

GENERAL PURPOSE STANDING COMMITTEE No. 2

Wednesday 19 November 2008

Examination of proposed expenditure for the portfolio area

EDUCATION AND TRAINING

The Committee met at 9.15 a.m.

MEMBERS

The Hon. R. M. Parker (Chair)

The Hon. C. Cusack
The Hon. G. J. Donnelly
Dr John Kaye

Reverend the Hon. G. K. M. Moyes
The Hon. C. M. Robertson
The Hon. H. Westwood

PRESENT

Department of Education and Training
Mr M. Coutts-Trotter, *Director General*

Board of Studies
Dr J. Bennett, *General Manager*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

CHAIR: I declare this hearing of the supplementary budget estimates inquiry open to the public. I thank the witnesses for returning today. As you took an oath on the previous occasion, I remind you that you are on that former oath. If advisers have messages to deliver to witnesses, please submit them through the Legislative Council Chamber staff, support staff or the Committee staff. However, witnesses are able to speak directly to their advisers while they are sitting at the table. The usual rules will apply regarding broadcasting. A copy of the broadcasting procedures is available at the door. Mobile telephones are to be turned off or if they are set to vibrate, please keep them away from the microphones as they interfere with Hansard equipment. We have agreed to take questions in rotation. As previously informed, we have allowed 21 days for answers taken on notice to be provided. I declare the examination of proposed expenditure for education and training open. Mr Coutts-Trotter, the recent mini-budget outlined an accelerated sale of surplus land and vacant school sites.

Mr COUTTS-TROTTER: It did.

CHAIR: Could you provide a list of properties that are earmarked for sale over the next four years?

Mr COUTTS-TROTTER: We have not yet compiled that list. Just by way of background, the department owns I think \$27.5 billion worth of land and property across schools and TAFE. Looking at the past six years, we sold on average across that period about \$46 billion worth of land and property a year, although I do not put them down year by year. The mini-budget foreshadows an increase in that to around \$80 million a year on average over the next three years. We have indicated already that there are two major sites that we want to consider for sale or at least part of one for sale. The first is Seaforth TAFE, which has been unused since 1999, I think. We have been trying to get planning approval to sell that site for some time. It is now with the Minister for Planning for a decision on that.

The other, of course, is that we are going to have a look at the site of Hurlstone Agricultural High School. It sits on about 160 hectares of land. The standard site for a high school is six hectares. Obviously, not every school has the standard six hectares; some have a little less and some, in the case of Hurlstone, have a whole lot more. But we are going to have a look to see whether some of that site, potentially up to 140 hectares of that site, could be sold, but that is a process that is going to take quite some planning and quite some consultation first and foremost with the school community.

But also in that local area there is a range of schools, for example, Casula High School, James Meehan and Macquarie Fields that have capital investment plans of their own that in the ordinary course of events compete with all of the other priorities in the department and we get to in time. It is a massive capital program: \$647 million this year.

But there are always projects we want to get to. So part of the end proceeds from the sale of any of the Hurlstone site definitely will be earmarked for schools in the local area as well as other priorities that are bound to emerge across public schools in the next three years. To your question, we publish on the Internet already a summary of the land and property that we have sold. What we are going to do is develop a list of prospective sites for sale and post that on the Internet.

CHAIR: When will that be available?

Mr COUTTS-TROTTER: We are working on the program at the moment. I hesitate to commit to a specific date, but within the next few months we will put that up.

CHAIR: Hurlstone Agricultural High School is an agricultural school. Presumably that is why it has so much extra land. I understand it has a dairy farm on it.

Mr COUTTS-TROTTER: That is true, but so has James Ruse. James Ruse is an agricultural high school and it is on 10 hectares.

CHAIR: A dairy farm requires more land than do other agricultural uses.

Mr COUTTS-TROTTER: Absolutely. These are quite proper things that we have to consider through a process of consultation and planning.

CHAIR: Are you going to undertake consultation with the local community and school before you sell the land?

Mr COUTTS-TROTTER: Absolutely. One of my colleagues, in fact a colleague you know, Alastair Hunter, will be attending a meeting of the school's parents and citizens group and, I think, a meeting of the school's alumni during December.

CHAIR: Will it not reduce opportunities for students at an agricultural school if you take away the dairy farming aspect?

Mr COUTTS-TROTTER: As I say, James Ruse, a fine school, as Hurlstone is a fine school, offers an agricultural program.

CHAIR: Dairy farming?

Mr COUTTS-TROTTER: It offers an agricultural program on 10 hectares. Obviously there is a history and tradition at Hurlstone that we have to consider and respect, but there are other students and other schools in the southwest of Sydney that are looking for other opportunities—Casula, James Meehan and other schools. If we can find a way that respects and supports the quality of what happens at Hurlstone Agricultural High School but we can also free up many millions of dollars for reinvestment in other public schools as a starting point, I think that is a fair and appropriate thing to do.

CHAIR: What if the community said they did not want to sell it, they want to keep it? Your consultation with the community almost presumes that you are going to sell it anyway.

Mr COUTTS-TROTTER: Consultation with the community starts from the starting point that we would like to sell some of the site because it is simply so enormous. It now sits on very valuable land.

CHAIR: It is really about the value of the land?

Mr COUTTS-TROTTER: In part, of course. It is about the value of the land to generate money that can be reinvested in other schools in western and south-western Sydney and other parts of the State.

CHAIR: Someone from your office or the department told the *Daily Telegraph* the reason the land is being sold is because it operates at a loss.

Mr COUTTS-TROTTER: No, that—

CHAIR: Is education all about making a profit?

The Hon. GREG DONNELLY: Point of order: Obviously the nature of questioning in this inquiry is broad-ranging. However, I am not sure that someone saying something to someone at the *Daily Telegraph* passes as a question. It is best to put a direct question.

CHAIR: In ruling on the point of order, the question is about a quote from someone in the department to the *Daily Telegraph*. Mr Coutts-Trotter can say that is an incorrect statement, if he so wishes.

Mr COUTTS-TROTTER: I think the fact that the farm runs at a loss is a correct statement, but the indication that that is the reason why we are looking at Hurlstone Agricultural High School as a potential site for some asset sales would be wrong. The reason we are looking at it is we have a chance here to release money for reinvestment in public schools. With the standard school site of 6 hectares and Hurlstone with 160 hectares—a long history of the school but now sitting on 160 hectares in a residential area in the southwest of Sydney—we are going to look at it for some asset sales. We have an ambitious program of school building and school rejuvenation and obviously this will help us do it.

CHAIR: You will seek out the person who spoke to the media and correct them?

Mr COUTTS-TROTTER: No, I will not.

CHAIR: Another issue not far from Hurlstone is Menangle school hall. In the light of these sales, what discussions have you had with Wollondilly council about the sale of Menangle school hall?

Mr COUTTS-TROTTER: Madam Chair, I would have to check. I have no knowledge whatsoever about Menangle school hall.

CHAIR: A development application was lodged with the council to demolish the hall. It is on land bequeathed by the Macquarie family. There has been ongoing vandalism and destruction most recently, which has been in the media.

Mr COUTTS-TROTTER: I will get information for you and respond.

CHAIR: Could you also give us what the department plans to do with that site, what the future plans are and, given the department owns the land, what the department is doing to protect that heritage property?

Mr COUTTS-TROTTER: Sure.

The Hon. CATHERINE CUSACK: Mr Coutts-Trotter, you indicated at the last hearing that you would be happy to provide us with a list of the 70 teacher housing residents that were earmarked for sale. That list has not been provided. That has not been provided.

Mr COUTTS-TROTTER: I am terribly sorry. I thought it had. I can only apologise to you and make sure that that happens.

The Hon. CATHERINE CUSACK: If that could be provided now, thank you. Of the 160 hectares at Hurlstone Agricultural High School, how much land are you looking at selling, or have you not made a decision about that?

Mr COUTTS-TROTTER: We have not made a decision. We need to go through a very detailed process of consultation and planning. It is a 160-hectare site. I think the school buildings occupy more than 20 hectares. Obviously there is the issue that has arisen about the memorial forest. I understand the Premier has given a commitment that the memorial forest certainly would not be considered for sale. That just indicates that with a site of that size, we will have to go through a very detailed process of planning and consideration, and that will happen over the next two months.

The Hon. CATHERINE CUSACK: Do you have a dollar figure in mind that you are hoping to realise from the sale?

Mr COUTTS-TROTTER: No, but if I did, I would not indicate it because that puts the taxpayer in a very poor position when it comes to selling the land.

The Hon. CATHERINE CUSACK: I will put it differently. You say it will be reinvested in local schools.

Mr COUTTS-TROTTER: Yes.

The Hon. CATHERINE CUSACK: Do you know what the funding requirement is for local schools?

Mr COUTTS-TROTTER: No, I do not, but the asset sales that are indicated in the mini-budget total \$239 million to \$240 million. The Hurlstone agricultural site would be the major asset sale in that program.

CHAIR: I want to ask you some questions, which I am sure you are expecting, about the school transport scheme in terms of the free student transport being axed in the mini-budget. I note that there is a fact sheet that has been sent out to schools about bus passes. I am just wondering what discussion there has been with schools about administering this program.

Mr COUTTS-TROTTER: Sure. Just to rewind a little bit, the School Student Transport Scheme of course is within the budget of the Ministry of Transport. It is under the policy control of the Ministry of Transport. Obviously our students and our families are beneficiaries of the scheme, so we have a keen interest in it. Under the current arrangements most people pick up their school transport pass application form from the school office.

We are engaged in discussions with the Ministry of Transport and the Treasury to try to sort out the administrative arrangements for the co-payment that the Government announced in the mini-budget. My aim on behalf of this department is to make those administrative arrangements as simple and as effective as is possible, and to remove as much as is possible administrative work from school offices. I indicated to colleagues in an email that one of the ideas we have put into that process is the thought of using an independent third party in the same way that we used, if you like, a mailing house to handle the back-to-school allowance.

You can outsource or you can hand out to a private provider the task of administration, the task of holding databases and managing all of that, and that would relieve school offices of a considerable amount of paperwork. I think that would be a good thing. Those discussions are under way at the moment. As soon as they conclude we will be able to let our schools know, as I am sure the Catholic system and the Independent schools will want to let their schools know what the arrangements are.

CHAIR: What cost do you think there will be to that administration?

Mr COUTTS-TROTTER: I have no idea.

CHAIR: Were there discussions with your department prior to the mini-budget making changes to that?

Mr COUTTS-TROTTER: There were discussions with the department prior to the mini-budget.

CHAIR: Were you supportive of those changes?

Mr COUTTS-TROTTER: My job is to implement government policy.

CHAIR: The difference now though is that schools will have to handle different things, such as: What if parents cannot afford to pay? When will they have to pay by? What if a child loses a bus pass? Some of those questions are questions that schools have not had to deal with before.

Mr COUTTS-TROTTER: You are right. Obviously the new arrangements raise some questions that were not relevant to the previous scheme, but many of the things you have identified are things that can happen under the current arrangements. As I say, our aim, I suppose in a slightly selfish way, is to seize this opportunity to improve upon and simplify and remove from school offices if we can, if it makes sense to the taxpayer, that much of the administrative work associated with the scheme.

CHAIR: The \$33 million saving, by the time you add in the administrative costs of the scheme, will be a lot less, will it not?

Mr COUTTS-TROTTER: I would not assume that. I could not offer a view on that because I simply do not know what the administrative costs of the scheme are.

CHAIR: Do you know if the co-payment will be indexed to the consumer price index [CPI]?

Mr COUTTS-TROTTER: No, I do not. As I say, it is not my department's responsibility.

The Hon. CHRISTINE ROBERTSON: It is not even his department.

CHAIR: I know it is not the Department of Education and Training, but they are the ones who will have to administer it.

The Hon. CATHERINE CUSACK: When you say that you are aiming to reduce the administrative burden on schools, how would you do that?

Mr COUTTS-TROTTER: One way it could work is if you wanted to apply for a bus pass, you could pick up an application form from the post office, you could pick up an application form potentially at another outlet such as a newsagent, you could get it on line for those people who want to do it that way, or you could also pick it up at school office. At the moment I think you can only pick it up at school offices, so there is a lot of administrative work that school staff have to undertake to give people their bus passes.

The Hon. CATHERINE CUSACK: But you do envisage the schools continuing to take the money.

Mr COUTTS-TROTTER: No. As I say, there are discussions, but my own view is that schools do not take the money. The money could go over directly to a third party who would handle all of that on behalf of the Ministry of Transport.

CHAIR: Can parents play by instalments? Are you planning to introduce that?

Mr COUTTS-TROTTER: As I say, they are not my rules. At this stage, no. It is a single payment.

The Hon. CATHERINE CUSACK: Who is finalising the rules for the scheme?

Mr COUTTS-TROTTER: At the end of it, it is the Government's policy position, but largely it is the Ministry of Transport that would reach the final decision on how it is going to work. If there was a contract with a third-party to operate it in the way that we have a contract with a third party to operate the back-to-school allowance, that would be a contract with the Ministry of Transport.

The Hon. CATHERINE CUSACK: Have you done any estimates of the cost of collecting the money?

Mr COUTTS-TROTTER: None whatsoever. But I guess I would make the point that the scheme is administered at the moment within school offices and within the Ministry of Transport. The administrative task does not really change in total. It is just a matter of whether it can be designed in a different way so that, from my selfish perspective, it reduces the work in schools.

The Hon. CATHERINE CUSACK: I understand. It is just that it is 18 November and these arrangements will need to be in place so that children can have their bus passes by January of next year.

Mr COUTTS-TROTTER: Absolutely.

The Hon. CATHERINE CUSACK: It seems there is a real sense of unreality about how this is going to be implemented if the rules are not known even today.

Mr COUTTS-TROTTER: We are working very hard to make it happen.

CHAIR: In relation to the 20 per cent cuts to the senior executive service [SES], in the last estimates hearings you said that you would see what the Department of Premier and Cabinet asked.

Mr COUTTS-TROTTER: Yes.

CHAIR: The Department of Education and Training has 98 senior executive service positions, as I understand it.

Mr COUTTS-TROTTER: Yes.

CHAIR: You said at the time that it was an extraordinarily lean organisation.

Mr COUTTS-TROTTER: Yes.

CHAIR: I am just wondering what positions you will be cutting, given the Premier has said 20 per cent.

Mr COUTTS-TROTTER: Indeed. The Department of Premier and Cabinet has been going through a process of talking with agencies and having a look at the ratio of senior executives and senior officers to the total work force, and from that concluding where the cuts should fall. In the first round of that we responded to the ratio that applied to our agency, and we were below it, but I would expect that we will have further discussions with the Premier and Cabinet. There could be a small number of senior executive service positions in the department that we will have to delete.

CHAIR: What percentage are you are imagining now?

Mr COUTTS-TROTTER: Not a very significant one—four or five positions, perhaps.

CHAIR: Four or five positions?

Mr COUTTS-TROTTER: Yes.

CHAIR: Another department will have to make up the percentage?

Mr COUTTS-TROTTER: No, that is right. The way the Department of Premier and Cabinet has approached it, they have tried to benchmark the ratio, essentially, of senior management to the workforce across different types of organisations. So central agencies naturally have more senior people, a few operational responsibilities and more senior management tasks, and then, of course, at the other end of the spectrum, in a sense, there is an agency like Education and Training, which is an enormous operating agency and has a much lower ratio of senior management to its total workforce. So different benchmarks apply to two different types of organisations and it seems a fair way to approach it and that is the way the Department of Premier and Cabinet has been approaching it. I do not think that work is complete; obviously it needs to be completed soon. You asked me what effect within Education and Training. I think probably four or five SES positions.

CHAIR: Would you be able to provide for us that correspondence you have had with the Premier's Department about that?

Mr COUTTS-TROTTER: Yes, I think I would.

CHAIR: Can you take that on notice for us?

Mr COUTTS-TROTTER: Yes.

The Hon. CATHERINE CUSACK: With the student travel scheme, when is it to be implemented? Is it term one of next year? I see that \$33 million savings need to be achieved this current financial year.

Mr COUTTS-TROTTER: It needs to be during the course of the current financial year so the revenue—I guess that is what it is—against the subsidy in the scheme would need to be received before 30 June to meet the mini-budget estimates. So that does give scope for designing an implementation that could happen in the second term rather than the first term, but that is still undecided.

The Hon. CATHERINE CUSACK: So the timing is not firm yet, is that correct?

Mr COUTTS-TROTTER: No, the timing is still fluid. The application of the liability, in a sense—the requirement to pay a co-payment for people who do not meet the test of hardship—is in the first six months of the year, but you could transition to the new scheme in the second term not the first, potentially.

The Hon. CATHERINE CUSACK: So we would be looking at free bus travel in term one and then trying to cost recover for that in term two?

Mr COUTTS-TROTTER: No, you could simply leave people's existing arrangements in place and think through what you do for children changing schools and people coming into kindergarten.

The Hon. CATHERINE CUSACK: It sounds like a nightmare.

Mr COUTTS-TROTTER: I would not characterise it like that at all.

Dr JOHN KAYE: Thank you for coming, Dr Bennett. I understand you have to leave shortly. I just wanted to clarify some answers given in respect of the last time you were here, and that is with respect to the Board of Studies inspections of private schools. How often is the average private school visited by an inspector?

Dr BENNETT: Every private school has to be visited once within a five-year period for renewal of registration and/or accreditation. However, we do have a system of monitoring non-government schools. There is a program every year in addition to that cycle of five years where a sample of schools is visited. We also may well visit any school where there has been a complaint raised.

Dr JOHN KAYE: With respect to the monitoring, how many schools are monitored each year?

Dr BENNETT: I do not know the numbers offhand but I can get that for you.

Dr JOHN KAYE: Can you take that on notice?

Dr BENNETT: Yes.

Dr JOHN KAYE: When the school is monitored what happens?

Dr BENNETT: Depending again on the nature of the exercise, it may be as much as a full inspection where all of the criteria for registration are looked at, or it may be certain criteria are selected and the schools are looked at in terms of those criteria.

Dr JOHN KAYE: The full criteria for registration involve student safety, teaching of the curriculum and so on?

Dr BENNETT: Yes.

Dr JOHN KAYE: How are those assessed? Are they assessed by just looking at the paperwork of a school or are they assessed by examining classes?

Dr BENNETT: Documentation is an important part of it. Inspectors typically do not visit classrooms but they visit schools and talk to principals and senior teachers about their programs. They look at not just the school policies but also things like teaching programs, student work and so on.

Dr JOHN KAYE: How many schools have been identified as being outside of the guidelines in respect of science teaching with evolution, intelligent design and creationism?

Dr BENNETT: None that I am aware of. However, there have been some issues raised about some schools as to whether they do comply with the board's requirements or not. When that happens those schools are investigated.

Dr JOHN KAYE: How many schools have been investigated?

Dr BENNETT: There is one in particular at the moment—Pacific Hills Christian School—where we are winding up an investigation into the teaching of creationism in science classes. It came as a result of a complaint and that has been followed through and investigated.

Dr JOHN KAYE: And when will the results of that investigation be known?

Dr BENNETT: I think certainly within a couple of weeks when that report is finalised.

Dr JOHN KAYE: Are there any other schools that have been investigated specifically with respect to that complaint?

Dr BENNETT: Not to my knowledge, but I can check and see whether that is the case.

Dr JOHN KAYE: Can you get back to us with that?

Dr BENNETT: Certainly.

Dr JOHN KAYE: And there has been no school that has ever been disciplined, so to speak, in any way in respect of the teaching of intelligent design or creationism?

Dr BENNETT: Not that I am aware of, no.

Dr JOHN KAYE: Pacific Hills Christian School might or might not be the first one?

Dr BENNETT: It will depend on what is found, of course. Perhaps I should add, the school is able to teach creationism, of course, but they need to make it perfectly clear that it is not part of the Board of Studies syllabuses and does not represent scientific theory. Many non-government schools might teach a whole range of things but they need to teach the board's syllabuses and make it clear when they are teaching something that is not part of the board's syllabuses and make students aware that it cannot be part of any assessment as part of the implementation of the board's syllabuses.

Dr JOHN KAYE: Is it also correct that the schools have to make it clear that it is not accepted scientific theory?

Dr BENNETT: That is right.

Dr JOHN KAYE: That is a requirement?

Dr BENNETT: That is a requirement.

Dr JOHN KAYE: How do you assess that?

Dr BENNETT: Through, again, looking at teaching programs and looking at student work samples.

Dr JOHN KAYE: And you are satisfied that is a reliable way of assessing that issue?

Dr BENNETT: I think it is a very reliable way to look at student work and see what is there, and we also ask principals whether this is what does happen.

Dr JOHN KAYE: Can I briefly take you to the national curriculum process that is happening? I think last time we were here I raised some concerns in respect of where the process would end for New South Wales in terms of weakening the New South Wales curriculum. Are you still satisfied that this process is not going to end up with a lower-quality curriculum being taught in New South Wales?

Dr BENNETT: I have every confidence in the work of the national curriculum board in developing curricula that will be of high quality and will suit students of New South Wales—in fact, students across Australia.

Dr JOHN KAYE: So you are not concerned that, particularly coming from Western Australia and South Australia, there will be a push to make it a weaker curriculum?

Dr BENNETT: It is the responsibility of the National Curriculum Board obviously to get the best curriculum that is possible, and New South Wales will have some input into that and we will be working closely with the National Curriculum Board. In fact, the Board of Studies has written to the president of the National Curriculum Board seeking to establish a relationship and giving a commitment to be involved in assisting them in developing a high-quality curriculum.

Dr JOHN KAYE: Can I now turn to Mr Coutts-Trotter? Can I ask you about the issue of teacher retirements and replacements over the next four years? I understand the Auditor General's report earlier this year suggests something like 16,000 teachers will probably retire in the next four years.

Mr COUTTS-TROTTER: Or reach retirement age, yes.

Dr JOHN KAYE: Which means something close to that number will turn over and leave the permanent teacher workforce.

Mr COUTTS-TROTTER: What we have found is that over the last seven years—we forecast about seven years in advance—we have discovered that actually the numbers of people we thought would retire were higher than the numbers actually retiring, and there is a whole range of factors that bear on a person's decision, including the circumstances in their family and the economy. We found that our forecasts have proven to be quite conservative in the past, but we do keep a very, very close eye on it.

Dr JOHN KAYE: How many are you planning for in retirement in the next four years?

Mr COUTTS-TROTTER: Can I express it another way? At the moment we hire around 2,000 new teachers each year. We think that that will peak at about 3,500 new teachers in seven years time. New South Wales universities—I think we canvassed this last time—are graduating about 5,500 teachers each year, and the regional universities, particularly the University of Newcastle, the University of Western Sydney, Charles Sturt University and the University of New England, are graduating a lot of teachers. We have about 24,500 teachers on what we call the employment list. These are people who are seeking permanent work in New South Wales public schools. So it is a very complex picture. We find ourselves with massive fields of candidates for positions right around New South Wales.

There is almost the reverse problem in some areas of the profession in New South Wales, the reverse problem being that we are seeing an oversupply in some fields of teaching, particularly primary education. I think that is a significant problem. It is a problem because the individuals involved invest their time and potentially their money in undertaking that training. Schools, particularly public schools, invest time in providing practical experience and other forms of workplace development. Then many of those people wait for an awfully long time to have a crack at a job. That is dispiriting for them. It is a challenge in managing the status of the profession. Teaching should be a high status profession, but when people are bumping into a lot of other people who are qualified teachers but not in full-time work that challenges the status of the profession.

When you look at the recent McKenzie report on pre-service education in other places in the world, you see some very different approaches. In other parts of the world, for example, Singapore, there is a very rigorous selection before people go into pre-service education. In Singapore, someone who is in pre-service education, everyone knows that they are a member of the elite. They must have extraordinary capacities—intellectual and academic capacities and capacities of character—to get there, and that supports the status of the profession. In the longer term there is a significant challenge for employers, for State governments and for the Commonwealth Government to work through a very different set of challenges across the nation. In Western Australia in particular there is a terrible undersupply of teachers.

So you have quite distinct labour markets, if you want to approach it in that way. You have a lot of teachers in New South Wales who want to work in New South Wales but do not seem to want to work in Western Australia—you can understand that—for obvious reasons. So we have quite a job of work to do collectively to get this right while at the same time we know that we are under pressure in certain subject areas, in maths and sciences, and potentially in some regional locations, although our system of incentives and priority transfers in country and regional locations works extremely well. It ensures that schools are staffed with qualified teachers. So it is a mixed picture. I know that the Teachers Federation in part is mounting the argument that there will be a crisis in the teaching workforce in five to seven years time. Based on the information that is available to me both within the department and publicly, I do not think that is the case, and I think we can plan and manage to ensure that that is not the case.

Reverend the Hon. Dr GORDON MOYES: I notice in the mini-budget an appreciative increase in funding in your department for special needs teachers, particularly for students suffering from dyslexia and autism.

Mr COUTTS-TROTTER: Yes.

Reverend the Hon. Dr GORDON MOYES: My problem has been that I have known in the past where funding has been put aside for special needs teachers but the actual teachers never arrived on the ground.

Mr COUTTS-TROTTER: Right.

Reverend the Hon. Dr GORDON MOYES: Do you have a plan for deployment of special needs teachers in these disability services?

Mr COUTTS-TROTTER: Yes we do. We are developing a very detailed plan of implementation. This initiative will benefit about 265 schools. The leaders of those schools—in the first instance the principals—are being briefed in the second half of this week and then are getting into a process of planning to make sure that this is implemented well and implemented quickly, and that the children in those schools get the benefit of the initiative as they should.

Reverend the Hon. Dr GORDON MOYES: How can we be assured that the 250 schools actually spend the money that has been allocated in the budget?

Mr COUTTS-TROTTER: With great trust comes great accountability, and increasingly schools have very tight accountabilities for what they achieve and what they spend. We will be working in partnership with schools to support them to ensure that they have good plans for implementation. It is not merely about saying, "You must do it"; it is about working together to ensure that it happens. So we as a department will be keeping a very close eye on it and we can report upon it.

Reverend the Hon. Dr GORDON MOYES: Will you be publishing any guidelines for parents, for example?

Mr COUTTS-TROTTER: We need to communicate very well with parents and those school communities because this in part is about engaging parents and ensuring that the expectations of parents—and often parents are securing their own support for children with autism or with other learning challenges. So we have to work in lock step with them to ensure that what happens in the school supports what happens outside the school and vice versa. So there will have to be very open communication with parents.

Reverend the Hon. Dr GORDON MOYES: Finally, can you refresh my memory because I do not have my mini-budget papers here? How much was put aside for the special needs teachers?

Mr COUTTS-TROTTER: From memory, \$9 million. It is 80 full-time equivalent positions but aligned to it is something I had a look at last week. There is out of the United Kingdom developed over the past seven or eight years a terrific set of online learning resources that are of use to people with expertise as teachers but also of use to people who have no expertise whatever to provide training and other resources around autism, around working with children with mental health issues, around working with children with behavioural issues. Part of the initiative is to make that training available well beyond those 265 schools. The ideal would be that every classroom teacher in New South Wales has had the benefit of some or all of that training. That would take some time; it is about 110 hours of training all up. But part of this initiative is to roll that training out.

Reverend the Hon. Dr GORDON MOYES: That is a massive task.

Mr COUTTS-TROTTER: Yes, it is a massive task.

Dr JOHN KAYE: Thank you for that information on teacher retirements. It was not relevant to the question but it is useful information. We will see a roll over of 2,000 teachers per year—

Mr COUTTS-TROTTER: We are hiring 2,000 new teachers a year at present.

Dr JOHN KAYE: You are not increasing the number of teachers. Basically, you are replacing 2,000 retiring teachers—

Mr COUTTS-TROTTER: That depends, obviously, on a number of enrolments and that is driven by the total school-age population and government schooling's share of those children and young people. The school-age population will rise a little bit because of the baby bonus generation, and government schooling's share of total enrolments is starting to rise as well.

Dr JOHN KAYE: That is excellent news, but you will see a number of retirements being replaced by a number of beginning teachers.

Mr COUTTS-TROTTER: Yes.

Dr JOHN KAYE: That will reduce the salaries bill within the department by a certain amount.

Mr COUTTS-TROTTER: Yes it would, but we have already forecast that so the budget appropriated to us this year and the budgets contained in the budget estimates for this department and the State budget already factor in those changes. I understand the argument the Teachers' Federation makes that over time the average age of the workforce, and all things being equal, therefore, the average salary cost of all our teaching workforce might fall but we have already factored those changes into our budget and the Government has done the same with the State budget.

Dr JOHN KAYE: I will now ask the question I have been trying to ask: What is the actual savings, leaving aside the budgets and who pays for it, what is your projection over the next five or 10 years?

Mr COUTTS-TROTTER: I have to respond to you that it is incredibly complex. We produce estimates for that, so I am happy to provide that, but I do not think we have estimated that against an alternative. We have simply the job of forecasting the number of teachers, the position that they hold in their career, and therefore, within a salary structure, and therefore the costs that are driven by that. So the notion of savings, conceptually I can understand why the teachers' union describes it in those terms, but from a State budget management perspective and from a departmental budget management perspective there are no savings.

Dr JOHN KAYE: There are from the point of view of the State's budget?

Mr COUTTS-TROTTER: No, there is not. The State budget has been framed around exactly the same projections.

Dr JOHN KAYE: From the point of view of State expenditure there is a reduction in expenditure?

Mr COUTTS-TROTTER: No.

Dr JOHN KAYE: There is a bulge in teachers in the age distribution of teachers, and as that budget passes out and is replaced with a bulge at the other end, all other things being equal, a lower salary cost?

Mr COUTTS-TROTTER: And the number of enrolments in government schools are rising, and there are a whole range of other factors that bear on that. But the budget both for the department and for the Government as a whole is framed on our projections of the mix of people within our workforce and therefore the cost of our workforce.

Dr JOHN KAYE: Will you provide the committee with the raw data, that is to say, your projections of the various numbers of teachers at the various salary levels over the next 10 years?

Mr COUTTS-TROTTER: I am happy to do that. Over the next 10 years, I do not know whether we forecast—

Dr JOHN KAYE: How far forward do you forecast?

Mr COUTTS-TROTTER: We forecast four-year forward estimates.

Dr JOHN KAYE: Okay four-year forward estimates as well.

The Hon. CATHERINE CUSACK: That is a surprise. Do you forecast forward further than that?

Mr COUTTS-TROTTER: We do not frame the budgets into a fifth year in detail.

Dr JOHN KAYE: But you do demographic planning further ahead?

Mr COUTTS-TROTTER: We do demographic planning ahead but in a teaching workforce of 55,000 people looking seven years down the track is looking seven years down the track: there are a whole lot of factors that can bear on that including the share of enrolments.

Dr JOHN KAYE: Are you prepared to provide the committee with it?

Mr COUTTS-TROTTER: I can give you our projections—

The Hon. CHRISTINE ROBERTSON: Of course, that means the teachers' union—

Mr COUTTS-TROTTER: No, exactly, indeed.

Dr JOHN KAYE: Actually it does not mean that, and I take deep offence at that.

The Hon. CHRISTINE ROBERTSON: I am sorry, I did not mean to be offensive.

Dr JOHN KAYE: You are implying I have no independent information. I actually ask for an apology.

The Hon. CHRISTINE ROBERTSON: I am sorry. I did not mean to offend you.

The Hon. CATHERINE CUSACK: Mr Bennett, at the last estimates meeting I asked you for details of the savings that were acquired off the Board of Studies. Will you table a response to that question now?

Dr BENNETT: I can certainly table it and I can tell you the response if you would like me to put it on the record.

CHAIR: Is it a lengthy response?

Dr BENNETT: No, it is not. The office plans to achieve the 2008-09 efficiency savings in the following areas, and the savings amount to approximately \$1 million: reduction in overtime, consolidation of office and warehouse accommodation, procurement savings, increased revenue from commercial publications, HSC advice line operational efficiencies and increased use of on-line service delivery.

CHAIR: How much did you save by changing the HSC advice line from a human voice to an on-line system?

Dr BENNETT: No, we have retained the human voice system.

CHAIR: But reduced the hours?

Dr BENNETT: Not really. We re-organised the hours and so forth. Let me explain the way the HSC advice line operated this year and previous years. We are still supporting 26 subjects, the largest candidature subjects—that was the same number of courses as last year. The changes we made were to look very closely at the data on student usage over the past few years, and to look to see when students were tending to use the service. We did not want advisers sitting around waiting for the telephone to call all the time, and you can appreciate that can be very expensive and it is not necessarily money well spent. We would rather put that money to other things.

What we did was to still operate in the afternoons generally from 4.00 p.m. to 10.00 p.m. Students could call in those hours. In the first three hours though there was a trained operator who took the details of the student, the nature of the question and gave the student an indication of when a teacher or a trained adviser would call them back. The advisers came on deck at 7 o'clock and answered the questions. We are still analysing the data on usage and all the rest of it. Staff who administer that program are now trying to wrap up the higher school certificate marking and so on. Our estimate of savings is of the order of \$680,000. The verbal advice I have been given is that the service we provided was more than adequate to meet the needs of the students.

The Hon. CATHERINE CUSACK: Has the information you are tabling been previously provided?

Dr BENNETT: I believe that it certainly left my office. I am not sure where it is in the pipeline.

CHAIR: Thank you, Dr Bennett.

The Hon. CHRISTINE ROBERTSON: At this time we reserve our right to ask questions.

(Dr Bennett withdrew)

CHAIR: I note another initiative in the mini-budget was the Principals' Priority Building Program school maintenance account. Do schools have to go through the department for approval of those projects?

Mr COUTTS-TROTTER: Yes.

CHAIR: Will schools be able to access their own contractors for those projects?

Mr COUTTS-TROTTER: I might be able to briefly explain the process. We have been through a process of talking with principals to ask them to identify their top three minor works priorities. The brief, if you like, that we gave them was: Could you please identify works that will be useful to the school and serve to reduce the on-going maintenance liability within the school? From that list we are going to develop a \$150 million program. That will not get to all of those priorities obviously but it will get to a fair number of them and it comes in broad areas. Some schools identified a security fence as a top priority. If there are a lot of incidents of vandalism on school property that obviously makes sense for the school to protect itself from that sort of stupid behaviour but it also makes sense to us because it reduces the cost of our ongoing insurance premiums. A lot of roofing work has been identified, a lot of working on toilets, or the sewers underneath the toilets.

We are going through a process now of this week we are out in schools, particularly those schools that have identified fences as a priority because they are relatively straightforward projects but obviously if it is a sewer line we need to obviously scope the project so that when we seek a price on it we know what we want and people know what they are bidding on. We are working through at the moment the best way to deliver this program quickly so we have given ourselves two calendar years to do it so there are different ways you could approach it. You could collect all the roofing projects together and make that a program. You could collect all the roofing projects in a certain range of regions and make that a program. You could manage it in the way we do through the Department of Commerce. We could manage it by contracting with a lead construction firm and they, in turn, manage the sub-contractors. There is a range of ways we could go about it that we are working through at the moment. The clear message from the Government is to get cracking.

CHAIR: After schools get a school fence, will another school move up the priority list in your school fencing program?

Mr COUTTS-TROTTER: Yes.

CHAIR: And that will continue?

Mr COUTTS-TROTTER: The school fencing program continues. I think there are about another 150 or 160 fences on the existing program to be done. From memory, I think another 30 or 40 schools will be added to the program through the \$150 million minor works program.

CHAIR: If they are not on the fencing program now, if they have nominated it as their top priority they will effectively jump the list?

Mr COUTTS-TROTTER: They would get higher priority, yes. But we are working now with schools and with regions to develop detail in the program, to make sure, of course, our Minister is comfortable with that and then put into play.

CHAIR: In other announcements there was an announcement about 10 hours learning about indigenous culture under the Aboriginal education policy.

Mr COUTTS-TROTTER: Yes, it is a very significant upgrade of this policy that was released yesterday.

CHAIR: It sounds fantastic but given 93,000 people work for the department, all of whom are going to have 10 hours learning of indigenous culture, given there will be cuts to SES, changes to the school transport system and a whole range of other things, how is that going to work? How much is it going to cost, who is delivering it and how is it going to be delivered? It is quite significant.

Mr COUTTS-TROTTER: The policy that was announced yesterday builds on previous policies but it was a very significant change announced yesterday and the key thing is that this is not the department's policy. It has been initiated by Aboriginal people and by Aboriginal communities. It is jointly owned by all of us who want to see Aboriginal students in schools and TAFE succeed as they should. It is significant because it commits every part of the department to the policy. Previously the policy applied only to schools, not to preschools, not to TAFE colleges, and not to the rest of the workforce. This commits all of us to it, starting with me. It commits us to a process of genuine partnership, and part of that process of partnership is a process of coming to better know and understand Aboriginal histories in different parts of New South Wales.

The way we will undertake that training will differ from school to school, from location to location, and it will be co-designed and essentially delivered by Aboriginal elders. So, we have a program through TAFE that we talked about before which is an excellent program. It is cultural education program I have done, together with a lot of my colleagues. But, it is an intensive three-day training program and only a limited number of people at present within TAFE are able to deliver that training. So, that cannot be the only means by which we do this. The process of cultural education has to be done in concert. It is not our knowledge, it is the knowledge of Aboriginal elders and Aboriginal communities that needs to be shared with departmental staff in ways that are appropriate, depending on the different regions, and they are capable of being done depending on the availability of people who are able to impart that knowledge, speak for that culture and speak for that group.

CHAIR: Absolutely, there is no doubt about the value of the program. I am just wondering how much it is going to cost?

Mr COUTTS-TROTTER: I do not know. We have an existing professional development budget within schools of about \$36 million a year. We have other program funds within Aboriginal education and training. These are discussions I have had through a consultative group that I meet with regularly from Aboriginal communities. We all acknowledge that every department has limited means but the answers are not always money. The answer in part is preparedness to do it and commitment to do it.

CHAIR: I agree. What you are saying then is the Minister has announced this and there is no budgetary line item anywhere or costing anywhere?

Mr COUTTS-TROTTER: No, that is not true. We have \$36 million a year we spend on professional development that is available to schools to determine for themselves how they spend it and they spend it across literacy and numeracy, quite obviously, and they spend it on other forms of professional development.

CHAIR: So it will come out of that?

Mr COUTTS-TROTTER: It will come out of that, plus program funds within the Aboriginal Education Directorate and, as necessary, as we manage our budget, from other areas of the agency.

The Hon. CATHERINE CUSACK: What will be the additional funding for this program?

Mr COUTTS-TROTTER: The program will be delivered, as other professional development is, within a very large annual budget called professional development.

The Hon. CATHERINE CUSACK: So, no additional funding? It is to be absorbed, thank you.

Mr COUTTS-TROTTER: It is a matter of developing priorities and that in part is what that policy does. You cannot constantly add money to agencies. We would love it but that is not the world we live in. It has never been the world we live in. It has always been a process of saying this is important to us, this is something we must put together.

CHAIR: You cannot say you will spend 10 hours on something without having a cost associated with it?

Mr COUTTS-TROTTER: We have a \$36 million budget available to schools to help do that.

The Hon. CATHERINE CUSACK: One of the reasons we cannot accept the Commonwealth offer on computers is because of a lack of training resources.

Mr COUTTS-TROTTER: We are in negotiation with the Commonwealth at the moment, and I think the Council of Australian Governments meets on 29 November, and we will find out then whether we have some additional funding. Also, some Territories have asked for some additional funding to give effect to a fantastic policy initiative.

The Hon. CATHERINE CUSACK: Did Education overspend its 2007-08 budget?

Mr COUTTS-TROTTER: Yes, it did.

The Hon. CATHERINE CUSACK: What was the amount?

Mr COUTTS-TROTTER: I have to check that for you, but the reason was our enrolment numbers were significantly above what we forecast.

Dr JOHN KAYE: Public or total?

Mr COUTTS-TROTTER: No, enrolment in government schools was significantly above what we forecast. So, when you add new enrolments you obviously have more staff. We had an increase in the cost of the transport scheme that we run within our budget for getting children with disabilities to school. So, a range of things drove up our costs, and they were perfectly appropriate.

The Hon. CATHERINE CUSACK: Were you funded by Treasury for this overrun?

Mr COUTTS-TROTTER: Yes, we were. Overrun, I guess, is one way to describe it. Yes, we were, but at the same time we delivered \$75 million or \$76 million of savings in the budget as we were required to.

The Hon. CATHERINE CUSACK: The savings of \$80 million pre mini-budget, can you tell me what that figure is now?

Mr COUTTS-TROTTER: The efficiency saving is still \$80 million. Obviously, over the course of a year there are all sorts of changes within a budget the size of ours, \$11.5 billion. So, for example, and our view is it is an important thing to do, the education Minister recently announced those 40 principals of our schools for special purposes that still have a teaching load will be relieved of that teaching load next year, at a cost of \$3.6 million a year. That is an initiative we have to manage within our budget. There are \$80 million in efficiency savings but year by year there are always pressures on our budget that we have to manage. So, we manage it closely, month by month, and will do that over the course of the rest of the year.

The Hon. CATHERINE CUSACK: So, post mini-budget what is the savings target for this financial year?

Mr COUTTS-TROTTER: The savings target is an \$80 million efficiency saving but, like every year, we have movements within our budget we have to accommodate, and I am giving you an example of one.

The Hon. CATHERINE CUSACK: Can you give me a dollar figure?

Mr COUTTS-TROTTER: No, I cannot.

The Hon. CATHERINE CUSACK: Do you know what the figure is?

Mr COUTTS-TROTTER: It changes month by month as projections and assumptions change.

The Hon. CATHERINE CUSACK: Was the figure altered by the mini-budget?

Mr COUTTS-TROTTER: No.

The Hon. CATHERINE CUSACK: In relation to voluntary redundancies, do you have a voluntary redundancy program in the organisation at the moment?

Mr COUTTS-TROTTER: Yes, we do. It is targeted. From memory, the figures last year, the financial year to 2007-08, there were about 50 voluntary redundancies and a further 39 people who were displaced but then found other substantive positions within the agency. There will undoubtedly be voluntary redundancies this year for a range of reasons. Some of them may come in time as a result of our efficiency savings, but we also have changes to the organisation that have nothing to do with savings—for example, changes within TAFE that we rather grandly describe as TAFE in the twenty-first century, which is a process of really devolving to institutes and equipping TAFE teachers to do some of the work of customising training that was done in curriculum centres. That is a process of change affecting probably 400 people and through that process there will probably be some voluntary redundancies because some people will choose to leave the organisation.

The Hon. CATHERINE CUSACK: Can you estimate the number of voluntary redundancies this year, and what it cost last year and what it will cost this year?

Mr COUTTS-TROTTER: I would need to check that detail for you.

The Hon. CATHERINE CUSACK: Will you take that on notice?

Mr COUTTS-TROTTER: I will take it on notice.

CHAIR: Going back to the indigenous program, given that there is money already set aside for professional development but this program is rolling out right across the Department of Education and Training, I am wondering what you are going to cut in order to roll out \$36 million?

Mr COUTTS-TROTTER: Every school will make their own decision about that within the bounds of the policy and in discussion with their staff, the teachers within the school, and most importantly in discussion with Aboriginal communities and Aboriginal families. I cannot answer that question for you, but it would not be described as a cut, it is about setting priorities.

Reverend the Hon. Dr GORDON MOYES: May I place on record the appreciation of many people concerning the inclusion of some other schools at the lower socioeconomic status level. We took that matter up with the Minister and I appreciated her response on that.

Mr COUTTS-TROTTER: Yes.

Reverend the Hon. Dr GORDON MOYES: The back-to-school allowance will provide your department with considerable savings—I think somewhere in the region of \$57 million—but that is not going to cover people who have real socioeconomic problems caused by the removal of the back-to-school allowance. They will apply to the school for certain exemptions and I imagine there will be claims for exemptions for various school outings and other things because they do not have the back-to-school allowance. Do you have an offset?

Mr COUTTS-TROTTER: Thank you, Reverend Moyes, we have a program called the school assistance scheme, which you would be familiar with—you obviously are.

Reverend the Hon. Dr GORDON MOYES: Yes.

Mr COUTTS-TROTTER: Part of this change increases the funding available for the school assistance scheme by, from memory, \$900,000 a year, so to a degree that is contemplated. I think you are right, there will be some families who might approach the school for support for an excursion, but there is an additional \$900,000 a year available to schools as a result.

Reverend the Hon. Dr GORDON MOYES: Thank you. I did not read that anywhere, but I thought that was bound to happen.

Mr COUTTS-TROTTER: Yes.

Reverend the Hon. Dr GORDON MOYES: So it is really an offset of the \$57 million gained; it is going to cost you \$1 million roughly?

Mr COUTTS-TROTTER: For the reasons you have outlined, yes.

Dr JOHN KAYE: Of the 27 schools that were added to the Priority Action Schools Program [PASP], by my calculation, 10 were schools that had been dropped from the 27 and 17 were new?

Mr COUTTS-TROTTER: That is right.

Dr JOHN KAYE: Which left 16 schools on the old list that were left without PASP funding—well, that is not quite correct, they will get half their PASP funding next year and zero the year after?

Mr COUTTS-TROTTER: Yes, priority action schools funding, but they will also be getting priority schools funding. From memory, all but two of those 17 schools directly benefit from the special education initiative. They are contained within the 265 schools. The two schools that are not, from memory, are Hunter Sports High School—and that is in part because the enrolment at Hunter Sports High School has changed radically in the last four years because it has become a specialist sports high school—and I think the other school is Nimbin Central School. The reason Nimbin Central School came off the Priority Action Schools Program is that its enrolment fell below 160 and the Priority Action Schools Program, a long-established program, has always been designed to take account of the socioeconomic status of families that the school serves, but directed at those schools with a higher concentration of students from more socioeconomic disadvantaged backgrounds, so schools with smaller total enrolments were never able to get into or stay in the program, and that is, as I understand it, why Nimbin Central School dropped off.

Dr JOHN KAYE: Leaving aside Nimbin and Hunter Sports, you say the remaining 15 are getting funding from the special education initiative?

Mr COUTTS-TROTTER: I will confirm that in writing to you, but I am pretty sure that that is the case.

Dr JOHN KAYE: That special education initiative is a special initiative for education or is it an initiative for special education?

Mr COUTTS-TROTTER: It is an initiative for special education, but it is also a special initiative for education.

Dr JOHN KAYE: It is specifically targeted at children with special needs?

Mr COUTTS-TROTTER: It is, and the measure we used to allocate money to those 265 schools was the existing allocation of Support Teacher Learning Assistance, an existing program, which is really driven by the assessed external results of the school and other assessments of the relative learning needs of the children in the school, so it matches that method of allocation.

Dr JOHN KAYE: Which is a good thing, and we are not criticising that, but is it not true that at 15 schools there are programs that have run over previous years that will not be able to run? They are not special education programs but targeted programs for dealing with the effects of concentrated disadvantage at the school?

Mr COUTTS-TROTTER: That may well be true, but, as you know, for a very long time the moneys for the Priority Action Schools Program have been allocated by the most thorough-going survey of parents and families of this type in Australia, a survey that has been endorsed by every participant in the process, including the Teachers Federation, which described it as a thorough and rigorous survey. It is the best means of allocating a finite amount of money. The changes to the Priority Action Schools Program have significantly added to the scale of the program. It has gone from I think 74 schools to 101 schools. There is obviously a school sitting at 102 on the list—there always has been. There has always been a school sitting at 75 or 74 and every four years schools have come on or off the program based on the relative needs of the children and families in the school based on the results of a survey of 120,000 families.

Dr JOHN KAYE: With respect, I did not know that and I do not think you knew that either because that is not how the PASP has been allocated until this year.

Mr COUTTS-TROTTER: No, that is not true. The process has been consistent over a long period of time. What we have done this year is work solely on the results of the survey rather than have arbitrary decisions made around the edges, and I think that that is open, I think it is transparent and I think it is utterly appropriate. This is an extraordinarily high quality survey instrument. It has been academically reviewed—

Dr JOHN KAYE: We have accepted the survey instrument.

Mr COUTTS-TROTTER: I am just making an argument for the survey instrument and I cannot see a counter-argument that says: You have done the survey, it is judged by everyone to be of top quality, and you then ignore the findings of the survey. I do not accept that.

Dr JOHN KAYE: With respect, nobody ever said ignore the findings of the survey. People did say that the survey measures poverty; it does not measure the impacts of that poverty on the school and it does not measure how those concentrations of poverty disadvantage the school. Surely there were other measures used? Correct me if I am wrong—maybe I misunderstood this—but I had understood that in previous years there were other measures used, including the number of beginning teachers, including student retention rates and student turnover, including measures such as student expulsions, and a range of other measures that talked about how the school was functioning. Is that correct or not?

Mr COUTTS-TROTTER: Yes, and that is why—

Dr JOHN KAYE: That is correct?

Mr COUTTS-TROTTER: No, that is why in part, to a small degree, decisions were made that departed from the findings of the survey and what we did this year, with the support of the Primary Principals' Association, with the support of the Secondary Principals' Council, with the support of the Aboriginal Education Consultative Group, and with the support until the last minute of the Teachers Federation, was say the survey will guide the allocation of resources. It is fair, it is transparent and it is of quality, and it is a survey that is being reviewed and is regularly reviewed by experts in the field who say it is the best method of allocation. Yes, there are other methods of allocation but I would argue that this is the best method of allocation.

Dr JOHN KAYE: But you accept that in the past—nobody is arguing with the quality of the survey—

Mr COUTTS-TROTTER: If you do not argue with the quality of the survey why not accept the results of the survey?

Dr JOHN KAYE: Because the survey measures only one aspect of the things that place stress on schools. Different schools will respond to the same level of disadvantage within a community in different ways. If you take two schools, one of which has a number of experienced teachers and another which has only beginning teachers, facing exactly the same community, surely the school with the beginning teachers needs more assistance than the school with experienced teachers. Would you accept that proposition?

Mr COUTTS-TROTTER: Generally yes, specifically not necessarily. I have seen some of the ideas advanced by people about other ways we could look at this. There are other ways you could look at it but we have not looked at it that way in New South Wales by and large through the whole of this process. This year for the first time we are simply adhering to the findings of the survey because that is objective, transparent and explicable to everyone who either comes onto the list or goes off the list. Furthermore, the funding for the program has been very significantly increased.

Dr JOHN KAYE: Which we welcome, and think is a step forward.

Mr COUTTS-TROTTER: So do we.

Dr JOHN KAYE: What we are talking about is how you allocate that funding and the schools that miss out on that funding. Is it not correct that in previous years the survey was one element of a whole series of measures that were used to determine schools that were in the scheme? Is it not also true that those other measures were there to assess the impact of disadvantage on a school?

Mr COUTTS-TROTTER: There were decisions around the edges of the survey that departed from the findings of the survey, that is right. It is also true that in this year's process every significant professional group and community group involved in the process, with the exception of the Teachers Federation, supports the approach.

Dr JOHN KAYE: And the Primary Principals Forum.

Mr COUTTS-TROTTER: And the Primary Principals Forum.

Dr JOHN KAYE: Whose principals by and large represent these schools.

Mr COUTTS-TROTTER: I think the Primary Principals Association has a very significant membership in schools that we are talking about as well.

Dr JOHN KAYE: When you say that departures in the past were at the margins, why was it that when the other criteria were abandoned and you went purely for the survey 27 schools came off?

Mr COUTTS-TROTTER: And 27 schools came on.

Dr JOHN KAYE: No, those same 27 schools did not come back on; only 10 of those schools came back on. Seventeen of the original schools did not come on even with the expanded criteria.

Mr COUTTS-TROTTER: If you look at previous years, schools came off and schools went on. It is a measure of relative disadvantage. In the last four years a range of regional communities have been smashed by the drought, their economies have been taken apart and the relative level of prosperity in those communities has plunged. That is why those schools came on; they are relatively more disadvantaged than similar urban schools.

Dr JOHN KAYE: That is a good point. You take me to my next question. I have a list of the 27 schools that came back on and apart from Mount Austin High School, which is in the Riverina, and Wellington Public School, which other school in the list of 27 is drought affected?

Mr COUTTS-TROTTER: If you looked at the other 27 that came on when the program was funded to 74 schools, you would see the majority of those 27 schools, from memory, are in regional areas.

Dr JOHN KAYE: Are you prepared to provide us with a list of those?

Mr COUTTS-TROTTER: Yes, of course. It has been provided before and we will provide it again. You can detect my frustration in this. I was profoundly disappointed that one of the participants in this process effectively thought they should exercise a right of veto over the creation of the list of schools to which the money was allocated and then found that that was no longer the case and mounted a campaign against a process that they had supported, that they understood and that they respected. I find myself pretty frustrated by that.

Dr JOHN KAYE: I am sorry you are frustrated, but my concern is about schools like Sarah Redfern High School, Shalvey Public School and Warrawong Public School that are not receiving PASP funding. They have received PASP funding for four years prior to that when there has been no substantial change in the demography of that school—

Mr COUTTS-TROTTER: But there has been change in the demography of other schools and they, driven by this extraordinary survey instrument, are now relatively more disadvantaged.

Dr JOHN KAYE: —and where those schools continue to function because of their PASP funds. Are you not concerned that removing those PASP funds will see some of those schools returned to the condition they were in in 2002 prior to the PASP funding, which, to not put too fine a point on it was not a good condition?

Mr COUTTS-TROTTER: No, the design of the Priority Actions Schools Program and indeed the Priority Schools Program, but particularly the PASP, is as a four-year program. People know there is a program for four years and people plan for four years. Yes, it is additional financial help for schools that need it. Do not doubt my concern for the schools you have just listed. That is not to say that by planning well and by achieving change you cannot sustain change and come off the Priority Actions Schools Program. Dozens upon dozens of schools have come off the program in previous years and have sustained the extraordinary changes that sometimes the program can enable within a school.

Dr JOHN KAYE: I have one last question on this topic. Do you have an open mind about looking at alternatives to just purely following the results of the survey?

Mr COUTTS-TROTTER: I am quite prepared to allow further independent review of the survey instrument to see whether it is the best available. We have to keep an open mind because it is so important in allocating scarce resources to schools that need it. The answer is we will go through a process of reviewing the survey instrument and people who have detailed views about how it should operate can put those views forward.

Dr JOHN KAYE: No, you have not answered my question. You talked about the survey instrument. I was talking about the inclusion of other factors rather than just socioeconomic disadvantage.

Mr COUTTS-TROTTER: I guess what I am saying is let us have a look at the way the survey is conducted and reassure ourselves, as we have in the past and as we did through this survey round, that there are not other factors you should include. It has been reviewed, not by us, but by academics—independent experts—

Dr JOHN KAYE: The survey has been but not the other factors.

Mr COUTTS-TROTTER: The process of reviewing the survey is the process of asking the question of what factors should we be looking at as those which give us the best possible picture about relativity between school populations, so the question is essentially the same.

CHAIR: Thank you. Do Government members have any questions?

The Hon. HELEN WESTWOOD: No, not at this time, thank you.

Dr JOHN KAYE: If not now, then never.

CHAIR: Do you want us to keep going? Are you forfeiting your time?

The Hon. HELEN WESTWOOD: I did not say forfeit my time but I am happy for other questions to be asked.

CHAIR: Thank you. I have one brief question. Given the Government members' good spirit on this we should not use up too much time. No doubt you are looking forward to getting out and dealing with teachers' stop-work meetings and other things.

Mr COUTTS-TROTTER: Yes.

CHAIR: Your day just gets better!

Reverend the Hon. Dr GORDON MOYES: I thought we were actually getting you off the hook.

Mr COUTTS-TROTTER: I appreciate your generosity.

CHAIR: There has been a lot of discussion this year about league tables and things such as that, and I know that Federal Minister Julia Gillard waxed lyrical about Joel Klein. What is your view of his thoughts?

Mr COUTTS-TROTTER: My view is forming. I am cautious about making comparisons between different places in the world for all sorts of obvious reasons including, as I understand it, in the United States 90 per cent of students are in government schools and 10 per cent are in private schools. Private schools receive no government funding. In many cases the catchment of the government school you can choose is very tightly constrained by where you live, so there is not a lot of competition between schools or movement between schools. Of course that is not the case in New South Wales. It is an incredibly competitive environment both within Government schools and between Government and non-government schools.

They are different environments and as I read about the effect of the New York changes I remain healthily sceptical about the crude applicability of something that might have been right in the situation in New York to the situation in Sydney. Schools in New South Wales provide more detailed information than the Commonwealth currently requires. Everyone is trying to work towards a measure of value adding, because a measure of value adding contains within it inherently some notion of the context that the school is working in. I am a little bit cautious about schools publishing ethnic or cultural breakdowns of the composition of the school. I would say: What is the benefit of doing that? What does that tell us that has not been caught up in a good measure of value added by a school to what a child and a family brings to the school?

We are looking forward to meeting with Joel Klein and talking to him about what happens in New York but, frankly, also proudly boasting about what happens in New South Wales and particularly showing him our Smartpac software. The Smartpac software is the software package that sits with, and supports, schools in looking at the results of the national assessment. This year, for the first time, it contains the most extraordinary set of features that allows a teacher, a parent and a school principal perhaps, to have a look at a child's results in, say, assessing shapes and, if they are not doing so well in assessing shapes, the software will then take you to a

range of teaching methodologies and lesson plans that are immediate practical help for teaching in the classroom. It is truly a diagnostic tool.

My concern about the use of raw scores on external assessments to create league tables is that you do not want to put at risk the culture we have in schools in New South Wales where people value external assessments, because they see fundamentally it is an assessment for learning; it is a diagnostic tool. As a result, the participation rates in the national assessment in schools in New South Wales are significantly higher than the participation in other States. We are not withdrawing children, we are not exempting children; children are sitting the test. That is terrific because that test gives information that a teacher can use to support that child's learning. If the environment changed, and there were certain incentives they came into play that provided an incentive to withdraw children from tests, as you have seen in other jurisdictions, it would be a very bad development.

We want to learn what we can learn from New York and other places in the world, and from Mr Klein, but we want to share with him what we think we are doing pretty well.

CHAIR: Is he coming here or are you going over there?

Mr COUTTS-TROTTER: No, he is coming here—we are not going over there. He is visiting Australia next week.

Dr JOHN KAYE: When you are talking to Mr Klein you might point out to him that in the period that he has been the chancellor the national test results have fallen while in the same period in New South Wales our test results have gone up?

Mr COUTTS-TROTTER: Yes.

Dr JOHN KAYE: You might want to ask him why it is that his approach is actually failing so badly—that is really not my question. Are you going to the Ministerial Council for Vocational and Technical Education [MCVTE] meeting in Darwin?

Mr COUTTS-TROTTER: No, I am not but my Minister is going with some of my senior colleagues.

Dr JOHN KAYE: Are you aware if the Council of Australian Governments [COAG] document about the future of TAFE—the name of which escapes me for the minute—is to be discussed at the MCVTE meeting?

Mr COUTTS-TROTTER: I think it is in the papers for noting. I do not know whether it is a discussion item on the agenda; it may well be. The papers are certainly contained within the papers.

Dr JOHN KAYE: Are you providing your Minister with advice on how New South Wales should respond to that document? The document being the Discussion Paper: Skills and Workforce Development?

Mr COUTTS-TROTTER: We are providing advice of all kinds but this is bound up in part with the negotiations between all States and Territories and the Commonwealth around the skills agreement, the basic specific purpose payment to vocational education and training but, of course, most of the prospect for additional funding for vocational education and training will be through national partnerships, productivity basis national partnership or market design national partnership. What we do not yet know is the quantum of money that might be available through the market design national partnership and what would be required of New South Wales to get access to that funding—it is a very fluid set of negotiations that is far from reaching any conclusion.

Dr JOHN KAYE: In particular, are you providing the Minister with specific advice with respect to proposed reform agenda 3.4 item 6, which states:

All public funds for delivery of training within a jurisdiction are open to all registered training organisations registered within that jurisdiction that are ...

Which is the full contestability of all public funding, including the State's funding, of TAFE?

Mr COUTTS-TROTTER: Yes, we will be providing advice on that.

Dr JOHN KAYE: Can I ask you, firstly, has advice been provided and, secondly, what will that advice be?

Mr COUTTS-TROTTER: The advice has been discussed, and I do not think it is appropriate for me to comment on that. You asked me my view about it; my view would be that would introduce an extraordinary element of volatility and I would want to be convinced that the interests of students and employers are actually served by that change.

Dr JOHN KAYE: And the community as a whole?

Mr COUTTS-TROTTER: The community as a whole quite obviously, given the role of public education that training provides.

Dr JOHN KAYE: The paper will not be resolved at MCTVE?

Mr COUTTS-TROTTER: No.

Dr JOHN KAYE: But it will be noted at MCTVE. Will you be providing advice to the Premier for the COAG meeting on Saturday 29 November?

Mr COUTTS-TROTTER: I imagine a range of agencies will be providing advice to the Premier on that, yes.

(The witness withdrew)

The Committee proceeded to deliberate.
