

Mount Gravatt TAFE Upgrade Project

**Report No. 26, 57th Parliament
Education, Employment and Training Committee
October 2022**

Education, Employment and Training Committee

Chair	Ms Kim Richards MP, Member for Redlands
Deputy Chair	Mr James Lister MP, Member for Southern Downs
Members	Mr Mark Boothman MP, Member for Theodore
	Mr Nick Dametto MP, Member for Hinchinbrook
	Mr Barry O'Rourke MP, Member for Rockhampton
	Mr Jimmy Sullivan MP, Member for Stafford

Committee Secretariat

Telephone	+61 7 3553 6657
Email	eetc@parliament.qld.gov.au
Technical Scrutiny Secretariat	+61 7 3553 6601
Committee webpage	www.parliament.qld.gov.au/EETC

Acknowledgements

The committee acknowledges the assistance provided by the Department of Employment, Small Business and Training and TAFE Queensland.

All web address references are current at the time of publishing.

Contents

Abbreviations	iii
Chair’s foreword	iv
Conclusions and recommendations	v
1 Introduction	1
1.1 Role of the committee	1
1.2 Scope of the inquiry	1
1.3 Inquiry process	1
1.4 Recommendations and conclusions	2
2 Background	3
2.1 Training Infrastructure Delivery Framework	3
2.2 The role of DESBT in relation to TAFE	3
2.3 Inquiry coverage	5
2.3.1 Scope of the Upgrade Project	5
2.3.2 Funding for the Upgrade Project	5
3 Examination of Mount Gravatt TAFE Upgrade Project	6
3.1 Purpose of the work	6
3.2 Suitability of the works for the purpose	7
3.2.1 Location	7
3.2.2 Size	7
3.2.3 Design	7
3.2.4 Occupational health and safety	8
3.2.5 Disability access	8
3.2.6 Security	8
3.2.7 Fire protection	9
3.2.8 Car parking	9
3.2.9 Future development	9
3.3 Necessity for, and the advisability of, the works	9
3.4 Value for money achieved, or likely to be achieved, by the works	10
3.4.1 Cost of the Upgrade Project	10
3.4.2 Financial benefits of the Upgrade Project	11
3.5 Revenue produced by, and recurrent costs of, the works	12
3.5.1 Revenue produced by the works	12
3.5.2 Recurrent costs associated with the works	13
3.6 Public value of the works, including impacts of the works on the community, economy and environment	14
3.6.1 Impact on the community	14
3.6.2 Impact on the economy	14
3.6.3 Impact on the environment	14
3.7 Procurement methods for the works	15
3.8 Balance of public and private sector involvement in the works	15
3.9 Performance of constructing authorities and contractors	16

3.10 Actual suitability of the works in meeting the needs and achieving the stated purpose of the works	17
Appendix A – Submitters	19
Appendix B – Officials at public departmental briefing	20
Appendix C – Campus Map	21

Abbreviations

AOTI	Advancing our Training Infrastructure
ATIP	Annual Training Infrastructure Program
committee	The Education, Employment and Training Committee
DESBT	Department of Employment, Small Business and Training
Upgrade Project	Mount Gravatt TAFE Upgrade Project
VET	vocational education and training

Chair's foreword

This report presents a summary of the Education, Employment and Training Committee's findings from its inquiry into significant upgrades to the Mount Gravatt TAFE at Cavendish Road, Mount Gravatt in Brisbane.

The upgrade comprised three overarching projects:

- Advancing our Training Infrastructure – Mount Gravatt, which included a new Fashion Centre of Excellence, several campus improvement projects, and improved and revitalised horticulture, filmmaking and amphitheatre spaces.
- Upgrade and refurbishment of A Block Administration, facilitating full relocation of TAFE Queensland's Corporate team to the Mount Gravatt campus.
- Refurbishment of J Block, to provide social enterprise tenants with safe and fit-for-purpose spaces.

The committee is satisfied that the project was necessary and advisable, and that the decision to invest in upgrades to buildings on the campus was the most preferable option. This includes the decision to relocate the TAFE Queensland headquarters to A Block at the campus from the Brisbane central business district.

The committee is also satisfied that the building upgrades are suitable for their purpose, and that the project has provided value for money.

In the construction stage the upgrades created the equivalent of 23 full time jobs for contractors, tradespeople, materials suppliers and consultants. The operation of the upgraded facilities should provide significant ongoing benefits to the local community including producing graduates to support the fashion, horticulture and filmmaking industries.

The environmental impacts of the project were minimised through the design of the upgrades and the incorporation of technologies and materials with minimal adverse environmental impacts.

The performance of the constructing authority, consultants and contractors for the works has been good. Together these groups delivered a high quality product, on-time and within budget.

On behalf of the committee, I thank all participants in the inquiry for their input and the committee secretariat staff for the research and administrative assistance.



Kim Richards MP
Chair

Conclusions and recommendations

The committee has concluded:

- the building upgrades are suitable for their purposes.
- the project was necessary and advisable and that the decision to upgrade the facilities at the campus was reasonable.
- the project was reasonable value for money.
- the costs, revenue and recurrent costs are reasonable.
- the work has had a positive impact on the community and economy; and measures to minimise the impact of the project on the environment are satisfactory.
- the procurement method for the work was suitable.
- the balance of public and private sector involvement in the work was satisfactory.
- the performance of the constructing authority, the consultants and contractors for the work was satisfactory.

Recommendation 1

2

The committee recommends that the Legislative Assembly note the contents of this report.

1 Introduction

1.1 Role of the committee

The Education, Employment and Training Committee (committee) is a portfolio committee of the Legislative Assembly which commenced on 26 November 2020 under the *Parliament of Queensland Act 2001* and the Standing Rules and Orders of the Legislative Assembly.¹

The committee's primary areas of responsibility include:

- Education, Industrial Relations and Racing
- Employment, Small Business, Training and Skills Development.

The committee performs a number of functions in relation to its areas of responsibility, including the assessment of public works in regard to the suitability of the works for the purpose.

1.2 Scope of the inquiry

On 21 February 2022, the Education, Employment and Training Committee resolved to conduct a public works inquiry into the Mount Gravatt TAFE Upgrade Project (Upgrade Project). The terms of reference for the inquiry, in accordance with section 94 of the *Parliament of Queensland Act 2001*, were to examine the Mount Gravatt TAFE Upgrade Project and report to the parliament on:

- (a) the stated purposes of the works and the apparent suitability of the works for the purpose
- (b) the necessity for, and the advisability of, the works
- (c) value for money achieved, or likely to be achieved, by the works
- (d) revenue produced by, and recurrent costs of, the works, or estimates of revenue and costs for the works
- (e) the present and prospective public value of the works including, for example, consideration of the impacts of the works on the community, economy and environment
- (f) procurement methods for the works
- (g) the balance of public and private sector involvement in the works
- (h) the performance of:
 - i. the constructing authorities for the works
 - ii. the consultants and contractors for the works, with particular regard to the time taken for finishing the works and the costs and quality of the works, and
- (i) the actual suitability of the works in meeting the needs and achieving the stated purpose of the work.

1.3 Inquiry process

The committee publicised the inquiry and called for submissions on 25 February 2022 in an update sent to the committee's subscribers and through the parliament's social media accounts. It also released a media statement on 25 February 2022 and wrote to local Members of Parliament, contacts associated with the delivery of the Upgrade Project provided by DESBT, and other stakeholders and relevant organisations, to advise them of the inquiry and invite written submissions.

¹ *Parliament of Queensland Act 2001*, section 88 and Standing Order 194.

The committee sought a written brief on the Upgrade Project from the Department of Employment, Small Business and Training (DESBT), which was provided on 18 March 2022. DESBT provided a public briefing on 28 March 2022.

One submission to the inquiry was received by the committee (see Appendix A). A response to matters raised in the submission was provided by DESBT on 29 April 2022.

On 9 May 2022, the committee inspected the upgraded facilities.

On 4 July 2022, DESBT provided the committee written responses to a series of questions from the committee about the Upgrade Project. Information from DESBT's responses is used extensively in this report.

The submission, written briefs, correspondence from DESBT and transcripts of the briefings are published on the committee's inquiry webpage.²

1.4 Recommendations and conclusions

The committee's recommendation and conclusions are summarised as follows:

Recommendation 1

The committee recommends that the Legislative Assembly note the contents of this report.

² <https://www.parliament.qld.gov.au/Work-of-Committees/Committees/Committee-Details?cid=166&id=4148>.

2 Background

2.1 Training Infrastructure Delivery Framework

DESBT owns 45 individual training sites throughout Queensland. These sites are mainly utilised by TAFE Queensland, which, as the state's public provider of vocational education and training (VET), has a vital role in delivering training to Queenslanders throughout the state.³

In November 2017, the Queensland Government released its *Pathways to Training, Skills and Jobs* policy as part of a government election commitment. This policy included investment for a new initiative: Advancing our Training Infrastructure (AOTI), to invest up to \$85 million across several training sites/regions as part of the medium to long-term plan to revitalise the state's TAFE infrastructure portfolio.⁴

From 2018 to 2021, the delivery of AOTI was prioritised to provide for the modernisation of the following TAFE campuses:

- Mount Gravatt
- Alexandra Hills (Redlands)
- Ashmore and Southport (Gold Coast)
- Toowoomba
- Pimlico (Townsville)
- Cairns.

The Mount Gravatt AOTI commitment included \$15 million to consolidate and revitalise the campus to a fit-for-purpose, modern condition.⁵

2.2 The role of DESBT in relation to TAFE

As owners of sites utilised by TAFE Queensland, DESBT plans for and delivers contemporary infrastructure in collaboration with TAFE Queensland. In delivering these projects, TAFE Queensland and DESBT partner with QBuild (Department of Energy and Public Works) to deliver construction and maintenance services across all-state-owned sites.

Table 1 on the following page describes the functions and responsibilities of DESBT, TAFE Queensland and QBuild in relation to TAFE infrastructure projects under their partnership arrangement.

³ DESBT, correspondence dated 18 March 2022, p 3.

⁴ DESBT, correspondence dated 4 July 2022, p 3.

⁵ DESBT, correspondence dated 4 July 2022, p 3.

Table 1: Partnership arrangement for TAFE infrastructure and maintenance

DESBT	TAFE Queensland	QBuild
<ul style="list-style-type: none"> • Custodians of state-owned training sites, and manages them on behalf of the Queensland Government; • Works with QBuild and TAFE Queensland to effectively deliver infrastructure projects, as part of annual capital and maintenance programs or projects related to government election commitments (ie <i>Advancing our TAFE Infrastructure; Equipping TAFE for our Future</i>); • Receives an annual appropriation (\$42.247m in 2021-22 budget) to fund the Infrastructure branch, associated costs, the Annual Training Infrastructure Program, Annual Maintenance Program and other programs, excluding government election commitments; and • Supports and relies on TAFE Queensland to plan for and deliver training infrastructure, subject to TAFE’s needs and requirements. 	<ul style="list-style-type: none"> • Queensland’s primary public provider of VET and primary tenant of state-owned sites; • Maintains a schedule of infrastructure required to deliver industry-relevant training and maintain statutory requirements; • Identifies opportunities for improvement in delivery in campuses and undertake the relevant forward-planning and engagement activities to support this; • Responsible for daily management and operations of campuses, along with WHS obligations; and • Works with DESBT to ensure capital and maintenance investments are targeted. 	<ul style="list-style-type: none"> • Maintains a partnering agreement with DESBT to deliver all training infrastructure requirements in building and maintenance state-owned facilities; • As principal contractors, QBuild manages risks, scope work requests, tenders, evaluation and negotiation, contract awards, and implementation and management of contractual arrangements throughout the lifecycle of a project contract; and • As an informed purchaser, QBuild provides leadership in procurement planning, market engagement and value-for-money assessments.

Source: Based on information provided by the DESBT in correspondence dated 18 March 2022, pages 4-5.

2.3 Inquiry coverage

The committee's examination of the Upgrade Project considered the activities falling within the scope of that project, and the funding to deliver them. The scope of the Upgrade Project and the funding sources are detailed below.

2.3.1 Scope of the Upgrade Project

The Upgrade Project comprised a series of works, grouped into 3 overarching components:

- **AOTI – Mount Gravatt**, including:
 - creation of the new Fashion Centre of Excellence
 - a variety of campus improvement projects, including: renewal of the cafeteria; security and footpath upgrades; and, new signage, façade, walkway and lighting projects
 - improved horticulture learning spaces, including the creation of a new horticulture maker space area
 - improved filmmaking learning spaces, including a revitalised theatre
 - demolition of several old buildings.
- **Upgrades and refurbishment of A Block**, including:
 - the refit of administrative areas, to facilitate the relocation of TAFE Queensland's Corporate team from the Brisbane CBD to Mount Gravatt.
 - the refit of horticulture learning spaces.
- **Refurbishment of J Block**, to provide tenants, including social enterprises, with safe and fit-for-purpose spaces.⁶

According to DESBT, the refit of administrative areas in A Block and the refurbishment of J Block were included in the Upgrade Project because they were identified as 'value-adding opportunities' which could be completed in conjunction with the AOTI projects.⁷

2.3.2 Funding for the Upgrade Project

The total approved funding for the Upgrade Project was \$23.37 million. However, through cost savings measures, the final budget was reduced to \$19.78 million.

Funds to deliver the Upgrade Project were provided from 2 sources:

- \$15 million from the AOTI program, to upgrade the Mt Gravatt TAFE campus to a fit-for-purpose, modern condition⁸
- \$8.291 from the DESBT Annual Training Infrastructure Program (ATIP) (an annual infrastructure appropriation) for upgrades and refurbishment of A Block and J Block.⁹

⁶ DESBT, correspondence dated 18 March 2022, p 4.

⁷ DESBT, correspondence dated 18 March 2022, p 6.

⁸ DESBT, correspondence dated 18 March 2022, p 5.

⁹ DESBT, correspondence dated 18 March 2022, p 6.

3 Examination of Mount Gravatt TAFE Upgrade Project

3.1 Purpose of the work

DESBT is responsible for delivering and maintaining training facilities for TAFE Queensland to ensure that Queensland's training infrastructure remains capable of meeting the skilling demands of the current and future workforce.

DESBT identified the Mount Gravatt campus as well-positioned, but underutilised. In a written briefing to the committee, DESBT explained:

Due to the extensive age [of the buildings] and the significant evolution of industry and their needs, the buildings and training facilities had become increasingly unfit for existing and projected training demand.¹⁰

Master planning undertaken for Mount Gravatt TAFE indicated that, despite the poor state of its facilities, it was starting to see an increase in training enrolments. This increase was projected to continue, and potentially accelerate, due to the relocation of fashion training from TAFE's Southbank campus to Mount Gravatt.

Together, these factors led DEBST to identify the need for upgrades at the Mount Gravatt campus as 'critical'.¹¹

The purpose of the works was to ensure that the facilities at the Mount Gravatt campus were modern, fit-for-purpose, and capable of meeting existing and future training demands. This was to be achieved by:

- creating a new Fashion Centre of Excellence
- consolidating and centralising course offerings, administration and staff on campus
- improving connectivity, safety, and user experience
- offering surplus buildings for alternate use.¹²

More broadly, DESBT sought to design the Upgrade Project in accordance with the following economic benefits:

- the provision of optimal facilities in order to enhance academic achievements of TAFE Queensland students
- facilities which support a long-term increase in TAFE Queensland student skills and their earnings capabilities
- the provision of renewed, modernised, flexible, and technologically innovative training infrastructure, improving the delivery of education services and encouraging the retention of staff
- the provision of community benefits through growth in community engagement activities and improvements to the quality of life for the campus users
- the provision of short-term and long-term employment opportunities through construction.¹³

¹⁰ DESBT, correspondence dated 18 March 2022, p 6.

¹¹ DESBT, correspondence dated 4 July 2022, p 4.

¹² DESBT, correspondence dated 4 July 2022, p 10.

¹³ DESBT, correspondence dated 18 March 2022, p 7.

3.2 Suitability of the works for the purpose

3.2.1 Location

According to DESBT, a number of characteristics of the Mount Gravatt campus made it a suitable location for the Upgrade Project, including:

- the site's close proximity (20 minutes) to the Brisbane CBD and location on a main arterial road of the city's South-East Road corridor
- the existence of multiple access points to the campus with public transport connections
- the availability of more than 900 car parks on the campus.¹⁴

A map of the Mount Gravatt campus is included at Appendix C.

In addition, DESBT considers Mount Gravatt TAFE a suitable location for investment due to its provision of courses in areas where student and industry demand is growing. These areas include fashion, screen and media, and horticulture.¹⁵

3.2.2 Size

The Mount Gravatt campus is a relatively large site, with 12 buildings occupying the almost 160,000m² site. The Upgrade Project involved a large proportion of this site, including all or part of A, B, E, F, G, I, J and T Blocks, as well as several outdoor spaces across the campus.¹⁶

3.2.3 Design

The Upgrade Project was designed to provide flexibility and sustainability.

In correspondence to the committee, DESBT explained that the provision of flexible learning spaces was a key goal of the Upgrade Project, the absence of which had hindered the ability of TAFE Queensland to introduce new modes of training delivery at Mount Gravatt.¹⁷ Several aspects of the design provide the necessary flexibility, particularly the Fashion Centre of Excellence, which incorporates a variety of flexible spaces. These include:

- a design museum
- an exhibition space
- social spaces for external users
- industry aligned collaborative spaces
- flexible facilities allowing for drastic internal changes
- a makerspace/micro-business hub for start-up businesses
- theory rooms for multi-use.

According to DESBT, the Fashion Centre of Excellence and flexible teaching spaces will allow the Mount Gravatt TAFE 'to grow and embrace change, create an integrated student community and provide cutting-edge technical hubs which provide specialist tools and equipment, flexible enough to adapt to emerging technologies'.¹⁸

¹⁴ DESBT, correspondence dated 4 July 2022, p 10.

¹⁵ DESBT, correspondence dated 4 July 2022, p 29.

¹⁶ DESBT, correspondence dated 4 July 2022, p 3.

¹⁷ DESBT, correspondence dated 4 July 2022, p 13.

¹⁸ DESBT, correspondence dated 4 July 2022, p 14.

DESBT advised that the Upgrade Project adopted an ‘environmentally conscious and sustainable approach during project design and construction’. Examples of this included:

- installation of LED lighting and smart lighting technology for new external lighting
- purchase of ergonomic task chairs with Australasian Furnishing Research and Development Institute (AFDRI) 6 Blue Tick/Green tick accreditation
- selection of fit-out materials with low volatile organic compounds.¹⁹

3.2.4 Occupational health and safety

DESBT advised the committee that the Upgrade Project was ‘certified to comply fully with occupational health and safety requirements’.²⁰

3.2.5 Disability access

DESBT advised that the Upgrade Project complies with Australian Standard AS1428 -*Design for access and mobility*. Compliant aspects of the design include:

- ramp gradient ratios
- handrail requirements
- tactile and stair nosing contrast strips
- contrast ratios for signage
- hearing augmentation provisions
- adequate spacing between fixed and positioned furniture
- doorway minimum widths, clear access upon approach and suitable hardware
- door thresholds for the main entry automatic glass sliding doors
- bathroom facility compliance such as specialist tapware and fixtures, grab rails, minimum width of corridors
- openings and space around fixtures
- kitchen facilities compliance such as specialist tapware and fixtures.²¹

DESBT also advised that Block J general arrangement and fit out works comply with the requirements of Part 3 of the *Disability Discrimination Act 1992 (Cth)*.²²

3.2.6 Security

Several aspects of the Upgrade Project have improved security at Mount Gravatt TAFE. These include:

- installation of new signage across the campus and along street frontage to make the campus easier to navigate
- improvements to lighting of pedestrian thoroughfares and the main car park
- installation of new and upgraded CCTV cameras across the campus, both externally and within A, F and G Blocks

¹⁹ DESBT, correspondence dated 4 July 2022, p 13.

²⁰ DESBT, correspondence dated 4 July 2022, p 14.

²¹ DESBT, correspondence dated 4 July 2022, p 14.

²² DESBT, correspondence dated 4 July 2022, p 15.

- relocating the Security Hub to F Block, a more central location within the campus
- upgrading security facilities, including monitoring facilities.²³

3.2.7 Fire protection

DESBT advised that the Upgrade Project complies with fire safety requirements, including the requirements of the Queensland Development Code (Mandatory – Part 6.1) in compliance with the *Building Act 1975* and the *Building Fire Safety Regulation 2008*.²⁴

Emergency evacuation signage has been updated to reflect the changes to the buildings as a result of upgrades. A wider update of all emergency evacuation signage for the Mount Gravatt campus was in progress in July 2022.²⁵

The Upgrade Project does not appear to have altered bushfire risks at the site. DESBT advised that the built portion of the Mount Gravatt campus is not affected by bushfire hazard. While the bushland on the western portion of the site (part of the Tristania Way Park reserve and watercourse area) is assessed as being at medium risk of bushfire, this does not affect the TAFE campus.²⁶

DESBT advised that there is adequate access for emergency service vehicles at the Mount Gravatt campus, and that at July 2022, upgrades to the campus fire hydrant systems are in progress as part of a separate project.²⁷

3.2.8 Car parking

The Mount Gravatt campus offers a total of 900 on-site car parks. During the Upgrade Project, construction works were staged so as to minimise the impact on car parking, for example by minimising work during periods of peak demand.²⁸

3.2.9 Future development

DESBT indicated that it will consider options for the future development of the site, including possible investment in Youth Foyers and Urban Education Villages. DESBT stated that the built infrastructure and land area available at the Mount Gravatt campus is sufficient to meet an increase in demand in the future.²⁹

3.3 Necessity for, and the advisability of, the works

According to DESBT, prior to the Upgrade Project, the facilities at Mount Gravatt TAFE were in significant need of modernisation:

... the existing facilities showed considerable age and dilapidation due to a lack of infrastructure investment into the campus. Generally, the average age of the buildings was 22 years with the oldest buildings at around 70 years old.³⁰

DESBT advised that the buildings and training spaces at Mount Gravatt had become unfit for purpose and were consequently underutilised. The facilities were also reportedly unable to meet existing or

²³ DESBT, correspondence dated 4 July 2022, p 16.

²⁴ DESBT, correspondence dated 4 July 2022, p 16.

²⁵ DESBT, correspondence dated 4 July 2022, p 17.

²⁶ DESBT, correspondence dated 4 July 2022, p 17.

²⁷ DESBT, correspondence dated 4 July 2022, p 17.

²⁸ DESBT, correspondence dated 4 July 2022, p 17.

²⁹ DESBT, correspondence dated 4 July 2022, p 17.

³⁰ DESBT, correspondence dated 4 July 2022, p 4.

future training demand.³¹ DESBT identified the absence of flexible teaching spaces as hindering TAFE Queensland’s ability to introduce new training delivery at Mount Gravatt.³²

DESBT considered a variety of options for improving the quality of the learning spaces, buildings and campus experience at Mount Gravatt TAFE, including:

- fencing a revised campus footprint, to enable surplus buildings to be used by community groups and/or government
- developing a ‘DesignTech’ precinct in order to enable broader creative industries training delivery
- demolishing part of an existing car park to build a small business hub
- demolishing a large number of buildings (J, L, M, O and P Blocks), existing student and staff car parking, the tennis court, and several small structures to allow a more ambitious redevelopment of approximately 54,000m²
- revitalising the amphitheatre space and investing in landscaping and outdoor amenities to facilitate greater social engagement between students.³³

These options were rejected for different reasons, including feasibility issues, high costs, and lack of direct benefit to training quality and/or campus experience.³⁴

3.4 Value for money achieved, or likely to be achieved, by the works

3.4.1 Cost of the Upgrade Project

During the design phase, DESBT engaged independent quantity surveyors to ensure the project was managed within budget. During the procurement process, the tendered values for the various components of the Upgrade Project were assessed to be ‘fair and reasonable’ based on estimates provided by the quantity surveyors.³⁵

DESBT advised the committee that as the Upgrade Project was ‘non-standard’ it was difficult to provide an appropriate cost per square metre comparison. However, as shown in Table 2, it appears that the costs associated with the AOTI components of the Upgrade Project were below that of another AOTI project at Southport TAFE.

Table 2: Comparison of cost/m² of AOTI projects

TAFE Campus	Type of works	Cost/m ²
Mount Gravatt	G Block upgrade: Fashion Centre of Excellence, including specialist equipment	\$2,875/m ²
	F Block upgrade: relocation of security hub and revitalisation of ground floor	\$2,270/m ²
Southport	Renewal of nursing and allied health training facilities	\$3,668/m ²
	Provision of new general learning areas	\$3,322/m ²

Source: DESBT, correspondence dated 4 July 2022, p 23.

³¹ DESBT, correspondence dated 4 July 2022, p 4.

³² DESBT, correspondence dated 4 July 2022, p 13.

³³ DESBT, correspondence dated 4 July 2022, pp 19-22.

³⁴ DESBT, correspondence dated 4 July 2022, pp 19-22.

³⁵ DESBT, correspondence dated 4 July 2022, p 23.

As shown in Table 3, the total budget approved for the Upgrade Project was \$23.37 million. Through cost saving measures, the final budget was reduced to \$19.78 million. The final project cost was \$19.52 million, a saving of \$3.85 million.

Table 3: Approved funding, final budget and actual cost of the Upgrade Project

			Approved Funding (\$M)	Final Budget (\$M)	Actual Cost (\$M)
AOTI – Stage 1	Fashion Centre of Excellence	Fit out of the Fashion Centre of Excellence on Level 2	\$4.434	\$2.981	\$2.929
		New deck and walkway at G Block Level 2	\$0.418	\$0.203	\$0.196
		New façade and entry between G and B Blocks	\$0.261	\$0.230	\$0.193
		Sub total	\$5.113	\$3.413	\$3.317
	Improve the campus experience	Upgrade cafeteria and Hospitality on A Block Ground Floor	\$0.745	\$0.594	\$0.604
		Develop new signage across the campus	\$0.151	\$0.547	\$0.478
		Relocate campus security to F Block Level 1 and install CCTV	\$1.358	\$0.577	\$0.428
		Improve lighting to pedestrian thoroughfares and main car park	\$2.136	\$0.763	\$0.737
		Sub total	\$4.390	\$2.482	\$2.246
	Total			\$9.503	\$5.895
AOTI – Stage 2	Horticulture, media & admin	A Block relocation and consolidation of administration	\$0.365	\$0.354	\$0.354
		F Block revitalisation of ground floor, horticulture, make space refurbishment	\$1.724	\$2.273	\$1.934
		I Block revitalisation of theatre, film, and TV	\$1.965	\$2.842	\$3.335
		Sub total	\$4.054	\$5.468	\$5.623
	Other	Demolition of T & E Blocks	\$0.414	\$0.043	\$0.043
		QBuild implementation costs	\$0.841	\$0.000	\$0.000
		Unallocated costs (contingency value)	\$0.602	\$0.000	\$0.000
Total			\$5.911	\$5.511	\$5.665
Additional works - ATIP	J Block refurbishment		\$1.500	\$1.500	\$1.432
	G2 Block (Stage 2)		\$1.500	\$2.773	\$2.762
	A Block refit		\$4.540	\$4.015	\$4.014
	A Block Horticulture GLA		\$0.414	\$0.083	\$0.083
	Total		\$7.954	\$8.371	\$8.291
GRAND TOTAL			\$23.368	\$19.777	\$19.520

Source: DESBT, correspondence dated 18 March 2022, p 16.

3.4.2 Financial benefits of the Upgrade Project

DESBT advised that the cost-benefit analysis for the proposed AOTI component of the Upgrade Project predicted it would have a positive financial effect on TAFE Queensland, increasing net student enrolments and associated revenue.³⁶

Enrolment figures suggest that the Upgrade Project has helped to increase student enrolments at the Mount Gravatt campus and associated revenue. During the public briefing, DESBT advised:

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

³⁶ Public briefing transcript, 28 March 2022, Brisbane, p 2.

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 2020-21.³⁷

TAFE Queensland provided further information on enrolments, stating:

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.³⁸

DESBT reported that the Upgrade Project generated savings through the relocation of TAFE Queensland Corporate Office from rented premises in the Brisbane CBD to the Mount Gravatt campus. TAFE Queensland's former Corporate Office at 133 Mary Street in the Brisbane CBD was rented at a cost of approximately \$480,000 per year.³⁹

DESBT estimated that the rental costs associated with the CBD location were likely to be \$3,045,387 over a 3-year period, starting in 2019-2020. DESBT anticipated that the rental costs would further increase due to refurbishment works on the building. It is noted however, that DESBT had not entered into formal negotiations as to the rent price.⁴⁰

3.5 Revenue produced by, and recurrent costs of, the works

3.5.1 Revenue produced by the works

The Upgrade Project produces two main sources of revenue: fees associated with new and increased student enrolments, and rental income from third-party tenants.

DESBT advised that it is difficult to quantify the increase in revenue associated with the projected increase in enrolments at Mount Gravatt. DESBT explained:

There are many factors that influence the decision by students to study at TAFE Queensland, one of which is the standard of facilities. It is therefore not possible to identify changes in revenue resulting directly and solely from the upgrade of facilities at the Mount Gravatt campus. Due to the differing investment strategies and initiatives at a state and federal level that were implemented before, during and post-COVID, the relevancy of year-on-year comparison of revenue is questionable.⁴¹

It appears likely that the Upgrade Works have helped to generate revenue associated with enrolments. As noted above, since completion of the Upgrade Project, enrolments at Mount Gravatt have increased by almost 50 percent, compared to the 2018-19 financial year, with the largest increases occurring in fashion studies.⁴² Assuming that training market settings remain stable, TAFE Queensland projects that enrolments at the Mount Gravatt campus will continue over the next 3 to 5 years.⁴³

The Upgrade Project has also allowed TAFE Queensland to continue generating rental income from third-party tenants at the Mount Gravatt campus. The campus has 14 third-party tenants, some of whom benefited from the Upgrade Project. In the 2021-22 financial year, DESBT received a gross amount of approximately \$200,000 in rent payments from these tenants.⁴⁴

³⁷ Public briefing transcript, 28 March 2022, Brisbane, p 2.

³⁸ Public briefing transcript, 28 March 2022, Brisbane, p 3.

³⁹ DESBT, correspondence dated 18 March 2022, p 11.

⁴⁰ DESBT, correspondence dated 4 July 2022, pp 23-24.

⁴¹ DESBT, correspondence dated 4 July 2022, pp 24.

⁴² Public briefing transcript, 28 March 2022, Brisbane, p 2.

⁴³ DESBT, correspondence dated 18 March 2022, p 10.

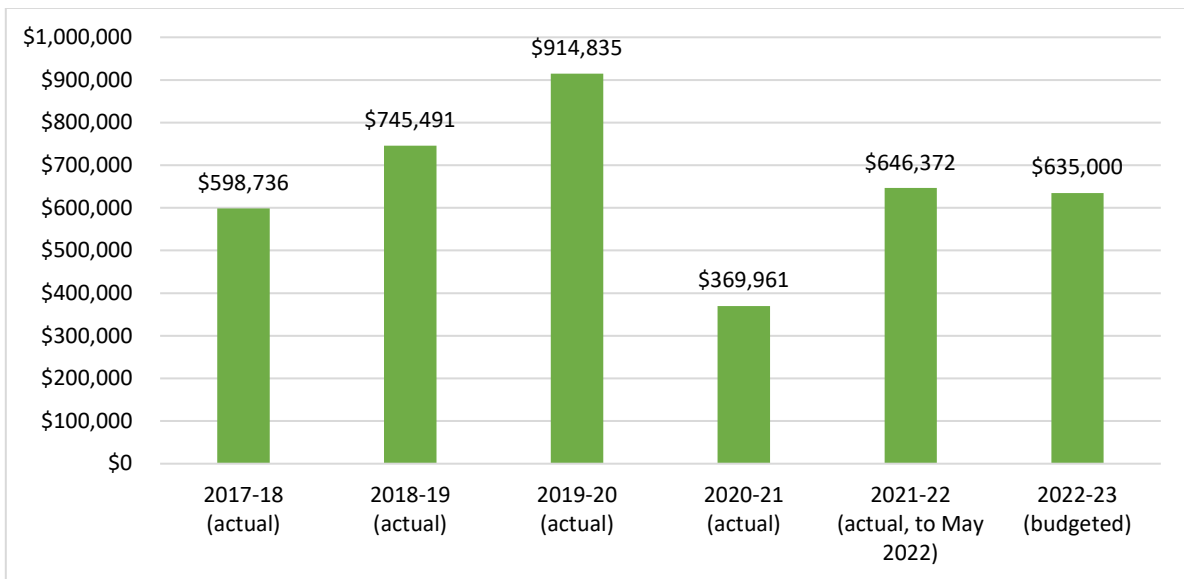
⁴⁴ DESBT, correspondence dated 18 March 2022, p 10.

It is unclear whether the rent paid by any tenants has been increased as a result of the Upgrade Project. DESBT advised the committee that the department strives ‘to have market rate arrangements’ for its third-party leases, but also noted that it is able to consider ‘community service obligations’ when negotiating lease arrangements at its properties.⁴⁵

3.5.2 Recurrent costs associated with the works

The primary recurrent costs associated with the Upgrade Project are maintenance costs, including planned maintenance, testing and maintenance of building systems (eg air conditioning, fire safety and lifts), and repairs of breakdowns and damage caused by unplanned events, such as floods. DESBT provided the committee with information on the actual and budgeted costs of maintenance at the Mount Gravatt campus between 2017 and 2023, shown in Figure 1, noting that the maintenance costs associated with the Upgrade Project are not recorded separately.⁴⁶

Figure 1: Maintenance costs for Mount Gravatt TAFE



Source: DESBT, correspondence dated 4 July 2022, p 25.

In a written briefing, DESBT explained changes in the maintenance costs between 2018-2019 and 2019-20 as follows:

... the difference in actual maintenance expenditure between 2019-20 and 2020-21 is due to significant works being undertaken in 2019-20 to prepare for and in line with the works associated with the Upgrade Project. These significant works included major duct cleaning, ducted AC replacements, cosmetic refurbishment and landscaping in addition to proposed AOTI works.⁴⁷

Taking this into account, it appears that the Upgrade Project has not significantly increased maintenance costs at the Mount Gravatt campus and when evaluated over the longer term, may have reduced them.

⁴⁵ DESBT, public briefing transcript, 28 March 2022, Brisbane, p. 3.

⁴⁶ DESBT, correspondence dated 4 July 2022, pp 25-26.

⁴⁷ DESBT, correspondence dated 4 July 2022, p 26.

3.6 Public value of the works, including impacts of the works on the community, economy and environment

3.6.1 Impact on the community

DESBT advised that the Upgrade Project has had a positive impact on the community by providing safer and more welcoming public spaces on the campus.⁴⁸ DESBT also advised the committee that the Upgrade Project has delivered benefits to its social enterprise tenants, by providing them safe spaces that are fit-for-purpose. These social enterprise tenants include White Box Enterprises Pty Ltd (Whitebox Enterprises), an organisation that trains individuals with disabilities and supports their transition to employment.⁴⁹

Whitebox Enterprises stated that the Upgrade Project had 'enabled the creation of more than 350 jobs for overlooked and underserved Queenslanders over the last two years'.⁵⁰ White Box Enterprises elaborated:

These works as a result have a considerable impact on the local economy and has empowered and provided the opportunity for young Queenslanders living with a disability as well as those from refugee asylum seeker backgrounds to improve their personal financial position with long-term meaningful work.

The improved financial position lessens the burden on the public purse and enables families to be able to provide and become financially resilient even through cost of living pressures.⁵¹

3.6.2 Impact on the economy

The Upgrade Project is likely to have a positive impact on the economy in both the short and long term.

In the short term, construction associated with the Upgrade Project created the equivalent of 23 full time jobs for contractors, tradespeople, materials suppliers and consultants.⁵²

In the longer term, DESBT advised the committee that the Upgrade Project would have a positive impact on regional economic growth by allowing TAFE Queensland to meet current and future demands for training in key sectors, including textiles and fashion, media and telecommunications, and horticulture.⁵³ DESBT advised that Jobs Queensland has forecast significant growth in these sectors over the next 3 to 4 years.⁵⁴

DESBT advised the committee that the Upgrade Project has increased opportunities for engagement between TAFE Queensland and local businesses, which is expected to have a positive impact on the local economy.⁵⁵

3.6.3 Impact on the environment

DESBT advised the committee that the Upgrade Project will benefit the environment by improving the energy efficiency of operations at the Mount Gravatt campus.⁵⁶

⁴⁸ DESBT, correspondence dated 18 March 2022, p 27.

⁴⁹ DESBT, correspondence dated 18 March 2022, p 11.

⁵⁰ Submission 1, p 2.

⁵¹ Submission 1, p 3.

⁵² DESBT, correspondence dated 4 July 2022, p 4.

⁵³ DESBT, correspondence dated 4 July 2022, p 28.

⁵⁴ DESBT, correspondence dated 4 July 2022, p 29.

⁵⁵ DESBT, correspondence dated 4 July 2022, p 4.

⁵⁶ DESBT, correspondence dated 4 July 2022, p 28.

3.7 Procurement methods for the works

The Upgrade Project was completed using QBuild as the project and procurement manager, and for contract administration. QBuild applied the *Capital Works Management Framework* and *Queensland Purchasing Policy* in undertaking those roles.⁵⁷

DESBT advised the committee that QBuild used a combination of open and select tenders to select head contractors for different components of the Upgrade Project, as shown in Table 4.

Table 4: Tender processes for the Upgrade Project

Open Tenders	Select Tenders
Fashion Centre of Excellence	A Block administration
G Block amenities	I Block Theatre
A Block cafeteria	New horticulture maker space
New signage	Horticulture general learning areas
Pedestrian pathways	Refurbishment of J Block
External lighting	Principal Design Consultant (PDC) and Quantity Surveyor (QS) consultants
G Block façade and entry	
G Block deck and walkway	
Relocation of security (F Block)	
Installation of new CCTV	
Concourse and amphitheatre	

Source: DESBT, correspondence dated 4 July 2022, p 30.

For Select Tenders, QBuild made use of 'Pre-Qualified Contractor Long Lists', with firms selected based on suitability and recent opportunities. QBuild provided Select Lists to the tender panel and conflict of interest forms were completed. Tenders were evaluated against set criteria with a probity adviser responsible for addressing any risk or perception of bias during the procurement process.⁵⁸

3.8 Balance of public and private sector involvement in the works

As shown in Figure 2 on the next page, the vast majority of the Upgrade Project was completed by private construction businesses, both in terms of value and in terms of the number of project components awarded to each head contractor.

DESBT advised the committee that it used several criteria when deciding whether different aspects of the works should be undertaken by the public or private sector, including:

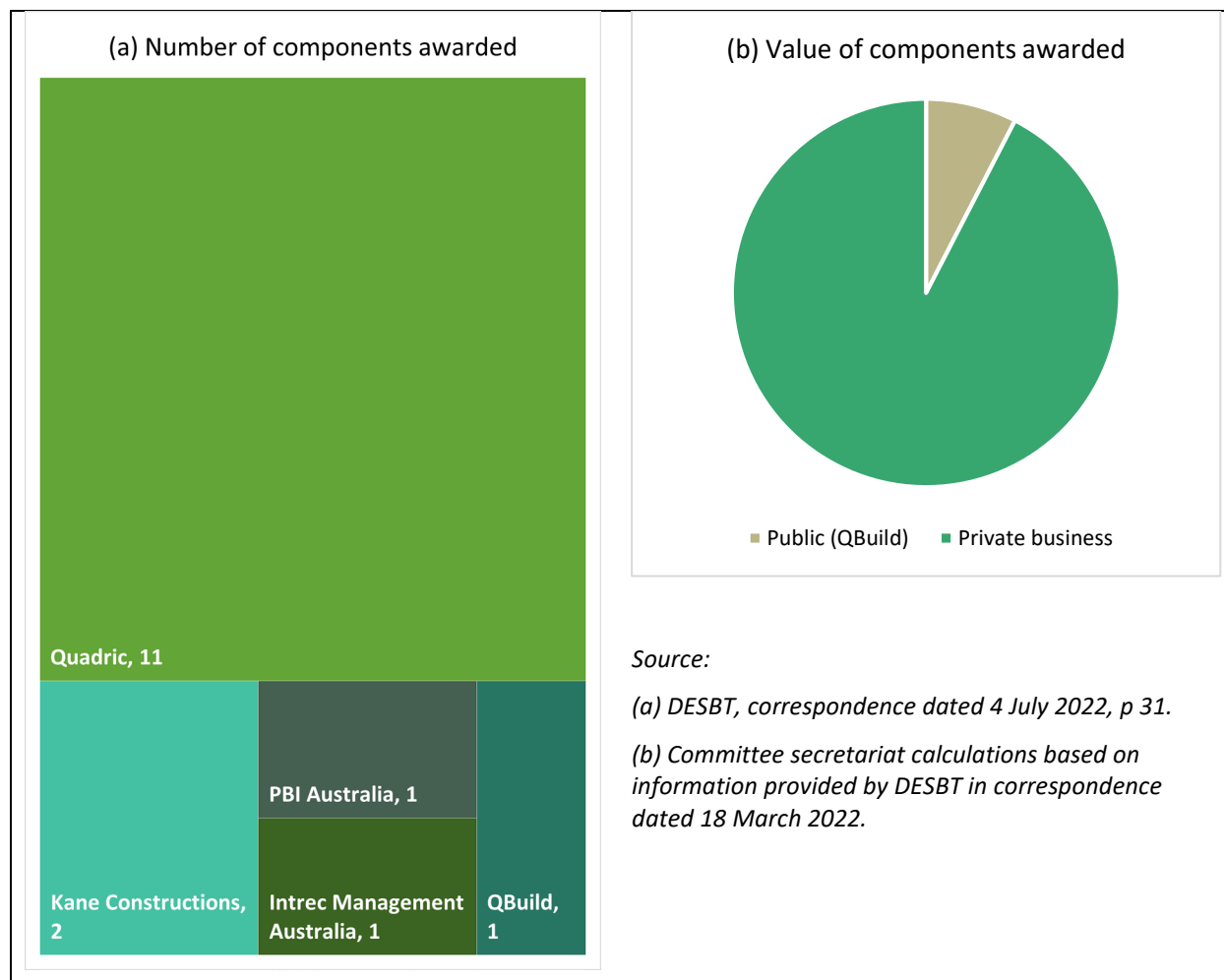
- availability of internal resources
- value for money
- opportunities to invest in Queensland based businesses.⁵⁹

⁵⁷ DESBT, correspondence dated 4 July 2022, p 29.

⁵⁸ DESBT, correspondence dated 4 July 2022, pp 30-31.

⁵⁹ DESBT, correspondence dated 4 July 2022, p 31.

Figure 2: Head contractors for the Upgrade Project



3.9 Performance of constructing authorities and contractors

Overall, the Upgrade Project was delivered on time, under budget and to a high standard.

DESBT advised that the Upgrade Project ‘was handed over with minimal defects,’ noting that there were only four ‘minor’ components of the works that were subject to delays or budget overruns, set out below in Table 5.⁶⁰

Table 5: Delays and budget overruns

Project component	Issue	Reason
A Block café	Delayed	Latent conditions discovered during construction stage
External lighting	Delayed	Functional and in-use within original timeframe but footing rectification held up handover
External lighting	Over budget	Project came in under budget once tendered so scope was increased during construction
Concourse and Amphitheatre	Delayed	Functionally suitable within original timeframe but wet weather delayed contractual handover

Source: DESBT, correspondence dated 18 March 2022, p 13.

QBuild advised that the remedial work completed during the defects liability period for the Upgrade Project had been ‘minimal’, explaining that ‘[t]he contractors who did this work were very good and

⁶⁰ Public briefing transcript, 28 March 2022, Brisbane, p 5.

provided some good quality outcomes'.⁶¹ This was attributed in part to the oversight provided by QBuild and the defects process that it uses for all new construction.

3.10 Actual suitability of the works in meeting the needs and achieving the stated purpose of the works

Since the completion of the Upgrade Project, the campus has become TAFE Queensland's flagship campus for tertiary education in fashion, design and the creative arts.⁶² DESBT advised that the Upgrade Project increased the life span of the facilities by 15-20 years, providing modern, fit-for-purpose and compliant training facilities to support training and skills needs long term.⁶³ As noted earlier, the Upgrade Project appears to have contributed to an increase in enrolments at the Mount Gravatt campus.

In relation to the works, White Box Enterprises submitted:

The upgrade works completed at Mount Gravatt TAFE were long overdue and needed given the state of the campus. The works completed have rejuvenated the campus feel and addressed many of the safety concerns of an old and dilapidated site.⁶⁴

DESBT advised that the Upgrade Project has already led to improved learning outcomes for students, as well as improved employment outcomes. For example, DESBT stated that the ability of the new horticulture learning spaces to 'mimic industry standards' and provide students with 'a real-world experience' has resulted in 'many students achieving employment in nursery retail such as Bunnings and other general and boutique nurseries'.⁶⁵

DESBT also advised that the Fashion Centre of Excellence has enhanced the profile of TAFE Queensland within fashion industry, increasing students' competitiveness and helping recent graduates to secure positions with global designers, including George Wu and Kitten D'Amour.⁶⁶

Industry stakeholders have also offered positive assessments of the facilities provided by the Upgrade Project. In a letter attached to DESBT's written briefing, Full Circle Fibres, a Brisbane-based textile business, noted the challenge of finding skilled workers in the fashion and apparel industry and described the new Fashion Centre of Excellence as 'critically important' to that industry.⁶⁷ Full Circle Fibres elaborated:

The facility improvements have been developed with world class teaching and training in mind, both the quality of the spaces and the range of the equipment, work areas, testing areas and machines available to the students give them more opportunity than ever before to have strong practical skills that we in industry prize so much.⁶⁸

More generally, DESBT advised that the Upgrade Project has:

- improved safety and security for students, staff, and other members of the community who use the Mount Gravatt campus
- provided a better campus experience for students

⁶¹ Public briefing transcript, 28 March 2022, Brisbane, p 6.

⁶² DESBT, correspondence dated 4 July 2022, p 4.

⁶³ DESBT, correspondence dated 4 July 2022, p 13.

⁶⁴ Submission 1, p 2.

⁶⁵ DESBT, correspondence dated 4 July 2022, p 12.

⁶⁶ Reproduced by DESBT in correspondence dated 18 March 2022, p 15.

⁶⁷ Reproduced by DESBT in correspondence dated 18 March 2022, p 17.

⁶⁸ Reproduced by DESBT in correspondence dated 18 March 2022, p 17.

- increased opportunities for engagement with industry and attracted new employers to the campus
- improved infrastructure services, allowing effective use of previously underutilised spaces
- saved money, and fostered an improved workplace culture, through the relocation of the corporate office
- generated benefits for the wider community, including social enterprise tenants.

Appendix A – Submitters

Sub # **Submitter**

1 White Box Enterprises Pty Ltd

Appendix B – Officials at public departmental briefing

Department of Employment, Small Business and Training

- Mr Steven Koch, Deputy Director-General, Investment
- Mr Marc Levy, Executive Director, Infrastructure Strategy and Delivery

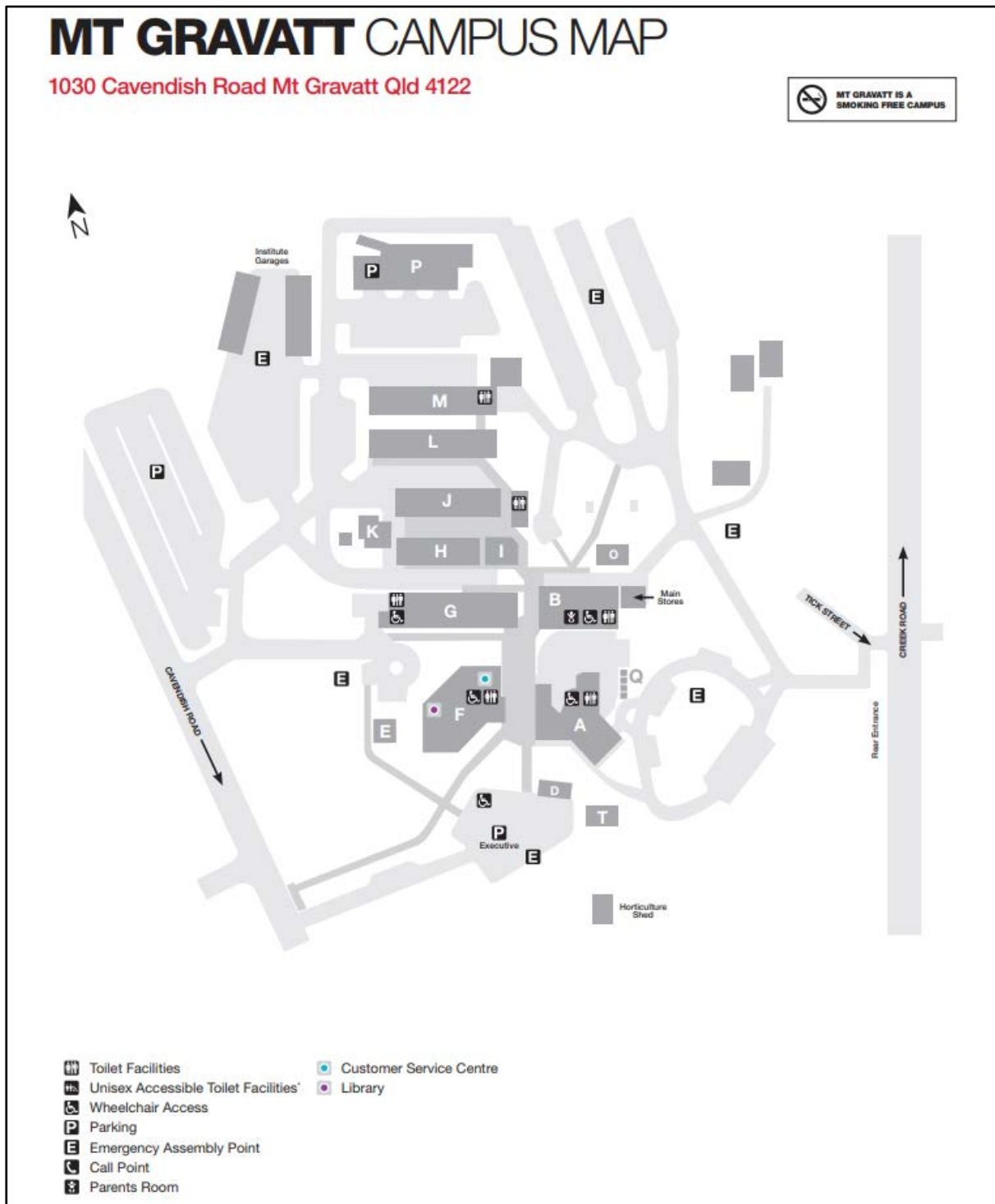
Department of Energy and Public Works

- Mr Dave Treby, Acting Executive Director, South-East Queensland, QBuild Public Works

TAFE Queensland

- Mr Brent Kinnane, General Manager, Brisbane Region
- Mr Simon Pritchard, Chief Financial Officer

Appendix C – Campus Map



Source: TAFE Queensland, accessed 16 August 2022,
<https://tafeqld.edu.au/content/dam/tafe/en/documents/pdfs/campus-maps/greater-brisbane/mountgravatt-campusmap.pdf>

