

GENERAL PURPOSE STANDING COMMITTEE No. 1

Wednesday 3 September 2003

Examination of proposed expenditure for the portfolio areas

EDUCATION AND TRAINING, ABORIGINAL AFFAIRS

The Committee met at 8.00 p.m.

MEMBERS

Reverend the Hon. F. J. Nile (Chair)

The Hon. P. T. Primrose
The Hon. A. S. Burke
The Hon. J. C. Burnswoods

The Hon. C. E. Cusack
The Hon. P. Forsythe
Ms L. Rhiannon

PRESENT

The Hon. Dr A. J. Refshauge, *Deputy Premier, Minister for Education and Training, and Minister for Aboriginal Affairs*

Department of Education and Training

Ms J. McClelland, *Director-General, and Managing Director of TAFE NSW*

Mr K. Dixon, *General Manager, Finance*

Mr M. Bowles, *Deputy Director-General (Corporate Services)*

Dr A. Laughlin, *Deputy Director-General (Schools)*

Mr R. Shreeve, *Deputy Director-General (TAFE)*

Department of Aboriginal Affairs

Ms. J. Broun, *Deputy Director-General*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded by 30 September 2003 to:

**Budget Estimates
General Purpose Standing Committee Secretariat
Parliament House
Macquarie Street
SYDNEY NSW 2000**

CHAIR: I welcome you to this public hearing of the General Purpose Standing Committee No. 1. I first wish to thank the Minister, Dr Refshauge, for his attendance and for his co-operation, and departmental officers for their attendance as well. At this meeting the Committee will examine the proposed expenditure for the portfolio areas of Education and Aboriginal Affairs. Before questions commence, some procedural matters need to be dealt with. The Committee has determined that the allocation of questions be left in the hands of the Chairman. I propose to allocate questions in approximately 20-minute segments to the Opposition, crossbench and Government members.

In regard to broadcasting, part 4 of the resolution referring to the budget estimates to the Committee requires evidence to be heard in public. The Committee has previously resolved to authorise the media to broadcast sound and video excerpts of its public proceedings. Copies of the guidelines for broadcasting are available from the attendants. I point out, in accordance with the Legislative Council's guidelines for the broadcast of proceedings, only members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of any filming or photos.

In reporting the proceedings of this Committee, the media must take responsibility for what they publish or an interpretation they place on anything that is said before the Committee. There is no provision for members to refer directly to their own staff while at the tables. Witnesses and members and their staff are advised that any messages should be delivered through the attendant on duty or the Committee Clerks. For the benefit of members and Hansard, could departmental officers identify themselves by name, position and department or agency before answering any question referred to them.

Where a member is seeking information in relation to a particular aspect of a program or subprogram, it would be helpful if the program or subprogram was identified; particularly with page numbers. As the lower House is sitting, I understand, could you advise whether you need to attend divisions this evening, for the Minister's benefit.

Dr REFSHAUGE: My understanding is that there will be no divisions or quorums this evening.

CHAIR: I remind you again, members and witnesses, the PA system tonight is a manual system and members and witnesses need to push the button on their microphone prior to speaking and, importantly, push it again when one is finished. The Committee has resolved to deal with the questions relating to the portfolio area of Aboriginal Affairs first. I declare the proposed expenditure open for examination. Does the Minister wish to make any opening statement?

Dr REFSHAUGE: No.

CHAIR: We will commence with questions from the members of the Opposition.

The Hon. CATHERINE CUSACK: Minister, regarding Budget Paper No. 3, Volume 1 at page 618, the New South Wales Aboriginal Land Council had an administrator appointed by you. Can you explain why you took approximately eight months to appoint an administrator, after you were advised by the previous Chief Executive Officer and by certain councillors that corporate governance issues needed urgent attention? Such corporate governance issues included alleged inappropriate practices regarding the travel allowances for councillors; inappropriate management of land council assets, including the Appin Station, and loss of statutory investment funds. What do you know about these allegations?

Dr REFSHAUGE: The Chief Executive Officer of the Aboriginal Land Council did advise me of concerns that he had. At about that time—I cannot remember the exact date—he did say that he had in train processes that he felt would resolve those issues. We also had in train a number of programs that were working with the Auditor-General and the New South Wales Aboriginal Land Council to try and improve on the processes that the land council was following. We thought it would be worthwhile using that direction to try and get the land council functioning most effectively. Unfortunately, other changes occurred in the interim where the Chief Executive lost the confidence of the council and was sacked. As a result of that, and other things, I decided it would be appropriate to appoint an investigator to examine the land council quite thoroughly.

The Hon. CATHERINE CUSACK: Minister, is it the case that the investigation has sucked out of the land council almost \$1 million of funds, which would have been the equivalent of running nine separate local land councils. Would not that waste have been avoided if you had responded earlier to the concerns expressed by Mr Bradford and certain councillors and supported his introduction of corporate governance?

Dr REFSHAUGE: No.

The Hon. CATHERINE CUSACK: Koompahtoo Land Council had an investigator appointed following allegations of fraud, corrupt conduct, intimidation and assaults. What was the total cost of the investigation and did it recommend the KLALC or individual councillors or staff be referred to the ICAC or to the DPP? Have you referred the KLALC or individuals to the ICAC or to the DPP and, if so, what is the status of those investigations?

Dr REFSHAUGE: Yes, I have referred appropriately to the ICAC, and the status of those investigations is best determined by the ICAC itself.

CHAIR: Minister, I have one general question in regard to Aboriginal Affairs. We all recognise the importance of education for Aboriginal children. There has been a report that at Walgett, out of the town's 120 high school students, only half are attending the classes, and for the primary school the figure is 150 out of 220. What steps are being taken to improve Aboriginal children's attendance at primary and secondary schools?

Dr REFSHAUGE: Mr Chairman, thank you for the question. It certainly is of concern, the lack of success we have had in university about the results that Aboriginal students are achieving through schools, and we are wanting significant effort there to improve it. With regard to Walgett especially, we have established the Walgett Community College as a result of an extensive process of consultation with the Walgett community and key representative groups. In 2003, the Walgett Community College was allocated \$149,000 in equity program funding. In addition, the college was recently allocated \$31,800 to meet initiatives to meet the needs of young people at risk of not completing schooling. The new arrangements for Walgett and the significant additional resources provide evidence of the strong commitment to improving the outcome for Aboriginal students there. The establishment of the college with community commitment to a collaborative partnership and the efforts of teachers and students is starting to show results. The key element of success of the college is a strengthening of the community partnership and inter-agency initiatives.

In the interim, the Walgett Community Education Board has met on four occasions this year as a mechanism to link the Walgett Community College with key community groups and to ensure the college is responsive to community concerns. The college principal and other executive staff meet with elders, the Aboriginal Education and Consultative Group, other community groups, agencies and Government departments on a regular basis. The college is implementing a behaviour and attendance plan to address the current levels of absenteeism. A number of initiatives have been implemented in association with other agencies. Programs implemented include the breakfast program, a reward excursion program, school monitoring of absence, attendance, and liaison with parents. The college is also implementing inter-agency initiatives with police such as the Operation Roll Call and through the river towns project initiatives. I am advised that the home school liaison officer and the Aboriginal student liaison officer provide extensive support to the Walgett Community College and are active in supporting college attendance plan.

The Government is certainly trying to improve the outcomes for Aboriginal students and has announced some major review of Aboriginal education to be undertaken. The review is specifically to examine the current approaches to attendance, to attention rates and academic performance. The college principal at Walgett is leading the development of a college literacy plan. This has involved regular and extensive training and development activities for teachers and support staff in both the primary school and the high school. The district literacy consultancy support is also provided on a regular basis, and in-school expertise, planning and support process are enhancing teacher's skills to ensure that each student achieves satisfactory literacy outcomes.

Walgett High School also offers HSC VET courses, the vocational courses, within the school

and also in conjunction with TAFE NSW Western Institute. The school is working towards offering construction, metals and engineering, hospitality, primary industries and retail in 2004. The school is also working to establish some school based traineeships possibly in business studies which has relatively good employment prospects within the town. The key elements in achieving successful for Walgett Community College will be the shared commitment by school staff, parents and committee members and agencies to use the significant additional resources available to bring about real improvement to the education outcome for Walgett and its young people.

Mr Chair, I do not want to pretend that Walgett is doing brilliantly well. There are a lot of improvements that need to be made, and Walgett is not the only the place that needs to happen as well. These are the types of programs that we hope will be making a difference to engage the broader community, the Aboriginal community, but particularly with the broader community in with the school community, to try and get a better support for education, and particularly to raise the skills that Aboriginal students can achieve.

The Hon. CATHERINE CUSACK: Minister, on that, will all of the engagement and liaison activity result in the college making its hall available to the local community for use for sporting and other non-school events?

Dr REFSHAUGE: More than likely it will, but that is really a process to be determined at the local level. Obviously the more the community can be involved with the school, the more effective those partnerships are, but it is often worthwhile going through the process at the local level to make that happen, rather than to have good ideas imposed on them from high, or from Macquarie Street.

The Hon. PATRICIA FORSYTHE: Minister, are you aware of allegations that travel allowance funds are being taken from the land council by certain councillors and not necessarily then being applied to travel? Why have you failed to intervene and ensure that funds set aside for Aboriginal purposes were not protected?

Dr REFSHAUGE: Those allegations have been referred to the ICAC and any recommendations followed up.

The Hon. PATRICIA FORSYTHE: In the budget papers it states that the department continues to work closely with the New South Wales Aboriginal Land Council to monitor and advise on the administration of Aboriginal Land Councils. Can you advise how many of the Aboriginal Land Councils currently have administrators appointed and the dates of their appointments?

Dr REFSHAUGE: That is reasonably detailed information. I will take it on notice and provide it to the Committee later.

The Hon. CATHERINE CUSACK: Can you advise how much has been paid in administrative fees by Aboriginal Land Councils in each of the last two years, and how much is anticipated to be paid in the next 12 months?

Dr REFSHAUGE: I am not sure if you mean administrative fees or fees for administrators.

The Hon. CATHERINE CUSACK: I am sorry, I meant administrative fees.

Dr REFSHAUGE: Yes, we will be able to provide that. There is a fair amount of detailed work to go through. I will get that later.

CHAIR: Take that on notice?

Dr REFSHAUGE: Yes.

The Hon. CATHERINE CUSACK: Can you advise how many of the Aboriginal Land Councils which have receivers appointed have initiated legal proceedings for recovery of funds or breach of contract or any other civil proceedings in the last 12 months, and how much has been paid in legal fees by each individual council?

Dr REFSHAUGE: Again, that is reasonably detailed information. We will provide it, and take the question on notice.

The Hon. CATHERINE CUSACK: Can you advise what staff time or moneys were expended by your office or by the department in relation to administrative concerns relating to the New South Wales Aboriginal Land Council.

Dr REFSHAUGE: No, we do not determine staff times in that way.

The Hon. CATHERINE CUSACK: Do you estimate it would be fairly substantial?

Dr REFSHAUGE: I do not determine it that way.

The Hon. CATHERINE CUSACK: Regarding Aboriginal Land Councils, have you received any advice regarding allegations as to a lack of corporate governance in relation to local Aboriginal Land Councils? If so, which ones and what have you done in response?

Dr REFSHAUGE: A number of those issues have been raised by bodies like the ICAC, the Auditor-General and the Ombudsman. We have acted on all of the recommendations that they have brought to us, including changes of the act which was supported by the Opposition without amendment.

The Hon. CATHERINE CUSACK: Budget Paper No. 3, Volume 1 at 616 claims that the Department for Aboriginal Affairs is the leading agency for a positive change in achievements in Aboriginal affairs and for facilitating co-ordination of Aboriginal programs. Given this, what action have you or your department taken to address Corrective Services' efforts to eliminate all obvious hanging points in New South Wales gaols?

Dr REFSHAUGE: I do not like the word "address". I am not really sure what you mean. Do you mean make it worse or make it better?

The Hon. CATHERINE CUSACK: I think we mean eliminate the hanging points from the gaols.

Dr REFSHAUGE: The question that was asked is particularly relevant to the Royal Commission into Aboriginal Deaths in Custody. That recommendation, amongst others, was certainly part of the Government's commitments initiated by the former Government, and continued by this Government, to implement almost all of the recommendations. There are a couple of recommendations particularly related to the Northern Territory and therefore were irrelevant to us and, therefore, were not seen as appropriate to implement. The reporting on that was responsibly transferred to the Attorney General's Department some years ago. It would probably be more appropriate to address those questions to the Attorney General.

The Hon. CATHERINE CUSACK: Minister, having in mind that 110 out of 287 children in juvenile detention centres are Aboriginal, as Aboriginal Affairs Minister, what advice or action have you taken to address the 45 per cent increase in self-harm incidents in juvenile justice centres from 92 in 2001-02 to 133 in 2002-03?

Dr REFSHAUGE: Apart from the obvious interaction that I have with my ministerial colleagues and at Cabinet which is—particularly Cabinet is secret, and I do not intend to talk about it here—it would be best if you asked the appropriate Minister for those questions.

The Hon. CATHERINE CUSACK: Does the Department of Aboriginal Affairs have any lead agency responsibility at all in relation to those sorts of matters, or advocating for those sorts of matters?

Dr REFSHAUGE: Not as lead agency, no. Certainly as lead agency for co-ordination of action plans which we are developing at the moment, and also for one particular program, the Aboriginal Community Development Program.

The Hon. PATRICIA FORSYTHE: Minister, does the 258 per cent increase in the number of Aboriginal women in prison in just two years under the Carr Government, as advised in the Aboriginal Justice Advisory Council Report released in July 2003, indicate a failure on the part of Aboriginal policy in this State?

Dr REFSHAUGE: No, but it certainly does not thrill me. There is no doubt that we want to reduce the incarceration rates, particularly of Aboriginal people, in our gaols and also juveniles in our juvenile justice centres. I think there is some very significant work being done, particularly co-ordinated through the Attorney General. One might have seen some recent reports in the newspapers about circle sentencing and the effectiveness of that. You cannot help but be moved to read those articles in the papers about the way in which a community is trying to take charge of its own and get a better result. It is not an area where you easy and simple results. It takes a long time, but I there is a determination that I do not think I have seen before in Government—and I am not talking about who is in power at the time; which political party. There is amongst Government agencies, a commitment I do not think I have seen before to make serious and worthwhile changes and to engage seriously with the community in a way that is productive, rather than getting great ideas, as I said earlier, and imposing them upon communities.

I think particularly if you look at the strengthening community programs—at the community solutions programs—and some of the broader programs like Families First and The Schools as Community Centres programs, we have seen the direct interaction between the community Government agencies at the local level, between Government agencies and non-government services as well, in a more productive and co-operative way and effective way that we have ever seen before. Hopefully this is going to show real change, but we have often seen false storms in this area.

CHAIR: That concludes the questions dealing with the Department of Aboriginal Affairs. Thank you very much for your attendance. The members of the Committee will now cover any other areas under your portfolio. We will not divide them up into segments. You still have a few more minutes to finish Opposition questions.

The Hon. PATRICIA FORSYTHE: Minister, in Budget Paper No. 2 it advises that the department will reallocate \$26.5 million to support teacher quality and supply initiatives. Could you advise where the money would be reallocated from, and what the teacher quality and supply initiatives include?

Dr REFSHAUGE: Could you highlight the reference in the budget paper?

The Hon. PATRICIA FORSYTHE: It is 29; very last paragraph.

Dr REFSHAUGE: I see, sorry, I am looking right from the top. Since 2000-03 we have had \$88.5 million over four years to look at the issue of teacher quality supply. In this present budget we had that increased to \$99.6 million, so the relocation is from the existing \$88.5 million that was for that area and we have swung that together with the increased funding which was a total commitment of \$99.6 million to that particular aspect of that.

The Hon. PATRICIA FORSYTHE: What area has that additional funding come from?

Dr REFSHAUGE: That was from the budget, con fund.

The Hon. PATRICIA FORSYTHE: The word "reallocation", is that—

Dr REFSHAUGE: Reallocation is the funding that was from the previous year, 2000-03, a total of \$88 million plus a little bit more. It was reallocated—of that \$88 million—plus the extra that came from con fund. It all comes from con fund, but that was new money from con fund for this financial year.

The Hon. CATHERINE CUSACK: Just to clarify, the \$99.6 million therefore is not new money. It is—

Dr REFSHAUGE: A total.

The Hon. CATHERINE CUSACK: Minister, have you received over 5,000 submissions to your restructure document "Lifelong Learning"? When will the next "Lifelong Learning" draft be released? Will it be subject to consultation and will submissions be sought, and can it be modified or will it be your final plan?

Dr REFSHAUGE: Firstly, I am advised that we received about 5,000. I have not counted them so do not hold me to it, but I certainly intend to look through the major issues that have been raised by each of those who have submitted. The expectation is that having gone through those, and also consultation in non-written form, we will be producing the more detailed form of the restructure titled "Lifelong Learning" in the week starting 15 September. That is our expectation, and we are committed to a further six weeks of consultation. The final decision will be made after that six weeks of consultation.

The Hon. CATHERINE CUSACK: Fairly shortly after the six weeks, do you think?

Dr REFSHAUGE: I would expect so.

The Hon. PATRICIA FORSYTHE: Budget estimates page 6-7 refers to the continuing—

Dr REFSHAUGE: I am sorry, you have to refer to a budget paper. I have Budget Papers 2, 3 and 1. Which paper are you referring to?

CHAIR: Budget Paper No. 3, Volume 1?

The Hon. PATRICIA FORSYTHE: I presume it is.

CHAIR: Give the page number then.

The Hon. PATRICIA FORSYTHE: Page 6-7.

Dr REFSHAUGE: Yes, that would be Budget Paper No. 3.

The Hon. PATRICIA FORSYTHE: It refers to the continuing Computers in Schools Program. How many schools are experiencing blackouts because antiquated wiring is not adequate to cope with the load of extra computers, and how much money has been set aside to rewire the schools?

Dr REFSHAUGE: None, as far as I know, from antiquated wiring, but certainly there have been problems with occasional blackouts in a very few number of schools because the increased load on the power supply has caused the blackout. That is for a range of reasons. Sometimes it is because there has been extra electrical equipment supplied by the local community or P and C fundraising without an assessment of the capacity of the power supply at the time. Others we have recognised as we have introduced, say, more computers or airconditioning that there would be a need for increasing the capacity of the power supply. That is part of our maintenance program. Our maintenance program is in fact now over twice the dollars than when we came to Government.

The Hon. PATRICIA FORSYTHE: When computers are rolled out into schools, does the department undertake an audit of the capacity of the school to be able to connect those computers? In other words, do they look at the electrical supply at schools?

Dr REFSHAUGE: Yes.

The Hon. PATRICIA FORSYTHE: Is any additional funding provided to schools so that if they are connecting airconditioning or connecting computers that it is able to be done safely and adequately for the needs of the school?

Dr REFSHAUGE: Yes, that is part of our maintenance budget which I explained is twice what you left us with.

The Hon. PATRICIA FORSYTHE: But you did not suggest there was any extra money set

aside.

Dr REFSHAUGE: Yes, there is more money than there was under you. You were spending about \$89 million. We are spending about \$189 million; that sort of order.

The Hon. CATHERINE CUSACK: Minister, can you confirm that when funding allocated for the maintenance at preschools, primary schools and secondary schools is combined, a total of \$169.99 million was spent on school maintenance in 2002-03, and \$170.65 million has been allocated for schools maintenance in 2003-04? This is a budget increase of 0.4 per cent which converts to a budget decrease when the 2.5 per cent inflation rate is taken into account, and more when the building price index is taken into account. How can schools be kept up to scratch?

Dr REFSHAUGE: Your figures are wrong. Our budget papers say \$186 million.

The Hon. CATHERINE CUSACK: For school maintenance in this financial year?

Dr REFSHAUGE: Yes.

The Hon. CATHERINE CUSACK: School maintenance contracts were supposed to be renewed in July. How many are still outstanding, and when will they be renewed?

Dr REFSHAUGE: None.

The Hon. CATHERINE CUSACK: They have all been renewed?

Dr REFSHAUGE: All have been renewed or carried over. All are in existence.

The Hon. CATHERINE CUSACK: The ones that have been carried over—

Dr REFSHAUGE: All of them have been carried over while the task force that I established look at maintenance, so I extended them for another year.

The Hon. CATHERINE CUSACK: Perhaps I should phrase my question differently because the people who have been carried over feel uncertainty about the future of their contract.

Dr REFSHAUGE: Because their contract comes to an end in about a year's time, and they will have to bid for them again.

The Hon. CATHERINE CUSACK: In about a year's time?

Dr REFSHAUGE: 1 July. It is the normal process. It was introduced by Nick Greiner, I think.

The Hon. CATHERINE CUSACK: Budget estimates page 623 show that TAFE was allocated \$41.06 million for maintenance in 2002-03 and only \$35 million in 2003-04. Given the cut of nearly 15 per cent, how are TAFE colleges to be kept up to scratch? Does this also include the maintenance equipment, and can you guarantee that there will be no breaches of occupational health and safety because equipment does not comply with standards?

Dr REFSHAUGE: We believe the funding is adequate for the requirement, and that there is no expectation that occupational health and safety concerns would arise out of it.

CHAIR: We will move on to the crossbench. Ms Lee Rhiannon?

Ms LEE RHIANNON: Thank you, Mr Chair. Minister, how is a figure of \$2.589 million for a 99-year lease on the half hectare TAFE site to Moriah College arrived at, and how does this compare to commercial land values around Queens Park, because I am sure we all know what real estate is like in Sydney?

Dr REFSHAUGE: It is usually done through the Department of Commerce, State Value Office.

Ms LEE RHIANNON: You have no input?

Dr REFSHAUGE: No. This did not at all come before me. We would look for technical expertise for those sorts of things from the Government agencies that have that technical expertise.

Ms LEE RHIANNON: Minister, will you provide to the Committee the lease documents between Moriah College and the State Governments on all lands held on lease by Moriah?

Dr REFSHAUGE: No.

Ms LEE RHIANNON: Why is that, Minister?

Dr REFSHAUGE: I do not think I have them.

Ms LEE RHIANNON: Who has them?

Dr REFSHAUGE: I do not know.

Ms LEE RHIANNON: How do we find out?

Dr REFSHAUGE: Ask.

Ms LEE RHIANNON: Ask who? You are the Minister for Education.

Dr REFSHAUGE: Yes, but I am not the Minister for leasing lands.

Ms LEE RHIANNON: On another subject of teachers' salaries, given that both you and the Premier are on the record of speaking very positively about how highly valued our teachers in our public schools are, how do you justify only offering them a 3 per cent salary offer?

Dr REFSHAUGE: The salary offer that we have responded to the teachers' claim for a 25 per cent increase is based on the Government's capacity to pay. It is, in that sense, an economic-responsible response. It was 6 per cent; 3 per cent per year for two years.

Ms LEE RHIANNON: Yes, but it is not what—

Dr REFSHAUGE: They asked for. No, I know that. They asked for 25 per cent.

Ms LEE RHIANNON: It is certainly not what has been recommended by the independent inquiry. Considering that in New South Wales teachers have delivered the highest literacy rates of any State in Australia, do you think that you are justified in hiding behind so-called good economic management, or what other people would call economic rationalism, in not delivering this salary offer?

Dr REFSHAUGE: I do not agree with the question.

Ms LEE RHIANNON: Will you give an undertaking that any final salary increases for public school and TAFE teachers will be fully funded by Treasury, and will not occur at the expense of running down working conditions of teachers and other educational activities in our public schools?

Dr REFSHAUGE: That is a question you should be asking the Treasurer.

Ms LEE RHIANNON: But you would obviously have an input in this, because we are talking about working conditions of teachers and conditions in schools. The Treasurer obviously says that he runs a one-man band, but surely you are in Cabinet and you have an input.

Dr REFSHAUGE: Yes, that is true, I do have an input, but the—

Ms LEE RHIANNON: If you have an input, will you give a guarantee that it will be fully

funded by Treasurer and you will not run down schools and teachers' working conditions.

Dr REFSHAUGE: The Government's position is, we can afford 3 per cent per year for two years; a 6 per cent increase. That is all we can afford.

Ms LEE RHIANNON: But now I am asking you the question of whether—

Dr REFSHAUGE: Sorry, the answer to that is, no, we will not give that guarantee. We have been asked that before and we have said, no, we cannot.

Ms LEE RHIANNON: Minister, on private schools, what steps are taken to ensure that the \$38.4 million paid annually to private schools as subsidies on their interest payments, is appropriately spent, and obviously there I am looking at how you check up on how it is spent?

Dr REFSHAUGE: The Interest Subsidy Scheme is monitored firstly by the submissions that the schools put in for the interest subsidy. There is a full assessment done about whether the building that they are proposing fits into the guidelines. If it does not, then they do not get the interest subsidy. Again, the assessment of the loan to make sure that it is in accordance with the guidelines of the program is assessed. If that is not fitting in with the guidelines, again it is not provided for, and also the accounts are subject to the Auditor-General's examination.

Ms LEE RHIANNON: At the start of your answer you use the word "monitoring" and at the end you talked about the Auditor-General, so are they actual audit reports or are you just monitoring it, which really does not sound as thorough?

Dr REFSHAUGE: Firstly, they assess to make sure that the proposal is accurate and fits into the guidelines. It is not monitoring. It is an assessment to make sure that it is a proposal that is—

Ms LEE RHIANNON: But that is at the start of the process. At the end of the process, is there an audit? What I am interested in—will you release to the Committee audit reports for some of the schools; for example, Kings, Waverley College, Kincoppal?

Dr REFSHAUGE: We do not do the building surveys, as building surveyors would be doing that for the schools themselves.

Ms LEE RHIANNON: How do we go about asking for those reports to be released?

Dr REFSHAUGE: I presume you would ask the schools themselves about their building surveyors to see if there is building according to the plan.

Ms LEE RHIANNON: That means you check that the proposal is suitable and within your guidelines, but you do not check that what they finally do is what you agreed to.

Dr REFSHAUGE: Yes, we ensure that what they do is what we have agreed to. They will not get the money if they are doing things with it that has not been agreed to.

Ms LEE RHIANNON: You do check at the end. Will you release the reports that you make on those schools to the Committee?

Dr REFSHAUGE: I am not sure what reports are being made. I will examine that and see if it is appropriate.

Ms LEE RHIANNON: You will take it on notice.

Dr REFSHAUGE: Yes.

Ms LEE RHIANNON: Thank you, Minister. How does the allocation of these funds take into account the impact they are having on local schools; local public schools I am exploring here. In particular, does the department attempt to estimate what impacts intra-subsidies might have on enrolment drift to private schools receiving them? I think you have spoken recently about that

problem of the drift that we are seeing in an increasing number of suburbs.

Dr REFSHAUGE: I do not think I have.

Ms LEE RHIANNON: Sorry, it may have been somebody else, but if you could answer the question.

Dr REFSHAUGE: That was part of the question. The other part of the question is that this is a Government policy and the full effect of the Government policy would have been assessed at the time of the implementation, and in any further assessments of the policy, and so it is done in that way.

Ms LEE RHIANNON: Again, your answer sounded very general—that is, before the fact.

Dr REFSHAUGE: Yes.

Ms LEE RHIANNON: So nothing specific; you are not looking at private schools being built here and what impacts they are having on our public schools.

Dr REFSHAUGE: We do that but that is different to the question you asked.

Ms LEE RHIANNON: You do that?

Dr REFSHAUGE: Yes, but that is different from the question that you asked.

Ms LEE RHIANNON: I did ask it. Do you have a transparent process? Is this something where we are able to gain more information about those studies?

Dr REFSHAUGE: I think you are confused about your questioning. You seemed to be asking, firstly, do we assess the effect of a new school being built on surrounding schools because you get a new school in the non-government sector and that affects surrounding schools.

Ms LEE RHIANNON: Yes.

Dr REFSHAUGE: The other question as about the interest rate subsidy and the effect of that. I am not sure whether you are still talking about the interest rate subsidy and the effect of that, or the building of a new school and the effect of that. Those are two separate issues.

Ms LEE RHIANNON: They are tied together because the impact of interest subsidies is obviously driving the establishment of many of these private schools.

Dr REFSHAUGE: That is an assessment that you are making. I am not necessarily sure that is true.

Ms LEE RHIANNON: We will divide it if that is going to be easier for you. Can you answer the question: do you make an estimate of the impact that the establishment of a private school will have on surrounding public schools?

Dr REFSHAUGE: Yes.

Ms LEE RHIANNON: Is that transparent? Is the public able to see those assessments that you make?

Dr REFSHAUGE: The assessment would not be done as a one-off where you would get one report that would be done. Obviously the district officer would be looking at how that might be affecting the projected enrolments in different schools. That would be part of an assessment that would probably be done at a school level, rather than having a one-off assessment. In that sense it would be very difficult to get and collate all of the effects of a particular school—

Ms LEE RHIANNON: Sorry, Minister, when you say "at a school level", do you mean like the principal of a public school does it? Is that what you are saying?

Dr REFSHAUGE: The principal of a public school would certainly be interested in the likely enrolments in their school the next year. That would be something that they would be looking at. A very important part of the planning of their school is to look at what their projected enrolments would be. They would obviously take into account a new school building being built up in the area. They would see that as a potential for the children in their area to go there, so they would certainly be taking that into account. Yes, it would be done at that level.

Ms LEE RHIANNON: At a higher level within the Department of Education would this monitored, assessed, audited?

Dr REFSHAUGE: No, it is not monitored or assessed or audited. It will be assessed, but it would not be monitored or audited.

Ms LEE RHIANNON: Is that information available?

Dr REFSHAUGE: Yes, it would be available for the Federal Government because they would be probably doing a lot more because they are the ones that are particularly funding them.

Ms LEE RHIANNON: But not from the State?

Dr REFSHAUGE: No.

Ms LEE RHIANNON: Thank you, Minister.

CHAIR: A general question, Mr Minister. In the budget papers in following through matters relating to TAFE NSW I note on page 611 there is a report of increased funding of \$52.4 million, and as far as I can tell in the budget papers there is increases, but we are being lobbied with claims that there has been cutbacks in funding which is affecting the number of teachers that can be employed. Could you clarify what is the real situation.

Dr REFSHAUGE: We expect an increased number of students for this coming year, and as a result we would probably expect an increased number of teachers as well. There is always a change in the mix of the subjects on offer because of the different demands that potential students would make. Some subjects become quite popular and therefore you see quite an expansion of that area. Others become much less popular and contract, so there would be always a dynamic occurring. We are predicting an increase—not a large increase—but we are predicting an increase in student numbers this coming year, and with that would be a commensurate increase in staffing.

CHAIR: There are no redundant TAFE teachers then?

Dr REFSHAUGE: To answer your question simply, no, but if a course is becoming less and less popular then it is likely that the teachers for those courses will not be required.

CHAIR: Following up earlier questions relating to Interest Subsidy Scheme payments, there has been reports that there has been a three-year backlog in payments to the non-government schools and some schools have recently received payments for three years in one block. What is the reason for the backlog, and how many non-government schools are awaiting back payments?

Dr REFSHAUGE: We pay on receipt of their invoice. If they have not invoiced us, then we do not pay them, and some schools did take some time to send us the invoice. Why, I have no idea.

CHAIR: So there is no delay within the administration?

Dr REFSHAUGE: No, apart from checking to make sure we are sending the right cheque to the right people.

CHAIR: There has also been a reference to the Warren Grimshaw review of the scheme. What is the effect of his review? Has he made any recommendations in regard to this Interest Subsidy Scheme?

Dr REFSHAUGE: There are two Grimshaw reports. One has been delivered already, which is on the accountability of the non-government schools, and we are in the process of finalising our consulting on that to get legislation being implemented about reporting that the non-government schools should follow. The second report which is due towards the end of the year is more about funding, and we should see the information about that at that sort of time, about the end of the year. There is no indication that he is delayed in that second report.

CHAIR: You do not anticipate changes though to the formula of the per capita student income?

Dr REFSHAUGE: I think it would be quite inappropriate for me to foreshadow anything until I see what his report is.

CHAIR: On page 633 of the Budget Paper No. 3, Volume 1 regarding the per capita pupil allowances for primary schools and secondary schools, there is some concern as to how these amounts were calculated. Could you explain how the calculations were made, and whether this calculation can be made public, or take them on notice.

Dr REFSHAUGE: Could you be more specific. Which figures are you concerned about?

CHAIR: The per capita pupil allowance.

Dr REFSHAUGE: What page is this?

CHAIR: On page 631.

Dr REFSHAUGE: Non-government school assistance?

CHAIR: Yes, per capita pupil allowances to non-government primary schools.

Dr REFSHAUGE: That is a simple formula. At the moment it is in legislation at 25 per cent of the cost of a student at a Government school, and that is provided to the non-government schools for their pupils, by legislation.

CHAIR: What is included in the—

Dr REFSHAUGE: The general costs of educating a Government school student.

CHAIR: It is just simply per head?

Dr REFSHAUGE: Yes.

CHAIR: There is no other factor?

Dr REFSHAUGE: It is the salaries, the operating costs, the Computers in Schools Program; that sort of thing. Also, I should say the Class Size Reduction Program which we are introducing right now, announced in Parliament yesterday they are getting that money, although there is no guarantee they will reduce their class sizes in the non-government schools.

CHAIR: Because there has been a fairly big increase in the number of students in non-government schools, which is I think well over 30 per cent now, would that—

Dr REFSHAUGE: The increase might have been.

CHAIR: Are you aware what is the percentage of students in non-government schools?

Dr REFSHAUGE: About 30 per cent in the non-government sector. It is less than in Victoria, I think.

CHAIR: Should that 25 per cent rate be readjusted to reflect that?

Dr REFSHAUGE: No. You are comparing different things, Fred. It is the cost per student in the Government sector. Twenty-five per cent of that cost is given to schools in the private sector, whether they have one student or 4,000 students. They get that per student. It is not linked to the percentage of students in the non-government sector. It is linked to the number of students. It is a per capita provision; not determined by how many students are in one sector compared with the other sector.

CHAIR: I was under the impression when it was first calculated that it was based on the number of students. That was how the 25 per cent was arrived at. It has nothing to do with what it costs obviously to educate a child.

Dr REFSHAUGE: No. It was determined that a quarter of the cost of educating a child in the Government sector would be given to the non-government sector. Irrelevant as to whether half of the students are in the Government sector or the non-government sector, there would still be the same cost. If you look at the provision for that in the non-government schools it is increasing. As you suggested, the number of students in the non-government schools is increased, and the payment that the Government gives them is increased as a result of that.

CHAIR: Is it possible for you to make public the elements that make up the per capita figure?

Dr REFSHAUGE: They do change, but I think in general it is pretty clear that what is the normal operating cost of providing education for a student—as I said, the teachers' salaries, the on-costs for that, Computers in Schools, those sort of things, the things that you would expect to be there. We try not to include things that are very separate from the provision of education in both sectors that might be other costs for us, and of course the non-government sector gets that information.

CHAIR: I note there is another item of assistance to non-profit organisations, recurrent grants to non-profit organisations.

Dr REFSHAUGE: Which page is that, Fred?

CHAIR: On page 631. Do any of these grants go to non-government schools; if not, who receives those grants?

Dr REFSHAUGE: They may go to non-government schools but most likely not. These would be for agencies that are doing other things that would be effective and useful in the education system. It might be a community organisation that is assisting us in a program that is useful for a school.

CHAIR: Is there any explanation as to why there is a fairly big increase in that amount of money that is allocated by comparison to 2000-01 to 2003-04?

Dr REFSHAUGE: The only reason you could see is that we spent a lot more in the actual year than was in the budget for that and so we are, in that sense, making a better guess of what we expect to spend in that area. That tends to be a bit more on an ad hoc basis rather than an expected regular flow. They might be one-off projects and all of a sudden you have a very good one-off project you want to support, next year that project may not be there.

CHAIR: You do not really know how much you have allocated until you add it up at the end of the year then?

Dr REFSHAUGE: You have an idea that you try to work within, but all these budgets certainly have a certain amount of flexibility to make sure that we can get the best use of the money at the time that we are looking at it.

CHAIR: With the continuing shift from the Government sector to the non-government sector by students, what steps are you taking to examine why that is occurring and to address it to maintain students in Government schools and to increase them?

Dr REFSHAUGE: There are a number of things we are doing. One of the things is in fact to highlight the value that you get from the Government sector. You may have heard me spruiking about the way in which we lead the world in our literacy and numeracy and in fact our Government schools are doing incredibly well on that. We are up there with the best in the world on the OECD figures from a couple of years ago. We are up there with Finland and Canada and New Zealand; very impressive results. Also, we are keen to make sure that what is happening at the local level is also highlighted, and that is probably going to be more effective to get local schools to be highlighting what they can do, what they have been able to do. Education Week is part of that but we like to try and do better than that.

Local newspapers can be very well read by parents of potential students for the schools and we try to get information to those that would be useful, to highlight what is going on. Also, there tends to be a drift between the primary school and the high school, and so we are trying to get the high schools to get a closer liaison with the feeder schools at the primary level, so that there can be a good development of inter-direction there, that can be very useful. In my own electorate, the classic example is Tempe High School and Tempe Primary School, right opposite each other. They have a very close relationship. They have a very good transfer from year 6 to year 7 in that area, while schools that are further apart, you will often find that there is a drift there.

We are finding again in the Marrickville area that one of the private schools there was attractive for some time. It is now not—I am not trying to put it down in any sense—but it is not attracting as many students as it used to, because we have been highlighting the local high schools and their capacity and what they can do, and that has led to some pull back there. You will find that there certainly has been that drift but we are looking at every opportunity we can to highlight the value of being in a Government school, what you can achieve.

Can I take this opportunity to invite all of the members of the Committee to the School Spectacular at the end of the year. It is one of the most exciting things to see. You cannot help but be enchanted by what is being achieved by our students at school. It is a brilliant exposition of what can happen in our schools, what is being done, and to see really thousands of school students, not just a couple of top performers, but thousands of students come. I will try to remember to personally invite you to that; it is really worthwhile.

CHAIR: We will move on to the Opposition, thank you.

Ms LEE RHIANNON: Would you not like to ask about the petition that you presented the other day, all those concerns with the 17,000 people worried about the teachers?

CHAIR: We will move on to the Opposition questions.

The Hon. PETER PRIMROSE: May I simply respond, because the matter has been raised. I am in fact discussing that matter with both the Minister and members of the Government, and the union, but unlike the Hon. Lee Rhiannon, I take the position that I need to discuss matters first with people, rather than jump in.

CHAIR: We will move on to the Opposition's question, thank you.

The Hon. CATHERINE CUSACK: Minister, when will funds be allocated for construction of a proper entry to Beauty Point School, and when will a Government contribution of \$50,000 towards building the new school hall, be made?

Dr REFSHAUGE: I will have to take that specific one on notice. Do you have any other specific questions like that?

The Hon. CATHERINE CUSACK: You have so many helpers here, Minister. I was wondering if that information might be available in the room.

Dr REFSHAUGE: No, if you have individual school capital works or minor works, then it would be certainly worthwhile giving me a list of those and I will get them to you as fast as I can.

The Hon. CATHERINE CUSACK: Minister, can I take you back to an earlier question regarding clarification of schools maintenance funding. I think in my question I was asking whether there had been a real reduction in the cost of funding for school maintenance, and I indicated that it appeared the funding for school maintenance for preschools, primary schools and secondary schools totals \$170.647 million. I can give you the page references for those amounts. In Budget Paper No. 3, Volume 1, on page 623 it indicates maintenance funding for preschools is \$334,000. On page 626, it indicates maintenance funding for primary schools is \$84.432 million, and the on page 629 it indicates maintenance at \$85.881 million. I wonder if you can clarify where the additional—

Dr REFSHAUGE: It is \$5.5 million. It is from school security that we are putting as a specific item.

The Hon. CATHERINE CUSACK: It is an additional \$14 million, because my figures add up to 170 and—

Dr REFSHAUGE: Sorry, there are two items that probably are worthwhile. One is \$15 million in global funds to schools so that they get them at their discretion to spend within guidelines, and the school security enhancement is probably not in your calculation either.

The Hon. CATHERINE CUSACK: Was that \$15 million in global funds for schools available last year?

Dr REFSHAUGE: Yes.

The Hon. CATHERINE CUSACK: Excluding that \$15 million from the equation, would you agree that the maintenance funding figures in the budget for this year total \$170.647 million, and that—

Dr REFSHAUGE: No, because you have not put the school security as well at \$5.5 million.

The Hon. CATHERINE CUSACK: No, I am talking about the three figures listed in the budget, I am not—

Dr REFSHAUGE: Those are also there and therefore what is being spent includes that security, which is special enhancement although security would also be in the general school maintenance program.

The Hon. CATHERINE CUSACK: I am asking if we can just for a moment exclude the global funds for school maintenance programs.

Dr REFSHAUGE: Yes, I have excluded that.

The Hon. CATHERINE CUSACK: Where is the security funding; which line item is it in?

Dr REFSHAUGE: I am not sure if it is a line item but it is extra funding.

The Hon. CATHERINE CUSACK: I am giving you the details of free—

Dr REFSHAUGE: It is on top of the maintenance that you are reading out.

The Hon. CATHERINE CUSACK: Can we exclude the security funding on the basis that it is not maintenance?

Dr REFSHAUGE: No, because it is.

The Hon. CATHERINE CUSACK: Was there any security funding last year, Minister?

Dr REFSHAUGE: Money was spent on security but this is an enhancement.

The Hon. CATHERINE CUSACK: I would like to focus, if I may, on the three maintenance funding line items that I have quoted to you, which is \$334,000 for preschools, \$84.432 million for primary schools, and \$85.881 million for high schools, and the figures in the budget papers that relate to funding the previous year, those figures total \$170.65 million, and the comparable funding for the previous year is \$169.99 million. This is a budget increase of 0.4 of a per cent. Would you agree that there has been a real decline?

Dr REFSHAUGE: No. As I say, there has been this extra funding for—making the first security, which has enhanced that further.

The Hon. CATHERINE CUSACK: Sorry, what was that figure, Minister?

Dr REFSHAUGE: It is \$5.5 million.

The Hon. CATHERINE CUSACK: How does that compare to the figure last year?

Dr REFSHAUGE: I think that is an enhancement for this year. Remember, there was a program that we announced; a \$20-million program for school security.

CHAIR: Yes, \$6.7 million for security.

The Hon. CATHERINE CUSACK: Are you saying there was zero allocated last year?

Dr REFSHAUGE: Of that particular enhancement. There was money spent last year on security, but not this particular enhancement. That is in addition to what was otherwise spent last year.

The Hon. CATHERINE CUSACK: Taking that into account, that means that there has still only been a 1 per cent increase which is below inflation and it is way below the construction price index.

Dr REFSHAUGE: Yes.

The Hon. CATHERINE CUSACK: Would you agree that there has been a real decline in school maintenance budgets?

Dr REFSHAUGE: No, I would say at the local level the funding there has not been a decrease, but the amount we are allocating, we believe we can get better value for the money. That is why I have established a taskforce to look at the way in which we are delivering our maintenance. It is an area that I have certainly been unsatisfied with the performance to date. I think we can get significant increased value for money for the money we are spending.

The Hon. CATHERINE CUSACK: You are hoping to maintain the program through increased value for money, meaning that there will be less money required as in less money therefore has been allocated in real terms?

Dr REFSHAUGE: Yes.

The Hon. CATHERINE CUSACK: Minister, do you have a policy that all freedom of information requests be brought to the attention of your annual staff?

Dr REFSHAUGE: Certainly of me.

The Hon. CATHERINE CUSACK: Are you familiar with my FOI request for papers relating to Tamworth West Public School?

Dr REFSHAUGE: Yes. I am aware they have made a request.

The Hon. CATHERINE CUSACK: Have you or your office received a copy of the results of that request?

Dr REFSHAUGE: No.

The Hon. CATHERINE CUSACK: I was wondering if you could advise me whether it is worth \$870 to proceed with it.

Dr REFSHAUGE: I am sure it is worth much more than that.

CHAIR: Expensive photocopying.

Dr REFSHAUGE: There are a lot of pieces of paper. I am a great and strong supporter of FOI, but it is also important to be aware that some requests are so detailed or so broad that it will take up enormous amounts of taxpayers money to fulfil them. That does not mean that they should not occur, but the process that was set up was to in fact have it as a cost-neutral process. That can be a very expensive thing to do otherwise.

The Hon. CATHERINE CUSACK: Minister, in relation to the department's review of Tamworth West Public School that is under way at the moment, what would be the cost of replacing the school on the existing site, or alternatively building a new school on the greenfield site that is already owned by the department?

Dr REFSHAUGE: I will get you details for that later.

CHAIR: Take that on notice.

Dr REFSHAUGE: Sorry, on the greenfield site. I think I am aware of that. I think the Opposition has promised to do that. I do not think they have worked out the costing, though, because you are obviously asking a question you do not know the answer to. What would your assessment be of a building of a new school?

The Hon. PATRICIA FORSYTHE: No, we are here to ask the questions, you are here to answer them.

Dr REFSHAUGE: It is surprising that the Opposition did not know what the cost was, but I do know that they made the promise. We have estimated the cost of a number of promises you made to be amount \$35 million in about two visits without the support of the Shadow Treasurer.

The Hon. PATRICIA FORSYTHE: If you know the cost, why can you not give us the cost?

Dr REFSHAUGE: I am about to tell you. I am surprised that you keep on making these wild promises without any costing done, and certainly without your Shadow Treasurer, the leader of the Opposition, knowing. But our estimate of your promise is about \$25 million.

The Hon. CATHERINE CUSACK: You are saying that is for the new Tamworth West Public School on that site; \$25 million. Can I say for the record that the Coalition has not made such a commitment, and that the Coalition supports a plan for a replacement school—

Dr REFSHAUGE: Sorry, can I correct that? The building was in the order of \$7 million; the land was about \$12 million.

The Hon. CATHERINE CUSACK: The land is owned by the department.

Dr REFSHAUGE: On the greenfield site?

The Hon. CATHERINE CUSACK: Yes, it has been—

The Hon. PATRICIA FORSYTHE: Yes.

Dr REFSHAUGE: The greenfield site is just going to be a greenfield site.

The Hon. CATHERINE CUSACK: It is a site on Goonoogoonoo Road in West Tamworth.

Dr REFSHAUGE: That is where you want to do it?

The Hon. PATRICIA FORSYTHE: No, the department owns that site.

The Hon. CATHERINE CUSACK: That is a site that is owned by the department designated for a new Tamworth West Public School.

The Hon. PATRICIA FORSYTHE: And has had that site for a number of years. If I could turn to another area, that is the Seaforth TAFE, Minister, has the department made any decision about the future of the Seaforth TAFE site which has now been empty for four years?

Dr REFSHAUGE: I do not know if the department has made any decision about that.

The Hon. CATHERINE CUSACK: Is it satisfactory that the site should sit there unutilised for a period of almost four years?

Dr REFSHAUGE: I will certainly investigate that and see if I can provide any further information.

CHAIR: There are no plans to reopen it, reuse it as a TAFE?

Dr REFSHAUGE: No.

Ms LEE RHIANNON: You will keep that on notice?

Dr REFSHAUGE: Yes.

The Hon. CATHERINE CUSACK: Minister, this question might be better directed to the Director-General. What was the cost this year of posting out the Back-To-School Allowance to parents?

Dr REFSHAUGE: I think we have figures for the processing of it which would include more than the posting of it out, which is about \$4 million.

The Hon. CATHERINE CUSACK: Would it possible to get—I suppose to take this on notice—an actual cost of the postage component?

Dr REFSHAUGE: Postage separate to that?

The Hon. CATHERINE CUSACK: Yes.

Dr REFSHAUGE: It would be possible, I think. Can I take that on notice? If I can, I certainly will. I have no problems with that, but I think the contract is for the whole thing rather than items of it.

The Hon. CATHERINE CUSACK: Why, for the first year, was the decision taken to post out the letter with the chief cover letter had Mr Dixon's signature on it, but it had a covering letter from the Premier with his photo on it? Who made that decision?

Dr REFSHAUGE: I do not know.

The Hon. CATHERINE CUSACK: Can I, through you, ask the Director-General who is responsible for that decision?

Dr REFSHAUGE: I do not know the answer to that.

The Hon. CATHERINE CUSACK: Can I ask Mr Dixon who was responsible for that decision?

Dr REFSHAUGE: It does not sound like there is absolute confirmation. We will look through

the files and get information to you from that.

CHAIR: You will take it on notice.

Mr DIXON: I am not aware of the circumstances relating to the decision. I am aware that there was some reference to the Auditor-General about this matter last year sometime, if it is the same issue.

Dr REFSHAUGE: As I say, it is probably easier if I take that on notice and reply to you.

The Hon. CATHERINE CUSACK: Was an effort made to distribute those cheques prior to the issuing of writs?

Dr REFSHAUGE: There was certainly an effort made to issue those cheques in line with the Government's policy of it, so it was there as a Back-To-School Allowance.

The Hon. CATHERINE CUSACK: Can I ask what the precise date was that the Government wanted the cheques distributed by, and was that date prior to the issuing of writs?

Dr REFSHAUGE: I do not know if there was a specific date, but I will again check and come back to you on that. I will take it on notice.

Ms LEE RHIANNON: Given that the TAFE student contact and curriculum hours are estimated, I understand, to be growing by only about 1.1 per cent in New South Wales while national growth is estimated to be greater than 5 per cent, do you estimate that the dramatic increase in TAFE fees denying poorer students access to vocational education and training is impacting on their low growth in New South Wales?

Dr REFSHAUGE: No, I think the biggest impact is the Federal Government's refusal to increase out of funding. We have had serious discussions with the Federal Government and my ministerial colleagues from other states. The Federal Government does not accept the figure that you gave of a 5 per cent growth, although I must admit I would see that as more accurate, but the Federal Government would not accept that, and as a result their funding was significantly reduced from what we would have had from that acceptance of access economics as information.

Ms LEE RHIANNON: On 6-33 you have administrative charges down as \$45,404,000, and that was from the previous year, going up to nearly \$73 million. It is on 6-33—

Dr REFSHAUGE: Administrative charges.

Ms Lee RHIANNON: Yes, administrative charges, which I am interpreting that as TAFE fees.

Dr REFSHAUGE: That is the vast majority of it, yes. Fees are increasing, yes, you are right.

Ms LEE RHIANNON: Are you aware of the devastating impact? It is a huge increase and that is what there has been so much debate around. Are you aware of the devastating impact these charges will have on access to courses for low income and disadvantaged students, something that the Labor Party in the past has had a commitment to?

Dr REFSHAUGE: We are the only State that provides an exemption from fees. In fact, over 120,000 students will be exempt from fees. No other State at all provides exemption from fees. I think that 60 per cent of TAFE students are not affected by the change in fees at all.

Ms LEE RHIANNON: Can we stay with the other states. I understand in other states that students only pay, with financial needs, \$30 to \$40.

Dr REFSHAUGE: Yes, but for ours they pay nothing. We have over 120,000 students who will pay nothing effectively—if you are looking at what happened last year—120,000 students who were there last year, if they are the same ones this year will not pay fees. So effectively 120,000—or 126,000 I think it is—will not pay fees because we have exemptions. No other State has exemptions.

So in other states they pay money. We have students who pay nothing; nothing, not a thing, not a cent.

Ms LEE RHIANNON: But there is a lot who pay a large amount of money and they are students who are still having difficulties. With the ones who you say pay nothing, you are referring only to students who receive a concession such as a Centrelink benefit; they are the ones that you are referring to.

Dr REFSHAUGE: More than that but, yes, the majority are those and Aboriginal students and there is over 120,000 of them.

Ms LEE RHIANNON: I understand that the remainder is about 43 per cent, so we are still talking about a large body of students.

Dr REFSHAUGE: No, 120,000.

Ms LEE RHIANNON: What percentage is that, Minister?

Dr REFSHAUGE: There are about 500,000 students; and 120,000 pay nothing.

Ms LEE RHIANNON: About 20 per cent pay nothing.

Dr REFSHAUGE: About 60 per cent are totally unaffected, because there are a large number who are already effectively paying for full-paying courses.

Ms LEE RHIANNON: We are talking about fees for many students who still have financial difficulties, because I am sure you would know that Centrelink is pretty strict these days. We are still talking about a large number of students, even on your calculations, who are paying hundreds of dollars.

Dr REFSHAUGE: An example would be a bricklaying student doing an apprenticeship in New South Wales will now be paying \$350 per year. In Western Australia they are paying \$450 per year. In many cases they are paying significantly less than in other states, and certainly dramatically less than the private sector.

Ms LEE RHIANNON: But coming back to New South Wales, do you acknowledge that your increase in fees—and they are dramatic going back to that figure, \$45 million to \$73 million—do you acknowledge that it will be driving many disadvantaged students away from getting a vocational education?

Dr REFSHAUGE: No, I think because students who are on benefits, people who are particularly disadvantaged, will be exempt from fees, and secondly, there are many students who will be in programs. Many of who you would see as disadvantaged—and I would too—who are not on benefits, would be on programs where their fees are paid.

Ms LEE RHIANNON: Minister, considering the shortage of public funds going into TAFE relative to its needs—and maybe we have a disagreement on that but I would imagine even as Minister you would still be always advocating that there is a need for more money—but considering there is a shortage of public funds and the way it is being increasingly treated as a private provider, can you give a categorical denial that there are no plans to corporatise or privatise TAFE?

Dr REFSHAUGE: I would think that the Federal Government might have interests in that direction. We certainly do not at the State level.

Ms LEE RHIANNON: Thank you, Minister. I will move away from TAFE for a moment in case I run out of time. I imagine that you would agree that the election starts well before the writs are issued. Could you inform the Committee how you determine for the purposes of covering your costs, which of your activities are primarily to do with your portfolio and what are primarily to promote your party for the election, and does this division change when the writs were issued on 28 February in this State election?

Dr REFSHAUGE: Yes.

Ms LEE RHIANNON: The division changes.

Dr REFSHAUGE: Yes.

Ms LEE RHIANNON: How do you determine it before, and how do you determine it after?

Dr REFSHAUGE: I think when the writs are issued then it is very important to make sure that the activities that I do are either non-major policy changes at a Government level, so that the department would be maintaining its existing activity. There may be occasional times when a decision is required that cannot be delayed because of some commercial aspect that, in my experience, rarely occurs—I do not think it has occurred in my experience, but I do not want to be absolutely categorical about that—and I would be, obviously, very careful to make sure that the department's activities are focused particularly on what would be seen as its obvious core responsibilities.

Ms LEE RHIANNON: Thank you. Minister, last June the Premier put out a memo to senior bureaucrats urging that consultancies only be undertaken when there was no other way to undertake the work that would not cost more. How did your senior bureaucrats respond to that and could you tell us how much money has been spent under you on consultancies and with what consultants? The response to the memo first.

Dr REFSHAUGE: I would expect my department to have responded to the spirit in the letter of the memo. It is important to note also, this is, I think, part of the Premier's memo:

That no consultant is to be engaged without the approval of the Minister and the number of consultants and costs have to be kept to a minimum.

The department has responded very effectively to the memo.

Ms LEE RHIANNON: So no consultants.

Dr REFSHAUGE: No. We had 29 consultancies engaged in the year 2001-02. The cost of those was \$1.1 million. That was slightly higher than the year before. Sorry, 2002-03 was \$1.3 million.

Ms LEE RHIANNON: How many consultants that year?

Dr REFSHAUGE: Twenty-nine. It is important not to get confused with another term of consultants which we use as full-time staff in the districts. They are education consultants who are full-time departmental staff.

Ms LEE RHIANNON: Yes, but that is not coming out of this.

Dr REFSHAUGE: No.

Ms LEE RHIANNON: That was all the figures.

Dr REFSHAUGE: Yes.

CHAIR: That is the end of your sequence, Madam.

Ms LEE RHIANNON: Thank you.

CHAIR: Minister, regarding this important area of computer skills, the Board of Studies made an announcement recently that they are working on implementing year 10 assessment, and that will be delayed until beyond 2004. Will non-government schools be charged for their test of their year 10 students? Is that the proposal?

Dr REFSHAUGE: No, they will not.

CHAIR: That would be a principle that would apply to any other tests that are introduced for other years.

Dr REFSHAUGE: If the local school determines to do their own test, they have to pay for that, but if we require them to it is up to us.

CHAIR: It would be the Board of Studies.

Dr REFSHAUGE: Yes.

CHAIR: Good. You have had some questions regarding school maintenance and one of the matters that has been on my mind are some of the sensational reports recently about leaking schools and so on. Is there some system that the department has of establishing a priority for the schools where maintenance is urgent rather than what seems to happen; the building collapses or the roof collapses?

Dr REFSHAUGE: Yes, there has been a system which has certainly been an improvement on previous times, which is a condition based assessment. Each year the school in conjunction with the contractors look through the school and see the condition of the school and aspects of the school whether, say, it needs painting or whether the carpet needs replacing and the like. There are also the maintenance issues that come up, as time goes by. You may have a leaking tap or a leaking roof or whatever. Those sorts of things need to be done. A certain amount of that maintenance is managed at the local level. I have not been satisfied with the success of our maintenance program and I have brought in people from outside to be a task force to look at how we can do it better. We are expecting significant improvements to come from their recommendations, but I do not have the final recommendations, although we have a number of discussions with David Gates who heads up that task force to look at what can be done. I think it is fair to say that there will be a much clearer view of whose responsibility it is to do what and I think that is going to make a major change, and hopefully lead to early maintenance being done so it does not lead up to much more extensive and more expensive stuff later on.

CHAIR: I note in the budget papers on page 6-3, there is reference to the interim committee of the New South Wales student teachers developing a draft framework for professional teaching standards. Could you outline what is the timetable for the completion of those guidelines—or whatever they will be called? They will be called guidelines or a code.

Dr REFSHAUGE: Yes, we are hoping to get that done certainly within the next six months. There is some pretty extensive work that has been done that is using about 7,000 teachers to be, in a sense, a reference group that is being managed by one of the universities—I cannot remember the fellow's name who is doing it. It is Alan Hayes who is doing that and that at the moment has general approval as an appropriate way to go. There is consultation still occurring at the moment on the final make-up of that.

CHAIR: On the same page 6-3, there is a reference to the Priority Action Schools Program which apparently has been very successful in 74 schools; in fact, going by your budget papers, improved school attendance, teacher morale, et cetera. Is there any way of identifying those schools from the point of view of seeing the success of the program, or could you give an example of a school?

Dr REFSHAUGE: Yes. These in a way are the old—remember the old disadvantaged school program, DSP? It was a great program. It seemed to get universal support. I thought it was a really worthwhile one, it was great. The trouble was the Federal Government decided they would abolish and so they stopped their funding of it despite the enthusiastic support from Liberal members here, but we have fought hard and there is certainly significant support that is coming from the State Government to support what is now the Priority Action Schools Program.

The schools are assessed basically from the socioeconomic make-up of their students. It is not a program that we want to have half of our schools in. It is a targeted program so we want to get those who could significantly benefit from it and extra resources go there to try and make sure we get good retention rates, we get better results from the Basic Skills Tests and things like that. We also look at

some of those schools for how they can be better involved or have the community better involved with them so they can be—as we were talking about the Aboriginal students at Walgett—how we can get more imaginative ways of engaging the students and the broader community.

CHAIR: The 74 schools, are they in any certain geographical area, inner city areas, or can they be anywhere?

Dr REFSHAUGE: No, they are throughout the whole State but they are based particularly on the socioeconomic background of the students. I think I am going to have to retract some of my political statement. The Federal Government, I gather, is still contributing a sum to this so I am delighted that they are.

CHAIR: It is not a reduction or cancellation. I was going to ask the question whether they transferred it, and it was being allocated in some other way.

Dr REFSHAUGE: No, they are still there. Not as generous as they ought to be.

CHAIR: It may be called something different and that is why you are confused.

Dr REFSHAUGE: Yes, a change of name.

CHAIR: A change of name. I note on page 6-5 references to the Basic Skills Test, and I am sure there is widespread support for them, but I remember there was some opposition by the Teachers Federation at one stage, are these Basic Skills Tests now getting complete support from all teachers?

Dr REFSHAUGE: It seems to be. At the classroom level there is absolutely no disruption to the tests being done.

CHAIR: On page 6-6 there is a reference to the New South Wales Institute of Teachers, and this is another one. There seems to be a number of items in the budget papers where it is going to happen and I was wondering, again, is there any timetable for the New South Wales Institute of Teachers as to when it will be established?

Dr REFSHAUGE: Yes, Fred, there are a number of things that are going to happen, partly because the commitments we made before the election, a large number of them were in the education and training area and that is why you will find a lot of things are being planned. It is an exciting portfolio to be in. The Institute of Teachers is one of those. It will require legislation, that legislation has not been finalised yet. We are still going through a certain amount of consultation. Once that legislation is finalised it will be required to be passed before we can set up the institute.

I expect that it will be supported by all in Parliament. I do not expect any opposition. There might be interesting suggestions for improvement but I would think that it would probably be supported by all.

CHAIR: One last question. In regard to school security, I note that there is a reference on page 6-7 to providing security fencing to at least 200 schools over the next four years. Can you indicate how many schools have security fencing at the moment?

Dr REFSHAUGE: No, I cannot. School security fencing had been done over, obviously, multiple years. In this program we are rolling out effectively 50 schools per year. I have announced the 50 schools for this year already, but there were some that were done beforehand using a very similar type of construction, but previously there would have been probably a very different construction of security fencing. It would be very hard for me to get an accurate estimate of every school that had that sort of security fencing.

CHAIR: I am talking about the new style security fencing which is real security.

Dr REFSHAUGE: Yes, on the new style, I am told that we have spent \$27 million already and we have another \$20 million to spend over four years. Effectively, if you are looking at around about the \$20 million providing for 200 schools, we would expect the \$27 million to be provide about

270 schools, so on a rough figure about 270 have been provided for. I have figures here that say about over 250, so my rough calculations were about accurate.

CHAIR: Thank you. We will move on to the Opposition's questions. Ms Forsythe?

The Hon. PATRICIA FORSYTHE: Minister, how many positions are you deleting in your portfolio restructure?

Dr REFSHAUGE: That has not been finalised. We estimate in the order of 1,000, but it has not been finalised yes.

The Hon. PATRICIA FORSYTHE: What will you be doing with the money that you have saved by the abolition of the positions?

Dr REFSHAUGE: That will be maintained in the Education portfolio.

The Hon. PATRICIA FORSYTHE: No list of priorities at this stage.

Dr REFSHAUGE: We have a whole range of commitments we made before the election and we have a budget here that tells you where we are spending the money, so that is where the priorities are.

The Hon. PATRICIA FORSYTHE: Does some of that money include the class size reduction plan?

Dr REFSHAUGE: No, that was fully funded separately.

CHAIR: Ms Cusack?

The Hon. CATHERINE CUSACK: Minister, budget estimates page 6-11 states that:

TAFE NSW is committed to ensuring that programs and services are responsive to industry and community needs.

With this be jeopardised with the proposed restructuring of TAFE?

Dr REFSHAUGE: No.

The Hon. CATHERINE CUSACK: How has your department replied to the Director of Australian Industry Group who has written:

We have serious reservations about whether the proposed reshaping of the department will achieve those objectives. The proposed regionalisation of the department, with TAFE Institute Directors reporting through two levels before reaching the Managing Director of TAFE, poses the very real risk of TAFE issues of concern to industry being swamped by the needs of the school sector.

Dr REFSHAUGE: We responded positively.

The Hon. CATHERINE CUSACK: You agreed with him?

Dr REFSHAUGE: No, we responded positively.

The Hon. CATHERINE CUSACK: In terms of disagreeing with that assessment?

Dr REFSHAUGE: No, we have responded positively, and we will, along with other submissions that have been made, provide what we think is certainly a more detailed and I think an effective structure.

The Hon. CATHERINE CUSACK: Can I clarify that a positive response would be an acknowledgment letter of that correspondence.

Dr REFSHAUGE: No. A positive response is we have received his suggestions very

positively.

The Hon. PATRICIA FORSYTHE: Minister, will the Government continue to insist that TAFE fees are paid up-front, or will you consider a HECS type arrangement where students can obtain interest-free or low interest loans and pay them back when earnings reach a particular threshold?

Dr REFSHAUGE: HECS is not on our agenda.

The Hon. PATRICIA FORSYTHE: Are you going to insist that students maintain the policy as the up-front payment of fees?

Dr REFSHAUGE: We are looking at the possibility of semester payments.

The Hon. CATHERINE CUSACK: Could they be organised by way of loan?

Dr REFSHAUGE: Not through us.

The Hon. CATHERINE CUSACK: You would not look at a facility for students to repay fees over a period of time on the basis of a loan?

Dr REFSHAUGE: No. The fee for, say, a Certificate 1 or 2 is a fee of \$350. We would not expect that people would be taking up loans for that.

The Hon. CATHERINE CUSACK: Have you considered any form of deferred payment of fees?

Dr REFSHAUGE: No. Could I also say that in exceptional circumstances the institute directors can make special arrangements for nonpayment of fees, or for exemption of fees.

The Hon. PATRICIA FORSYTHE: Minister, given there are only 791 counsellors to 754,800 students in New South Wales, which is roughly one counsellor to every 954 students, is it realistic to expect them to be able to effectively carry out their duties in relation to students at school?

Dr REFSHAUGE: yes.

The Hon. PATRICIA FORSYTHE: In the budget papers you have identified initiatives regarding students with disruptive behaviour. What are those initiatives?

Dr REFSHAUGE: I am sure you will be delighted if I read out the press release which I will get. If you want to move on, I will come back to that when we get the piece of paper.

The Hon. PATRICIA FORSYTHE: Can you advise how many home school liaison officers are employed by the Department of Education and Training, and what is the home school liaison officer student ratio in primary schools and secondary schools?

Dr REFSHAUGE: I do not have that in front of me. I will get that for you.

The Hon. PATRICIA FORSYTHE: Does the department keep a list of truancies in schools, the numbers?

Dr REFSHAUGE: Yes. I think there is often some misinterpretation of that though. Some people would be seen as truant who are at home with parental consent, which I think is slightly different to what you have been getting. There was a report in the newspaper recently about that.

The Hon. PATRICIA FORSYTHE: Are you able to provide a figure on the statewide truancy rate for 2002?

Dr REFSHAUGE: I am advised it is about 1 per cent.

The Hon. CATHERINE CUSACK: Minister, how is that defined then, the truancy rate that you have given us?

Dr REFSHAUGE: It appears there is usually round about 5 per cent of absences that have explained reasons such as illnesses, so obviously they are not truants. They are children that are absent. There is another 2 per cent of children that are absent that the reason has not been explained, but their parents have given consent and it is with their knowledge, and there is fewer than 1 per cent that are absent due to truancy.

The Hon. CATHERINE CUSACK: Are you satisfied that the home school liaison officers are succeeding in tackling the issue of truancy?

Dr REFSHAUGE: I would always like to have 100 per cent attendance, but they are certainly working hard and doing a very effective job.

The Hon. CATHERINE CUSACK: Can I clarify; they are the Government school truancy rates?

Dr REFSHAUGE: Yes.

The Hon. CATHERINE CUSACK: Do you have any actual numbers?

Dr REFSHAUGE: No. You would have to extrapolate from those. I do not think the private schools are much different though.

The Hon. PATRICIA FORSYTHE: Where will the 20 new suspension centres be located, and how many students will they accommodate? What will be their teacher student ratio?

Dr REFSHAUGE: We have provided \$48.4 million in the 2003-04 State budget, and over the next four years for a range of placement and support options for students with disruptive behaviour. Being more specific about this year, there was \$12.1 million this year; \$48.4 million over the four years. There is also a further \$8 million in this year's budget over four years—announced in this year's budget for over four years—to establish 20 new suspension centres to implement behaviour modification plans for students returning to school after a long suspension. Through that funding we will be establishing 11 new special schools, 17 new tutorial centres for students with severe behaviour difficulties, an additional 22 teacher's aide positions to assist teachers to implement programs for students with disruptive behaviour, which will bring the total number of those to 62.

We are establishing an additional 19 district guidance officer positions to increase counselling support for students with behaviour difficulties, and an additional 24 specialist behaviour teacher positions to assist schools to manage difficult students. Another \$460,000 is provided annually to support programs for students who are at risk of not making a successful transition from the primary school to the high school, which is very much a target point. It can be quite difficult in that transition. We are allocating also \$260,000 to districts annually to implement mentoring programs for vulnerable young people, which does seem to have quite a success with those programs. We are providing districts with full-time student welfare consultants to provide support to schools and also training student welfare consultants in each district to support schools at the local level in implementing the anti-bullying initiatives, which we also see as linked to this and important. As I said, by 2007 we would have established 20 new suspension centres, and more than 5,000 students we expect to have benefited from that initiative over that time.

The Hon. PATRICIA FORSYTHE: Minister, since those schools were first established in the past—it would be at least two years—has any longitudinal study been undertaken on students who have been taken out of their normal schools and have been attending these schools as to their long-term position back in their normal schools?

Dr REFSHAUGE: I am not specific about that. I will certainly look and see if there is, and report back to you.

The Hon. PATRICIA FORSYTHE: I mean, in other words, is it working?

Dr REFSHAUGE: As far as the specific question you asked, it is a little bit confined as far as is it working. Yes, there are general assessments that it is. As far as more rigorous external assessments, I am not sure. I will come back to you on that as well.

The Hon. PATRICIA FORSYTHE: Can I ask how many contractors are employed by the Department of Education and Training and TAFE in information technology?

Dr REFSHAUGE: One hundred and seven, I am told.

The Hon. PATRICIA FORSYTHE: How many of those contractors earn more than \$150,000 per year?

Dr REFSHAUGE: I do not have that detail.

The Hon. PATRICIA FORSYTHE: Would you take that on notice?

Dr REFSHAUGE: Yes.

The Hon. PATRICIA FORSYTHE: How many of the contractors have been engaged by TAFE or the Department of Education and Training for more than five years?

Dr REFSHAUGE: Again, I do not know that specifically. The advice I get is, of the order of 26.

The Hon. PATRICIA FORSYTHE: What has been their individual cost over the period of their employment?

Dr REFSHAUGE: Sorry, I am advised that is not accurate. I will get accurate—

The Hon. PATRICIA FORSYTHE: You will take that on notice.

Dr REFSHAUGE: Yes.

The Hon. PATRICIA FORSYTHE: At the same time, could you indicate what has been their individual cost over the period of their employment?

Dr REFSHAUGE: Yes, I will get that for you also.

The Hon. PATRICIA FORSYTHE: How much money did the department spend on courses for these contractors last year?

Dr REFSHAUGE: I do not know. I will find that information also.

The Hon. PATRICIA FORSYTHE: How many of the new department recruits in the band, Senior Officer 3, Senior Officer 2, and Senior Officer 1, have replaced a contractor?

Dr REFSHAUGE: I will get that information also.

The Hon. PATRICIA FORSYTHE: How many contractors are employed by the department and TAFE in areas other than IT?

Dr REFSHAUGE: How many contractors are being provided in TAFE?

The Hon. PATRICIA FORSYTHE: Department of Education and Training or TAFE in areas other than IT.

Dr REFSHAUGE: They usually appear in the annual reports. I will probably direct you to those to get information about that.

CHAIR: Ms Cusack?

The Hon. CATHERINE CUSACK: Minister, how many computers were stolen from schools in the 2002-03 financial year? What would the cost of this have been and what percentage of school computers are now fitted with some sort of lock-down device?

Dr REFSHAUGE: I do not think we have the specific—it is getting a bit late. Why don't you keep on asking questions, otherwise you will run out of time, while I try to find some information. We have it, sorry. All new computers are provided with lock-down devices—I think you may remember I announced that reasonably recently—and all the replacement computers will also, but I do not have the number of computers that were stolen. I will get that information for you.

The Hon. CATHERINE CUSACK: Do you have a figure for the cost?

Dr REFSHAUGE: No. It has been produced; it is under FOI, but I will find it again.

The Hon. PATRICIA FORSYTHE: Minister, earlier the Hon. Fred Nile asked you a question about the elements that made up the per capita cost for students in non-government schools; primary and secondary. You gave a general answer. Why don't you give the specific elements that make up the figure?

Dr REFSHAUGE: It is a large complex number of issues—

The Hon. PATRICIA FORSYTHE: But it used to be made public.

Dr REFSHAUGE: —and it is provided to all of the schools.

The Hon. PATRICIA FORSYTHE: Why don't you make the figure public?

Dr REFSHAUGE: It is public to the schools.

The Hon. PATRICIA FORSYTHE: No, the elements of the regimen.

Dr REFSHAUGE: Yes, it is.

The Hon. PATRICIA FORSYTHE: The elements of the regimen.

Dr REFSHAUGE: Yes, we discuss it with the Catholic Education Commission and the independent schools; they all know what is in there.

The Hon. PATRICIA FORSYTHE: Do you provide them with the details?

Dr REFSHAUGE: Yes.

The Hon. PATRICIA FORSYTHE: Do you provide them with the regimen?

Dr REFSHAUGE: Yes.

The Hon. PATRICIA FORSYTHE: Why don't you make the regimen public to the Committee?

Dr REFSHAUGE: I do not have a problem with that.

The Hon. PATRICIA FORSYTHE: Will you take it on notice?

Dr REFSHAUGE: Yes.

The Hon. PATRICIA FORSYTHE: Thank you.

CHAIR: Ms Cusack?

The Hon. CATHERINE CUSACK: Page 6-7, upgrading of bandwidth in schools and TAFE colleges—the Government has committed to expanding bandwidth capacity for each school from 64 kilobytes per second to two megabytes per second, by 2004. How is this program progressing and can you provide a list of schools which have already been upgraded to two megabytes per second?

Dr REFSHAUGE: Yes, we can. It is progressing with some technical difficulties that the contractors who are doing the work for us have indicated, and as a result we will be getting a significant upgrade for more schools but not to the 2 level as fast as we expected, but by June 2003, 49 per cent of schools and TAFE colleges had a bandwidth of 512 kilobytes, including 34 per cent who had above two megabytes. By June 2003 we had 34 per cent who have already over two megabytes. By the end of this year we expect to get that up to 67 per cent, over two megabytes. The further services will be upgraded during 2004.

The Hon. CATHERINE CUSACK: And therefore the program completed by the end of 2004.

Dr REFSHAUGE: We would expect so, unless there is unforeseen circumstances about the actual technical aspects of the roll-out that we get difficulties with.

The Hon. CATHERINE CUSACK: Are we able to get a list of those schools that have received the upgrade?

Dr REFSHAUGE: Yes.

The Hon. CATHERINE CUSACK: Thank you. Will you still have to introduce bandwidth rationing measures to ensure that web traffic is kept under control? How many schools and TAFE colleges are now connected? How many more will be connected with this allocation? Sorry, I think you have answered part of that question already.

Dr REFSHAUGE: I think I have answered that already, yes.

The Hon. PATRICIA FORSYTHE: Minister, for each of your portfolio agencies in 2002-03, how much was spent on media monitoring by Rehome Australia Monitoring Services?

Dr REFSHAUGE: Rehome, for Education and Training, was \$2,800 per month. Aboriginal Affairs, I think was of the order of \$400 per month; \$200 to \$400 per month.

The Hon. PATRICIA FORSYTHE: The first figure you gave me, was that on a per month basis?

Dr REFSHAUGE: Yes.

The Hon. PATRICIA FORSYTHE: Did it vary through any of the months; is that an average figure of is that the actual figure?

Dr REFSHAUGE: That is the actual figure; it is a contract per month.

The Hon. CATHERINE CUSACK: It is an ongoing contract at that rate.

Dr REFSHAUGE: That is right.

The Hon. PATRICIA FORSYTHE: Is that the estimated expenditure for 2003-04?

Dr REFSHAUGE: No, we are renegotiating the contract.

The Hon. PATRICIA FORSYTHE: Have you renegotiated?

Dr REFSHAUGE: We have almost finalised it.

The Hon. PATRICIA FORSYTHE: Are you able to indicate what you believe the figure will be?

Dr REFSHAUGE: No.

The Hon. PATRICIA FORSYTHE: For each of your portfolio agencies in 2002-03, how much was spent on media monitoring other than from Reame Australia Monitoring Services?

Dr REFSHAUGE: None for Aboriginal Affairs. For the Department of Education and Training, Media Research Group was used and they were \$7,370 per month.

The Hon. CATHERINE CUSACK: For what period was that, Minister?

Dr REFSHAUGE: For that year.

The Hon. CATHERINE CUSACK: Did that contract run across the whole of the year or just part of the year?

Dr REFSHAUGE: I am told the whole of the year.

The Hon. PATRICIA FORSYTHE: How much did your ministerial office spend on media monitoring from Reame Australia Monitoring Services in 2002-03, and what is the estimated expenditure for 2003-04?

Dr REFSHAUGE: For both years it is zero.

The Hon. PATRICIA FORSYTHE: How much did your ministerial office spend on media monitoring other than from Reame Australia Monitoring Services, in 2002?

Dr REFSHAUGE: Zero.

The Hon. CATHERINE CUSACK: Minister, what is the total budget for your ministerial office?

Dr REFSHAUGE: It is \$1.6 million for 2003-04.

The Hon. CATHERINE CUSACK: Is that both the Education component and the Minister for Aboriginal Affairs component?

Dr REFSHAUGE: Yes, and Deputy Premier as well.

The Hon. CATHERINE CUSACK: That is the total amount.

Dr REFSHAUGE: Yes.

The Hon. CATHERINE CUSACK: Thank you. How many staff are employed in your office?

Dr REFSHAUGE: I have 11 full-time staff, two part-time staff, paid from my ministerial budget.

The Hon. PATRICIA FORSYTHE: How many of those staff were media or public relations advisers?

Dr REFSHAUGE: The equivalent of 2.5 full-time staff.

The Hon. PATRICIA FORSYTHE: What is the total cost of their employment?

Dr REFSHAUGE: I would probably give you a bandwidth which they are employed under, but I have to get that information specifically.

CHAIR: To clarify an earlier point regarding a disadvantaged schools grant from the Commonwealth Government, what is it now described as?

Dr REFSHAUGE: The Priority Schools Funding Program.

CHAIR: Where does that appear in the budget papers?

Dr REFSHAUGE: I thought the Federal Government were trying to get rid of PC. I am advised it is spread across a range of items and it comes in different aspects of different items. Some of them might include wages, which will be under wages, and others include other aspects, so you would not see it as a specific and discrete program there.

CHAIR: Normally, I have been advised, under the Australian Accounting Standards it requires a reporting entity to disclose receipts of a material nature from external sources. Where in the budget papers are the specific purpose payments from the Commonwealth to the State?

Dr REFSHAUGE: They are usually at the revenues of each of the particular items. If you look at, say—

CHAIR: Say, cash flow statement on page 6-20, where is it there? Are you suggesting where it has "cash flows from Government", that is both State and Federal?

Dr REFSHAUGE: Yes.

CHAIR: If that is the case, why are they not shown separately?

Dr REFSHAUGE: I think you had better ask the Treasurer about that. He puts the pieces of paper together, or his department puts the pieces of paper together that forms the budget, rather than me.

CHAIR: The final question is from Ms Lee Rhiannon.

Ms LEE RHIANNON: Thank you, Mr Chair. I would like to ask some questions about students with disabilities, because I had the same problem with the budget of not being able to find allocations. I am presuming it is spread across different line items. What resources were expended in implementing strategies contained in the department's Disability Action Plan for 2002-03? I am also interested in these strategies and what were the outcomes of any implementation?

Dr REFSHAUGE: Item number 77 in our voluminous documents, and here it arrives:

Equity programs in schools, expenditure. The estimated total expenditure on schools related to equity programs of \$858.4 million in 2003-04, is targeted towards students in schools in terms of the specifically identified criteria representing the target equity group. Equity program funding is additional to that provided to schools under core educational programs. Equity funding in the department's budget for 2003-04 has increased by 4.9 per cent on the previous year's levels. Funds of \$858.4 million include \$589.5 million for special education, \$63.4 million for socioeconomic disadvantaged students, \$73 million for rural education, \$39.2 million for Aboriginal education and services, \$87.7 million for services to students from non-English speaking backgrounds, and a further \$5.6 million for other equity programs. The provision of suitable programs for educational services to students with behavioural, emotional, physical, sensory or intellectual disabilities and learning difficulties. These are part of the special education and equity programs.

That primarily involves them, and also:

Programs aimed to develop skills, knowledge, understanding and talent of students with developmental disabilities or learning difficulties with a view to preparing these children as far as possible for regular schooling and beyond. An amount of around \$61 million in formula funding is allocated to schools for students in integrated classes with the integration of students as being a major change over the recent years, and about \$61 million based on a formula of their level of disability is provided to schools.

Ms LEE RHIANNON: Is that for the current financial year?

Dr REFSHAUGE: Yes.

Ms LEE RHIANNON: I am interested in the previous financial year also.

Dr REFSHAUGE: For the present financial year, the allocation is \$858 million. The previous financial year was \$818 million. The relativities would be about the same.

Ms LEE RHIANNON: What is the total level of recurrent funding for the State Integration Program, both for the last financial year and for this financial year?

Dr REFSHAUGE: As I said, about \$61 million in formula funding is provided. There will probably be other funds required to manage that, but that is formula funding to the schools.

Ms LEE RHIANNON: What measures have been taken to ensure that adequate and realistic supports are provided for successful placement of students with disabilities?

Dr REFSHAUGE: There is a very comprehensive assessment that goes on to make sure that happens, and also we provide consultants at the district level to help with that. In many cases we would also have support coming from other Government agencies, particularly Health, to be able to help us on the assessments.

Ms LEE RHIANNON: When students with different abilities are placed in mainstream schools, are you satisfied that the resources are there to provide the necessary support?

Dr REFSHAUGE: Within the capacity to pay, yes.

Ms LEE RHIANNON: When you say "within the capacity to pay", that would suggest that at times it may not be as good as you would hope.

Dr REFSHAUGE: I would always like to spend more money and particularly in high-needs areas of Aboriginal education, for children with disabilities, children with learning difficulties, children with behavioural problems. There are a lot of areas in which I would be keen to spend more money and try and get more resources there but, as I say, within the resources we have, I think it is done very well, and particularly with very committed staff doing it also.

Ms LEE RHIANNON: One last question. With regard to overseas travel, did you undertake any overseas travel in the past year?

Dr REFSHAUGE: Yes.

Ms LEE RHIANNON: Was this, in part or in full, paid for out of public money and, if so, did you take any family or friends on the trips with you?

Dr REFSHAUGE: The answer to the last question is yes. The answer to the second one is no.

Ms LEE RHIANNON: It was not out of public money?

Dr REFSHAUGE: No.

Ms LEE RHIANNON: No overseas trips with public money?

Dr REFSHAUGE: No.

Ms LEE RHIANNON: Thank you very much. Thank you, Mr Chair.

CHAIR: Any other questions from the Opposition?

The Hon. CATHERINE CUSACK: Has the Government included an assembly hall for Murray Farm Public School at Carlingford—

Dr REFSHAUGE: They are the ones you have to give me on notice.

The Hon. CATHERINE CUSACK: —in its broad capital works program? If so, when is it anticipated money will be allocated to build the hall?

Dr REFSHAUGE: At the appropriate time.

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

Dr REFSHAUGE: Yes, I will take that on notice.

The Hon. CATHERINE CUSACK: Thank you very much.

The Hon. PATRICIA FORSYTHE: Minister, budget estimates page 6-7 refers to \$18.7 million for the provision of accommodation at schools to allow for the reduced class sizes this year. You mentioned in Parliament yesterday that 30 schools would get 74 new classrooms this year. Does this mean that class size does not matter in the remaining 1,620 primary and infants schools in New South Wales?

Dr REFSHAUGE: A very insightful question, I must admit. It shows an enormous capacity to understand how the school system is working. It does appear though that a number of our schools do have room for more classes, and therefore will not need a new classroom. A surprise actually, as you might think, if you have not been around looking at schools, but that is the case. We will be able to meet our commitment as described very fully in our manifesto before the election.

The Hon. PATRICIA FORSYTHE: Does your class size reduction policy commitment only apply to 429 schools that are included in the Priority Schools Funding Program?

Dr REFSHAUGE: No, that is a progressive implementation. I think it is probably worthwhile looking at the actual commitment. There is a four-year program which rolls out over those four years. We start off with those more disadvantaged schools in kindergarten and then we roll out further, so by the end of the four years the whole lot has been done.

The Hon. CATHERINE CUSACK: Minister, turning to an answer you gave earlier regarding Walgett. As part of the Alcohol Summit a number of us travelled across north-western New South Wales. My question relates to sport in schools and a number of the local sporting competitions had collapsed in those communities, and I wondered if you saw any virtue in reintroducing a higher priority on sport in schools as a anti-truancy policy in some of those areas?

Dr REFSHAUGE: Yes, other forms of activity as well. I am looking at a very interesting proposal, I think it is from Walgett, at the moment, to involve more acrobatic type of activity for the schools. The students themselves are keen for that. One of the teachers is quite enthusiastic about it and we are going to be able to provide some seed funding to be able to get that up and going. I think there are a number of opportunities to look at how we can do better by engaging those students through physical activity and other creative activity as well. In that sense, I think I agree with your point very clearly.

CHAIR: That brings us to the end of the estimates hearings. We thank you, Minister, for your attendance and the answers to questions and those you have taken on notice. We thank you too for your departmental staff attending at this late hour of the night.

The Committee proceeded to deliberate.
