previously. One is the concern of gouging on smaller subcontractors, where the prime contractors win a job on price and then say to the subcontractors, 'Drop your rates by 30 per cent, or we will get the bloke next door to do it.' They also do not pay on time. They delay it 60 or 90 days. Some prime contractors put pressure on the smaller contractors and say, 'If you give us a 10 per cent discount, we will pay you on time.' What measures do you have in place to identify that, and make sure it is addressed?

Mr LUTTRELL - In terms of the submission, we have visibility of who the contract subcontractors are and the relevant components. Whilst we do not see the financial transactions between contractors, we are aware of the relevant components they have as part of the contract. We have regular on site meetings with a range of people, including subcontractors, where the topic is being discussed. We have some visibility, but not 100 per cent. We are probably not in a position where we could have 100 per cent of seeing the transactions, or getting involved in those transactions. They are a matter between the prime contractor and the subcontractors.

CHAIR - So you do not have any control over the subcontractors used?

Mr LUTTRELL - We have influence in that our process is with the prime contractor, and our access and influence is through that prime contractor.

CHAIR - So the department does not have any responsibility, care, or knowledge of how those subcontractors are managed? Is that the evidence you are giving today?

Mr LUTTRELL - No, that is not the evidence that we do not have any care. In terms of the specific transactions between contractors, we do not see the transfer of funds between contractor 'A' and contractor 'B'. That is not something we have, or could have, but we have visibility in the payments being made to the prime contractor. We meet regularly with relevant parties for site meetings. There is an opportunity for subcontractors to raise issues, should there be issues, and we would engage with the prime contractors about those if they are raised. There is a list of the subcontractors we have visibility of, and should they wish to change those, they need to contact us.

Mr FLOYD - The rates for those particular trades are also identified on the tender form.

CHAIR - Do you ever check those at the end of a tender?

Mr FLOYD - We pay progressively on a progress claim that each month identifies, say, plastering; if 10 per cent of the plastering has been done they will make a claim for that and we will assess that it has been done and pay for that portion of the plastering. Do we know whether it went to the plasterer or not? No.

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CHAIR - Are there any weird specs within the plan that someone has dreamt up, like that you need to import varnish from Sweden or some colour that you can't get at your local small business hardware supplier? There is no paint that we have to fly in from Vancouver?

Mr FLOYD - Our company tries to specify Australian- and Tasmanian-made products wherever we can. For instance, we have spoken to the local window contractors on the north-west coast who do not do a window frame that we like when we work in Launceston and we have modified our documents to suit those particular window fabricators.

Mrs TAYLOR - I had a supplementary to that. You raise this every time, Chair, and I think that is really good, but my supplementary question to that, following on from yours, is does anybody ever check? We say we have all the best intentions and whatever but does anybody afterwards ask any of the local subcontractors if they were fairly dealt with?

CHAIR - That is a really valid point. I don't think these questions up myself; I get told by subcontractors over the years. This is not stuff I think up. Business owners and operators are very fearful of being blacklisted by government agencies and prime contractors if they speak out. If you are doing a site inspection they are not going to tell you they had to cut their rate by 30 per cent to get that job because they know they won't be on the next one. Whilst the Government's agenda is to involve more businesses and make it as equal and as fair as possible, this committee wants to make sure - and it is part of our requirement under the act - of the public value of the work, and that includes making sure that we deal with businesses in a fair way.

Part of the concern is that these issues continue to come up. It is not my prerogative to name specific contractors or businesses, but I and I am sure this committee would expect that each department - and I am not just singling out the Education department because generally they do a good job with managing this stuff - is aware of it. I think it is important it is on the public record that this committee is aware of these issues and we would expect a response each time because I think it is the best way to address it.

Mr LUTTRELL - I might add that the department would not approach an issue or complaint raised by a subcontractor and they should be assured that they would not be blacklisted if they raised issues such that you have raised. The department does care about it but it has limited means by which to be involved in third-party transactions, but if it is raised it certainly would not be considered to be a blacklisting type of event and we would have appropriate discussions with the topic that was raised and then have discussions with the prime contractor.

Mrs TAYLOR - Has it been raised in your experience recently, Tony?

Mr LUTTRELL - I am not aware of any, but that could be the issue the Chair is making that there might be a reticence. We are not aware of any.

CHAIR - I am getting this from the subcontractors that raise it with me, and it has been raised with me for six years since I have been elected and it is still raised with me and specific examples are raised with me. What I see is that ultimately this needs to be led from the top down with zero tolerance for this practice going on with the prime contractors. I think the more this is addressed in forums and public hearings like this, where the evidence is

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part of the record of public history, the better. It is a very valid point they have in place, but I also understand the challenges the department face. Part of what we try to achieve here is making sure that these are addressed on each project until eventually some of the contractors that are doing this get the message that we are not going to put up with it.

Mr LUTTRELL - I have a meeting with the Tas MBA hopefully on Friday and they deal with the large and small, so both the prime and the subcontractors. I am happy to raise that with them. If they are aware of any - and obviously there will be some concerns about anonymity with some of them - we can use them as means for which they can be raised if that is an option the committee would like us to do. I can raise that with them.

Mrs RYLAH - Regarding the window issue you raised, Andrew, will they have thermal breaks in them?

Mr FLOYD - No.

Mrs RYLAH - Why not?

Mr FLOYD - We have done a glazing calculation test to see what the thermal loss will be of the overall building and building envelope and without going to the extra cost of the thermal break, our building complies with part J of the Building Code in terms of heat loss.

Mrs RYLAH - The cost of a thermal break is not great, so why wouldn't we do that?

Mr FLOYD - It is more with a thermal break than it is without a thermal break and we have been able to achieve the energy performance of the building without having to go to the extra cost of the thermal break.

Mrs RYLAH - In terms of energy efficiency, I hear what you are saying but I would challenge -

Mr FLOYD - It would have an additional cost but I am not sure what that is. That is something we could find out. I am advised that the performance of the window suite is minimum performance so they certainly could provide a suite with a thermal break if they wanted to.

Mrs RYLAH - In the current market we have a lot of competitive projects coming up and there will be a lot of contractors competing for this. If there was the opportunity through some savings in the contract, would we be able to move to windows with thermal breaks in them?

Mr FLOYD - That would be a discussion we would raise directly with the Education department to see how they may wish to make use of any savings we can get along the way.

Mrs RYLAH - If there is surplus from the costs, in other words, if you chose not to put in thermal breaks, does the surplus get returned to the Education department or does it go to the high school for other use?

Mr LUTTRELL - We would retain it in the allocation and appropriations for the school so it would be used in the school build. Following on from what Andrew is saying, when we

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get the tender back, there may be a range of different areas we will need to have a look at and what opportunities there might be, and that could be one of them we look at.

Mrs RYLAH - I strongly encourage you to look at that.

Mr LUTTRELL - Or it could indeed be that the tender comes back higher. It is premature to say what we will or won't do here. Ongoing energy savings are something we are looking at right across the state, so that would be a factor.

CHAIR - What would be the cost of thermal breaks if you wanted to put them in, out of interest?

Mr LUTTRELL - I don't know, but I'm going to say \$30 000 or \$40 000 on top of the cost of the windows now. I could probably tell you the cost of the window package.

CHAIR - Yes, out of interest. There is a \$235 000 contingency built into this and I understand that with demolition work it can grow extremely quickly, depending on the scope and the size of the project. I know it is not a P90 contingency that we see on some roadwork projects but what we are interested in is if the budget allocation is \$7 million, including contingency, as you have said, and any savings in the project because you will look at the best value for the taxpayer which could include price, we have seen the road upgrade work near Westbury come in significantly under estimated price, and we have seen that on several other ones.

The school raised one suggestion of a weights area, and certainly that will ultimately up to the school to determine whether that is appropriate or not, but I would be interested to know whether there is a 'we wouldn't mind having this if it would fit within the budget' list. Is there any of that, or none at all?

Mrs TAYLOR - Do you have a wish list, Keith?

Mr BILLING - We would have a wish list that has gradually been priced out of it. There would be plenty to go back in.

Mr LUTTRELL - Pre-option 7654, I suspect.

Laughter.

Mr BILLING - Yes, we just go back. I have them all on file.

CHAIR - We are just saying that where the economy sits at the moment there is some relatively firm pricing being submitted. It still has to stack up and we are not saying the cheapest wins, but we are seeing a focus on costs and that sometimes gives benefit to the project. We just want to make sure that stays within the project and the budget allocated with the school, rather than go somewhere else.

Mr LUTTRELL - No, it will stay with the school.

Mrs RYLAH - One of the real challenges on this side has always been the school buses and the access onto Montagu Road - the safety issues. At least there are fewer log trucks than

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there once used to be with the relocation of the mill but that area along Montagu Road still has some big heavy traffic on it that travels fairly fast. What are the options for consideration - to get this on the record - for changing where the buses are and perhaps completely relooking at how the bus operation works on the site?

Mr LUTTRELL - Keith mentioned previously the area where the toilet block was. We have talked about options in the future for that. That could be one, because it is recessed away from the road more than it currently is. That could be an option for future consideration.

Mr BILLING - Very early on in proceedings we looked at the possibility with the architects of constructing a road that connects Mill Road at the roundabout, straight across where those buildings are going to be demolished, to connect with Fenton Street with a vision of converting the current parking - where everybody would have parked today - into the bus area. That would have allowed the drop-offs down Mill Road and a complete circuit around where there is no need for buses to ever cross the lanes of traffic except at that initial point, just before the lights. Currently they perform a U-bolt across the road. Luckily locals know all about it and it is in a 40kph zone, so to me it is something that would be looked at with DIER. The costs associated with constructing that road is around \$1 million - and that was coming off the initial bill. That was the advice given so it didn't proceed much further than that.

Mrs RYLAH - But it is an issue.

Mr BILLING - It is definitely an issue that I feel is worth consideration.

Mr FARRELL - I have an overall question. Apart from the physical benefits of this rebuilding, how do you think the school will have other intangible benefits through better buildings and design?

Mr BILLING - I feel it has the potential to increase enrolments, which is a very competitive market at present and has been for the last 20 years. We had the Circular Head Christian School built through federal funding and their facilities have been far more modern and for students and parents who take their children through both facilities it has basically been a no-brainer for new families coming into the district. This is purely guesswork, but I'd say of the New Zealand people who have come in through Woolnorth or wherever, we probably only pick up about 25 per cent of those enrolments. They nearly all go to the Circular Head Christian School and it is purely that we just aren't in a competitive market. Since that gymnasium has been built we have picked up at least half-a-dozen enrolments from Circular Head Christian School alone, and that was during last year. The potential for having a facility like this with modern everything in it I think will reduce not only the leakage to Circular Head Christian School but up the coast to Marist College and places like that, because we still have a busload of students who go to Burnie every day.

CHAIR - Just on that, you say you get about 20 per cent to 25 per cent of enrolments. Do all of them come through the school for a look before they choose?

Mr BILLING - No, not all of them come through. A lot of the decisions come from the background of the employer's perceptions. It is something we feel that we are gradually turning around, but given the success of the gymnasium build I am very confident it will make us a far more viable and appealing option, visually anyway. I am confident that we

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have a very strong staff and we're offering some great things through our curriculum. This is basically the icing on the cake, to be quite honest.

Mrs TAYLOR - I would like to go to a different topic, years 11 and 12.

CHAIR - I have a consultation question and then we can wrap up consultation. We toured the school with Jenny Poke, the president of the school association, who is a wonderful local advocate and very passionate and she has been in my ear for years about the gym, the school and the hockey field, which is great and what we want. We talked briefly about the school's consultation with the community and the relatively overwhelming positive feedback. Has there been anyone against it?

Mr BILLING - I haven't had a single negative. I deliberately kept the council informed, particularly in the knowledge that Southside will eventually be demolished and knowing the historical factors beyond that, thinking that there may be some backlash, so that has been mentioned at council and been part of our newsletter - we put that out into the open as quickly as possible. There has surprisingly been nothing other than my wife saying, 'No, you can't knock down the old primary school.'

CHAIR - Has the DA been submitted?

Mr FLOYD - Yes.

CHAIR - Has it been approved?

Mr FLOYD - Yes.

CHAIR - That would have included a public consultation. Are you aware of any objections?

Mr FLOYD - No.

CHAIR - As in there weren't any or you're not aware of any? I just realised I asked the wrong question there. Just on that again, Jenny is a wonderful advocate for the community but I also thought it was great to see the two students there today, Erica Quinn and Judd Stewart, who gave up some of their holidays to support the project. I understand it was the previous SEC that managed the consultation with the students, but it was wonderful to see both those students representing the school, wonderful young local people, and I think it was a credit to the community and the school that they gave up part of their holidays to come and support what was going on today. It shows not only the student involvement in the project but also the overwhelming support within the community.

Mrs TAYLOR - A number of the teachers as well.

CHAIR - That's right; we can't forget the teachers. It gives the community a very good sense of what the staff and students think about it when we have a hearing outside school time and they come along to support it.

Mrs TAYLOR - One of the interesting things I heard today was that the school has currently 17 houses for teachers, which is a great thing. If you can provide reasonably priced accommodation for teachers it has to be a bit of an attractor, I would have thought.

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Mr BILLING - The primary school is part of that as well, with the five government primary schools, so that is shared out amongst them. I would need to check whether we still have 17.

Mrs TAYLOR - I believe you have, although three of them are on the market now.

Mr BILLING - The low-cost rental was to entice teachers to come this way. At one stage it was probably ridiculously low cost and maybe still is in the current market. It's not an easy thing to attract. We are not the high need like the west coast and King Island, but there are still a lot of people who haven't been any further west than Burnie, so it is quite difficult to get staff up this way. It has started to improve a little bit lately, however.

Mrs TAYLOR - I want to talk about years 11 and 12, in particular with relation to this build. We are all very well aware that the government, through the Minister for Education, is very keen to see 11 and 12 being more developed in every high school, or in your case probably expanded. How does this build help you? How many specialist 11 and 12 teachers do you have now?

Mr BILLING - Our policy is to include them in the whole staffing, so it's very rare that we have someone who is dedicated 100 per cent to grades 11 and 12. Our current enrolment would necessitate 2.6 FTEs; however 2.6 doesn't allow you to offer a very robust program, so the increased staff, and that extra one that is provided currently, give regional schools that opportunity to have smaller classes and offer more subjects. It's something that has helped the Smithton campus as far as being able to offer a much broader thing. We run five lines, but we were only able to offer one subject on three of those five lines, and a choice of two on two of the lines. Probably up until five or six years ago we had reduced to that factor. Since having that extra staffing we have taken that to three on two lines and two on the other three lines, so it's doubled well and truly.

Mrs TAYLOR - That has to be a help in the number of students that might go to Hellyer, for instance.

Mr BILLING - It allows us to have more here and the knowledge they are going to be there. It has always been a year-to-year proposition and knowing it is there has allowed us to do the planning to say we are going to definitely have these subjects. So more do stay, but it is going to be an historical thing. It is going to have to build -

Mrs TAYLOR - Does this rebuild help you?

Mr BILLING - The rebuild will help in that it is going to make the trade training centre the grade 11 and 12 base. It will have state-of-the-art facilities and a brand new build, and air-conditioning throughout. It is just what needed to happen. There is plenty of space there should it increase beyond that. What we have there is bound to be able to cater for the current enrolment and increasing enrolment.

Mrs TAYLOR - Do you have the capacity to expand your numbers?

Mr BILLING - We have capacity to increase at least another class. We can still utilise what is over on the other side. For instance, we offer hospitality. Once this build is completed

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we envisage being able to use that commercial kitchen that is part of the existing gymnasium. There has been a bit of a complication with what was a multi-purpose room now becoming our drama area, so there are still a few hurdles to overcome with that, but it is certainly ample for what we have.

Mrs TAYLOR - Do you offer hospitality training?

Mr BILLING - We have hospitality, yes. We've gone through various stages with it. It is something we struggle with. We offered it in partnership with TasTAFE in the past. Last year is the first year we took it on as our own offering and we're looking to extend on that this year.

Mrs TAYLOR - That's up to year 10 as well as 11 and 12, or all the way through?

Mr BILLING - That's only in 11 and 12. We have our home economics program that goes right through from 7 to 10. That is where they are recruited from, so we have the pathway into hospitality.

Mrs TAYLOR - That is obviously the way we're all trying to head to retain more of our students, not just in your school but raising the number of students we retain to the end of year 12. I want to be sure that what we're doing for you now gives you the capacity. If you have doubled your numbers, does this rebuild help you cater for that number?

Mr BILLING - We would struggle with double our numbers, but it wouldn't take much. There have to be those numbers around to actually do that.

Mrs TAYLOR - There are those numbers because half of them go to Hellyer.

Mr BILLING - That's right. If the college system was to fall over then that would be a complication, but there is still a certain number of students from here that need to experience life on the other side of the system, so there will always be that.

Mrs TAYLOR - What percentage of your students from year 10 don't go on to complete year 12?

Mr BILLING - That's a bit hard to gauge, but counting the ones that go to Hellyer -

Mrs TAYLOR - Yes, they go on obviously, but the students who don't complete year 12?

Mr BILLING - We would have a good 80 per cent, I should imagine.

Mrs TAYLOR - You would be bucking the state average if you did - well and truly.

Mr BILLING - They go on to grade 12 but not all gain their TCE, and that has literacy and numeracy issues. For the cohorts that stay in our community, they struggle with literacy and numeracy and that is a generations thing. There will be that group of students and we are continually working on them, but it is not an easy thing to solve.

Mrs TAYLOR - We know that, but that is where we are heading. We are heading towards getting every student to stay until the end of year 12 and complete.

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Mr BILLING - Probably for the ones who just got to 12 by the end of this year, I reckon we would be pushing that 80 per cent. As for how many would have got the TCE, I know with our grade 12s we struggle with them. For the ones that stay with Smithton to grade 12, the percentage of those who actually complete TCE would probably be more like 50 per cent.

Mrs TAYLOR - I am just interested in the numbers that will stay to the end of year 12, whether they get the TCE or other qualifications. Our state average is not good.

Mr BILLING - We are finding more are starting to stay to the end of year 12, but that is community expectation. There is still employment available to our students before getting to grade 12. They can go out and work on dairy farms -

Mrs TAYLOR - That's right, that's what I am saying - you have a number of students who don't even go to years 11 and 12.

Mr BILLING - There are employers who will still employ students in mills and on farms, but that is definitely reducing.

Mrs TAYLOR - That is what my question is about. When they all stay, can you deal with them? Will this rebuild help to do that?

Mr BILLING - This rebuild makes it a more realistic thing.

Mr LUTTRELL - It is worthwhile noting with retention that the statistic that gets used a lot is apparent retention for full-time equivalent retention, and Tasmania doesn't have a high record with that, whereas Tasmania does have high apparent retention on part-time and full-time. That reflects that a lot of students have part-time work -

Mrs TAYLOR - However you look at it, our stats compared to other states are pretty abysmal.

Mr LUTTRELL - The completion ones are.

Mrs TAYLOR - Not just completion, but that's a different argument.

CHAIR - Are you happy, Mrs Taylor, or do you have more questions?

Mrs TAYLOR - Yes, I think so, but we need to ask that question of every school because over the next five or 10 years, we ought to be aiming at trying to get those numbers up. There is no point doing a rebuild if it is not going to be able to cater for the push we have to try to lift our educational levels.

CHAIR - Mrs Taylor, for communities such as Circular Head with the support for years 11 and 12 that we have seen previously, improving assets like this will only enhance that. That is the evidence given by the school and the department today. The Government's agenda is for kids staying in school longer and completing year 12 as a minimum. That is ultimately where we would like to see it. It is not just about having a policy; the infrastructure has to be built to go with it and it is crucial for communities like this to support it. There is very positive support from the community for the school.

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Mr BILLING - Speaking of the wish list, there are other plans to extend further that were cut back. The initial drawing for extending the trade training centre was more substantial than it has ended up so that would probably go back to that wish list question.

Mrs TAYLOR - Which would be great.

As most high schools and colleges are starting to do, I imagine there is a fair amount of interaction between yourself and your nearest college, Hellyer, in terms of ICT and that sort of stuff. Some of your students, particularly the ones who travel every day to Hellyer, will have days when they are not required to be on campus there. You might do some of it -

Mr BILLING - They're working like anything to get with us. We already have some students who have high-definition video links and join Hellyer classes. That is already happening.

Mrs TAYLOR - On your campus?

Mr BILLING - Yes, delivered from Hellyer to our students. That is something we're working in partnership with Hellyer to develop and it has the potential to be expanded further.

Mrs TAYLOR - And again this rebuild caters for that, helps with that?

Mr BILLING - Yes

Mrs TAYLOR - If you have students who go to Hellyer but who might have a day or two a week when they aren't required to be there, can you cater for a place for them to be on your campus, even though they are enrolled at Hellyer? They might use a room to do their studies.

Mr BILLING - We have had that in place. We are also very keen to get back dual enrolments with Hellyer so that they have part of their time there. However there is a bit of internal Education department politicking, depending which principals you are dealing with. We have had positive experiences with that. Reforming after the polytechnic and academy days, timetables don't quite match and with the new principal at Hellyer last year that has not eventuated yet but I keep working on that because I have seen it work in the past and it is certainly something our students would benefit from.

Mrs TAYLOR - A number of colleges, if not schools, have been working with pre-university courses offering some of those in colleges. Now that there is the Underwood Centre, have you had any connection yet with that?

Mr BILLING - No, we haven't, mainly because the cohorts that stay with us usually are not the academic types who are going on to university. Those students usually choose to move to Hellyer well before that, but we are working on it.

Ms OGILVIE - You are probably on their hit list to come and visit. They have a university prep program they like to bring out.

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Mrs TAYLOR - It needs to come out to places like this. Again, will you have the capacity to deal with it? Does this build help you, because you're going to need the room?

Mr BILLING - By making it part of the trade training centre it opens up those possibilities. We have very good connections.

Mrs TAYLOR - Do you think we'll have to go back to that version of the plan with the architects and put in more rooms at the trade training centre?

Mr BILLING - It would be nice but the figures don't quite stack up at the moment.

Mrs TAYLOR - We need to look at where we are heading with education.

I had a question about the library. We talking during the tour about the possibility of that becoming available to the community and possibly LINC moving to jointly have a school library and a public library and maybe, as has happened in some towns, Service Tasmania moving to the school - having all those public services. What would be needed in this build to make that happen?

Mr BILLING - Part of the brief for the build was to make future provision for that. The location was chosen to house the library because of the accessibility and that space, once the toilet block is demolished. The front of the school -

Mrs TAYLOR - You don't like that toilet block, do you?

Mr BILLING - It was bully central for the first 20 years of my teaching career but we managed to shut that down. We have pushed everything so that once students arrive at school, everything happens at the playground side and doors can be closed and it is a shut shop. You are able to see the school but there is no need for students to go out there unless they are going across to the trade training centre, or Southside next year. There is even scope to bring parking in there. We found that was a space where there is potential for the community to access. It is a big space. It is four classrooms and we are replacing the old library with three classrooms that are bigger. They are very similar spaces size-wise. We could downsize as far as our library is required to accommodate the community library. Those discussions have to happen. Things were progressing too fast.

Mrs TAYLOR - Are there things like landscaping and car parking in this budget or has that not been allowed for - for the library for the community?

Mr FLOYD - For the site there is a small landscaping allowances but there is no car parking allowance.

Mr BILLING - That would be part of any future discussions.

Mr FLOYD - The LINC or other works is identified by its location on the site and no more at this stage.

Mrs TAYLOR - That is all, just the location on the site? You're not going to get thing kind of money for a rebuild every five years.

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Mr BILLING - It was advanced; it all came too quickly for LINC to be part of it. We tried.

Mr LUTTRELL - Plus, while the funding sounds a lot it doesn't really provide you with a massive complete rebuild of the school.

Mrs TAYLOR - I understand that, but if that's what the school wants to do and if you think that's what the community wants, somehow it has to happen.

Mr BILLING - The community has been very resistant to move over here initially when it was proposed 20 years ago. I would guess there would still be quite a reluctance to take it out of the centre of town and bring it over the bridge. It's going to be a complex issue and this timeframe just didn't allow for it.

Mr LUTTRELL - It needs a lot of further discussion.

CHAIR - I have one final question about the science section. We have seen in several other public works different models of science labs going forward. I am trying to create a new term, the '*MasterChef* model', where you have individual work stations in the centre of the room rather than around the outside. What is the concept behind the rebuild of the science laboratory for this project?

Mr BILLING - Like you, Adam, I also have a good grasp of the technical side of things and it's my understanding that we are definitely going for the '*MasterChef*' option. If we look at the plan on the second page, it certainly looks like that.

CHAIR - I suppose there are different opinions on how that's best suited and the best way to go? I presume the staff are happy with that proposal?

Mr BILLING - My science staff have been probably the most consulted of all. They have kept Anthony extremely honest with all his different proposals and are probably responsible for versions 3A through to 3B, C, D, 4, 5 and 6.

CHAIR - So you've got a bunch of scientists to agree on something?

Mr BILLING - Well, as close as. It's probably the laboratory technician who has been the most difficult to satisfy.

CHAIR - Keith, we need to consider these things and I require your opinion on them. Does the project deliver the stated purpose?

Mr BILLING - Yes, most definitely.

CHAIR - Do you think it is necessary to carry it out?

Mr BILLING - I think for the longevity of the school, how people view the school, increasing enrolments et cetera and to stay competitive, without this project we would become a second or third-world option almost.

CHAIR - Do you think it provides good value to the taxpayer?

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Mr BILLING - Yes. We have witnessed what has happened with the gymnasium build, so I can say this will be a huge bonus and boost to the whole community.

CHAIR - As I advised at the commencement of your evidence, what you have said to us here today is protected by parliamentary privilege but once you leave the table you need to be aware that privilege does not attach to any comments you may make to anyone, including the media, even if you're just repeating what you have said to us.

Thank you very much for appearing today. The committee will consider the evidence and ask for a draft report to be created with a recommendation for approval or non-approval. That will then be reconsidered by the committee and tabled in Parliament or released publicly, depending on timing.

THE WITNESSES WITHDREW.