



Parliament of Tasmania

PARLIAMENTARY STANDING COMMITTEE OF

PUBLIC ACCOUNTS

REPORT ON

KINGSTON HIGH SCHOOL

Members of the Committee

**Mr Brenton Best MP
Mr Ivan Dean MLC
Mr Peter Gutwein MP**

**Mr Kim Booth MP
Ms Ruth Forrest MLC
Mr Jim Wilkinson MLC (Chair)**

1.1 TERMS OF REFERENCE

The Joint Standing Committee on Public Accounts adopted the following terms of reference at its meeting on 13 October 2010.

“That the new Kingston High School project be examined to ascertain compliance with the project as approved and described by the Public Works Committee Report Parliamentary Paper No. 12 of 2008”.

1.2 PROCEEDINGS

The Committee met with the following officers from the Education Department – Mr Brendan Kelly, General Manager, Learning Services (South), Mr Andrew Finch, Deputy Secretary (Corporate Services) and Ms Helen Gourlay, Principal, Kingston High School on 17 November 2010.

1.3 EVIDENCE

The Committee questioned the witnesses regarding the original budget, how the project was managed, any changes to the original design/plans and the timing and budget on completion of the building works.

Mr Finch, Deputy Secretary (Corporate Services) advised the Committee that :

“... the project was funded in 2006-07 budget for \$30 million. We started work in May 2009 following a tender process ... so we have been in construction for the last 18 months and we are looking at a handover date of December of this year [2010] – which I guess is about two months ahead of the original date of 1 February...”

We have increased the budget for the school and that occurred in the 2009-10 budget primarily because we did have some increased scope around the project, so the budget was increased and has been in the budget papers now for \$33 million in total”.¹

Ms Gourlay, Principal, Kingston High School explained that “when the building was first designed and put in place, \$30 million looked like it was certainly going to do it. Then steel had that great big increase in price and I think there were two or three price hikes and our project straddled those price hikes. Basically, I think it went from \$30 million to \$33 million to accommodate that increase in steel”.²

The Committee was advised that the construction component of the budget for the project was \$23,221,677, and that the lowest tender received was \$28.6 million. The Departmental officers involved undertook a process of identifying possible savings and negotiating to agree on the final outcome. “We then eventually went to a contract at \$26.3 million”.³

¹ Finch, Mr Andrew, Deputy Secretary (Corporate Services), Education Department – Hansard, 17 November 2010, p. 1.

² Gourlay, Ms Helen, Principal, Kingston High School – Hansard, 17 November 2010, p. 3.

³ Finch, op.cit., p. 6.

Mr Finch outlined the areas where savings were made to ensure the project could be completed within the allocated budget :

“We were going to have three green roofs and we only went with two in the end... we thought that we could get the benefits from two and, importantly, still meet the five-star Green Building Council of Australia rating and have a five-star school ... We also substituted steel for timber within the building frame... We were going to build retaining walls with staggered blocks but in the end we used precast concrete, which is cheaper to purchase”.⁴

In addition, all the pods were reduced by approximately 20 centimetres, which also made a significant saving.

“This amounted to a total floor area reduction across all of the learning pods of only approximately 120m² from the original floor area for pods of 2413m², therefore around 5% reduction in floor area, which broadly represented around \$250,000 in savings and enabled other preferred building functionality to be retained”.⁵

1.4 CONCLUSION

The Committee was impressed with the process undertaken by the Education Department to ensure that the project was completed within the budget allocation and before the expected date.

It is evident that the now completed Kingston High School building has been a successful project and it is hoped that Ms Gourlay’s view in relation to this is achieved.

“Without doubt this school is going to be recognised as one of the best in Australia and the world for a period of time before the next one takes over from us. I am confident that we will have educators all round the place coming and looking at the building and the energy and the sustainability stuff around it, which has been really important to us and, most importantly, what we will actually be doing inside it”.⁶

**Parliament House, Hobart
17 March 2011**

**Jim Wilkinson MLC
Chair**

⁴ Ibid., p. 2.

⁵ Finch, Email dated 10 March 2011 to the Committee Secretary.

⁶ Gourlay, op.cit., p. 13.

**THE PARLIAMENTARY STANDING COMMITTEE ON PUBLIC ACCOUNTS
MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART, ON
17 NOVEMBER 2010**

KINGSTON HIGH SCHOOL

Mr BRENDAN KELLY, GENERAL MANAGER, LEARNING SERVICES (SOUTH) EDUCATION DEPARTMENT, **Mr ANDREW FINCH**, DEPUTY SECRETARY, (CORPORATE SERVICES) EDUCATION DEPARTMENT, and **Ms HELEN GOURLEY**, PRINCIPAL, KINGSTON HIGH SCHOOL, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Mr Wilkinson) - Thanks everyone for coming along. This is a situation that is fairly new in Public Accounts because the Public Works Committee, as you know, looks at the proposal, in this instance, to build the new Kingston High School and there is a budget which is looked at by that committee as well. What normally happens after the building is done, and even during the time that the building occurs, is that nothing else that occurs. So there is no real check or balance other than Public Works or another committee coming back to say, 'Did you meet budget? Did you exceed budget? If you exceeded budget, why?' It is just an extra check and balance. Believe it or not, what happened at the last meeting on 13 October was that we understand that the building of the new Kingston High School, which is really going ahead in a very good way - I was down there not last Saturday but the Saturday before - may come in under budget. So what we were doing, with that being the case, was finding out how you did that, what the budget was originally, what occurred, if there were any over-runs and what you had to do to tweak the building in order to come in on budget.

We were going to use the Kingston High School development as a precedent really where we can bounce off into other public works business where they've allowed buildings to proceed and some of those that have come in over-budget.

So that's the history behind it and, as I say, we are treading virgin country at the moment because you are the first ones in relation to this process. It's a fairly informal process. What I'd like to do is just open it up first to either Andrew, Brendan or Helen and then ask some questions if needs be. So I hand over to you.

Mr FINCH - As you know, the project was funded in the 2006-07 Budget for \$30 million. We started work in May 2009 following a tender process, and I will come back to that, so we have been in construction for the last 18 months and we are looking at a handover date of December of this year - next month - which I guess is about two months ahead of the original date of 1 February. We've had a really good process of construction and works and everything has gone very smoothly along the way. We have increased the budget for the school and that occurred in the 2009-10 Budget primarily because we did have some increased scope around the project, so the budget was increased and has been in the budget papers now for \$33 million in total.

Mr BOOTH - Through you, Chair, may we ask questions on the fly?

Mr FINCH - Yes, that is fine.

Mr BOOTH - With regard to the increased scope you've put an extra \$3 million into the project. Was that all to do with additional things you are doing or to make up a cost overrun?

Mr FINCH - No, it was not all to do with additional work, although some of it has been. When we went to the public tender process there were seven contractors who were eligible to apply for this, five from Tasmania and two from Victoria, and we did send the documentation to all those people, but we only got two tenders for the project from two large Tasmanian firms. Both of those tenders exceeded what we had available for our construction budget so we had to go through a process at that point of looking for savings within the overall program for the school to get the project back into budget as well as looking at allocating some additional funding as well. But it was a process that we went through to try to identify any savings we could.

Mr BOOTH - Just to clarify, you mentioned increased scope - what was that?

Mr FINCH - I will come to that.

Mr BOOTH - Okay, sorry.

Mr FINCH - We were going to have green roofs on the pods at the school but we deleted one of those, so we have gone with two. We were going to have three green roofs and we only went with two in the end.

Mr BEST - They were turf roofs, weren't they?

Mr FINCH - Yes.

Mr BEST - I thought it was a great project, to be honest, a great set-up with the auditorium and an outdoor area and the whole thing laid out very well. Sorry to interrupt you.

Mr FINCH - That is okay. Again, we thought that we could get the benefits from two and, importantly, still meet the five-star Green Building Council of Australia rating and have a five-star school because that's what we set out to do and we could still do that, even though we were changing some of those arrangements. We also substituted steel for timber within the building frame. That happens from time to time depending on availability or cost of materials. We have found that throughout the Building the Education Revolution program.

Mr BOOTH - So you used wood instead of steel?

Mr FINCH - Yes, we used timber. We redesigned some of the concrete slabs as well and used some precast panels in lieu of structural concrete retaining walls. We were going to build retaining walls with staggered blocks but in the end we used precast concrete, which is cheaper to purchase. We went through a process and they were the major things we had to do.

Mr BOOTH - Did any of those changes have any effect whatsoever on the utility or amenity of the building in your view?

Mr FINCH - Not essentially, no. We worked in association with Helen in the school association to make sure everyone was in full agreement throughout that process, so it was a consultative process.

Mr GUTWEIN - What was the final cost?

Mr FINCH - The final budget is \$33 million that we are working towards and it's a little bit complex in the sense that there is a construction component that is related to the builder and the fittings of the school and then we had a consultant that we had to engage to act as the project superintendent and do all the design and supervision of the project. Then we fitted out with other furniture and equipment, things that do not come from the building. So there is a range of cost components and they were outlined in the original report but they all add up to the \$33 million budget we have.

Mr DEAN - Will it be completed for \$33 million?

Mr FINCH - Well, the budget is \$33 million and there have been some contributions from other parties which are part of the mix too, so I think we should just make it clear that they are available. There is \$33 million of State funding that has been allocated and there was moneys from the council towards the performing arts centre. The council wanted to increase the seating available in the performing arts centre so it could be used as a joint facility and there are a lot of partnership arrangements with the council.

Mr BOOTH - Are they post the original concept or are they part of the original? I think what we are trying to get to is that originally you had an expected budget of \$30 million and then it went up to \$33 million and now you are talking about add-ons.

Mr FINCH - The add-ons came separately because we were still in a range of discussions with the council about what we would be sharing. There has been a whole lot of traffic management, car parking, sports fields -

Mr BOOTH - So did any of the add-on money contribute to the original concept that you put out for tender? In other words, you put it out for tender and it was a \$30 million thing you thought and it went up to \$33 million and now you have these add-ons. Were those add-ons part of the original project proposal or extraneous to that?

Mr FINCH - No, and Helen might remind me on this one, but I cannot recall whether the performing arts centre was part of the original or whether we had -

Ms GOURLEY - I will just butt in there because I am the only person who was there from 2004 and is still here. There have been changes of everybody in between and the big change was when steel went up by 74 per cent. When the building was first designed and put in place, \$30 million looked like it was certainly going to do it. Then steel had that great big increase in price and I think there were two or three price hikes and our project straddled those price hikes. Basically, I think it went from \$30 million to \$33 million to accommodate that increase in steel. In terms of the scope, nothing really

was added on. In fact, we reduced some things to try to get it under budget. That might answer the questions that you were asking.

Mr BOOTH - Just to be really clear, what I was trying to find out was whether in fact the original proposal is the same proposal you are now talking about finalising, and you mentioned the additional add-on stuff which you were going to give us the value of shortly. But the question I'm trying to get to the bottom of is whether those funds for the add-ons and external sources paying for part of the original proposals that was originally tendered out or are they like, for example, building something separate on the same development? Are the add-ons paying for something additional or are they paying for something that was part of the original proposal?

Mr FINCH - I think there are a couple of different examples. The BER money, for example, came in only in February 2009, well after -

Mr BOOTH - But that wasn't used as part of the development, was it?

Mr FINCH - It has been, yes. We are treating it as part of the project because, again, we wanted to use the money that was available and the school received \$200 000. So what we have done with that is put in a water reprocessing system.

Mr BOOTH - But was the water reprocessing system part of the original plan?

Mr FINCH - I don't think it was, or was it, Helen?

Ms GOURLEY - The answer to your question is what we have now is what we had planned. It took a long time to discuss with the council what they could afford to put in, and they took quite a while to agree to the extension to the auditorium, so we had probably in 2006-07 a two-phase idea. We would have an auditorium that seated 300 or whatever it was, and we had a second proposal of an auditorium that would seat 450, depending on whether the council came on board. As Andrew says, it's a question of when you draw the line in the sand, but right at the beginning the original idea was that we would form partnerships with the council back in Greg Alomes' time, and the previous mayor, Don Hazell's time in 2004, that we would form relationships or partnerships with the council and we would do that as much as we possibly could. So those two strands were working together and then they finally came together with the proposal we have. So the proposal that went to tender is effectively what we've got, what has been built.

Mr BOOTH - Okay, so does the \$33 million include money from the council et cetera or is that going to be additional to it?

Mr FINCH - No, that's additional, so the council is providing \$650 000 towards that. We have also had to find some additional moneys for some covered walkways, because they were not funded as part of the original plan, so that took about \$300 000. We weren't able to fund that as part of the original budget that he came up with.

Mr BEST - Because it went up in price, I think. He hasn't got the money to do it, is what he's saying. He had to go and get it somewhere else.

Mr FINCH - We had to go and look for some other money to allocate that.

Mr BOOTH - Okay, but the project scope hasn't changed. He quoted it out.

Mr BEST - No, that's not what he said. I've got exactly what he said.

Mr BOOTH - Well, with respect, I am actually asking a question of the witness -

Mr BEST - Well, you can but he's already answered it.

Mr BOOTH - I don't need to get my riding orders from you, thank you. I am very clearly trying to get to the bottom of the project as you originally envisaged it. Did that include the walkways or not?

Mr FINCH - They would have been in an original plan that went to tender. As you know, with every project you put out to tender, it is based on some broad estimates from a quantity surveyor, but you can only run with what a builder is prepared to build it for based on a competitive process. You might think we can build something here for \$25 million, but that is only tested when you go to the market, so when the market comes back to you and says, 'I can see what you want to build but it is really \$27 million', and you have another submission that is in that ballpark, you have to then think what to do. Do we allocate more money or do we have to go through and refine the process? What we did was a combination of both; we refined the scope, plus we allocated additional funds.

Mr WILKINSON - How much did you save by refining the scope, Andrew? As I say, we are trying to look at it to see, when we have a chat about other areas as well, how you did it. Here it seems the original budget was \$29 960 887 - that is on page 29 of the public works document. We have here a construction estimate including contingency of \$23 221 677. Are you able to say what that is at this stage? What I would like to do, if I could, is just take you through those project budgets and see what the costs are. I don't know whether you had finished your line of questioning, Kim.

Mr FINCH - I was just going to explain how we did the process.

Mr BOOTH - Just in response to Jim, no, I don't actually have clarity in my mind yet as to what we are talking about in regard to the scope of the project and the overall cost. I am sure that might become clearer.

Mr FINCH - What I said was that we had a design that was submitted within the original report and there was a quantity surveyor's estimate that added up to almost \$30 million with all the categories. The construction budget, as you pointed out, was \$23,221,677. When we went to tender the tender that came in was significantly higher than that at \$28.6 million.

Mr GUTWEIN - And that was just construction?

Mr FINCH - Yes, just construction. We know that we have to cover the architectural consultant, the engineer and the landscaper, the furniture and equipment, and that includes the ICT fit-out for the school.

Mr BOOTH - Which might have been roughly \$6.5million or whatever it was.

Ms FORREST - \$1.2 million.

Mr FINCH - They were stated in the -

Mr BOOTH - No, in total it was \$23-odd million for the original construction which came in at \$30 million but you were talking about those differentials to be to paid for, such as consultant fees et cetera.

Mr FINCH - Yes, the other \$6.8 million would be for all those things. You have a construction budget and then you have the other costs of designing the school, getting all the relevant professional reports, fitting it out in terms of furniture, equipment and ICT, and then having money for any post-occupancy contingency-type things. So we had an issue there that we had to scale back because we were sitting on a construction budget of \$23.2 million and the lowest tender was \$28.6 million. What we did - and I won't table this document but I have it here as a reference because you asked me how we did it - was that we worked closely with the architect, who -

Mr BOOTH - Any reason why you wouldn't table that document?

Mr FINCH - I could but it's not a final sort of document, it just has annotations on it, but I just wanted to give you a picture of what we did. Helen will remember the document very fondly, I would imagine, because we had a group of people, which included the school and community representation, the architect, the project officer and we were getting advice from the builder, so we actually went through 49 items, I think. It was a range of things like the precast panels in lieu of the structural retaining wall. We saved about \$200 000 on that. We went through a process of identifying possible savings and there were 49 different areas but we sat around a table and said, 'Which ones of these can we do?', because Helen would say, 'I am not going to give up on this one because it adds to the amenity of what we want to do educationally or how we want to teach kids, but I can live with only two green roofs instead of three'. So it's a real negotiation and a collaborative process to get an agreed outcome, but that's the nature of the process.

Mr WILKINSON - It is like any building, isn't it? I am doing an extension of a shack at the moment. The architect says that is going to cost x but I won't know until I get the builders come in. Then you have to go back and ascertain 'Do I want this as opposed to that?', and it's a bit of toing and froing.

Mr GUTWEIN - Andrew, as a result of that toing and froing, what did you shave off the quoted price?

Mr FINCH - I mentioned the large things that we changed and that is not all of them but they were the large things. We then eventually went to a contract at \$26.3 million.

Mr WILKINSON - So \$2.3 million approximately was shaved off that tender?

Mr FINCH - That's correct.

Mr BOOTH - What items are no longer there as a result of that shaving?

Mr FINCH - I mentioned that at the start - the green roof and the use of timber as opposed to steel.

Ms GOURLEY - We reduced all the pods by 20 centimetres or something which made a really big saving. I do remember that one.

Mr GUTWEIN - That was one question that I did have. What was the footprint of the building in metres squared that you arrived at at the end of the day?

Mr BOOTH - Post the shaving.

Mr GUTWEIN - Yes. There was 2 413 square metres, so did you actually reduce the footprint by very much?

Mr FINCH - Helen just said yes, we did reduce it slightly. I haven't got that specific level of information with me. I would have to take it on notice.

Mr GUTWEIN - Would you be able to provide that?

Mr FINCH - Yes.

Ms GOURLEY - It wasn't very much, but you would know that a lot of the buildings are in a parabolic shape so what they did was take a little sliver around the outside of all those six shapes, so it has not affected the amenity really at all. I think they actually reduced the wall space so the footprint probably didn't change very much, but I do remember that quite a bit of saving was made on that tiny little change.

Ms FORREST - The point you made is that you had only two tenders and they both exceeded \$23 million.

Mr FINCH - Yes.

Ms FORREST - Did you say you signed a contract for \$26 million?

Mr FINCH - Yes.

Ms FORREST - So there was \$3 million immediately there that was above what you expected?

Mr FINCH - We went through that process of eliminating certain things but we could not eliminate enough -

Ms FORREST - I'm not suggesting you should have, I'm just saying that would account for the \$3 million immediately because the contract you signed in the end was \$3 million above what the estimate was.

Mr FINCH - Essentially, yes. We went through a collaborative process and came back to a scope that we did not think we could reduce any more so we went and sought additional funds through the budget process.

Mr DEAN - I do not want to harp on this, but the professional fees involved in this to date, as I understand, are just short of \$2 million on the document I was reading, \$1.9 million. They would be the people who would give you an estimate of the cost of construction, I would say. They are the ones who would have told you this would cost about \$23 million within a few dollars, or a percentage of whatever it is they normally rely on.

Mr FINCH - They use a professional firm and in this case it was quantity surveyors.

Mr DEAN - So what has gone wrong from there to the tenders? Is it that the tenders have been unrealistic in their costing of this and/or have other things gone up tremendously in the time that your professional people gave you this quote or idea of what the construction would be and the time you had to tender this? Was there a big change in things in that period of time because \$3 million is a fair amount? We are only talking about a \$26 million building or a \$23 million construction, which is not huge.

Mr FINCH - It is slightly in excess of 10 per cent, isn't it? I guess there is a science to it, about -

Mr DEAN - Were you getting good advice?

Mr FINCH - You can see all those items that were in the report; the WT Partnerships report was in the parliamentary committee's report. Again, when we went to the market that was the price at which the market would build it. We went through that process of working as a group; we tested the builders on some of their figures just to clarify them and make sure that they were appropriate. That is a process that occurs also. But you have to make the decision, 'Do we delay the project by up to three to four months to go to the market again?' If you went to the market six months later, for example, you might have got six bids and it might have been more competitive. At the time there might have been other factors. This was a building, I guess, that there wasn't a comparable design for. It is a fairly unique design for a school building so it's hard to test it against something else.

Ms FORREST - What was the time delay, then, from the proposal being put up to when you actually went to tender and received the tenders, and did that coincide with the huge hike in steel prices?

Mr FINCH - It was January 2008 that we got the information. That's named up in the report. That was the cost base data and again that's in the Public Works Committee's report. It was all detailed - January 2008. We didn't go to tender until December 2008.

Ms FORREST - For a whole year.

Mr FINCH - Then we didn't sign the contract until April 2009 so it was about 15 months from when we got the original cost indexation. So the market would have moved in that time.

CHAIR - Parliament signed it off on 5 June 2008.

Mr FINCH - Yes, that's right. The cost data is clearly printed in the report.

Ms FORREST - So the cost data was determined back in January?

Mr FINCH - Yes.

Mr DEAN - Why was there a great delay? Were the funds there at the time?

Mr FINCH - We hadn't built a new school -

Mr KELLY - Since Reece High.

Mr FINCH - Yes, Reece High, which was in the early 2000s. So it was getting on towards 10 years since we'd built a school. We were in new territory. We were working very closely with the school and the community in a collaborative manner to make sure that all their needs were taken into account. That process takes time. Helen can talk about meetings - I went to a lot of meetings. We had a steering committee with the council sitting at the table, and community representation; I think we used to meet about monthly. On that day, I remember Helen was involved in a number of other meetings around sub-design groups and that process takes a lot of time.

Just to talk briefly about the school at Port Sorell; there is a new school to be built there. Based on the fact that we've just built three schools - two in Glenorchy and one in Burnie or we're just finishing them, they're all designed around the same basic design. We actually took that from the Catholic sector - St Aloysius in Kingston. We saved money because we took a design and we saved time in terms of all that process of sitting down with a blank piece of paper and working out what a school should look like. We'll now use that again as the starting point for the Port Sorell school. So because we've now started to build new schools, we're getting more experience and we work with a consistent set of designs but we hadn't done it with this one.

CHAIR - In any works that were scaled back because of the price, do you believe the school has suffered to any degree by not having a classroom that it wanted, not having the performing arts centre that it wanted or anything like that?

Ms GOURLEY - No. It's hard to know in terms of size but when you go and visit, as I'm sure you all will, you'll see that it's a really impressive building and I think it's going to do what we've planned over many years to do.

CHAIR - There are a lot of shared facilities down there. You've got the gymnastics centre, the sports centre, two ovals, tennis courts; it seems to be shared to some very good degree with the community through the Kingborough Council. Is that right?

Mr FINCH - Yes, there's a really good partnership.

CHAIR - Are you able to put a cost on that?

Mr FINCH - Just to reference the earlier comment about the increased scope, there was \$1.1 million that wasn't named up in the original 30 and any of those categories around construction or furniture or fees. As a result of the work with the council, we agreed to pay to get full access to a third court within the Kingborough sports stadium. There is development going on there with the gymnastics centre as well and we contributed. All

that work was taking place sort of alongside the school development. When we reached agreement, we agreed to pay \$1.1 million to get shared access of that sports stadium.

Mr BOOTH - Which is part of the \$33 million?

Mr FINCH - Yes, now part of the \$33 million, but it wasn't part of the original \$30 million. So that is what I was referring to about some of the scope changes. We ended up getting full access to a gym but the good thing is that the community are able to use that of an evening, so there's full shared community use. Also we worked with the council and I think we're still working through some of those arrangements about ongoing maintenance, cleaning and those things.

Mr BOOTH - That shared court wasn't contemplated in the original design or tender? It wasn't that you did that to make up for something that didn't end up getting constructed? It was absolutely an additional add-on to the original project?

Mr FINCH - Yes. We knew that being on a prime site right next to the Kingborough Sports Stadium we weren't going to design another school gym separate to that, so we designed a performing arts centre. That is virtually adjacent to where the gym comes out. The plan was always to get that shared access to the Kingborough Sports Centre but we hadn't reached a point of agreement such that, 'You're going to fund some of the performance arts centre and we're going to fund some of your gymnasium. We also need to talk about traffic and sports fields'. We didn't build in any new sports field either - just netball courts. In terms of a greenfield we are sharing something that existed down below the school.

Ms FORREST - In these agreements is there capacity for you to recoup some of the costs through hire fees and that sort of thing or is council going to get all the income from that?

Mr FINCH - We're just working through some of those.

Ms GOURLEY - The arrangement is that when council use our spaces it will be costless to them and when we use their space it will be costless to us, but when outsiders use our space we will certainly recoup costs.

Ms FORREST - So you have clearly defined spaces, the school space and the council space?

Ms GOURLEY - Yes, quite clear.

Ms FORREST - I thought they were more shared.

Mr FINCH - There is sharing of an evening with the gymnasium space; that will be able to be shared and used outside of school hours by non-school entities.

Ms GOURLEY - The council built a brand-new gymnasium and that's where our \$1.1 million went. In return we got their old gymnasium, which is right beside our buildings. We will have exclusive use of the old gymnasium, which is bigger than we currently have, for use from 8.30 a.m. until 5 p.m., which suits us. A storeroom and an

office have been clipped onto the side of that building and in the evening the council will be able to use what is their gymnasium, so we are all happy.

Ms FORREST - Who is responsible for the ongoing maintenance costs of these buildings?

Ms GOURLEY - We look after ours and they look after theirs.

Ms FORREST - So the old gym is yours or theirs?

Ms GOURLEY - The old gym is theirs but we're using it during the day.

Ms FORREST - And they maintain it?

Ms GOURLEY - Correct.

Ms FORREST - And they're getting hire fees from it?

Ms GOURLEY - It belongs to them.

Mr BOOTH - Do they pay the power for you?

Ms GOURLEY - Yes, they are. That seemed the simplest arrangement because they will need to clean it probably twice a day - once for us and once for other people.

Mr FINCH - It's a model we would like to use in other places as much as we can to save replication or duplication of facilities, plus agreed coverage of ongoing recurrent costs.

Mr WILKINSON - The twin ovals, are you going to be able to use them? One oval is a very good oval, the one on the right-hand side as you are looking down.

Ms GOURLEY - What we will have is exclusive use of Lightwood Park, which I think is a soccer field, which is below our school. We will have exclusive use of that and we will be able to use the rest of the council facilities on a basis that is still to be negotiated. Their netball courts are rented out to the Kingborough Netball Club, so we will have to pay school rates to use those facilities that the council has already sub-leased out.

Mr WILKINSON - The tennis courts?

Ms GOURLEY - We will have two of our own so we probably won't need to do that very much. It is a win-win for us compared to our current facilities.

Mr BOOTH - Was the tender accepted from the underbidder? Were they the cheapest tenderer?

Mr FINCH - They were.

Mr BOOTH - What was the other tender price?

Mr FINCH - The one for Voss Construction was \$28.6 million and the other was \$29.2 million, so about \$600 000 more.

CHAIR - You had Reece High approximately 10 years ago - time flies; I didn't think it was that long ago - and now this one. Did you learn anything from Reece High which made you come back with a sharpened pencil on this occasion?

Mr BEST - Reece High was very much a community school, wasn't it, because the facilities were used quite a lot.

Mr FINCH - I think I had best refer to the answer I gave about the new schools. I think we learnt even through this process that if you sit down with a greenfields development, a new architect and you start from scratch, it is going to be high cost. But I think that what we are trying to do with some of these new schools, to get the most value for money and to ensure that we do not spend a lot of unnecessary time and resources into a design and planning stage, is start with a model which has been largely worked through by a number of educators and communities so that it is well tested around flexible learning spaces, areas that can be opened up to provide big areas or closed down for more defined learning and suits the pedagogical arrangements for the school. I think what we are trying to do is build on that, and each time we do one of those we start with the existing but allow further input and adaptation to suit local circumstance, but it is not like you are starting from scratch again. I think the answer to that is that we have learnt and we continue to learn but we are now building on a base that we have had and is pretty well tried and tested.

Mr KELLY - A natural extension of that would have been when the Kingston High School got life - it was agreed it was going to be built - I leant across to Helen just to confirm my understandings of the discussions with the people who put that together and the teachers about what worked and what did not work and marrying that up against latest pedagogy educationally. We were talking about the delay between when it was announced and when the actual build took place. Then you're putting an architect in that and I know first-hand that Helen was involved in a very extensive process with the staff and the community talking about what they wanted from the build and how it would look and teachers having an understanding about what classrooms would look like and the concept of learning pods and all those aspects of it. So that in part was an element of the collaboration and reducing the time span but you certainly do learn from everything that you do. A 10-year gap, as you did say, is a long period of time.

Piggybacking again off what Andrew was saying, the Windermere and Austin's Ferry primary schools we are building now have been fast-tracked and benefiting very much from the generosity of Catholic Education and their willingness to share their plans, thinking and research. We got a leg in the door fairly quickly there. That's a fairly accurate account of staff learning and working together to co-construct the buildings with the architect.

Ms GOURLEY - We visited Reece High and Julia Aitkin, who is an educational consultant, did a review of Reece High. Julia has worked with us over the last four years to help us get ready for the change. We are going to be operating totally differently to how we did four years ago. Everything is going to be different. We will not be in square rooms with the door closed and the teacher standing at the front of the rooms talking to students; it is truly going to be a very different way of teaching a room. It has required a long lead time and we certainly have learnt, but from not only Reece High; a few of us have been

lucky enough to have had scholarships to go to schools all round the world and we have picked up ideas from the very best in five continents and we've been able to marry those very best ideas into our new school. Without doubt this school is going to be recognised as one of the best in Australia and the world for a period of time before the next one takes over from us. I am confident that we will have educators all round the place coming and looking at the building and the energy and the sustainability stuff around it, which has been really important to us and, most importantly, what we will actually be doing inside it.

Ms FORREST - You made a point about delivering under time. How did you achieve that?

Mr FINCH - I guess when the builder signs a contract you have a date that will be the handover date. I think for a while there we were hampered by weather, but the builder has been able to bring in additional resources to the job and we have found the builder very professional. It is a large Tasmanian building firm. The project supervisor and foreman have been really good people to work with and have responded to issues and they have just sort of got into things and got them done, so they are ahead of schedule, which is a fortunate position to be in.

Mr BOOTH - Did you have any variations that came along after the tender was accepted?

Mr FINCH - There have been some variations.

Mr BOOTH - What are the cost implications of them?

Mr FINCH - I don't have the exact figure for those at hand.

Mr BOOTH - Were they variations because as the building was constructed you wanted to change a few things, or was it because they hit rock or some unforeseen circumstance?

Mr FINCH - We had an issue, didn't we, Helen, with the pipe?

Ms GOURLEY - There was an asbestos pipe, but that was minor. But there have been variations up and down. You are probably interested in the fact that we have had site meetings every fortnight when we have gone through item by item, and we have been really conscious that if we wanted to introduce a variation up we had to find a variation down. One of the things we did put in was that we would be a one-to-one laptop school where every child would have a computer of their own. We have cupboards like in a library where you store books, so we had laptop cupboards designed with ventilation and security and so on, and that cost \$100 000. That was a fabulous variation but it was an upwards one so we had to find \$100 000 to pay for those and we did that with all sorts of things. So we have been amazingly careful as though it were our own money being spent. It is our taxpayers' money so we have been really frugal with the variations.

CHAIR - With the extra BER work you were speaking about, what do you think the final cost will be? We have up to \$33 million now, but there seems to be extras on top of that as well because you are still negotiating with council et cetera and the BER work with the covered walkways et cetera. Is there any idea as to what the final figure will be?

Mr FINCH - Yes. There is a project that we haven't mentioned yet, because it just gives you a feel for how these projects do change over time. Probably about six months ago we had a meeting about a house that sits alongside the old school which we own that and the school uses for alternative education programs. Obviously its location will not be as handy when we move up to the new site, so what we have only really framed up in about the last six months is an addition to the scope of the new school to replace the functions of the house - we call it the house, don't we?

Ms GOURLEY - The Future Centre.

Mr FINCH - The Future Centre - up on the new site. I guess there is about another \$240 000 that is needed, so we have had to go back to the architect and get them to scope something up, then go back to the builder and get a price around what they will do this for. So now we are able to fund that and obviously we want the work done now while we are getting the school ready for occupation, but we will sell the old house to fund that work. Those things aren't envisaged when you sit down and do this, but they come up and change the course of the project. That was another \$240 000 that we hadn't mentioned, so with all the funds covered that we have talked about - the council contribution, the additional funding, the BER, the minor works for the covered walkways and the Future Centre - \$34.161 million is the current budget we're working on.

CHAIR - As a result of the shared occupancy, if I can call it that, or shared usage, have you looked at what the costs would be if you had to fund those as opposed to being able to share them with the council, as for the gymnasium?

Mr FINCH - From the BER example we have just built a gym - well, we've built a number but I'm talking about the Lauderdale one because it has been pretty popular recently - and that is a \$3 million project. The school got its \$3 million from BER, that was its allocation, and it has virtually all gone into the establishment of a gymnasium, a separate building at the school. You can build a gymnasium probably for \$1.8 million but it depends on the actual size, if it is a full court, the height - I think for badminton you have to have a 10-metre high roof as opposed to 6 metres for another sport. So you can go anywhere from \$1.5 million to \$3 million probably to build a gym, where we got one here for \$1.1 million, so I think that is a good deal in the scheme of things.

To create a sports field could be expensive. Even the resurfacing and re-irrigation of an oval can cost you a couple of hundred thousand dollars, so if you had to bring in extra infrastructure to do that, that would be several hundred thousand dollars to do.

CHAIR - And that area is on a hill too, isn't it, so there would be gouging away of that hill to have a level playing field.

Mr FINCH - It lets us keep the site too. It gives us flexibility around our current site because we are using additions to the site rather than the actual school site.

CHAIR - Is there anything within the budget that has blown out to any significant degree? It is a general question because what does 'significant' mean, but if you look, say, at professional fees here they are \$1.955 million.

Mr FINCH - Yes. The current cost for that is \$2.26 million, so again we have had to go back a number of times to the architect and get them to do different things, like the Future Centre house job, as I explained. There is a process for that. They can lodge a claim for additional fees and if we think it is reasonable we will support it otherwise we will contest it. I think Helen really explained well about the variations. There have been variations but they have been able to be funded by ons and offs. Again, it comes back to probably what I said about the builder; we have had a really good working relationship with the builder and have been very impressed and we have not really had any major issues about costs or materials or delays or the like.

Ms FORREST - Have any of these items come in under budget or are they expected to? Obviously the professional fees are not and the construction is not.

Mr FINCH - No. With things like the art in public buildings it is a requirement to spend that sort of money at the maximum level. With furniture and equipment, you work to spend what you can. You spend what you've got available.

Ms FORREST - You could always spend more, I am sure.

Mr FINCH - You could spend more, but you work to a budget.

Ms FORREST - Does your cricket cover come out of that?

Ms GOURLEY - No, that has come out of the variations that we managed to save. There was extra joinery in there that we felt we didn't need, so I was able to pull a whole lot of stuff out because I was personally involved and that saved \$100 000.

CHAIR - Are there any other questions?

Mr BOOTH - It sounds like you've built a great project.

Mr DEAN - I think you have answered the questions. You have learned a lot from this project and you will be able to go on and use that in further school developments such as Port Sorell, et cetera.

CHAIR - It is worth having a look at it. Just looking at it from the road, it really is impressive and to see the other fields down just in front of it and the other activities that are going to take place, it is a terrific use of both school and community areas. You've now got that new gymnastics centre, which is certainly one of the best in Australia; there is no question about that. I was talking to somebody who is mixed up with the Institute of Sport and they say this gymnastic centre is as good as any around and as good as the Institute of Sport, so you are looking at that. That new oval looked magnificent last Saturday week. I know that is a council oval but the school, with the green roofs and the design, is going to be very impressive. As a result of that obviously people will be saying that they want to go to the school. Do you think there is going to be an influx of students to the school because of what it can offer and, if so, how many students?

Ms GOURLEY - I am very conservative in enrolments. I do not take out-of-area enrolments. We have this thing called 'poaching' and I do not poach my students from schools that are to the south of us. I am confident that the school will be able to

accommodate all in-area children. We will move in with a slightly smaller enrolment than the expected 750, which will give us some capacity to grow as people realise what a great school it is going to be.

CHAIR - Sure. What will you move in with, Helen?

Ms GOURLEY - We will move in with only about 600 students, so we will have the capacity to grow to 750, which is the design size.

CHAIR - Did the design size have to be ramped back at all because of the figures, the giving and taking? Was it originally 800 capacity?

Ms GOURLEY - No, never.

CHAIR - So 750 always there?

Mr FINCH - I think it was 700, actually.

CHAIR - So that was always the case; it has not changed?

Ms GOURLEY - Yes.

CHAIR - Looking at areas in the future that committees like ours should look at, where do you believe are the major focus points where projects can completely blow out?

Mr FINCH - We have had a very pleasing outcome with our Building the Education Revolution project.

Mr DEAN - I suppose one of those areas would be getting your tenders out, getting the prices back and getting it going. That is one of those areas where it could really blow out, as probably happened here, trying to shorten those time frames to the benefit of all.

Mr FINCH - Definitely. I just wanted to make that point because there is a lot of work going on now and a lot of scrutiny around the BER work and value for money - the Building the Education Revolution Implementation Task Force. In Tasmania, all the sectors - Catholic, independent and government - are stacking up really well in national comparisons. A further report coming out on that very shortly will identify that. When people look at our buildings they can see really good value for money, functionality and size. There is a whole range of openings going on at the moment. The reason for that was that we used traditional procurement methods - engaging an architect, working with a school to do a custom design rather than a template, off-the-shelf thing, based on some standard principles as we talked about before. Importantly, we put it to the market. The market obviously is the test and all those jobs were tendered. It gives you that competitive process built into what you are doing.

Mr DEAN - You mentioned this will set the benchmark for schools moving forward and you mentioned that you had been pretty well around the world looking at different concepts and ideas and so on. I suspect that the mainland have built schools very recently -

Mr FINCH - Definitely. Victoria and Western Australia are building them quite regularly.

Mr DEAN - How much did you tap into that? When you say you started from scratch with everything I would have thought you would have a good heads-up with some of the mainland schools that have just recently been built, but obviously not.

Mr FINCH - No, we had people visiting those schools. Helen went to a number of different schools. With this project, the architectural consultant was actually a Melbourne-based firm so they were in tune with what they were building over there.

Mr KELLY - Just an addendum to that, when we were looking at building two new primary schools in Austins Ferry and Windermere Primary School, the rough bill was around \$14 million. Before we got into that space, we decided not to build something in our own backyard without testing it somewhere else. We had fairly tight time lines around just being able to deliver and build, particularly when it is tied up in amalgamations. You are dealing with a lot of emotional sensitivity and also traditional cultural elements. We sent a group of about 11 people - half the group, approximately, were parents and half were educators - to South Australia, who had been touted, quite rightly so, as producing some good stuff. They went across there for three or four days and had a good look around because South Australia had spent millions of dollars on design scopes. Just via traditional networks they found that the Catholic education system had developed something and they looked at that. So it was interesting that right in our backyard was the solution. We wanted to look our communities in the eye and say we did the best that we could in the time that we could, therefore we went and had a look. We had community people saying that what we saw we were not happy with but, yes, this is a better solution. So we tried in that instance, within very tight time frames, to have a look.

Catholic education had done lots of scoping, sequencing and their own research. So that is how we got into that space fairly quickly.

CHAIR - Hindsight is 20/20 vision. What would you have done differently to this project as a result of what you have learned?

Mr FINCH - It is a very good question. This might be a bit controversial, but perhaps there was a bit too much design. The design of the school might have been a bit -

Mr BOOTH - Aesthetically pleasing.

Mr FINCH - Aesthetically pleasing or expensive to build compared to some others. For example, it is more expensive to build a round building than a square one. From where I sit, that would be the key learning for me. That might have been part of when we have gone to tender and then received an outcome; it might have been some of the reason for that. It was a fairly unique design. It is a bit like architecture for your house or whatever. You set yourself up for a greater expense than you would otherwise.

CHAIR - Helen, I notice the Samoan Parliament was built as a round building. They believed it was better to do business in a round building. Whether that is right or not, who knows, I do not know, but is that the case with education as well, that round constructions are better for learning?

Ms GOURLEY - I am a mathematics teacher and I would say that if you do some work on cost-benefit analysis of floor space, if anyone knows anything about calculus, a round building is the most efficient thing to get the maximum volume into a minimum amount of floor space.

Mr BOOTH - The problem with that is that most of the materials are not round.

Ms GOURLEY - Though they have been built with rectangular bricks. If you come down to us now, you will see students sitting in all sorts of places. They look really uncomfortable, sitting on the floor, sitting with computers on their lap. If you look at that corner over there, what is happening in that triangle behind your TV?

Ms FORREST - Dust is collecting.

Ms GOURLEY - Right, it is a total waste of space. You look over in that corner and you have nothing in that corner as well. The round building has cut those corners off and saved the concrete and the wall and the ceiling and all of that and it is not wasted space.

Ms FORREST - That is why you are the maths teacher.

Ms GOURLEY - Yes, and I do not want to disagree with Andrew. So I think it has great value and I do not think a rectangular building would have fitted that space so well.

Mr FINCH - No, I would not disagree with that; it was just in the terms of the cost.

CHAIR - Thank you very much for coming along. At the last meeting we were told that Kingston High School is worth having a chat about, finding out how they have done it because we have read a lot about it and how impressive it is.

THE WITNESSES WITHDREW.