

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Budget Estimates 2011-2012**

Outcome 2 - Schools

DEEWR Question No.EW0176_12

Senator Mason provided in writing.

Question

Bovis Lend Lease/Project Kendall Pty Ltd

Is the Minister aware and can he confirm that on Friday 19th November 2010, Project Kendall Pty Ltd (contracted by Bovis Lend Lease to undertake construction projects at various Catholic primary schools under the Government's BER program) entered into voluntary administration with over \$3.8m of unpaid debts owing to over 80 creditors? Is the Minister aware and can he confirm that the administrator (Worrells Solvency and Forensic Accountant) in their Report to Creditors dated 15th December 2010 have advised that there are minimal funds left in Project Kendall Pty Ltds accounts and that Project Kendall Pty Ltd owns no assets, and that therefore creditors are expected not to receive any of the money owing? Bearing in mind that it is a statutory requirement that all government tenders must comply with AS 4120-1994 Code of Tendering, will the Minister investigate the serious allegation that: a) Bovis Lend Lease presented an exclusive opportunity to Project Kendall Pty Ltd during the tendering process by guiding them as to what the tender price should be to win the contract; b) after being guided about the project budget, the Director of Project Kendall Pty Ltd did in fact advise Bovis Lend Lease that the projects could not be constructed for such amounts, but that Bovis Lend Lease advised him that upon engagement, the works could be scoped down in order to make up for such financial shortfalls; c) there was a serious conflict of interest (direct family relationship) between the Bovis Lend Lease manager responsible for assessing and awarding the tenders and senior person/s within Project Kendall Pty Ltd?

Answer

Project Kendall is currently under the control of an Insolvency Practitioner. It is the role of the Insolvency Practitioner to investigate the company's financial affairs and report to its creditors as well as the Australian Securities Investment Commission. The Insolvency Practitioner's investigation is yet to be completed.