

UNCORRECTED PROOF

GENERAL PURPOSE STANDING COMMITTEE No. 2

Wednesday 16 September 2009

Examination of proposed expenditure for the portfolio areas

EDUCATION AND TRAINING

The Committee met at 9.15 a.m.

MEMBERS

The Hon. R. M. Parker (Chair)

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
The Hon. H. M. Westwood

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, Acting Chief Executive Officer

Teachers Institute

Mr P. Lee, Acting Chief Executive Officer

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 the hearing of the inquiry into the budget estimates 2009-10 open to the public. I welcome Minister Firth and accompanying officials. Today the Committee will examine the proposed expenditure for the portfolio of Education and Training. I will make some comments about procedural matters before we start. In accordance with the Legislative Council's guidelines for the broadcast of proceedings, only Committee members and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photographs. In recording the proceedings of the Committee, the media must take responsibility for what they publish or what interpretation they place on anything that is said before the Committee. The guidelines for broadcast of proceedings are available on the table by the door.

Messages may be passed through the Chamber and support staff, or the Committee clerks. Minister, you can receive and pass notes, unlike in school classrooms, from any of your advisers. Please turn mobile phones to silent. If a mobile phone receives or sends any data, please keep it away from the microphones because it interferes with reception. Only three microphones should be turned on at any one time, as indicated by the red light.

Minister, the return date for answers to questions on notice is within 21 days. The transcript will be available on the web tomorrow. The witnesses will now be sworn in by giving their full name, job title and agency and take either the oath or affirmation. Minister, you do not need to be sworn.

ALASTAIR HUNTER, Deputy Director General, Finance and Infrastructure for the Department of Education and Training,

TOM ALEGOUNARIAS, President, Board of Studies NSW, and

PATRICK LEE, Acting Chief Executive of the Institute of Teachers, affirmed and examined:

MICHAEL COUTTS-TROTTER, Director General, Department of Education and Training,

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

CAROL TAYLOR, Acting Chief Executive, Office of the Board of Studies, sworn and examined:

CHAIR: Minister, there is no provision for an opening statement. The Committee will go straight to questions. I now declare the examination of the proposed expenditure for the portfolio of Education and Training open for examination. Minister, do you agree with the advice given to the Federal backbenchers by the Rudd Government to blame the States and local grants authorities when there are building complaints about projects funded under the Building the Education Revolution Program [BER]?

Ms VERITY FIRTH: I have no idea whether that advice is true. I am happy to say that as Minister for Education I am incredibly pleased to be working in collaboration with the Rudd Government to help deliver a record spend for capital infrastructure in our schools. In fact, as we know, \$3.4 billion will be spent in New South Wales public schools over the next three years as part of the Rudd Government's Building the Education Revolution. All up, close to \$5 billion of funding will be flowing to our State. I am more than happy to do everything I can to cooperate and ensure our schools get the best deal out of that funding.

CHAIR: Why would there be complaints to Federal members?

Ms VERITY FIRTH: As we all know, this is an economic stimulus package and tight time frames are associated with its rollout. We know that we need to work through these issues with school communities. I have absolutely no problems with school communities raising any issues they may have with their local members or raising issues with the Department of Education or even with my office if need be. I say to all school communities across the State that this is an enormous opportunity for them. It is an enormous injection of capital funding into those schools and we will work as hard as we can to make sure that schools get the twenty-first century facilities that they deserve.

CHAIR: How many complaints have you received so far?

Ms VERITY FIRTH: I notice that in relation to the complaints taken to the Federal sphere, Julia Gillard said yesterday that they had had only 49 complaints.

CHAIR: What about the Department of Education and Training [DET]?

Ms VERITY FIRTH: We will have to take that on notice. I do not have a list of how many complaints but on the whole I think that the implementation unit we have set up as part of the Building the Education Revolution [BER] has worked extremely well with school communities in answering their day-to-day questions. As I said, there are strict guidelines around this, both in terms of time frame delivery and the sorts of builds and infrastructure that will be provided with this funding. We of course want to make sure that we follow those guidelines absolutely at all points to make sure we get the greatest amount of funding available for New South Wales public schools.

CHAIR: That is what everybody wants. Apart from the number of complaints, could you tell us about the content of those complaints? What are they about?

Ms VERITY FIRTH: I will ask the Director General to answer that. I want to place on the record that there may be complaints from individual schools and that we will always work incredibly hard with those schools to see what we can do within the context of the guidelines and the indicative funding caps. That has to be made clear. There is also amazing feedback from schools. I visit schools all the time—

CHAIR: I am sure that is the case. There will be an opportunity when Government members ask questions for you to give glowing reports.

Ms VERITY FIRTH: Okay. We would not want to think that it was a positive step that we are putting this sort of money into capital expenditure!

CHAIR: Why do you think that one of the advice tips to Federal members says to blame the States and local authorities when there are complaints from some schools that they are being made to use quotes from the State Government that are more expensive than those they could source locally?

The Hon. GREG DONNELLY: Point of order: Madam Chair, you are referring to some advice and I think it is only fair that you clarify for the Minister precisely what you are putting to her. You said "advice". I do not know what that means and I suspect the Minister may not. I think it is only fair in putting the question that she be made aware of precisely what you are referring to.

CHAIR: Certainly. I am happy to give further elucidation. This is advice given to Federal members about how they should deal with complaints and there were a number of tips—

The Hon. GREG DONNELLY: By whom?

The Hon. HELEN WESTWOOD: What is the source?

CHAIR: It was certainly a source read out in the Federal Parliament.

The Hon. GREG DONNELLY: By whom? I have specifically asked for the source.

CHAIR: Perhaps the Minister could tell us, if it is a relevant question.

The Hon. GREG DONNELLY: I have taken a point of order that you are putting to the Minister a statement about some advice. The Minister is entitled to know the precise source of that advice, who wrote it, when, and where it came from.

CHAIR: It was certainly discussed in Federal Parliament. But I will change the question. Is it a fact that there are issues because quotes being used by the State Government are more expensive than localised quotes could be?

Ms VERITY FIRTH: I appreciate the question because it is important to explain—and I know I will have an opportunity later on as well—the issue of getting value for money. We are putting a lot of energy into getting this issue right. Obviously we are committed to maximising the amount of program funding spent in New South Wales public schools. We have ensured that schools' full funding allocations were drawn down from the Australian Government. In the case of Primary Schools for the 21st Century, which I think is what you are talking about, P21 funds, we deliberately made our preliminary costings conservative to give better assurance that there would be sufficient funds to meet the costs of the projects.

One of the things that I think has been lost in the debate, especially at the Federal parliamentary level, is that for P21 the costs are not just for the actual building; they are also for all the pre-construction work as well: site investigation, concept design, detailed planning, approvals, services, site works and much more. Usually, school communities do not see or experience these costs as they are expended long before work actually starts on the site. So, whenever you get those examples of "this is what something should cost" and "this is what something cost last year", you need to make sure that you are actually comparing apples with apples and oranges with oranges, and you have to make sure that you are taking into account the whole cost of the building.

It is important to ensure the value-for-money test meets the targets of providing the best education facilities for our children, and ensuring the State balances the cost of construction with ongoing asset maintenance costs over the next 40 to 50 years. While both these things may add to the initial construction cost, they are worth it in the long term for New South Wales. We are delivering National School Pride using the existing network of regionally-based asset maintenance contractors. These contracts are openly and competitively tendered by the New South Wales State Contracts Control Board every four to six years, which ensures competitive rates and best value for money.

Where schools have obtained local quotes—and this is significant—those are assessed carefully for value for money. It is important, as I said, to compare apples with apples. Our costs estimates are for completed buildings which are ready for students and teachers to use and which include everything from design finalisation and statutory planning to groundworks and service connections, to any necessary demolition and power upgrades. As we have found every single time we have looked into one of these issues that have been raised by Opposition members, local quotes often have many exclusions, such as site works, design and documentation, and take construction only to lock-up phase or earlier.

One of the examples I want to use is that of Bobs Farm Public School. Bobs Farm Public School was put in the press as an incredible example of how much cheaper it could be. When we got a proper quote for that hall from that local builder, we found that the quote was for a building that was not only barely fitted out but did not meet the standards set by the Building Codes of Australia and, at the manufacturer's suggestion, would actually have to be tied down. This building did not include foundations in the quote.

CHAIR: Minister, the fact that there are complaints and that a blame game is going on between the State and Federal governments means that there are some huge problems. One of those complaints surely is that there is—

The Hon. HELEN WESTWOOD: Is this a question?

CHAIR: I will get to the question. There is quite a lot of concern that construction is not happening in a number of instances. Under the Building the Education Revolution program, how many schools have started their construction?

Ms VERITY FIRTH: As you know, on 29 June we turned the first sod out at Minto Public School. Since then, 110 additional projects have gotten underway and new projects are now starting at a rate of around 40 per week, and that is just the beginning. By mid-summer, when the program is in full swing, we expect to see around 90 projects commencing each week. The school projects already underway will support an estimated 8,222 jobs, on average, per day over the life of the project, and all projects have started under the National School Pride program, which is the maintenance spend, and tenders are soon to be announced for the construction of the science and language centres. So it is very well underway. I can read onto the record, if you like, the schools where construction has commenced.

CHAIR: Perhaps you could table that information.

Document tabled.

CHAIR: Is the schedule going to program?

Ms VERITY FIRTH: Absolutely, it is.

CHAIR: Are there any schools that have not started construction?

Ms VERITY FIRTH: Yes, but obviously those are schools in the later rounds. We have met all our reporting commitments to the Commonwealth in terms of start of construction under each of the rounds.

CHAIR: If a program is not completed by the due date, does that mean the Commonwealth will have to transfer the cost of the works to the State?

Ms VERITY FIRTH: One of the reasons we need to make sure we meet the deadlines set by the Commonwealth is, you are right, that there is a stick involved in that. We need to meet the deadlines set by the Commonwealth to meet our funding requirements. But that is important. As I have said all along, and as the Commonwealth has said all along, this package is about 21st century facilities for our schools, but it is also about economic stimulus and it is about making sure that jobs are created now, when they are needed.

CHAIR: Do you have a contingency plan if projects are not finished in time?

Ms VERITY FIRTH: That is a hypothetical and I do not—

CHAIR: Do you have a plan? You must have thought about what might happen.

Ms VERITY FIRTH: At the moment, there is nothing to suggest—

CHAIR: So you haven't got a plan?

Ms VERITY FIRTH: At the moment there is nothing to suggest that it won't be completed—

CHAIR: Thank you.

The Hon. GREG DONNELLY: Just so that it is clear: the Minister did not say that she did not have a plan, as you, Chair, implied when you chipped in. The record should show that the Minister did not say that the Government does not have a plan, as you, Chair, tried to imply.

Ms VERITY FIRTH: Would you like extra advice from the director-general? This is regarding a plan if construction does not meet estimated finalisation.

The Hon. CATHERINE CUSACK: Could I suggest that would be a great question for the Government to ask, because we have other questions that we would prefer to ask.

CHAIR: Yes. Also, in the information that you will table, could you include which schools have not yet started construction?

Ms VERITY FIRTH: I will provide information on where construction has commenced. As I have said, we have met all the Commonwealth reporting guidelines in terms of commencement, and—

CHAIR: That has been tabled. Which schools have not started?

Mr COUTTS-TROTTER: The Commonwealth has given us until March 2011 to complete the third round works of P21. It comes in three phases. We have begun about 110 projects, largely in the first round, as you would expect. They are starting to fly into construction: currently 40 a week, rising to 90 or 100 a week. It is the largest ramp-up of any construction program certainly in the school system's history in New South Wales. It is twice the size of the Olympics in budget terms, a hundred times the number of sites, though in half the time. So it has a steep curve; we are at the bottom of the curve, and we are going up rapidly.

We are managing a program, we are managing regional programs, and within those regional programs we are managing it project by project. We have very detailed tracking of the progress of every one of those construction projects. We have just launched a web site that will start to share more and more information with school communities about where things are up to, the cost of delivery, and the subcontractors and the builders who are undertaking the delivery. We are running this very quickly, but in an incredibly open and transparent way, so that communities can judge for themselves the adequacy or otherwise of the service that we are giving them.

CHAIR: That is a good point. Perhaps you could take that question on notice and give us that information about schools that have not started yet.

Mr COUTTS-TROTTER: It is a process of deduction. There are 110 primary schools that have started. About 1,810 primary schools are getting potentially up to \$3 million. We have begun construction in 110 primary schools, but construction is but one step in the process. We have begun work for every primary school.

CHAIR: Thank you.

The Hon. CATHERINE CUSACK: Is this program being administered directly by the Department of Education and Training, or by the Department of Commerce?

Mr COUTTS-TROTTER: No. It is being administered in a very different way from the way in which our usual capital program is administered. The Commonwealth required each of the States to establish coordination teams across the two major programs—housing and education. I am a member of a task force chaired by Bob Leece that oversees the total program. We have an integrated program office within the

education program that comprises a mixture of departmental staff, private sector staff, school principals, school education directors and staff from the Department of Commerce who are seconded to the work.

We have suspended the way in which we usually operate with the Department of Commerce. The people and services that it supplies to us for this program are provided literally at cost; there is no commercial element to the services that it provides to us. We are meeting its immediate and direct costs. We pay salaries and administrative support, and that is it. As you know, we have managing contractors who, in turn, are delivering the P21 program. They take the risk and responsibility for delivering quality and timely projects. In turn, they use massive supply chains of local builders, local trades and local subcontractors. It is a different way of doing things and it has to be because of the scale of the program and the speed with which it has to be delivered.

The Hon. CATHERINE CUSACK: What is the cost?

Mr COUTTS-TROTTER: What is the cost? All up, it is \$3.4 billion.

The Hon. CATHERINE CUSACK: No, the cost of administering the program.

Mr COUTTS-TROTTER: The Commonwealth has laid down very strict rules about this. The administrative costs of the program—the program management costs—cannot exceed 4 per cent of the program.

The Hon. CATHERINE CUSACK: What is that in dollar terms?

Mr COUTTS-TROTTER: I would have to calculate that for you.

The Hon. CATHERINE CUSACK: Do you have a budget for it?

Mr COUTTS-TROTTER: We have a budget that is an accumulation of each of the allocations to each of the schools, driven by the Commonwealth guidelines. In other words, depending on your school enrolment, you get a certain amount of money under the National School Pride Program, and depending on your school enrolment you get a certain amount of money under P21.

The Hon. CATHERINE CUSACK: Perhaps I can help. Let us say 4 per cent of what figure?

Mr COUTTS-TROTTER: It will be 4 per cent, broadly, of \$3.4 billion. However, I would need to double check. It is simple arithmetic.

The Hon. CATHERINE CUSACK: It is, which is why I am wondering why you are struggling to give me an answer.

Mr COUTTS-TROTTER: It ends up being a large amount of money. This involves 4,800 projects being delivered in an extraordinarily short time frame.

The Hon. CATHERINE CUSACK: Is anyone in the Department of Education and Training able to do that calculation, or should the Opposition do it for you?

Mr COUTTS-TROTTER: It is 4 per cent of the total cost of the program.

The Hon. CATHERINE CUSACK: I will work on that in a moment. Minister, what is the mission statement of the Department of Education and Training?

Ms VERITY FIRTH: The mission statement?

The Hon. CATHERINE CUSACK: Correct—the purpose of the organisation.

Ms VERITY FIRTH: To educate the State's children.

The Hon. CATHERINE CUSACK: Does it not have a formal mission statement? Most government organisations would have a mission statement. I have not been able to find one for education. I am wondering whether you can tell me what it is?

Mr COUTTS-TROTTER: I will share it with you, but my sense of it, quite simply, is that we serve the interest of children, young people and students in TAFE NSW. Our job is to meet their needs as best we can within the resources available to us. That means we have to put their needs first and not the needs of our organisation or our partners.

The Hon. CATHERINE CUSACK: You have no formal mission statement, so far as you know?

Mr COUTTS-TROTTER: Yes, there is one. We have a corporate plan. I think the best mission statement is Sir Henry Parkes' legislation of the late nineteenth century that describes the purposes of free and secular public education.

The Hon. GREG DONNELLY: Hear! Hear!

The Hon. CATHERINE CUSACK: I refer to the five goals of the State Plan for education. I presume you are familiar with them?

Ms VERITY FIRTH: Yes.

The Hon. CATHERINE CUSACK: Could you remind the Committee what they are?

Ms VERITY FIRTH: The five goals of the State Plan for education? Yes, I can. Halve the proportion of people in New South Wales aged 20 to 64 without qualifications at certificate 3 level and above between 2009 and 2010. Is this what you would like?

The Hon. CATHERINE CUSACK: No, I was referring to the goals. Reconciling what you are saying about the State Plan and the mission statement, I am trying to work out how having accommodation in the department's head office fits in with that mission statement.

Ms VERITY FIRTH: We do not have accommodation in the department's head office.

The Hon. CATHERINE CUSACK: In the Bridge Street head office?

Mr COUTTS-TROTTER: For decades it has been described as an apartment on the eighth floor of the Bridge Street offices. Since I took the job I have spent not one second of my time in it. On occasion it has been used to accommodate visiting regional staff, for example, Dianne Marshall, a school education director from the mid North Coast who now heads our digital education revolution. When she came down to head that project she used that accommodation. It is used when country principals and teachers come to town. The rest of the area on the eighth floor has been given over now, wherever we can, given the design of the building, to office space. But it has been ever thus: it has been the case for several decades. We try to use the Bridge Street accommodation sensibly. Its best use is to accommodate regional staff when they come down to offer expertise or support to us in statewide projects.

The Hon. CATHERINE CUSACK: That was certainly not the case during the Greiner years in Government.

Mr COUTTS-TROTTER: Okay.

The Hon. CATHERINE CUSACK: Could I get details of its usage?

Ms VERITY FIRTH: A lot less was being spent on education during the Greiner years in government. I think you will find that many teachers lost their jobs during the Greiner years in government.

Mr COUTTS-TROTTER: My colleague Alastair Hunter just informed me that we had tried to convert it to office space but it has no disabled access. Given the heritage and other constraints of the building, we have not been able to provide it.

The Hon. CATHERINE CUSACK: It is a three-bedroom apartment, is that correct?

The Hon. GREG DONNELLY: Point of order: The time for Opposition questions has expired.

Mr HUNTER: It is a three-bedroom apartment for the Building the Education Revolution program. We had intentions of using it for office space but, as the director general just said, it has no disabled access and the conversion costs to allow disabled access made it prohibitive. I cannot tell you about its usage, but I know that people from the regions stay in those offices.

Mr COUTTS-TROTTER: People would otherwise have to be accommodated at a modest standard in hotels and motels in the city area.

Dr JOHN KAYE: It is now time to accommodate my questions. Minister, I refer you to your media release dated 15 July 2009 in which you said that there was no plan by the New South Wales Government to sell large quantities of school land. The exact words were:

There is no pressure from Treasury to sell quantities of school land.

How does that reconcile with the Department of Education and Training line item "Accelerated sale of surplus land and vacant school sites" on page A-5 of the November 2008-09 mini-budget, which was released on 11 November 2008, which amounts to \$239 million in land sales? So that you are not caught out on this issue, I inform you that yesterday I asked the Treasurer this question and he said that the \$239 million still stands.

Ms VERITY FIRTH: I am happy that you asked that question, Dr Kaye, as it gives me an opportunity to set the record straight and to reassure school communities across New South Wales that the Government has no plans to sell off large quantities of school land. As you know from those newspaper reports, both the shadow Minister and you made deliberately misleading statements about a supposed secret plan to sell off school playgrounds. Let me be clear: this Government has no plan to sell off hundreds of school playgrounds to developers. I have given an ironclad guarantee—and I will continue to do so—that on my watch no operational school in New South Wales will be required to sell off any of its land.

Obviously, Hurlstone Agricultural High School is an exception as it is the subject of an independent inquiry that currently is underway. Every year the Department of Education and Training sells land deemed not needed for educational use, but no school land can be sold without extensive community consultation. Community consultation includes cases where schools approach the department to sell vacant land that they consider to be surplus. That does happen. Schools will approach us to sell off bits of their land that they consider to be surplus. Thirteen operational schools have nominated to sell some land, and each of those schools will pocket up to 90 per cent of the proceeds. That is when the schools come to us. I have a list of those schools if the member needs it.

Dr JOHN KAYE: Minister, to be fair, is that not a different process? If I go to the director general's memo of 11 or 12 November 2008, he identified two separate processes. One is the standard process to which you are alluding?

Ms VERITY FIRTH: Yes.

Dr JOHN KAYE: When a school sells off land, it keeps 90 per cent of the sale process itself. The other is the process alluded to in the mini-budget line item, where only half of the money was to leave the schools and half was to go, as Mr Coutts-Trotter identified, to the salaries of police and nurses?

Ms VERITY FIRTH: Yes, that is exactly right.

Dr JOHN KAYE: So it is a separate process to what you are talking about?

Ms VERITY FIRTH: No, but what you know you did and what the shadow Minister did too was very deliberately to entwine those processes.

Dr JOHN KAYE: That is very unfair, Minister. I actually reject that. I did not do that at all.

Ms VERITY FIRTH: Well, maybe not you, but definitely the shadow Minister.

Dr JOHN KAYE: I do not know what they did, but I had a memo from your department talking about land being sold—that is, any high school land of more than six hectares and any primary school land of more than three acres are to be declared surplus.

Ms VERITY FIRTH: Yes.

Dr JOHN KAYE: I had that memo in my hand.

Ms VERITY FIRTH: And as you know from the media reporting and from my public statements of the day, that memo that never even reached the deputy director general, let alone the director general and let alone my office. And that was made clear. I know what you are talking about, so let us get straight to it. You are talking about the \$239 million accelerated land sales as part of the mini-budget process—the accelerated sale, I might add, of surplus land and vacant school sites. So, you are right. Half of this money was to be returned to Treasury for front-line services such as doctors, nurses and police. The other half is to be reinvested in additional capital works over three years. Now, you would also know from having looked at the budget papers that, of the money to be realised, \$9 million must be realised this financial year, \$30 million must be realised in the 2010-11 financial year and \$200 million is to be realised in the 2011-12 financial year. We are confident of meeting the requirement for this financial year and for the next financial year, particularly when you consider that on average we have a disposal of \$40 million worth of assets each financial year. I remind you that this is surplus land or vacant land.

Dr JOHN KAYE: But, Minister, are you not continuing to do exactly what you just accused me of doing? You are confusing the two processes.

Ms VERITY FIRTH: No.

Dr JOHN KAYE: That is that \$30 million—

Ms VERITY FIRTH: No, no, I am not actually.

Dr JOHN KAYE: That is separate? They are not school-nominated sales?

Ms VERITY FIRTH: That is surplus or vacant land.

Dr JOHN KAYE: But not school-nominated? This is beyond school-nominated sales.

Ms VERITY FIRTH: No. You need to also recognise—

Dr JOHN KAYE: That is what the director general said.

Ms VERITY FIRTH: I am happy to elucidate, but you need to recognise that we actually do own 400 hectares of vacant land, okay? We still need to go to full community consultation on it, but if negotiations on these parcels of vacant land are successful, that could contribute further to this target.

Dr JOHN KAYE: Why was Hurlstone picked on by the Treasurer and by you as the first sale? If you have so much vacant land that you could have sold, why did you go at Hurlstone?

Ms VERITY FIRTH: I would not argue that we did go at Hurlstone.

Dr JOHN KAYE: We do. It was named in the Treasurer's speech. The Treasurer's mini-budget speech identified Hurlstone and Seaforth. As you know, Seaforth is another case.

Ms VERITY FIRTH: Yes.

Dr JOHN KAYE: We have grave doubts about that, but in respect to Hurlstone, you just told us that you hold 400 hectares of surplus land?

Ms VERITY FIRTH: Yes.

Dr JOHN KAYE: Why Hurlstone? It will probably turn out to be less than 20 hectares at Hurlstone?

Ms VERITY FIRTH: Yes. It is my job as education Minister, and I take this seriously, to make sure that every hectare of land is being used for an educational purpose. That is not a bad thing to do, to make sure

that the land we possess is being used for an educational purpose and that we actually are managing our assets appropriately. I should point you to the fact that, for example, in 2007-08 the department sold 23 sites totalling \$24.7 million. That is true. But in the same year we purchased \$31 million worth of land, including sites for new schools at Rouse Hill, Tullimbar and Elderslie. The department has \$28 billion worth of assets. We are constantly having to make sure—

Dr JOHN KAYE: Certainly, but this is a different process.

Ms VERITY FIRTH: But it is only fair for the—

Dr JOHN KAYE: What you are talking about there is an equilibrium process where you are selling off land and buying land.

Ms VERITY FIRTH: Yes.

Dr JOHN KAYE: That is a totally different process.

Ms VERITY FIRTH: No, it is not.

Dr JOHN KAYE: Well, it is, because that does not show up in the same way this does. This was a mini-budget, an emergency measure to grab \$239 million out of the holdings of public education and take at least half of that and put it into general revenue. That is not what happens with those other sites when they are purchased and sold? As I understood, you said you buy land and you sell land. You are in the business of swapping land?

Ms VERITY FIRTH: We do it all the time.

Dr JOHN KAYE: In these hearings both the Treasurer and you have identified Hurlstone and said, "We are going to take land off Hurlstone and we are going to put half that money back into the salary of police and nurses"?

Ms VERITY FIRTH: The director general is going to answer a few points, but what I should actually point out is that, as you would know, we have 2,240 schools, we have 740,000 students, we have an education system that needs to be responsive to changing demographics and we have to make sure that we are utilising the public purse in a way that means that we are utilising it fairly for the students that need us and for the areas that need new capital infrastructure in schools, new schools built, and for areas that do not. So, I will just put that on the record.

Dr JOHN KAYE: Yes. Well, that is not what we are talking about here. This was about accelerated land sales to raise revenue to run the State. It is a separate issue.

Ms VERITY FIRTH: And you do not think that 400 vacant land sites should go back into capital investment to help construction of our schools?

Dr JOHN KAYE: I do not think that Hurlstone is vacant land.

Ms VERITY FIRTH: You think that that should be kept?

Dr JOHN KAYE: First of all, I am asking questions and, secondly, I do not think that Hurlstone is a vacant land site.

Ms VERITY FIRTH: That is not what I said and you know it.

The Hon. CHRISTINE ROBERTSON: Point of order: the Minister is entitled to answer the question. The question just keeps popping back in.

Ms VERITY FIRTH: I will now pass to the director general to give you more details.

Mr COUTTS-TROTTER: Actually, the sale and purchase of assets each year in public education and training is not in equilibrium. We buy many times more assets each year than we ever sell. We have land and

property assets worth \$18,000 million or \$19,000 million. Just this year we are going to be on the State Program alone acquiring \$732 million of new assets. So, each and every year we are massively adding to the stocks of assets available to serve children and students in public education and training. The purpose of the accelerated land sales program was precisely that, to look into our forward program. We are selling assets each year. They are a fraction of the assets we are buying each year. The Government has, I think, a \$69 billion capital program over four years. It is a massive capital program. It is at a pinch point at a time of very difficult economic circumstances. All agencies were approached by Treasury to identify ways in which they could use the immediate pressure on the budget to enable that huge capital investment program in other areas of government as well as public education to go forward. We contributed in a way that I think frankly, from my perspective and the interests of the agency, is the least worst way to contribute.

Dr JOHN KAYE: And that is Hurlstone?

Mr COUTTS-TROTTER: No, that is \$239 million of accelerated asset sales over the next three years; accelerated by identifying surplus assets and bringing those sales forward if at all possible. Obviously, Hurlstone is now the subject of a public inquiry, so we wait and see what that inquiry yields. But it did not seem to me at the time an unreasonable request to make of all agencies, given the scale of the Government's capital program.

Dr JOHN KAYE: But why, at the same time you are doing that, are you allowing Farrar to purchase freehold over land? You are allowing Farrar to become much larger than Hurlstone. How can you say Hurlstone is surplus? I welcome the fact that Farrar has been allowed to expand, but how can you do that? How can you say the land at Hurlstone is surplus when Farrar is purchasing freehold land? It will be actually significantly greater in landholdings than Hurlstone; it has fewer students and has a higher rainfall area?

Ms VERITY FIRTH: Firstly, I point out that we have not said that the land at Hurlstone is surplus. It is subject to an independent inquiry and we will see what that independent inquiry brings.

Dr JOHN KAYE: Minister, you said before and the Treasurer identified it—

Ms VERITY FIRTH: No, no. Stop interrupting.

Dr JOHN KAYE: —as surplus in his speech?

Ms VERITY FIRTH: Excuse me. Stop interrupting me. I do actually have the right to answer questions without being goaded and interrupted.

Dr JOHN KAYE: But you need to stick to the—

The Hon. GREG DONNELLY: Point of order: the point has been made and it is a fair point, that the Minister should not be harassed in the line of questioning from Dr Kaye. We will get a bit cranky if you do not pull your head in.

Dr JOHN KAYE: Well that is a worry.

CHAIR: We have encroached on the allocated question time for Reverend the Hon. Dr Gordon Moyes. Perhaps we can return to that discussion.

Reverend the Hon. Dr GORDON MOYES: Mr Coutts-Trotter, you will remember this time last year I got assurances from you, which I appreciated very much, concerning children with learning difficulties and dyslexia?

Mr COUTTS-TROTTER: Yes.

Reverend the Hon. Dr GORDON MOYES: Can you provide an update on the number of schools where special needs teachers have already been appointed?

Mr COUTTS-TROTTER: If you are referring to the Learning Support Teacher Program that was announced in the mini-budget, those people are at work in 232 school communities.

Reverend the Hon. Dr GORDON MOYES: There were 265?

Mr COUTTS-TROTTER: I am sorry. I need to double-check the figure.

Reverend the Hon. Dr GORDON MOYES: I have been going around public schools checking and have had some response. What funding has been allocated for the provision of special computer equipment that aids children with learning difficulties?

Mr COUTTS-TROTTER: I would need to take the question on notice and respond to you in detail.

Reverend the Hon. Dr GORDON MOYES: Please do that. Although the special mini-budget allocated an extra \$90 million for new teachers, can you explain why 800 principals in the public schools have criticised the provision of special needs education as poor or very poor? Can the Minister, or can you, director-general, please indicate when these 800 principals will receive extra funding?

Ms VERITY FIRTH: To whom is that directed?

Reverend the Hon. Dr GORDON MOYES: The director-general.

Mr COUTTS-TROTTER: Reverend Moyes, I understand that there will always be, quite properly, advocacy from school leaders for the needs of their children. The special education budget has risen from memory from about—

Ms VERITY FIRTH: \$328.8 million.

Mr COUTTS-TROTTER: From \$328.8 million to \$1.21 billion in the last 12 or 13 years. It has been a huge increase in funding. Equally, there has been a huge increase in need. The challenge for us is within that budget, which I think in proportionate terms would be by far the largest special education budget available to any public education system in Australia—

Dr JOHN KAYE: Per student?

Mr COUTTS-TROTTER: I do not know what the per student figure is, I am afraid, Dr Kaye—but it is a massive, nearly fourfold, increase in funding over 12 or 13 years. We then have to constantly evaluate what we do and see if there are elements of what we do that could be improved, which is why we are now in the process of consulting with professional associations and school communities about the learning support teacher initiative. The 265 schools, obviously many of which you have visited, have given you positive feedback about it. That is the feedback we have received as well. We are formally evaluating that program, but we are looking to trial some changes to the way we manage part of our learning assistance program because we think that there is a better way of doing it.

The concerns raised by school leaders, parents and school communities break down into three major areas. The first is that they have to go through too complex and too time-consuming a process to get the support they need in the classroom; that the intervention comes too late; that they have to go through a process of referral and disability to hang a label on a child in order to attract funding and support. At the lower levels of some mental health issues, such as aspects of autism spectrum disorder and other learning difficulties, it seems to us that classroom teachers, school principals, parents, and school counsellors should not have to spend an inordinate amount of time and energy in simply attaching a categorisation in order, many weeks later, to get some skerrick of support.

It is much better to put that support directly into the classroom not only to massively improve the skills of classroom teachers, but also to equip them with a specialist in the form of a learning support teacher who really knows their stuff and has high-quality professional training in managing autism and a whole range of behavioural issues—managing motor coordination, managing language and communication—so there can be an expert, a mentor and a teacher, available in every school.

The prevalence of the conditions, the learning difficulties, that confront us in all school systems but particularly in public education are significant. No school does not have an issue with children with learning difficulties. The question is how we best respond to that and how we do it in a way that takes the weight, pressure and anxiety away from parents and students in school communities. We are intent on further evaluating

this and, I think, trialling it to see what is the feedback we have from both schools that are engaged in the program already and from our consultations. For example, with the Specific Learning Difficulties Association of New South Wales with whom we have met on two occasions now and talked about the program, their feedback to us is, "We strongly believe that children should be able to receive help and support as soon as the learning need is identified rather than have to fall before they are eligible for assistance."

Reverend the Hon. Dr GORDON MOYES: I understand that, Mr Coutts-Trotter. Could you update me in response to a question on notice about what is happening in that area?

Mr COUTTS-TROTTER: Yes.

Reverend the Hon. Dr GORDON MOYES: Could you also take the following question on notice? I have been going into areas raising funds to purchase equipment for public schools and also to pay for the on-servicing of computerised equipment. When will the department take full responsibility for that so that I do not have to be doing it?

Mr COUTTS-TROTTER: I am happy to take that on notice.

Reverend the Hon. Dr GORDON MOYES: This is church aid for public schools.

Mr COUTTS-TROTTER: Indeed. Would you like a direct briefing from my colleagues on this program and these proposals?

Reverend the Hon. Dr GORDON MOYES: Yes.

Dr JOHN KAYE: I will take the rest of the crossbench time, if that is okay.

CHAIR: Certainly.

Dr JOHN KAYE: I will pick up from the line of questioning from Dr Moyes. Mr Coutts-Trotter, you refer to expert teachers across a range of motor skills difficulties and autism, and so on. Can you tell the Committee how many hours of training and how the training would be delivered in the current trial?

Mr COUTTS-TROTTER: Yes, absolutely. It is 110 hours of training. It is delivered online but with personal tutorial support. We are the first jurisdiction outside the UK to pick up on these training programs which have been developed within professional specialties in the United Kingdom over the last eight years. I was last week in Plumpton High School and talking to the principal of that school who said that a behaviour teacher of 10 years standing in his school had just undertaken the training. He described it as the single best professional development he had ever had as a behaviour teacher.

The evaluation that I have seen from the many hundreds of teachers who have undertaken the training has been overwhelmingly positive—I think consistently positive. This is disparagingly described as a DVD and online training; this is high-quality professional development. What we have to recognise is that a very significant proportion of our teachers who are engaged in dealing with specific aspects of response to children with learning difficulties, and the other issues we discussed earlier, have not had the benefit of specialised training. They need it, and they deserve it, and this is an excellent way of doing it.

Dr JOHN KAYE: I do not want to get into a debate about the quality of the specific 110 hours, but I do want to ask you your response—either by the Minister or the director-general—to the overwhelming response from specialist teachers in autism, specialist teachers in major difficulties, and specialist teachers in language who say: How can you take somebody who has no experience in those areas, give them 110 hours of online training and may be some tutorial support, and expect them to fulfil a duty which is currently fulfilled by somebody who has many years of experience plus university-level qualifications? The justice of the situation seems quite difficult to explain.

Mr COUTTS-TROTTER: As I say, we currently have teachers in our schools working with children with autism and with language and development delays, many of whom have no specialised training at all. They are the people you describe, who are simply magnificent. I do not purport that 110 hours of training, brilliant as it is, is of the quality of a masters or another post-graduate qualification. But we have 1,378 support teachers/learning assistants. Not every one of them has or will undertake a masters qualification. What we have

is day by day the need in our schools to have more teachers who are more supported and more equipped to deal immediately with the learning needs of thousands upon thousands of children who are presenting every day with learning difficulties.

It is less important to run a process of categorisation and confirmation of disability for many of those children and far more important to identify what they do know, what they can do and how we build teaching on that. This program is a very significant experiment, properly evaluated, in seeing whether we can use the resources and the people we have, and build on the expertise and quality of what we have, to simply improve and to meet the needs of children. I go back to the perspective of parents of children with learning difficulties. The Specific Learning Difficulties Association of New South Wales [SPELD] is very supportive of the approach that we have outlined.

Dr JOHN KAYE: I do not think anybody—

The Hon. CHRISTINE ROBERTSON: No, no more.

CHAIR: I am sorry, time is up. Government members are itching to ask some questions and, I am sorry, I have to give them some time.

The Hon. CHRISTINE ROBERTSON: Will the Minister outline the highlights of the 2009-10 Education and Training budget?

Ms VERITY FIRTH: The 2009-10 New South Wales budget increased funding for schools and TAFEs across New South Wales by \$2.9 billion, with a record investment in capital works and maintenance. In this financial year \$2.7 billion is being spent on providing new and upgraded school and TAFE facilities and a record \$442 million on school and TAFE maintenance. Major capital works in this financial year include the start of 17 major new building projects, such as those at Ashford and Coolamon central schools, Homebush West and Rosehill public schools, Cabramatta, Gulgong and Lisarow high schools; 13 major TAFE building projects, including the upgrading of facilities at Macquarie Fields, North Sydney and Wagga Wagga; continuation of work on 38 major school building projects; and completion of a new high school at Kariong as part of our public-private partnership arrangement.

Other projects include construction of new school halls and gyms, upgrades of food technology units, toilet upgrades to improve amenities for students, and acceleration of the roll-out of our connected classrooms initiative to provide all New South Wales public schools with an interactive white board and video-conferencing facilities. These works are part of a record \$14.7 billion Education and Training budget. The investment in capital and maintenance is backed by investments in our dedicated teaching and school support workforce. Both the New South Wales and Federal Labor governments are serious about leading an education revolution, and the State budget shows that we are putting our money where our mouths are.

The 2009-10 budget provided \$175 million in new money over the next five years for the national partnerships program of reforms. With the Rudd Labor Government, we are unveiling a suite of reform initiatives under the national partnerships package. These include new pay scales for highly accomplished teachers to work in disadvantaged communities and centres for excellence in teaching to ensure that our next generation of teachers is given the best pre-service training possible. They also include new funding for literacy and numeracy interventions for schools and students that need extra assistance. Separately to the national partnerships package, we are also accelerating our Best Start literacy and numeracy initiative, with \$25.5 million in 2009-10. Best Start entails a literacy and numeracy assessment for every kindergarten student, an expansion of the successful Reading Recovery Program, and expert leaders in literacy and numeracy in primary schools providing advice and support for classroom teachers.

The budget contains \$1.106 billion in spending on special education this financial year—the largest ever special education budget. This includes funding for specialist support teachers to work with students with special needs, as well as equipment and physical alterations to schools to improve accessibility. The budget contains \$380 million for equity programs, including \$124 million for students who have English as a second language, and \$103 million for programs for rural students. Through the priority schools programs—

The Hon. CHRISTINE ROBERTSON: Point of order: There are a lot of loud conversations in the room.

CHAIR: Order! People will keep their conversations private if they do not wish to listen to the Minister.

Ms VERITY FIRTH: Through the Priority Schools Program—I know Dr John Kaye is very interested in this—we distribute \$44.2 million in additional funding to 582 schools serving the most socioeconomically disadvantaged communities in the State. This funding is on top of each school's normal budget allocation and can be used to purchase additional staff or learning materials for the school. While many schools with high Aboriginal enrolments are also captured under the low SES measures, the budget also contains \$72 million for programs specifically supporting Aboriginal students. These include the new *Norta Norta* program, which funds tutorial assistance for senior Aboriginal students; independent learning hubs for Aboriginal students from K-12; and tutoring, mentoring and leadership programs for Aboriginal students in middle and senior years.

The budget also contains significant funding to help recruit and retain high-quality teachers. Some \$33.2 million will be spent during the next four years to enhance the quality and retention of permanent beginning teachers by providing extra support in their first year of teaching. This is in addition to the \$36 million spent each year on the teacher professional support program. The education department is continuing to develop new professional learning programs to help teachers keep abreast of developments in both course content and teaching methods. These are just some of the highlights of the record \$14.7 billion Education and Training budget for 2009-10. They reflect the Government's priorities of providing the best possible facilities for our schools and TAFEs, maintaining our focus on core basic skills and investing in equity programs so that all our students can get the best possible start in life.

Dr JOHN KAYE: Can I ask the Minister to table that answer?

CHAIR: It will be in *Hansard*. Would the Minister like to provide that?

Ms VERITY FIRTH: Yes.

The Hon. GREG DONNELLY: What is the New South Wales Government doing to support the quality of teaching in New South Wales?

Ms VERITY FIRTH: As we all know and have discussed at length during our debate around the national partnerships, teacher quality is absolutely crucial in delivering great learning outcomes in the classroom. The New South Wales Government is committed to supporting and developing a quality teaching workforce. Each student should have a quality teacher wherever they go in school in New South Wales. Assuring the supply of quality teachers is core to this Government's education policy, and the New South Wales Government has invested strategically in a comprehensive and carefully considered plan to support consistent teacher quality. The clarity and value of this plan has been recognised by the Commonwealth and adopted as a core component of the Commonwealth's own reforms on quality teaching.

At the heart of the Government's plan is the New South Wales Institute of Teachers, representatives of which are here today. Established in 2004, the institute oversees a wide-ranging program to improve the quality, status and standard of New South Wales teachers. The Government established the infrastructure for an institute with a start-up grant of \$20 million. The grant was provided with a view that the institute would eventually be self-funded through teacher fees. That institute is now self-funded. Professional standards form the foundation of the institute's work. These standards describe what teachers need to know and be able to do to be effective teachers. The standards comprise four levels and are benchmarks for teachers at strategic stages of their career.

At the foundation of this system of teacher professionalism is the training of teachers. All graduates undertake a teacher education qualification and they must meet graduate standards and must have undertaken an approved program of teacher training. A key part of the institute's responsibility is the endorsement of all New South Wales teacher training programs. Some 170 programs train teachers in this State. Each of these programs is being assessed by the New South Wales Institute of Teachers, and each one must demonstrate that it meets the institute's new rigorous standards. On the advice of the institute, the Government has introduced stringent new requirements for teacher training programs.

In 2009 all teacher training qualifications must include significantly increased subject content relating to the New South Wales curriculum; cover a number of compulsory areas of study, including literacy, numeracy, information and communication technology, classroom management, teaching children with special

needs, Aboriginal education and teaching students from non-English speaking backgrounds. They must also meet the New South Wales professional teaching standards. In addition, before students can be enrolled in teacher training they must now demonstrate that they have achieved high-level higher school certificate [HSC] English and maths. All universities are currently reviewing their teacher training programs to ensure that they meet these new institute requirements.

The institute brings together practising teachers and principals, teacher educators and content experts to assess each teacher training program using the new guidelines. Universities are using the introduction of the institute's new requirements as an opportunity to introduce stronger training programs. The New South Wales Institute of Teachers assessed 39 teacher training programs in 2008. Nearly 37 teacher training programs will be assessed in 2009, and the remainder will be assessed by the end of 2010. The next crucial stage in a teacher's development occurs as they begin to teach. All beginning teachers are required to receive induction and support that is based on professional teaching standards at the level of Professional Competence. Beginning teachers are supported by experienced practitioners to meet the requirements of the standards at Professional Competence. When each teacher has met the standards they are accredited at Professional Competence.

To date, 33,728 teachers have had their qualification assessed and they have commenced their process of accreditation. Of these, 7,232 teachers have achieved Professional Competence. Professionally competent teachers are then required to maintain this professional standing over a five-year cycle. An integral part of this maintenance includes mandatory professional development. Professional development courses are registered by the institute on the basis that they are aligned to the professional standards and are of high quality. Only professional development that meets professional teaching standards can be registered by the institute. Importantly, the money that the Government spends on professional development is targeted directly towards supporting teacher quality.

More and more providers are registering courses with the Institute of Teachers. There are now 87 providers, offering 2,115 courses and programs to teachers across New South Wales. We also know that there are exceptional teachers in our schools. In fact, our recent National Assessment Program—Literacy and Numeracy [NAPLAN] results show this. A key part of the institute's work has been to design processes to accredit hardworking teachers. The professional teaching standards cover the career stages also of professional accomplishment and leadership. To be accredited at those levels teachers undertake a rigorous evaluation of their knowledge, skills, personal attributes and contribution to the education community. It puts New South Wales at the forefront of recognising teacher excellence. Teachers need to produce solid evidence of their practice to be accredited at those higher levels. The levels include student outcomes data, and the teacher's response to that data.

Teachers will also be visited by independent external observers, appointed and trained by the institute. At this stage we have 59 teachers who have started their preliminary assessment for professional accomplishment and 62 teachers who have started for professional leadership. As I have described, the quality of teachers is no longer left to chance and the Institute of Teachers has established processes to build a high-quality, vital profession. It is a profession that will attract the best and brightest graduates, and the parents of New South Wales can be confident that this Government, through the Institute of Teachers, is guaranteeing the quality and professionalism of new teachers into the future.

The Hon. HELEN WESTWOOD: Will the Minister advise what is being done to improve numeracy and literacy in New South Wales?

Ms VERITY FIRTH: Yes. Again, as the NAPLAN results showed this year, New South Wales is doing really well in relation to literacy and numeracy.

Reverend the Hon. Dr GORDON MOYES: No room for improvement?

Ms VERITY FIRTH: There is always room for improvement, and this Government supports national testing and the analysis of that data because it knows that the data is such a valuable diagnostic tool for our teachers in the classroom, so it is very exciting. We use that data to actually drive those improvements. Over the past decade the Government has invested record funding to improve literacy and numeracy levels—in fact, more than \$1.5 billion—and it has achieved fantastic results. The release last week of the national literacy and numeracy results, NAPLAN, provide further evidence that we are on the right track with our approach. New South Wales students, I am proud to say, are undisputed champion spellers, getting the highest marks in the nation at every year: 3, 5, 7 and 9.

We have a greater percentage of our students in the highest achievement band—that is, the most proficient students for numeracy than any other State—with New South Wales first again in years 3, 5, 7 and 9. New South Wales has also ranked first in almost every age group in writing, achieving considerably higher than the national average. More than 90 per cent of our students are at or above the national minimum standard and we achieved in the top three jurisdictions in nearly all levels of the test and at every year level tested. The reason why we are achieving these results is because we have high-quality curriculum and, of course, high-quality teachers. The NAPLAN tests cover reading, writing, spelling, grammar and numeracy, and provide valuable information for parents, teachers and schools on individual student performance.

Schools can then use the information, along with other results, to determine how well their students are performing and any areas that need improvement. National testing enables consistency and comparability of results across jurisdictions, and also helps parents know how their child is progressing against national standards. Another important aspect is the introduction of the 10 achievement bands from year 3 to year 9, which means as a student advances through school we can see how much progress they have made. We all know the importance of strong literacy and numeracy skills for students, and how essential they are for success at school, in everyday life and as the basis for all other learning and work opportunities. We can always do more and, of course, we know that some students need extra help.

The Federal and New South Wales governments are working together to support low socioeconomic status schools to help improve teacher quality and literacy and numeracy, under the \$891 million Smarter Schools National Partnerships. The New South Wales Government has contributed \$175 million in new State funding to the National Partnerships program. Last week I announced details of the \$41 million Literacy and Numeracy National Partnership targeting schools that need it most—again one of the reasons why this data is so important. Over the first two years of the program 114 New South Wales schools will each be allocated between \$138,000 and \$241,000 which will allow them to choose from a menu of eight intervention programs to best suit their school's needs. It will allow principals and teachers to provide extra support to students experiencing difficulty in reading or numeracy through tailored intervention strategies.

New South Wales also recognises the importance of ensuring our youngest students are on track by year 3, when testing begins. That is why we have invested more than \$100 million in Best Start, which assesses kindergarten students. It is about making sure children who do require additional assistance get that support as early as possible and help parents to reinforce at home what is being done in the classroom. New South Wales schools have maintained a strong focus on improving literacy and numeracy for more than a decade. In 2008 an initial 18,000 kindergarten students across the State took part in the Best Start assessment. This year that number increased to more than 40,000 children and by next year all primary schools will conduct the assessment. The assessment lets us know where children are at with their early literacy and numeracy skills, whether they can recognise letters, words or read simple sentences and whether they can already count and identify numbers to 10 or beyond. It gives teachers a base to start from, and provides them with detailed information about each of the students in their class so that they can tailor their lessons to students' particular learning needs.

We are also providing an additional 50 Reading Recovery teachers, whose role is to provide intensive tutoring for students in year 1 who are experiencing difficulties learning to read and write. This brings the total number of Reading Recovery teachers to more than 1,000 supporting more than 9,000 students in 900 schools. Best Start is a key strategy in the Government's plan to make sure all young children attending public schools are on the right track by year 3 in the important areas of reading, writing and maths. It is based on extensive research that shows the early years of schooling are a time of rapid intellectual growth when early intervention can produce long-term academic gains. We expect that the benefits of some of the programs mentioned will continue to improve our students and build on the strong results they are already achieving.

The Hon. CHRISTINE ROBERTSON: Will the Minister provide details on what the Government is doing to ensure international students studying in New South Wales receive a safe and high-quality education?

Ms VERITY FIRTH: The international education and training market is highly competitive. New South Wales educational institutions attracted more than 455,000 students last year alone. New South Wales is the number one destination for international students in Australia, and the Government obviously wants to take direct and practical action to ensure that they receive a safe and high-quality education. There are currently more than 3,000 international students enrolled in New South Wales schools—an increase of 8.8 per cent on the same period last year.

The Hon. CATHERINE CUSACK: Is that government schools?

Ms VERITY FIRTH: Yes. I will have to take that on notice, as there might be some in non-government schools. On top of that, there are thousands of international students enrolled in New South Wales TAFEs, registered training organisations and universities. International education is really important. The Government is committed to maintaining the highest quality in education and training because it wants students to have the best possible educational experience wherever they are from—there is an essential good in that. We want parents to know that their children will get a good education in New South Wales and they are safe. The Government believes its own students benefit too from having international students at their schools, TAFE institutes and universities. It is an important part of a vibrant, multicultural community, and it is the real reason why we must maintain the highest standards and ensure that education providers are delivering quality education and training for students and employers.

The New South Wales Government is leading Australia on this front. Our efforts extend from before international students even arrive to Australia right through to the end of their stay. Prior to arrival in Australia, international students enrolling at universities and private training colleges are provided with information about studying and living in Australia. As soon as they arrive in Australia, New South Wales educational institutions provide a comprehensive orientation program as well as social activities, resource centres, family programs, health and welfare, and help with accommodation. During their stay in Australia, the New South Wales Government works hard to ensure that international students receive a safe education. Violence against a student is never tolerated at any educational institution in New South Wales.

[Short adjournment]

CHAIR: Minister, earlier we were discussing responsibilities for the Building the Education Revolution and discussions in Federal Parliament.

Ms VERITY FIRTH: Yes.

CHAIR: I draw to your attention, and for the benefit of the Hon. Greg Donnelly, the information that has been provided by the Federal Minister for Education, Julia Gillard, to Federal Ministers. I provide you with a copy of that. Page 5 is relevant because you are telling the Committee that problems will be resolved by the Commonwealth. According to page 5, the Commonwealth certainly seems to be saying that Federal members should refer issues back to the States. Who really is responsible for that? Is it the Federal Government or the State? On page 5 it states, "What is the Federal Government doing about complaints from schools that they have been made to use quotes obtained from the State Government that are more expensive than what they could source locally?" And the answer is, "State and Territory educational authorities and block grant authorities are responsible for managing the application policy as it relates to individual schools." If there are problems and complaints, who is responsible? Is it you as the Minister? Is it your department? Or is it the Federal department? There seems to be a lot of blame shifting going on.

Ms VERITY FIRTH: I would not argue that we have ever blame shifted. Clearly there is a joint responsibility. This is obviously a Federal Government program and we are very grateful to it for what is an absolutely historic investment into capital infrastructure in our schools. It has set guidelines and criteria that we need to follow, and it is its right to set them. We are implementing the program through our implementation office as part of the Building the Education Revolution program. It depends a bit on the issue. Sometimes the issue will be with a particular decision we may have made in the application process. Sometimes the issue will be with the actual guidelines that the Commonwealth has issued. It depends on the issue, who you should go to to talk about it.

CHAIR: So, you agree with Julia Gillard that complaints about quotes should be referred back to the State Government and authorities?

Ms VERITY FIRTH: Yes, on the whole.

The Hon. CATHERINE CUSACK: Through the Chair to the Minister and the director general, prior to the short adjournment the Committee was trying to ascertain the administration fees for the program. The director general was not quite sure how much it was, except that it was 4 per cent of \$3.4 billion, which he said was "a very big number". The calculation has been done, and I hope I have all my notes in the right place, but it looks like \$136 million, based on that advice.

Mr COUTTS-TROTTER: Yes.

The Hon. CATHERINE CUSACK: We have other information about the amount from Education that was previously quoted—an average of 2.7 per cent in fees for managing the contractors.

Mr COUTTS-TROTTER: Yes.

The Hon. CATHERINE CUSACK: That leaves, according to my calculations, \$44.2 million. Can you explain how that \$44.2 million is being used by the bureaucracy in the management of that program?

Mr COUTTS-TROTTER: I certainly can. We have regional program delivery teams. They are responsible for the day-to-day management of the contract with their managing contractors. The managing contractor is the organisations you referred to, with an average of 2.7 per cent for their project management costs. Our project management costs at a regional level—

The Hon. CATHERINE CUSACK: Sorry, I just want to understand that. That is managing the managers, is that correct?

Mr COUTTS-TROTTER: We have to manage the contract.

The Hon. CATHERINE CUSACK: The managers, who are managing the project?

Mr COUTTS-TROTTER: The managing contractor is managing the project.

The Hon. CATHERINE CUSACK: Okay.

Mr COUTTS-TROTTER: We, on behalf of taxpayers, school communities and the State Government and Commonwealth Government, under shared responsibilities, manage the contract with the managing contractors. We are responsible for undertaking the initial planning, statutory planning, assessment, initial design, and a whole variety of preparatory work before anyone sticks a shovel in the ground. The managing contractors were appointed through a competitive process. Part of what they were bidding on was their project management costs.

We invited a short list of some of the best construction companies in the State and the nation to bid for that: and they bid for it. They were strongly competitive for the job of managing contractor. We have a regional project management team that is a mix of departmental staff, private contractors, quantity surveyors and others that are managing the delivery of those projects and are gathering information about the progress of each of the projects and reporting those to our integrated program office.

They are very busy teams. They are absolutely essential to what we do. They are essential to getting good value for money from the process. For example, midway through the construction process our quantity surveyors at a local level will look at each individual project and develop a benchmark value. Under the arrangements we have with our managing contractors, they are guaranteeing delivery within a certain price band. The price cannot be more than 105 per cent of the benchmark value. That is but one important thing that the regional project managers are doing. They are not simply managing managers; they are representing the public interest in the delivery of this program.

The Hon. CATHERINE CUSACK: Have you been able to locate a budget for the administration of the program or is that not available?

Mr COUTTS-TROTTER: The budget for the administration of the program is clear. It is set by the Commonwealth Government under its guidelines: No more than 4 per cent for project management costs, an average of 2.7 per cent across the managing contractors, and 1.3 per cent for the regional program delivery teams. On top of that and separate from the money that is available to schools, nationwide the Commonwealth has allowed every jurisdiction 1.5 per cent to manage the whole program. For example, the work that we do to look across the work being done in schools and housing and to try to identify what that means for building products suppliers—how many bricks collectively we are going to need, how many window frames we are going to need, how many roofers we are going to need—because we need to give this information back to the industry so that they can try to plan for the inevitable pinch points in a program of this scale.

There is a massive task of program management that is not just the job of managing the education program but also of managing the stimulus program across Education and Housing, because in many cases we are looking to the same suppliers, builders, tradespeople and architects. We need to plan that carefully, otherwise we are going to drive up prices or, worse, we are going to be unable to deliver on time because we do not have the bricks, window frames, cladding, roofers and architects we need.

The Hon. CATHERINE CUSACK: Mr Coutts-Trotter, because you will not give us those figures I am sitting here with a calculator working out what the figures are as the information drips out.

Mr COUTTS-TROTTER: It is available from the Commonwealth from the get-go on their websites, it is available on our website and it is available in bulletins we regularly provide to schools. It is absolutely transparent.

The Hon. CATHERINE CUSACK: I appreciate you have given me the information about the guidelines. I am trying to focus on the budget and the actual dollar figures. Initially I suggested to you it was \$44.2 million, which you agreed with. You are now giving me a figure of 1.5 per cent, which looks like an amount of \$51 million. I am trying to ascertain the dollar value.

Mr COUTTS-TROTTER: Sure. For the administration across the P21 program, the science and language program and the National School Pride program over the period, I assume through to March 2011, the 1.5 per cent translates to \$51.319 million. I tell you what, in the absence of that we would have terrible problems. We would not be working as we are with the Building Products Innovation Council to identify the type and quantity of bricks that are needed, not just statewide but on a regional basis; we would not be working through a whole range of supply chains and helping them identify what we need from them so they can employ the people necessary to do that. It is an absolutely essential part of delivering this in a way that creates jobs, that makes sure schools get what they need when they need it and that everybody who benefits from the process, either from the perspective of the school or a tradesperson or a professional who will gain employment from this process, gets what they need.

The Hon. CATHERINE CUSACK: So the second administrative component is in the contracts themselves. What is the dollar figure for that?

Mr COUTTS-TROTTER: It is not an administrative component. It is a project management cost. Project management costs include the cost of developing programs for each school and scheduling all P21 projects to meet the time frames. It covers the costs of reporting on progress, expenditure and project risks, as well as ensuring that child protection and occupational health and safety requirements are met on every school project. That is a cost within the managing contractors. It is a responsibility that they take very, very seriously, as they should. The program administration costs review that. I have a moral and legal responsibility that I have to assure myself that that is being properly discharged.

The Hon. CATHERINE CUSACK: So what is the dollar cost of the project management?

Mr COUTTS-TROTTER: To recap, the average is a total of 4 per cent, an average of 2.7 per cent across managing contractors.

The Hon. CATHERINE CUSACK: I have calculated that to be \$91 million. Is that similar to the figure that department would calculate?

Mr COUTTS-TROTTER: I think the *Australian* reported this all-up at \$140 million.

The Hon. CATHERINE CUSACK: What is the net figure?

Mr COUTTS-TROTTER: I am sorry, the net figure to whom?

The Hon. CATHERINE CUSACK: Rather than accept what the *Australian* newspaper is telling me, I am eager for you to tell me what you understand the project management figure to be.

Mr COUTTS-TROTTER: It is a maximum of 4 per cent between the regional teams and the managing contractor teams, 4 per cent of the value of the total program, which we broadly calculate at about \$140 million.

The Hon. CATHERINE CUSACK: Mr Coutts-Trotter, why won't you tell us the number for the project management? As I say, I have calculated it, but I want to know whether that is the exact figure or not. I want to know whether that is correct. I do not understand why there is this lack of transparency in your refusal to give us the dollar figure.

Ms VERITY FIRTH: For heaven's sake!

The Hon. CATHERINE CUSACK: Minister, why won't you give us the dollar figure? If we are talking of a sum in the order of \$90 million, it is not unreasonable for the Opposition to ask, and for the public to expect to know, what the number is and what the budget is.

Mr COUTTS-TROTTER: We have given you a very explicit figure for the 1.5 per cent. We just need to simply calculate 4 per cent—it is a little bit complicated because the National School Pride program is delivered on a different basis. So it is broadly \$140 million across the whole program. We will confirm the figure exactly for you. The *Australian* has reported it, because we and the Commonwealth have been absolutely transparent about this since November-December last year.

Ms VERITY FIRTH: There is a web site, as has already been announced, where this is all—

The Hon. CATHERINE CUSACK: I understand, Minister.

Ms VERITY FIRTH: There probably will not be a building program in our nation's history that will be more audited and scrutinised. I am happy to go through details later on, but—

The Hon. CATHERINE CUSACK: Are the administration costs apportioned per project?

Mr COUTTS-TROTTER: The 1.3 per cent of our costs are not apportioned between projects, because we did not want people in Coffs Harbour, Dubbo, Wagga Wagga and other regional centres allocating their time in 30-minute blocks across 4,800 projects. The project management costs from the managing contractors, an average of 2.7 per cent, were bid in a competitive process.

The Hon. CATHERINE CUSACK: And is that per project?

Mr COUTTS-TROTTER: That is the whole program.

The Hon. CATHERINE CUSACK: So there will not be disclosure per project as to that?

Mr COUTTS-TROTTER: As we build information into our web site we will disclose the managing contractors' fees, but they bid those fees across a total program. So Lang O'Rourke bid for the work in western New South Wales. The work in western New South Wales from a project management perspective is more complex and inherently more expensive, so they bid a percentage on that across the whole package. They were responding to packages of schools, packages of projects, so they expressed their project management costs across the package. They do not break it down to each one of 4,800 projects. Likewise, we did not want to put our team of departmental staff and private contractors and other specialists to the time-consuming task of trying to allocate half-hour blocks of their time. It did not seem sensible. And, frankly, we could not get the work done if we did.

CHAIR: Minister, just to conclude some of this discussion: the project management or private sector project management fees that New South Wales is charging—and we have disputed how much that is, but nevertheless that is being charged by New South Wales—

Ms VERITY FIRTH: What do you mean "is being charged by New South Wales"?

CHAIR: Spending, at least.

The Hon. CATHERINE CUSACK: It is a charge to the program, Minister.

CHAIR: You are spending it.

The Hon. CATHERINE CUSACK: It is a charge to the program.

CHAIR: That money comes out of the budget, yes?

Mr COUTTS-TROTTER: No.

Ms VERITY FIRTH: No.

The Hon. CATHERINE CUSACK: Yes, it does.

Mr COUTTS-TROTTER: Four per cent comes from the allocation to each school. The 1.5 per cent comes separately; it is funded separately, it is not a cost that reduces the money available to any individual school. The 4 per cent is the Commonwealth's direction to us and every other system or block grant authority about the maximum that could be allowed for project management costs. It is being consistently applied across the nation. It is completely open, and has been since November last year.

CHAIR: Other States, such as South Australia and Tasmania, are not charging.

Mr COUTTS-TROTTER: I saw that news report. I do not understand that.

The Hon. CATHERINE CUSACK: Can I clarify something? You are saying it is 5.5 per cent in total, that there is 1.5 per cent plus 4 per cent.

Mr COUTTS-TROTTER: The Commonwealth guidelines are 1.5 per cent for program management, co-ordinating the stimulus effort across programs, ensuring that supply chains are managed well, so that prices do not go through the roof, so that quality is assured, so that jobs are created in Australia and not overseas. There is 4 per cent for project management, 2.7 per cent on average for managing contractors, and 1.3 per cent for the regional teams of quantity surveyors and program deliverers who are managing the public interest in the delivery of these projects region by region.

The Hon. CATHERINE CUSACK: So is the \$142 million in addition to the \$51.319 million?

Mr COUTTS-TROTTER: Yes.

CHAIR: Has the primary school project blown out nation-wide by \$1.5 billion?

Mr COUTTS-TROTTER: No.

Ms VERITY FIRTH: That has not blown out.

CHAIR: It has not blown out?

Mr COUTTS-TROTTER: The Commonwealth based its budget assumptions on the experience of the Investing in Our Schools program, where only 90 per cent of schools applied for projects. In the hands of systems who are so very, very grateful for the chance to improve the quality of our school facilities, we have made sure 100 per cent of public schools get the benefit of the program. The block grant authorities have done the same thing. So the assumptions made at a Commonwealth level, based on the experience of Investing in Our Schools, allowed them to form some budget assumptions that proved wrong. There has not been a blow-out in costs; there has been a greater uptake from school communities into the program.

CHAIR: And therefore an increase in the management fees too?

Mr COUTTS-TROTTER: The work has to be done. There is no construction program of any type that does not involve project management—

CHAIR: So that's a yes?

Mr COUTTS-TROTTER: —in defining the project, in preparing it, in conducting statutory planning, in assessing whether it is in a bushfire and therefore determining the quality of the materials that go into the school building program. This is not money for jam; this is money for work that needs to be done.

CHAIR: Thanks. I will take that as a yes.

The Hon. GREG DONNELLY: Point of order: Madam Chair, this is not a case of you bidding to have the last word on the answer. The purpose of budget estimates is to present to the Minister and her staff an opportunity to answer questions put to them by Opposition, crossbench and Government members. I have listened patiently this morning to a number of instances of you, Madam Chair, and in fewer instances crossbenchers, jumping in and trying to have the last word.

CHAIR: I am sure the Hon. Greg Donnelly is trying to use some of the time allocated to Opposition members.

The Hon. GREG DONNELLY: No. You are just trying to have the last word, and you're just not going to get away with it. I would ask you to withdraw the last word in the last part of this hearing, so that we are not playing this game.

The Hon. CATHERINE CUSACK: Can I ask you to clarify which word that is?

The Hon. GREG DONNELLY: The last word.

The Hon. CATHERINE CUSACK: What word is it that you want withdrawn?

The Hon. GREG DONNELLY: What the last word was.

The Hon. CATHERINE CUSACK: What was it? You need to identify what you want withdrawn.

The Hon. GREG DONNELLY: The last word Madam Chair used after Mr Coutts-Trotter completed his response.

The Hon. CATHERINE CUSACK: Can you identify it?

The Hon. GREG DONNELLY: It was something like, "Is that a yes?" or "yes".

The Hon. CATHERINE CUSACK: You want the Chair to withdraw that?

The Hon. GREG DONNELLY: That is correct.

Dr JOHN KAYE: That will leave the record saying, "I will take that as a ...".

The Hon. GREG DONNELLY: No.

The Hon. CATHERINE CUSACK: Madam Chair, I understand the point that the Government is making.

The Hon. HELEN WESTWOOD: Are you speaking to the point of order?

The Hon. CATHERINE CUSACK: Can I suggest there is no point of order without more information.

The Hon. GREG DONNELLY: If you want to play games I will dissent from your ruling and we will clear the room.

CHAIR: I have not yet given a ruling, so I do not know how the Hon. Greg Donnelly can pre-empt my ruling and indicate that he will dissent from that ruling.

The Hon. GREG DONNELLY: I am just letting you know what I intend to do.

CHAIR: We are anxious to get on with asking more questions rather than having to come back for a supplementary hearing, which could involve even more time. My reason for curtailing the answers is so that we can move on and ask other questions.

The Hon. GREG DONNELLY: What is your ruling?

CHAIR: The member sought to have the last word removed?

The Hon. GREG DONNELLY: Yes, the last part of your response to Mr Coutts-Trotter. It was an attempt by you to have him concede a position, which in fact he refuted. You either withdraw it or—

CHAIR: I am happy to withdraw the word. What I said was, "I take that as a yes." I am happy to remove the word "yes". The sentence will then read, "I take that as a ..." and the sentence will finish with a question mark. Can we move on?

The Hon. GREG DONNELLY: No.

CHAIR: That is what the member asked me to do and that is my ruling. I am happy to take out the last word. My statement was, "I take that as a yes."

The Hon. GREG DONNELLY: But you wish to include a question mark.

CHAIR: That is the member's problem. That is what he asked me to do.

The Hon. GREG DONNELLY: You put in the question mark; I did not ask you to put in a question mark.

CHAIR: Perhaps the member should go back to doing grammar. I know that a question mark would have to be included. The member asked me to remove the last word and I have agreed to do that. We need to move on.

The Hon. GREG DONNELLY: I seek instruction from the Clerks about dissenting from your ruling, and I want to do it right now.

Reverend the Hon. Dr GORDON MOYES: To the point of order: I believe that dissenting from the Chair's ruling would only delay the whole process. The Hon. Greg Donnelly has all that he wants. He has made his point. If he follows that line I will definitely move a motion to call back the Minister and her team for a supplementary hearing because this is wasting the time of the Committee.

The Hon. GREG DONNELLY: With the greatest respect, I did not ask the Chair to include a question mark at the end of the sentence; I asked her to remove the word "yes".

CHAIR: I agreed to remove the word "yes". The Hon. Greg Donnelly asked me to remove the last word and I agreed to remove the last word. That was his point of order and that is my ruling. I agreed to remove the last word. He is now preventing members from asking the Minister questions, which is the purpose of these estimates committee hearings. The Hon. Greg Donnelly's grandstanding will probably result in the Committee requiring a supplementary hearing. The Hon. Greg Donnelly is using up the valuable time of members. He took a point of order and that is the ruling I have given.

The Hon. CHRISTINE ROBERTSON: Madam Chair, could we remove the question mark and proceed with questions?

CHAIR: It is up to the Hansard staff to determine what grammar should be used.

The Hon. GREG DONNELLY: I want the question mark removed. That is what I asked for.

Dr JOHN KAYE: To the point of order: We have wasted a substantial amount of time on a completely trivial matter. It is not important whether or not the Chair made that statement. I suggest that we move on. The Hon. Greg Donnelly said he could not move on because the question mark had not been removed, which is wasting our time. Madam Chair, I suggest that you remove the remark as we are wasting time. Government

members are attempting to take up the time of Opposition members. I do not think that the remark was offensive or that it deserves to be removed, but I think we should move on.

The Hon. CHRISTINE ROBERTSON: Retract the last sentence, which you said earlier anyway.

CHAIR: We should move on. The Hon. Greg Donnelly's grandstanding is an attempt to use up the time of the Opposition but I have stopped the clock so he is using up the time of Government members for questions.

The Hon. CATHERINE CUSACK: I seek clarification. You want the Chair to remove the word "yes" and the question mark?

The Hon. CHRISTINE ROBERTSON: No, Dr John Kaye suggested that she retract the last phrase.

The Hon. CATHERINE CUSACK: Members should be specific about what is to be removed.

The Hon. HELEN WESTWOOD: The phrase was, "I will take that as a yes."

CHAIR: The Hon. Greg Donnelly took a point of order and wanted me to remove the word "yes". I have agreed to remove the word "yes".

The Hon. GREG DONNELLY: But you put in a question mark.

Dr JOHN KAYE: You would have to include a question mark otherwise the sentence would be grammatically incorrect. Perhaps we could ask some of the teachers who are present.

CHAIR: In the interests of progressing I will remove the last sentence. We need to move on.

Dr JOHN KAYE: You are retracting the last sentence.

CHAIR: I retract the last sentence. Let us move on and behave like adults.

The Hon. GREG DONNELLY: Thank you, Madam Chair.

CHAIR: Earlier Dr John Kaye asked you some questions about land sales. You said that the department had a great deal of vacant or surplus land. Could you supply the Committee with a list, or could you table a list of vacant or surplus land?

Ms VERITY FIRTH: I do not have that information with me now, but I will take that question on notice.

CHAIR: You do not have that with you now?

Ms VERITY FIRTH: No, I do not have a list of all 406 hectares.

CHAIR: But you will take that question on notice and supply that information?

Ms VERITY FIRTH: Yes.

CHAIR: Could you also give the Committee a list of the sites that you are considering selling?

Ms VERITY FIRTH: We will provide you with a list of all the vacant land that we have. I am also happy to provide you with a list of the school-nominated land sales.

CHAIR: You must have a list of the land that you are planning to sell? Yes or no? Sorry, I should not use the words "yes or no"; I should not prompt you. Do you have a priority list relating to land sales?

Mr COUTTS-TROTTER: Yes, we have a list to which we are working. Much of it is already in the market and we are engaged in the process, so we can provide you with that information.

CHAIR: Thank you.

Reverend the Hon. Dr GORDON MOYES: Each year New South Wales receives the bulk of migrant families in Australia. At the moment there is only one English as a second language teacher per 130 students from non-English speaking backgrounds, which seems to me to be quite inadequate. Can you explain how you will address this inadequacy?

Ms VERITY FIRTH: Funding for English as a second language includes the provision of 1,274 specialist English as a second language teacher positions in primary schools, high schools and intensive English centres. In 2009 these teachers are supporting some 85,000 students, including over 7,000 new arrivals to learn English. I agree with the member that the job they do is incredibly important. I visited Fairfield High School and looked at its intensive English centre. I encourage members to have a look at that centre which deals with kids who often have been in refugee camps for the past six or seven years of their lives. They arrive at school not yet knowing English but also not having had formal education of any kind. The work that those teachers do is truly incredible.

Reverend the Hon. Dr GORDON MOYES: Minister, the point I made was that we have only one teacher for every 130 students from non-English speaking backgrounds. What are you planning to do to overcome that inadequacy?

Ms VERITY FIRTH: We have increased expenditure on this important area in our equity programs. In 2005-06 we spent \$101 million, or \$101.32 million. We increased the budget, which is now \$124.144 million, and we will continue to do so. All up, over \$463 million will be spent on equity programs in our schools this financial year. Of course, that does not even include the Commonwealth's extra contribution for equity programs. We will continue to support those students who most need our help.

Reverend the Hon. Dr GORDON MOYES: Minister, in light of the fact that we are looking at an inflation rate of 2.4 per cent, you have allowed for only a 2.5 per cent increase in TAFE budgets.

Ms VERITY FIRTH: Do you mean salaries? What are you referring to?

Reverend the Hon. Dr GORDON MOYES: Total expenditure? It is a 0.1 per cent increase. Is that sufficient?

Ms VERITY FIRTH: As you are aware, TAFE has a record budget this year. I will hand over to the director general to provide the details, but it is a record budget. Never before have we seen a budget of this size. As we know, TAFE is Australia's number one training organisation. We have enrolments rising year on year and, as I said, never before have we seen a budget of this size.

Mr COUTTS-TROTTER: There is also a bit of a change to the way funding is presented now. Because of the Commonwealth's Productivity Places Program, a substantial element in 2009-10, about \$180 million, is not allocated directly to TAFE. It is allocated through a tender process run through the Board of Vocational Education and Training. So, TAFE's total expenses are anticipated to rise modestly. Actually, the consumer price index from June 2008 to June 2009—this surprised me because I checked the figure last night—ran at 1.5 per cent. So, actually 2.5 per cent both for wages and for ordinary funding could be a real increase in funding. But TAFE is bidding for a large part of the training places that are funded through—

Reverend the Hon. Dr GORDON MOYES: Through the Commonwealth?

Mr COUTTS-TROTTER: Commonwealth and State. There is an additional \$180 million, some of which certainly will flow to TAFE on top of—

Reverend the Hon. Dr GORDON MOYES: So there are no real apples with apples?

Mr COUTTS-TROTTER: No. That policy has changed and, as a result, the presentation compared to last year does have to take account of the difference.

Reverend the Hon. Dr GORDON MOYES: Thank you. I will look further into that.

Dr JOHN KAYE: Minister, can we talk about the participation rates in NAPLAN testing?

Ms VERITY FIRTH: Yes, I am happy to.

Dr JOHN KAYE: We are interested in the following suggestion: A number of schools reduced their rate of participation in NAPLAN between 2008 and 2009. I am not talking about the exempt category, which has grown. There may be other arguments about the exempt category. My understanding is that the exempt category is added to band 1 for those students deemed to have not reached the national standard.

Mr COUTTS-TROTTER: Yes.

Dr JOHN KAYE: We are talking specifically about the number of students who are not exempted and do not sit the test. Is it true that on average a number of schools—I do not want you to identify any particular school—have had a substantial increase in the non-participation rate?

Ms VERITY FIRTH: I will have to take that on notice. I do not know whether that is the case. What I can say very proudly is that New South Wales has well above the highest participation rate in the country when it comes to NAPLAN. On average it is 96.7 per cent. I do not have the notes in front of me, but I understand it to be a good two to three percentage points higher than Victoria, for example.

Dr JOHN KAYE: But it is lower than Tasmania.

Mr COUTTS-TROTTER: That is right.

Ms VERITY FIRTH: Well, I correct the record then.

Mr COUTTS-TROTTER: Of any significant jurisdiction.

Ms VERITY FIRTH: Yes.

Dr JOHN KAYE: I will take that on notice to my Tasmanian colleagues.

Ms VERITY FIRTH: But just on that point, we are proud of our participation rate because it shows that our results are very strong and always in the top three jurisdictions. We still have the highest participation rate of those top three jurisdictions we chose.

Dr JOHN KAYE: We are interested not so much in the average participation rate but in the participation rate in a number of schools. Without identifying any schools, could you provide us with a list of participation rates in each test in 2008 and 2009 for those schools where there has been a substantial increase in non-participation?

Ms VERITY FIRTH: Do you mean non-government and government schools?

Dr JOHN KAYE: Yes, but identified as government and non-government, and identified by sector but not by school name or location?

Ms VERITY FIRTH: Well, I suppose so.

Dr JOHN KAYE: Thank you. If I say I will take that as a yes, I might get into trouble. So I will not.

Ms VERITY FIRTH: I assume it will be data that we will be able to easily access, and I would want it not just to be a government school exercise. We would have to make sure—

Dr JOHN KAYE: My track record speaks for itself in that regard.

Ms VERITY FIRTH: Yes.

Dr JOHN KAYE: I refer now to the My Schools website, the Federal ACARA website. I understand it is now called My Schools?

Ms VERITY FIRTH: Yes.

Dr JOHN KAYE: The national agreement under which it was created included the revelation of school funding from three resources?

Ms VERITY FIRTH: Yes.

Dr JOHN KAYE: We understand now that that funding data will not be available at least for the 2009-10 GoLive, which will be in either November or December this year. Does that breach the national agreement?

Ms VERITY FIRTH: No, it does not breach the national agreement. What I should say though on the record is that I think that information is incredibly important. It is absolutely right to say that you cannot judge schools or compare like schools without having that very important and transparent information around the resources of a school. It is vital that this information is transparently and openly reported. The template was released in April this year by MCEECDYA—the Ministerial Council for Education, Early Childhood Development and Youth Affairs. It was formerly the Ministerial Council for Education, Employment, Training and Youth Affairs. Essentially, it is the Federal group where all the Ministers get together. The template put out in April 2009—I can table it although, annoyingly, we have a black and white copy and you need the colour copy to read the template properly—identified the information that would become available in 2010-11. It included data such as measures of gain growth because you were not going to be able to provide gain growth until 2010-11, once you had enough NAPLAN data. It also included this income data. I am just letting you know that it was always intended that the income data would be available in 2010-11. Just on that point, however, this is crucial data that, of course, must be transparently available.

Dr JOHN KAYE: It is crucial data but for a whole year a crucial link in the rich contextual data will be missing, yet the website will be live with school results data. Therefore, are you not concerned that the website will not pass your crucial rich contextual data test? You are putting up the school NAPLAN results, School Certificate results and Higher School Certificate results without what you just referred to as a vital piece of data.

Ms VERITY FIRTH: I also have to point out that the other vital pieces of data, such as measures of gain growth and proportion of attaining year 12 or equivalent, also are going to be provided in 2010-11. Another thing I should point out is that income for individual schools, especially schools that are part of systems, and that includes both government and Catholic schools, is complicated data to assess. Because of the nature of wages, the nature of essentially centralised spending, being able to individually account exactly what the income source is for each individual public school or each individual Catholic school is a complicated process, which I can get the director general to outline. The Deputy Prime Minister would argue the commitment of the Federal Government to parents of parent information through this website. She has reaffirmed her commitment today to make sure that the income sources and so forth are there. But as has been clear since April, it was always going to be 2010-11.

Dr JOHN KAYE: I understand that, but does that not mean that for a whole year you will be putting out results of schools without the rich contextual data on which you and the Deputy Prime Minister rely to say that this is not going to be what you refer to as simplistic league tables but more rich contextual data? What you have said is that a vital piece of information is missing. Therefore, is that not an argument to delay the GoLive for a year?

Ms VERITY FIRTH: Can I tell you the data that will be available at the end of this year?

Dr JOHN KAYE: No, I actually do not want that.

Ms VERITY FIRTH: It is rich and contextual.

Dr JOHN KAYE: I want you to answer this question.

Ms VERITY FIRTH: It will have student attendance rates. It will have teaching staff numbers. It will have non-teaching staff numbers. It will have the SES profile of the school. It will have the percentage of indigenous kids. It will have the VET attainment or participation, the end-of-school outcomes related to measures, including post-school destinations. It will have NAPLAN outcomes. It will also have parent-student-teacher satisfaction surveys. Plus, of course, it will have comparisons to like school groupings.

Dr JOHN KAYE: Without what you said?

Ms VERITY FIRTH: It will be rich. It will be contextual and we will continue to work to make sure that the stuff that is essentially in our bailiwick is delivered on time and in accordance with the protocols, which, of course, is about student outcome.

Dr JOHN KAYE: Minister, I would like to talk more to you about that, and no doubt we will at some stage, but what I would like to turn you to now is the Certificate for General and Vocational Education that is being taught in TAFE. You are aware no doubt of legislation that changed the school leaving age to 17, which indeed I think every member in this room enthusiastically supported but which the Greens with the Government's support in the upper House amended to allow for those students for whom it was not appropriate to stay in school to go to TAFE and do the CGVE, the Certificate for General and Vocational Education.

Ms VERITY FIRTH: Yes.

Dr JOHN KAYE: We are hearing on the ground from TAFE teachers in that area that there is a plan afoot from TAFE management to refuse to allow enrolment in CGVE courses, or to curtail enrolment. Can you now give us an absolute assurance that the CGVE course will be resourced, will continue to operate, and will continue to supply a pathway for students for whom school is not socially and physically an appropriate venue for completing their year 10?

Ms VERITY FIRTH: Yes.

Dr JOHN KAYE: So I can tell TAFE teachers that their management is wrong when they are putting this message out.

Ms VERITY FIRTH: What we are making sure is that, especially in relation to the school leaving age, we analyse what is best for the child. We do have to do that. As you probably know, CGVE does not have the same completion rates sometimes as keeping that child engaged in school. We have to do what is best for the child. We have to do what is considered best by the school principal, by the child's parents and by the local TAFE. But you have my absolute assurance that there is definitely no conspiracy to stop kids enrolling in CGVE when that is the most appropriate outcome for them. Sometimes the Certificate II—remember it can be a Certificate II equivalent as well—may be a better outcome for those kids, or a better thing for them.

Dr JOHN KAYE: But there is no strategy to phase out the CGVE or access for students who are younger than 17 to non-vocational courses in TAFE?

Ms VERITY FIRTH: No.

Dr JOHN KAYE: Thank you. I appreciate that. Just on that, it is often quoted that there is a 30 per cent non-completion rate from the CGVE.

Ms VERITY FIRTH: Yes.

Dr JOHN KAYE: Would you accept that that is also a 70 per cent completion rate and that for many of those students that is a remarkable outcome?

Ms VERITY FIRTH: Yes, but I also would say that I do trust the expertise of educators, both in high schools and in the TAFEs, to help analyse what is best student outcome. I do know that TAFE works better for some kids than it does for other kids, and we need to have some ability to be able to actually do what is right for individual students in individual circumstances.

Dr JOHN KAYE: Thank you, Minister. I appreciate your assurance. Can I now take you to what is actually a positive thing the Federal Government has done, and that is its recognition that primary students should be funded at a similar level to that of secondary students. Indeed there was \$100 per student additional funding allocated to each primary student in New South Wales.

Ms VERITY FIRTH: Yes. It was great, was it not? And we advocated for it. They delivered it.

Dr JOHN KAYE: And you kept 50 bucks of it for yourselves.

Ms VERITY FIRTH: I would not describe it as that at all.

Dr JOHN KAYE: How would you describe it?

Ms VERITY FIRTH: For the New South Wales public education system, it essentially meant an additional \$45.1 million per annum. Unlike other States and Territories, I would add, we actually quarantined all that funding to go to primary schools—every single cent of it. Where roughly half of it is going to go is into the cost of running our workforce, which is into primary school teachers' wages. I think that is absolutely okay. I find that absolutely a good example of where we should be using this increase—firstly because wages are important and how we pay our teachers is important in terms of attracting excellence, and secondly because it also enables us to bring the resource grant in the global allocation for primary schools so that we deliver essentially half in the form of wages for primary school teachers and we deliver the other half in the form of increased per capita funding for each child.

That means that that will now bring the per capita funding to \$110.10 per student per annum, which is at an equivalent level for secondary schools, which currently attract \$109.95 per student per annum. The reason why I do not back away from using that money for teacher wages is that this is our base funding from the Commonwealth. This is the funding they provide us to run our schools. The vast majority of the money we spend running our schools in recurrent costs are wages, as it should be, and as it has always been.

Dr JOHN KAYE: I understand what you are saying, Minister, and that is fine. But is not another way of saying what you are saying that it is true that primary teachers and secondary teachers, leaving aside the idea of principals and gradings of principals, have always been paid the same amount. So the 50 bucks per student that you took and put into paying the salary increases of primary teachers allowed there to be still a \$50—

Ms VERITY FIRTH: Increase in per capita.

Dr JOHN KAYE: In a way it was a \$50 betterment that primary school students would have got with respect to secondary school students in public education.

Ms VERITY FIRTH: Can I just point out that we have never quarantined our base funding in that manner, in the same way that we do not quarantine base funding that comes from the Commonwealth just to go to secondary schools or just to go to primary schools. This is our base funding. This is the 10 per cent or whatever that comes into our budget from the Commonwealth to run our schools as we see fit. It is not tied funding. It has always been used for wages, for recurrent costs, for the running of our schools. Other States did not even quarantine it for primary schools.

Dr JOHN KAYE: Right.

Mr COUTTS-TROTTER: Or education.

Ms VERITY FIRTH: Some States took it into their Treasury.

Dr JOHN KAYE: Which I think is appalling.

Ms VERITY FIRTH: You have got a good deal out of us because we quarantined it for primary schools.

Dr JOHN KAYE: I do not think that primary school teachers and primary school principals see it as a good deal when 100 bucks per student were given to each primary school—

Ms VERITY FIRTH: And 100 bucks have gone to teacher wages—half to teacher wages and half to the student in a per capita allowance.

Dr JOHN KAYE: Teacher wages, you agree—uniformly across the system, primary and secondary. True or false?

Ms VERITY FIRTH: I do not resile from that decision.

Dr JOHN KAYE: Thank you for that. Can we move now to the National School Pride Program, in particular the goods and services tax, the GST, associated with national school pride funding, and in particular those schools that have either chosen or pushed to spend their funding on the backlog of maintenance. Those schools are managing their own projects and can claim GST and should have some additional funds to spend. For example, for a school that has 300 students—no, I will not go to those figures because they are too complex. Let us go to the schools that should have got the GST. Is it correct that you took the GST?

Mr COUTTS-TROTTER: No, that is not correct at all.

Ms VERITY FIRTH: We will take that on notice.

Mr COUTTS-TROTTER: But it is not correct.

Dr JOHN KAYE: It is not correct?

Mr COUTTS-TROTTER: No. The argument behind that was that the States receive GST funding and so if the school pays GST, the States pick it up in a Federal grant through the Commonwealth Grants Commission. I frankly do not understand the argument, but we are happy to have a look at the specifics of both schools that are managing their own national school pride projects against those who are not.

Dr JOHN KAYE: We will put a more detailed question on notice.

Ms VERITY FIRTH: Do that.

The Hon. GREG DONNELLY: Will the Minister describe how the State is ensuring value for money in building the education revolution and capital works programs?

Ms VERITY FIRTH: Thank you. I would love to.

The Hon. CATHERINE CUSACK: Let us go there again.

Ms VERITY FIRTH: This might also help with some of the Opposition's questions too.

The Hon. GREG DONNELLY: By clarifying some of the earlier matters?

Ms VERITY FIRTH: Yes.

The Hon. CATHERINE CUSACK: Lovely.

Ms VERITY FIRTH: The Government obviously is committed to ensuring value for money in the implementation of the education stimulus package. We have designed our systems to be flexible and to get the best value from the funding throughout the whole program and on every public school project in the State while still meeting what we understand are very tight time lines set by the Commonwealth. As well as setting up the delivery of the program, but with value for money in mind and monitoring it all along the way, there are also a range of audits which will take an interest in how we are delivering Building the Education Revolution.

This is the point that I made earlier: there literally will be no program that will have quite the level of oversight as has this program, as it should be. We welcome this level of oversight. In fact, we are so committed to ensuring that processes are followed right down to the school level, so that everything is being done correctly and no money is being wasted, that we have created our own audit squad—our own special spot audit squad. These teams will undertake spot visits to around 10 per cent of all BER projects, covering every region, every project type and every managing contractor.

We have instigated this approach in recognising that this is a unique program and that the combination of the program's size, complexity, speed and impact on schools means that a comprehensive and structured audit process is the way to go. The auditors will look at how well the BER guidelines are being followed. They will check that the projects match the Commonwealth's approvals. They will check that all the relevant legislation is being followed and that all relevant insurances are in place. The auditors will look at the full range of safety

issues from the policies and procedures in place at each school site to child safety issues to the correct certification of licences.

They will assess the project on time, cost and quality—the big three which go to the heart of value for money in any building project. This will include considering any delays in delivery or reporting, budgets and milestone payments, design documentation, compliance with the schools facilities standards, and the use of appropriate suppliers.

The aim is to review the performance and compliance of the managing contractors and their subcontractors, highlighting any areas of non-compliance and making sure that they are thoroughly investigated and dealt with quickly. As well as these audit squads, we are also setting up an audit of managing contractor procurement processes to ensure complete probity in hiring subcontractors and consultants. This procurement audit will review the process of calling for tenders, evaluating bids and making appointments. The Department of Education and Training audit directorate will also carry out a review of our delivery of the building the education revolution [BER], as will the nation building and jobs plan task force's probity auditor. But that is not all. There will also be independent audits carried out by Deloitte and the New South Wales Audit Office. And we anticipate that ICAC will also be paying attention, given the amount of public money that is being invested.

The Australian National Audit Office has also started its own review of the Australian Government's administration of the project, and this review will include talking to each State's department, as well as some individual schools. There may be smirking on behalf of the Opposition. There is a lot going on, but all of this helps ensure that we are delivering this large and complex program in the best way possible to achieve value for money. As I said earlier, it will be the most scrutinised construction program in the State's history. All along we have been absolutely transparent in our delivery of this project, and we will be even more so with the BER website. It is all part of our commitment to delivering the program in an open and transparent way. That is why we are sharing detailed information with schools about their individual project budgets.

It is also why we have set up a dedicated website for the BER, which includes information at a school-by-school and project-by-project level about what is being approved and how the money is being spent. So next year you will be able to literally go to that website and you will not have to ask these questions. Value for money does not just mean getting the lowest price. Value for money is about getting the best price for buildings that are fit for purpose and meet the required quality standards. This may mean that the buildings cost more up front to build. However, the quality means that the building will save us money over time through reduced maintenance bills and running costs. We expect our schools to deliver high-quality educational experiences. This means that they need to have modern facilities that meet the curriculum requirements set by the Board of Studies.

Above all, we expect our schools to be safe. Schools are unique environments and our standards sometimes exceed the requirements of the Building Code of Australia. For example, the schools facilities standards dictate that all windows must be of shatter-proof laminated glass with no glazing below 100 centimetres. This is part of the reason why you sometimes get these quotes, too. The schools facilities standards also dictate, for example, that low-volatile compound paints must be used to retain a high level of indoor air quality. This is all about making sure that our schools are safe for students, teachers and members of the broader community. The schools facilities standards are also designed to ensure that our schools are cost effective to maintain and run, which keeps annual maintenance costs down.

The quality that we build into our schools, thanks to the schools facilities standards, strikes the right balance between the up-front cost of a building and the long-term cost of maintenance and cleaning. The Rees Government engaged managing contractors, as we talked about this morning, to roll-out primary schools for the twenty-first century—the largest element of building the education revolution. This ensures that we take advantage of the economies of scale that are inherent in using larger contractors who have the expertise and experience to deliver a large number of projects in a very short time frame. The managing contractors were selected through a competitive tender process, with three or four tenderers in each region to get the best deal that the market can provide in each area.

With the managing contractors on board, we are delivering value for money by working with them to find innovative solutions that save us money and enable us to deliver more to schools; by checking their costings at key stages in each school's project and comparing them to a benchmark value; through our contractual agreement with them, which encourages delivery on time and on budget; and through the competitive procurement processes put in place by each managing contractor to ensure best value on each

project. A great example of how we are working with the managing contractors to deliver real benefits to New South Wales public schools is the BER design range for smaller schools. The Department of Education and Training developed the BER design range to ensure that small schools with fewer than 50 students could benefit from a new building within their school's indicative BER funding allocation of \$250,000.

The BER design range provides small schools with a high-quality learning space that meets their needs. We have worked with the managing contractors on exploring design solutions and procurement approaches to bring the cost of this design range within the \$250,000 allocation. That was always going to be the issue for small schools. For example, the lightweight construction materials we are using mean that we can assemble the buildings off site and transport them direct to remote smaller school sites. The lightweight construction materials also perform well in terms of insulation and sustainability outcomes. We are also looking together at ways that we can drive value for money through the procurement process. For example, by building the BER design range off site we can deliver significant cost savings for schools in remote locations where it can be more difficult and costly to get resources in place.

The innovative transportation system meant that these buildings could be delivered to the school site with a pitched roof, which means that they can blend easily with existing school buildings. We also procured the BER design range buildings in bulk. This means we benefited greatly from economies of scale and were able to negotiate a competitive price, again getting more value for money for our schools. The BER program office is committed to maximising the amount of program funding spent in our New South Wales public schools. That is why we used conservative project cost estimates when nominating projects. This made sure that we drew down on the maximum amount of funding from the Australian Government, helping ensure that projects can be delivered within the school's indicative funding allocation.

The project costs published by the Australian Government when it approved projects were based on desktop estimates carried out at the commencement of the process. These costs do not necessarily reflect the final price of the project. The final price will take into consideration the costs of site-specific issues, which will vary on each school project. Site issues include things like the slope of the site, the presence of latent ground conditions, bushfire or flood zoning, heritage listing, a very tight school site—that is, multiple movements of classes during the construction phase—or the remoteness of a school's location, which increases the cost of moving resources and supplies into place.

It should be obvious to everyone that construction costings based on square metre rates are often a very rough and unreliable guide. This is because they do not include the costs of site-specific issues such as those I have just mentioned or the cost of associated building work such as design finalisation, statutory planning, service connection, demolition, power upgrades and so forth. Our cost estimates in BER are for a complete project, not just for the construction. Again, that is something we have been trying to educate people about in terms of apples and apples. Most building projects, including traditional Department of Education and Training building projects, quote prices for the construction phase only. This is an important point, and it is one that has been missed in the hysteria that has been whipped up by the Liberal-Nationals on this issue. The processes that we have put in place seek to ensure that value for money is delivered on each school project.

The BER program office checks the cost of each school project at three critical phases. At the earliest estimate phase the program office checks the preliminary costs provided by the managing contractor to ensure that they are in line with similar projects in each region and across the State. It provides feedback to the managing contractors indicating where their costs are out of step with those provided by other managing contractors or with the expected market benchmark. At the next stage the program office checks the more detailed estimated project costs. Again, if the estimated costs are out of step with costs in similar regions the program office can investigate and challenge the costings. The BER program office only approves projects that represent value for money.

The final way—it is important to point this out—that the program office ensures value for money on each project is through the benchmark value. The BER program office assesses the benchmark value for each school project, taking into consideration the costs for similar BER buildings in the same region with other similar regions and what the Department of Education and Training normally pays for similar buildings in similar regions. Our contracts with the managing contractors effectively control the costs of school projects by capping the managing contractor's payment at the lesser of the actual cost of construction or 105 per cent of the benchmark value.

This means that there is a real incentive for the managing contractor to deliver projects cheaper than the benchmark value. If the actual cost of delivering the projects is more than the benchmark value then the managing contractor will only get paid 105 per cent of the benchmark value. They do not get paid for any costs which exceed 105 per cent of the benchmark value. This mechanism also means that we know early on in each project what the maximum cost of every school project will be. As a result, we are able to make smart budgeting decisions to make sure we get value for money on each project. This puts us in the best possible position to spend all the Australian Government funding provided to New South Wales public schools.

We obviously do not want to send back any money. Our contracts with managing contractors also include an incentive payment, which is another mechanism for delivering value for money. If the managing contractor delivers a school project on time and within the benchmark value range they can be entitled to an incentive payment. This incentive regime underpins our partnership approach to delivering value for money throughout the program. It also acts as a real incentive to get projects delivered on time. Delivering projects on time is crucial as the Australian Government has made it clear that funding is at risk if projects are not delivered on time. Our contract with the managing contractors requires them to seek the best value for money for each project. They have set up procurement systems, which ensure competitive prices are received for project works and that value for money is demonstrated. All of this goes to show that the Government is committed to delivering value for money as it implements this large, complex and historic program.

The Hon. HELEN WESTWOOD: Minister, how is the Government investing in the future of creative students in western Sydney?

Ms VERITY FIRTH: Earlier this month I accompanied the Premier on a visit to his former high school in Northmead, which was celebrating its fiftieth anniversary. While addressing the school assembly, the Premier announced the creation of two new creative and performing arts high schools in western Sydney. From next year Northmead High School and Nepean High School will join Campbelltown High School as specialist arts high schools, creating a network of three in the region and a total of eight across New South Wales. This means there will be more creative opportunities for approximately 1,400 students in western Sydney. We know that senior students are increasingly choosing to study performing art subjects for their Higher School Certificate, and that western Sydney is a really important area of rapid growth and cultural diversity. The Government is responding to that demand.

This is about delivering a clever and creative State. We will invest in these schools to provide creative opportunities for students who want to train and pursue a career in the arts. They will offer creative and performing arts programs, catering for students in the Parramatta and Penrith regions in areas such as dance, drama and music, while they also study the core curriculum. Both of those schools were an obvious choice, given their strong history in delivering a successful performing arts curriculum. Northmead High School has developed a strong creative performing arts program over the past 15 years, which has seen hundreds of talented students further hone their artistic skills. Nepean High School also has a long history of teaching performing arts and associated extracurricular activities that involve nearby primary schools.

The Government is committed to providing Northmead and Nepean high schools with the resources they need to make the transition to a performing arts high school. It is looking at the assets and resources currently available at the two high schools, and is dedicated to providing additional resources and capital expenditure to bring these schools to a performing arts standard. The scope of any additional capital works required to make the transition will be negotiated with the school and community, and may include: movement studios with retractable seating, attached support spaces—such as a control room, change rooms and store rooms—and a performance teaching space with an operable wall, which will enable the room to be divided into two smaller teaching spaces.

The recruitment of specialist teachers and the curriculum will also be considered. The Government will build on the existing relationship those schools have with their local art institutions to ensure that students have access to professional artists and companies. The establishment of these two new creative and performing arts high schools has been warmly welcomed by Sydney's leading performing arts companies as an extension of their existing performance and skills programs in western Sydney. The general manager of the Sydney Theatre Company, Rob Brookman, said, "It is excellent to know that the New South Wales Government will provide this tangible focus in western Sydney. The presence of two specialist high schools can only service to increase the critical mass of performing arts in the area."

John Kirkman, the Chief Executive Officer, of the Penrith based Joan Sutherland Performing Arts Centre, the Penrith Conservatorium of Music, Q Theatre Company, the Penrith Regional Gallery and the Lewers Bequest describes the initiative as most welcome. He said, "It underlies the importance of secondary school education in the nurturing and development of forthcoming generations of Australian performers—particularly those from Penrith and western Sydney." The Riverside Theatre Director, Rob Love, says the partnership with the nearby Northmead High School will formalise a long list of existing programs his centre runs with nearby schools, including master classes, dance programs and theatre presentations with leading companies.

This announcement was also warmly welcomed by my parliamentary colleague Mrs Karyn Paluzzano, the member for Penrith and Parliamentary Secretary for Education and Training. Last week she also announced a working party to explore links between the arts community and the new Nepean Arts High School of Creative and Performing Arts. The Penrith and Blue Mountains area has a really long history of providing performing arts curriculum, and a strong community involvement in promoting and producing performing arts across the region. The region also has strong links with the Joan Sutherland Performing Arts Centre, the Penrith Conservatorium of Music, Penrith Regional Art Gallery and the Q-Theatre.

This working party will investigate how we can further strengthen these relationships for the benefit of students at Nepean High School. I welcome the interest of Mrs Paluzzano and congratulate her on forming this working party, which will help play a significant role in the makeup of the new performing arts high school. We will also focus on establishing formal links with the arts community in Penrith and canvass available support within the community. The working party will comprise representatives of the Department of Education and Training, Nepean High School, Arts New South Wales and the Penrith performing and creative arts community.

The Hon. CHRISTINE ROBERTSON: Will the Minister advise the Committee of policies and programs aimed at improving educational outcomes for Aboriginal students in government schools?

Ms VERITY FIRTH: It is a very important issue. The Government has a strong commitment to bridging the educational gap between Aboriginal and non-Aboriginal students in the State. In fact, the primary goal of the Department of Education and Training is that by 2012 Aboriginal and Torres Strait Islander student outcomes will match or better outcomes of the broader student population. It really is one of the key equity issues left. In order for the department to achieve this goal by 2012, our priorities include ensuring high-quality teaching, early childhood education, support for Aboriginal students with disabilities, increasing school retention and completion rates, and improving pathways to training, employment and higher education. This financial year the budget includes \$72 million for targeted Aboriginal education programs. Those programs are aimed at not just improving the educational outcomes for Aboriginal students but also ensuring that we work in an effective partnership with Aboriginal families and communities.

CHAIR: In relation to the roll-out of laptop netbooks, will you provide details of the evaluations of the two-week trial?

Ms VERITY FIRTH: The two-week trial was held in three schools: Arthur Phillip High School, Cherrybrook Technology High School and Bathurst High School. I know anecdotally from talking to students at those schools they are absolutely blown away by the range of programs. Each laptop has the equivalent of \$5,500 worth of software, including the complete suite of the latest Microsoft and all the Adobe design and publishing. I will take that question on notice, or pass to the director general, in relation to the specific evaluation of those trials.

CHAIR: Was there an evaluation? Were reports furnished?

Mr COUTTS-TROTTER: It was really just an initial process to identify any glitches either in the way we distributed computers or in the software. We were one of the first places in the world to get a test version of Microsoft 7, so we were running a test version of Microsoft 7 package.

Ms VERITY FIRTH: They were one of the first in the world.

Mr COUTTS-TROTTER: So it was about trying to iron out those bugs and testing that the process we designed with secondary school principals made sense when we put computers into schools. It was not an assessment of a learning change. It was really around the technical aspects of the computer and its software and the logistics of the rollout, because it had such a huge task in getting computers into the hands of teachers and students.

CHAIR: Would you make those outcomes available to the Committee?

Mr COUTTS-TROTTER: Yes. I have not seen a written report on it. I have spoken to various people involved in the program about the experience there.

CHAIR: Surely if that were a trial, you would evaluate it, would you not? You would evaluate a whole range of aspects before you roll it out further?

Mr COUTTS-TROTTER: We will evaluate the program at scale. It was a trial to stress test our processes, logistics, methods of distribution and, particularly with Microsoft, to give the software a bit of a run.

CHAIR: Can you tell us any more?

Mr COUTTS-TROTTER: I am happy to go back to the program control group that would have met following that trial; they have assessed it in various ways. I do not have the information to hand, but I can give you whatever I can glean from that group.

CHAIR: Out of that information about the trial, can you tell us other information apart from the technical aspects? Were any laptops lost or damaged?

Mr COUTTS-TROTTER: I need to check that. Interestingly, talking to the Governor of Maine, which was one of the first places in the world to put one-to-one laptop computing in place, they assumed that they would lose 10 to 15 per cent of their laptops each year to accident or omission or commission. They found out that the dropout rate was only 1.5 to 2 per cent. We are expecting to find that if we give young people responsibility they rise to it.

CHAIR: That is not disputed, but I want to know the results of the trial and how that went because, obviously, you would use that. Not just about whether the boxes arrived, but what happened after that. Not just about the technical aspects of the software, but what happened with the netbooks. With netbooks can students access social networking sites?

Ms VERITY FIRTH: No. One of the things that is important is, obviously, our Internet filtering policy. The netbooks are run through the Department of Education and Training server, so they have the same restrictions applied to the sorts of websites they can access as applied through the department's server. We also get students to fill out an information page, which we send home to parents as well. We get them to sign an appropriate uses manual, so that we can ensure that they use computers responsibly. One thing that I have said in the past is that this is an educational learning tool, and we are not running Internet cafes at our high schools; we are running an education and learning tool, which is backed by the professional learning for our teachers.

CHAIR: Absolutely. I asked about the trials because I imagine you would have assessed whether that was working or not when they came backwards and forwards. I would like the information on that assessment as well, if you would not mind please. On Internet access, Premier Nathan Rees promised that half of the State's public high schools would have wireless Internet connections by mid 2009. How many have wireless Internet connections?

Ms VERITY FIRTH: The director general will give the details. I can inform you that by the end of September, IBM Australia will have completed the first phase of a \$70 million upgrade of wireless broadband services to every high school across the State.

Mr COUTTS-TROTTER: It comes in two phases. There is initial wireless enabling, which is a core group of learning areas at the heart of the school. The second phase to come, it is for all schools where that wireless network is expanded into further areas; either areas funded by the program or areas where the school may choose to use its own funds to extend the network further than the footprint that we have planned within the program. The first phase, as I understand it, is on track for completion at the end of this month. The second phase begins early 2010 and is to be completed pretty quickly.

CHAIR: Please provide that information to the Committee.

Mr COUTTS-TROTTER: Yes, I am happy to give a detailed update.

The Hon. CATHERINE CUSACK: Thank you for the information about the projects, Minister.

Ms VERITY FIRTH: I hope you liked it.

The Hon. CATHERINE CUSACK: Can you clarify how the Building the Education Revolution [BER] office relates to the IPO?

Ms VERITY FIRTH: They are one and the same. Is that what you mean?

The Hon. CATHERINE CUSACK: Yes.

The Hon. CHRISTINE ROBERTSON: Please explain IPO.

The Hon. CATHERINE CUSACK: Implementation Program Office.

Ms VERITY FIRTH: Yes, Implementation Program Office.

Mr COUTTS-TROTTER: Sorry to correct you publicly, it is the Integrated Program Office.

The Hon. CATHERINE CUSACK: Thank you for clarifying that. The IPO is the Integrated Program Office, and that is the same as the Building the Education Revolution office?

Ms VERITY FIRTH: Yes.

The Hon. CATHERINE CUSACK: The incentive payments that you referred to in your answer, what is the budget for those?

Ms VERITY FIRTH: It differs. Firstly, they have to meet the incentive payment, and I understand it differs on the actual contract with each individual managing contractor.

The Hon. CATHERINE CUSACK: Roughly what can they look forward to? A 10 per cent bonus?

Mr COUTTS-TROTTER: No, only 1 or 2 per cent. Again, that would be through the competitive bidding process. The greatest risk for us here is that if a project runs late we do not merely get what we have spent today of Commonwealth money on the project. Potentially we get nothing. That is an absolute financial risk that we have to manage, and we are managing it by sharing that risk with large managing contractors who have a very modest incentive to deliver and make sure that State taxpayers are not out of pocket.

The Hon. CATHERINE CUSACK: If all goes well with the program, as you would hope, we would be looking at maybe \$50 million worth of incentive payments to go to the managing contractors?

Mr COUTTS-TROTTER: Totally hypothetical.

Ms VERITY FIRTH: It is completely hypothetical.

The Hon. CATHERINE CUSACK: But we are hoping that the program will be completed on time. If hypothetically it were, and you have envisaged finishing it on time, you might have envisaged what the incentive payments would cost.

Mr COUTTS-TROTTER: It is contained within the budget, but it is really impossible to know what the incentive payments will be. It will depend on the performance of different managing contractors.

The Hon. CATHERINE CUSACK: So the range per project is 1.5 to 2 per cent?

Ms VERITY FIRTH: It differs.

Mr COUTTS-TROTTER: It varies between 1 per cent and about 2.5 per cent.

The Hon. CATHERINE CUSACK: Somewhere between \$40 million and \$80 million, from the sound of that.

Mr COUTTS-TROTTER: For the delivery of a project that is budgeted at twice the Olympic Games, delivered in half the time on 100 times the sites, where, if we do not deliver to time we risk losing up to \$3,400 million.

The Hon. CATHERINE CUSACK: I understand the purpose of the payment. I am trying to understand the payment, and I am throwing guesses at you. It would be great to get more information on your guess of what you might be looking at. In the meantime I am just guessing. Can you hazard a guess?

Mr COUTTS-TROTTER: No, I will not hazard a guess. We are happy to respond to it as a question on notice. I am not going to hazard a guess.

The Hon. CATHERINE CUSACK: Okay, that is fine. Do you have a flow chart that explains the administration of the program?

Mr COUTTS-TROTTER: Perhaps we should share with you the regular bulletins from the Integrated Program Office that are available on the website, and are distributed to schools every couple of weeks. They go into extraordinary detail about the managing contractors, what they do, what they are paid, what they are responsible for, what it means from a schools perspective. Perhaps that is the first place to start and if further questions arise from that we could respond to them.

The Hon. CATHERINE CUSACK: In terms of the overall administration of the program, I understand that the Audit Office will audit everything. Does the Audit Office have a budget for the cost of its audit? Has it indicated to you that cost?

Mr COUTTS-TROTTER: I have no idea. The Australian National Audit Office has made contact with audit offices, as I understand it, in each State and Territory. Together they would obviously look at the work that the Australian National Audit Office wants to do and then think through their own audit programs in a way that would complement the work of the Australian National Audit Office.

The Hon. CATHERINE CUSACK: How will they recover the cost of that audit?

Mr COUTTS-TROTTER: I do not know. That would be a question for the Audit Office.

The Hon. CATHERINE CUSACK: Okay. That is not something that the program needs to meet?

Ms VERITY FIRTH: No.

The Hon. CATHERINE CUSACK: The Audit Office will audit the Integrated Program Office, which is funded at \$51.395 million.

Mr COUTTS-TROTTER: Over 2¼ years.

The Hon. CATHERINE CUSACK: They will be administering the special audit spot squads, which will do comprehensive and structured audits of the managing contractors, and the managing contractors' funding is \$142 million, as reported in the *Australian*. The managing contractors are the ones who are contracting the subcontractors for the program. Is that correct?

Mr COUTTS-TROTTER: Yes.

The Hon. CATHERINE CUSACK: Then if all of that goes well, incentive payments will be made—

Ms VERITY FIRTH: Within the budget.

The Hon. CATHERINE CUSACK: —to the managing contractors and that will be in the order of 1.5 per cent to 2.5 per cent of the project costs.

Ms VERITY FIRTH: Some are as low as 1 per cent.

The Hon. CATHERINE CUSACK: So 1 per cent to 2.5 per cent is the correct figure. How many staff are you employing in the special audit spot squads?

Mr COUTTS-TROTTER: The special audit team is our own internal audit people. We have an internal audit unit of, from memory, about 65 established positions. Not all those positions are filled; we manage our budgets by managing vacancies, including in that audit team. They have all sorts of responsibilities within the department, the most important of which obviously is developing an audit plan that is approved by the risk and audit committee and then providing some assurance through the risk and audit committee to the department that we are meeting our financial, legal and regulatory responsibilities. It is that team of people who will do the work.

They are already on staff, but we have seconded some of them into the integrated program office. As I understand it, they are undertaking some special training that will enable them to do this role well, but the aim is to ensure that everybody involved in this process knows it is properly closely scrutinised and that they may at any time get a visit from the audit team who will ask them to reveal where they are up to, provide evidence of decisions made to hire people, what they have paid for goods and services, and what they have reported through the State Government to the Commonwealth Government.

The Hon. CATHERINE CUSACK: Are those existing positions being contracted to the integrated planning office to provide that service?

Mr COUTTS-TROTTER: They are members of the IPO for the period of this program. In relation to your question, and I will need to check, I assume the cost of that audit process is met within the 1.5 per cent administrative fee allowed by the Commonwealth. In fact, I am 99.9 per cent confident that is exactly how they are funded.

The Hon. CATHERINE CUSACK: So the IPO will have these 65 positions for the duration?

Mr COUTTS-TROTTER: No, they do not have the whole 65; that is the whole internal audit unit. I am happy to find out how many positions they have, but I do not know.

The Hon. CATHERINE CUSACK: How many positions will there be in the IPO overall?

Mr COUTTS-TROTTER: I would need to check that and get back to you. That is going to vary over the course of the program depending on the responsibilities it undertakes. It has been a very large group to begin with because, for example, we have seconded principals to work with principals in each of the contract regions to sort through the very issues that Madam Chair was referring to earlier, which are often questions of clarification about the application of the Commonwealth guidelines or the way we are going to do things as much as they are about concerns. It is complex, it is fast and there has been a huge process of communication to allow schools to understand the choices and to exercise their choices under the program. The staff in the office will change over time. We could give you the head count at the moment; we could probably give you estimates of how large the staff will be on average over the course of the program, but it will vary.

The Hon. CATHERINE CUSACK: That would be useful. My calculations of what we know the costs to be so far are \$51.395 million for the integrated planning office and \$142 million—

Mr COUTTS-TROTTER: I have just had a look at that \$140 million figure. It is going to be less than that because there are two elements of the \$3.4 billion that we have done the arithmetic on that are separate from the process. The 1.3 per cent does not apply to the science and language labs because I think they are being done in a different way. It is in the order of \$130 million to \$140 million, but I would not want to be exact about \$140 million.

The Hon. CATHERINE CUSACK: Okay. Based on the figure reported in the *Australian*, which was the one you referred us to earlier, which was \$142 million, plus the \$51.395 million—

Ms VERITY FIRTH: Remember that the \$51.395 million does not come out of the whole BER funding.

The Hon. CATHERINE CUSACK: It is Commonwealth funding.

Mr COUTTS-TROTTER: It is Commonwealth funding directly for the administrative processes.

The Hon. CATHERINE CUSACK: How much money is being spent on things other than building schools?

Mr COUTTS-TROTTER: Absolutely none at all because all of the functions of preparation, planning and communication are fundamental to successfully doing this. There is not a person in the IPO or a person engaged in audit that is not at work in delivering the program. That is their function.

The Hon. CATHERINE CUSACK: The figure I have is \$193.395 million, which comprises the cost of the integrated planning office and the cost of the managing contractors. Is that accurate?

Mr COUTTS-TROTTER: We can confirm that it is broadly accurate.

The Hon. CATHERINE CUSACK: Plus incentive payments of between 1 per cent and 2.5 per cent.

Mr COUTTS-TROTTER: Yes, for delivering what the school wants, where they want it and when they want it to a quality that is acceptable, and removing from us and from New South Wales taxpayers a potential \$4.3 billion financial risk.

CHAIR: Can I get some clarification, because I do not want to get into hot water again? You have just announced audit spot squads, or whatever they are called—

Ms VERITY FIRTH: Spot audit squads.

The Hon. CATHERINE CUSACK: You said "special audit spot squads".

CHAIR: Whatever they are called I am sure we will have an acronym shortly. You have announced those but can you clarify that you do not know how many people will be in those squads?

Mr COUTTS-TROTTER: I personally do not know. The head of the IPO absolutely knows and the people involved in it know. We will get the information to you.

CHAIR: Thank you. In relation to the Commonwealth's Productivity Places Program—this is a vocational education and training question—the contracts for training positions are being issued to registered training organisations [RTOs]. My understanding is that those RTOs have put in submissions for that funding. It was supposed to be announced in August and was then delayed until the first week in September. Minister, can you tell us when those contracts will be issued?

Ms VERITY FIRTH: I can say that it is imminent. The tendering process is obviously at arms length from me and my department; it is not done through my department. That is because TAFE is essentially bidding for those places as well so it needs to be at arms length from us. My understanding is that the announcement really is imminent.

CHAIR: You do not have a date?

Ms VERITY FIRTH: Imminent means imminent. I would say it is literally next week.

CHAIR: You do not have a date though?

Ms VERITY FIRTH: Having said that, I have not determined this tender.

Reverend the Hon. Dr GORDON MOYES: I noticed in comparing this year's budget papers with last year's budget papers that a number of issues have come to the fore again: for example, the Learn or Earn initiative, the Best Start program, additional places in TAFE, extra trade schools across TAFE, and public schools. It is quite unclear, however, whether additional money has been put into these programs or whether you are anticipating they are going to run for a longer period of time than the four years that has been announced. Will additional funding be allocated?

Ms VERITY FIRTH: You will need to give me more detail on exactly which line items you want to know about. Some of them are commitments we have made as part of either an election commitment or a four-year funding cycle that may be ramping up as we go into construction.

Reverend the Hon. Dr GORDON MOYES: Most of them are four-year funding cycles and I wonder whether you are going to extend the four years or whether you are putting in additional money.

Ms VERITY FIRTH: I will ask the director general to deal with the detail but there is some additional money. For example, in our capital program there is an extra \$120 million on last year, which is an increase of about 19 per cent. In terms of individual commitments, probably in things like trade schools that is just meeting our commitment to build those 25 trade schools.

Mr COUTTS-TROTTER: Things like the Best Start program have been progressively rolled out through schools but once it is in place it stays in place. It does not end in four years time. The literacy and numeracy leaders in schools, the additional reading recovery teachers and the regular implementation of the program at the start of school each year will stay in place. Our evaluation to date of Best Start is wholly positive. It is a phenomenally successful program and I think it underpins New South Wales' extraordinarily good results.

Reverend the Hon. Dr GORDON MOYES: In the NAPLAN.

Mr COUTTS-TROTTER: We are bunched with Victoria and the Australian Capital Territory in pretty much every aspect of those assessments. We have 15½ per cent of our students in the lowest SES quintile; Victoria has 9 per cent and the Australian Capital Territory has 0.2 per cent. We have five times the proportion of children living in remote areas than has Victoria. The Australian Capital Territory has none. These results are to the great credit of teachers particularly at public schools, but of all teachers in New South Wales. Frankly, I think the assessment is the right and entitlement of every child to get the benefit of that information each year, and that is why the participation rate is so very important.

Reverend the Hon. Dr GORDON MOYES: Thank you, Minister, Director-General and Chair. I have to leave for a public function.

Dr JOHN KAYE: I start by looking at the TAFE restructuring program Doing Business in the 21st Century, and in particular what has happened to the equity units—the multicultural unit, the disabilities unit, the outreach unit and the gender equality unit. These, of course, have all been disbanded as central units. Can you give details of how these equity programs are now co-ordinated statewide, and how are they funded? Has there been a net reduction in funding, or how are those funds delivered?

Ms VERITY FIRTH: I will ask the director-general to respond.

Mr COUTTS-TROTTER: I will take on notice the part of the question regarding specifics of funding and will respond to you. But the mere presence of an equity unit or a multicultural unit or an Aboriginal education unit does not in and of itself guarantee that Aboriginal students, students with a disability, and students with cultural backgrounds of great diversity are well served by any educational institution. Of far more importance is, number one, that everybody shares responsibility for meeting the needs of every individual student. And if that requires one to understand the cultural background of the student, the limits in English, the relationship between an Aboriginal student and a community and a family, that has to be first and foremost the responsibility of everybody in the organisation. Simply having a unit does not guarantee any of that.

What you need to do is support the professional development of all staff in the organisation and set very clear expectations that we respect the individual and we respond to the individual needs of each student. Yes, there are materials, there is expertise and there is support that is required for people as teachers, as non-teaching staff members, to equip themselves to do that well. We are rolling that out in a big way across the organisation, with Aboriginal cultural education. There are a whole variety of ways in which you respond to it, other than simply having a unit that has that as its shingle.

Ms VERITY FIRTH: I would say, though, we are very proud of our equity results in TAFE—results, which I am sure you have seen, that are well above those of other registered training organisations and so forth in terms of outcomes for students of non-English-speaking backgrounds, students with a disability and Aboriginal students.

Dr JOHN KAYE: With respect, Minister, it is hardly surprising that a public provider of vocational education and training has more than for-profit RTAs. But that is another story.

Ms VERITY FIRTH: It is not about the percentage of actual students. We are also talking about completion rates as well. So it is actually about our success in those completion rates.

Dr JOHN KAYE: Again, that is not surprising.

Ms VERITY FIRTH: Does that not deserve a little bit of a pat on the back?

The Hon. GREG DONNELLY: Not from the Greens.

Dr JOHN KAYE: It certainly is deserved by the teachers who are doing that, and as you have asked the question I will answer it, but not by a Government that has—

The Hon. GREG DONNELLY: Just talk the Minister down, John; talk her down.

Dr JOHN KAYE: Not by a Government that has cut the equity units. I was fascinated to hear your words, Mr Coutts-Trotter, that it is about delivery, not about the units. The last time I heard those words—and I do not know whether you will remember, and I will ask you whether you do remember—was from Terry Metherell when he tried a similar thing. Do you recall that?

Mr COUTTS-TROTTER: No, I don't. But I stand by the comments. Aboriginal enrolments at Certificate III and above are up 18½ per cent over two years. Aboriginal enrolments generally are now up at around 25,000, and TAFE teachers and TAFE staff are respected and trusted by Aboriginal students and their communities. That is the achievement of all staff, and should be lauded.

Dr JOHN KAYE: It is lauded. I am on record, and yet again, because it is being challenged by Mr Donnelly, I put on record my congratulations to TAFE teachers and staff for the work they do in this regard. But what I ask you is: how is that work not going to get more difficult now that there are no centralised units that support that work?

Mr COUTTS-TROTTER: As I get around TAFE colleges, one thing that strikes me first and foremost are the great examples in south-western Sydney and New England and in western New South Wales. When you walk in it is a place where, for example in Aboriginal education, Aboriginal community members are clearly comfortable because they are there, whether they are studying or not, where Aboriginal cultures are respected, where Aboriginal staff are respected for who they are and the skills they bring to the job. In other words, the results are there. It is clear that the way we are doing things, the way that TAFE staff are approaching this, is working. The presence or absence of a unit is not the issue. The question is: do Aboriginal people trust us to provide their training? Are Aboriginal communities of the view that we recognise and respond to their economic and social aspirations? I think absolutely the evidence on the ground is yes they do, and yes they are.

Dr JOHN KAYE: Can we now move to another group of disadvantaged students, and can we talk about the students who are in out-of-home care in public education? You will be aware of the Cashmore and Paxman longitudinal study of two years ago, and that 42 per cent of out-of-home students in care complete their HSC, compared to 80 per cent of the general population statewide. How many of the 10 regions have had an out-of-home care co-ordinator appointed?

Mr COUTTS-TROTTER: I would need to check, but each of the regions is getting an out-of-home care co-ordinator. I know that the first priority has been to establish and fill the 29 positions, from memory, in the child wellbeing unit. We are then recruiting an additional 25 home school liaison officers and an additional 15 Aboriginal school liaison officers, and at the same time 10 regional out-of-home care co-ordinators. I would need to check in order to provide you with information on where we are up to.

Ms VERITY FIRTH: What I can say, Dr Kaye, is that a lot of this will be addressed as well through the child wellbeing units and the extra funding we are getting through that as a result of the recommendations of the Wood inquiry. The State budget of 2009-10 provides nearly \$25 million, over four years, to implement these initiatives, including the establishment of the child wellbeing unit, which is about making sure that our children have that extra layer of support in their engagement with education.

Dr JOHN KAYE: Before Mr Donnelly says anything, I actually support that expenditure, and I am on the record as supporting that expenditure. What I want to ask is: what is the future of the out-of-home care support teachers, who are different from the co-ordinators, as you are aware? What is the relationship between the co-ordinators and the teachers? And will you be increasing the number of out-of-home care support teachers?

Mr COUTTS-TROTTER: I would need to take that question on notice and respond to you.

Dr JOHN KAYE: In terms of the numbers, what about the relationship between the co-ordinators and the teachers?

Mr COUTTS-TROTTER: I am sorry, what do you mean by that?

Dr JOHN KAYE: There will be 10 co-ordinators. How do they interface with the work of the people on the ground who are the out-of-home care support teachers?

Mr COUTTS-TROTTER: It is going to have to be very, very closely. Any processes that we put in place, I would hope are being, and, following your raising this question, I will make sure that they are being co-designed with out-of-home care teachers, principal groups and others who have a role in providing a service to these children.

Dr JOHN KAYE: Fabulous! Thank you for that. Can we now move to the implications of, particularly, National School Pride but also of Building the Education Revolution funding in general? It is true, is it not, that this will have a massive implication for the maintenance budgets of the Department of Education and Training? Particularly with respect to National School Pride, a lot of that money went into functions that are either directly maintenance or obviate the need for maintenance.

Ms VERITY FIRTH: We take into account in our forward estimates and in our planning what our maintenance spend will be, based on the new buildings of course. That is not to say we are going to reject having new buildings just because we know we have to maintain them. That forms part of our budgeting. Dr John Kaye is right; this would depend on whether or not a school wanted to do so. Some schools selected condition-based assessments as part of their National School Pride [NSP] program spend, and other schools decided to do other things as part of their NSP spend. They were given the flexibility to choose what was best for the school community.

Dr JOHN KAYE: Because we have a larger stock of new buildings—rather than replacing some of the older buildings—and because some of the schools effectively spent their NSP money on condition-based maintenance, does that not mean that the total maintenance spend requirement would have come down?

Ms VERITY FIRTH: Not necessarily. When it comes to school maintenance we have been doing very well. If you look at the Auditor-General's report this year you will see that he highlighted the success of Government's extra maintenance program—a \$120 million program over four years. In 2009-10 the extra maintenance projects will be completed with an allocation of \$32.2 million for painting, playground improvements, new floor coverings and roof repairs. We are well ahead of schedule in getting through our maintenance backlog, with over 3,600 projects completed at a cost of \$94 million in the three years since 2006-07. Essentially, this year—in 2009-10—we are spending over \$405 million on school maintenance alone, which is more than \$7.7 million a week, or \$1.1 million a day. The Auditor-General was able to prove that our maintenance backlog had come down considerably.

Dr JOHN KAYE: Presumably it will come down even further. From recollection, the Auditor-General made that report before the National School Pride and Building the Education Revolution programs were built into it. Presumably the backlog will come down even further.

Ms VERITY FIRTH: I will let the director general answer that question and provide you with the detail. Hopefully, as the member pointed out, there will be some condition-based assessments and other maintenance work done through the use of the Federal funds. However, it must be remembered that we also need to budget for the ongoing maintenance of new halls, gyms, libraries and classrooms. We are happy to do that, but we cannot just blithely say that it means our maintenance budget will fall.

Dr JOHN KAYE: Have you done an assessment of what will be the implications for your forward maintenance? Will you provide those implications to us?

Mr COUTTS-TROTTER: We are working on it. Obviously, it is a function. Some of the National School Pride money will deal with maintenance and reduce the ongoing maintenance liability. The State Government's Principal Priority Program, which was funded in the mini-budget in November, tackles minor works that, in turn, will reduce maintenance costs. So fix the roof rather than keep the buckets on the carpet. Countervailing that is the massive expansion in the footprint of our assets. They are very welcome but they come at a maintenance cost. We are still working through that. Only now have we had the third round of projects agreed to by the Commonwealth under the P21 program. In the next few months we will be working through the long-term implications for our maintenance program, but there is a complex interaction between all those elements.

Dr JOHN KAYE: For the third year running I refer to the issue of school counsellors and each time I ask this question I get a little more desperate. Primary schools in particular have one school counsellor to 1,500 primary students. The average age of a school counsellor is now 55 years, with many of them now at or beyond retirement age, and they are likely to pop off at any moment.

Mr COUTTS-TROTTER: Hopefully not.

Dr JOHN KAYE: They are likely to pop out of the system at any moment. Under the current model it takes a minimum of nine years to train up school counsellors. There are not a lot of school counsellors, or there is an insufficient number in the pipeline, as it were, to replace those who might well go in the next two years or so. Does that not mean that we are now facing a crisis in relation to school counsellors—a crisis that comes on top of an already woefully inadequate provision, as identified by the Public Schools Principals Forum?

Ms VERITY FIRTH: You are correct in your assumption that it takes a long time to prepare a school counsellor through teacher training and full-time retraining programs. My notes indicate that it is a minimum of seven years. However, we are putting in place a range of programs to ensure that we are able to meet the needs of a retiring workforce, as that arises. Pre-service teacher training programs provide a pathway into school counselling. We are having good negotiations with universities about the sorts of pre-service teacher training programs that they can provide. For example, Charles Sturt University now offers a combined Bachelor of Social Science, providing a primary teacher education qualification and a major in psychology, which is recognised by the Australian Psychological Society. This combined Bachelor of Social Science Program provides secondary teaching qualifications in English and drama, or personal development, health and physical education.

We are working with the universities. The University of Sydney also offers a five-year combined degree, which provides secondary teaching qualifications in a psychology major. We are also sponsoring students who have undertaken pre-service teacher training programs that provide a pathway into school counselling. In 2009 the department sponsored graduates of pre-service teacher training programs with a psychology major and teaching qualifications to gain two years of full-time teaching experience prior to entering part-time retraining as a school counsellor. The retraining program involves appointment to a full-time teaching position for two years, followed by entry into the part-time school counsellor retraining program for an additional two years of part-time study while working as a school counsellor in training.

On top of those school counsellor retraining programs we provide sponsorships for existing permanent teachers who have at least two years teaching experience and a psychology major to retrain as school counsellors. We are offering that in both full-time programs and part-time programs. We are doing everything that we can to work with the universities and to be flexible within our own arrangements to ensure that we are training up counsellors, whether or not they are coming straight out of university or whether they are existing teachers being retrained.

The Hon. CHRISTINE ROBERTSON: I wish to ask a related question. Are you getting much take-up on the scholarships?

Mr COUTTS-TROTTER: On the advice available to me, yes. The other thing we are doing is through the learning support teacher considerations. I think 15,000 fewer children would need disability confirmations and the time and effort of school counsellors in simply managing an administrative process. If

you convert that into time that is then available for the other work that presses down upon school counsellors, and potentially that is a significant increase in the availability of school counsellors within schools.

Dr JOHN KAYE: Taking into account the director general's comments, is it your intention in the long run to reduce the number of students per school counsellor, in particular, at the primary level, or are you happy with one to 1,500?

Ms VERITY FIRTH: The wellbeing needs of students in government schools are met by more than 1,000 support staff. And, yes, the member is right. My advice is that there are 790 school counsellors. But on top of that there is also 1,000 support staff, which includes behaviour support teachers, student welfare consultants and school counsellors.

Dr JOHN KAYE: In the few moments that are remaining to me I turn to the issue of teaching principals. Minister, you, the shadow Minister and I attended a Teachers Federation meeting on teaching support principals. At that meeting the stress on teaching principals, in particular, when they are in a one-teacher school, was dramatically highlighted by a number of things that principals said to us. Could you briefly outline to us what you will do about that? Are you aware of the problem and are you doing anything to relieve the stress on teaching principals?

Ms VERITY FIRTH: I am aware of the problem. As you said, we attended that meeting together. A week ago I talked to members of the Primary Principals Association about it. In 2004 we also implemented a new system of primary executive release, following extensive consultation between the department, the Primary Principals Association [PPA] and the Teachers Federation. The new formula, which was implemented in 2004 and which was phased in over three years, is based on total school enrolment and replaced the previous system that was based on separate preschool to year 2, and year 3 to year 6 enrolments.

It provides one full-time equivalent executive release when whole school enrolments reach 505 students, and small primary schools receive further teacher support through an additional 30 teacher positions allocated as 6,000 teaching relief days. That means that relief for the teaching principal in class 6 primary schools is an allocation of 30 days per annum, and for teaching principals in class 5 primary schools the allocation is 28 days per annum. I will continue to meet with the Primary Principals Association, which put a funding model to us that at the moment looks very different from the department's costing for the model. We will continue to meet with the PPA and see what we can do.

The Hon. GREG DONNELLY: Minister, how is the Government supporting schools to implement environmental and sustainable education to make a difference at school and community levels with respect to climate change?

Ms VERITY FIRTH: I believe in climate change and also that young people are particularly worried about climate change. I read a study in the *Sydney Morning Herald* that said 40 per cent of children lie awake at night worrying about climate change. One of the things we can do in our school system is, of course, to educate them about science, educate them about what is happening to our planet and the sorts of things we can do in a positive and constructive way to address climate change issues. The Department of Education and Training endeavours to conserve resources and, obviously, make environmentally conscious choices. When building new schools and maintaining existing buildings the department makes smart design choices and uses products that have minimal environmental impact. Where possible, school buildings are oriented to the solar north and constructed largely from plantation-grown timber or timber from sustainable-managed growth forests. A range of other recycled and re-usable materials is used, such as a mortar mix that allows for the bricks to be re-used.

The department focuses also on energy efficiency. For example, roof strip lights are integrated with roof ventilation to reduce heat penetration. Energy-efficient lights are operated by an automatic switching system. The department uses energy-efficient whitegoods and electrical equipment, and buildings are designed to make use of natural cross-ventilation assisted by roof turbo ventilators to minimise the need for air conditioners. The department also minimises water wastage by installing internal flow controllers in all taps, using dual flushing systems and managing flushing urinals in new schools.

Out in the playground school landscaping now incorporates low-water use design. Rainwater tanks are progressively being provided for schools across the State for the purpose of watering grass and plants, and are provided as standard in new schools. When a school obtains funding for water tank installation the department can offer assistance in product selection and installation requirements. The department also has developed a

range of environmentally conscious policies and advice is available to the schools on the department's intranet. All of these policies help contribute to the New South Wales Government's stated objective to become carbon neutral by 2020.

Learning for Sustainability, the New South Wales Environmental Education Plan 2007-10, supports the achievement of these targets through an integrated approach to environmental education. We can all reduce our carbon footprint in a range of ways. These include using renewable energy sources, reducing our use of energy, proper disposal of industrial pollutants and sustainable usage of land use and forestry. A \$20 million lighting upgrade program for schools and TAFE over five years is included in the program. This has been estimated to achieve a 14 per cent reduction in greenhouse gas emissions at up to 150 schools. The Department of Education and Training has long built schools that incorporate passive solar features and continues to research, design and build energy-efficient facilities that incorporate increasingly sophisticated passive solar design solutions.

The department will seek also to achieve 4.5 star energy ratings on its offices in excess of 1,000 square metres by 1 July 2011. The department already purchases a percentage of its electricity from green energy sources and is well advanced on achieving the recycling target of 85 per cent recycled content of all copy paper purchased by 2014. Government schools are required to have a School Environment Management Plan addressing the sustainable management resources such as energy and water, and linking this to classroom teaching programs. Many government schools already are working to reduce energy use and carbon emissions, and are modelling sustainable energy use to their students.

Schools are being supported to use infrastructure improvement programs like the Australian Government's National Solar Schools Program as an opportunity for student learning. TAFE New South Wales is reducing its carbon footprint and teaching others how to do it. TAFE institutes are progressively purchasing energy-efficient appliances, installing energy-efficient lighting, placing timers on lights and installing more efficient water taps that save water. Eight TAFE New South Wales institutes along with 248 other organisations currently are involved in the Sustainability Advantage Program. This program, established by the New South Wales Government, is about taking action today and improving environmental management to realise opportunities to reduce the carbon footprint of businesses.

TAFE New South Wales is changing its fleet of vehicles to reduce impacts on the environment. Institutes have added hybrid vehicles to the fleet and are purchasing vehicles with smaller engine capacities and using ethanol fuels. TAFE and schools not only are teaching sustainability, but also are practising it. I am very proud of our achievements in this regard and look forward to more achievements in this area.

The Hon. HELEN WESTWOOD: Minister, could you update the Committee on the delivery of new schools in New South Wales by public-private partnerships?

Ms VERITY FIRTH: Yes. We have a strong record of delivering new schools via public-private partnerships and it has really worked well where that has happened. The first round of public-private partnership schools saw a total of nine new schools in 2004-05 at an approximate total cost to build and operate of \$133 million. Following that success, in April 2006 the Government committed to construct an additional 10 schools at a cost of almost \$178 million to build and operate using a second public-private partnership. Kariong Mountains High School has been included as a contract variation in the New Schools 2 Public Private Partnership Project. This brings the total number of schools committed to 11, of which 10 in round two have been completed and are in use. The completed ones include Ashtonfield Public School and Halinda School, which opened in 2007, Tullimbar, Ropes Crossing and John Palmer public schools, which opened at the start of the 2008 school year, as well as Denison College of Secondary Education—the Kelso High School campus—located in Bathurst, which, of course, was a replacement high school.

Warnervale Public School, which is a replacement school, opened on day one of term for 2008. Middleton Grange Public School in Hoxton Park south, Elderslie Public School and Rouse Hill High School opened for the 2009 school year. I attended the openings of a number of those schools. They are magnificent facilities. They are just fantastic. Rouse Hill High School in particular had attached to its enormous hall a dance studio professionally fitted out. It was just wonderful. They are magnificent facilities for our students to learn in. The final school in this round is Kariong Mountains High School. It is expected to be completed early next year and is scheduled to open in February 2010. This new high school will cater for years 7 to 12 and will have a special focus on horticulture and biosciences. The advantages of building schools as public-private partnerships include high quality educational facilities, about which I just talked, and faster construction times.

In March 2006 the Audit Office released an audit report of the public-private partnerships projects. The review found that the projects had strong potential to deliver value for money. It states that the business case was clearly defined, the tender process was competitive, and a sound performance monitoring and reporting system were in place. Importantly, with a single contractor available to handle maintenance, security and school cleaning, principal and teacher times are freed up for their number one priority: educating students. I have had particularly good feedback from the principals of those schools who have said that they love literally having just one contact and so forth on those issues. There has been some really good success on those public-private partnerships.

The Hon. CHRISTINE ROBERTSON: Minister, can you update the Committee on the progress towards a national curriculum?

Ms VERITY FIRTH: This is another interesting area. We have our new Board of Studies president sitting next to me. The Australian Curriculum, Assessment and Reporting Authority [ACARA] was established by the Rudd Labor Government in 2008. The New South Wales Government position is to support a national curriculum with the important proviso that it must at least be of the same standard as the New South Wales curriculum. The New South Wales curriculum remains the most rigorous, high-quality curriculum in the country. We have seen the success of our curriculum in the NAPLAN results. It is an important principle that all children in whatever State they reside should have access to the same high-quality curriculum. This position has been affirmed by every State and Territory education Minister. However, New South Wales will not be part of a process that produces a curriculum of less quality than is currently in place in New South Wales. The Government has directed its representatives on the ACARA board and the New South Wales Board of Studies to put this position robustly while maintaining our commitment to the process.

We also have directed the Board of Studies to offer appropriate assistance using the New South Wales expertise in the formulation of the national curriculum. Our expertise and national leadership status in curriculum assessment and reporting has been acknowledged by the Commonwealth through its decision to site the ACARA board and offices here in New South Wales, which was a real coup for New South Wales and for Sydney. ACARA was set up to develop and administer a national school curriculum, including content of the curriculum and achievement standards for school subjects in English, maths, science and history in the first instance, followed by the geography, languages and the arts.

ACARA was also set up to develop and administer national assessments, to collect, manage and analyse student assessment data and other data relating to schools and comparative school performance, to facilitate information sharing arrangements between Australian Government bodies in relation to the collection, management and analysis of school data, to publish information relating to school education, including information relating to comparative school performance, to provide school curriculum resource services, educational research services and other related services, and to provide information resources, support and guidance to the teaching profession.

In the last 12 months New South Wales has been working cooperatively with the other States and Territories to put into effect these principles and to establish a high-quality national curriculum for all students. All draft national curriculum material will be considered by the New South Wales Government, using advice from the New South Wales Board of Studies. The Board of Studies will advise the Government on the appropriateness of the national curriculum for New South Wales schools, as it would for curriculum developed in New South Wales by the board itself. This means that the same expertise that currently guides New South Wales curriculum will provide the Government and stakeholders with advice as to the quality and sustainability of the national curriculum. The board will assess the coherence, rigour and intellectual base of the curriculum, and the implications for implementation. This is a fundamental and continuing role of the New South Wales Board of Studies.

The board will also develop policy for effective implementation of the curriculum. This includes policy with regard to the years for which subjects would be mandatory, and the extent of mandatory and indicative hours of study for each subject. It will be the continuing task of the New South Wales Board of Studies to ensure that the breadth and depth of the formal curriculum is as complete as possible for New South Wales. Not all subjects will be addressed by ACARA, at least in the initial phases of the work. For the senior years in particular there are likely to be subjects and courses developed by the State, no matter how successful the national curriculum is, as the breadth of options is a key aspect of the success of the New South Wales Higher School Certificate [HSC]. This includes vocational education and training subjects.

Courses of study within subjects and learning areas will be developed to ensure that there is an appropriate depth to which study can be undertaken, such as extension or life skill courses. Other than assessing the quality and value of the curriculum to New South Wales, the Board of Studies will develop support and guidance material to ensure that the New South Wales approach to the curriculum meets the high standards established in this State. These materials will include: explanations and expansions of the curriculum content that complement the content of the national curriculum; the curriculum implementation frameworks that overarch all learning areas and subjects to ensure coherence; cross-subject perspectives and approaches to teaching that allow for effective programming; and approaches to the content and to programming that are informed by best practice and ensuring that the curriculum is effective for the full range of students.

The New South Wales Government will direct the Board of Studies to continue to develop materials that support the high-quality everyday practice of teachers in this State, including sample units of work and student work samples based on analysis and moderated assessments. ACARA's national curriculum consultation processes include submissions in response to discussion papers, national State and Territory forums, meetings with key education and professional bodies, meetings with subject and cross-curriculum experts, and online surveys and feedback systems. These are all ongoing, and New South Wales educators will continue to have a strong involvement.

Because the national curriculum processes are being carried out on a national basis, New South Wales educators have not had the same direct involvement in curriculum formation as would normally be the case with materials produced by the Board of Studies. This, and a strong commitment of the New South Wales education community to the current Board of Studies curriculum, means that there is a degree of reasonable scepticism about the national processes. The New South Wales Government will continue, through its representative on the ACARA board and directly through MCEETYA, or MCEEDYA which is the new acronym, to make sure that every opportunity is given to teachers, parents and systems to contribute to the national curriculum. Without universal support, as has been achieved by the New South Wales Board of Studies, any national process will be undermined. The New South Wales Government remains confident that New South Wales's engagement in a national curriculum will be for the benefit of all Australian students.

As standard bearers for quality, it is a New South Wales Government responsibility to protect the students and teachers of New South Wales while disseminating the knowledge and expertise that has developed in New South Wales through the education policies of the Labor Government. We have the gold standard, but Australia is a country of 20-odd million, and it is too small for petty jurisdictional arguments. The national curriculum process provides a once in a lifetime opportunity to enfranchise or strengthen students so that all have access to the power and life-changing possibilities that quality schooling creates. The New South Wales Government will work hand in hand with the Rudd Government in delivering its education revolution.

The Hon. GREG DONNELLY: Minister, this has been covered to some degree in some of the answers given earlier today, at least in part, but can you provide further details of the Government's plans to increase the school leaving age?

Ms VERITY FIRTH: I can provide those details.

The Hon. GREG DONNELLY: Elucidate on your earlier comments and reflections.

Ms VERITY FIRTH: The school leaving age was a very significant reform by the Rees Government—it is significant because it was the first time since 1943 that we raised the school leaving age. Before then it was 15 and, as we all know, the economy, education service providers and the way we deliver education substantially changed in that time, so a change was needed. On 19 May 2009 the Education Amendment Act received royal assent. The legislation, which amends the Education Act 1990 to change the school leaving age, really is a major step forward for New South Wales. It is aimed at maximising opportunity for our young people and building our State's prosperity.

So that people understand what is going on, I point out that from 1 January 2010 all students will be required to stay at school until the end of year 10. After that they must continue in education, training or paid work until the age of 17. The reforms have been designed to lift overall student engagement by providing a wide range of pathways to choose once they had completed year 10, and that is important. As an alternative to remaining at school—and this relates to some of the issues raised by Dr Kaye—students may undertake a TAFE course or a course with another registered training organisation. They can be engaged in an apprenticeship or traineeship or combine some form of education or training with part-time work. Alternatively, they may be

employed at least 25 hours a week, in which case they are considered to be working full time and are exempt from this requirement.

The system also will have the flexibility to allow for special circumstances affecting particular students. For example, recognition will be given to the achievements of students who have undertaken accelerated or life skills pathways and students who have completed the equivalent of year 10 outside New South Wales. This legislation is a result of careful analysis and relevant research and follows a really extensive consultation process with the public and key education stakeholders throughout 2008. What we do know from research is that students who stay longer at school get higher wages. They have less unemployment throughout their lives and they are more likely to do further study. Higher levels of education have been proven to bring about social benefits for a 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 the young person in re-engaging. 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 to achieve a bright future. We are particularly proud of the fact that our model in relation to raising the school leaving age was in fact adopted by COAG at its 30 April meeting. They reached an agreement that adopts the New South Wales approach to school leaving age as the national standard.

When fully implemented, the annual cost is estimated at around \$100 million a year. This funding will be used to address the impact of additional students in schools and TAFE institutes by providing the necessary increases in teaching staff, support staff and classrooms. The reform is all about setting New South Wales students for life. It really will be money well spent. As I said, I think it is quite a historic education reform in this State.

The Hon. CATHERINE CUSACK: Minister, thank you for your information about passive solar design in schools.

The Hon. CHRISTINE ROBERTSON: Excuse me for one second. By leave of the Minister, the Government will be putting the remainder of the questions on notice so we could have had our 10 minutes.

CHAIR: I am sorry, we have the clock here, and the time had expired.

The Hon. CHRISTINE ROBERTSON: I did not hear it.

CHAIR: There were 25 seconds remaining on the clock, so we decided not to let it buzz.

The Hon. GREG DONNELLY: It is just a unilateral decision by the Chair to take away our 25 seconds.

The Hon. CHRISTINE ROBERTSON: With the leave of the Minister, the remainder of our questions will be placed on notice.

CHAIR: Thank you.

Ms VERITY FIRTH: I am happy to do that.

The Hon. CATHERINE CUSACK: Is leave granted, Minister?

Ms VERITY FIRTH: Yes, it is.

The Hon. CATHERINE CUSACK: In relation to the Solar Schools Program, can you advise the Committee whether all the problems and delays have been sorted out?

Ms VERITY FIRTH: Yes, they have, so I would not say that the premise of your question is correct. The National Solar Schools Program is a Commonwealth Government program aimed at supporting schools to purchase solar panels and rainwater tanks and implement energy efficiency measures. It is a non-competitive funding program that will provide up to \$50,000 per school and run until 2015. This Government is working to ensure that our entire New South Wales public school system gets maximum benefit from this program. Solar

panels and rainwater tank contracts are currently being added to 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, as well as a range of rainwater tanks.

Media reports that the New South Wales Government is charging a 2.5 per cent management fee for this program are incorrect—I can say that on the record. There was never an intention on the part of this Government to charge this fee. The fee will not be included in contracts for work, and the Department of Commerce has been instructed to advise tenderers that the fee will not be charged. Media reports have also suggested that the Government will keep the renewable energy certificates that come with buying the solar panels. This is simply not true. The process for New South Wales Government schools claiming the renewable energy certificates is currently being determined under the guidelines provided by the National Solar Schools Program office.

How the renewable energy certificates will be handled will be stipulated by the National Solar Schools Program, and the intention is for the individual schools to benefit from the full value of the certificates. There has also been some comment in the media about claimed delays—I note the Hon. Catherine Cusack included that in her question—to the implementation of the National Solar Schools Program caused by the department's central procurement process. I can assure the Committee that this comment is not correct. The Department of Education and Training has been working closely with the Federal Government over the past year on the requirements of this scheme. The technical requirements were confirmed only in early May of this year, and the Department of Education and Training commenced implementation of the program at the end of May.

The central procurement process has reduced costs by an average of \$4,000 per school, which means that we have provided more opportunity for increased sustainable energy solutions in each school. It coordinates the limited first-phase funding to schools where energy savings can have the largest impact, and it will ensure that all schools maximise the funding opportunities available to them.

The Hon. CATHERINE CUSACK: How many of these have commenced in government schools?

Ms VERITY FIRTH: I have the budget of the roll-out of the program. Approximately 129 schools have solar systems installed through the National Solar Schools Program. These schools are manually collecting consumption data.

The Hon. CATHERINE CUSACK: I beg your pardon?

Ms VERITY FIRTH: They are manually collecting consumption data, which will be interesting to see.

The Hon. CATHERINE CUSACK: So they do not have the smart meters. Is that what that comment refers to?

Ms VERITY FIRTH: It says that they are manually collecting consumption data. So 129 schools now have these solar systems installed.

The Hon. CATHERINE CUSACK: And they are actually operating?

Ms VERITY FIRTH: They continue to roll out.

The Hon. CATHERINE CUSACK: Does that include areas where electricity providers are reluctant to give permission for schools to switch on their solar systems?

Ms VERITY FIRTH: I do not know anything about that. I can take that on notice. Do you have anything to add to that?

Mr COUTTS-TROTTER: It was an issue. Just to clarify one point, schools have been able to go ahead and directly approach the Commonwealth department to secure a grant and get going. Schools that have waited have chosen to do so, for the reasons outlined by the Minister. We have come up with what we think is a package that schools want. It means they get more for their \$50,000 grant, it means they will have a lower ongoing utilities bill, and it means, most importantly, that they get full value for their renewable energy

certificates. A lot of the individual deals that were done by schools very early in the process grossly undervalued the renewable energy certificate, and schools were losing potentially—

The Hon. CATHERINE CUSACK: I have 30 seconds remaining. I was not asking about that.

Mr COUTTS-TROTTER: We have a package now that enables schools, with the agreement of energy retailers, to put power back into the grid, and we have the metering arrangements sorted out with the Commonwealth Government to support that.

The Hon. CATHERINE CUSACK: So they have all been completed?

Mr COUTTS-TROTTER: The specifications and arrangements agreed through the tendering process will allow that, yes.

Dr JOHN KAYE: Minister, I congratulate you on banning the Choices of Life program in public schools. That was a huge step forward. Have you also looked at the Choices, Decisions, Outcomes program, which has links to GravityTeen and Real Choices Australia, that has been accused of peddling the same sort of information as Choices of Life?

Ms VERITY FIRTH: I will have to take on notice your question about the particular program you have outlined.

Dr JOHN KAYE: In answering that question, can you provide detailed reasons as to why Choices of Life was banned?

Ms VERITY FIRTH: I should clarify that it has not been banned. It is going back through an authorisation process. It was viewed that the authorisation process had not been done properly.

Dr JOHN KAYE: Therefore I retract my congratulations and make it contingent upon you banning it. Can I ask you about Exo Day, which is run by the Hillsong Church and actively promotes Hillsong's brand of Assemblies of God religion? Are you also looking at whether Exo Day is an appropriate program to be run in public schools?

Ms VERITY FIRTH: I think we might have talked about this last year. Did we?

Dr JOHN KAYE: We did, and I am asking for an update.

Ms VERITY FIRTH: As I said last year, and I say again this year, the Education Act states that instruction in Department of Education and Training schools is to be secular. At the same time a comprehensive education should include the opportunity to learn about the world's major religions and there should be some time in the school week for students, if they and their parents choose to do so, to learn about their personal faith. The Education Act obviously allows for both these opportunities through general and special religious education. The policy also makes provision for voluntary religious activities and prayer groups of any approved persuasion to operate under the auspices and supervision of the principal. Exo Day is a voluntary religious activity that is organised by Christian school students and held during lunch time. Again, with a lot of these programs, school communities have the opportunity to consult on the sorts of programs being delivered in their schools to determine what is appropriate for their school body. By school communities I mean both the principal and the parents and citizens association.

Dr JOHN KAYE: So you will get back to us on the progress of Choices of Life, such that you will keep us informed on that.

Ms VERITY FIRTH: The confusion is that it was posted on the Department of Education and Training's website as an authorised performance for schools. It is not an authorised performance for schools. It is not that the performance has been banned; it is simply not an authorised performance for schools. I am advised that there were irregularities in the processing of the application for authorisation. The Department of Education and Training has directed that the details of the presentation be removed from the website while a review of the authorisation process is conducted.

Dr JOHN KAYE: I turn now to the welcomed increase in funding from the Commonwealth in terms of low socioeconomic schools [SES] and equity funding in general. What steps are you taking to ensure that appropriate total funds are delivered to schools? We already have the Priority Action Schools Program, the Priority Schools Funding Program and various other equity programs in New South Wales. In addition, there will be national schools partnership funding for low socioeconomic schools and schools in partnership funding. This will create greater complexity in an already complex web of funding. That is not necessarily in and of itself bad. How will we ensure that the total funding for schools that need it is appropriate and we are not overfunding some schools?

Ms VERITY FIRTH: There are two issues. As you probably know from media statements, we are looking to make significant investment of State Government money into expanding the list of schools that will be included in the low SES partnerships. We are currently working on the exact criteria for that and consulting with education stakeholders—essentially, all the people around the table who need to be around the table—so that we can work on an agreed list of schools that should get that extra funding.

The second question is about whether you can sort of overload schools with too much funding. The research shows us in terms of outcomes, especially for low socioeconomic status schools, that there has never before been an appropriate level of concentration of funds to really drive reform, or at least to really drive outcomes for those students. There is a very strong argument by a range of education academics about the need to provide a real concentration of funds. The low socioeconomic status partnerships are deliberately designed to provide the flexibility of a range of options.

While there are some mandatory elements of the program, there is also a suite of options from which those schools can choose, including things such as purchasing extra staff, purchasing the HATs, the highly accomplished teachers, and so forth. So we will be expanding the list, in conjunction with education stakeholders, but we do want to enable that intensity of funding that we know we need to really deliver outcomes in those schools.

Dr JOHN KAYE: Lest it be said otherwise, I totally agree with that. The Greens totally support that but there is a need to expand that list. One last very brief question in relation to the Priority Action Schools Program, and last year we went through this complex issue. Will the Minister return to the situation where the schools on the Priority Actions Schools Program list are negotiated with teachers, the teachers union and parents?

Ms VERITY FIRTH: We are currently undertaking a review, which has arisen out of that, of exactly the best measures for the equity survey, for want of a better word. I do not know where that review is up to but it is currently being undertaken.

Mr COUTTS-TROTTER: It is being reviewed within the current funding cycle. The key is for it be transparent so that everybody can see the information on which the creation of any list—and any list creates a controversy at the boundary—is informed by the best available academic evidence and that it is used as an instrument, whatever instrument it is, that is understood and trusted by the consultative group. The Department of Education and Training consults with a range of organisations, including the Aboriginal Education Consultative Group, on the creation of that mechanism. It was supported by every participant, except the Teachers Federation, last time round. There is a process of reviewing what we are doing. It will be done rigorously and openly. The key is to devise a mechanism that is transparent so people can understand the basis of the decision-making.

Dr JOHN KAYE: The key would be to devise a mechanism that delivered equity outcomes?

Mr COUTTS-TROTTER: Absolutely but then in terms of the process it should not be something that happens as an agreement behind closed doors. It should be absolutely transparent.

CHAIR: We have finished in heated agreement on the need for transparency. I thank the Minister and everybody here for paying attention during part of maths, spelling and grammar lessons. In relation to bullying though we have some more work to do. Minister, will you provide answers to questions on notice within 21 days?

Ms VERITY FIRTH: Thank you.

(The witnesses withdrew)

The Committee proceeded to deliberate.
