



EDUCATION, EMPLOYMENT AND TRAINING COMMITTEE

Members present:

Ms KE Richards MP—Chair
Mr MA Boothman MP
Mr N Dametto MP
Mr JP Lister MP
Mr BL O'Rourke MP
Mr JA Sullivan MP

Staff present:

Mr R Hansen—Committee Secretary
Ms R Duncan—Assistant Committee Secretary

PUBLIC BRIEFING—INQUIRY INTO THE MOUNT GRAVATT TAFE UPGRADE PROJECT

TRANSCRIPT OF PROCEEDINGS

MONDAY, 28 MARCH 2022

Brisbane

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The committee met at 11.14 am.

CHAIR: Good morning. I declare open this public briefing for the committee's public works inquiry into the Mount Gravatt TAFE upgrade project. My name is Kim Richards. I am the member for Redlands and chair of the Education, Employment and Training Committee. I would like to respectfully acknowledge that we sit on the traditional land of the Jagera and Turrbal people and pay my respects to elders past, present and emerging. We are very fortunate in this country to live with two of the world's oldest continuous living cultures in Aboriginal and Torres Strait Islander people. With me here today from the committee are: Mr James Lister, the deputy chair and the member for Southern Downs; Mr Mark Boothman, the member for Theodore; Mr Nick Dametto, the member for Hinchinbrook; Mr Barry O'Rourke, the member for Rockhampton; and Mr Jimmy Sullivan, the member for Stafford.

On 21 February 2022, the committee resolved to conduct a public works inquiry into the Mount Gravatt TAFE upgrade project, located in the Brisbane suburb of Mount Gravatt. The project commenced on 29 June 2018 with an anticipated completion date of 30 June 2021. The total budget for the project was \$19.78 million. The purpose of today's briefing is to hear evidence from the Department of Employment, Small Business and Training and TAFE Queensland in relation to the purpose and necessity of the works, the procurement methods employed and the suitability of the completed project in meeting the needs and stated purpose of the works. In addition to this oral briefing, the department has provided the committee with a detailed written brief for which the committee thanks you and which has this morning been published on our inquiry webpage.

The committee's proceedings today are proceedings of the Queensland parliament and are subject to the parliament's standing orders. Witnesses will not be required to give evidence under oath, but I remind everybody that intentionally misleading the committee is a serious offence. I now welcome representatives from the Department of Employment, Small Business and Training, TAFE Queensland and the Department of Energy and Public Works.

KINNANE, Mr Brent, General Manager, Brisbane Region, TAFE Queensland

KOCH, Mr Steven, Deputy Director-General, Investment, Department of Employment, Small Business and Training

LEVY, Mr Marc, Executive Director, Infrastructure Strategy and Delivery, Department of Employment, Small Business and Training

PRITCHARD, Mr Simon, Chief Financial Officer, TAFE Queensland

TREBY, Mr Dave, Acting Executive Director, South-East Queensland, QBuild Public Works, Department of Energy and Public Works

CHAIR: Good morning to you all. Would you like to make an opening statement and then our committee will have some questions for you?

Mr Koch: Good morning to you and committee members. I would also like to begin by acknowledging the traditional owners of the land on which we meet today, the Turrbal and Jagera people, and pay my respects to elders past, present and emerging. Thank you to the committee for the invitation to attend today's public briefing and discuss with you the Mount Gravatt TAFE Queensland upgrade project. I am joined by colleagues from the Department of Employment, Small Business and Training, or DESBT, and QBuild in the Department of Energy and Public Works. We are also fortunate to be joined by colleagues from TAFE Queensland who can assist with campus-specific information on training and student outcomes.

The Mount Gravatt TAFE Queensland site is a flagship campus and one of the largest of the 45 state-owned training sites across Queensland. Due to the upgrade project, the campus has been transformed into a modern thriving centre for the delivery of industry standard training. It is now an

exciting and inviting place to study and work. The \$19.5 million revitalisation project involved the establishment of the campus as the state's hub for fashion design training and the relocation of TAFE Queensland's corporate office from the Brisbane CBD to Mount Gravatt.

The campus is one of seven across the state to be prioritised for modernisation under the \$85 million Advancing our Training Infrastructure, or AOTI, initiative. More than \$15 million of AOTI funding was invested in the Mount Gravatt campus and additional works were also funded through the Annual Training Infrastructure Program administered by the department. The project included modernisation of A, G and J blocks involving upgrades to the theatre, a horticulture maker space, cafeteria, administration facilities, signage, pathways, external lighting and security. Importantly, the improvements have enabled the campus to broaden its course offerings; attract growing student numbers across a range of courses including fashion, media, horticulture, accounting and information technology; as well as take advantage of its prime location, being just 20 minutes from the Brisbane CBD.

Since 2018-19 student enrolments in Mount Gravatt have increased by almost 50 per cent, with the largest increase of 28.4 per cent in fashion studies over the past three years. The centrepiece of the campus redevelopment, the new world-class Fashion Centre of Excellence, has attracted record enrolments with almost 300 students in fashion related training at the campus in 2020-21. The \$6.5 million centre is an inspiring learning space that positions the campus as a leader in fashion design training. It is a sound investment in Queensland's creative future by ensuring that campus modernisation keeps pace with the latest industry standard sewing, laser-cutting and heat-pressing machines. Additionally, since mid-2019 TAFE Queensland and the University of Canberra have partnered to offer the Bachelor of Applied Fashion at Mount Gravatt.

In addition, the upgrade project has also seen the refurbishment of J block, which has enabled social enterprise Jigsaw Australia to have a fit-for-purpose space to train and support individuals with a disability into employment. The upgrade project will continue to deliver multiple benefits—economic, social and environmental—for current and future students, TAFE Queensland teachers and the local community. The Mount Gravatt campus upgrade is providing access to world-class, cutting-edge and industry-relevant infrastructure and continues to provide a value-for-money investment in Queensland's economic future. Thank you again for the opportunity to attend today. We look forward to participating in the committee activities relating to this inquiry.

CHAIR: Can I say what a delight it was to attend the official opening of the Fashion Centre of Excellence. I do not think I have seen anything more spectacular in my life. In fact, one of my very first TikToks was using some of that digital and creative space.

Mr LISTER: Mr Koch and officers, thank you very much. I am sure I speak for the committee when I say we value your appearance. As is typical, I do not know exactly to whom to put this question, so I might go straight to you, Mr Koch. In terms of the relationship with QBuild for sustainment of the infrastructure associated with TAFE Queensland, I note from the briefing that there is \$42-odd million in 2021-22 for the infrastructure branch of TAFE. Can I ask how maintenance and sustainment is conducted? Is it something that is contracted to QBuild or do your own employees do it? Are there contracted works if a lift breaks or something; do you bring someone in?

Mr Koch: In terms of the training infrastructure that the department holds on behalf of the state—in terms of maintenance, our capital improvements and our safety programs, it is in relation to that training infrastructure. The way we work in the region—and we are all represented here this morning—is we have a strong tripartite partnership between the department, TAFE Queensland as the primary tenant of that training infrastructure and QBuild as the primary contractor in terms of our capital improvements and maintenance activities. I might ask the Executive Director for Infrastructure Strategy to outline a bit more about how the maintenance works in terms of funding.

Mr Levy: As Steven outlined, we have a services agreement with QBuild. DESBT has a smallish staff who report to me within the department. In terms of the funding that the department receives, which is approximately \$42 million per annum, \$17.5 million is allocated to annual maintenance, a small amount for the administrative team—about \$5 million—and the remainder in capital renewal and upgrades. The maintenance program itself is divided into three components. We have breakdown maintenance, a planned maintenance program and a scheduled maintenance program that looks after statutory maintenance. They would be things like lifts, fire extinguishers, electrical systems and those sorts of things. The work itself is carried out by QBuild or QBuild contractors on behalf of DESBT at the sites in strong collaboration with TAFE in terms of organising logistics to tie in with their semester and student delivery.

Mr Koch: If I can add to the answer to your question, in terms of the team that Marc referred to there are 10 to 12 team members. As a result we need to work really closely with our partners such as QBuild in terms of the infrastructure and then with TAFE Queensland in terms of their facility managers that are actually on the site as well.

Mr BOOTHMAN: How do the lease arrangements work? Is it market rate? What type of businesses or community groups would use these facilities?

Mr Koch: Lease rates apply across all of the 45 sites that the department owns. We do that within our team within the department in terms of managing those lease arrangements. In terms of the Mount Gravatt campus, for example, there are 14 leases on that site. A number of those are related to telecommunications and then there are other leases.

Mr BOOTHMAN: Are they the call centres who keep ringing me?

Mr Koch: A number of those relate to social enterprises, for example. I mentioned Jigsaw Australia; they have a great presence at the site where they carry out document digitalisation and support individuals with disability into employment. A number of RTOs operate across different campuses as well. Another longstanding tenant at Mount Gravatt is PARTEC, which is an organisation that operates in the plastics industry and undertakes training and operations in relation to that.

There is another point I would add in terms of third-party arrangements and market rates. We do strive to have market rate arrangements. That is the principle that we operate under. Any lease funding that is received by the department is reinvested into our training infrastructure program as well. I will ask the executive director if he wants to add further to that.

Mr Levy: That is great, Steve. Perhaps the thing to note is that during the COVID experience there was an opportunity for tenants to seek rental relief during that period. As Steve said, the preference is for market rate. The Queensland government Land Transaction Policy applies and it prefers market rate. There is the ability to consider things like community service obligations and the like when we negotiate lease arrangements at the campus.

Mr DAMETTO: Thank you to the department for briefing us on the Mount Gravatt campus upgrade. It is a campus I have not had the opportunity to research or go out and have a good look at. In terms of the \$19.7 million investment, how many staff are now working there and how many students will benefit from the upgrades? How many students are going through the campus—through TAFE as well as the third-party RTOs—on a yearly basis? An approximate answer is good enough for me. You do not need to come down to singular figures.

Mr Koch: I might ask the general manager for the Brisbane region to talk about the student numbers at Mount Gravatt.

Mr Kinnane: As at the end of the 2021 financial year, 2,129 students attended the Mount Gravatt campus across a variety of different courses that range from fashion, screen and media, horticulture, small business solutions, language training programs, education support programs et cetera. There are well over 2,000 students, and that has grown from 2018-19 when the number was 1,430 students.

Mr DAMETTO: That is brilliant.

Mr Kinnane: That is a nearly 50 per cent increase over that period, which is really exciting to see. In relation to staffing numbers, in terms of head count, in 2021-22 there were 315 staff at the Mount Gravatt campus. That includes both TAFE Queensland Brisbane region staff, who are the educators and administrators of the programs, plus the corporate office staff at that particular facility. I would have to refer back to the department in terms of the student numbers around third-party providers because we do not have that relationship.

Mr DAMETTO: That answer gives me a visual now of how big this is. Well done.

CHAIR: It is super impressive.

Mr SULLIVAN: The horticultural model that you have set up looks great. I direct my question to TAFE. Can you expand on the experience in terms of having paying customers doing real-life retail work as well as the actual educational experience given to students?

Mr Kinnane: In relation to the real-life experience, the upgrade of the facilities has enabled us to effectively have a commercial operation. Although we do not treat it as a fully commercial operation, it gives the student direct experience. Any of the students participating in the programs are involved in what we call 'retail sales environments'. That occurs at least one day a week and then, again, a couple of times a year on a Saturday. The students come in and sell what they have propagated

throughout the course of the year. It is no different to walking into any retail nursery facility that you will find around the traps across the region. It is a direct industry experience that the students get to operate in.

Mr SULLIVAN: That is great and we are coming out to visit shortly. The vision of the new theatre upgrades look fantastic. Is it open for public shows as well? Does TAFE put on shows for family and friends or lease it out for performances?

Mr Kinnane: From a program perspective for the students, there is about a 50-seat stadium seating arrangement. Predominantly, it is designed for students and it is non-commercial. People will have guests in for those particular types of programs. As to the leasing of the facility, I am not aware of anything. I might defer to the department to ask if there are any other specific spaces. It would be available as long as it was outside training times. We do that at many of our different locations, lease out—

Mr SULLIVAN: It looks world-class.

Mr Kinnane: Yes, it is a really good facility.

Mr Koch: The theatre is absolutely world-class. Having visited the facility and spoken to some of the teachers and trainers there, the equipment that is now provided as part of the upgrade is really fundamental to the project. For example, the fact that the theatre has 4K high definition cameras that enable students to learn and train with that equipment is valuable.

CHAIR: The digital works there are really something to behold.

Mr O'ROURKE: This question relates to the life of the assets and how the future scoping of works is done, around repainting for example. Who does that work to ensure that we are managing all of our assets across Queensland?

Mr Koch: I will ask the executive director for infrastructure strategy to talk about some of the planning work that went into the Mount Gravatt upgrades. Right across the state we have undertaken significant planning. We do further detailed asset life-cycle assessment planning around each of the training infrastructure sites. That itemises, right down at a very specific level, any of the works or the improvements that may be required over time, down to painting and those types of things. I will ask the executive director to answer that question.

Mr Levy: There are a range of ways to answer that question but, in terms of the AOTI delivery, detailed master planning was undertaken. Part of the delivery of the AOTI improvements looked at 're-living' existing facilities that had become underutilised or disused, which was a key component of the State Infrastructure Plan objectives. Part of the Mount Gravatt campus had become underutilised and was not fit for purpose. In that way, we have extended the life of the existing facility by repurposing it for fashion training. TAFE had relocated some of its training to South Bank and to Acacia Ridge, in terms of trade training and general education and training. There was an opportunity to expand fashion training at Mount Gravatt. A key component of the master planning and the regional infrastructure planning that we did was for 're-living' an existing asset.

In terms of that process, it looked at the whole-of-life costs in terms of the delivery of a range of activities, so things like LED lights and so on went into the project delivery. There are probably some more specific details that we could talk to. As Steve mentioned, in terms of the maintenance programs specifically, we undertake a range of inspections on a cyclical basis to look at things like fire and Building Act compliance, the life of HVAC systems and the individual components of the infrastructure. We also do ALCA or asset life-cycle condition assessments on a cyclical basis. In fact, we have just been to Mount Gravatt to do the ALCA assessment again this year. The first one had been done in 2017 so it was due for a refresh. We are doing that work now to plan the subsequent maintenance program for the facility going forward.

Mr O'ROURKE: Is the scoping of those works conducted by the department or do you outsource it to a third party?

Mr Levy: It is a combination. Typically, through QBuild, we would engage specialists depending on the particular asset type that we are talking about. We might have fire engineers and the like come in. My colleague in QBuild might be able to talk to that in more detail. Yes, but not by us. It is coordinated through us and we engage specialists to provide advice to us on the range of things that would need to be done.

Mr Treby: Condition assessment is done on a planned basis and out of that comes a schedule of works for the recurrent maintenance for the individual centres. It is a cyclical process that then formulates the priority lists of works to be done in the maintenance sphere going forward.

CHAIR: I had the benefit of being involved with our firm in the master plan for the South Bank TAFE redevelopment—I think it was in 2003. Programs and budgets are always very hard to manage in that process. Can you give us an outline in terms of whether we met budget, did we meet the program, were there any significant variations? What did that look like for this particular upgrade?

Mr Koch: In terms of the Mount Gravatt upgrade project, the overall approved funding and budget for both stages of the upgrades was \$23.4 million in total. That was then adjusted through the detailed procurement activities and the contractual activities down to \$19.7 million. The final project expenditure was \$19.5 million in total for those upgrades. I will ask the executive director for infrastructure to talk about the process we have used to manage that budget.

CHAIR: It sounds like a good value-management process was undertaken.

Mr Koch: Yes, absolutely.

Mr Levy: Steve is right: the original program value was \$24 million, which was identified through the master planning exercise. It does involve the employment of quantity surveyors so estimates came through that process. That was the funding that was originally identified in the business case. As we go into the detailed design phase, the estimates become more definite. It turned into a budget of \$19.7 million and the final project cost of \$19.5 million was delivered. Because the project identified some additional funding that was not required, we were able to deliver some more work at the site with funding savings that were realised through the various phases.

CHAIR: Fantastic. A project that comes in under budget is always a good thing for Queenslanders. Did it meet the program as well?

Mr Levy: Absolutely, yes. The work was completed by June 2021, which was the target.

Mr Koch: In terms of the completion, the work was handed over with minimal defects. The handover to TAFE Queensland was highly accepted and has been utilised since. It has been very successful in terms of the infrastructure build and process, from our point of view. In the written brief we have outlined there were four minor components to the project that had either slight delays or overruns, but considering the number of projects and upgrades they were all managed obviously within budget and within time, as well.

Mr SULLIVAN: The figures on student numbers are fantastic. It is great to see that enrolment, particularly with the Fashion Centre of Excellence. Are those students being attracted from across the state or are they being attracted from interstate? Could you speak to that or take it on notice?

Mr Kinnane: That specific detail I do not have in front of me today, but it is something we will be able to find out.

Mr SULLIVAN: That is great, thank you. To the TAFE representatives, Mr Kinnane and Mr Pritchard: I assume that you are both based at the new corporate headquarters on campus?

Mr Pritchard: I am.

Mr SULLIVAN: The written brief talked about the positive culture that comes from being co-located with service delivery and administration—those are my words, paraphrasing the brief. How do you think it is going, as a corporate body?

Mr Pritchard: There were two main reasons why TAFE Queensland took the decision with DESBT to relocate from 133 Mary Street to the Mount Gravatt campus. Firstly, the issue that you have spoken about, the value of having the corporate office actually based on site with training delivery for students, is not really something that the corporate office could see occurring in the CBD. It allows people from the corporate office to attend graduations and to see why TAFE Queensland exists.

The second reason for the relocation was that TAFE Queensland was paying approximately \$1.2 million per annum rent on four floors at the end of Mary Street. We were expecting a large rental increase from 2019, due to refurbishment that had been undertaken by the landlords. It made sense financially to move out. There is certainly the direct financial aspect but, equally as important, there is the cultural aspect as well.

Mr SULLIVAN: And more car parks?

Mr Pritchard: Yes.

Mr LISTER: We were all thinking that!

Mr Kinnane: I am based at the South Bank campus—that is where my office is—but I have been a regular attender at Mount Gravatt for many years now. The upgrade to the facilities, in particular those facilities shared by staff and students, creates an environment of collaboration as

well. There is nothing better than going down and having a look where the coffee shop is now and looking out the back and seeing almost a class of students hanging around with their teacher having a coffee, undertaking effective training and collaboration.

Mr SULLIVAN: A fuller campus life, rather than just being transactional.

Mr Kinnane: Absolutely, that is correct.

CHAIR: It has been master planned very well.

Mr O'ROURKE: My question is to the department. With any projects there are always good learnings, either through challenges or some really great outcomes. Reflecting on the upgrade of Mount Gravatt, are there key things that you need to consider in the future when you are working on other TAFEs around Queensland? Have there been any key findings?

Mr Koch: You are right: absolutely we are looking to learn from our experiences and the upgrades. The Advancing our Training Infrastructure commitment of \$85 million and the amount of funding that has been expended over the last four years—almost \$225 million across the state—is the most amount of funding that we have had for quite some period into TAFE campuses. What we have learned across a number of these campuses—Mount Gravatt, the brilliant new campus in Pimlico in North Queensland, Cairns, Toowoomba and Bundaberg; there are a number of those upgrades and the facilities are fantastic—is that there is a need to have flexibility with the spaces. It is similar to what Brent was saying before around having that flexible learning space, the ability for teachers and students to interact and to look at how we can collaborate.

That is really the way forward for modern training infrastructure into the future. It is not so much about big sites and big buildings but more about flexibility in the actual facilities and multipurpose use. The other key thing is the relationship between the TAFE campus on the ground and local employers, and building the facilities to meet the needs of local employers. Certainly from our perspective, the Mount Gravatt upgrade has achieved that through particularly the horticulture, Fashion Centre of Excellence and media and screen upgrades, as well. When talking to some of the teachers at Mount Gravatt, they have reported that they have had new employers coming to the campus as a result of the upgrades. This is fantastic to see. The feedback, in terms of what they can then provide to the students—some of those employers apparently come along and say they wished they had trained in those type of facilities some time ago. That link to the skills the employers need is really critical.

CHAIR: It is close to 12 months since the handover. I know that your architects and engineers would be in the process of getting ready to do their post-occupancy evaluation. Mr Treby, has QBuild started the process of evaluating the construction? What have been the lessons learnt about opportunities for improvement?

Mr Treby: Obviously, the defects liability period has expired. We have been back to look at any of the remedial work that has happened during that time. I am glad to say it has been minimal.

CHAIR: Excellent.

Mr Treby: The builders have done a good job. That is partly due to our superintendents and representatives making sure that the builders do the right thing. We do have a defects process that the department uses for all new construction, so there is good internal follow-up to make sure that contractors do the right thing. The contractors who did this work were very good and provided some good quality outcomes. In terms of the post-occupancy evaluation, we have not commenced that yet. It is something that we will do in the future. It is all about the learnings and seeing what has happened so that we can apply that to structures and to new developments going forward.

CHAIR: Was it a managing contract or a traditional contract?

Mr Treby: No, it was traditional. They are all traditional 2124 contracts.

CHAIR: Terrific, thank you.

Mr DAMETTO: I know props are not allowed but I would have loved a PowerPoint presentation today with some photos!

CHAIR: Wait until you see it.

Mr DAMETTO: I cannot wait to get out there.

CHAIR: I think you will enjoy the surprise of seeing it in person. It is magnificent. I thoroughly enjoyed the opening. It was state-of-the-art and, in terms of the fashion side of things, it was hands down one of the best facilities I have seen.

Thank you very much. That concludes today's briefing. There was one question taken on notice about the student composition across the state and whereabouts they are coming from. Could we get the response to that question by close of business on Monday, 11 April 2022? Thank you to the

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departmental officers. Thank you to our Hansard reporters, our parliamentary broadcast staff and our secretariat for their assistance today. A transcript of these proceedings will be available on the committee's webpage in due course. I declare this public hearing closed. Thank you very much.

The committee adjourned at 11.49 am.