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## **GENERAL PURPOSE STANDING COMMITTEE No. 2**

**Wednesday 15 September 2010**

**Examination of proposed expenditure for the portfolio area**

### **EDUCATION AND TRAINING**

**The Committee met at 9.15 a.m.**

#### **MEMBERS**

The Hon. R. M. Parker (Chair)

The Hon. A. Catanzariti  
The Hon. C. E. Cusack  
The Hon. G. J. Donnelly

Dr J. Kaye  
Reverend the Hon. G. K. M. Moyes  
The Hon. C. M. Robertson

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#### **PRESENT**

**The Hon. V. H. Firth**, *Minister for Education and Training*

**Department of Education and Training**

**Mr M. Coutts-Trotter**, *Director General*

**Mr A. Hunter**, *Deputy Director General, Finance and Infrastructure*

**Board of Studies NSW**

**Mr T. Alegounarias**, *President*

**Mr D. Murphy**, *Director, Regulatory and Management Services*

**Ms C. Taylor**, *Chief Executive Officer*

**Teachers Institute**

**Mr P. Lee**, *Chief Executive Officer*

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**CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

**Corrections should be marked on a photocopy of the proof and forwarded to:**

**Budget Estimates secretariat  
Room 812  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000**

**CHAIR:** I declare this hearing for an inquiry into budget estimates 2010-11 open to the public. I welcome Minister Firth and accompanying officials to the hearing. We will examine today the expenditure for the portfolio of Education and Training. There are guidelines for the broadcast of proceedings, only Committee members and witnesses may be the subject of filming and people in the gallery should not be the primary focus of filming or photographs. The media know that what interpretation they place on anything that is said before the Committee is their responsible. A copy of the guidelines is available at the door. If people want to pass messages to any of the Committee members, they may do so through the secretariat staff or attendants. The Minister also may have notes passed to her. I ask all present to please turn off their mobile phones.

The Committee has resolved that answers to questions on notice be returned within 21 days. The transcript of today's proceedings will be available on the web tomorrow morning.

**DAVID MURPHY**, Director, Regulatory and Management Services, Office of the Board of Studies, and

**CAROL TAYLOR**, Chief Executive, Office of the Board of Studies, and

**MICHAEL COUTTS-TROTTER**, Director General, Department of Education and Training, and Managing Director, TAFE NSW, sworn and examined, and

**ALISTAIR HUNTER**, Deputy Director General, Finance and Infrastructure, Department of Education and Training, and

**PATRICK JOHN LEE**, Chief Executive, NSW Institute of Teachers, affirmed and examined:

**The Hon. CATHERINE CUSACK:** Minister, are unflued gas heaters unsafe for some children?

**Ms VERITY FIRTH:** The findings of the Woolcott report say that the use of unflued gas heaters is associated with a small risk of increased wheezing and coughing in some students but there is no reduction in a child's breathing or lung capacity, and that is good news. It basically says that having flued gas heaters at school rather than unflued gas heaters would make a 0.5 per cent difference to the likelihood that a child would report overnight wheezing. From memory the sort of baseline is effectively 4.4 per cent of children reporting overnight wheezing or cough. Exposure to unflued gas heaters can increase that to 4.9 per cent—so there is a 0.5 per cent difference. It is about one in every 200 children.

The Woolcott report also points out that there are many exposures and events in everyday life that also cause wheezing in children, and that includes things such as fly sprays, pollens, house dust, exercise, laughing, colds and other viruses. Based on that evidence, and in the words of the authors of the report, there is no cause for undue alarm. However, the report recommends that alternative sources of heating should be installed over time because, essentially, if you have the capacity to influence something, then of course you should always do the thing that has the lowest risk—especially when we are talking about children's health.

The report's authors do recommend alternative sources of heating to be installed over time, and the Government has agreed to do this in the best interests of children. However, the report also recommends a thorough, considered approach to identifying alternative heating options for New South Wales public schools. The report points out that you need to make sure that your alternative heating methods are appropriate, in terms of the effectiveness of that heating, the environmental impact of that heating and the health impact of that heating.

**The Hon. CATHERINE CUSACK:** If the report recommended a thorough and considered response and said that there was no cause for undue alarm, why did you rush out and announce that the Government would replace all the schools' unflued gas heaters?

**Ms VERITY FIRTH:** I should be clear: the report did recommend that they be replaced. They did not say they had to all be replaced tomorrow, but they did say that alternative heating sources should be used in our schools. Essentially that is because respiratory symptoms are caused by this. As I said, there are lots of other things that cause respiratory symptoms but, as the Minister for Education and Training, if there is a source of heating in your school that is an aggravator in some children, you really do not have a choice, morally or legally I would argue.

**The Hon. CATHERINE CUSACK:** Have you received a final copy of the Woolcott Institute's report?

**Ms VERITY FIRTH:** Yes, I have.

**The Hon. CATHERINE CUSACK:** Is that going to be released?

**Ms VERITY FIRTH:** That has been released, has it not? I think it is even up on the web.

**Dr JOHN KAYE:** What was released to Parliament was a draft.

**Ms VERITY FIRTH:** I will double check that, but it was up on the web the last time I saw it.

**The Hon. CATHERINE CUSACK:** That is the final version?

**Ms VERITY FIRTH:** That is the final peer review version, but I will double check.

**Dr JOHN KAYE:** Catherine is talking about the report, not the paper.

**Ms VERITY FIRTH:** We will double check that, but I know that whatever we have got is now up on the web. We do not have anything more than what is up on the web.

**The Hon. CATHERINE CUSACK:** Can I just clarify has the report been finalised?

**Mr COUTTS-TROTTER:** There are elements of analysis that the Woolcock Institute is still to do. For example, the institute tried to ascertain whether or not the heaters were operating safely—in other words, whether there was cross-ventilation in the classrooms that were subject to the trial. They are still analysing that data. That is the most significant as yet undelivered element of their work. As for the rest of it—

**The Hon. CATHERINE CUSACK:** Is it an important element?

**Mr COUTTS-TROTTER:** It is an important element, but the report speaks for itself. There were raised levels of nitrogen dioxide and formaldehyde in classrooms. It made some recommendations based on that analysis. Obviously, we do want to take a close look at the way teachers in classrooms cross-ventilate or do not cross-ventilate, so we continue to repeat policy advice that we have received for a number of years from NSW Health, which is make sure you cross-ventilate. That is to be presented to us. I do not have a timeframe on that. We have asked for it to be presented, probably as part of our health impact statement.

**The Hon. CATHERINE CUSACK:** What has been the cost of this report?

**Mr COUTTS-TROTTER:** From memory it is about \$1 million, but I would need to confirm that for the Committee and come back.

**The Hon. CATHERINE CUSACK:** When was it commissioned exactly?

**Mr COUTTS-TROTTER:** My colleague Alistair Hunter may have the timeframe, but broadly the chronology was this: in mid 2009 NSW Health, which is the peak national health advisory committee on indoor air quality, environmental air quality, determined that there was a missing piece of the research, that what had not been done was a positive confirmation of the health effects of low NO<sub>x</sub> heaters in schools. Following from that, we began working with NSW Health to construct a process to commission and obtain that research for ourselves. We, I think, supported a grant application to the NHMRC, but also committed that if that grant application was not successful we would fund the research ourselves, which we did. However, the terms of the research, its methodology and its conduct was completely independent from the department. We simply provided the money.

**Mr HUNTER:** The memorandum of understanding was signed on 28 April 2009.

**CHAIR:** With the Woolcock Institute?

**Mr HUNTER:** Yes.

**The Hon. CATHERINE CUSACK:** And it is now 15 September and we do not know when the report will be finalised, is that correct? We do not know when we will get the research and advice on how to make the—

**Mr HUNTER:** The bulk of the research work is done. The research that is published is the bulk of the research work.

**The Hon. CATHERINE CUSACK:** The part that you are waiting for is how to make the heaters in the classrooms—

**Mr HUNTER:** No, it is to confirm how teachers behave. Teachers have had consistent advice about the operation of these heaters for 20 or 30 years. The question is: Do they heed that? The second question is: In very cold areas, is that feasible?

**The Hon. CATHERINE CUSACK:** In how many classrooms is the advice not being heeded?

**Ms VERITY FIRTH:** We do not know.

**Mr HUNTER:** We do not know.

**The Hon. CATHERINE CUSACK:** That is what this research is about?

**Mr HUNTER:** This research looks at those classrooms that were the subject of the Woolcock Institute's work and, as I understand it, they essentially put cameras in to try to grab an image unbeknownst to anyone in the school or the class just of whether the windows were open.

**The Hon. CATHERINE CUSACK:** So cameras on the windows?

**Mr COUTTS-TROTTER:** Focused solely on whether cross-ventilation was actually in place.

**The Hon. CATHERINE CUSACK:** Cameras for the whole classroom?

**Mr COUTTS-TROTTER:** No, not for the whole classroom.

**The Hon. CATHERINE CUSACK:** Just the windows?

**Mr COUTTS-TROTTER:** Just the windows.

**The Hon. CATHERINE CUSACK:** How many classrooms?

**Mr COUTTS-TROTTER:** I do not know; I would need to check.

**The Hon. CATHERINE CUSACK:** Could you check? It would be interesting to know that.

**Mr COUTTS-TROTTER:** Yes, sure.

**The Hon. CATHERINE CUSACK:** I cannot see any funding in the capital works budget for replacement of the gas heaters.

**Ms VERITY FIRTH:** Are you talking about the initial \$15 million replacement?

**The Hon. CATHERINE CUSACK:** The current budget, the budget that we are reviewing.

**Ms VERITY FIRTH:** Yes.

**The Hon. CATHERINE CUSACK:** I cannot see any funding for it.

**Ms VERITY FIRTH:** I can get Alastair to elaborate, but there is \$15 million for the initial replacement, and that is for 101 schools in the coldest climate areas. And remember this was actually announced prior to the Woolcock report because what we know from those schools is that most of them were not meeting the cross-ventilation requirements, and the reason they were not was that it was too cold. So these are schools in Cooma, some areas of the Blue Mountains, Orange and so forth—basically the coldest parts of the State.

**The Hon. CATHERINE CUSACK:** Not Tenterfield, I notice.

**Ms VERITY FIRTH:** I can say it is robust data because it is Australian Bureau of Meteorology data.

**The Hon. CATHERINE CUSACK:** Can I give you my robust experience of being at Tenterfield?

**Ms VERITY FIRTH:** There is always going to be the school that is 102nd on the list, but all the stakeholder groups agreed that we would use essentially scientific data to determine the coldest areas.

**The Hon. CATHERINE CUSACK:** When was the \$15 million allocated?

**Ms VERITY FIRTH:** I will get the exact date from Alastair, but that \$15 million is coming from our minor capital works budget for this year.

**Mr COUTTS-TROTTER:** Yes, 2010-11.

**The Hon. CATHERINE CUSACK:** Is that additional funding?

**Ms VERITY FIRTH:** No, that is out of our existing minor capital works budget.

**The Hon. CATHERINE CUSACK:** Which projects did you need to defer in order to fund—

**Ms VERITY FIRTH:** There will be a re-prioritisation. My advice from the department, and again Alastair can give more detail on this, is that none of the projects will not happen, but there will be a delay in some projects.

**The Hon. CATHERINE CUSACK:** Can you provide the Committee with a list of the projects that will be deferred?

**Ms VERITY FIRTH:** Yes, we can do that.

**CHAIR:** And the timing of that?

**Ms VERITY FIRTH:** Yes.

**The Hon. CATHERINE CUSACK:** At what point when you make a capital works announcement involving new funding is it required to obtain the approval of budget committee and Cabinet?

**Ms VERITY FIRTH:** That is a question that you should direct to the Premier and the Treasurer obviously, but, for example, the \$15 million within the existing minor capital works budget was a decision I could make as Minister, although of course I did consult with the Premier and the Treasurer around that. But it is a decision that I can make as Minister.

**The Hon. CATHERINE CUSACK:** When you are looking at new funding, at what point do you need to consult the budget committee and Premier? I am trying to understand the process. If you want to replace a mobile phone in a department, you do not need to go to Treasury, but if you want to announce \$400 million of new funding to replace every heater in the State, you do. I am wondering what the actual trigger point is.

**Ms VERITY FIRTH:** Again, that is better asked of the Treasurer and the Premier, but essentially, as you know probably—

**CHAIR:** Do you not get told that as a Minister?

**Ms VERITY FIRTH:** Essentially, as you know, on the day that I made my announcement I did not make an announcement of \$400 million of new funding. What I made was an announcement about an in-principle acceptance of the report, which is I think what a Minister in my position would absolutely do, and, as you also know, it was a decision that the Premier herself has now backed 100 per cent. She also agreed with me. We need to replace these unflued gas heaters and, as a Government, we need to replace them as soon as we have medical evidence from a world leading respiratory institute that there are some impacts on children. We know that we have to do it.

**The Hon. CATHERINE CUSACK:** The Treasurer told you not to make that announcement.

**Ms VERITY FIRTH:** I do not think he did actually.

**The Hon. CATHERINE CUSACK:** It is on the record that he told you at a previous meeting not to make an announcement about unflued gas heaters.

**Ms VERITY FIRTH:** I do not want to get into that. All that is absolutely agreed is that these unflued gas heaters will be replaced. We are currently going through the Cabinet processes to determine how that will be done.

**The Hon. CATHERINE CUSACK:** Can you confirm that that is now the Government's policy, that they will be replaced?

**Ms VERITY FIRTH:** Yes, they will, absolutely, and I am sure the Premier said that herself. She said numerous times at press conferences that they will be replaced. What we are currently going through is a process where we now work out how we are going to do that, how we are going to do that practically, like what sorts of heaters are we going to use, what sorts of solutions for different schools and so forth, whether we are going to flue them. Some schools may have reverse cycle air-conditioning. We need those practical things, and we have to work out how we are going to pay for it, whether we are going to use existing capital resources from the education budget, whether there will be new supplementary funding from Treasury. That is the process through which we are now working in conjunction with all the processes of both Cabinet and budget committee.

**The Hon. CATHERINE CUSACK:** When will you be able to announce the time frame for replacement of the heaters?

**Ms VERITY FIRTH:** Once that process has been worked through. So we are undertaking at the moment a health impact assessment. We have tendered for that. The director general might know whether or not we actually have a successful—

**Mr COUTTS-TROTTER:** No, not yet.

**Ms VERITY FIRTH:** Not yet. So we have tendered for that to start.

**The Hon. CATHERINE CUSACK:** Another report?

**Ms VERITY FIRTH:** No, expert advice. We just need to get a health risk assessment.

**The Hon. CATHERINE CUSACK:** How does that fit with the million dollars that has already been spent on the Woolcock inquiry?

**Mr COUTTS-TROTTER:** It is complementary. If you spoke to Professor Guy Marks, who led the research, he would tell you that the next thing you need to do is obtain a health risk impact statement because there are a variety of ways you could respond to this both in terms of what you use, how it is manufactured, and the time frame within which you install it. All of those things have elements of risk and benefit to them. He summarised it quite neatly by saying that he is engaged in an air quality survey in the upper Hunter and he said you would not want to move a problem from schools to the upper Hunter, meaning if you put reverse cycle air-conditioning into a school, you would inevitably massively increase the amount of electricity you consume, which in turn might require more coal-fired power to be produced in the Hunter, for example. So the health impact statement tries to look at the thing holistically as well as look at the solution within schools.

**The Hon. CATHERINE CUSACK:** Are you serious? Are they honestly saying that you are holistically now looking at the need for more coal-fired power stations as a factor in considering—

**Mr COUTTS-TROTTER:** No.

**Ms VERITY FIRTH:** He was using it as an example.

**Mr COUTTS-TROTTER:** He raised it as an illustration in a briefing with members of the—

**The Hon. CATHERINE CUSACK:** But is that part of his investigation?

**Mr COUTTS-TROTTER:** He cautioned us not to rush to a quick solution—the type of heating, the time frame of installation—but to think through the environmental issues, the issues of cost and cost benefit and



the practicalities of making changes within operating schools. So there are a variety of things that are the subject of that health impact statement. He was simply making the point that the type of heating you choose brings with it environmental benefits or non-benefits.

**The Hon. CATHERINE CUSACK:** Do you have a time line on the health impact statement?

**Mr COUTTS-TROTTER:** Yes, we expect to have it back before the end of the calendar year.

**The Hon. CATHERINE CUSACK:** And this is what Cabinet is waiting for, is it, before it can make up its mind?

**Ms VERITY FIRTH:** Discussions are ongoing at the moment between Treasury and the Department of Education and through the budget committee processes, but to be able to make a determination on exactly what we estimate the cost to be, and also the practical implications of this—I mean even workforce issues, like the plumbers that we will need to help install this. A lot of schools will have to get new copper piping installed in order to take the higher intensity of the gas that is involved for flued gas heaters. There will need to be new electricity connections for flued gas heaters. There will need to be flues built. It is a large-scale project that needs careful planning so that we can most responsibly indicate exactly how much it is going to cost and what sort of impact it is going to have on schools because, as you know, schools are active environments with kids in them every day. We prefer to undertake our capital programs during the holidays so that we have less impact on schools and teachers. We will need to take all of that into account when we are working out our program and time line.

**The Hon. CATHERINE CUSACK:** So do you have an updated costing on what the cost will be to replace all of the heaters?

**Ms VERITY FIRTH:** No is the answer. There have been costs bandied about in the media, of course.

**The Hon. CATHERINE CUSACK:** I think the Government has been the one feeding information to the media about what the costs are.

**Ms VERITY FIRTH:** That is not quite true—and I am looking across your shoulder at Adrian Piccoli—but that is okay. The cost estimate that has come through from the Department of Services, Technology and Administration, and it has been cross-referenced with Rawlinsons estimating book, is around \$7,000 per heater. I want to point out, and this is something I made clear in the Parliament the other day when asked a question by the honourable member, that this estimate covers every stage of the replacement. So it covers the relocation of gas piping and new gas systems, which is what I was talking about in terms of the new copper piping, new power outlets and associated upgrades, moving fixed furniture, asbestos issues, heritage issues and so forth.

**The Hon. CATHERINE CUSACK:** Can you clarify that \$7,000 figure? Is that per heater or per school?

**Mr COUTTS-TROTTER:** No, it is the works associated with every single heater.

**The Hon. CATHERINE CUSACK:** So one school might need several heaters replaced?

**Ms VERITY FIRTH:** Yes, that is right.

**The Hon. CATHERINE CUSACK:** How many heaters in total and how many schools are interrupted?

**Ms VERITY FIRTH:** There are 55,000 gas heaters in total, but not all schools will necessarily need one. I notice Dr Kaye is questioning the figure. There are only 51,000.

**Dr JOHN KAYE:** That was the figure you were using previously and it suddenly inflated to 55,000. What is the figure?

**Mr COUTTS-TROTTER:** It is about 51,000.

**Ms VERITY FIRTH:** It is 51,000, but there are a number of schools that already have reverse cycle air conditioning and a number of schools that already have alternative heating options.

**The Hon. CATHERINE CUSACK:** How many schools are we looking at? I accept that not every school has these heaters. I am asking you how many have them.

**Ms VERITY FIRTH:** This is exactly the work we are doing now.

**The Hon. CATHERINE CUSACK:** So, you do not know?

**Ms VERITY FIRTH:** We will have to work out exactly where—

**Mr COUTTS-TROTTER:** We do not have an exact record of every heater in every school, but most schools have unflued gas heaters.

**The Hon. CATHERINE CUSACK:** How do you reach the figure of an average of \$7,000?

**Ms VERITY FIRTH:** As I was trying to explain before you cut me off, that figure includes everything. It is not just the unit replacement cost. The unit replacement cost would be much lower than that. The problem is we are being compared on the basis of unit replacement cost. In Western Australia heating replacement was undertaken only in schools that were built in the 1990s. It was a program of only 200 heater replacements and it was literally a matter of taking one heater out and putting another heater in. There were no other flow-on costs from that. Our cost estimate has been reviewed by the facilities management sections of both the South Australian and Western Australian departments of education. Both States have confirmed that their heater replacement programs are not comparable with the circumstances in New South Wales. The South Australian department said that "given this set of circumstances the New South Wales Public Works Department costings should be considered reasonable". We are currently undertaking all of this work; it is in train and it is going through a proper budgetary and Cabinet process—

**The Hon. CATHERINE CUSACK:** I understand, but Minister—

**Ms VERITY FIRTH:** —and we have been very upfront about this the whole time.

**The Hon. CATHERINE CUSACK:** I am trying to understand whether the figures have been modelled. They are not actual figures, is that correct?

**Mr COUTTS-TROTTER:** The mechanical engineering team in the Government Architect's Office have been involved in school heating for about 25 years so they are the primary source of advice on this. The elements are these: When you change from an unflued to a flued heater you have to pump more gas and burn more gas because most of the gas is exhausted. At the moment they burn gas and it is emitted into the room. When it is flued, the burnt gas is taken out and there is a much higher gas feed into the classroom. The work that has been done by the Department of Services, Technology and Administration estimates that about 60 per cent of the gas pipes into our schools would need to be replaced with copper pipes capable of handling gas under much higher pressures.

Secondly, flued gas heaters require a separate electrical supply. In most of our classrooms there is not an electrical supply available to plug the heater into. Many of our schools—about a third—have heritage listing of some kind, whereas in Western Australia when they replaced 200-odd heaters they knocked a hole in a new wall and vented the heaters straight into the playground. You cannot do that in a heritage building. You have to find another solution that does not compromise the heritage quality of the school, which means venting it through the ceilings, often going up two floors to do it. There is a range of factors that is particular to different schools and a range of factors that is general to the system. In other words, it is high pressure gas; it requires different distribution within schools—

**The Hon. CATHERINE CUSACK:** I just want the unit cost. Of the \$7,000, what is the unit cost per heater?

**Mr COUTTS-TROTTER:** That will depend on what we get from the market. For example, the 51,000 heaters in schools at the moment cost about \$2,100 each. They have a working life of 30 years compared to a working life of five years for the standard gas heater you buy at a store, certainly if you put it into a school.

When you go to the market you can bring down the unit cost of a heater very considerably. But this is a multi-trade massive construction program and the cost is mostly in all of the trades associated with installation, not in the equipment itself.

**Reverend the Hon. Dr GORDON MOYES:** I do not want to spend all of our time talking about unflued gas heaters. I commend the Director General and you, Minister, for suddenly coming up to date on this issue. It concerns me that for at least three years your Ministry and department have been in absolute denial about unflued gas heaters. In that period of time, Dr John Kaye and I have asked quite a number of questions on notice in the House about the behaviour of teachers, cross-room ventilation and, in particular, the dangerous gases in school classrooms. Why has the Government under successive Ministers been so obscurantist in looking at the issue?

**Ms VERITY FIRTH:** What the Director General said before is true. Until the Health report in mid 2007 there was a gap in the research. The specialised heaters that were being used in public schools in New South Wales were low NOx unflued gas heaters. There was a gap in the medical research on them, although there had been some research on high NOx unflued gas heaters, which had been shown to have problems—

**Reverend the Hon. Dr GORDON MOYES:** We raised questions about the difference.

**Ms VERITY FIRTH:** That is right. There had not been research on low NOx unflued gas heaters. The Woolcock Institute's report is the first genuine, peer-reviewed example of research on the impacts of low NOx unflued gas heaters. What I said as Minister, and this would always be the case in whatever portfolio I held, was that I would be prepared to be guided by the science. What the science concluded, I would follow. What we know from the Woolcock Institute report is that the science has concluded that respiratory symptoms are created by the increased nitrogen dioxide and formaldehyde in the air and we are now acting—

**Reverend the Hon. Dr GORDON MOYES:** There is no need to explain it to us. We were asking questions about it for two years without getting any sensible response.

**Ms VERITY FIRTH:** I would argue that until we commissioned the Woolcock Institute to do an independent research report the current advice, and the advice that had been provided to all education Ministers before me, was that as long as they were operated in accordance with ventilation guidelines with cross-flow and were properly maintained, the low NOx heaters had no impact on the health of either students or teachers. They were acting under that advice. I then commissioned further advice because we recognised there was a research gap and we had to look at low NOx heaters, and I acted on that advice. That is what any responsible Minister would do, but I would not argue that my predecessors were not responsible because they were acting on the advice that was available at the time based on the current medical evidence of that time.

**Reverend the Hon. Dr GORDON MOYES:** Never taking into account the commentary of parents who had sick kids and teachers who warned about it.

**Ms VERITY FIRTH:** You are talking to the Minister who commissioned the research and acted on that research.

**Reverend the Hon. Dr GORDON MOYES:** Nice fudge!

**The Hon. GREG DONNELLY:** Point of order—

**CHAIR:** Oh, come on!

**The Hon. CATHERINE CUSACK:** She's a big girl, Greg.

**The Hon. GREG DONNELLY:** Hang on. The gratuitous "nice fudge" line is really not appropriate.

**CHAIR:** We are not going to waste time. I will over-rule the point of order.

**Reverend the Hon. Dr GORDON MOYES:** I am quite happy to withdraw that and say, "Was it don't know or don't care?"

**Dr JOHN KAYE:** I had not intended to raise this matter, but Minister I know you are aware, because I have written to you about it, that in 2004 the Hunter New England Area Health Service wrote to private schools in their area telling them not to continue to install unflued gas heaters. You say there was no research but clearly Hunter New England Health had some research, perhaps not enough at that stage to say they should be removed but certainly enough to say they should not continue to be installed.

**Ms VERITY FIRTH:** My advice about that Hunter New England Health advice was that it was about the high NOx heaters.

**Dr JOHN KAYE:** No, that is not correct, Minister.

**Ms VERITY FIRTH:** The advice I have from the department is that—

**Dr JOHN KAYE:** The department should read it again because I have read it and it specifically talks about the low NOx heaters.

**Ms VERITY FIRTH:** All I can say is that the advice I have said that the advice from the Hunter New England Area Health Service referred to the standard high-emission unflued gas heaters commonly available on the market. It did not refer to the low-emission gas heaters that were being used in New South Wales public schools. It should be remembered that the Lo-Nox heaters that were used in New South Wales public schools were designed specifically for use in those schools. You have seen them all. They were used only in those schools.

**Dr JOHN KAYE:** I understand all that. For the record, I am asking you to take this question on notice and to have a look at the Hunter-New England advice. You might not be able to get it as it has been taken off its website. If you cannot get that advice my office took an image of it and I am happy to provide it to you.

**Ms VERITY FIRTH:** You can email it to me.

**Dr JOHN KAYE:** At this stage I want to go forwards rather than backwards and I want to talk about the health risk impact statement. Will that be informed by the evidence that came out as a result of the Woolcock inquiry?

**Mr COUTTS-TROTTER:** Yes.

**Dr JOHN KAYE:** Will it use the data collected by the Woolcock inquiry?

**Mr COUTTS-TROTTER:** Yes.

**Dr JOHN KAYE:** As I have said to the Minister and to the director general, the Greens are concerned about the Woolcock inquiry, in that a number of factors make the evidence that it collected quite conservative. The first factor relates to the climatic conditions in operation during the unusually warm winter period in which it collected data and the second factor relates to the way in which it measured exposure, in particular, to nitrogen dioxide. I understand there are practical reasons why it was done. It did not measure total exposure; rather, it measured peak exposure at one point.

Minister, are you concerned, therefore, that the health risk impact statement will be driven by data that is more conservative than if you had taken the measurements during a colder winter, or you had taken the measurements using more advanced equipment to get the full profile of exposure to nitrogen dioxide? Are you concerned also that that will drive a policy that lowers the speed at which those heaters are replaced?

**Ms VERITY FIRTH:** I will answer that question in three parts. Firstly, yet again, I reiterate that these unflued gas heaters will be replaced. There is no question that they will be replaced. Secondly, in all these decisions, I will always be guided by the science and by the experts. At the end of the day, I will be much more persuaded by Professor Guy Marks' views on these things. Thirdly, if I get where you are heading with this question, it is almost as if you are suggesting that we undertake yet another survey in another winter period.

**Dr JOHN KAYE:** No.

**Ms VERITY FIRTH:** I think we have to get on with this.

**Dr JOHN KAYE:** In order that I am absolutely clear, I am asking you about the timetable for replacement that currently is being determined. It could be anything between three years and 23 years. It is a policy decision and that policy decision will be informed by the health risk impact statement and by the Woolcock report itself. Both those documents will be conservative in relation to health impacts. I am voicing my concern. I do not question—and I have not questioned—your Government's commitment to remove these heaters; it is a matter of when they will be removed. Because this is conservative data are we at risk of having a slower timescale than we otherwise would have had?

**Ms VERITY FIRTH:** As I have said all along, I will be guided by the science and by the experts. I am not concerned about that in the sense that I believe it is a robust report. It has given us conclusions that you are probably pleased it has provided us with. It has provided us with conclusions that have meant we have acted on these unflued gas heaters. But it has said—and again I will be guided by the science—that while there are respiratory impacts on children, for example, coughing and wheezing in the morning, there are no long-term lung function impacts. The health risk assessment will go through the impact of unflued gas heaters, the impact of other heating options, and so forth.

**Dr JOHN KAYE:** Sure.

**Ms VERITY FIRTH:** To a certain extent the only thing that the Government can do in relation to these sorts of issues is to be guided by the science. We are not experts when it comes to these things.

**Dr JOHN KAYE:** I totally agree with you and I am pleased to hear you that will be guided by the science. Will you take independent advice about the conservative nature of the Woolcock data because of the climate? There are ways in which you could correct for that and there are ways in which you could amplify the impacts found by Dr Marks to account for the particular climate conditions that were in force at the time.

**Ms VERITY FIRTH:** The Woolcock Institute report was peer reviewed, in part essentially to provide for what you are talking about—an independent assessment of the findings. That is what a peer review process does and it is part of the robust nature of these sorts of scientific reports. Of course, we will be interested also in the peer review process and its conclusions.

**Dr JOHN KAYE:** The peer review process has concluded. As you would be aware, the peer review process was in respect of a paper submitted by Dr Marks. My question requires a yes or no answer. Do we publish this result or do we not? We have had a good conversation and I appreciate your answers. However, I wish to move to another part of our public schools relating to school libraries. Is the Keneally Government committed to school libraries and to those libraries being staffed by professional teacher librarians?

**Ms VERITY FIRTH:** Yes, it is.

**Dr JOHN KAYE:** Good.

**Reverend the Hon. Dr GORDON MOYES:** I asked the Minister that question last week.

**Dr JOHN KAYE:** Let me pick up on something that Reverend the Hon. Dr Gordon Moyes raised last week in the upper House, that is, the restructure dated 23 August that created the Curriculum Learning and Innovation Centre—which now has the nice acronym CLIC—which merged the Curriculum K-12 Directorate and the Centre for Learning Innovation. Correct me if I am wrong in relation to what has happened here. The position of the highest ranking library person in what used to be called the School Libraries Information Services has gone from being a principal education officer to a senior education officer. There have been a number of other ways in which that restructure has reduced the amount of emphasis on libraries. How will you maintain your commitment to school libraries and professional teacher librarians without the same level of support provided by the previous arrangement?

**Ms VERITY FIRTH:** The first thing I should say is that no final decisions have yet been made about the design of the new merged entities—something that probably should be pointed out. I am aware of the concerns raised by you and by Reverend the Hon. Dr Gordon Moyes about the possible downgrading of support for school libraries. However, I assure you that the Department of Education and Training and this Government are committed to supporting school libraries and school library staff. Other than the fact that this model has not yet been determined and no decisions have yet been made about this design, the new model will provide support

for government schools, taking account of current and future needs. The current support provided by the school libraries and information literacy area has a long and reputable history in supporting school libraries and the use of technology information literacy, and learning programs in schools. I make a commitment to the Committee that there will be no downgrading of support to school libraries.

**Dr JOHN KAYE:** Can school libraries still look forward to having a principal education officer in charge of the directorate?

**Ms VERITY FIRTH:** As I have said, there have been no final decisions at all. This is pre-emptory as no final decisions have been made about the design of the new merged entity. You do not need to worry; there will be no downgrading of support to school libraries.

**Dr JOHN KAYE:** I am pleased to have that commitment but I am not sure what it means. If it means that no principal education officer has a specific libraries focus, and if it means that nobody in the director general's unit has a libraries focus, would you consider that not to be a downgrading? Is your statement that there will be no downgrading consistent with the idea that you will no longer have a principal education officer and you will no longer have anybody in the director general's unit to advise on policy and planning for school libraries?

**Ms VERITY FIRTH:** I will take that question on notice. However, I point out that no decision has been made about this restructure. We were looking at restructuring the curriculum unit because back office processes within the Department of Education and Training can be managed more efficiently. We want to do that without impacting on services. Where there is duplication within the bureaucracy we want to address that duplication. No final decision has been made about this merger. I am happy to take on notice your question about the principal librarians and so forth.

**Dr JOHN KAYE:** I did not ask about the principal librarian; I asked about the principal education officer. The principal librarian is a separate issue. Minister, I would appreciate you getting back to me with a response to my question. I presume you are aware that there has been quite a bit of pushback from teacher librarians and their representatives who are concerned about the impact that this will have. Have you received representations from them?

**Ms VERITY FIRTH:** I am not aware of receiving representations from them.

**Dr JOHN KAYE:** Would you agree to meet with teacher librarian representatives?

**Ms VERITY FIRTH:** Yes, I would.

**Dr JOHN KAYE:** I appreciate that commitment.

**The Hon. CHRISTINE ROBERTSON:** Will we have to go through this process in order to see all those that we want to see? Will we be required to send a letter?

**Mr COUTTS-TROTTER:** I suspect it will be a dead letter in the sense that the issue is understood and is being responded to as detailed work now takes place to describe the structure of the new organisation. From memory, we are talking about 220 positions across the whole organisation. We are beginning only now to look at anything approaching a position description beyond the first and second level within the organisation. But the concerns you have referred to have been expressed directly to me and other people. They are certainly being taken account of in the work we are doing.

**Dr JOHN KAYE:** I refer now to the Language, Literacy and Numeracy Program [LLNP] that is still funded by the Federal Government, the program for long-term unemployed with language, literacy or numeracy deficits. You are aware that New South Wales lost about \$50 million worth of funding in a competitive tendering process?

**Ms VERITY FIRTH:** It is not as much as that.

**Mr COUTTS-TROTTER:** Not quite that much. It was worth \$48 million over three years. It will be worth about \$16 million over the coming three years.

**Dr JOHN KAYE:** It is still substantial.

**Ms VERITY FIRTH:** Yes.

**Mr COUTTS-TROTTER:** Absolutely.

**Dr JOHN KAYE:** It is a massive cut. Can you give us your estimate of the number of full-time equivalent teaching positions that will be lost to TAFE?

**Mr COUTTS-TROTTER:** It is about 420 positions, but I do not know if they are full-time equivalent. It is a mix of casual and full-time staff, but it will have a significant impact on us. We sought and received advice and feedback from the Federal agency responsible for running the tendering process to see whether there was anything we could learn from it. Essentially, we were not competitive on cost and price in some areas of the State.

**The Hon. CHRISTINE ROBERTSON:** Did New South Wales lose that or did TAFE?

**Ms VERITY FIRTH:** TAFE.

**Mr COUTTS-TROTTER:** TAFE New South Wales.

**Ms VERITY FIRTH:** It is Federal Government funding.

**The Hon. CHRISTINE ROBERTSON:** Yes, but New South Wales did not lose the money. It went to another organisation.

**Ms VERITY FIRTH:** Yes.

**Dr JOHN KAYE:** I view TAFE as an integral part of New South Wales.

**The Hon. CHRISTINE ROBERTSON:** I support TAFE; you know that. I was trying to get the point across.

**Dr JOHN KAYE:** Director General, could you get back to us with the number of full-time equivalent positions and the total number of positions that will be lost as a result of the change in contracts?

**Ms VERITY FIRTH:** The problem is that determining that will take time because, as the director general has pointed out, the budget impact on TAFE New South Wales is a reduction in Federal funding from \$43.5 million to \$16.8 million. It is anticipated that a number of positions within TAFE will be lost, but what we hope is that the people affected will be able to find other positions either within the TAFE system—that would be the perfect outcome—or with the successful providers that have won the tenders from the Commonwealth.

**Dr JOHN KAYE:** Which will be a less than perfect outcome because they will receive lower pay rates and fewer hours.

**Ms VERITY FIRTH:** Yes. The process for managing displaced staff obviously will be conducted within the New South Wales Government guidelines. Obviously, we will be doing everything we can to ensure that people are not displaced.

**Dr JOHN KAYE:** The advice you received was that you were not cost competitive—that is, TAFE could not compete.

**Ms VERITY FIRTH:** The advice we received from the Commonwealth was that TAFE's price was not competitive in some regions and that value for money was a major consideration.

**Dr JOHN KAYE:** So basically TAFE New South Wales lost out on price.

**Ms VERITY FIRTH:** That was the advice.

**Mr COUTTS-TROTTER:** That was a significant factor.

**Dr JOHN KAYE:** What would you have to do to lower the price? In order to be competitive in the next round and lower the price you would have to either lower wages or reduce the number of contact hours.

**Mr COUTTS-TROTTER:** It may not be quite as simple as that, but they were two things I assume we would have to look at.

**Dr JOHN KAYE:** What else could New South Wales do to make TAFE more competitive against lower-cost and lower-quality providers?

**Mr COUTTS-TROTTER:** We need to gather the evidence and make the case that the service we provide is a high-quality service that actually achieves something that is of profound use for the students. We will be keeping a close eye on how the success of this current round of contract allocation will be judged.

**Dr JOHN KAYE:** Is it not the case that the underlying philosophy behind the tendering process is to lower costs per unit?

**Ms VERITY FIRTH:** That is a question for the Commonwealth. This is not our funding program; this is a Commonwealth funding program. That question should be directed to the Commonwealth.

**Dr JOHN KAYE:** Is it not a funding program under a national partnership?

**Ms VERITY FIRTH:** Not under one that I—

**The Hon. CATHERINE CUSACK:** You tendered.

**Ms VERITY FIRTH:** Yes, but we do not control the criteria and we do not control the assessment process. It is a Commonwealth program.

**Dr JOHN KAYE:** Have you made representations to the run of Ministers—some of whom are referred to as education Ministers—and those responsible for vocational education and training federally in respect of what happened to the Language, Literacy and Numeracy Program in New South Wales? Have you tried to talk directly to the Minister?

**Mr COUTTS-TROTTER:** Through my colleague Pam Christie we have made direct contact at senior levels with the Commonwealth agency dealer to understand why we lost in those areas where we lost.

**Dr JOHN KAYE:** Sure, but that is answering a different question. The question I asked was: Was there ministerial contact on the issue of the philosophy behind the program? I appreciate your answer, Mr Coutts-Trotter. That is an important issue, well done. But I want to know whether New South Wales argued at a policy level for a different approach in the allocation of this sort of money?

**Ms VERITY FIRTH:** At Ministerial Council on Education, Employment, Training and Youth Affairs level, ministerial level—or MCTEE, as it is called—we have talked about this policy area, particularly in relation to the market reform agenda, from which the Federal Government has now moved away. But it was being discussed when I first became Minister in about 2008.

**Dr JOHN KAYE:** In October 2008?

**Ms VERITY FIRTH:** Yes. The answer is yes, we have discussed that.

**Dr JOHN KAYE:** Will you continue to apply that pressure?

**Ms VERITY FIRTH:** Yes.

**The Hon. TONY CATANZARITI:** Minister, can you update the Committee on the results achieved by New South Wales students in the recent National Assessment Program—Literacy and Numeracy [NAPLAN] tests?



**Ms VERITY FIRTH:** Yes, I am happy to. Again, New South Wales students have achieved outstanding results in the national literacy and numeracy tests, ranking in the top three jurisdictions for average scores on nearly all tests. New South Wales students are the top spellers in the country and our year 5 students have done very well this year with the highest percentage of kids in the top band for spelling, numeracy, grammar and punctuation. This is the third year of national testing, which means we can now look at results over time for the same groups of students. That shows us that there has been a high level of consistency in New South Wales results over the three years. This year's results have also shown significant improvements in the average scores in year 5 numeracy and year 3 reading since last year.

In statistically significant terms, New South Wales test results are lower in only one result—that is, year 3 spelling. But our year 3 spellers are still the nation's best. We have always said that these tests are important to show both where we are doing well and also where improvements can be made. In schools across the State teachers can now access the most sophisticated analysis software package in the country: the School Measurement, Assessment and Reporting Toolkit, which is known as SMART. This cutting-edge technology allows our schools to analyse performance in NAPLAN and other assessments, and to deliver tailored intervention programs to improve student learning outcomes. With the Federal Government we are also investing unprecedented amounts in literacy and numeracy, and in teacher quality.

One of the greatest achievements is that New South Wales has the highest participation rate in the country. More of our kids turn up on the days of the tests than in any other State. The participation rates for New South Wales are always above the national average for every year level and every test. In years 3, 5 and 7 New South Wales participation rates are always close to or above 97 per cent, and are the highest of any jurisdiction. In year 9 New South Wales participation rates are always close to or above 95 per cent, and are the highest of any jurisdiction. We know that the most accurate results are achieved when we have a high percentage of students taking the tests.

The difference between the participation rate and 100 per cent is explained by children being absent on the day of the test or withdrawn from the test by their parents. Children who are exempted from testing do not sit the test, so they do not influence the mean scores for schools or systems. We worked hard to ensure high participation rates for all the obvious reasons: no test means no data and no feedback to children, parents, teachers, schools and systems to help improve teaching and learning. We know that the most accurate results are achieved when we have a high percentage of students taking the tests. More than 300,000 New South Wales students sat the NAPLAN tests in May this year. We have the most number of students and the most diverse student population—New South Wales has the highest number of refugee students and high numbers of Aboriginal students—which makes the results even better. It is important to point out that, despite our outstanding results which any statistician would confirm, the Leader of the Opposition was quick to ignorantly dismiss the results, which is an insult to the hard work of our teachers and our students.

**CHAIR:** Are you not going to take a point of order on that?

**Ms VERITY FIRTH:** To make it even worse, he admitted, while making the comment, that he had not even seen the results. Parents also have been receiving detailed individual reports about how their child is progressing. The tests provide valuable diagnostic information for teachers and allow governments to target funding to the schools that need it most. In schools across the State teachers can now access the most sophisticated analysis software package in the country—the School Management Assessment and Reporting Toolkit [SMART].

**The Hon. CATHERINE CUSACK:** They are not trained to do it, are they?

**Ms VERITY FIRTH:** No, they are trained to do it.

**The Hon. CATHERINE CUSACK:** No, they are not.

**The Hon. CHRISTINE ROBERTSON:** I do think it was a shame to interject.

**The Hon. GREG DONNELLY:** I want to hear the answer for myself.

**Ms VERITY FIRTH:** The Government is investing \$4.7 million in the School Management Assessment and Reporting Toolkit program, and teachers in New South Wales now have access to a powerful new diagnostic tool that is designed to analyse student National Assessment Program—Literacy and Numeracy

[NAPLAN] results and devise individualised learning plans. It is now available to all public schools. In the first two hours since launching SMART 2, we had over 800 users access the software, so we know that this is a program teachers are keen to use. More than 800 pages of online teaching strategies are available in the School Management Assessment and Reporting Toolkit to help teachers turn the analysis into practical teaching ideas to move students to the next level, regardless of their level of achievement.

Strategies also are provided for students with special needs, Aboriginal students and English as a second language [ESL] learners. The School Management Assessment and Reporting Toolkit enables schools to analyse the National Assessment Program—Literacy and Numeracy data, to consider their strengths and weaknesses and compare their performance with the State and similar schools, and see their progress over time. Parents also have been receiving their child's individual National Assessment Program—Literacy and Numeracy reports this week, which show how the student is performing against their school year and against the national average. A survey of parents found that 92 per cent want the information delivered in the National Assessment Program—Literacy and Numeracy reports, and this is information that obviously they have a right to have.

Greater transparency is the key towards positive change. All students deserve the best possible education we can give them. That means identifying schools that are underperforming so we know where to target extra assistance. This financial year we are investing \$262.3 million in literacy and numeracy programs for New South Wales public schools. Over the past decade, that has increased from \$54 million. Our strong results are evidence that it has been an extremely important investment, and that it has been working.

**The Hon. CHRISTINE ROBERTSON:** Can the Minister update the Committee on the progress of the trial of an ethics-based alternative to special religious education in New South Wales schools?

**Ms VERITY FIRTH:** Yes, I can. As the Committee will be aware, the New South Wales Federation of Parents and Citizens' Associations over some years has discussed with the department an alternative option for students whose parents choose not to take special religious education, which is commonly known as scripture. Public support for this proposal also has grown over time. Under section 32 of the Education Act 1990, there is a legislative requirement that "in every government school, time is to be allowed for the religious education of children of any religious persuasion". The Act incorporates the right of parents of religious conviction, and others, to choose a religious persuasion for the instruction of the children during school time in all government schools.

Under the Act, parents have the right to request that children not attend special religious education at school. At various times parents have asked the department to investigate ways in which their child's time could be used more meaningfully during that time. On 25 November last year the New South Wales Government announced approval for the New South Wales Federation of Parents and Citizens' Associations to trial an ethics course for students opting out of scripture. The trial was conducted by the St James Ethics Centre of behalf of the New South Wales Federation of Parents and Citizens' Associations. The participating schools were self-nominated by their parent bodies, with the agreement of the principal. The trial schools came from a diverse range of areas including Baulkham Hills Public School, Haberfield Public School and Bungendore Public School. The course was developed by Associate Professor Philip Cam, who is an international expert in philosophical inquiry for primary students. The course presenters were volunteers from the local community who were selected and trained by the St James Ethics Centre.

Over the 10 weeks, students learned to use the language of ethics and discussed issues with other students as a way of improving their own understanding of ethical behaviour. The trial of an ethics course corresponds to the request of a significant group within our community. However, this is not to say that values and ethics are not integral to teaching in our public schools.

**Dr JOHN KAYE:** Hear, hear.

**Ms VERITY FIRTH:** Ethics and values are taught through the formal curriculum, school discipline systems and welfare programs, and co-curricular activities. Our curriculum continues to be strong and wide ranging, developing our students as thoughtful members of society. Now that the trial has concluded, a rigorous independent evaluation of the ethics course trial is being undertaken by an expert interstate academic, Dr Sue Knight. The results of this evaluation will inform the Government's decision about the future of an ethics option for students who do not attend special religious education. This is a sensible approach. I was disappointed to hear the Leader of the Opposition recently state his unequivocal opposition to the introduction of an ethics-based alternative.

**The Hon. CATHERINE CUSACK:** Point of order: The Minister's characterisation of the Leader of the Opposition is, ironically, unethical. He said that he will not pre-empt the outcome of this inquiry.

**Dr JOHN KAYE:** To be fair, the Minister actually had not yet said what the characterisation was, so it is a bit hard to say it was unethical.

**The Hon. CATHERINE CUSACK:** She is now quoting the Government's version—

**The Hon. TONY CATANZARITI:** You are just cutting into time.

**The Hon. CATHERINE CUSACK:** —which is incorrect, and political spin, basically. This is their messaging.

**Ms VERITY FIRTH:** No. I do not know if that is true. He did actually say that he was opposed to the ethics program. He did.

**Dr JOHN KAYE:** Yes.

**Ms VERITY FIRTH:** He absolutely said it.

**The Hon. CATHERINE CUSACK:** No. He said that we would formalise our position.

**Ms VERITY FIRTH:** No.

**The Hon. CATHERINE CUSACK:** I saw the same *Stateline* report.

**Ms VERITY FIRTH:** No.

**The Hon. CATHERINE CUSACK:** Did you see the *Stateline* report?

**Ms VERITY FIRTH:** I saw the AAP report.

**The Hon. CATHERINE CUSACK:** If you watch *Stateline*, you will see that he has been grossly misrepresented.

**Dr JOHN KAYE:** I saw the same one. He did.

**Ms VERITY FIRTH:** It did say that he was opposed.

**Dr JOHN KAYE:** You are right, yes.

**The Hon. CHRISTINE ROBERTSON:** Madam Chair, will you make a decision on the point of order?

**The Hon. CATHERINE CUSACK:** He indicated that a decision would be formalised after the report was available. The Government is now asserting this, when you have just conceded that the report is not available.

**Dr JOHN KAYE:** He did. The AAP report had it.

**CHAIR:** Minister, we have been listening in silence to your answers. The first answer was a very tough assessment of the next Liberal Premier of New South Wales.

**The Hon. GREG DONNELLY:** Point of order: They are gratuitous statements from the Chair.

**CHAIR:** I will correct that statement—the Leader of the Opposition. Now you are going on in the second answer to make statements.

**The Hon. CHRISTINE ROBERTSON:** This is the most appalling ruling, Robyn. We have an interesting Chair here.

**CHAIR:** Minister, can you please—

**The Hon. GREG DONNELLY:** I think the clock should be stopped. This depletes our time.

**The Hon. TONY CATANZARITI:** That is right.

**CHAIR:** Minister, can you please just review and, in the light of what you are saying, be careful about your wording.

**The Hon. CHRISTINE ROBERTSON:** Tit for tat.

**Ms VERITY FIRTH:** It is my understanding, and I am happy to be disapproved of this understanding, that Mr O'Farrell announced he was against the ethics trial. Now, if that is not the case—

**The Hon. CATHERINE CUSACK:** That is not the case.

**Ms VERITY FIRTH:** —and if he is in fact awaiting the expert evaluation, that is well and good. In fact, I have written to him just this week asking—

**The Hon. CATHERINE CUSACK:** Further to the point of order: My point of order relates to relevance.

**The Hon. CHRISTINE ROBERTSON:** It has been ruled on.

**The Hon. CATHERINE CUSACK:** The Minister's speculation, regarding the Leader of the Opposition's position which she has pretty much conceded she just does not really know, is not relevant to the answer she is giving to the Committee on this program.

**CHAIR:** Can we just move on, please?

**Ms VERITY FIRTH:** Well, anyway, I have written to him and I have asked him to visit one of our schools that conducted an ethics trial so that he can talk to teachers, parents and students there about the ethics trial. I invite him to do that. In our opinion, it obviously does not make sense in this day and age to leave students who do not attend scripture with no alternative. We are very much looking at ways that we can provide a meaningful alternative for students who do not attend scripture. The Government announced the ethics trial last November, yet this is the first we have heard from the Leader of the Opposition, so we do actually want him to make an assessment based on an independent evaluation from visiting of our schools.

**The Hon. CATHERINE CUSACK:** He said that he is waiting on the report. The report is not available.

**The Hon. CHRISTINE ROBERTSON:** Excuse me.

**Ms VERITY FIRTH:** He said he opposed it.

**The Hon. CATHERINE CUSACK:** He did not say that, Minister.

**Ms VERITY FIRTH:** He said he opposed it.

**The Hon. TONY CATANZARITI:** Who is running this show?

**The Hon. CATHERINE CUSACK:** He said that in the interview.

**The Hon. TONY CATANZARITI:** Point of order—

**Ms VERITY FIRTH:** He said he opposed it.

**The Hon. CHRISTINE ROBERTSON:** In your question time, you can argue with the Minister.

**The Hon. CATHERINE CUSACK:** If the Minister wants to raise these issues in this way—

**The Hon. TONY CATANZARITI:** Point of order, Madam Chair.

**The Hon. CATHERINE CUSACK:** —it is going to provoke a response.

**The Hon. TONY CATANZARITI:** I just want to know whether it is the Hon. Catherine Cusack's questioning. What is your ruling on this?

**CHAIR:** This is a question from the Government member.

**The Hon. TONY CATANZARITI:** Thank you.

**CHAIR:** The Minister is answering it. I have asked the Minister to be careful about her answer. This is estimates about the Government's performance. It is about the Government's funding. That is what we are here for.

**The Hon. TONY CATANZARITI:** What I am asking you for—

**CHAIR:** And I guess that is why other members are upset.

**The Hon. CHRISTINE ROBERTSON:** Nonsense. You are deliberately straying.

**The Hon. TONY CATANZARITI:** The interjections are agreeing with the known truth.

**The Hon. CATHERINE CUSACK:** The Minister is the one who is straying.

**The Hon. CHRISTINE ROBERTSON:** Catherine, we stick to the rules; you stick to the rules.

**CHAIR:** Minister, could you please continue talking about your Government and your actions, thank you.

**Ms VERITY FIRTH:** Last week I visited Crown Street Public School to receive a book of feedback that students and parents at the 10 trial schools had put together. The book contains many interesting observations, like those from Zoe Bloomer, a year 5 student from Randwick Public School who said of the trial, "I liked that everyone got a turn and no one was wrong or right with what they said."

**Dr JOHN KAYE:** It sounds like budget estimates!

**Ms VERITY FIRTH:** "It helped us to listen to each other"—

**Dr JOHN KAYE:** Oh, we need that!

**Ms VERITY FIRTH:** —"and talk about what we might do in real life situations." Or like Erik Baskeyfield, a student at Baulkham Hills Public School, who said:

I think it's awesome. I think it's better than non-scripture. Non-scripture is just boring because you do nothing interesting.

Or Deborah Kytic, a parent of two students at Rozelle Public School, who said:

For me it's a question of choice. I'm delighted my daughter has an option to do something rather than nothing, and I love the impromptu discussions I overhear between my daughter and her friends on the subjects that come out of the ethics class.

The feedback from parents and students at the 10 trial schools has been overwhelmingly positive. I acknowledge that, however, there is a diversity of views on this issue within the community. That has been made absolutely clear to me. Let me assure you of one thing: This proposal is about recognising that diversity, not restricting it. The ethics course would never be an alternative to special religious education classes in New South Wales public schools. The ethics course would only be an option for students who choose not to attend special religious education.

We have no plans to change any aspect of the legislation with regard to special religious education. In that, we are supported by stakeholders on both sides of the argument. If approved to proceed, the ethics course will operate in much the same way as scripture operates, including the use of volunteers to lead classes. The Government will not be telling parents where to send their children. This trial is about ensuring that parents have another option to take. We must remember that if the ethics course proceeds participation will always be a decision that rests with parents.

**The Hon. GREG DONNELLY:** Will the Minister provide information to the Committee about charitable initiatives arising from the implementation of the Building the Education Revolution [BER] Program in this State?

**Ms VERITY FIRTH:** This is a lovely story. Under the largest component of the Building the Education Revolution Program—Primary Schools for the Twenty-first Century or P21—all schools in New South Wales are benefiting from a range of new buildings such as libraries, halls and classrooms. Along with that new infrastructure, they are also receiving brand-new furniture to meet their requirements, which means that many schools have classroom furniture they no longer need. Under P21 surplus furniture is handed to the school principal at the end of the project. The principal has the choice to reuse the furniture in the school, sell it, donate it to a local charity or ask that it be removed.

Earlier this year Rotary and one of our seven managing contractors, Hansen Yuncken, came up with a proposal to put the surplus furniture to good use and a trial was approved to ship the furniture to developing countries in our region. The trial involved schools in Sydney's south-west donating the furniture for it to be shipped to countries that in many cases have no furniture at all. Sometimes the furniture is sent for recycling but in many cases it just ends up in the tip. The trial has been a fantastic success. Since then 41 containers have been shipped to various disadvantaged countries—that is about 180 classrooms of furniture. It is hard to overstate how important this is. Many students in these countries have not been privileged enough to have ever sat on a chair during their whole education and in many cases were just sitting on dirt floors.

This fantastic new program shows that the BER can have even further benefits and is in effect creating its own mini-BER in some of our developing neighbours. It is a fantastic way for our schools to help improve the educational experience of students in disadvantaged parts of the world and to build relationships with them that can be continued throughout their school years. Schools have the option of donating furniture to schools in remote areas such as Vanuatu, Fiji, the Philippines, Papua New Guinea, Sierra Leone and the Solomon Islands. If they decide to donate the furniture it is collected by Rotary, dismantled and packed into shipping containers. The containers are then shipped overseas and distributed to local schools, without any additional cost or disruption to the school. The cost is covered by the BER office and is similar to the cost of removal or recycling.

The appreciation of the community cannot be overstated, especially when you look through photographs of the before and after classrooms, like a school that recently received new furniture in the remote village of Guono high up in the eastern highlands of Papua New Guinea. The village sent trucks to pick up the furniture but due to the bad road they could only go within 12 kilometres of the school. From that point the entire village came to meet them and carried the chairs, tables and blackboards the rest of the way. Rotary did electrical, carpentry and plumbing work on a new health centre, and we delivered three shipping containers of medical, classroom furniture and books to a project school and five surrounding community schools.

Over the past few years the community has found it hard to attract teachers due to its remote location, but having a proper functioning classroom with facilities that makes the kids want to go to school will make a huge difference. I thank Hansen Yuncken and Rotary for participating in this very worthwhile program, and I urge other managing contractors to get involved. Indeed, recently I wrote to all managing contractors asking them to join in the program so that we can expand the program to other schools in Sydney and hopefully also to other regions in New South Wales where possible. As we all know, the BER has supported business and jobs, including the businesses run by managing contractors.

Australians are known for their generosity and I am confident that these businesses that were supported through hard economic times will be keen to extend that support to others. New South Wales is leading the nation when it comes to the delivery of the BER. We have already finished two of the three components. The \$151 million science and language centre program is now complete, with 118 government schools now having new or refurbished facilities. We have also completed \$287 million in school refurbishment works through

National School Pride and we are well ahead under P21 with 95 per cent of projects under construction or completed. In fact, it is now 99 per cent.

New South Wales had the most challenging BER program and has delivered impressively against the required time frames. Our program was 36 per cent larger than the next biggest jurisdiction, which is Victoria, and three times bigger than the New South Wales Catholic system. The BER was designed as an economic stimulus and without it Australia would now be in recession. New South Wales delivered the economic stimulus when it was needed. We prevented recession in our State and arguably saved Australia from a similar fate. This story about donating the furniture overseas is wonderful, and it is absolutely perfect for school communities because it is also teaching students about the extended responsibility we all have for other people. It is absolutely wonderful and I encourage all managing contractors to take up, as Hansen Yuncken did, this great project with Rotary. [*Time expired.*]

**(Short adjournment)**

**CHAIR:** Minister, in the case of unflued gas heaters the Rawlinson assessment tool was used, but in relation to the BER it was said it was not an accurate assessment tool because of the specifications of school equipment and particular requirements.

**Ms VERITY FIRTH:** It was quite different in the case of the square metre rates that Rawlinson was using. It is true that our schools have very strict schools facility standards which I know has been talked about a lot in the public realm.

**CHAIR:** I do not need a long answer, but just a one-sentence answer of why it was used for the heaters but not for the BER?

**Ms VERITY FIRTH:** In relation to schools our cost per square metre at the time we were making our estimates included everything. A little bit like the unflued gas heaters things where we were including both the fixtures, fittings plus the school's facility standard which is at a much greater quality than what Rawlinson would be used to using in the general—I mean our schools facility standard actually exceed, in many cases, the codes that are set down by the Australian building codes.

**CHAIR:** If you have a detailed answer will you provide it to the Committee on notice.

**Ms VERITY FIRTH:** Yes. Do you want to add to that?

**Mr COUTTS-TROTTER:** No, it is okay.

**CHAIR:** I know that there were projected savings discussed in relation to having a centralised procurement policy. How much did you originally expect to save from a centralised procurement?

**Ms VERITY FIRTH:** I will give an answer and then the director general will give a more precise answer. The advice from the department is that our consolidated buying approach has saved the Department of Education and Training more than \$150 million in the past two years alone. More than 90 per cent of those savings are then returned to schools and TAFEs through lower prices and operating costs. There is, of course, an advantage that can be made by the bulk purchasing power that is the Department of Education and Training, but we have always made it clear to local school communities and TAFEs that if a school is able to buy the equivalent product cheaper from local suppliers then it may do so. No school or TAFE should ever pay more for a product than it can source for itself. On the contrary, the economies of scale of the department should ensure that they pay less. That is the idea behind centralised procurement.

**CHAIR:** I understand the notion behind it, but I want to know what did you expect to save in dollar figures? What have you saved actually per year? Will you provide a breakdown?

**Mr COUTTS-TROTTER:** I might respond on notice if that is okay? Broadly, it is \$75 million a year but specific and more accurate figures than that I would have to take on notice.

**CHAIR:** What was the expectation?

**Mr COUTTS-TROTTER:** About \$75 million a year.

**CHAIR:** How many people work in the centralised procurement operation?

**Mr COUTTS-TROTTER:** It varies depending on the task we have got in hand. We make use of temporary and contract staff, depending on the projects that are underway. So I would need to respond on notice with an exact number of staffing right now. But the teams have been larger and smaller depending on the projects underway, for example, when we were doing the work to get the Net books for the Digital Education Revolution and the work to secure the wireless services for schools there were larger teams. It varies, I would have to check and respond to the Committee.

**CHAIR:** Where is the staff based?

**Mr COUTTS-TROTTER:** They are based in the city but we recognise and are moving to put more people into the regions. The kind of work we have been doing lately has been aimed at giving schools more choice of local regional suppliers for things like print management services because we recognise that schools are deeply connected with local communities and part of the value that they assess in thinking about who they use relates to the relationship they have with local communities and the businesses in local communities. So putting more procurement expertise closer to regional structures has been a move of recent days but most of the staff are centrally based in Clarence Street in the city.

**CHAIR:** Will you provide the Committee with numbers of staff and costs of staff in the centralised office?

**Mr COUTTS-TROTTER:** Yes.

**CHAIR:** Minister, do you have guidelines for disclosure or declaration of knowing a staff member, or having a relationship with a staff member, or a prospective staff member when senior staff are being employed?

**Mr COUTTS-TROTTER:** Yes.

**Ms VERITY FIRTH:** I will ask the director general to speak to that but it is obviously under the Government employment policy which is very strict around those issues.

**Mr COUTTS-TROTTER:** Yes, there is.

**CHAIR:** Mr Hunter, you have established a new finance structure. Did you employ any staff consultants to assist with establishing that new finance structure?

**Mr HUNTER:** Yes, we did.

**CHAIR:** Was Ms Leanne Walker employed in any capacity?

**Mr HUNTER:** Yes, she is a contractor in my office.

**CHAIR:** Did that position go through any competitive process? Was there an application and interview process?

**Mr HUNTER:** Yes, the first process was I wanted to do a workforce planning analysis for my directorate. We sought, I think, three bits—one from Deloitte and a couple of others—and Leanne Walker responded to one of those.

**CHAIR:** So it was an advertised position?

**Mr HUNTER:** We did not advertise. We just sought prospective consultants for that role.

**Mr COUTTS-TROTTER:** As you are able to under government procurement policy.

**CHAIR:** Right.

**The Hon. CATHERINE CUSACK:** Who was on the selection panel for that?



**Mr HUNTER:** The selection panel was HR and me. That goes back now, I think, two years. Then what happened was we did the workforce planning review and then after that we extended Leanne Walker's contract to actually implement some of the recommendations from the workforce planning review. Most of those recommendations are around restructuring of the corporate finance area.

**CHAIR:** So she is a permanent employee now.

**Mr HUNTER:** No, she is still a contractor. She is managing the restructures within finance. We are doing a restructure within the asset management unit and we are also doing a restructure within IT, and she is a contractor managing some of those restructures.

**CHAIR:** What is your relationship with Leanne Walker?

**Mr HUNTER:** My relationship?

**CHAIR:** Yes. Do you know her? Did you know her before she was employed?

**Mr HUNTER:** Yes, I knew Leanne before Leanne came to DET.

**CHAIR:** Did you disclose that under the guidelines that the director general talked about?

**Mr HUNTER:** I cannot recall, but I think I did. The other thing that we did during the contractor process at the start when we were doing the workforce planning review was I set up a steering committee with the head of HR, Trish Kelly. We monitored the work that was being carried out by Leanne at that stage to see that that job was being done in accordance with the original scope of the project.

**CHAIR:** You cannot recall whether you disclosed your relationship or friendship with her. Do you not think you should have?

**Mr HUNTER:** Yes, and I think I did, but I would need to go back and check whether I did that.

**The Hon. CATHERINE CUSACK:** Do you recall, director general, whether he disclosed that?

**Mr COUTTS-TROTTER:** It would not be a disclosure to me; it would be a disclosure as part of the selection process. Usually the process would be if you were participating in a selection of a contractor or an employee, you would disclose your relationship with that person prior to engaging in the process.

**The Hon. CATHERINE CUSACK:** Would you exempt yourself from the process?

**Mr COUTTS-TROTTER:** That is a matter of judgement. There would be occasions when it would be completely appropriate. We occasionally have people whose sons or daughters or brothers or sisters apply for jobs. With a very close family connection of that nature, I think it would be sensible—both for your own interests and certainly to maintain a sense of strong probity—to exempt yourself, but there will be other occasions where you have professional relationships. This happens to us all the time when you are selecting teachers in schools. People have worked with each other over years and they acknowledge that to the selection committee. That is known and understood, and the selection takes place in an appropriate way.

**CHAIR:** When it is a close friendship, rather than a professional relationship—

**Mr HUNTER:** Can I just clarify something?

**The Hon. GREG DONNELLY:** Point of order: We are morphing here from relationship to friendship to now something closer. I think there is a deliberate difference in what is being put to the witness in terms of this matter. If you are going to put something to the witness, you can. But you ought not use the phrase 'relationship', then morph into 'friendship' and then into 'closer friendship'. I think it has to be clear.

**CHAIR:** Thank you. That is exactly what I am clarifying: the director general talked about a work relationship and I am asking whether it is a close friendship. That is what Mr Hunter has answered. That is exactly what I am doing.

**Mr HUNTER:** Can I have the question again?

**CHAIR:** The director general was talking about relationships in terms of people you work with. I was asking whether it was a friendship rather than a work relationship or a close friendship, which would be considered in a different way and is perhaps something that would cause you to exempt yourself.

**The Hon. CATHERINE CUSACK:** Would you mind just clarifying the nature of your knowledge of the person?

**Mr HUNTER:** The nature of the relationship?

**The Hon. CATHERINE CUSACK:** Yes.

**Mr HUNTER:** A friend.

**The Hon. CATHERINE CUSACK:** And a next-door neighbour perhaps?

**Mr HUNTER:** Yes.

**The Hon. CATHERINE CUSACK:** Is there anything more?

**The Hon. CHRISTINE ROBERTSON:** This is disgraceful, Catherine.

**The Hon. CATHERINE CUSACK:** I emphasise that I was not in any way meaning to imply—

**The Hon. CHRISTINE ROBERTSON:** Well, you accidentally did.

**The Hon. GREG DONNELLY:** Is the inference going to be withdrawn?

**The Hon. CATHERINE CUSACK:** Yes or no—is there a personal friendship there? Yes, I absolutely withdraw the implication. It was completely unintended.

**Mr HUNTER:** Let me answer the question.

**The Hon. CATHERINE CUSACK:** The director general has just spoken about professional relationships. This is a personal friendship.

**Mr HUNTER:** I have been in the public sector since 1992 or 1993 and I have to say that I know lots of people who work in DET and who work in the public sector and who do not work in the public sector. I used my judgement in this case because I thought that this person would be good for this role, and it has turned out that she has been very good in this role. She is coming to the end of her contract period and we will need to go through a process of performance review to see whether that contract will be renewed. But if I was to exclude all the people I knew from potentially working with me or not working with me, the New South Wales public sector is not a big beast and you have networks and you know people.

**The Hon. CATHERINE CUSACK:** With respect, we are not suggesting she be excluded. We are concerned about the selection process and the integrity of the selection process. May I ask what the terms of the contract are as to its duration and the payment on a daily basis?

**Mr HUNTER:** Yes, you can. The contract is for a year and it expires on 23 September this year. The daily rate is around—

**The Hon. GREG DONNELLY:** You can take it on notice.

**Mr HUNTER:** Yes.

**The Hon. CATHERINE CUSACK:** Would it be around \$1,200 a day?

**Mr HUNTER:** No, it is less than that. The original work that we did on the workforce planning review was around about that amount, but that was significantly lower in cost than the prices we got from Deloitte and Yellow Edge. It is a while ago and I can give you the details on that, but it was significantly lower than the costs that we got from those other companies.

**The Hon. CATHERINE CUSACK:** Basically, you selected who the expressions of interest would be sought from?

**Mr HUNTER:** Yes.

**The Hon. CATHERINE CUSACK:** And was it you and one other person from human relations?

**Mr HUNTER:** I will take that on notice and go back and check that.

**The Hon. CATHERINE CUSACK:** I think these guidelines are made to protect people. I would like to move on to the Solar Schools Program. The budget papers show that this is a \$46.592 million program, of which \$13.976 million was expended last year and \$9.03 million has been allocated this year. How many schools have had solar panels installed under this program?

**Ms VERITY FIRTH:** I might have to take that on notice. I can give you some information about the National Solar Schools Program. It is obviously a Commonwealth Government program, aimed at supporting schools to purchase solar panels, rainwater tanks and implement energy efficiency measures. It is a non-competitive funding program that will provide between \$15,000 and \$50,000 grants per school and run until 2015. Solar panels and rainwater tank contracts have been added to the New South Wales Government contracts. This will provide schools with a minimum package of a solar panel system that complies with the National Solar Schools Program guidelines. Your precise question was how many schools have received the panels. We will take that on notice.

**The Hon. CATHERINE CUSACK:** Was all of the funding that has been spent given to the schools directly?

**Mr COUTTS-TROTTER:** We will need to take it on notice, I am afraid.

**The Hon. CATHERINE CUSACK:** Did they get all of the RECs funding?

**Mr COUTTS-TROTTER:** I assume so. Yes, they do.

**Ms VERITY FIRTH:** This is the renewable energy certificates?

**The Hon. CATHERINE CUSACK:** Yes.

**Mr COUTTS-TROTTER:** The value of the certificate goes to go the schools, yes.

**The Hon. CATHERINE CUSACK:** How many schools will receive the panels this year?

**Mr COUTTS-TROTTER:** We need to respond to that question on notice.

**The Hon. CATHERINE CUSACK:** Can you explain to me why you have allocated \$9 million of spending but the Commonwealth says that its funding for New South Wales Government schools this year is only \$4.67 million?

**Mr COUTTS-TROTTER:** It is probably because there are other sources of funding. I will not muddle through; I will simply take that on notice and respond to you.

**The Hon. CATHERINE CUSACK:** The Commonwealth says in its funding guidelines that the allocations will be made in proportion to the number of schools in each State. In New South Wales the government sector is only allocated \$4.67 million and the non-government sector is allocated \$5.7 million—

**Mr COUTTS-TROTTER:** It is probably a question of timing because we sought to work, as I recall—and I am relying on memory—with the Commonwealth agency to amend the way they approach the

program with us so we could factor in, from memory again, smart measuring that enabled us to feed electricity back into the grid. There were elements of negotiation that were aimed at giving our schools more of what they wanted from the program, which slowed down the implementation of the program in public schools. So I would not assume that the dollar figures in any one year reflect a proportionate sector share of the funding. It could simply be a matter of timing sequence.

**The Hon. CATHERINE CUSACK:** So in fact there may have been an underspend in the program?

**Mr COUTTS-TROTTER:** No, I am not saying that, I am saying that we negotiated time frames with the Commonwealth as well. It may be different from the time frames they are working to with non-government schools. I am relying on memory, and it is one of a very large number of programs within the agency, so I am best responding on notice to you.

**Dr JOHN KAYE:** Minister, I wish to return to the issue of TAFE. Can you give us a rough estimate verbally, and get back to us on notice, of what percentage of TAFE courses, probably best measured by student contact hours, are either commercial or full-fee paying in 2010-11?

**Ms VERITY FIRTH:** We will probably have to get back to you on notice in terms of percentage.

**Dr JOHN KAYE:** I foreshadow that I will be putting a number of questions on notice seeking to get more data on this issue, given that Budget Paper No. 3 has almost no information in it at all.

**Ms VERITY FIRTH:** The revenue collected from the TAFE New South Wales fee represents around 4.4 per cent, but that does not include—

**Mr COUTTS-TROTTER:** No, that is fees paid by some, but not all, students. Of broadly \$1.8 billion of total expenses, about \$380 million we expect to be funded from commercial or competitive sources of funding. So that is a mix of commercial arrangements with people like Le Cordon Bleu, but it also includes some funding that is distributed competitively by the Commonwealth and also competitively at a State level by the Board of Vocational Education and Training. So of \$1.8 billion it is about \$380 million.

**Dr JOHN KAYE:** Is it \$386,990,000?

**Mr COUTTS-TROTTER:** That could well be right.

**Dr JOHN KAYE:** Is that down from about \$429,789,000?

**Mr COUTTS-TROTTER:** We are anticipating a bit of a drop in that income because that income includes income from international students. But there has been and continues to be a pretty profound restructuring of the vocational education and training market. I know you object to the term "market", but there is an aspect of it that is clearly a market. We anticipate that two significant changes, the delinking of certain vocational skills and migration—no longer is obtaining a qualification as a commercial cook or a hairdresser a route to obtaining residency in Australia—will affect those registered training organisations that did a very significant amount of training in those areas with international students. You will see some of those training organisations emerge as more intense competitors to TAFE in the commercial market, the domestic commercial market. So these are projections only; they are not signed and sealed contracts in every case. But we are projecting a slight fall in broadly commercial revenues this year as a result of that and other factors.

**Dr JOHN KAYE:** What you are referring to is the item in the budget "Total retained revenue", is that right?

**Mr COUTTS-TROTTER:** Yes, it is included within total retained revenue.

**Dr JOHN KAYE:** Would it be possible to provide us with a fairly detailed breakdown of how many fees are coming from overseas students, how many are for commercial courses in Australia and how many are for non-commercial courses in Australia?

**Mr COUTTS-TROTTER:** Yes.

**Dr JOHN KAYE:** Also could you do that for 2008-09, 2009-10 and for the budget period 2010-11?

**Mr COUTTS-TROTTER:** Yes, of course we can.

**Dr JOHN KAYE:** You say I object to the word "market". I am a realist and I understand that there is a market here, but there are clearly huge changes happening in the policy emphasis of TAFE with respect to fees and charges and also with respect to the competitors to TAFE, many of which are funded by the Commonwealth and some of which are not. Minister, is it your opinion that morale amongst TAFE teachers and educational professionals is at an all-time low, and do you think that that has anything to do with a long and drawn-out salaries dispute, the language, literacy and numeracy program debacle that you spoke about before, the issue of downgrading teacher qualifications, the issues of funding, the issue of fees and charges and the ongoing at least perception of increasing casualisation of TAFE?

**Mr COUTTS-TROTTER:** I would argue that morale is at its lowest ever—I do not agree with that at all. I travel around TAFE institutes across the State and I am absolutely inspired by the work that our teachers do. The TAFE institutes are wonderful institutes, and the reason why I will always be a very strong supporter of TAFE is that TAFE is the great equity provider. It is the provider in our vocational education and training system that really genuinely gives people a pathway out of poverty and disadvantage. We have the highest percentage of students with a disability studying at TAFE; we have the highest percentage of Aboriginal students studying at TAFE; we have the highest percentage of students from a non-English speaking background studying at TAFE; and when you talk to those teachers you are every day, I suppose, inspired by their work and motivated by the good work that they are doing. So I would absolutely dispute that.

In terms of the industrial situation, within the public sector, when it comes to wage negotiations, there is always going to be a bit of rough and tumble. That is what happens when it comes to industrial relations in the public sector. But we try to deal as fairly as we possibly can, and I think the union also tries to deal as fairly as it possibly can, in order to get the best outcomes for our teachers so that they can be supported in their work. The Industrial Relations Commission made a ruling and then we reached I think a good agreement with the union over the administrative arrangements arising from that Industrial Relations Commission decision, which now sees, I believe, a settlement of that dispute.

**Dr JOHN KAYE:** Obviously I do not disagree with anything you have said about the wonderful work that TAFE does, but my question was something different from that. It was a question relating to how TAFE teachers feel about you, your director general and the director general of TAFE, and about the administration of TAFE, and how they feel they have been dealt with—you may not wish to hear this, but I am telling you what I hear—and where they feel the policy direction of TAFE is heading, and this extends also to your Federal colleagues.

**Mr COUTTS-TROTTER:** The Auditor-General recently reported on TAFE. He found that in the four years from 2004 to 2008 there were 43,000 more State Government funded students, 14 million more hours of training, 800 more TAFE teachers, and 90 per cent of students are entirely satisfied with what they get from TAFE. I think the relationship with the Teachers Union is entirely different from the relationship with TAFE teachers.

**Dr JOHN KAYE:** I was not asking about that.

**Mr COUTTS-TROTTER:** No, but I draw that distinction. When you have a difficult and long-running industrial dispute you end up burning up a lot of goodwill among the organisations that are on the front line of that dispute. I talk face-to-face and by email with literally hundreds of TAFE teachers, and I did so during the dispute. I do not accept the judgement that the morale of TAFE is significantly affected by that dispute. A lot of the kind of commercial work you are talking about is the very work that excites, challenges and extends a great TAFE staff. Again, I do not think there is a uniform response to increasing competition with TAFE. Many people respond to it positively and see it as an opportunity to demonstrate how brilliant they are and how brilliant the organisation is. No doubt there are people who feel threatened by changes. There are certainly people who found the kinds of arguments that we had to mount, and did mount, during the TAFE dispute difficult. The reality is that we are increasingly competing for public and private funding with public sector and private sector organisations that have cost structures that are significantly below ours. You cannot run away from that; you have to tackle that and you have to talk about it.

**Dr JOHN KAYE:** I agree with the last part of your answer, and that is something I was trying to get to before. I want to ask about the national curriculum. I think this will be the third budget estimates where the

Minister and I have had a discussion about the national curriculum. I note that the board's recent document, which was placed on their website I think last week—Mr Murphy might correct me—contained what many people, myself included, consider a critique of the national curriculum. That critique in some measure, but not entirely, reflected the critique that has been delivered by the Science Teachers Association, the History Teachers Association, the English Teachers Association and the Maths Teachers Association of the national curriculum as it stands. The national education agreement that your Government signed commits this State to implementing that curriculum fully by 2013, which means there are two complete school years until we have to implement something. I understand there is some flexibility in how we implement it. Given that it sounds like we are not going to start implementing next year—

**Ms VERITY FIRTH:** We have already made that decision.

**Dr JOHN KAYE:** I congratulate you on that decision, not that that is what I think really counts, but a lot of people feel that was a sensible decision to make. But that gives us one year, 2012, to implement. Do you think that is a realistic timetable?

**Ms VERITY FIRTH:** We need to go back to basics here. As you are aware, New South Wales has always supported greater national consistency in school curricula and we have been working cooperatively with the other States and the Federal Government on this issue. It is true to say that we remain committed to a national curriculum. It makes sense in a country of 20 million people to have a national curriculum. However, I have said repeatedly and continue to say, and particularly say now, that while we support the idea of a national curriculum, we will not support just any curriculum. This is a correct and responsible position to take. I instructed the Board of Studies to do precisely what it did, which was to consult key stakeholders on the national curriculum and provide interim advice, and that was posted on the website, from memory, on 20 July.

There have been a few misleading and unhelpful claims reported in the media and via press release last week. The draft K-10 Australian curriculum for English, mathematics, science and history was released for public consultation by the Australian Curriculum, Assessment and Reporting Authority [ACARA] on 1 March this year. That period extended to 30 May. I asked the Board of Studies to inform me of its initial advice on that K-10 draft curriculum. The board coordinated extensive consultation with key New South Wales stakeholders and it was that consultation that provided the basis for the board's initial advice to me and the New South Wales response to ACARA in July. That was posted on the Internet in July.

The board's consultation considered the quality of the draft curriculum as well as the implementation and integration of the Australian curriculum materials into the New South Wales curriculum. It also considered assessment, reporting, credentialing and whole-school curriculum matters. The consultation process involved forums with key stakeholder representatives and more than 20 face-to-face meetings with primary and secondary teachers from all education sectors. I know that teachers also participated via videoconference and completed an online consultation survey. The Board of Studies tells me that more than 1,500 people attended its meetings and provided feedback. That has been great work.

On the basis of this extensive consultation and evaluation process the board coordinated the development of a formal New South Wales response to ACARA's initial draft curriculum. That was put on the website on 30 July this year. I know the Opposition does not like it when I do this, but I need to point out for the information of the Opposition and the shadow Minister for Education that this response was made public before the Federal election. That response was there for all the world to see from 30 July.

**Dr JOHN KAYE:** It was not exactly announced by media release, though; it was snuck onto the board's site.

**Ms VERITY FIRTH:** I would argue with the word "snuck". We put it up on the website. Some of the media reports sort of claimed that we were ready to accept an inferior Australian curriculum. It is just not true. The New South Wales response that is on the website referred to the original draft curriculum documents that were proposed by ACARA. Since then, on 11 August, the board has also published the four separate subject consultation reports for English, mathematics, history and science, which Dr Kaye referred to. All this material was again on the board's website well before the Federal election. ACARA has considered the New South Wales submission on its draft materials along with all the submissions from the other States and Territories and many individual citizens. ACARA has since revised its proposed curriculum documents and the board is now analysing the new proposals from ACARA. These earlier ACARA drafts have since been superseded with revised documents incorporating feedback from not just New South Wales but across the country.

The initial response on the board's website reflected the views of the entire New South Wales education community, including parents, on the original ACARA draft K-10 Australian curriculum documents. This very detailed and very public response identified key strengths but also a range of concerns that we want ACARA to address for New South Wales education stakeholders in relation to the ACARA curriculum documents for each subject. It is important to understand that the New South Wales response to ACARA's initial draft Australian curriculum documents in July this year communicated the feedback of key New South Wales stakeholders to ensure that the concerns of New South Wales were addressed prior to publication of the final curriculum later this year.

In response to feedback to its draft curriculum, ACARA has now published a consultation report and response to each State and Territory's submission, and has met the appropriate curriculum authorities in each State and Territory to discuss issues directly with them. In its discussions with senior New South Wales Board of Studies officers ACARA has acknowledged a number of key issues identified in the formal New South Wales response. These include issues to do with the conceptual presentation of the curriculum, indicative subject time, volume of content, achievement standards and the proposed general capabilities. ACARA also indicated it had made important revisions to its draft curriculum as a direct response to New South Wales concerns.

I know I am probably saying too much. I have still not received formal advice from the Board of Studies as to whether or not the final curriculum that is now being responded to after all the drafts have gone in provides a suitable basis for teaching, learning, assessment and reporting in New South Wales schools. I have not received the board's final response on the latest iteration of the ACARA curriculum, but I can assure you that when I receive that response I will be guided by it.

**Dr JOHN KAYE:** The benchmark is the existing New South Wales curriculum, which is acknowledged as a world leader and which is used by people overseas. We have really got that right in this State over many years. Is there an absolute commitment that we will take no step backwards?

**Ms VERITY FIRTH:** Yes, there is.

**Dr JOHN KAYE:** Will you ask the board, "Is this a step backwards?" and if the board says, "Yes, it is", will you commit to breaking the education agreement?

**Ms VERITY FIRTH:** I am not going to commit to breaking it.

**Dr JOHN KAYE:** It is either A or B. We either keep our curriculum or we change.

**Ms VERITY FIRTH:** From day one, from the beginning of all this, we have said we support a national curriculum but the issue of curriculum quality is paramount. We are incredibly proud of our curriculum in New South Wales, which is supported universally by every stakeholder that one could imagine. It is at the core of why we do so well in that plan and it is at the core of what is great about the New South Wales education system.

**Dr JOHN KAYE:** How will you protect it?

**Ms VERITY FIRTH:** We will not accept a curriculum that is not as good as the current New South Wales curriculum.

**Reverend the Hon. Dr GORDON MOYES:** Mr Coutts-Trotter, I want to continue some questions about TAFE that I asked initially in the Legislative Council. I notice in the budget an allocation of \$50 million for trade training centres.

**Mr COUTTS-TROTTER:** Yes.

**Reverend the Hon. Dr GORDON MOYES:** What new centres have been opened and what centres will be opened in the next few months?

**Mr COUTTS-TROTTER:** We have 26 trade training centres, some of which are located in schools and some of which are located in TAFE institutes. In 2007 we opened three—one at Glendale within a TAFE facility and two in high schools at Ballina and Colyton. In 2008 we opened six in TAFE facilities at

Campbelltown, St George, Tamworth and Wyong, and in high schools at Nambucca Heads High School and Queanbeyan High School. Last year we opened seven in TAFE at Griffith, Shellharbour and Sutherland, and in high schools at Brisbane Water Secondary College, Condobolin Rural Technology High School, Hunter River High School and Jamison. This year we are planning to open eight in TAFE facilities at Maitland, Meadowbank, Randwick, Wetherill Park and Wollongong, and in schools at Chifley College, Bidwell Campus, Dubbo College Senior Campus and the Wyndham College. There are two planned for 2011—one at the Kingscliff TAFE facility and one at Picton High School.

**Reverend the Hon. Dr GORDON MOYES:** That is a good result.

**Mr COUTTS-TROTTER:** It is an excellent program.

**Reverend the Hon. Dr GORDON MOYES:** How many TAFE centres have installed the virtual learning environment roadmap and framework?

**Mr COUTTS-TROTTER:** I will need to respond to that question on notice.

**Reverend the Hon. Dr GORDON MOYES:** I notice that \$81 million has been allocated for the Learn and Earn initiative to improve trade skills.

**Mr COUTTS-TROTTER:** Yes.

**Reverend the Hon. Dr GORDON MOYES:** How many are already in operation, and what upgrades are you planning?

**Mr COUTTS-TROTTER:** Learn and Earn provides additional TAFE places for people under the age of 18 who are not doing schoolwork or study.

**Reverend the Hon. Dr GORDON MOYES:** That is right.

**Mr COUTTS-TROTTER:** In 2010-11—the budget year that we are discussing—we anticipate that 2,340 places will be made available under that program at a cost of about \$7 million.

**Reverend the Hon. Dr GORDON MOYES:** You have \$81 million over four years.

**Mr COUTTS-TROTTER:** The \$81 million will be taken up in other programs. Learn and Earn is \$17.5 million over four programs for a total of 5,850 places.

**Reverend the Hon. Dr GORDON MOYES:** Again, I believe that is a very important program.

**Mr COUTTS-TROTTER:** Yes, we do too.

**The Hon. TONY CATANZARITI:** Minister, can you update the Committee on apprenticeship and traineeship commencements and completion rates in New South Wales?

**Ms VERITY FIRTH:** Yes I can, and this is good news. The New South Wales Government is giving the highest priority to improving apprenticeship and traineeship completions. The National Centre for Vocational Education Research confirmed that New South Wales sustained employment in apprenticeships and traineeships throughout the global financial crisis. I have been advised that over the 12 months to the end of December 2009, 84,900 apprentices and trainees in New South Wales commenced their training. This was a decline of 5.7 per cent over the previous 12 months, but it is less than the national average decline of 6 per cent. In 2009 there were 2,000 more apprentices and trainees who completed training in New South Wales compared with 2008.

New South Wales contributed 37 per cent of the growth in completions across all States and Territories. That is an incredible market share and it is proof that New South Wales is a driving force in equipping the nation's workforce and delivering the highest quality of training. Data shows that the worldwide economic downturn experienced last year had an impact on apprenticeship commencements. Apprenticeship approvals in 2010 to date increased by 22.3 per cent compared with the same period in 2009. Traineeship approvals increased also by 4.8 per cent in 2010. This Government is working hard to protect apprentice employment and to ensure



that we have an appropriately skilled workforce as our economy grows. We are providing more pre-apprenticeship and pre-vocational training, and we are also offering faster apprenticeships. We have substantially increased the take-up of competency-based completion and the use of recognition of prior learning.

Competency-based completion of trade apprenticeships in New South Wales has more than doubled in the past three years, which means that at least 30 per cent of apprentices complete early. This means that we have provided more skilled workers into the economy faster. We have supplied employers with resources to assist their workplace supervisors to provide a better training environment on the job. Our regional State training services centres are talking to employers and monitoring the situation closely. New South Wales is moving ahead. We are implementing a strategy that will see substantial growth in the employment of apprentices on New South Wales Government infrastructure projects. We have strengthened our training management guidelines for procurement in government construction projects to require the employment of apprentices. This will ensure that we have an adequate future workforce to support our future growth plans over the next decade.

The New South Wales Government has assisted apprentices from country New South Wales by awarding 30 Ben Chifley scholarships in 2009 and a further 25 scholarships will be awarded in 2010. These scholarships are for country apprentices in their first, second and third years who have been doing it tough. The scholarships provide \$5,000 for each year of the scholarship holder's apprenticeship, up to a total of \$15,000. I acknowledge the effort that our rural apprentices have made in undertaking apprenticeships. Making training delivery more flexible not only is helping to lift completion rates but it is also assisting in making our training base and workforce more diverse. For example, the number of women taking up apprenticeships as electricians, engineers and mechanics is gradually increasing.

Hospitality services is a major growth area for female apprentices, with commercial cookery and retail baking—areas traditionally dominated by males—accounting for just over 22 per cent of all female apprenticeships in TAFE NSW in 2009. That is because TAFE actively encourages women to enter the trades by providing introductory and pre-apprenticeship courses involving work experience, and by supporting female students to gain apprenticeships. While there is still some way to go in achieving gender balance in the trades, the number of women enrolling in higher level TAFE courses is exemplary. In 2009, 57 per cent of all TAFE NSW enrolments at diploma level and above were by women, and almost 55 per cent of all TAFE NSW enrolments at certificate IV level were by women, and that number is increasing.

Between 2005 and 2009 the number of women enrolled in TAFE courses at diploma level and above rose by 28.6 per cent. This tremendous achievement will help to ensure that New South Wales has the appropriate skills for the future, with women taking their rightful place in the workforce. TAFE NSW is the biggest provider of apprenticeship training across the State. It provides flexible options for training and assessment that meet employers and students needs. TAFE delivers training in the workplace by block release, via computer and online learning, and through mobile learning.

The department administers several targeted initiatives to boost completions in the trades: strategies such as accelerated apprenticeships in electrical trades and manufacturing and engineering for apprentices who have prior industry experience; competency-based progression and completion in engineering and food services; shorter-term apprenticeships in beauty therapy, hairdressing, commercial cookery, civil construction, construction, carpentry, joinery and stonemasonry; reduced-term apprenticeships in the automotive, hairdressing and beauty therapy trades for apprentices who hold the relevant trade qualification but who need more work experience; and reduced-term apprentices in other trades where an apprentice holds a relevant lower level qualification, or has completed a pre-vocational or pre-apprenticeship course, or a lower level traineeship in the same industry area. As our results show, these initiatives are working. I am extremely proud of the role that TAFE NSW has had to play in keeping our State economy afloat.

**The Hon. CHRISTINE ROBERTSON:** How are the national partnerships with the Commonwealth impacting on students and young people in New South Wales?

**Ms VERITY FIRTH:** The national partnerships have been really fantastic—a fantastic stimulus that has provided new funding for education in New South Wales. We are a proud partner in the Federal Labor Government's Building the Education Revolution. Through the three smarter schools national partnerships the Commonwealth has committed more than \$870 million in additional funding for New South Wales schools, both government and non-government. The New South Wales Government allocated \$237 million of new State funding to expand the reach of the national partnership reforms in New South Wales schools. All up, more than \$1 billion in new funding will flow into the New South Wales education system, and that funding is focused

specifically on initiatives inside the classroom. In our second year of the Smarter Schools National Partnerships we already are seeing great results across our participating schools. The partnerships are producing significant cultural change across our schools with increased emphasis on student data analysis, leading to more individually appropriate student assistance and better student learning outcomes.

Educational research indicates that teacher quality is the single greatest in-school determinant of a student's educational outcomes. The Quality Teaching National Partnership is worth \$142 million for New South Wales. It focuses on attracting, developing and retaining the highest quality teachers. Two initiatives under this partnership are particularly noteworthy. The Centres for Excellence partnership are hubs where our next generation of teachers can observe high-quality teaching firsthand and gain practical experience under close supervision. We have established 20 Centres for Excellence across the government, Catholic and independent schools sectors, with another 22 to be operational at the start of the 2011 school year. The chosen schools have received start-up funding, staffing support and a teacher accredited at the highly accomplished level to lead the initiative in that school.

Centres for Excellence are working with their university partners with academics interacting with classroom teachers to help them keep their skills up to date with the latest techniques. Trainee teachers from the university education faculties visit to learn directly from experienced teachers in the classroom. Also under the Quality Teaching National Partnership is the innovative new classification of highly accomplished teachers—HATS—which is unique to New South Wales. Teachers can be accredited at the higher level following a review of their performance against Institute of Teachers standards. They then attract a higher pay rate if they agree to work in identified schools. They take classes themselves but are also on a reduced teaching load to enable them to mentor other teachers and take a role in the school's leadership. In the scheme's first year of operation we currently have 25 HATS. What is particularly good about the HATS program is that it provides a career path option for great teachers who do not necessarily want to go into more administrative functions to become assistant principals or principal. They can stay in the classroom and remain on salaries of above \$100,000 a year when they teach in disadvantaged schools. It is a fantastic program.

The second of the three national partnerships is on literacy and numeracy. New South Wales is in the second and final year of this partnership. The partnership has provided \$40 million to New South Wales and 147 schools are taking part. Teachers and executives in participating schools undertook training on how to use student performance data to improve learning outcomes. They then used national testing and other data to identify areas of weakness in their own school—in early years reading, middle years mathematics or the like. Schools then use their funding to buy resources from a menu of evidence-based programs designed to address the particular weakness that was identified. Resources include training in effective teaching techniques for staff and relief time to provide one-on-one or small group interventions with struggling students. While the school level results from this year's NAPLAN testing are yet to be released, from our preliminary testing we can see that schools in the partnership are showing significant improvement in their literacy and numeracy testing. Our performance will be independently assessed by the COAG Reform Council in early 2011 and will result in up to \$47.6 million of Commonwealth reward funding going directly into New South Wales education.

The third national partnership focuses on socio-economic disadvantage, which remains a significant barrier to achievement for children and young people. The National Partnership Agreement on Low Socio-economic Status [SES] School Communities will benefit 637 schools, including 130 that were added thanks to the New South Wales Government's investment in the program. Cohorts of participating schools started on the program in 2009 and 2010, and a third set will begin next year. Schools in the third cohort currently are completing an analysis of their school situation and revising their school plans. Under this partnership schools have considerable flexibility to choose the resources they wish to buy with the additional funding, although in making their decisions principals must consult with their school communities, including Aboriginal communities where relevant.

The types of resources chosen by schools in the first two cohorts are diverse. For example, 33 schools have established a homework centre, a room supervised by teachers where students who may not have a quiet space at home can study and seek help with their work, 143 schools have expanded programs to help students adjust from primary to high school, while 76 schools have employed new staff to support Aboriginal students and to assist with engagement between the school and its local Aboriginal community. In New South Wales we have been working hard to maximise the opportunities that the national partnerships are providing for our students and young people. In some cases this is about providing evidence-based resources that we know will work well. In others, it is about giving schools flexibility to use their new funding to respond to local needs. The national partnerships represent a substantial injection of new Commonwealth and State funds into our education

system, particularly for schools in disadvantaged communities. The New South Wales Government really has been making the most of this historic investment and will continue to support our schools in ways they can most effectively utilise these incredible new resources.

**The Hon. CHRISTINE ROBERTSON:** Were the schools self-selected?

**Ms VERITY FIRTH:** It depends. In the low SES national partnership the first tranche of schools were determined through criteria determined by the Commonwealth. That criteria used ABS data around income, parental education levels and so forth because that was the only nationally consistent data they could use. We then added schools to the low SES program with our own money because we knew there were other schools that would miss out by just using the ABS data, even though they were worthy schools. We used our data to add another 130 schools to the program.

**The Hon. GREG DONNELLY:** Could you provide information on the provision of vocational education and training—VET—in New South Wales schools?

**Ms VERITY FIRTH:** The Government recognises that where young people are supported to engage fully in education and training, skilled employment or a combination of these options, they are more likely to have a secured economic future and contribute positively to the community. I am sure the Committee is aware of the many measures we have taken to improve school attendance and retention rates. Of course, last year we raised the school leaving age. This legislation is the result of careful analysis of relevant research and an extensive process of public consultation throughout 2008. Research shows that students who remain longer at school get higher wages, have less unemployment throughout their lives and are more likely to do further study.

Higher education levels also have been proven to bring about social benefits for the whole community, including reduced crime, better health and lower dependency on social services. If a young person disengages from educational training or employment, processes will be initiated to support that young person in re-engaging. Raising the school leaving age would be meaningless if we did not also ensure that schooling remains relevant to all students. We can no longer ask students to suit schools; we have to look at ways to ensure that schools also are able to adapt to changing conditions.

The New South Wales Government has worked hard since 1995 to put in place more choices and options for students to keep them motivated and help them achieve a brighter future. We want to better prepare them for future work or future study by providing greater choices in New South Wales schools. That is where vocational education and training comes in. Our flexible system of vocational education and training in schools is second to none. In 2009, 55,159 students in New South Wales undertook one or more Higher School Certificate VET courses. This means that more than one-third of all year 11 and 12 students included VET courses as part of their HSC, of which 72 per cent were delivered in schools and 28 per cent in TAFE.

New South Wales has been at the forefront of VET in Schools with notably high employer support for the program. Over 20,000 employers supported VET in Schools by providing over 57,000 work placements for students. This is testament to the commitment of employers in New South Wales who are prepared to become involved in helping our young people complete their training. Research by the University of Melbourne gives a ringing endorsement of the value of our VET in Schools program. The research clearly demonstrates the long-term benefits for young people who take occasional courses at school as part of their HSC.

The study provides compelling evidence that VET in Schools provides a broad platform for a successful entry into the full range of post-school destinations. Statewide estimates of the destinations of the 2005 HSC government school graduates who studied vocational courses indicated that by 2007 almost 33 per cent had entered university, 16 per cent were studying a post-school vocational training course, 13 per cent were apprentices and 5 per cent were trainees, 25 per cent were in full-time work and not studying, and 9 per cent were in part-time work and not studying.

Those findings indicate that, two years after graduation, an impressive 96.5 per cent of government school students who had studied a vocational course were engaged in either study, or work, or both. Our provision of a broad range of nationally accredited vocational education and training qualifications for Higher School Certificate students reflects the Government's commitment to increasing the relevance and value of schooling for our young people. Vocational education and training in schools is a vital part of our efforts to engage more young people in learning and lift our school retention rates through to year 12.

The report also identifies the strong positive association between the amount of vocational education undertaken for the Higher School Certificate and a student's perceptions of the quality and relevance of that experience. This finding demonstrates the success of vocational education and training in engaging more young people in learning while at school. Vocational education and training in schools is keeping young people in schools to the end of year 12. We have raised the school leaving age and we are providing students with study options that make them want to stay at school. We want all our school students to find their education fulfilling, and we want them to find their education engaging. That is just what vocational education and training in schools is achieving.

**The Hon. GREG DONNELLY:** Thank you for that detailed answer.

**Ms VERITY FIRTH:** No worries.

**The Hon. CATHERINE CUSACK:** A hard-hitting question, Tony—a hard one.

**The Hon. TONY CATANZARITI:** Minister, would you update the Committee on achievements made in the past year by New South Wales TAFE?

**Ms VERITY FIRTH:** I will try to keep it short, but there have been so many achievements that it will be hard to give a short answer. I have already noted my appreciation and admiration for TAFE. TAFE is the leading provider of vocational education and training in Australia. In the 2010-11 financial year, TAFE has been provided with a record recurrent budget of \$1.813 billion, which is an increase to the TAFE budget of \$630.5 million since 1996-97. Funding for TAFE New South Wales supports enrolments in more than 1,200 work-related qualifications offered at more than 130 TAFE campuses across the State. No-one can doubt this Government's commitment to vocational education and training.

In 2009 TAFE New South Wales had close to 525,000 enrolments and had delivered more than 119.5 million hours of training. Over the period 2007 to 2009, the hours of training TAFE delivered increased by 10.1 per cent. This increase in training hours is not only a result of increased enrolment numbers; it reflects a change in the student profile. Increasing numbers of students are undertaking longer high-level qualifications. Between 2007 and 2009, enrolments in qualifications at Certificate III level and above increased by 17.8 per cent. This shows that TAFE New South Wales is working towards the Government's target of doubling the number of high-level qualifications that students completed between 2009 and 2020.

TAFE plays a key role in tackling skills shortages by giving priority to categories in which skills are in demand. Between 2005 and 2009, apprenticeship enrolments increased by 8.7 per cent. People know that TAFE qualifications increase their employability, wages, and chances of promotion. No wonder the last decade has been characterised by a big expansion in TAFE, with enrolments increasing by almost 64,000 since 2000. My discussions, both with members of the public and members of the Parliament, demonstrate the high regard in which TAFE New South Wales is held, and the people to whom I have spoken are not alone. The 2009 report from the National Centre for Vocational Education Research found that an impressive 90 per cent of TAFE students were satisfied with their training.

**The Hon. CATHERINE CUSACK:** Did Trevor Fletcher, the former acting director general for schools, recently leave his position?

**Ms VERITY FIRTH:** Yes, he did.

**The Hon. CATHERINE CUSACK:** Was his wife also employed at the Department of Education and Training?

**Mr COUTTS-TROTTER:** Dianne Barry was a school education director in the Sydney region. I think she is now principal of a school in Adelaide.

**The Hon. CATHERINE CUSACK:** Was there an investigation into her appointment?

**Mr COUTTS-TROTTER:** Not that I am aware of. Her appointment preceded my arrival in the job, so I simply do not know.

**The Hon. CATHERINE CUSACK:** So there was no report to you on any outcomes?

**Mr COUTTS-TROTTER:** No.

**The Hon. CATHERINE CUSACK:** And you are not aware of any investigation?

**Mr COUTTS-TROTTER:** No, I am not. I am simply stating my knowledge of it. I am happy to respond to that on notice as well, just to assure the Committee that no such report exists.

**The Hon. CATHERINE CUSACK:** If you could, and if you could advise the Committee of the nature of the investigation and whatever findings it made?

**Mr COUTTS-TROTTER:** If there was one, indeed.

**The Hon. CATHERINE CUSACK:** Mr Coutts-Trotter, did Mr Hunter comply with guidelines in overseeing the appointment of Leanne Walker to the 12-month consultancy?

**Mr COUTTS-TROTTER:** I do not know.

**The Hon. CATHERINE CUSACK:** Following my questions on this issue, did you indicate to Mr Hunter that he should "not worry about it"?

**Mr COUTTS-TROTTER:** No. I said that he should seek information to determine whether there was a record, as he thinks there might be, of him declaring an interest and also to gather up all of the relevant files associated with the decision making.

**The Hon. CATHERINE CUSACK:** What matter was it that you told him, "Don't worry about it"?

**Mr COUTTS-TROTTER:** I told him that not to be—this is a difficult process. The implications in your question go to his propriety and his decision making. He is someone with whom I have had a professional relationship for probably about 10 years, since I first worked for the Treasurer. He is someone whose professional abilities I greatly respect. As one human being to another I am saying, "Do the work, gather the information, and please don't worry about it."

**The Hon. CATHERINE CUSACK:** I guess my questions now do not relate to Mr Hunter; it is more your impartiality as director general to investigate this matter, given your advice that it was not a matter to worry about.

**The Hon. CHRISTINE ROBERTSON:** Oh, goodness me! Talk about clutching at straws.

**The Hon. CATHERINE CUSACK:** With respect, I say to the honourable member that this is all about governance and impartiality. That is exactly what this line of questioning is about.

**The Hon. CHRISTINE ROBERTSON:** It is not.

**The Hon. CATHERINE CUSACK:** You had already made up your mind?

**Mr COUTTS-TROTTER:** No, actually I did not.

**The Hon. CHRISTINE ROBERTSON:** He did not say that.

**Mr COUTTS-TROTTER:** I did not say that.

**The Hon. CATHERINE CUSACK:** Will you advise the Committee of the outcomes of your inquiries?

**Mr COUTTS-TROTTER:** Yes, of course.

**The Hon. CATHERINE CUSACK:** Minister, in relation to the earlier questions that we were asking about the unflued gas heaters, I asked you if you had been advised by the Treasurer, prior to your announcement, and you indicated that the Treasurer had not so advised you. Correct?

**Ms VERITY FIRTH:** I cannot recall the Treasurer telling me not to make the announcement.

**Dr JOHN KAYE:** Oh, she is taking the Richard Nixon.

**The Hon. CATHERINE CUSACK:** I believe your announcement was made on about 28 July. On 29 July the *Daily Telegraph* reported:

Ms Firth's promise came after Mr Roozendaal argued with her in Cabinet several weeks ago and told her not to make a carte blanche promise to replace all heaters in schools.

**The Hon. GREG DONNELLY:** A journal of record!

**Ms VERITY FIRTH:** I have nothing more to add to my answer.

**The Hon. CATHERINE CUSACK:** Are you saying that the *Daily Telegraph* has got this completely wrong?

**Ms VERITY FIRTH:** I would never say that.

**The Hon. CATHERINE CUSACK:** I am giving you the opportunity—

**Ms VERITY FIRTH:** I have given you my answer, Catherine. I do not recall.

**The Hon. CATHERINE CUSACK:** You have no recollection?

**Ms VERITY FIRTH:** I do not recall the Treasurer telling me not to make the announcement. That is my honest truth. I do not recall it.

**The Hon. CATHERINE CUSACK:** He could have told you?

**Ms VERITY FIRTH:** Maybe, I do not know, but I do not recall it.

**The Hon. CATHERINE CUSACK:** Has there been a growth in the number of Department of Education and Training employees in State office and regions in the last three years?

**Mr COUTTS-TROTTER:** There has been a massive increase in funding through the national partnership program. For example, in western New South Wales, with the agreement of all of the leaders of the 99 schools involved in the program, additional support at a regional level has come with their program. When it comes to head office, it is a question of some functions shrinking. Mr Hunter described it as restructures in assets, finance and the creation of shared services. They have all involved not only changes but also a reduction in positions. But we have had a significant increase in positions as a result of the digital education revolution.

We have a project team that works together and becomes operationalised within schools. We have technical support officers within schools and at a regional level, supporting those wireless networks and those networks, who have been added to our payroll. In aggregate, I do not know, but the trend has been a consistent reduction in what we will probably take to be central staffing positions. There have been very significant reductions in administrative staff over the last five years.

**The Hon. CATHERINE CUSACK:** Can you perhaps take that on notice and come back to the Committee with those figures?

**Mr COUTTS-TROTTER:** Yes, sure.

**The Hon. CATHERINE CUSACK:** How many buildings are head office staff currently located in?

**Mr COUTTS-TROTTER:** I would need to find out. We are trying to make it fewer rather than more. In other words, we are moving more people into Bridge Street and we are trying to squeeze people in far more tightly.

**The Hon. CATHERINE CUSACK:** Do you know?

**Mr COUTTS-TROTTER:** I do not know how many.

**The Hon. CATHERINE CUSACK:** Can you come back to the Committee with the locations of those buildings and how many employees are in each of those buildings?

**Mr COUTTS-TROTTER:** Yes, sure.

**The Hon. CHRISTINE ROBERTSON:** You will have to do a personal inspection of every building.

**The Hon. CATHERINE CUSACK:** I would be delighted to but I do not think I would be very welcome.

**Mr COUTTS-TROTTER:** It is about \$16,000 million worth of land and property.

**Dr JOHN KAYE:** I am sorry; I did not hear that last bit.

**Mr COUTTS-TROTTER:** About \$16,000 million worth of land and property—

**Dr JOHN KAYE:** That is about \$16 billion.

**Ms VERITY FIRTH:** Yes.

**Mr COUTTS-TROTTER:** —on the department's balance sheet.

**Dr JOHN KAYE:** But that includes the schools.

**Ms VERITY FIRTH:** Yes.

**The Hon. CATHERINE CUSACK:** My question relates to buildings that head office staff are working in currently. How many staff are working in each of those buildings?

**Mr COUTTS-TROTTER:** Yes, sure.

**The Hon. CATHERINE CUSACK:** Recent media attention has been drawn to Hurstville Public School, where the Department of Education and Training has been planning to relocate year 5 and year 6 boys and girls as young as nine onto the neighbouring boys-only high school. This project has been referenced as the Hurstville Precinct Project [HPP]. What is the approximate population of each school and what is the growth or decline trend of student population for each school in the past five years?

**Ms VERITY FIRTH:** I am advised that it is 400 in the high school and a little under 1,000 in the primary school, broadly.

**Mr COUTTS-TROTTER:** And the high school is declining and the primary school is bursting at the seams.

**The Hon. CATHERINE CUSACK:** Who originated the concept of the Hurstville Precinct Project?

**Ms VERITY FIRTH:** My advice is that the Sydney region, in consultation with the leadership of the school, formulated that proposal.

**The Hon. CATHERINE CUSACK:** It was not Dr Phil Lambert?

**Ms VERITY FIRTH:** Yes, he is the senior regional—

**Mr COUTTS-TROTTER:** He is the regional leader.

**The Hon. CATHERINE CUSACK:** Who ultimately approved the proposal?

**Ms VERITY FIRTH:** Presumably it would have come up to me.

**The Hon. CATHERINE CUSACK:** So you approved it?

**Ms VERITY FIRTH:** Yes, and it is in the forward estimates; it is budgeted for and so forth.

**Mr COUTTS-TROTTER:** Yes.

**The Hon. CATHERINE CUSACK:** What planning and assessment was undertaken before the proposal was approved to determine the educational needs of, and impacts on, the children affected by the proposal?

**Ms VERITY FIRTH:** Again, we can take that on notice. These sorts of decisions are made at the regional level. They do their asset management strategies, in consultation with their local schools. We can take that on notice and provide more information around that.

**The Hon. CATHERINE CUSACK:** In particular, can you advise what interests are being served by moving girls and boys as young as nine years old to a boys-only high school?

**Ms VERITY FIRTH:** There are a number of issues. The first issue is that Hurstville Public School is bursting at the seams and is on a very constrained site. That is one of the issues. But it is an excellent school and has a growing enrolment because of its reputation. In consultation with the school parents and citizens association, the decision was taken to construct additional facilities for the school on the adjacent Georges River College Hurstville campus site, while at the same time updating some of that school's infrastructure. The project will increase further play space for Hurstville Public School and provide a further seven classrooms for future growth in primary student enrolments, which they need.

The building project on the Georges River College Hurstville campus would include upgraded performance workshops, classrooms, toilets and outdoor play areas. I acknowledge—it would be silly for me not to—that some people in the school community are concerned about possible interaction between primary and secondary age children. I should also point out that this would not be the only case where such a situation exists. We have community schools as well—

**The Hon. CATHERINE CUSACK:** Exactly. That was going to be my next question. Can you advise me of any other example in the State where year 5 and year 6 children have been placed in shared facilities with a boys high school?

**Ms VERITY FIRTH:** As I was saying, there are many central schools that have K-12 establishment.

**The Hon. CATHERINE CUSACK:** This is a slightly different scenario.

**Ms VERITY FIRTH:** I will take that on notice but I should say that the plans for the project—

**The Hon. CATHERINE CUSACK:** Can I just—

**Ms VERITY FIRTH:** Let me answer. The plans for the project took this issue into account and included features specifically designed to keep primary and secondary students separated. It was part of the plan that they would be able to be separated.

**The Hon. CATHERINE CUSACK:** Was there an option to build a classroom on the Hurstville Public School grounds?

**Ms VERITY FIRTH:** In the planning phase?

**The Hon. CATHERINE CUSACK:** Yes.

**Ms VERITY FIRTH:** I will take that on notice. As you probably know from media reports, the member for Kogarah has met with the school community again and discussed these issues further. There is some scope to alter the project to ensure that the facilities that are delivered are those that the students, parents and teachers at the school want. We will continue to work with the school community and the local member on that.



**CHAIR:** I want to ask some questions about the Learning Management Business Reform program. Are the program's time line and budget being met?

**Mr COUTTS-TROTTER:** The program's budget is being met. As for the time line, there are three stages in the first phase of the program. The first was to move the corporate finance function onto the new platforms and create a shared services centre at Parramatta, which has been done. The second phase involves moving the TAFE finance function to the new platform. The third and most significant phase would be using the new platform to support school finances. We are going to delay the introduction into schools by some period, at the request of the Primary Principals Association and the Public Service Association, so that we can better plan that element, because it involves the greatest number of people who are directly affected by it and, to a degree, the greatest set of changes. The opportunities that affords are that we can take a lot of busy work out of school offices, and automate a lot of work. So the operating model could be very different. You get better information in schools and across the agency, but it involves significant change and professional development for a significant group of staff—16,000 people working in school offices.

**CHAIR:** If you do not have that information now, will you come back to us on the time line?

**Mr COUTTS-TROTTER:** On school finances, it is not pinned down yet. We are working with the stakeholders on that.

**CHAIR:** Would you say that the introduction of the new finance system has been successful?

**Mr COUTTS-TROTTER:** Yes, I would. With this sort of change, there is always a period of glitches and bugs that have to be worked out—things such as coding problems in software or unanticipated changes to processes to which you have to respond. No doubt there have been plenty of those. I experienced one before on a much smaller scale in the then Department of Commerce. This one has been handled very well.

**CHAIR:** I assume that Deloitte is the consultancy company on that. How much has Deloitte been paid for services to the program?

**Mr COUTTS-TROTTER:** We can report back to you on that. Its work for the 2009 year would be contained in the annual report if it was engaged as a contractor. From memory, Ernst and Young is engaged to provide quality assurance back through the program. Deloitte did very good work in planning the finance processes. But we can respond to you and give you dollar figures.

**CHAIR:** You can come back with Deloitte and Ernst and Young. Is the engagement of those consultants subject to competitive tendering?

**Mr COUTTS-TROTTER:** Absolutely.

**CHAIR:** Further on the work of Deloitte et cetera, what has been the cost of establishing the shared services centre at Parramatta?

**Mr COUTTS-TROTTER:** Many millions of dollars, but I would need to confirm that.

**CHAIR:** Can you come back with details on not only the fit-out and the lease but also the costs of salaries and how much it costs to basically run the building?

**Mr COUTTS-TROTTER:** Yes, sure.

**CHAIR:** How many staff are there at that centre? Have you done a cost-benefit analysis of the viability of that centre?

**Mr COUTTS-TROTTER:** Absolutely. Firstly, in a sense, an element of this was simply unavoidable. We ran a series of systems to provide financial and human resource information that were simply not capable of being technically supported for the future. Plus you ask one system how many people are in a school and they will tell you 12; you ask another, they will say 13; you ask another, they will say 10. The systems desperately needed to be replaced. The business case anticipates that you get the same level of service, more simple processes and over time you actually reduce the cost of the function.

**CHAIR:** How is that being funded?

**Mr COUTTS-TROTTER:** It was funded by a business case to the budget some years ago, before I came into the job. It goes through the usual process of planning, which entails a series of so-called gateway reviews where you have essentially a peer review team of accredited reviewers—

**CHAIR:** I am sorry, I am having difficulty hearing you.

**Mr COUTTS-TROTTER:** I am sorry. It follows the Government's usual business case and gateway approval process.

**CHAIR:** Was additional funding provided by Treasury to establish that centre? Did you have an extra top-up?

**Mr COUTTS-TROTTER:** Yes. We have adjusted the budget at a number of points in what I think has now been a five-year process of planning and implementation. Yes, but I can confirm by what amount.

**CHAIR:** In relation to the Better Services and Value Taskforce, some reviews were conducted by Boston Consultants, PricewaterhouseCoopers, et cetera. What were the outcomes of those reviews?

**Ms VERITY FIRTH:** As you know, the Government is undertaking a review of all agencies to ensure that their spending is essentially focussed on front-line service delivery. The main purpose of the reviews was to find out whether there were back office processes that could be managed more efficiently without impacting on services. We were a willing participant in that process. The review paid particular attention to the services that the central and regional offices of the department provide centrally to schools.

**CHAIR:** I have limited time for that lengthy answer. Will you table that review?

**Ms VERITY FIRTH:** It is Cabinet in confidence.

**The Hon. CATHERINE CUSACK:** Why?

**Ms VERITY FIRTH:** Because it is a Cabinet process.

**CHAIR:** It is an analysis of expenditure.

**Ms VERITY FIRTH:** It is Cabinet in confidence.

**CHAIR:** But you were giving a lengthy answer.

**Ms VERITY FIRTH:** It can be a short answer if you like.

**CHAIR:** Did the Department of Education and Training come in on budget in 2009?

**Ms VERITY FIRTH:** In fact, it came in under budget, which was good.

**CHAIR:** To what extent did Commonwealth funds contribute to your budget?

**Ms VERITY FIRTH:** Commonwealth funds contributed to our capital budget, in particular. I know that there was some confusion amongst the Opposition about our capital expenditure because of that. Do you want me to step you through the capital works?

**CHAIR:** No.

**The Hon. CATHERINE CUSACK:** What was the other expenditure?

**CHAIR:** What was the unspent amount of that?

**Ms VERITY FIRTH:** I will ask the director general to elaborate, but it was about \$50 million.

**Mr COUTTS-TROTTER:** Yes, indeed. On a net cost of services basis it was a \$62 million difference. If you look at our budget over the past five years you will see that our expense variation from budget to actuals is about 0.5 per cent of our total budget. Without being boastful, I would lay claim to the fact that collectively the agency's budget has been managed very well in the past few years.

**CHAIR:** If it was not for those unspent Commonwealth funds—

**Ms VERITY FIRTH:** No, it is not linked.

**Mr COUTTS-TROTTER:** No. Largely the Commonwealth money is netted out to the extent you get funding from the Commonwealth that appears as a revenue or a grant and then you have an offsetting expense. So it nets itself out. What sits behind that is whether we manage to live within the appropriation of the Parliament, whether we are able to deliver on the estimates we begin the budget year with and, as I say, within a tolerance of 0.5 per cent over the past five years we have done that.

**The Hon. CATHERINE CUSACK:** Will you on notice clarify which Commonwealth programs were underspent?

**Mr COUTTS-TROTTER:** For example, in relation to the Building the Education Revolution the Commonwealth was making payments to us, from memory, on a 12-weekly cycle. There were assumptions about how that would be spent over the course of the year that might vary between one three-month period to another. But the total expenditure of the program will be banker rights.

**The Hon. CATHERINE CUSACK:** Will you on notice provide the Committee with those programs and the underspending in them.

**The Hon. CHRISTINE ROBERTSON:** Up to July.

**Mr COUTTS-TROTTER:** Just to clarify, it is not an underspend; it is a question of the timing of receipt and expenditure. Mr Hunter reminds me that our 2009-10 figures are subject to final audit, and they will not be available for another few weeks.

**Reverend the Hon. Dr GORDON MOYES:** I am interested in child wellbeing units which support out-of-home care children. In a former life I was responsible for many hundreds of such children being involved in government schools. How many students are supported in wellbeing units currently? What is the department's involvement with the not-for-profit sector who care for many children in out-of-home care units?

**Ms VERITY FIRTH:** I do not have a figure in front of me of the number of students actually being supported by the child wellbeing units. The preliminary feedback has been that they have been useful though. Essentially the idea behind the child wellbeing units is that you are able to connect those kids that are not necessarily at significant risk of harm with the non-government services and provide them a more holistic response. We can take that on notice about the number of kids that are being serviced.

**Reverend the Hon. Dr GORDON MOYES:** How effective and large is that service because there has been a strong move in other departments to reduce the number of out-of-home care centres to foster care, et cetera?

**Mr COUTTS-TROTTER:** As part of the Government's policy change we have employed 50 additional people, 10 of whom are explicitly responsible for better coordinating support for children in out-of-home care. They are allocated one to each of our regions.

**Ms VERITY FIRTH:** My understanding is, and correct me director general if I am wrong, all of them have now been employed and commenced at the beginning of the school year 2010.

**Mr COUTTS-TROTTER:** Yes, they have.

**Ms VERITY FIRTH:** We have also employed additional home school liaison officers and Aboriginal student liaison officers. Do you know that all kids in out-of-home care now will get individualised learning plans as well?

**Reverend the Hon. Dr GORDON MOYES:** Last year I expressed my concern for newly trained teachers and the retention rate. Has there been a change in the retention rate for beginning teachers?

**Mr COUTTS-TROTTER:** Happily there has been a slight improvement. I can provide you with more information on notice, if you like.

**Reverend the Hon. Dr GORDON MOYES:** That is all I need to know. I would appreciate that in writing.

**Ms VERITY FIRTH:** We have got good retention rates compared to other jurisdictions.

**Reverend the Hon. Dr GORDON MOYES:** What percentage or numbers of schools are still in the system to get security fences?

**Ms VERITY FIRTH:** We will take that on notice. There has been a considerable increase, as you know, because we have funded it through Building Better Schools and through some extra fencing programs as well, so a considerable increase.

**Mr COUTTS-TROTTER:** There are 2,240 schools. By the end of this financial year 2010-11, 754 will have received security fences since 1995. There would have been some with fences prior to that but not a lot.

**Reverend the Hon. Dr GORDON MOYES:** It should be a good reduction in your premiums?

**Ms VERITY FIRTH:** Yes, and it helps a lot in respect of break and enters, and vandalism.

**Mr COUTTS-TROTTER:** It has helped to reduce casual vandalism, absolutely.

**Dr JOHN KAYE:** My next question falls into the boring but highly worthy category relating to the common starting time for the HSC. I think I am correct in saying that New South Wales has enforced a common starting time for the HSC preliminary course. I understand that the Board of Studies is taking public opinion, or is consulting, on the issue of the common starting time and that there is some circles afoot to allow more flexibility with the starting of the preliminary course with some schools pushing to begin the preliminary course in year 10, for example. Will you comment on that Minister? Will you give us an undertaking that we will maintain a common starting time.

**Ms VERITY FIRTH:** I will ask Carol Taylor to respond.

**Ms TAYLOR:** The board considered this issue recently in the context of some information that it received about some schools wanting to present the Higher School Certificate differently to a traditional linear model. So in those schools they had worked through programs whereby a cohort of students might do their English and mathematics two-year course, preliminary and HSC, in year 11, take the exam at the end of year 11, and then in the following year the remaining subject compressed into the one-year period and take their HSC then. This was brought to the board's attention because it did put some pressure on the common starting time that has been established since the HSC was reformed in 2000. So the board did ask that we talk to the stakeholders and ascertain whether they are still in favour of the common starting date, and this is something that we have undertaken to do and report back in 2011.

**Dr JOHN KAYE:** Can I take it from that, Ms Taylor, that the common starting date is up for debate at the moment?

**Ms TAYLOR:** I would not go as far as to say that it is up for debate, but if you are considering a delivery in schools—and we always want to support flexibility in schools to deliver the HSC—and the schools are raising this as an issue, then I think it is something that we need to consider.

**Dr JOHN KAYE:** In making a determination between flexibility and the equity issues associated with a common starting date—which is why in 2001 the common starting date was created and, I might say, enforced by the board—which would win, equity or flexibility?

**Ms TAYLOR:** That would be a decision for the board to make, and I am sure it will consider both equally. There is also, of course, the opportunity, as we work through this issue, for us to come up with some responses and some solutions that may not compromise either.

**Dr JOHN KAYE:** That might be good. Minister, do you want to comment on the common starting date?

**Ms VERITY FIRTH:** In issues such as this, I will await the board's advice. As I said before, I like scientific advice but I also like expert advice, and on these sorts of issues I listen to the Board of Studies.

**Dr JOHN KAYE:** I cannot say we look forward to seeing this evolve, but certainly it will evolve. I will now spend a few minutes talking about some things that have come out of the now Government's promises during the Federal election campaign. Can we start with the issue of performance pay? The Gillard Labor Government has made a commitment on the performance pay issue that about one in 10 teachers will receive a bonus of approximately \$8,000 a year. Minister, the issue of performance pay has been tried in many jurisdictions around the world, as you would be aware, and has been uniformly problematic, to put it mildly—in some cases disastrous, and in some cases abandoned. It will have a direct impact on public education. What are you going to do to manage that impact and what are you going to do to make sure that it does not destroy collegiality?

**Ms VERITY FIRTH:** You are right. Performance pay for teachers is tricky, and it is tricky because how do you measure a teacher's performance? If you were to look at just the results of their students, for example, is it because Ms Brown in year 4 taught particularly well or is it because Mr Smith in year 3 taught incredibly well and all the kids had improved by year 4. That is one of the reasons why we have never supported a performance pay system based on something as arbitrary as the results that students receive. However, having said that, when there are objective criteria—such as criteria including the Institute of Teachers—where we have clearly defined standards and where teachers can be essentially established by both their peers and by the clearly defined standards of the Institute of Teachers as being, say, a leadership teacher or a highly accomplished teacher, then I think that there is room to move when it comes to some sort of recognition of that expertise. But I do think it is a problem.

Our teachers at first, when they are introductory teachers, are paid pretty well. They are paid around \$50,000. The problem we have, though, is that they rise reasonably quickly over the next 10 years and then they hit, if they become a head teacher, around \$81,000. There they stay, probably for the next 20 years of their career, unless they decide to go off to be principal or assistant principal. I do not have a problem with some form of recognition of teacher excellence, such as our highly accomplished teachers initiative. In that we have said that if you get an objective assessment through the Institute of Teachers that you are highly accomplished through the objective standards, through the peer review process, and through the whole process the Institute of Teachers undertakes, and if you then agree to teach in a disadvantaged school, then I do not have a problem with paying you over \$100,000 to do that. I do think there has to be some form of recognition.

In terms of the Commonwealth proposal, to be honest we are still waiting for the details of that and also waiting for the details of how they will assess performance. We have seen the details of the election promise around regional panels and so forth, but we want to engage with them pretty actively around objective assessments rather than subjective assessments.

**Dr JOHN KAYE:** Minister, the State Government provides about 90 per cent of the recurrent revenue of public education, roughly speaking. You are the Minister and you pay the teachers; it is your department that pays the teachers and you are the people who negotiate with the teachers over pay. Why is this being determined by a Federal government? What has happened here that suddenly we have a Federal government, in the heat of an election, making a policy announcement that is going to have a huge impact on the future of public schools in New South Wales? When they provide only 10 per cent of the revenue, why are they getting 100 per cent of the control?

**Ms VERITY FIRTH:** I do not think they are getting 100 per cent of the control. That is a question better asked of them about their election proposals.

**Dr JOHN KAYE:** No, it is a question asked of you about why we are handing over control on these issues.

**Ms VERITY FIRTH:** I would argue that we are not handing over control on these issues. I have just explained to you how we will now engage with the Federal Government about exactly what metric they are proposing to use, and we will engage quite seriously about that. As I have said, my view on performance pay is that it cannot be some sort of subjective measure. You cannot use student data. You need to recognise that there is collegiality in the teaching profession and that a whole range of different teachers contribute to a child's growth over time. All of that has to be recognised. Having said that, I do not have—and I never will have—a problem with paying our teachers more. I will never have that problem. We have to provide the capacity for teaching as a profession to be seen as a high-status profession. The reality nowadays is that you have to therefore also be able to provide really good wages for excellence.

**Dr JOHN KAYE:** I do not think I have ever argued otherwise, Minister, as you would be aware. But there is a lot of international experience that demonstrates that performance-based pay has devastating consequences, both on individual teachers and also on staff rooms.

**Ms VERITY FIRTH:** If it is done bluntly. As I said, I support our highly accomplished teachers. I think that as long as you do it in a way that has, I suppose, the support of the profession in the sense that it is objective criteria based on standards outlined by the Institute of Teachers or an equivalent national body and if you also link that in with teaching in a disadvantaged school, I think it is a good idea. I do think we need to provide our teachers with some other incentives—not just the incentive of doing a good job but some other incentives for excellence—and I do not have a problem with pay being one of them.

**Dr JOHN KAYE:** Moving forward then, Minister, the next proposal that came out during the Federal election was the so-called Teach Next, which took accountants, bankers, engineers, scientists, and also lab technicians and said that they could become teachers or be put into a classroom as teachers after eight weeks of intensive training. It then went on to say that for a year or so they will be monitored and then they will be let loose as professional teachers. Minister, given that we have fairly high standards of teacher professionalism in this State, does that proposal concern you? Is it within your capacity to stop the Teach Next program being implemented in New South Wales?

**Ms VERITY FIRTH:** Again, I would say no. I do, again, think that we need to discover ways to encourage the best possible graduates and the best possible people into teaching, and I think pay is one of those ways. I think pathways is another. Having said that, you are right: New South Wales does have a very strong program of teacher education and we also believe that teachers are professionals—that is, they learn something very unique in those four years of teacher education and that is important and has to be preserved. Already through the Institute of Teachers Act, teachers with a Bachelor degree in a relevant subject area may commence teaching, but they are mentored and supported by qualified and experienced teachers. These teachers, however, must gain an approved teaching qualification within a set time period or they may not continue teaching.

Again, we are going to be looking at the details of the Commonwealth proposal. In particular, a newly designed teacher education program is being commissioned that will have in-school and residential components that the graduates must undertake while teaching, and must complete. But it is important that any New South Wales participation in this program meets our own teaching requirements. New South Wales school employing authorities will participate in the selection of the graduates for their own schools and will be able to nominate the subject areas for placement.

**Dr JOHN KAYE:** Can we be clear here? You would be okay with somebody with just eight weeks of teacher training going into a classroom?

**Ms VERITY FIRTH:** No. I can take this on notice and get back to you with more detail later, but our view has always been that we are happy to work in a model that encourages different sorts of people, particularly mid career professionals, into the profession. We do a lot of that already. We have not had a huge amount of success in terms of grabbing people from other professions and getting them to come in to teaching. I am happy to talk about all of that, but we do consider teaching to be a profession that needs to be learned, it is not just something you can learn in eight weeks, so we will work with the Commonwealth around the details of that, but they will need to meet our requirements, our teacher professional requirements, especially what we have indicated through the Institute of Teachers.

**Dr JOHN KAYE:** Julia Gillard and Simon Crean were pretty clear. They put themselves in writing saying that, after eight weeks, if you are a lab technician, an accountant or an engineer, you can go and teach maths and science.

**Ms VERITY FIRTH:** As I said, we have an initiative at the moment, which I can get Patrick Lee to expand on if you are interested, where we say that teachers with a bachelor degree in a relevant subject area can commence teaching, as long as they are supported and mentored and as long as they then achieve their teaching qualification, so we are attempting to deal with this in a way that could be flexible but still delivers the same level of training and expertise as other teachers in the workforce, and that is the sort of model we will be looking at with the Commonwealth. We still need to talk about this with the Commonwealth, we still need to negotiate with the Commonwealth around this, but we are very supportive of what it is trying to do, which is to encourage mid-career professionals, other people, to enter the teaching profession and be great teachers.

**Dr JOHN KAYE:** Next is the Australian baccalaureate, that is, to quote from Julia Gillard and Simon Crean, a new voluntary qualification that provides senior students with access to a credential of international standing—I had always thought that New South Wales's higher school certificate was exactly that, but evidently not—and as a voluntary credential that will build off the national curriculum. So what the Federal Labor Government is committed to is a parallel program of an Australian baccalaureate. Are you concerned about the social justice and equity outcomes of having presumably private schools running the Australian baccalaureate and public schools still running the higher school certificate?

**Ms VERITY FIRTH:** I do not know if it will necessarily come to that. During the election the commitment by the Federal Government was that it would be complementary to existing State qualifications. As I said in my national curriculum answer, we are incredibly proud of the higher school certificate in New South Wales. We know that it is an international qualification and we know that it is gold standard. I think you would find most schools—of both the government and non-government sector—sticking with the higher school certificate, to be honest, but what the Australian baccalaureate offers is a complementary qualification, for want of a better word, should schools want to offer that as well.

**Dr JOHN KAYE:** What do you mean by "complementary"?

**Ms VERITY FIRTH:** During the Federal election campaign the media comment and the announcement by the Deputy Prime Minister were that it would not be something that would supersede the existing end-of-school qualifications offered by the States, so it would not replace the higher school certificate, it would be in addition to it.

**Dr JOHN KAYE:** Can you explain that to me? Does it mean if I am a year 12 student in New South Wales I would do both the higher school certificate and the baccalaureate, or would I do the baccalaureate or the higher school certificate?

**Ms VERITY FIRTH:** We would be saying you would be doing both.

**Dr JOHN KAYE:** So you sit two sets of exams? I imagine that is going to be wildly popular.

**Ms VERITY FIRTH:** But to be really honest with you, all of these things we now have to go and talk to the Federal Government about the detail around because, as you can probably imagine, in a Federal election campaign—a lot of the questions you are raising today are pertinent questions that we will be raising as well.

**Dr JOHN KAYE:** I do not know who the Federal education Minister is—I think it is Peter Garrett.

**CHAIR:** There is not one.

**The Hon. CHRISTINE ROBERTSON:** It is Peter Garrett.

**Dr JOHN KAYE:** Whoever it is—I am sorry, that was a cheap shot—while you are talking to them, could you please encourage the Federal Government not to do policy on the run during an election campaign, because every time it does that we end up with a step backwards in education.

**Ms VERITY FIRTH:** Does that include the extra \$800 million? I mean it is just ridiculous. The Federal Government has provided enormous resources in a way that the previous Liberal Government never did.

**The Hon. CATHERINE CUSACK:** Unfortunately, not a classroom for Hurstville.



**Dr JOHN KAYE:** With the exception of the Building the Education Revolution, none of those were election promises. I am talking about the sort of policy promises that tend to come out—and it is not just the Coalition and it is not just Labor. I have to say that all political parties engage in this and when they do they do huge violence—

**The Hon. CATHERINE CUSACK:** Except the Greens?

**Dr JOHN KAYE:** No, I said all political parties. I think it is time for a bit of honesty about the way we formulate education policy during elections, but anyway, that is an editorial. Could I move to the issue of incentives and rewards for best performing schools? Again this is a Julia Gillard and Simon Crean promise. After schools improve, they are eligible for \$75,000 or \$100,000 in reward payments. Does it strike you as somewhat illogical to pay a school after it has improved rather than giving money to a school in order to improve?

**Ms VERITY FIRTH:** It is not new in that already in our national partnerships there is a concept called reward funding, so we have facilitation payments and then reward payments. A good example of that is our literacy and numeracy national partnership where we get the facilitation payments from the Commonwealth essentially to set up the programs and start them working, and where there are gains made and data shows that we have reward payments. That is not unusual. I do not think the concept in itself is an evil one, it is just about providing schools with extra resources.

**Dr JOHN KAYE:** My question was about whether it was logical or not to do that, to provide the resources after an improvement has been made. My other question, which I do not think I have time for, is whether it is punishing schools that have already improved.

**Ms VERITY FIRTH:** No, and also you would be aware that schools that need improvement are also provided with reward payments, or payments effectively, so they are still providing funding for those schools that need that extra assistance.

**CHAIR:** It is now time for questions from Government members.

**The Hon. CHRISTINE ROBERTSON:** Will the Minister update the Committee on the progress of the new primary school in Bingara Gorge?

**CHAIR:** Yes. In fact I went to turn the first sod and I was very lucky because they had already loosened the soil, otherwise I would not have been able to turn the first sod. The provision of a new multi-million dollar school for the Bingara Gorge and Wilton community will be a great addition to the growing local area catering for the needs of residents and their children. I am pleased to report that the construction of this state-of-the-art facility commenced four weeks ago. The project is part of the Department of Education and Training's major capital works program and consists of the construction of a new 14-course school, which will provide classrooms, a library, two special program rooms, a communal hall, an assembly area, a covered outdoor learning area, a games court, an administration block and staff facilities, car park and landscaping and site services.

The buildings at the school have been designed so that they face the north to maximise the comfort conditions for staff and students as well as to make the building energy-efficient. The school has also been designed with energy consumption in mind with technologies used to increase natural light and ventilation and insulation. The anticipated occupation will be staged with some facilities available in term one 2011 and the remainder to be handed over during 2011. The New South Wales Government has a proud record of investing in our educational facilities and we are working hard to provide students and teachers with the best facilities possible.

In 2010-11 funding has been provided for \$1.91 billion in capital works on school infrastructure to construct new facilities, update existing sites and to carry out major enhancements of information and communication technology. This financial year there are eight new major school building projects approved as part of the major capital works program. This includes the consolidation of Bega Public School, a new gymnasium at Bomaderry High School, Stage 2 of the upgraded facilities at Cabramatta High School, new permanent accommodation for special education students at Clarke Road School, an upgrade of facilities at Karonga school, new food technology and woodwork and metalwork learning units at Kyogle High School, a new trades school at Picton High School and Stage 3 of the upgrade of facilities at Ulladulla High School. In



addition to these new works, the Government will spend \$175 million to continue 46 major building works projects commenced in previous years at schools as well as \$333.5 million on school minor works such as upgrades of student and teacher facilities, provision of sport equipment to schools under the school sport initiative and new technology and computers for schools.

Our capital works program in 2010-11 completes delivery of the \$2 billion four-year Building Better Schools commitment made by New South Wales Labor at the last election. Building Better Schools has included, among other things, upgrading science facilities at 159 schools, enhancing food technology facilities at 32 schools, construction of 29 school halls, building 18 multipurpose gymnasiums, upgrading 200 toilet facilities, installing security fences at 200 schools and much more. All of these projects have been 100 per cent funded by the New South Wales Government and they are in addition to the Federal Government's stimulus spending, which has seen \$3.4 billion worth of new investment in New South Wales public schools.

The Building the Education Revolution has provided funds to every school to carry out additional maintenance works to every primary school for new major building projects and to a number of secondary schools for improved science and languages learning facilities. I look forward to officially opening the new primary school at Bingara Gorge next year. It will be the fourth new school that has opened since I became Minister for Education and Training and the ninth in this term of Government.

**The Hon. GREG DONNELLY:** I want to elucidate matters referred to by the Minister in an earlier answer. What is the Government doing to recruit and retain teachers in this State?

**Ms VERITY FIRTH:** It is a pity Reverend the Hon. Dr Gordon Moyes is not here because I know he is interested in this. The Department of Education and Training regularly undertakes a comprehensive analysis of schoolteacher supply and demand, which takes into account resignations and retirements. The department is well aware of the impact on teacher supply and demand of variations in these rates and implements strategies to avoid or lessen their impact to ensure that all schools continue to be staffed with high quality teachers.

In 2009 the retirement rate of schoolteachers in New South Wales public schools was 2.6 per cent and the resignation rate was just 1 per cent. For a workforce of around 49,000 permanent schoolteachers the resignation rate is very low. The resignation rate of beginning teachers is often raised as an issue but in 2009 the retention rate of teachers in New South Wales public schools in their first year of service was a very healthy 97 per cent and the retention rate of teachers in their first five years of service was nearly 90 per cent. Not all teachers who begin teaching find that they are suited to the work. Not all teachers who begin teaching are good enough to continue.

In 2004 we introduced stringent new standards, through the New South Wales Institute of Teachers, for teachers in their first years of teaching, and we make no apologies for that. We want to make sure that teachers in New South Wales public schools are well trained and high quality. The retention rate of teachers in New South Wales public schools compares very favourably with retention rates for teachers in other countries. England and the United States have attrition rates of over 6 per cent and up to half—between 30 per cent and 50 per cent—of teachers in the United Kingdom leave the profession in the first five years. On average in the United States, 33 per cent of new teachers leave teaching in the first three years.

The New South Wales Government is investing millions of dollars in new teacher assistance programs in our schools, including providing \$144 million over four years for professional development, \$36 million over four years for the Support the Beginning Teachers initiative, and \$5 million this financial year for the teacher mentor program, which supports beginning teachers in 90 schools. The department also has a number of initiatives in place to attract people to the area of potential shortfall, including active promotion of teaching as a career through to the teach.NSW campaign, teacher education scholarships and retraining programs.

The department has also implemented a range of strategies to ensure teaching remains an attractive and rewarding profession. For example, New South Wales public school classroom teachers are among the highest paid public school classroom teachers in Australia. Whilst the February 2008 New South Wales Auditor-General's report "Ageing Workforce - Teachers" acknowledged that the strategies this Government has in place to ensure our public schools are staffed by quality teachers are working and place us in a strong position for the future, we are committed to developing new measures to address potential shortages and meet the challenge of an ageing workforce and changing population demographics.

New staffing procedures were introduced in term 2, 2009, following a staffing agreement signed between the department and the Teachers Federation in January 2009. These are, over time, enabling a closer fit between the teacher and the school community in which they work, which ultimately supports the attraction and retention of quality teachers. Ensuring a good fit between teachers and their school community is vital within the context of an ageing workforce and an increasingly competitive market for quality teachers. The department will continue to focus considerable effort on attracting and retaining younger teachers and refining its teacher supply and demand projections to ensure that present efforts will be as effective as they have in the past.

**The Hon. TONY CATANZARITI:** Can the Minister provide details of the review of the School Certificate?

**Ms VERITY FIRTH:** Yes. The time is ripe to modernise this important credential. The School Certificate is a rigorous and high quality credential that provides students, parents, employers and the general community with a detailed report of students' achievements at the end of year 10. Since the introduction of the Wyndham scheme in the 1960s the School Certificate has been a valued feature of the New South Wales school system and has marked the end of mandatory education. However, there are several factors that are changing the context in which the School Certificate operates. That is obvious. The raising of the school leaving age pushes a number of students into year 11 before the mandatory end of schooling, and there is a range of other issues. The Board of Studies will conduct a review of the School Certificate, with a view to modernising both the credential and the School Certificate tests.

Some of the factors that have made us do this are the raising of the school leaving age from this year, which is expected to result in many more students continuing their schooling beyond the School Certificate. It is also important that the School Certificate remains relevant to students proceeding to the Higher School Certificate, while also continuing to serve the needs of those students who move into employment or further training. The development of the national curriculum and the introduction of the NAPLAN tests are also factors that impact on the role and purposes of the School Certificate. The Board of Studies will consider these issues as part of the review process.

Another factor is that New South Wales has been leading the nation in the development of online testing for schools. All year 10 students now undertake an online computing skills test as part of their School Certificate. The review will examine ways in which the expansion of online testing could provide greater flexibility for schools in scheduling School Certificate tests. The board will also consider whether additional student achievements such as community service and work experience can be reported on the new-look School Certificate.

In keeping with its responsibility to represent the interests of all educational groups in New South Wales, the board will consult widely with the education community and will consider all views in developing recommendations for a School Certificate for the twenty-first century. No changes will be made to the School Certificate for current year 10 students—I am sure they will be pleased to hear—and I look forward to receiving the board's preliminary advice by the end of this year.

**The Hon. CHRISTINE ROBERTSON:** Can the Minister update the Committee on the implementation of the Productivity Places Program?

**Ms VERITY FIRTH:** The Productivity Places Program is a Commonwealth program to provide extra training places for students across Australia. We are now implementing the next phase of the Productivity Places Program. We are delivering on our commitment to invest \$670 million over four years. This will provide an extra 175,000 training places for jobseekers and existing workers. It is a significant investment by the New South Wales and Commonwealth governments in the skills we need to grow the New South Wales economy. Off the top of my head, about \$200 million of that is coming from New South Wales funds.

In 2009 the Department of Education and Training awarded contracts to 205 registered training organisations, including all TAFE New South Wales institutes, to deliver high quality training under this program. By the end of 2010 these organisations will deliver almost 90,000 extra training places in priority skills areas. This includes around 31,000 places for jobseekers and around 59,000 places for existing workers, a huge commitment to increasing the existing skills of the New South Wales workforce. Training is being offered in more than 330 priority qualification areas that are critical to the State's economy and to the wellbeing of the community.

We are giving job seekers, young people and retrenched workers a chance to gain skills for future job opportunities, and we are helping New South Wales businesses to retain staff and skill their workers to meet emerging opportunities. We are helping young people secure their first jobs, with nearly 22,000 extra traineeship places available in 2009 and 2010 and a further 19,000 traineeship places in 2011 and 2012. Retrenched workers can gain higher level qualifications to secure a future career.

The Premier made a commitment with the other members of the Council of Australian Governments to help young Australians and retrenched workers. This training will help us meet that commitment. Approximately 10,000 people have commenced a traineeship in areas such as health and community services, financial and property services, and transport and logistics. We will also improve the quality of care provided in the health and community service sectors by training over 6,000 people. More than 900 health workers have already started higher-level qualifications in disability, aged care, mental health work and home and community care. We are also training Aboriginal people to improve their skills in Aboriginal health and land conservation and as youth and cultural workers.

In relation to retrenched workers, the gap training model in particular works very well. There are some really successful examples of where workers have been retrenched through no fault of their own when a company has gone under and we have been able to provide gap training that enables them to get a job almost immediately.

As members would be aware, the quicker we get retrenched workers into another job the better it is for those workers. Businesses implementing environmental practices will be able to train their employees in qualifications incorporating new green skills, such as in the building professions, in waste management and in agriculture. In September we will commence a new tender to engage public and private registered training organisations to deliver this program in 2011 and 2012. Through this program we are ensuring that New South Wales has a highly skilled and productive workforce, that people have the skills they need to gain and retain employment for their own wellbeing and security, and that industry has the skills it needs now and into the future.

**The Hon. GREG DONNELLY:** Minister, can you update Committee members on the work of the Vocational Education and Training Accreditation Board [VETAB]?

**Ms VERITY FIRTH:** Yes, I can. The Vocational Education and Training Accreditation Board, which is known as VETAB, regulates 1,059 training providers across the State under the Australian quality training framework. It regulates also more than 300 schools and training providers approved under the national code to deliver courses to overseas students. The board takes seriously its responsibility to students and to employers. The international education and training market is highly competitive, attracting more than 280,000 students to New South Wales, which makes it one of our biggest sources of export income. But income is not the most important aspect of this market. We are committed to maintaining the highest quality in education and training because we want students to have the best possible education experience, wherever they are from.

One of the great things about international education is that it provides our students and students from overseas with an ability to develop those sorts of relationships that, hopefully, will take them into the future, where they will know one another and continue to work together for many years to come. We want parents to know that their children will be getting a good education in New South Wales, and we want them to know that they are safe. We want the world to know that New South Wales is the best study destination for national and international students. That is why we must maintain the highest standards in New South Wales. We ensure that registered training providers are delivering quality education and training for students and employers.

VETAB carries out audits of training providers to ensure that they are meeting legislative requirements and national standards. Providers that do not demonstrate compliance with these requirements and standards are given an opportunity to improve their performance. When organisations continue to fail to meet these standards and the quality of training that is delivered to students suffers, the board has no choice other than to cancel a training provider's registration so that we can uphold our standards, protect students and protect our State's reputation. In July last year I discussed with the Premier current issues relating to vocational training for overseas students. Based on these discussions I wrote to the chair of VETAB and requested that the board audit all providers delivering vocational courses to overseas students. This process is well underway and I am advised that it is expected to be complete by December 2010.

**The Hon. CATHERINE CUSACK:** Minister, earlier we spoke about the unflued gas heater debacle. Have you been able to restore the Premier's confidence—

**The Hon. CHRISTINE ROBERTSON:** The Hon Catherine Cusack is using spin words. She cannot help herself.

**The Hon. CATHERINE CUSACK:** Have you been able to re-establish a working relationship with the Premier and have you maintained her trust in your administration as Minister for Education and Training?

**Ms VERITY FIRTH:** Absolutely. I think you saw that even on the day. We have a good working relationship. The Premier has endorsed our request to get rid of these unflued gas heaters and to follow the advice of the Woolcock Institute.

**The Hon. CATHERINE CUSACK:** Why, for the first time in Education estimates, do we have present a member of the Premier's office monitoring your answers to questions?

**Ms VERITY FIRTH:** I doubt whether it is the first time.

**The Hon. CATHERINE CUSACK:** I have always attended the Education estimates and this is the first time.

**Ms VERITY FIRTH:** I think it is perfectly normal and I would expect it. However, it is not in any way controversial.

**The Hon. CATHERINE CUSACK:** In all my estimates committee experience I have not seen this occur.

**The Hon. GREG DONNELLY:** I have. I have seen it many times. I see it all the time.

**The Hon. CATHERINE CUSACK:** It is up to the Minister to answer that question if she wishes to do so. Returning to the Alastair Hunter matter and to the appointment of Leanne Walker, I omitted to ask one question. Was there a formal selection process and were the people who were hoping to fill that position given an opportunity to come and present to you and your committee, which I understand was a committee of two?

**Mr HUNTER:** This is for the original workforce planning exercise. I will have to go back and check my notes, but two other briefs were sought and they were reviewed.

**The Hon. CATHERINE CUSACK:** Was there a formal presentation of those briefs to you and to your colleague?

**Mr HUNTER:** I do not think so, no.

**Dr JOHN KAYE:** I return to the implementation of the national curriculum. I am sorry to harp on about this but, as you would be aware, many teachers are deeply concerned about what will happen. I refer to three issues. I refer, first, to funding for support materials for teachers.

**Ms VERITY FIRTH:** Yes.

**Dr JOHN KAYE:** Every time there is a new curriculum there is a need to develop new support materials. Has money been set aside in the 2010-11 budget and in the forward estimates to develop new materials to support teaching under the new curriculum?

**Ms VERITY FIRTH:** We are aware that there will be professional development needs and material needs in the implementation of the new curriculum. As you also know, the Board of Studies, with my agreement, has indicated already that we will not be implementing the national curriculum in 2011. I doubt whether we have set aside funds for the 2010-11 financial year. However, our professional development funds, which are an ongoing part of our budget, plus relief days and student-free days, will help us in the delivery of the national curriculum and get our workforce up to speed.

**Dr JOHN KAYE:** With respect, Minister, those are maintenance levels. That is what you need to replenish and develop ongoing skills in the teaching workforce.

**Ms VERITY FIRTH:** Yes.

**Dr JOHN KAYE:** We are now asking teachers to adapt to an entirely new curriculum—all the way from K to 10 and, presumably, sooner or later, years 11 and 12. That is a substantial undertaking for teachers.

**Ms VERITY FIRTH:** Yes. The process that currently is being undertaken by the Australian Curriculum, Assessment and Reporting Authority [ACARA] and by the Board of Studies in its consultations essentially is a mapping exercise. To a certain extent you are asking me, "How long is a piece of string?" Until we have the final national curriculum and we have mapped that against our existing curriculum it will be hard for us to establish what professional development we need to offer and what new curriculum materials we need to provide. To a certain extent, until that mapping exercise is done and until we have a final ACARA position, that will be a difficult question for us to answer. Dr Kaye can rest assured, as can teachers across the State, that we are aware there will be resource implications in the implementation of professional development and curriculum materials. Obviously all that will have to be taken into account. However, there is no need for panic because it will not be implemented next year.

**Dr JOHN KAYE:** I do not think I was advocating panic; I was saying that it had to be implemented in 2013. The agreement that this Government signed with the Commonwealth and with all other States and Territories states that it must be implemented by 2013. In order to ensure that it is not implemented cold it will have to be trialled in 2012.

**Ms VERITY FIRTH:** I will defer to Carol Taylor for some more detail. The first thing you should know is that the Board of Studies, in a perfect situation, would like to ensure there is a year's lead-in before implementation. That is the position of the Board of Studies. Let me correct the record. The Board of Studies received \$6.1 million in the 2010-11 budget for teacher training, so new funds have gone to the Board of Studies.

**Dr JOHN KAYE:** Is that for training or for the development of support materials?

**Ms VERITY FIRTH:** It was for the development of support materials. The Board of Studies is now assisting the Department of Education and Training with a further budget bid. I defer now to Carol Taylor on those areas of detail.

**Ms TAYLOR:** We received about \$3 million in the 2010-11 budget for the initial development of support materials for the phase one subjects in the national curriculum, which, of course, are English, mathematics, science and history. As the Minister said, at this point we have not seen the final documents from ACARA. So, we are not yet aware of the full extent of the difference between the current New South Wales curriculum and the ACARA curriculum. There could be big differences; there could be very small differences. Once we know, we will begin the process of targeting the funds we have received and also, as part of the forward estimates process, let the Minister know what we think we are going to need in coming years.

**Dr JOHN KAYE:** Minister, I am advised that under at least the last version of the draft curriculum we saw, technology more or less will disappear as a separate subject, as will the arts subjects?

**Ms VERITY FIRTH:** This is for phase 2 because that is not part of phase 1.

**Dr JOHN KAYE:** I stand corrected. I thought it was part of phase 1.

**Ms VERITY FIRTH:** No.

**Dr JOHN KAYE:** Nevertheless, it will impact specifically on technology teachers and teachers of the six art subjects, who will see a decline in demand for those subjects. Where in the forward estimates will I see money for retraining those teachers?

**Ms VERITY FIRTH:** Again, I cannot give you an answer on that now. At the moment we are just dealing with phase 1, which is about English, history et cetera.

**Dr JOHN KAYE:** Yes, sorry. Of course, you raised phase 2.

**Ms TAYLOR:** There may be a misunderstanding about some of the time allocations that ACARA has published. It has given some indicative times to the writers of the curriculum to indicate how much material they should be developing. Those indicative times are being read as teaching time. There have been some cases where teachers have looked at that and come to the probably unsupported conclusion that their areas are diminished. I do not think that is the case.

**CHAIR:** That concludes our budget estimates hearing today. Minister, the Committee would appreciate it if the answers to questions taken on notice were provided within 21 days after receiving the questions.

**Ms VERITY FIRTH:** Yes.

**CHAIR:** Thank you.

**(The witnesses withdrew)**

**The Committee proceeded to deliberate.**

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