

**STANDING COMMITTEE ON
ENVIRONMENT AND PUBLIC AFFAIRS**

**PETITION NO 25 — ESPERANCE RESIDENTIAL COLLEGE — UPGRADE
AND EXPANSION**

**TRANSCRIPT OF EVIDENCE TAKEN
AT PERTH
WEDNESDAY, 23 SEPTEMBER 2009**

Members

**Hon Brian Ellis (Chairman)
Hon Kate Doust (Deputy Chairman)
Hon Phil Edman
Hon Colin Holt
Hon Lynn MacLaren**

Hearing commenced at 11.01 am**HOPKINS, MR JIM****Director, Country High School Hostels Authority,
sworn and examined:****The CHAIRMAN:** I must ask you to take either the oath or the affirmation. It is your choice.

[Witness took the affirmation.]

The CHAIRMAN: You will have signed a document entitled “Information for Witnesses”. Have you read and understood that document?**Mr Hopkins:** I have, yes.**The CHAIRMAN:** These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, can you please quote the full title of any document that you refer to during the course of this hearing for the record, and please be aware of the microphones and try to talk into them. Ensure that you do not cover them with papers or make noises near them. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today’s proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that until such time as the transcript of your public evidence is finalised, it should not be made public. I advise you that publication or disclosure of the uncorrected transcript of evidence may constitute a contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege. Those are the formalities. It is a process we all have to go through before each hearing.

Jim, we have only just been given the summary of the Esperance Residential College. Could you perhaps give us an overview of these documents, because we just have not had time to read through them, and include if you like an opening statement if there is anything else you wish to say?

Mr Hopkins: Yes, Mr Chairman, I have brought four documents. The first document, which is the “Esperance Residential College—Asset Planning Report: 23 September, 2009”, I have prepared for the committee. It provides, I guess, the history of the most recent planning in relation to the Esperance Residential College from the time when it became known to the authority that there was a likely large development of a mine near Ravensthorpe, and we could see that this would have significant implications for boarding because these students would be remote from the college. Most of our early planning was trying to work with BHP and the local government to try to ascertain the full extent of that growth and just what the impact might be. We also relied upon the Department of Education and Training who, although you have a population growth, has a formula for how that translates into the number of secondary school students. So I guess it became apparent to us, as this indicates, that we could be looking at something like 45 to 60 extra students at the residential college. All the initial schematic design planning, business case for improvements to the college—which was all subject to this really coming to fruition, but that planning—and the cost analysis was relating to that kind of scope of works and improvements of that scope.

Of course, as we probably all appreciate, the mining project did not quite get up as quickly as people expected. The housing development did not occur. While this was presented annually for review and consideration for funding, I guess everybody was looking at exactly what was happening and when they would need to possibly make these additions. The process is that while this has been presented by the authority for consideration for funding for a number of years now, it

has not been given any funding in any significant sense. As this indicates, whether you call it the decommissioning or the temporary closure of the nickel mine—it is not a decommissioning, is it really; I do not know what the word is, but it is a closure—we are not sure exactly what its future is. But the master planning we have undertaken means that we know on our site how we can expand the residential college should that ever become necessary to accommodate another 45 to 60 students, but that is not the current plan in the light of the recent changes there.

The current plan really is now focusing on the fact that there has been an increase in the student population there that has really been driven, I think, by the increase in the school leaving age, the loss of the travel assistance for children who live in what used to be called the defined remote area—for a short time people in Esperance were benefiting from that; it gave them free airfares to and from Perth every school term, and that was discontinued—and, of course, just the sheer improvements that were occurring to the education in Esperance with its linkage on that community campus, which is very impressive. We could see that this was going to be an attractive proposition and that has occurred. The college did increase its enrolment close to 100 students—maybe just over in one year. Our response to that was to utilise some light-frame additions. It was not entirely satisfactory, but we were trying to provide for these students while we were still seeking funding for more significant works. We have been at that point for a couple of years. At the end of last year, we were exploring the whole opportunity which existed for agencies that were not getting funding through normal capital submission processes to look at the royalties for regions program, so we had some discussions along those lines. We did provide a business case for improvements to the royalties for regions group as a major priority, but of course most of the funding for that was already committed.

We are at this point where we now have a need to make some improvements to the residential college. As this paper indicates, the issues are really the need for more individual student bedrooms, which improves the standard of accommodation, particularly for the senior school students. Of course, with that growth in numbers, it means that we do have to augment the facility. It is also the case that the authority has had a fund which was for capital works at a number of colleges. It was provided by Treasury a couple of years ago, and it allowed the authority to make determinations of priorities as they determined. As we are required under our act, in each case we also have to go to the minister for approval for any capital works that we are going to implement. During this year, the authority has been giving consideration to how it would utilise these funds where of course it had not received major funding to allow for the full redevelopment of this college. As you can see in this report, on 3 September the minister approved the authority's recommendations in the submission that it spend \$1.5 million to undertake some works. Now, these works, if you would like to look at—I am not quite sure what we call this; it is probably a site plan. That shows the scope of works that we were looking at considering for this \$1.5 million allocation that we had and the addition of two six-single-bed, one-bathroom dormitories on either side—one on the boys' side and one on the girls' side—and either a single staff flat or a double or two-staff residence. We were not sure which we could afford, but we wanted to get a cost analysis on those two options to see what we could afford with \$1.5 million. The advice came back that we could afford the two six-bed dormitories and a single staff flat, so that was presented to the minister for endorsement and it was endorsed on 3 September. I think it might be the topic of a media release today.

The CHAIRMAN: Just so I can clarify that, Jim, this is in addition? I know there was a question asked during the estimates hearing by Hon Matt Benson-Lidholm and the following answer was given by the minister that no funds had been allocated in the budget or forward estimates specifically for the improvement of the Esperance Residential College. So this announcement is since then?

Mr Hopkins: And the minister was correct in that, but if you look in our budget papers, there was an allocation for capital works but they were not attached to any particular projects. At that stage,

there had not been any decision about how that, I think, \$2.3 million could be utilised in this financial year.

The CHAIRMAN: I am just trying to get it all in context. The minister's letter to the committee dated 3 September refers to minor works. Are these the minor works you are referring to? It refers to minor works that will occur and will be funded from the college budget allocation.

Mr Hopkins: Yes, these are the minor works.

The CHAIRMAN: So these are the minor works that we are talking about?

Mr Hopkins: Of \$1.5 million.

Hon PHIL EDMAN: What is the current budget allocation? It says it will be met from the current budget allocation.

Mr Hopkins: That is right. We had a \$2.3 million allocation in our current budget but it was for non-prescribed works, so it was generally for the authority to determine how it would utilise these across the residential college system.

Hon PHIL EDMAN: So there is \$2.3 million.

Mr Hopkins: The authority has made a recent submission to the minister requesting approval to spend \$1.5 million of that on Esperance and an amount at two of our colleges which also have priority works.

Hon PHIL EDMAN: So even though you have the allocations, you still have to write to use that funding; is that correct?

[11.15 am]

Mr Hopkins: We are not entirely certain. That relates to the fact that it is quite specific in our act that the authority's role is to advise the authority of capital works and get the minister's endorsement of capital works. Any changes to residential colleges' additions and improvements must be specifically approved by the minister. So, because the budget in this case did not specify what those funds were for, we thought that was the appropriate course of action. Under the normal course of works, the budget process defines exactly what expenditure is for in some detail.

The CHAIRMAN: I am just trying to reconcile between what has been asked. You understand what this hearing is about. We have a petition, and the petitioners have issues and I will read them. They ask for the replacement of old demountables with new buildings to house 50 students with a single room each, a large dining room to accommodate up to 100 students, five new staff houses to attract long-term staff and provide continuity for the students, and realignment of an access road. What other works would be required to meet those conditions that are of concern to the petitioners?

Mr Hopkins: If I could refer you to this drawing, which is called a concept expansion plan. When we last did work at the residential college, which was back in 1997 when two seven-bed additions were put on at the front, basically they made provision for future expansion to put two other seven-bed additions onto the front in the same way as in the original improvements. We have since decided, of course, that, with the difficulty with the ratio of ablutions to bedrooms, rather than provide two seven-bed additions, we would use the same configuration, but slightly different, and make them six-bed, one-bathroom additions. You can see on the front there in the gold colouring where these two will attach. This was always part of the master plan for the college from the outset, from back in 1997, that this would be one part of the improvements to the college. These can be achieved relatively easily without impacting on the blue components at the back, which are future additions that are consistent with the improvements sought in that petition, which are also consistent with our own planning to have between 50 and 60 individual bedrooms ultimately at that residential college and to boost the capacity in excess of 100 students.

Hon PHIL EDMAN: What is the increase in the students currently?

Mr Hopkins: If you would like to look at the document that says “Esperance Residential College”, this is really just a planning document or an information document about the college which we just review at authority meetings from time to time. That shows that the enrolment this year was 90 students.

The CHAIRMAN: Just on that, Jim, I am trying to understand whether that reduction relates to actual enrolments or whether it is a less than anticipated increase in enrolments. You can correct me if I am wrong here, but your existing enrolments are still way above what the residence was planned for, was it not? Originally, I think it was 75 to 80 students.

Mr Hopkins: Probably 80 students originally, but in dormitory-style accommodation, which we would no longer utilise. While the facility was probably planned for 80 students in an open dormitory where you have all the beds along there and no-one had any privacy, the kitchen and dining room were probably originally designed for 80 students and probably with long benches et cetera. Of course, if you looked at a modern standard for 80 students, you would have a slightly more spacious dining room because you would seat students at tables rather than long tables and it would just be a slightly different configuration. Our planning there is to bring the standard of the accommodation up.

Hon PHIL EDMAN: So in 2004, when the Esperance Senior High School was upgraded, that was when they gave you a greater number of students enrolling?

Mr Hopkins: Yes; I guess it added to the attractiveness of the Esperance Senior High School. It was hard for us. You can see the jump there from 2004 where it was 74 or 75 and it had been there for a number of years. That jump by 20 to 30 students did surprise us because it came before the expected increase based upon the mining. Really, it was not something that was foreseen by anybody at the residential college, let alone at the authority. Even people with local knowledge did not realise that this was a likely increase; it was not part of the planning at the time. We were fairly content with the size of the college with the enrolment of 75 to 76 students, as it stood.

The CHAIRMAN: So, really, you are saying that the expectation has changed too, because it was built in an 80-student dormitory style, but the demand now is for single accommodation.

Mr Hopkins: That is right. The major works were in 1997. Basically, the way we like to do capital works or planning is we involve the local board of management. All of our residential colleges have a board of management. We sat around with the board of management and the parents and the students, and we set up a consultative group. At the time I said to them, “Do you want us to move towards completely single-room accommodation?” and the response was, “No, we don’t want that. We want to retain shared; we want our students to live together with other students. We only want a small number of single rooms.” It was really with some urging on my behalf that we gave them the 14 single rooms to see how it would go. Of course, they proved very quickly to be so desirable that everyone probably then wished that they had opted more for a single-room configuration. Nearly all of our college developments since then have been either all single rooms or at least all senior students have single rooms. For us, the minimum here is to try to get single rooms for all the senior students.

The CHAIRMAN: You have probably half answered my question now. I do not know that you have had a copy of the submission but that has come in from the petitioners. They are saying that 61 senior students share just 14 single rooms. You provided the 14 single rooms, but, as you are saying, the demand is for all single rooms.

Mr Hopkins: It is across the whole boarding industry you will see now. They were probably one of the first movements towards that model, and now all of our developments are much more along single rooms. All of the private boarding schools, all of their developments, have moved in the same direction.

The CHAIRMAN: There are other issues that they are asking. Can you say whether they are acceptable or not? One of the other issues is that 50 students share six bathroom-toilets in each of the boys and girls accommodation blocks. The ratio at other colleges is one to four, as opposed to one to nine at Esperance, and staff and students must abide by a very strict schedule each day to enable all students to be showered in time for school.

Mr Hopkins: Yes, I would be happy to comment on that. The Building Code of Australia requirement is one set of ablutions—a toilet, a shower, a wash basin et cetera—per 10 students. But the authority has never thought that that was a reasonable ratio because it does not allow a whole bunch of students to get ready in a very short time for school, so we have tended, with all of our developments, to try to move towards a one to five or one to four ratio. All of our new developments are based around that one to four, one to five ratio. At Esperance, it has two major ablution blocks, which is probably reasonable with the enrolment of around 75 to 78, which was the capacity—12 toilets, plus two extra toilets for disabled students, so really 14 toilets. That was about one to six—not impossible but reasonable. What has put it under pressure has been the addition of the extra 20 students with no capacity to add ablutions. So what the plan is, as you can see here, is that those two new additions at the front will both have an ablutions set, so it will be one to six, but that is reasonable. It seems to be reasonable.

Hon COL HOLT: It is better than one to nine.

Mr Hopkins: Yes; and the two groups of seven who are there at the moment use the disabled toilets on both sides, so they are working at one to seven at the moment. There are two ablution blocks there; ultimately, after our planned improvements—as you can see the future facilities—we would like to see another 24 bedrooms built at the back with ablution blocks. You can see that they would be one to four in terms of the ratio, so that would mean in the old structure of the building, if you like, the existing dormitories, we would have 64 students sharing about 12 bathrooms, so it would probably be reasonable. The reality is that, while nominally that could have 64 students, with the current trend in the enrolments, if we were able to complete these additions as we hope to, they would not actually be working at that level. We might be able to give the students in the existing dormitories a little bit more space in compensation for the fact that they are still in shared bedrooms.

Hon COL HOLT: In 2010, let us call it stage 1 building, which is the gold bit, \$1.5 million for 12 rooms and one staff, which helps; it does not completely solve the problem.

Mr Hopkins: No.

Hon COL HOLT: I do not know if you can outline for us the building plan beyond 2010.

Mr Hopkins: The building plan beyond 2010 is to make —

Hon COL HOLT: And funding and budgets, if you can. Basically what I want to know is: is there a budget set aside for it?

Hon PHIL EDMAN: Obviously, you have to fit the \$2.3 million in as well with the \$1.5 million; \$800 000 has not been spent.

Hon LYNN MacLAREN: And there are other residential colleges.

Mr Hopkins: The \$2.3 million has all been allocated now. Some of it has been spent at Narrogin; some has been spent at Broome. The authority has no other capital funds at its disposal. Basically, what we have here, if you like, is the schematic design that relates to a business case that will go forward again in this year's submission for capital works funding for these improvements to this residential college.

Hon COL HOLT: So there is no budget allocation at the moment?

Mr Hopkins: There is no budget allocation. The planned improvements are the sections in blue, which is a further 24 student bedrooms and extra staff accommodation, and the bits in mauve,

which are upgrades to the current ablution blocks, the recreation area, expansion of the kitchen area et cetera and expansion of the dining room. It is all about increasing and improving those existing facilities to a size that will work for 114 students.

Hon COL HOLT: Do you know how much that is going to cost?

[11.30 am]

Mr Hopkins: And of course, as you can see, it is a complete new entry to the south. At the moment, the access comes through the existing Doug Murray Drive. That is a road that comes right through the senior high school site, which I think is quite unsatisfactory, actually, to have public traffic going through the middle of a senior high school site. We would like to actually turn the entry to this to the south. This is George Street; there is a new entry road link to George Street. The Esperance shire, in previous commitments—I would hope they would still uphold those. When we do get the funding for these improvements, they have agreed to extend George Street to allow for that connection to the south side. That would remove all parent and car traffic, hopefully, to the south and not have cars within the school campus where the students are walking.

Hon COL HOLT: So, the estimated budget for that stage after stage 1?

Mr Hopkins: When this was presented for funding last year, it was around \$13.5 million for something like —

Hon COL HOLT: For all that.

Mr Hopkins: But if we were to take out those \$1.5 million additions, whether that means it would come down to \$12 million or not, that is something that we are now in the process of getting costed as part of our business plan. Our business plan will now capture what is in blue and what is in mauve. That will be the submission as part of the capital works process for this year.

Hon COL HOLT: So, really, you want that much, but nothing has been allocated. Do you get the \$2.3 million every year?

Mr Hopkins: No.

Hon COL HOLT: So that has sort of gone now?

Mr Hopkins: That has gone now; that is right. It was provided by Treasury two to three years ago because we were looking to do improvements to staff accommodation in particular at various residential colleges. But because some colleges have different enrolments—they can fluctuate—making a sound investment priority years ahead can be rather difficult. They thought it was better for them to give us an allocation of money which would allow for this, but the actual priority for it could be determined closer to the time of need.

Hon COL HOLT: Yes. It makes it really hard when there is no budget.

Mr Hopkins: We have no budget now; that is right. We have no funding.

Hon LYNN MacLAREN: Chairman, I just want to ask because I am still unclear, even as good as Colin, the honourable member for the South West, was in his questions. The items in blue, future facilities, plus the future refurbishment of existing facilities would cost you around about \$12 million: is that what you are thinking?

Mr Hopkins: I am thinking that. The submissions have to be prepared by 30 October, so we are at that time of the year where we are revising the cost estimates. You do not want to do them too early because then they are not good enough. The people who have been assisting on this from 1997 right through—it is the same architects, the same quantity surveyors—have a good understanding of the site and the costs. Hopefully, their cost assessment, which we will obtain before the submission, will indicate—my estimate would be around \$12 million, but I am not a quantity surveyor.

Hon LYNN MacLAREN: My concern in reading the submissions that we have had is not just that there is not enough for the new students that are coming in, but that the existing facilities were already struggling to meet the existing need before there was the increased need. In 2004 it was already a bit in need of some maintenance. Have you in your budgets accommodated the fact that there was a need to bring these facilities up to some standard before we even had this additional increase of students where we really did need more bedrooms? A capital funding item is different than a maintenance funding item—a planned growth. What we have got is an unplanned growth, but surely there was something set aside for the planned growth or the refurbishment or the maintenance. What happened with all of that?

Mr Hopkins: Through the chairperson, the structures for the student bedrooms were all improved at the end of 1997, and they are in quite a good state. I guess the authority could have taken the view and set a ceiling and said, “You cannot bring more students into the residential college.” But it has supported the college in trying to accommodate the demand for places and trying to balance the standard of the accommodation—the impact that, I guess, whether you would call it overcrowding or additional students make on the existing facilities. It was the college that was confident at the time that they could manage. This was not something that was done without consultation and discussion.

Hon LYNN MacLAREN: So they apply to you for an allocation?

Mr Hopkins: That is right. They were seeking the support to enrol the extra students that was, if you like, above its standard capacity to do the additions. You realise of course that you have got only so many toilets and so much dining capacity; this is going to put a load on. While this extra demand provides a case for some additions and improvements to the college, that goes through a capital works process, which is a government process which determines capital priorities across the whole state. It is not that the authority can do any more than make a submission in regard to it. So everybody had to be aware of exactly what was happening. The college indicated that, “We will operate, if necessary, with two sittings in the dining room; we can manage with our ablution block.” We supported the college in going there and, at the same time, have been making submissions not just for maintenance, but for expansion and redevelopment of the college. It is not just a matter of maintenance of the kitchen; it is a matter of expanding the kitchen facility, expanding the food stores, and increasing the capacity of the laundry. It is not just a matter of maintenance. Certainly, the college has had new kitchen equipment in that time, but it has not had the size of the facility that it needs there.

Hon PHIL EDMAN: Just on student enrolments, what would you consider strongly supports the argument that there will be an increase in students in the short-term future with the 90 student enrolment that you have at the moment?

Mr Hopkins: This is a difficult analysis, because without that extra population in Hopetoun, it is uncertain. At the moment, the college’s enrolment hinges on the capacity of the Esperance Senior High School to continue to compete effectively with metropolitan boarding schools. The boarding industry is a very competitive market. Parents receive close to \$9 000 in boarding allowances and they can utilise that to go to any boarding facility in the state.

Hon PHIL EDMAN: So, basically, we are not sure whether the student enrolment will go past the 90 that it is at the moment?

Mr Hopkins: No, we are not sure about that. That is why our submission for improvements, as per that diagram, is not really based upon growth; it is really about improving the number of individual bedrooms so that all senior students have individual bedrooms. That is really where this is at. This would require a significant revision if, for example, the Ravensthorpe nickel mine was to start again. But we already know how we would expand the site to accommodate more students should that be the case.

The CHAIRMAN: Just summing up, as I am conscious of the time —

Hon COL HOLT: I have just one more quick question. I know this is about Esperance, but you talked about \$800 000 going to Broome and Narrogin. Esperance is obviously a priority because it got most of the money in terms of this allocation. Are some of the other country hostels in a similar situation where they really need the whole review and capital works program?

Mr Hopkins: I think the authority has been extraordinarily well looked after by government over a number of years now. If you look at our recent history, the government has allocated a lot of money for capital improvements. I think the government has shown a great willingness to support the authority's operations. These were the first improvements in the cycle back in 1997. Soon after that we had 96 brand-new student rooms added at Geraldton and it is a state-of-the-art facility we think, with its improvements to the old facility. We have had significant improvements at Narrogin, with, I think, four completely new dormitories, all single-room accommodation, a new administration block et cetera. We have had significant investments. A \$17.8 million investment in additions and improvements at Albany is underway at the moment and there is the development of a brand-new residential college in Broome, which is undergoing growth and demand at the moment, so we are under pressure to add beds in Broome. That is a real priority for the authority because it is the first residential college in the Kimberley region, and it is a region where there is no other boarding facility and many, many students in remote parts of the Kimberley desperately need boarding. The authority has undertaken these works. As well, we have converted all of the accommodation at Moora to single rooms with the assistance of staff there, who happen to be builders. Of course, there has been the development of a new boarding facility in the city for gifted and talented country students at City Beach. The government has really supported geographically isolated kids in terms of boarding facilities and high-quality, high-standard facilities right throughout the state over a recent period. This has been problematic, I think, for everybody because no-one was entirely certain exactly what was happening with the Ravensthorpe nickel mine. I think that has been a difficult moving feast for everybody to try to address.

Hon PHIL EDMAN: It is bad timing.

Hon COL HOLT: So, Esperance really is the top of the priority list for you guys now?

Mr Hopkins: Yes. There are two priorities for the authority: there is Esperance and the other one that is emerging is also at Merredin. I think the recent announcement of a superschool development in Merredin probably means that there will be more students being attracted into the Merredin Residential College.

The CHAIRMAN: Just summing up, I suppose, in light of the economic climate, that \$1.5 million that you have just received, are you satisfied, then, that those additions that you will be able to use that \$1.5 million for will mean that the students at Esperance are comfortably housed and accommodated?

Mr Hopkins: It is an improvement, but we will be making a submission for further improvements to the Esperance Residential College, and it is an improvement that is consistent with the master plan for the development of the college. It is something that is a good investment, because, as you can see where it is attached to the front, it is not at the back where all those development works are. What you cannot see on that diagram is that to construct those new student wings at the back means the demolition of some buildings that are already there—an old manager's house, parts of other buildings—so we cannot really go on that side of the college until we have significant funding for that.

The CHAIRMAN: I think we will draw that to a close. Thank you very much, Jim. I am sorry we were running a little late. You have given us quite a good understanding of the situation at the Esperance college. Thank you very much.

Mr Hopkins: I am pleased to be able to help.

Hearing concluded at 11.44 am