

GENERAL PURPOSE STANDING COMMITTEE No. 2

Monday 22 October 2007

Examination of proposed expenditure for the portfolio areas

EDUCATION AND TRAINING, INDUSTRIAL RELATIONS, ASSISTANT FINANCE, CENTRAL COAST

The Committee met at 5.00 p.m.

MEMBERS

The Hon. R. M. Parker (Chair)

The Hon. A. Catanzariti
Dr J. Kaye
The Hon. M. R. Mason-Cox

Ms. L Rhiannon
The Hon. C. M. Robertson
The Hon. M. S. Veitch

PRESENT

The Hon. J. J. Della Bosca, *Minister for Education and Training, Minister for Industrial Relations, Minister for the Central Coast, and Minister Assisting the Minister for Finance*

Department of Education and Training
Mr M. Coutts-Trotter, *Director General, Managing Director TAFE NSW*
Mr A. Hunter, *Deputy Director General, Finance and Infrastructure*

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

WorkCover NSW
Mr J. Blackwell, *Chief Executive Officer*
Mr R. Thomson, *General Manager, Workers Compensation*

Mr J. Watson, *General Manager, Occupational Health and Safety*

Ms V. Telfer, *General Manager, Strategy and Policy*

Office of Industrial Relations
Ms P. Manser, *Deputy Director General*

Motor Accidents Authority
Mr D. Bowen, *General Manager, Chief Executive Officer, Lifetime Care Support Authority*

Ms C. Donnelly, *Deputy General Manager*

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CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

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

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

CHAIR: Welcome to the General Purpose Standing Committee No. 2 inquiry into budget estimates 2007-08 for the portfolios of Education and Training, Industrial Relations, Central Coast and Assistant Finance. I declare the hearing open to the public and welcome the Minister and accompanying officials.

Guidelines for broadcasting are available near the door for any media representatives. Only the Committee and witnesses can be filmed. People in the gallery must not be the subject of any filming. You must take responsibility for anything that you publish and the interpretation that is placed on it. Ministerial staff can pass messages, but other messages need to be passed through the attendants or committee staff. I remind everyone to please turn off mobile phones.

Minister, the Committee has determined that we will start with the Education portfolio and then move on to Industrial Relations, WorkCover and the Central Coast. We anticipate taking a 10-minute break at 7.30 p.m. and then move on to the three other portfolios. Do you foresee any difficulties?

The Hon. JOHN DELLA BOSCA: No.

CHAIR: The Committee has resolved that answers to questions on notice taken today need to be provided within 21 calendar days. Minister, do you have any problems with that?

The Hon. JOHN DELLA BOSCA: No, I will not have any problem with it.

CHAIR: The less you take on notice, the less work your department will have to do.

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

ALASTAIR HUNTER, Deputy Director General, Finance and Infrastructure, affirmed,

JOHN BENNETT, General Manager, sworn and examined:

CHAIR: Minister, do you wish to make a brief opening statement?

The Hon. JOHN DELLA BOSCA: I will make a very brief statement. At the March election the Lemma Government made a number of election commitments in relation to education. Of course, I see my principal job as Minister for Education as ensuring that that mandate is fulfilled. This includes significant policies and policy undertakings in areas of teaching and learning. Very importantly from my point of view, the immediate challenge is the appearance and function of our schools. We want all of our schools to be physically attractive so that by their look they convey a commitment to high-quality public education and are a safe and healthy environment in which to teach and learn.

The Government is investing record amounts of money in school and TAFE maintenance—\$700,000 every day—and it will continue to do so. It is concentrating on better coordination to ensure that the New South Wales public gets the best value for that very substantial investment. In my view, we have one of the world's best education systems. We do very well for the best of students and for students with, for example, a disability. I believe we have new challenges with regard to the middle cohort of students and those who are for a variety of reasons either alienated or disengaged from the system during their schooling. That is part of the ongoing literacy and numeracy campaign.

The basic skills test—released only today—shows that our students are doing well. We are moving many more students from the middle order cohorts to better results. We challenge ourselves and our teachers and students to do better all the time. We need to challenge ourselves in the school and community context to look out for opportunities to reach out to families. A common theme expressed by professional teachers and educators is that the children who are struggling the most are those who have intergenerational difficulties in engaging with the education system.

With regard to Industrial Relations, members have heard repeatedly from me that the High Court decision fundamentally altered the industrial relations environment forever. At the moment, like everyone else in the Commonwealth of Australia, we await the outcome the Federal election, which will determine some issues. Clearly, the New South Wales Government has strong opinions about the form any future industrial relations system should take.

The Motor Accidents Authority continues to perform solidly. I make just two points. The green slip premium continues to remain around the lowest level since the introduction of the scheme in 1988 as a proportion of average weekly earnings. At the same time we have been able to make sure a whole suite of better benefits are paid to the seriously injured in motor vehicle accidents and that they are better covered and better protected. The other thing that many members will be aware of is that we have been able to extend the brief of the motor accidents scheme to cover lifetime care for those injured in at-fault accidents, which I think is a very important reform and one that will stand the people of New South Wales in good stead well into the future. It will also relieve valuable resources in the disability budget well into the future.

I think my position on WorkCover has been well recorded but it is worth making a few points. The target premium collection rate has fallen from 2.57 per cent of wages in June 2005—shortly after I became Minister—to 1.86 per cent today. Since November 2005 the Government has been able to deliver workers compensation premium cuts totalling 25 per cent, which represents an annual saving to the States and businesses of \$675 million repeated across the years. In other words, a recurrent benefit for small business in particular, but business at large. The number of new workers compensation disputes has reduced substantially, something that has been an ongoing feature of the scheme. We are now able to set premiums in accordance with the relative risk and performance of employers which, in my terms, is the holy grail of risk management and an underlining of the ongoing reform of the scheme. With regard to the Central Coast I see my mandate as making sure that I am

working with my colleagues to deliver to what is one of the State's growing and most important regions.

CHAIR: Mr Coutts-Trotter, in September did you issue a directive to school principals in relation to a New South Wales Teachers Federation flyer entitled, "Can we afford government that is turning away from public education"?

Mr COUTTS-TROTTER: Yes, I did.

CHAIR: What did that directive say?

Mr COUTTS-TROTTER: I think I have a copy here.

CHAIR: Would you like to table that?

Mr COUTTS-TROTTER: I would be delighted to if I have a copy to hand. The gist of it was that we need to protect what is absolutely marvellous about public schools. Their great strength is that they are a place that has no regard to someone's background, no regard to a person's faith or lack of faith, no regard to a person's family circumstances. We simply do our best for the children in school. That means we cannot afford to engage in partisanship of any kind, and political partisanship particularly. Schools have to be a welcoming place, and if there is a sense that staff of schools are putting one particular view or another, whether it is a Callithumpian view, a right-wing view or a left-wing view does not matter. That will have the effect of excluding some families and some students. That is what we need to protect against. That is what we have protected against for 130 years.

CHAIR: What prompted you to issue that email?

Mr COUTTS-TROTTER: Just to ensure that staff in schools understood their responsibility under the departmental code of conduct and just to take the opportunity to remind people about the precious thing we are trying to protect, which is the ethos of public education.

CHAIR: It was really in response, though, to Teachers Federation representatives flooding schools with flyers about Federal issues, was it not?

Mr COUTTS-TROTTER: No. As was reported at the time, there was a flier put out that in my mind urged a vote against the Howard Government—not for anybody, but against the Howard Government. That is not appropriate. So we acted early and I think the overwhelming majority of schoolteachers would simply receive that material and what they do in their private lives as citizens is entirely up to them, but they would not confuse the relationship that they had as teachers with their students, they would not use that relationship as a means to distribute the flyer.

CHAIR: But there had been another memo before this, had there not, earlier in the year?

Mr COUTTS-TROTTER: I am not aware of that.

CHAIR: You were not aware of any other directives?

Mr COUTTS-TROTTER: I am a new director general. It is an opportunity for me to communicate with staff, and I take every opportunity I can to communicate with staff, about the objectives we all share, about the values we all share.

CHAIR: Do you know in which schools that flyer was circulated?

Mr COUTTS-TROTTER: I think the flyer was circulated within the Teachers Federation to a huge number of schools, but from my experience, the experience of people who have raised the issue with me or made a complaint to me or made a complaint to somebody else that I have become aware of, I think we had issues in 13 sites, 13 schools.

CHAIR: Did you take any action in relation to that?

Mr COUTTS-TROTTER: Yes, absolutely.

CHAIR: Was anyone disciplined?

Mr COUTTS-TROTTER: People were counselled. In many cases principals took the opportunity to put a copy of my memo or a communication of their own in school newsletters. In some cases people, I think, spoke directly to parents. I think the response was appropriate, measured and proportionate.

CHAIR: Do you think the second memo was enough? You have not taken any disciplinary action. It seems no-one was taking any notice of you as director general because that is still continuing.

Mr COUTTS-TROTTER: No, I absolutely dispute that. As I say, I was anticipating a problem that may have arisen with a tiny minority of staff—getting in early, taking the opportunity to communicate with my colleagues—and I do not agree there is a significant problem here. In fact, I am sure there is not.

CHAIR: Now that the Federal election is underway, what action will you be taking if there are political slogans or brochures or signs?

Mr COUTTS-TROTTER: It would depend entirely on the specifics of the incident.

CHAIR: So do you intend really just sitting on your hands?

Mr COUTTS-TROTTER: No, that is clearly not what I have done. I think it was a good clear communication. I think colleagues understand what we are protecting in public education, and overwhelmingly that is how public-school staff and teachers behave. They value what their colleagues have built up over 130 years and they are not going to throw it away.

CHAIR: Minister, do you agree with the comments by the director general on 2GB when he said there is no place for political propaganda of any kind at schools?

The Hon. JOHN DELLA BOSCA: It is a longstanding policy of public schools that material of a political nature is not to be distributed to students or to be distributed on school sites. The director general has already made the apposite point that we serve schools, public schools serve families, who may have all manner of political opinions and all manner of religious opinions. That is the attitude we take and I fully support the actions he undertook. I can only add that under no circumstances are contemporary party political publications or industrial notices containing material of a political nature to be distributed to students at school. As the director general points out, teachers are also private citizens. They can have their own views and their own activism outside of their immediate professional responsibilities. My experience is that almost without exception teachers understand that to be the case.

CHAIR: Minister, you have been quoted as saying the industrial relations fight is the fight that God made you fight. Do you think there is a conflict of interest when you are talking about political slogans and advertising?

The Hon. JOHN DELLA BOSCA: I can walk down the street and chew gum at the same time. Clearly there are always some decisions be balanced when you are pursuing a policy agenda and pursuing public policy on behalf of the Government as an elected representative, representing the people you have been elected to represent. The fact of the matter is that as the Minister for Education and Training I can make clear decisions about what mandate and what policies I should pursue. I have been resolute in supporting the director general's view in relation to the distribution of information in schools. It is my view, not one that I have necessarily sought to rescind, that teachers within the confines of the staffroom are entitled also to their union activity and that is entirely appropriate as well.

CHAIR: Wearing your hats now as education Minister, industrial relations Minister, Minister for the Central Coast, and husband of a political candidate, were you aware that last week at Berkley Vale High School on the Central Coast staff were wearing Your Rights at Work shirts?

The Hon. JOHN DELLA BOSCA: I did notice some individuals in Rights at Work T-shirts when I was leaving a function at Berkley Vale High School. I was actually not aware, nor was I introduced to those persons or staff members. I thought they might have been accompanying somebody else who was at the official opening of some upgrades of Berkley Vale campus, which was jointly attended by me and the Federal member for Dobell, Mr Ken Ticehurst.

CHAIR: So we have had memos, directives and words in terms of no political advertising, however it has completely fallen on deaf ears. What action will you take?

The Hon. JOHN DELLA BOSCA: I do not wish to indicate that I think your line of questioning is trivial, but it would be a very unusual thing for a Minister to collar somebody who they suspected might be a teacher in a playground in front of 1,000 kids because they were wearing a badge or had a T-shirt on. It would be very irregular if I had done that. I think it would be regarded as probably a little bit irresponsible on my part if I were to have done that and I think inappropriate. I have answered the question honestly. I walked past some individuals on my way out of the school. I actually assumed that they were parents or other people visiting the school. I was not aware, nor have I subsequently been made aware until your remarks, that they may have been teachers.

CHAIR: Now that you are aware and the director general is aware, what action will you take to prove once and for all that your directives are not being ignored completely by your staff and you are not choosing to ignore their actions?

Mr COUTTS-TROTTER: I will just provide some context. We have 94,000 staff, 145,000 group certificates last year and 2,240 schools; it is a huge organisation.

CHAIR: But that is the job you took on.

Mr COUTTS-TROTTER: Absolutely and that is the job I was delighted to take on. We will pursue the specifics of what you have described to us but in your introduction to it, you were suggesting that every second teacher in the State is engaged in this kind of activity and clearly and obviously that is not true.

CHAIR: We have a few examples. What actions will you take?

Mr COUTTS-TROTTER: We need to look at the situation in each school, examine the circumstances and take appropriate action.

CHAIR: So another memo?

Mr COUTTS-TROTTER: No. We will talk to the staff members involved. I mean, counselling is one of those bland bureaucratic words. I have been counselled, really counselled by a couple of former bosses, and that is counselling I will never forget. There are ways of dealing with people that are appropriate that are memorable.

CHAIR: With advertising and sponsorship, I am interested in things such as corporate sponsorship that is creeping into schools. What sort of advertising is acceptable, such as on T-shirts or on books?

The Hon. JOHN DELLA BOSCA: The only answer I can give to that question, being fairly general, is that you would have to review that on a case-by-case basis. Clearly it would be a case that some forms of corporate advertising and promotion would be inappropriate to be associated schools. There would be other occasions, I think, where that would be acceptable, especially if it opens up benefits to schools by way of more resources, training programs or reputation issues. That could be an advantage and I would not want the Department of Education and Training or the Government to stand in its way. I think it would be a horses-for-courses attitude.

CHAIR: Would it be appropriate, say, for a fast food chain to put advertising on the side of a school building?

The Hon. JOHN DELLA BOSCA: Generally, I would have to say, with respect to that component of my heritage that is Italian that fast food is always unacceptable to an Italian but I think the general line of questioning would be fairly self-evident that most so-called fast food chains would be inappropriate sponsors of school canteens and anything associated with nutrition. I have to say, and I think it is a fairly accepted fact around the community, that a number of the—by some standards—more reputable so-called fast food chains are associated with promoting sporting activity. A lot of them provide vouchers and promotional material to community sporting teams, particularly junior sport teams and the community seems to have accepted that.

CHAIR: Do you have a policy about school buildings and facilities in terms of advertising?

Mr COUTTS-TROTTER: We do. I cannot describe the detail of the policy beyond what is contained in this briefing note that has been handed to me. It is clear the policy gives school communities some guidance and then encourages school communities to make good and informed judgments about what is appropriate and what is not. Given our Healthy Canteens policy and the efforts we are making to ensure that students and parents have more healthy choices in their school food—and that is really important—you would have to, as a school community, be very careful in your judgment about taking on a fast food provider as an advertiser.

CHAIR: The advertising, though, is okay on school facilities?

Mr COUTTS-TROTTER: It has been since the year dot apparently. The Commonwealth Bank used to make passbook saving accounts available through schools; the NRMA has been involved in schools for a long time. Judgment has been exercised in the past. Judgment will have to be exercised in the future.

CHAIR: So if someone wanted to put political advertising on fences, for example, that would be acceptable?

Mr COUTTS-TROTTER: No, that would not be acceptable.

CHAIR: Well, why have you allowed Teachers Federation slogans and signs on school fences throughout New South Wales?

The Hon. JOHN DELLA BOSCA: Supporting public education, she means.

Mr COUTTS-TROTTER: They are not Teachers Federation signs.

CHAIR: Whose signs are they?

Mr COUTTS-TROTTER: They are departmental signs. The problem with those signs is that they undersell what happens in school.

CHAIR: Which signs are you talking about?

Mr COUTTS-TROTTER: The red, blue and white public education signs. I think they undersell what happens in schools. You see schools that promote themselves and the Davidson group of schools are a fantastic example. They feature children, teachers and parents and it is just a marvellous call to parents as to where to send their children. I think the public education signs on the front of our schools undersell what happens inside the school community—

CHAIR: If there were political signs on fences, they would not right?

Mr COUTTS-TROTTER: I have seen those signs. They are not of a partisan-political nature.

CHAIR: Earlier the director general said he would speak to the staff involved at Berkeley Vale school.

Mr COUTTS-TROTTER: No, I said I would ask for some information about what happened there.

CHAIR: Minister, you said you were unaware of the problem, even though you were there. Director general, what does that tell you about that school? That is the second time students there have been given political messages. What does that say about conflict in terms of politics in the playground?

Mr COUTTS-TROTTER: I cannot do anything other than take the information put before the Committee and pursue it, and get information and make judgments there and then.

The Hon. JOHN DELLA BOSCA: I repeat my point: I was unaware that those individuals are teachers, and I am relying on your word for the assertion that they are. The Berkeley Vale campus of the Tuggerah Lakes college is doing extremely well, producing outstanding results, and is a demonstration model of very good public education outcomes. It is a great news story and something that my colleague—or perhaps more correctly in this context, your colleague, the Hon. Ken Ticehurst—made a very strong point of in the address he gave. I am not certain where your line of questioning is going, except to say that we will look into this particular instance and come back to you about it, if that is what you would like us to do.

CHAIR: I would like to ask about another Central Coast issue, the report into the viability of a high school at Mitchell Road in Kariong Mountains. When was that final report due to be released?

The Hon. JOHN DELLA BOSCA: When was it due to be released, or when was it released?

CHAIR: Both?

The Hon. JOHN DELLA BOSCA: In accordance with the commitments I gave the community, the State member, my colleague Marie Andrews, and I think I repeated publicly, and I believe I probably said in response to questions in the House, it was released as soon as the department had completed it. I got the report, I think, within hours of its completion, or certainly within a day or so of its completion by the relevant departmental officers. Within 24 hours, as promised, I made it available to Mrs Andrews and the Kariong Mountains school community group, who had been longstanding advocates of the Building in Our Schools Program. There were delays around the issue and an announcement about Kariong School, but it is essentially a very good news outcome for the Central Coast and for public education.

CHAIR: Given that the Labor Government has committed to building that high school for the last four elections, why was there such a long delay in that report and that announcement?

The Hon. JOHN DELLA BOSCA: I can only be held accountable for what has happened in the last 6½ months. In the last 6½ months I have obviously had a few issues to handle. The proposed site for the school is no more than 15 kilometres, maybe 12 kilometres, from where I live; I drive past it almost every day. So I am quite aware of the issue. But I can only be accountable for what I have done. Probably about five or six weeks after I became the Minister for Education and Training I met with Mrs Andrews and the Kariong Mountains High School community group. I discussed at great length with them the Mitchell Road site. They were very strongly of the view that it was likely to be unviable. I said that I had some very serious concerns about that as well; I shared that very frankly with them at the time. But I did make the point very clearly to them that there was a process in place, that the department was making assessments, including external assessments, about that site, and that when the site report was available I would make it available to them, and then I would make a fairly prompt decision about what we would do one way or the other. All those things have happened. As I said, I cannot be accountable for what happened eight years ago and the specifics of the Education portfolio, but I am quite satisfied that the outcome is the appropriate outcome.

CHAIR: Did you have discussions with people outside the Department of Education and Training in relation to that new school announcement?

The Hon. JOHN DELLA BOSCA: I believe I just said to you that, at the same time as the Cabinet had a regional meeting at Wyong council chambers, I had a long meeting with Kirsten Hawkes, the convenor of that community group, and one or two other individuals from the community group, and my colleague Marie Andrews, the member for Gosford, in which I was very frank with them about possible outcomes in relation to Mitchell Road and what the possible alternatives might be. I suppose my answer to that question is yes.

CHAIR: What about with the Federal education Minister, Stephen Smith?

The Hon. JOHN DELLA BOSCA: At no time, other than perhaps a matter of days before I made a formal announcement about the site, did I have any conversation with Mr Smith about anything to do with education on the Central Coast, and certainly no specifics about the basis of my announcement about Kariong. Madam Chair, you are alluding to the fact that he was present at the announcement. I do not think there is anything irregular or unusual about that.

CHAIR: I am simply trying to work out who knew about it beforehand. It seems to me that a few people may have known about it.

The Hon. JOHN DELLA BOSCA: It was the worst kept secret on the Central Coast.

CHAIR: What about the Labor candidate for Robertson? Did you inform that candidate?

The Hon. JOHN DELLA BOSCA: I am not sure what purpose this line of questioning has. As I said, I live about 12 kilometres from the site of that school. You would know that the Labor candidate for Robertson is quite interested in this. Certainly I did not reveal to her any confidential information. I did not say to her anything that I had not said to Kirsten Hawkes, Marie Andrews, and a number of people publicly about my views on the likely outcomes of the formal process of the Mitchell Road site examination and the likely alternatives that might come out of that process coming to a landing.

CHAIR: Have you deliberately delayed—?

The Hon. JOHN DELLA BOSCA: The answer to that is no.

Dr JOHN KAYE: Minister, I take you away from the Central Coast and to a much less vexatious area, the issue of TAFE fees. First, what will be the TAFE fees for three categories of apprentices and traineeships for 2008, those three categories being apprentices with rebates, apprentices without rebates, and trainees? Minister, would it help if I told you the answer?

The Hon. JOHN DELLA BOSCA: I am wondering why you asked about rebates.

Dr JOHN KAYE: My understanding is that—

The Hon. JOHN DELLA BOSCA: Why do you ask me a question if you know the answer?

Dr JOHN KAYE: I will tell you what the fees are. The TAFE fee for apprentices with rebates is \$480; without rebates, \$394; and for trainees, \$394. Is it true that the Premier, on 10 March when he released his Learn or Earn package, said, "We have capped fees for apprentices and trainees at around \$380 per year, no matter what the course"? That is to say, did you not go to the last election with a promise to cap fees for apprentices and trainees at \$380, regardless of whether they had rebates, and did you not increase the fees significantly over that level, particularly for those with rebates, where you have increased the fee to \$480, that is a 37.1 per cent increase over the \$350? Each of the fees was at \$350 the year before, in 2007, which means there was a 37.1 per cent increase. Firstly, did the Premier say that?

The Hon. JOHN DELLA BOSCA: I am relying on your word to know that that was the precise form of the Premier's words.

Mr COUTTS-TROTTER: If you have a Commonwealth rebate, it is a \$500 rebate. It fully covers the cost of the TAFE fee and a bit more, so the apprentice does not pay. For apprentices without rebates, it is a \$10 increase, which is in line with the standard cost of living increase for the course. That is true of trainees as well: it is a \$10 increase for trainees.

Dr JOHN KAYE: With respect, were the fees not \$350 in 2007? Leaving aside the rebates, they have gone up to \$394, which is a 12.6 per cent increase?

Mr COUTTS-TROTTER: No, \$384 last year on the advice I have got.

Dr JOHN KAYE: We were informed that they were \$350 last year?

Mr COUTTS-TROTTER: I am happy to check that but that is not the advice I have got.

Dr JOHN KAYE: Well the advice that we have, from people who were directly involved with this, is that it was \$350?

Mr COUTTS-TROTTER: Okay.

Dr JOHN KAYE: That is well above the cost of living. In a time when we have a skills shortage, how do we gel that with the skills shortage?

Mr COUTTS-TROTTER: We just need to check the basis of your question, which is an increase of more than \$10 dollars. The advice in front of me is that it is an increase of \$10 from \$384 to \$394. I will need to recheck and respond to the Committee on that.

Dr JOHN KAYE: We understand it was \$350. So for the case of apprentices with rebates that is a 37.1 per cent increase?

Mr COUTTS-TROTTER: That the apprentice does not pay.

Dr JOHN KAYE: Well in the case of those with no rebates—

The Hon. JOHN DELLA BOSCA: I do not think anyone has no rebates. What apprentice has no rebates?

Mr COUTTS-TROTTER: There are a tiny proportion of apprentices who are not in skill shortage areas—

Dr JOHN KAYE: And those who are trainees?

Mr COUTTS-TROTTER: —as designated by the Commonwealth. That is why the increase for those students is held to \$10 which, as I say, is in line with the cost of living.

Dr JOHN KAYE: Well we question it. Let us go to the certificate 3 courses, which we understand have gone up by nine per cent from 600 to—

Mr COUTTS-TROTTER: From 600 to 654.

Dr JOHN KAYE: Which is nine percent. Which is more or less six per cent above inflation?

Mr COUTTS-TROTTER: Yes.

Dr JOHN KAYE: How does that gel with State Plan principle S4, which talks about increasing the proportion of students completing year 12 or recognised vocational training from 82.7 per cent to 90 per cent by 2016? How does increasing the fees on certificate 3 courses, which includes higher school equivalents, gel?

Mr COUTTS-TROTTER: Can I make one introductory comment? The total cost of running TAFE in this current year will be a bit under \$1.7 billion. Course fees of the type that you are describing will provide fewer than five percent of that cost. So for the students you are talking about there is a very significant, largely State Government provided, subsidy towards the cost of their education—as there should be. There is also Commonwealth funding in TAFE but it is a minority of the money. Then there is commercial income that provides commercial training but also cross subsidises the educational costs of subsidised places. So within context the course fees account for only a tiny part of, firstly, the cost of education and, secondly, the cost of running TAFE.

Dr JOHN KAYE: I was fascinated to hear you use the word subsidy, which is an interesting mindset. It is not really a subsidy, is it?

Mr COUTTS-TROTTER: Well that is what it is, surely? It is the cost of providing the training that is not met by the cost of the person who is being trained—nor should it be, as it is for the public good. There is a very large taxpayer subsidy.

The Hon. JOHN DELLA BOSCA: What else would you call it, Dr Kaye?

Dr JOHN KAYE: I would call it an investment, Minister, which is what we used to think of public education years ago—an investment in the future.

The Hon. JOHN DELLA BOSCA: I think it is probably a florid use of the term "investment". I think subsidy is a more accurate description. Can I just say from the general line of your questioning, the most recent independent data indicates that in the front of attracting people to TAFE for skills training we are doing very well! In the year to March 2007 the national increase in commencements was only 600 but in New South Wales it was 3,400; nearly six times the national figure. In other words New South Wales delivered two thirds of the national growth in apprenticeships and trainee completions. So, in a sense, we are the ones training the nation. I just want to make the point that you cannot do that without a vigorous and well-resourced TAFE sector. As the director-general has pointed out, fees account for a very small but important proportion of TAFE's operations. Like any other organisation that does charge fees, TAFE needs to make sure those fees reflect the approximate market for those costs.

Dr JOHN KAYE: Minister, are you saying these are market fees?

The Hon. JOHN DELLA BOSCA: No, you are putting silly assertions into my mouth. The Government makes every effort to keep TAFE fees as low as possible and we are making sure that students can access the most modern and up-to-date industry equipment and facilities—which we have to buy in market places by the way. These represent less than five per cent of the total cost of providing the overall courses.

Dr JOHN KAYE: On your last figures, you talked about the increase in participation in vocational education training up until the year 2007. But you would accept that one of your predecessors, Andrew Refshauge, made an undertaking that TAFE fees would not increase beyond the consumer price index. You could argue that part of the reason why that uptake has been so good is because fees did not increase.

The Hon. JOHN DELLA BOSCA: You could argue that but you would probably be wrong.

Dr JOHN KAYE: Now you are pushing these by an average of 9 per cent to 6 per cent massively beyond the consumer price index. Let us take one specific example that I find particularly difficult to understand. It is the case that students who receive Government benefits traditionally have not been charged anything but are now being charged \$50. Admittedly that is a small amount but I do not understand why—maybe you can enlighten me here—why the department has decided to collect revenue off people who are effectively single supporting mothers trying to get education and training to get back into the workforce.

Mr COUTTS-TROTTER: If someone is indigenous, Aboriginal or Torres Strait Islander, or if they identify a disability they do not pay fees and are not subject to the \$50 but other forms of benefit recipients will pay. There is an accompanying change, which means if they go on to study a

second course during that year they now only pay the \$50 fee but formerly they would have paid the full fee. So if you do undertake two courses during the year it will cost you \$100 but you will save \$318 on what you would have paid under the old arrangement.

Dr JOHN KAYE: But if I am a non-indigenous, single supporting mother on benefits, traditionally I paid nothing to go to TAFE. It was seen as a civilised thing in our society that we gave access. Now we are saying they have got to pay \$50.00?

Mr COUTTS-TROTTER: We are also, as I am sure you know, working with non-government organisations, job placement agencies. In many cases we have managed to negotiate with those agencies so that the \$50 fee is paid by the job support agencies that, in turn, receive a very significant fee from the Commonwealth for matching their clients with training providers. So we try and ameliorate it but every other TAFE system in the country has at least a \$50 fee attached to its courses. We maintain the most generous series of either fee exemptions or fee reductions. Where a person's circumstances warrant it, and if there is real financial hardship, the institute director does have the capacity and my firm support in the waving of fee.

Dr JOHN KAYE: Would you be able to table to the Committee the forms that people need to fill in to achieve an exemption? Is that system wide, TAFE-wide—

Mr COUTTS-TROTTER: To be totally honest I have not seen the forms that people need to complete. It is system wide. I have spoken to institute directors about it.

Dr JOHN KAYE: So will you agree to table the forms?

Mr COUTTS-TROTTER: I am happy to find out what forms we put people through. I hope we do not discover that it is too difficult a process. It needs to be a fair process.

Dr JOHN KAYE: I have not seen them myself but I understand second hand from people that have filled them in that they are quite onerous and create a barrier. You say you will agree to provide them to the Committee.

Mr COUTTS-TROTTER: Yes.

Dr JOHN KAYE: Thank you for that. Can we go back to the certificate 3 courses, which have increased by nine per cent? That would include, would it not, youth at risk and people who are coming back for a second chance higher school certificate. So people who have a school certificate, or something approaching a school certificate, and at some stage decide the school system was not appropriate to them, or they come back later in life and are looking to re-enter the education system, is it not true that certificate 3 courses are included in that fee rise are part of that re-entry?

Mr COUTTS-TROTTER: It is. There are, I think, 1,000 people this year that are enrolled to do the HSC through TAFE. My advice tells me that broadly 45 per cent of them are currently fee exempt. There are a further, I think, 2,000 people who do the tertiary preparation course, which is a non-UAI entry—I forget the jargon—to university. I think 75 per cent of those people are fee exempt.

Dr JOHN KAYE: Of the 1,000, 450 of them are exposed to the increased fees?

Mr COUTTS-TROTTER: Yes, the \$54.

Dr JOHN KAYE: You do not share with me a concern that fees rising faster than the CPI could form a barrier to some of those students participating?

Mr COUTTS-TROTTER: That form of obtaining the HSC has had a fee attached to it, albeit obviously over time a smaller fee, for a long time. Quite when it started I do not know. I have talked to people about the issue you raise. The sense I have is that at an institute level there is not a concern that this presents a significant barrier to people who need to undertake this study. Institute directors do have the discretion to look at individual cases. As I say, they have my firm support to do that. I would hope if somebody genuinely could not afford a \$54 increase in their fees that they would be able to come forward and talk to institute staff who would be able to respond to it.

Dr JOHN KAYE: The obvious statement is are you not concerned you will create barriers?

The Hon. CHRISTINE ROBERTSON: Point of order: My point of order relates to the Director-General being asked questions on policy and opinion, which belong to the Minister.

Dr JOHN KAYE: Minister, are you not concerned that a number of people would be embarrassed—

CHAIR: Are you addressing the point of order?

Dr JOHN KAYE: I was addressing the point of order by putting a question.

The Hon. JOHN DELLA BOSCA: He was conceding, I think.

Dr JOHN KAYE: I was conceding a point of order and not wasting my precious time.

The Hon. CHRISTINE ROBERTSON: I do not do that. You were doing the wrong thing.

Dr JOHN KAYE: I know you do not. I was not wasting my own time. Minister, would you not be concerned that there are a large number of young people, who are trying to get their life back together, for whom going to the institute director and crying poor would not only be an humiliating experience but also might act as a barrier to their participation?

The Hon. JOHN DELLA BOSCA: Dr Kaye, I would be concerned if there was just one person in that situation. Inevitably, if there are fees to be charged there will always be the possibility of fees becoming a barrier for people. I think the more important point though is to make the point we are being successful in training and successful in reconnecting many of the people that you suggest disengaged from the education and training system prematurely and are not able to acquire skills that are useful to them or acquire further education that is, I think you used the expression, civilising. And then the biggest barrier is that the TAFE system is not an effective means. TAFE is much, much cheaper than any of the private providers and provides a much higher quality—it is a different mandate—in terms of training than any of the community-based providers could possibly do.

Therefore the real question is: What is the most vigorous and most appropriate way to resource TAFE? The real-life equation that is inevitable if there are fees to be charged is that we fix a fee that seems to be reasonable. The Director-General has been careful to indicate that the traditional exemptions apply—traditional as in TAFE for a very long time has not charged any fees for people with a disability or people with Aboriginal and Torres Strait Islander background. There are wide sweeping exemptions. I am not aware of any onerous forms that people have to fill out. Very importantly, for most of these cases, as we pointed out to you about apprentices, they will not pay any of this increase. With a \$50 concession fee for Centrelink benefit holders, the single mothers you were hypothetically placing in that position will be able to, almost without exception, claim a rebate from their job network provider. You know about the changes in the Commonwealth arrangements and you know what implications they have for TAFE.

The most important thing we can do for these people is to make sure that TAFE is relevant and out the front of training and to make sure that those people know there is a place to go where they can learn new skills and advance their education. That is what is most important. The only way I can see we can do that—you do not like the term "subsidy"—of course we need to subsidise people, but if we are going to have a suite of fees we need to make sure they are fair. I am very happy to say that we have agonised about this decision at great length. We have been concerned about it and we have worked our way through a difficult set of decisions. That is what we have arrived at. I do share your concern about any fee or anything that could be a barrier to someone accessing education.

Dr JOHN KAYE: You would be aware of the NCVET financial data series. You would be aware also if you analyse the NCVET figures that fees, charges and other collections from students in VET in New South Wales in the years 1997 to 2005 have gone up by 14.3 per cent. The same data series shows that the total New South Wales Government investment in VET in New South Wales, excluding fees and charges, has gone down by 34.6 per cent. I take what you are saying, therefore, is

that, in part, collecting fees and charges is a way of covering for a reduction in New South Wales Government investment in TAFE over the period 1997 to 2005?

The Hon. JOHN DELLA BOSCA: The Iemma Government is investing a record \$1.7 billion in TAFE this year. I can assure you we are doing that so that we can ensure we are providing a public trainer that is first-class, located right across every region of the State and provides people with the widest range of opportunities for training and skills education. I cannot really advance my answer much more other than to say that we have done everything we can to calculate minimising any fee, the difficulties created by any fee increase or any barriers. I would be concerned about such barriers that you describe. But I believe we have ameliorated all serious barriers that people might find. Of course, as the Director-General has said, I think institute directors would be very focused on making sure that no-one is excluded from TAFE on the basis of not being able to afford to pay.

Dr JOHN KAYE: Saved by the bell, Minister.

The Hon. CHRISTINE ROBERTSON: Minister, do you have any plans to reform the New South Wales curriculum?

The Hon. JOHN DELLA BOSCA: My plans around the New South Wales curriculum are probably best summarised by saying that I support the very good work that the New South Wales Board of Studies does. I am fiercely concerned to make sure that the objective, independent work of the Board of Studies is maintained and supported fully by the Government. One of the things I have started some discussions with the board about is something that I think is quite important. We need to consider the important issue of the Australian characteristics of what students learn and appreciate in their literature studies and in their introduction to language and communication. We obviously have had a long debate about the historical context of Australian learning. I think we have been through a long circuit of opinion about that. I have made my views very clear that I do not think that politicians should be designing curriculum and should not be forcing their own particular views on curriculum. I would like to see the experts do some more focused work on it and—I think Dr Bennett may or may not be prepared to elaborate on this—consider developing a number of ways in which we could add an English and communications program around the Australian characteristics that all of us, I think, are very important.

I have to say as a side bar, I am concerned about one of the long-term policies of the Howard Government. Some people might go back to other Federal administrations but I think it can be sourced there. The impact on the study of Australian humanities in higher education is somewhat of concern. I think everybody who is concerned about these matters, even people who are Liberal supporters, are concerned about that issue. I think we need to focus on what we can do at a secondary level—either introducing elite courses in extension English that focus on Australian literature or looking at changing the structure of some aspects of the years 7 to 10 curricula to look at resourcing suitable texts that are Australian in character and nature and providing a refreshed recommended reading list of Australian texts. We want students to recognise the relevance of Australian authors and the relevance of Australian culture in their lives, and I am going to encourage the Board of Studies to undertake extensive stakeholders discussions about the possibility of looking at the further Australianisation or about some enhanced Australianised options for cultural and literary studies in Australian secondary schools.

The Hon. MATTHEW MASON-COX: So you are very happy with the Federal Government's comments in relation to the history curriculum?

The Hon. JOHN DELLA BOSCA: I think I have made my views repeatedly clear. I am happy to give four minutes, chapter and verse, on my views on that but I think Madam Chair might be cranky with me if I did. I think politicians should not be designing a curriculum, put simply. I do not think they should be getting a clutch of their ideological confreres to concoct a curriculum like the Prime Minister originally did in a history exercise. I think that is fundamentally flawed because it does not take account of the fact that in our own case we have an extended curriculum cross for seven to 10. There are also elements of Australian history discussed in our primary curriculum, which really means that the Prime Minister's very intense, crammed-up version of Australian history for years 9 and 10 is going to result in a great potential imbalance, notwithstanding the fact that many commentators have alluded to the obvious ideological biases about what are regarded as key events.

The election of the Whitlam Government is not regarded as a key event and yet, for example, the sinking of the Titanic was still a key event whether it was good or bad. My own view is the opposite to yours on the election of the Whitlam Government.

I just make the point that politicians should not be designing curriculum, but I think it is legitimate as I am responsible to Parliament to take up an issue like Australian literature in Australian secondary schools and specific New South Wales' secondary schools. I have asked the Board of Studies to have a look at some opportunities and some options there.

The Hon. MICHAEL VEITCH: What effect does the Commonwealth Government's Investing in Our Schools Program have on schools in New South Wales?

The Hon. JOHN DELLA BOSCA: It does nothing to improve the delivery of quality education. It often includes small one-off grants and of course we are sitting on massive surpluses where we see the dribbling out of small amounts for occasional and minor projects in schools that are obviously crying out for both current and capital support. Funding is tied to the recognition of the Federal Liberal Party and National Party members of Parliament, clerks and their press releases, and that gets us all into a bit of trouble from time to time. But New South Wales' schools are disadvantaged under this program and that is because of belligerent non-cooperation from the Commonwealth bureaucrats and their political bosses.

The Howard Government should commit to major capital works and ongoing funding. Schools put the dollars to good use but schools and communities need some long-term support. The Department of Education and Training is working hard to assist schools to make the most of this program, but at the moment the way the current Commonwealth method is administering the Investment in Our Schools Program results in a very substantial waste of taxpayer dollars and a real loss of educational opportunities across our system.

The Hon. TONY CATANZARITI: Could you indicate the steps the New South Wales Institute of Teachers is taking to support and strengthen the quality of teaching in New South Wales?

The Hon. JOHN DELLA BOSCA: I think the standard of teachers is one thing that has been a very critical part of the education debate and it has been so for a long, long time. More recently, issues around the institute's activities have focused concern and focused results around getting improved standards. The institute has delivered a comprehensive framework for professional teaching standards to guide teachers and their employers through the career of a teacher. The standards apply to graduate teacher training programs and then to professional competence levels needed to be fully accredited to teach in New South Wales. The standards also set out the requirements for accomplished teaching and leadership in education. We want a rigorous assessment for accreditation. All new teachers are supervised in their first years and must be successfully accredited as professionally competent. This applies across all schools—government and non-government.

We have introduced some new important guidelines about teacher training. We have reviewed and developed all teacher education programs in New South Wales for the first time, in cooperation with the academies, the universities. As part of the process of review, experienced classroom teachers, curriculum specialists and teacher academics are working together to review every teacher education program. The institute's graduate standards have been extrapolated to implement a number of mandatory requirements in teacher training. It is very important that teachers have a great familiarity with the disciplines they intend to procure to pursue a professional career. That has not always been the case, and that is a surprise to some people. But we are addressing that in New South Wales and that is something that I think will stand our teaching and learning in New South Wales in good stead.

Of course, it is very important for teachers—the most important profession—to have a comprehensive framework for professional development. It has not always been so that there is an accredited professional development program and the Institute of Teachers is developing a condition of continuing accreditations and teachers are logging professional development across five years and they are basing that on the professional teaching standards I mentioned earlier. We are also recognising skills and teaching skills at a higher level. The institute is currently finalising ways in

which it can assess and make clear relevant standards to make sure that we have an objective and rigorous way of assessing our teacher capacities, particularly at the higher levels.

The New South Wales Institute of Teachers is working with the interstate teacher institutes to implement a consistent national approach to the key areas of these activities, especially in teacher education standards and the process for approving teacher education programs. But I have to say again that New South Wales is leading the way in this area. The institute has been in place since 2005 and has a charter to progressively lift the standards of quality teaching across teaching in New South Wales. Dr Kaye mentioned Dr Refshauge previously. It is a great tribute to Dr Refshauge and the former Premier Bob Carr, who worked very hard to put in place the institute in its current framework and provided support for that very important development, which has now been replicated right across all the States.

Obviously, areas of pre-service training, induction and mentoring, ongoing professional development and support and formal recognition for higher levels of teacher competency and skills are really critical parts of developing and supporting the teaching profession. The fact that the institute's quality teaching council is representative of all the key stakeholders in New South Wales education—independent, Catholic and government—demonstrates that a professionally constructive and cooperative approach potentially challenging issues in education and teaching is well and truly successful.

The Hon. CHRISTINE ROBERTSON: Would it be appropriate for Dr Bennett to give us some further information in relation to the curriculum, the reform of the New South Wales Government?

Dr BENNETT: You mean in relation to the study of Australian literature?

The Hon. CHRISTINE ROBERTSON: Yes.

Dr BENNETT: Yes. There already is a fair amount of opportunity for teachers and students to engage with Australian literature in the curriculum, but I think an increased focus would be well received by teachers and by the community as well. So, the board will take on board the Minister's request and investigate the most appropriate ways of doing that and report back to the Minister in 2008.

The Hon. CHRISTINE ROBERTSON: Have the Commonwealth's Australian technical colleges sought assistance from New South Wales?

The Hon. JOHN DELLA BOSCA: The Commonwealth has undertaken an experiment, a \$552 million experiment, with the Australian technical colleges. You are aware that my public statements on this have indicated my view is that these have been a disaster and a catastrophic waste of taxpayer dollars. Pre the last Federal election the Commonwealth Government pledged 2,400 places in eight colleges in New South Wales. Now there is another promise of nine. During an entire term of government there are less than 500 students and only four colleges. Two of those colleges were existing private schools; in other words, they were already continuing and offering technical education, and now they have an Australian technical college sign out the front to get into additional funding. You can hardly begrudge them that, but it is not really a new and radical approach to technical training.

So, who is doing the training when it comes to the Australian technical colleges? At least one of these colleges contracts TAFE to do its entire training program. The millions wasted on Mr Howard's ideological crusade would have been much better spent on lathes, commercial kitchens, equipment upgrades and metal equipment and other upgrades in TAFEs and trade schools where thousands of students are actually enrolled and training. TAFE has 500,000 enrolments; Australian technical colleges have got 500—a very disproportionate view of where the Commonwealth taxpayer dollar should be going when it comes to training.

We have 70,000 New South Wales' senior school students studying vocational education in public schools, 1,600 school-based trainees and 77 school-based apprentices. But Mr Howard has refused to invest in these people because he is ideologically opposed to public education. Non-existent

Lismore and Ballina Australian technical colleges is a great example of this prejudice. It is the only location in the country where after three years they still cannot find anyone to run the private college, yet the Commonwealth rejected the tender from the vocational education provider of the year, the North Coast Institute of TAFE, and the vocational education school of the year, Ballina High School.

The tender was rejected because Mr Howard would rather the North Coast had no college than fund schools where teachers are on awards rather than Australian workplace agreements. New South Wales has offered assistance, but its advances have been rejected. In my view, the Australian technical colleges initiative was a stunt from the beginning. Of course, the Commonwealth Government has obviously been intent on pursuing it. We are told all the time by the Commonwealth Government that the State governments do not know how to run schools, but John Howard's attempt to run just nine private colleges in New South Wales has been a miserable failure.

The 10 August edition of the *Illawarra Mercury* referred to a teenage student at the Australian Technical College. He provided a sad description of the experience:

I have talked to the teachers but they just can't find any apprenticeships. When I came to the college I had a part time job. They told me to quit because I would get a full time job and it would be too much. So I did that ... I have got no money.

John Howard knows that he has under-funded public education and training for a decade. A generation of students has now passed through public schools and been neglected by the Howard Government. A child who started kindergarten in 1995 who sits for the Higher School Certificate as a young adult will complete his or her public schooling having never experienced an increase in funding from the Howard Government beyond State-based indexation. We know we are in trouble when John Howard tries to frame the Organisation for Economic Co-operation and Development as another nasty, left-wing union front as he did last night during the election debate.

CHAIR: There is broad latitude with questions and responses. However, perhaps you could draw yourself back to New South Wales. I know it is hard to walk and chew gum at the same time, but we are dealing with education in New South Wales.

The Hon. JOHN DELLA BOSCA: I have already put my gum under the seat. We have tried to offer assistance. The answer to the member's question is that TAFE is providing the training for a number of Australian technical colleges. As I said, in at least one case it is providing the entire training package. That underlines the point I am making—perhaps at great length—that the Australian technical colleges are an expensive failure.

The Hon. MICHAEL VEITCH: How much money is the Iemma Government investing in literacy and numeracy and is it achieving improvements in student learning?

The Hon. JOHN DELLA BOSCA: Today I announced that primary literacy, numeracy and writing standards are at a record high according to the 2007 basic skills test. The test assesses the abilities of year 3 and year 5 students in writing, reading, language and numeracy. Results demonstrate that the State numeracy and literacy plans and the New South Wales curriculum are delivering improved academic achievements. Year 3 and year 5 students recorded the highest overall literacy results ever this year. Year 5 numeracy results are also the highest on record. The results are pleasing, but we are challenged to ensure that there are future improvements to reach our 2008 goals. To achieve this, the Government is investing \$616 million over the next four years specifically to improve student literacy and numeracy levels.

These results are proof that the Government is delivering on the commitment that the Premier made in the State Plan. The targets are ambitious, but by 2008, 92.2 per cent of year 3 students should achieve band two or higher in the numeracy section of the basic skills test, and 91 per cent of year 3 students achieved band two or higher this year. By 2008 it is entirely likely that 94.2 per cent of year 5 students will achieve band three or higher in the numeracy section of the basic skills test and by 2008, 89.6 per cent of year 3 students should achieve an acceptable standard or higher in the literacy section. A recent Organisation for Economic Co-operation and Development report found that New South Wales students have the second highest level of literacy in the world, and the 2007 basic skills test results confirm that. I just do not know what they are doing in Finland that is so good.

CHAIR: I want clarify a couple of things in relation to Kariong Mountains High School. In an earlier response you said that you did not tell Belinda Neal anything that you would not tell Marie Andrews, the State Labor member. What exactly did you tell Marie Andrews about the proposal?

The Hon. JOHN DELLA BOSCA: I have had a number of discussions with my colleague Marie Andrews, and that is not at all irregular given that she is the elected representative for Gosford.

The Hon. MICHAEL VEITCH: She is a very good member.

The Hon. JOHN DELLA BOSCA: Yes. The most extensive discussion I can recall with her—

CHAIR: I am referring specifically to the final determination.

The Hon. JOHN DELLA BOSCA: In which sense?

CHAIR: The final—

The Hon. JOHN DELLA BOSCA: I think I have answered this question already. This is repetitive. I gave an undertaking at the meeting attended by Mrs Andrews, Kirsten Hawkes and a number of other people from the Kariong Mountains community group supporting the high school at the Iemma Government's Wyong regional cabinet meeting. I cannot recall the date, but I can provide it. We had an extensive discussion that day. We made some predictions collectively about the possible outcomes in relation to Mitchell Road. However, I made it very clear that we would have to conclude the formal process before any decisions could be made and that when I had the results they would have them within 24 hours, which they did. Shortly after that I announced an alternative site for the school.

CHAIR: Did you share the same information with the Federal member for Robertson?

The Hon. JOHN DELLA BOSCA: Why would I?

CHAIR: You shared it with the Labor candidate.

The Hon. JOHN DELLA BOSCA: He never asked me.

CHAIR: So he has to ask you for the same information?

The Hon. JOHN DELLA BOSCA: Yes. I would not just ring him up; I do not talk to him regularly in the normal course of events.

CHAIR: Then your briefing is as biased as it seems. You are just cheerleading—

The Hon. JOHN DELLA BOSCA: With due respect, I think you are trying very hard to make a point that does not exist. I have outlined the precise narrative in detail. I could say it again, but that would waste your valuable time for questions.

CHAIR: As long as you are sure that the community has confidence that you are not sharing information selectively.

The Hon. JOHN DELLA BOSCA: I think the community has confidence in me. However, like all of us, from time to time I have to account for myself. I believe I have done so with accuracy and purpose on this matter. I do not have a lot more to say, but I am happy to keep repeating myself if you keep asking.

CHAIR: Macquarie Boys High School has been mentioned in the media frequently. When did you know of plans to close the high school?

The Hon. JOHN DELLA BOSCA: Before we move on, I believe I did have a conversation with the Federal member at the Kariong polling booth at the State election about Kariong Mountains

High School, but I cannot remember the exact details. I wanted to correct the record and point out that I did have a conversation.

CHAIR: That was in March; we are talking about conversations in September.

The Hon. JOHN DELLA BOSCA: The key conversation that I am talking about occurred a couple of months after that.

CHAIR: We are talking about delaying an announcement so that it could be made close to the federal election, which is closer to September or October, not March.

The Hon. JOHN DELLA BOSCA: I have made my points. I am sorry I brought it up, but I did talk to Mr Lloyd at that time.

CHAIR: In March?

The Hon. JOHN DELLA BOSCA: And made the same points to him that I subsequently made to Mrs Andrews and other people. There are two issues: The suitability of the Mitchell Road site and the formal process to determine its suitability. I was equally frank, I think—I might stand corrected because my memory of the conversation with Mr Lloyd is vague—with him conversationally as I was in a semi-formal way with the Kariong Mountains High School community group, Mrs Andrews and a number of other people who have asked me about it over the past six months.

CHAIR: You announced in August this year that Macquarie Boys High School would be closed and replaced by Lachlan Macquarie college. What costs are associated with that decision?

The Hon. JOHN DELLA BOSCA: Net costs?

CHAIR: Costs generally. If you do not have them someone else might.

The Hon. JOHN DELLA BOSCA: I am asking—

CHAIR: You are closing Macquarie Boys High School, although at one point you were not, and you are replacing it with Lachlan Macquarie college. There must be costs associated with that.

The Hon. JOHN DELLA BOSCA: You are always not closing something until you do close it. Those things are conditional on one another. I can provide some of the likely costs of the Lachlan Macquarie Maths and Science Enrichment Centre, which is its full name. The cost is about \$3.5 million. I could provide the figures for the operation of Macquarie Boys High School, but I do not have them with me now. I am sure I could find them in a few minutes.

CHAIR: That would be great if you could provide those to the Committee. What provisions have you made in this year's budget for that transition from closing one school?

The Hon. JOHN DELLA BOSCA: I think once I find the answer to the question you have asked it will become fairly obvious that the provisions in relation to Lachlan Macquarie Maths and Science Richmond Centre obviously will be netted off against operational—

Mr COUTTS-TROTTER: Could I add one point? For those students who are moving to other high schools, there is no reduction in costs. They are still students who have to be cared for and offered a curriculum. So, staff and students move and, taking a very narrow bean counters view, they remain a cost to the system. They still have to be educated.

The Hon. JOHN DELLA BOSCA: That is true, sorry.

CHAIR: You could still take that on notice.

The Hon. JOHN DELLA BOSCA: You were asking about the cost of operating the school, not the cost of the students currently at the school?

CHAIR: No. Do you know about any plans for the future use of the site next door to Macquarie Boys High School, which I understand is owned by the Department of Ageing and Home Care?

The Hon. JOHN DELLA BOSCA: I do not know anything about any formal plans. I am the former disability services Minister, as you are aware, and I understand and recall the cottages there are old-style institutional cottages. The long-term policy—the very long-term policy—of the Wran, Unsworth, Greiner, Fahey, Carr and now Iemma governments supports the notion, as you know, Madam Chair, of deinstitutionalisation of people with a disability. So, I assume at some point in time residents are likely to be decamped out of those facilities. I am not the responsible Minister and I can only speculate about that, but that is a long-term policy commitment.

CHAIR: You would be aware, I am sure, of claims that Macquarie Boys High School was closed with a future plan to sell off that land for the neighbouring university. Is there any truth to those claims?

The Hon. JOHN DELLA BOSCA: I have made a repeated rebuttal of that claim privately, publicly, in meetings with representatives of Macquarie Boys Technical High School and other individuals from the media and in Parliament. As I think you are aware, no land associated with Macquarie Boys High School will be sold, and secondary school teaching—I think quite innovative and possibly a great opportunity to invigorate public comprehensive high schooling—will take place at Lachlan Macquarie Maths and Science Richmond Centre. To be clear about that, because it is a policy feature that is worth underlining, the ideas behind the Lachlan Macquarie Maths and Science Richmond Centre would be that the neighbouring school community, the neighbouring secondary schools of which there are six, will use that facility, firstly, if not for students necessarily at the gifted and talented level but certainly the more advanced students in maths and science, who will get enriched experience and the opportunity to further develop their talents or interest in that part of the curriculum. Secondly, it will support a broader spectrum of young people who might be pursuing any number of possible careers—they might plan to go into a trade or technical career but they need a good understanding of maths and science and need extra support to enrich themselves in that, and, thirdly to enrich the teaching staff right around the public network there. It does three things. It will do things that are very good and it is secondary school teaching.

There are current discussions going on between the Department of Education and Training and the University of Western Sydney in relation to the possibility of enhancing the offerings of the University of Western Sydney for a second chance facility to complement its activities on the Parramatta campus. As I said, it is not at all something that the Government is finally locked into, but I think it would be a very good thing if UWS was able to build a second chance facility, and we might be able to negotiate an appropriate leasing arrangement for a small part of the site, probably quite a small part of the site.

CHAIR: I am sure the community will be watching that space with interest. Have you visited Macquarie Boys High School?

The Hon. JOHN DELLA BOSCA: Madam Chair, I think you know the answer to this. Yes, on one occasion—

CHAIR: No, you have not. You have only driven past. You have not been there.

The Hon. JOHN DELLA BOSCA: No, I have not driven past. I did stop and I looked around the campus and then I continued. I had an appointment that was pressing. I have met with the Macquarie Boys High School parents and citizens organisation. I have spoken to quite a lot of people and I have had some discussions with a range of people about it, but no, I have not visited the school. I visited a lot of others, though.

The Hon. JOHN DELLA BOSCA: What is your department's policy concerning the sale of surplus land to non-government schools?

The Hon. JOHN DELLA BOSCA: The Government has the policy. I think the department seeks to implement it. I think you know the answer to this as well, Madam Chair. The policy view of the Government is we do not sell land that is the property of public education to private education providers.

CHAIR: It makes no difference, that policy stands, regardless of what non-government school or organisation is seeking to buy the land?

The Hon. JOHN DELLA BOSCA: I am not aware of any exemption that has been put to me. I am anecdotally aware of occasions when exemptions have been considered but no-one has approached me about any particular exemptions.

CHAIR: Given your policy, why have you sold land at Bass Hill to an Islamic school, Al Amana, yet you have refused to sell surplus land at Macksville to a Catholic school, St Patrick's?

The Hon. JOHN DELLA BOSCA: I think that is a funny line of questioning. In 2001 the Department of Education and Training determined that land adjoining Bass Hill school was surplus to educational requirements and, in accordance with government policy, the decision was taken to sell the land. The department applied to the Bankstown council and had the land rezoned from special use to residential use in March 2006. The department has a policy of ensuring that former school sites are not bought by non-government schools, as I said before. The logic behind that policy is that it might affect the viability of neighbouring government schools. In the case of the land at Bass Hill the department arranged for the surplus land to be rezoned to a residential lot. However, it did not arrange for a restrictive covenant to be applied to the land, as it was vacant. The Government also believed in good faith the land was being purchased by a residential property developer. The Government arranged to sell the site to Garden View Apartments Pty Ltd.

CHAIR: Minister, you became aware that the organisation behind the Bass Hill sale was Al Amana prior to the settlement. Why did you not stop the sale then in the interests of consistency with your policy?

The Hon. JOHN DELLA BOSCA: By the time this matter became one of public fame or public infamy, if you want to put it in those terms, the advice I had was there was a high likelihood that if we take that action it could result in litigation, which would then see public education funds wasted—good money thrown after bad. So, that seemed to me to be a silly thing to do. So we adjusted the policy to make sure that if there was any doubt, the department put a covenant on relevant land in the future. Regrettably we have put this particular controversy down to experience. It might not be the politically easiest thing to do but it is clearly the right policy position in principle. We have corrected the difficulty so it will not happen again but we have not got ourselves into expensive litigation with the potential purchasers.

CHAIR: At what point did you seek that advice?

The Hon. JOHN DELLA BOSCA: Within the 24 hours to 48 hours after I was first made aware of the controversy. I could get a date for you and estimate when I was made aware of it.

CHAIR: Surely it would be a different thing in holding that sale then, at that point, only 24 hours after—

The Hon. JOHN DELLA BOSCA: My advice was that it was likely to result in costs to the Department of Education and Training and costs to government from, effectively, education funds, which would be in my view—I may stand corrected, I suppose—a shameful waste of money.

CHAIR: What was the compensation quote that you were given?

The Hon. JOHN DELLA BOSCA: I did not go to the point of asking for advice as to what scale of costs that litigation might run to. The little I know about commercial litigation is that it is horrendously expensive and I did not want to contemplate it.

CHAIR: Would you agree to table that legal advice?

The Hon. JOHN DELLA BOSCA: No, I did not get formal legal advice. I thought I made that clear. I asked for advice and I was given advice.

CHAIR: Who gave you the advice?

The Hon. JOHN DELLA BOSCA: I think I had some discussions with the director general about it and I had discussions with my staff, who consulted senior officers of the department. I cannot recall exactly which other departmental officers I discussed it with, but I have addressed this issue a number of times with my personal staff and departmental officers. I could possibly go back and check my diary to see if I can account for individual conversations, but I doubt that I could expand on this. By the way, the actual transaction that was critical occurred before I became Minister, but any decision to claw that back, I am happy to say was my decision to not claw that back. To have attempted to claw that back would have wasted government money.

CHAIR: But you do not know how much? You have no idea?

The Hon. JOHN DELLA BOSCA: I think I have already answered that.

CHAIR: As much as the Lane Cove Tunnel costs?

The Hon. JOHN DELLA BOSCA: I am not the Minister for Roads.

The Hon. MATTHEW MASON-COX: Was the advice you sought from your department legal advice?

The Hon. JOHN DELLA BOSCA: It was based on legal advice, yes.

The Hon. MATTHEW MASON-COX: There is an in-house legal team in your department, is there not?

Mr COUTTS-TROTTER: There is, yes, a very good one.

The Hon. MATTHEW MASON-COX: Would you provide that advice to us?

The Hon. JOHN DELLA BOSCA: I cannot recall asking or receiving written advice. I am not sure that I needed written advice to make the judgment that any serious risk of substantial litigation was not something I wanted to contemplate as Minister when education resources are scarce.

The Hon. MATTHEW MASON-COX: You would not make a substantial determination about liability without legal advice, would you?

The Hon. JOHN DELLA BOSCA: I was not doing that. I was taking a view as to whether or not it was appropriate for me, as Minister, to sponsor potentially expensive litigation. I do not think I needed exact costs and I suppose had I taken it to the next step of thinking: Is there a liability created, what is it, and how much might it run to, I would have done that, but I did not do that because I did not think it was necessary to take the argument or the advice to that level.

The Hon. MATTHEW MASON-COX: I turn to some questions about TAFE New South Wales. Do you think the budget of \$1.7 billion that you referred to is enough to run TAFE New South Wales?

The Hon. JOHN DELLA BOSCA: Well, it is a ridiculous question to ask a Minister because everyone would always say that there are always things that they could do with more resources but, yes, I think we make a very significant investment in TAFE and our investment in TAFE reflects the good outcomes we get.

The Hon. MATTHEW MASON-COX: Have you identified a funding shortfall in the sort of areas that you require funding, particularly in relation to the equipment that you are talking about, that the 9 per cent is going towards?

The Hon. JOHN DELLA BOSCA: I do not understand the line of questioning.

The Hon. MATTHEW MASON-COX: You have increased the fees at TAFE by 9 per cent in relation to certificate III courses. I am trying to identify where that funding is going and what sort of shortfall there was in order for you to justify that increase.

The Hon. JOHN DELLA BOSCA: I do not think at any time I have sat down and analysed some hypothecation of TAFE fees into the TAFE budget. The director general or the managing director of TAFE might be able to elaborate on that, but I think the most important point is that, yes, there is a record level of investment in TAFE. Yes, if we are not providing a free-of-fee service, which we are not—that would be a new call for government to do that, by the way—then there will be fees attached to most of the courses.

We provide the most generous suite of exemptions of any educational institution in the Commonwealth and I can say with some certainty the most generous suite of exemptions of any other TAFE right across the nation. Yes, I think we are making a substantial investment. Is it enough? Well, nobody likes finality but the only thing we can say is that it is a substantial investment and it is being well spent.

CHAIR: Dr Kaye?

Dr JOHN KAYE: By the way, it is Bass High School, not Bass Hill High School, if you do go up there, Minister. They do not like it being called Bass Hill.

The Hon. JOHN DELLA BOSCA: I think I said land at Bass Hill, by the way, Dr Kaye.

Dr JOHN KAYE: I apologise then, Minister. I thought I heard you say Bass Hill High School.

The Hon. JOHN DELLA BOSCA: Thank you.

Dr JOHN KAYE: I know from personal experience you do not call it Bass Hill High School. Minister, are you aware of your powers under I think it is section 104 or 105 of the Education Act that give you the right to compulsorily acquire land provided you pay just compensation?

The Hon. JOHN DELLA BOSCA: You have just made me aware which sections of the Act give me that power. I was aware generally that I have that power, yes.

Dr JOHN KAYE: My understanding is that it makes reference to the fact that the just compensation Act or an Act of a similar name gives you the power to acquire land provided you pay back more or less what they paid for the land and their costs?

The Hon. JOHN DELLA BOSCA: Yes.

Dr JOHN KAYE: So it would be within your powers therefore to re-acquire the land that went to Al Amanah College and pay the cost of the land plus some compensation for the cost of their development application, would that not be correct?

The Hon. JOHN DELLA BOSCA: The suggestion would have been a fantastic adjournment speech before you go on with that, but it was not a set of logic that I applied my mind to. I think the most important thing about this, as you describe it, is that the land was purchased by a residential developer after changes to the zoning. That would affect the values. It still would probably mean—and I would have to get advice on this—that again we would pay enriched value. We would have costs associated with that and again I am not so sure—and I prepared to stand on the public view—that it is a wise decision to spend education resources acquiring land that is no longer useful for education purposes.

Dr JOHN KAYE: You say it is not useful for education purposes, even though the purchaser has plans for, I think it is a 1,200 student school—

The Hon. JOHN DELLA BOSCA: Last time I looked we do not build Islamic colleges in New South Wales. We built free sector schools.

Dr JOHN KAYE: —right on the doorstep of an existing school so there is clearly educational demand in that area.

The Hon. JOHN DELLA BOSCA: I dare not use the word "market" in your presence, but we are in a different market to the Al Amanah College. We are not providing Islamic education. We are providing New South Wales government education and the site—and again you have to take technical advice on these matters—was redundant for the purposes of New South Wales public education. It was sold to a residential developer.

Subsequently through a transaction that has been well rehearsed in the media, that residential developer has turned out to be or has been a proxy for that college. I think I have done everything that was reasonable in a policy sense in relation to changing, supplementing or augmenting government policy about the purchase and sale of land. I do not think there is any useful kind of point that can be made about this any further, other than to say that it still would have been, which ever device you use, just terms compensation or a commercial purchase, and in my view would have been a colossal waste of public education funds.

Dr JOHN KAYE: Can I take you to Macquarie Boys Technology High School? At what date did the department commence to develop plans to close that high school?

The Hon. JOHN DELLA BOSCA: I could provide you with an exact time line of my own decision making. As for the department's decision making, I would have to leave that to the director general. In terms of my own decision making, I became aware, I think, in my first days as education Minister of the issues around Macquarie Boys Technical High and I undertook, as I think is appropriate, to closely monitor what was happening at the school. At a point in time—I do not have the date with me but I can find it for you—it was confirmed to me by the Assistant Director General Schools, Mr Trevor Fletcher, that the level of enrolments for the next year's year seven cohort had made the school essentially unviable and that there was already a relatively low enrolment across the various cohorts being offered at the school. I started the process of discussing with him, and with the Director General and a lot of other people in the Department of Education and Training, some possibilities about the future of Macquarie Boys Technical High.

Dr JOHN KAYE: Roughly when was that?

The Hon. JOHN DELLA BOSCA: I would have to take the dates on notice.

Dr JOHN KAYE: Would that be before or after 19 June?

The Hon. JOHN DELLA BOSCA: As I said, I would have to take the dates on notice.

Dr JOHN KAYE: Is it true that there are 790 school counsellors in public education in New South Wales?

Mr COUTTS-TROTTER: I think that is right, from my recollection of my briefing note.

Dr JOHN KAYE: Are you satisfied that that is an adequate number, given the need?

Mr COUTTS-TROTTER: I am satisfied that we have a budget appropriated to us by the Parliament and we make judgments within that budget that best meet the need. The big challenge for school counsellors is twofold. I think the average age of school counsellors is 52, which is slightly above the average age of the workforce. It is a seven-year process of obtaining the dual qualifications you need currently to work as a school councillor. I personally think we have to collectively, together with colleagues within the department and with all sorts of people who have an interest in the counselling function, which is a very important function, think about whether the way we do it is the best way we can do it. In other words, there is a significant training lead time to get more counsellors into the system, and increasingly we need to stop thinking of ourselves as an island unto ourselves.

There are other agencies of government that very well resourced—fantastic adolescent mental health strategies through Health, a huge investment in the Department of Community Services, a big investment in Disabilities—and we need a multidisciplinary team to deal with the learning needs but also the constraints that stand in the way of the learning of our students.

Dr JOHN KAYE: I take your point. However, the problem is that the ratio of school counsellors to students has climbed dramatically. I understand it is now about one to 1,200. I would ask you to check that and get back to us on it.

Mr COUTTS-TROTTER: 740 students—

Dr JOHN KAYE: I think if you do the maths you come up with about one to 1,200. I presume you would accept that that is simply not adequate?

Mr COUTTS-TROTTER: No, I do not accept or reject it. As I said, we have a budget, we have means appropriated to us, and we have to make the best use of that money, those people and those things to serve students. The question of school counsellors is a complex one. There are other agencies of government and non-government agencies who work with us already and who, I think, we could work far more closely with to meet the needs of our students.

Dr JOHN KAYE: There is a real problem with speech therapy and speech pathology diagnosis among school students. Would you agree with that proposition?

Mr COUTTS-TROTTER: No. It is a workforce problem. In my short time in the job, I have worked that out. I had a vivid experience of exactly what you are talking about. I was in a preschool in a country centre and there was a collection of children there who are the age of my own children. I was down on my hands and knees playing with them, the way I play with my own children, and only a quarter of them knew how to play in the way that we play as a family. About half of them were either mute or close to mute.

Dr JOHN KAYE: What are we to do about this? I accept that it is partly an education problem and partly a health problem, but how will we solve it? It is a massive educational problem.

The Hon. JOHN DELLA BOSCA: I think the director general has already answered the critical part of this question when he spoke about the population he is discussing. We have a range of cooperative programs with the Department of Ageing, Disability and Home Care which deliver that level of support in areas like speech therapy and in related areas of disability. I am happy to say that one of the most pleasant things towards the end of my time there as disability services Minister was that in most of those ancillary occupations we were getting the best of the graduates from universities into the public system, into the schools. That is a big turnaround from what it was two or three years ago, when we could not fill the public vacancies and we had that workforce problem. It is still a problem, but we are addressing it.

That is one of the things the director general has already referred to: cooperation with other parts of government to deliver those kinds of services. The Government is rolling out a huge investment, as you know, in community mental health. Obviously we need a better position to leverage that into schools where it is appropriate. That does not cover all the bases that are normally suggested by school counsellors, but I have to suggest to you that there is considerable capacity within the general operation of school leadership—principals and assistant principals—to offer not perhaps psychological counselling, which would not be appropriate in most cases, but counselling in the general nature that young people might require. All those things are leverage against the fact that, yes, we have approximately 1,000—

Dr JOHN KAYE: I am sorry Minister, but we have passed speech pathologists.

The Hon. JOHN DELLA BOSCA: Speech pathologists are the people I was talking about from the Department of Ageing, Disability and Home Care.

Dr JOHN KAYE: I turn to starting in primary schools. First I placed on record that we strongly support class size reductions in K-2. It has had good consequences, and people are already talking about the measurable improvement in student performance as a result of it, which is great. You are aware of the problems that occur in years 3 to 6? In some schools the problem is that the reduction in class sizes in K-2 has been attained at the cost of increased class sizes or inappropriate composite classes in years 3 to 6.

Mr COUTTS-TROTTER: May I make a general observation, because I have picked up a little factor on the way to the hearing that I was very pleased to pick up. A piece of research that is not yet complete looked at student-teacher ratios by schools that serve different socioeconomic communities, the 10-point SES scale. It looked at deciles 1 and 2, which socioeconomic had the most needy communities. The good news is that the student-teacher ratio in those schools is the lowest. In other words, more teachers, more resources, more people, more expertise and more professionalism is being directed to lower SES areas. So that was a good thing to pick up.

I do not speak with authority; I speak as someone who is reading and talking his way into the material. However, teacher quality is the most important point: the quality of the teacher, the support the teacher has, and the professional learning the teacher has available to them. Class size reduction, if coupled with a teacher who is struggling, will be obviously a lot less effective than class size reduction with a teacher who is really coming along. It is a complex issue—

Dr JOHN KAYE: I appreciate everything you have said, and it is all good stuff. I want to bring you back specifically to what is happening with the staffing formula. You may not be aware of this, but in the Greiner years we got rid of separate staffing formulas for K-2 and years 3 to 6, what was called in those days the infants-primary divide. Now we do not have that. As a result, many schools are reducing their class sizes in K-2 but increasing class sizes in years 3 to 6. Is it on the agenda to return to the days of separate staffing formulas for infants and primary, that is to say, a separate staffing formula for K-2 and years 3 to 6, which we understand would not be terribly expensive but would solve this problem. It would mean that we would not have the pressure on years 3 to 6.

Mr COUTTS-TROTTER: I think there are no plans to do that. On your point about staffing across K-6, average classes across all primary school grades have fallen since 1997.

Dr JOHN KAYE: But we are not talking about average here; that is why it is not very expensive. We are talking about a number of cases. It seems to be at both ends of the spectrum. In the very large schools and the very small schools, where reducing class sizes tends to drive other class sizes inadvertently in years 3 to 6 because of a quirk, as it were—

Mr COUTTS-TROTTER: I do not understand how the quirk operates. Can I take that away and talk with colleagues?

Dr JOHN KAYE: Sure but it is a serious issue and we would appreciate a response on that. Can I now take you to another end of the staffing formula; the issue of very small schools in rural and regional areas. I take you to probably the most outstanding case of Burruga near Oberon that was closed down recently resulting in a number of children basically not being able to get to school. The problem we have, as you know, is that there are a number of rural communities that partly because of the drought and partly because of changes in economics have downturns in numbers—sometimes short term and sometimes-longer term.

Mr COUTTS-TROTTER: Yes.

Dr JOHN KAYE: The staffing formula instantly kicks in and punishes those schools when they lose students. Do you accept the proposition that there is a death spiral that schools can go into: fewer students; fewer teachers—which means more composite classes; and the school is less attractive to parents who then move their children to another school nearby or to a private school?

Mr COUTTS-TROTTER: There are moderators within the system of staffing, small school supplements and other mechanisms, which attempt to tackle the problem you describe. There is the broader issue of a centralised system that presents high-stakes, either positive or negative, driven by

the enrolment in the school, I do not have an alternative or a better arrangement but there are clearly issues around where one child up or down either provides you with an extra staff member and colleague or deprives you of one.

Dr JOHN KAYE: Would you therefore consider the proposal that schools have a three-year grace period when they lose students and they maintain staff numbers?

Mr COUTTS-TROTTER: I would consider looking at the whole set of arrangements to try and get the best result within the means that we have available to us. I do not know whether that is the right prescription or not.

Dr JOHN KAYE: Well it is the only prescription you have available and I understand that. You would expect that concern exists out there in the community about a number of small schools that are teetering on the edge of extinction with huge consequences for their communities?

Mr COUTTS-TROTTER: Sure.

Dr JOHN KAYE: Can we move to another staffing issue and this is the issue of behaviour unit schools and schools for special purposes. I understand, and correct me if I am wrong, that even if they have secondary students they are staffed on the primary staffing formula?

Mr COUTTS-TROTTER: I would need to check that for you. I do not know.

Dr JOHN KAYE: Can you take that on—

Mr COUTTS-TROTTER: Yes.

Dr JOHN KAYE: Not on notice, but can you take it from me that is indeed the case? I have got that directly from principals at behaviour unit schools and special purpose schools?

Mr COUTTS-TROTTER: Yes.

Dr JOHN KAYE: The question I have—maybe this is more a question for the Minister—from a policy perspective is this locking students at behaviour schools into a lower standard of education? Does it not mean that you have 1.0 something or other student teachers per class rather than the 1.4 teachers per class those students would get if they were in a secondary school? Does that not mean we are locking the amount of specialist education? We are locking them out of physical education? We are locking them out of the things that the increase in the staffing formula between primary and secondary provides for secondary students?

The Hon. JOHN DELLA BOSCA: There are two answers to that I think, Dr Kaye. The first issue is that your concern would be a very alarming concern if the idea behind behaviour schools was for students to be permanently in that environment. That is not the policy intention. Indeed I think you would understand the whole basis of behaviour schools is that students are there for a relatively short part of their academic career and, in ideal circumstances, which can be as short as one term.

There is clearly a specific brief that behaviour schools are trying to carry out. They are not simply like an idea from another era of a confinement space. That is not what they are about! What they are about is finding ways for whatever the age level of the young person involved to deal with the issues that lead them to be put in a behaviour school. From an occupational health and safety point of view for the teaching workforce some of those issues are very serious and, for example, involve not just disrespect but assault against teachers and other students. Oftentimes these young people have complex social issues they have to deal with. In my visits to behaviour schools I have found a balance of academic and behavioural issues addressed by very competent and dedicated teaching staff. At the schools I have seen that is a very intensive activity. I do not see what you see apparently, which is that students are not getting that kind of attention. Everything I have seen at the schools I have visited indicates the opposite.

The Hon. TONY CATANZARITI: Minister, what is the Iemma Government doing to tackle the skills shortage in New South Wales?

The Hon. MATTHEW MASON-COX: You can take that on notice if you like, Minister.

The Hon. JOHN DELLA BOSCA: I am tempted to take it on notice but as it is such an important question I think I had better answer it now. I have indicated a number of ways in which we are addressing skills shortages in New South Wales. The most important one is that we are supporting additional apprenticeships and traineeships. I have indicated that we are the system that is training the nation, the jurisdiction that is taking on a disproportionate part of the national burden for training. I should not say burden, the national joy of training as much as a burden. Up to March 2007, as I said in response to a previous question, the net increase in commencements in apprenticeships and traineeships was 600 and in New South Wales we have managed 3,400. While the national figures are disappointing, New South Wales is a shining light when it comes to addressing the skills shortage. These independent figures demonstrate the success of the Iemma Government's policies in creating more apprenticeships and traineeships and with 25 trade schools being rolled out across New South Wales these figures will get even better.

During the 12 months to the end of March 2007 there were 78,000 people who began an apprenticeship or traineeship in New South Wales; an increase of 4.6 per cent on the previous year and well above the national increase of only 0.2 per cent. Apprenticeship approvals in New South Wales have recorded even more substantial growth, increasing by 31.5 per cent since 1995. With growth strongest in the skills shortage areas, such as the automotive trades, our regional areas have also been recording very substantial increases in the number of approvals. Since 2003 the Hunter has lifted apprenticeship commencements by 33 per cent, New England by 45 per cent and the Riverina by 49 per cent. Some 40,700 completed an apprenticeship or traineeship in New South Wales, an increase of 9.4 per cent compared to the national average of just 3.9 per cent. New South Wales is also doing more to ensure apprentices complete their training and they are competent when they do. Competency-based completion has long been a feature of the New South Wales apprenticeship system. In 2005 the number of apprentices who completed their training early was 11.6 per cent. We promoted this option to employers in 2006 and as a result over 20 per cent, or one in five, apprentices now complete their term of training early. These figures are taken from the National Centre for Vocational Education and Research Ltd and clearly demonstrate that when it comes to addressing skills shortages we are leading the way.

The Hon. CHRISTINE ROBERTSON: Minister, both the Opposition and the Commonwealth Government have been claiming a question in last week's higher school certificate paper on industrial technology was an attack on WorkChoices. How do you respond to that?

The Hon. JOHN DELLA BOSCA: The first point I would like to make is that I think that is an absurd thing to have been asserted by the shadow spokesman for education. There are a number of reasons why that is so. It is important to understand that the New South Wales higher school certificate examination papers are set many weeks and months in advance of when they are actually given to students. Of course the other important thing is that none of the examination questions or examinations have anything to do with the Government. They are set independently through a process by the Board of Studies NSW. I can ask Dr Bennett to elaborate a little bit more but I would firstly like to make a couple of definitive comments about the recent—I will dignify it with the word—controversy.

As I said, they are set by experts from the public, private and Catholic schools system. So it is across the sector. No question was asked about WorkChoices in the Industrial Technology paper. Certainly, as I said, there was no political involvement in framing that question. An element in the Industrial Technology syllabus deals with the impact of government legislation on workplaces. The Industrial Technology exam has a question that deals with government legislation every year. This year's routine question, set by experts many months ago, was: "Discuss using examples the impact of government legislation on employees". It did not mention industrial relations, occupational health and safety, licensing, equal opportunity, environment law, maternity leave, taxation law, WorkChoices or any other number of matters that could have been raised. It was a straightforward question and it was up to the students to determine which of those topics they might want to answer the question with.

It is very important that we do dwell upon the fact that the process for setting exams and marking the exams is objective. I found it insulting that the shadow spokesperson suggested that

markers would be biased. The only people trying to make controversy out of the HSC have been members of the New South Wales Opposition and the Commonwealth Government. The most important thing I would like to conclude on is to state the obvious point, that we do encourage our young people through the school system to be thinking for themselves, to be creative. Not surprisingly when asked about the impact of government legislation on workplaces the children—they are not children, they are 16, 17 and 18-year-olds, mostly 17 and 18—they made their own decisions about how they might answer. No doubt some made remarks about WorkChoices. No doubt some of them made remarks that they thought WorkChoices was a successful kind of legislative change and others took a different view. Their papers will be objectively marked by markers in a proper way in accordance with the syllabus.

The Hon. MATTHEW MASON-COX: Objectively marked by the Teachers Federation.

Dr JOHN KAYE: That is outrageous.

Dr BENNETT: Would it help the Committee if I explained the structure of the examination committees, the selection of markers and so forth? The examination committees are formal committees of the Board of Studies. As to the chairs, we advertise when there is a vacancy for a chair. They apply and submit a resume. They are selected by a committee, which is chaired by the President of the Board of Studies and comprises other independent experts. They are appointed for two years, but appointment may be extended to five years. We try to get a balance of academics and teachers from government and non-government schools. The actual members of the committee again have to apply. They are selected by a committee consisting of board officers, the chief examiner and other members who may be members of the Professional Teachers Association and so on. They really are independent. They undertake the task of developing examination papers. As I said elsewhere, the process of developing the 2008 HSC papers has already started. The papers go through many drafts. It really does take a matter of months to pull together an HSC paper. The committee does its work and we have a number of different reviewers. Practising teachers come in and assess the paper to see if it can be done within the time limit and that it is fair. We have people look to see that it is consistent with the syllabuses. We have our own officers look at it from a technical point of view. It does go through many iterations. Also, of course, editorial staff and people like that look at it. That is, the examination committee group. As I said, they are formal committees of the Board and they are paid an honorarium.

The markers are a different group. Again, they need to apply. The supervisors of marking in each course are selected by a committee. They are again appointed for a period of two years, which can be extended to a period of five. They take on a very important managerial role; they are well trained for the task. The individual markers have to apply each year and they are appointed on a one-year basis. There are quite strict criteria that people need to meet in order to be either a supervisor of marking or a marker. They are employees of the Office of the Board of Studies and they are under our management. They are well trained. There are lots of checks in the marking operation. Some parts of exams are single marked with check marking by team leaders and so on. Also, all sorts of statistical checks are used. Extended response questions, which are usually questions of a marking value of about 10 or more, are independently double marked and there are procedures for resolving discrepancies in those cases. There are all sorts of other statistical checks and balances on that. I hope that has been of use.

The Hon. CHRISTINE ROBERTSON: Thank you, Minister and Dr Bennett.

The Hon. TONY CATANZARITI: Minister, what sort of investment in technology is the Lemna Government undertaking to assist students?

The Hon. JOHN DELLA BOSCA: The New South Wales Government is committed to keeping our schools and TAFE colleges at the forefront of information and communication technologies for education and training and teaching and learning. The State budget allocated \$693 million in recurrent funding over four years to provide technology in our schools and colleges. More than \$105 million is included for the Technology for Learning Program, delivering new high-speed computers to our schools. As part of a new purchasing agreement with Lenovo Australia and New Zealand, schools are receiving the upgraded ThinkCentre desktop computers with the upgraded dual core processor at no additional cost. The powerful Pentium E21-40 dual core processors are 30 per

cent faster than last year's model and will operate with a broader range of software for longer. This is a win for students who receive the latest generation machines and for taxpayers who get a higher specification computer at no extra cost.

Giving our children access to state-of-the-art technology at school helps make classes more interesting and ensures that our children's IT skills are world class. This New South Wales Government investment will reap dividends for the entire community, as our school students make their way into further training or into the workplace. The Government recognised the need to be a leader in school information and technology early on. Over the past decade we will have delivered a quarter of a million computers to New South Wales public schools. Now the New South Wales Department of Education and Training is conducting the largest ever delivery of computers in its history. As part of their Technology for Learning Program, more than 100,000 state-of-the-art machines are being delivered to our schools. The Technology for Learning Program has already provided 129 additional support staff to enhance technical help in classrooms.

The enhancement of information and communications technologies infrastructure is critical to the achievement of the New South Wales Government's State Plan priorities. Alongside the delivery of new computers, the New South Wales Government is also making a \$158 million investment over four years to create connected classrooms across public schools in New South Wales. This initiative is expanding subject choices for all students, enhancing teaching and giving parents more opportunities to be involved in the education of their children. The package includes \$66 million to connect classrooms around New South Wales by providing every public school with interactive whiteboards and videoconferencing facilities; \$29 million to give all students their own online workspace; and \$63 million to further increase bandwidth as well as the speed, security and reliability of services.

The investment of \$66 million to connect classrooms around the State will create direct video links to allow online field trips to places such as the State Library, the Great Barrier Reef Marine Park and the National Museum of Australia; allow university and industry experts to be beamed into classrooms to deliver lectures and take questions; allow country students to attend their own online class with a specialist teacher in Sydney or other regional centre and provide gifted primary students with the chance to attend high school classes without leaving their primary school environment; and allow an expansion of the number of subjects able to be offered for Higher School Certificate students. In 2007-08 the New South Wales Government is initially purchasing approximately 200 interactive whiteboard and videoconferencing installations and putting in place centralised infrastructure for the program. If you have seen teachers, particularly those skilled in their use, you can see they make an enormous difference to the way the class operates and the engagement of the students.

The Hon. MICHAEL VEITCH: Minister, as you know, I have a long history of involvement working for and advocating on behalf of people with a disability. I am keen to have you advise the Committee on how students with a disability are supported in their educational journey through to year 12.

The Hon. JOHN DELLA BOSCA: It is something of great pride, as I said in my opening remarks, that we do particularly well for our students who are talented and gifted through all sorts of educational opportunities we provide. We also do a great job, probably a world's best practice job, in regards to students with a disability. I think you would have to go to the Scandinavian jurisdiction to find any jurisdiction that is doing as well as we are. The Iemma Government has a proud history of supporting students with special needs in our full range of public schools. Public education is all about understanding and meeting the learning needs of all children and young people and teaching them well. The New South Wales public schools are doing this very well for students with a disability and special needs. It is also about having access to quality special support. In 2007-08 we are spending \$922 million on special education. That is \$83 million more than the last financial year. With the largest-ever special education budget the Department of Education and Training is providing a broad and diverse range of specialist support services to those with additional needs. Today there are more than 33,000 students with disabilities accessing special education services in New South Wales' government schools. In 2007 more than 13,000 students with disabilities enrolled in regular classes are being supported through the Integration Funding Support Program at an annual cost of more than \$75 million.

Special education provides those with additional needs access to the same educational opportunities enjoyed by the rest of the community. As an example, I know one young man with disabilities and the journey he has made through to year 12 in public schools in New South Wales. Like many learners in our public schools he has drawn the most from his schooling and along the way he has inspired his family, friends and teachers with his love of life and learning. He has cerebral palsy and learning difficulties and these have not been allowed to be barriers to him experiencing a very rewarding journey through school. It is a journey that started in an early childhood class to prepare him for kindergarten, into primary school and finally high school. This year he completes year 12 at a high school in rural New South Wales and for him and his family it is a time of much joy as his future beyond school begins to unfold; it will also be a time of sadness as 12 wonderful years of schooling come to an end.

In his early years of schooling it was not clear what his learning ability would be, but with the help, dedication and expertise of his teachers and the support staff, he thrived. He engaged with the standard curriculum and took part in all school activities, including sports, performances and excursions. At primary school his school principal, teachers and support staff worked closely with his parents to make sure his specific support needs and learning abilities were understood and addressed. In this type of learning environment he felt comfortable and safe. A strong bond between his family and the school continued when he moved to high school. The specialist support he needed was no problem for his high school. It was an exciting but challenging time when he entered high school along with many friends. It was made easier, however, as a teacher's aide who supported him in year 6 moved with him. This was, of course, made possible through the flexible provisions of the Integration Funding Support Program.

He soon found his high school to be every bit as supportive as his primary school. In no time at all he and his friends were joining in all school activities in a learning environment that was also relevant, comfortable and safe. In his final weeks of year 12 he and his family are working with the high school teachers to ensure his transition from school is every bit as successful as his other transitions throughout school. The dedication and understanding of his teachers and support staff have contributed significantly to his learning and growing safely and productively in the New South Wales public school system. The journey of this young man through that school is not unique; there are many, many journeys being undertaken just like the ones I have described across New South Wales' public schools in regional centres, cities and towns.

The Hon. CHRISTINE ROBERTSON: No further questions at this time.

CHAIR: We are going to conclude education questioning at 7.30 and have a break. What I propose to do now is divide the balance of the time between the Opposition and the Greens.

The Hon. MATTHEW MASON-COX: If I could go back to TAFE funding, I just want to ask you some questions about an example of which you would be aware: the Robinson family and Sean Robinson, who attends your alma mater, I understand. I just want to ask you a couple of questions about the technical and vocational education training funding. In particular, you would be aware from an email that I understand has gone to your office that Sean Robinson, a year 10 student at De La Salle, Caringbah, will have to pay \$5,143 upfront to enable him to enrol in an electro-technology course for year 11 at GyMEA TAFE and more than about \$10,000 to finish the course in its entirety.

You would also be aware that Sean's family cannot make this payment because they do not have the money upfront to pay to the TAFE system, nor are they likely to get any money from the Catholic system until late the following year, even though there is some money that will come from that that your Government does provide some funding for, but that money will not come for at least a year and they do not know exactly how much they will receive. So they had to make a decision now about whether to proceed or not and they have decided not to. Do you think that is an anomaly in the system and do you believe there should be a change in that system to make it fairer for children in non-government schools who have to pay these upfront fees when children in government schools do not?

The Hon. JOHN DELLA BOSCA: The Iemma Government enjoys, and I would take some pride as Minister in enjoying, a very good relationship and dialogue with the Catholic authorities in relation to the administration of the Catholic diocesan system and the independent schools through their association. I am very happy to take up specific cases but I just want to make the general point in relation to access to TAFE for students attending non-government schools, at both Commonwealth and State levels that, effectively, the Catholic and independent schools receive this funding bundled up in the existing funding that they receive. It is important to understand that that is a decision of those systems to make arrangements with local TAFEs.

To suggest otherwise I suppose you are at liberty to do so but I am happy to discuss this matter at the earliest possible opportunity. I have regular meetings with the Catholic authorities and the independent schools leadership, but this is essentially a decision for the school and for the Catholic system.

The Hon. MATTHEW MASON-COX: I understand the Catholic Education Commission receives that grant you mentioned, about \$2.1 million from the Board of Vocational Education and Training New South Wales to assist in relation to that training. What percentage of costs does that cover in relation to students that apply to the TAFE system?

The Hon. JOHN DELLA BOSCA: I will have to take that question on notice.

The Hon. MATTHEW MASON-COX: Given that the Catholic system, in effect, is a cost-shifting arrangement—

The Hon. JOHN DELLA BOSCA: I do not think Archbishop Pell would like to hear it described as that.

The Hon. MATTHEW MASON-COX: In the sense that every child who goes through the Catholic system and does not go through the public system actually saves this Government money so far as public education is concerned, why are we not funding this completely, assuming there is a shortfall?

The Hon. JOHN DELLA BOSCA: That is a rather curious argument. The Catholic authorities have made it very clear—in fact, the most recent statement by the bishops makes it very clear—that they do not run schools to compete with government education; they do not want to do that; they do not see that as part of their educational or pastoral mission. As I said, this New South Wales Government and previous New South Wales governments I think it is probably true, at least recently, to say that all political persuasions have enjoyed good relationships with the Catholic and independent sectors. The way in which they offer various parts of the curriculum; the way in which that system chooses to supplement the curriculum with technical opportunities, is something we can talk to them about, that we can enter into policy arrangements about, if that becomes appropriate. But at the moment the way things are, that remains a decision for the Catholic authorities and that particular school, even though it is the school I went to.

CHAIR: You mentioned earlier the Federal Government's excellent Investing in Our Schools Program. What formula is used by the Department of Education to determine the administration and consultancy fees associated with that program?

The Hon. JOHN DELLA BOSCA: You are referring to the provisions which require—

CHAIR: Wipe the skin off the top, basically.

The Hon. JOHN DELLA BOSCA: That is a very kind of rude way of describing it. You have made a key mistake, if I could be a little bit disrespectful and say that you are listening with too much partisanship to one of your ill informed colleagues, the Federal Minister, who I was somewhat surprised—in fact, it started happening before I became Minister of Education—to see attack the New South Wales Government for following her own guidelines. She persists with this practice. The Federal Minister Julia Bishop has been writing to me about Investing in Our Schools, complaining that a school has paid project management fees. I will quote from her own guidelines. I do not know she personally drafted them but she did approve them. They say:

Professional project management services should be obtained for all constructions or installation projects. Project management fees should be included as part of the specification. An amount of 10 per cent of the total project budget will automatically be assigned to construction projects.

That is section 6.4.1 of the Federal Minister's own guidelines. It continues:

Professional project management helps ensure that work is done to a high standard, that risks are minimised, including project safety, child protection and occupational health and safety requirements.

When you are building, installing, repairing or maintaining something on a school site, there are a whole lot of responsibilities you have over and above what you might choose to apply in certain other kinds of construction. Although Mrs Bishop may choose to be scathing of these benefits, school communities and the author of the program guidelines understand them. It is more evidence of just how out of touch the Federal Minister is.

CHAIR: Can you supply a list of all the grants from the Investing In Our Schools Program, including the total Commonwealth Government funding and the total amount for capital works? That will indicate how much money ends up at the school gate.

The Hon. JOHN DELLA BOSCA: We will take that question on notice.

Dr JOHN KAYE: Surely that is the Department of Commerce.

Mr COUTTS-TROTTER: The Department of Commerce is the project manager in most cases.

Dr JOHN KAYE: And it takes the fee.

Mr COUTTS-TROTTER: Yes.

CHAIR: The director general is very familiar with the Department of Commerce.

Mr COUTTS-TROTTER: I am and it is a very good organisation full of terrific people.

The Hon. JOHN DELLA BOSCA: The Department of Commerce is the general project manager of choice for school communities. They are not obliged to use the department; they can use other project managers. That makes the Federal Minister's comments even more absurd.

CHAIR: Nevertheless you are taking that question on notice.

Mr COUTTS-TROTTER: We will respond.

CHAIR: Are any capital works planned for the Bega West Public School?

The Hon. JOHN DELLA BOSCA: I have to take that question on notice. However, given that you are reading notes you might be able to tell me.

CHAIR: I am asking you. You might be aware that Bega West Public School has leaking demountable classrooms, no school hall, poor administration buildings, poor sewerage and drainage, no sick bay and no hot water. Given that that school has been zoned temporary since 1963, can you outline your plans for it? Will it stay at the current site and what plans do you have for its future?

The Hon. JOHN DELLA BOSCA: It sounds as though you are challenging me to formulate a view about the school. I am not sure whether that constitutes a question on notice or it is asking me for a policy statement. I will have to take it on notice either way, and I will happily respond as soon as I can with appropriate information.

CHAIR: Within 21 days would be great.

The Hon. JOHN DELLA BOSCA: When have I ever not done that?

CHAIR: That is good. You will get a gold star if that is the case. Is the fact that the school is zoned temporary the reason the Government is not prepared to spend any money on it?

The Hon. JOHN DELLA BOSCA: You have the advantage of me. I said I had to get back to you with a response either way to your line of questioning. I have to take that part of the question on notice as well.

CHAIR: The school has been advised that it is on the list to receive fencing. What is the rollout timeframe for that security fencing?

The Hon. JOHN DELLA BOSCA: I will get back to you.

Dr JOHN KAYE: I would like to have a discussion about the \$773 million that the State gives to private schools each year. The Rudd Labor Opposition has announced that if it wins the election it will at least replicate the socioeconomic status system into the 2009-12 Federal funding quadrennium. Presuming that the Greens do not win the federal election—which is a reasonable presumption—that means we are locked into socioeconomic status funding until the end of 2012. On top of the 112 per cent in Commonwealth private school funding provided since 1998 and the 67 per cent increase from the State Government, there will be substantial increases in funding for private schools across New South Wales. What will the Government do about that? Does it intend to continue along this path of pretending it has not happened, which is what has happened since the introduction of socioeconomic status funding in 2001? On the other hand, will the New South Wales Government honestly address the issue of the massive funding imbalance brought about by the system?

The Hon. JOHN DELLA BOSCA: Have you seen *Goodbye Lenin*?

Dr JOHN KAYE: Yes, I have. Why?

The Hon. JOHN DELLA BOSCA: It flashed into my mind while you were asking that question.

Dr JOHN KAYE: I will have to borrow the video. What specific feature?

The Hon. JOHN DELLA BOSCA: All of it. The New South Wales Government supports the right of parents to choose the type of education that suits their children. This might be a matter of culture, religion and so on. In support of this right, the Government provides funding to government and non-government schools which have met the requirements for registration and which do not operate for profit. As the member said, they benefit from substantial New South Wales State Government funding and Commonwealth funding. In 2007-08, the Labor Government is investing \$11.8 billion in education and training, and the budget provides \$773 million for non-government schools, which includes \$665 million in per capita grants, \$65 million for school capital works, known as the Building Grants Assistance Scheme, about \$15 million in supervisor subsidies, and more than \$18 million in back-to-school allowance payments. The Commonwealth is the major funding provider of non-government schools and that has been the case for a very long time.

Dr JOHN KAYE: But the State of New South Wales provides 30 per cent of public funding for private schools in New South Wales.

The Hon. JOHN DELLA BOSCA: I am familiar with the arithmetic.

Dr JOHN KAYE: You have not answered my question, which was about where we are going from here. Are we going to continue to ignore the increases that a Federal Government of either persuasion will provide to non-government schools in New South Wales, or will we do something different?

The Hon. JOHN DELLA BOSCA: I reject the policy logic that we should take a punitive approach because we may or may not have a view about the way the Commonwealth approaches funding. We have not started the quadrennium yet. Whether it is Mrs Bishop or Mr Smith sitting across the table from me and my State colleagues in a couple of weeks to conduct those negotiations, one of the points I will be making very strongly is the issue of basic support for education generally

and public education in particular. I make no secret about that and I am not ashamed or embarrassed about it. That applies to whoever is in government federally. However, as I said, we make no apology for the fact that we continue a sensible funding arrangement that supports non-government schooling. Obviously we are the operator of the public school system and we have a strong policy commitment to ensure that public education is the excellent system—to use the Chair's term—in this State. There is copious evidence that we are the excellent system in educational terms. We are also the excellent system when it comes to disability services, and we fund that.

Dr JOHN KAYE: That means that you will continue with Exit Ready Index-based funding.

The Hon. JOHN DELLA BOSCA: You did not ask me that question and I do not intend to answer it in that form. I will happily take a longer time to answer the important question, which is that you are getting to the point of principle that rehearses an argument that Australia overcame 30 years ago. We are about ensuring that all children get a very good education and that public schools remain state of the art.

Dr JOHN KAYE: Year 12 students at King's School at Parramatta pay \$19,593 in fees each year. The Federal Government provides \$3,177 and your Government provides \$920. In total that is \$23,690 in recurrent funding each year, of which this Government provides about \$1,000. Do you think it is appropriate to continue to do that for a school which is incredibly well resourced and which spends \$23, 690 per student each year—that is all I can find; there is probably more—and across the road Parramatta High School, which does superb job, spends less than 40 per cent of that per student?

The Hon. JOHN DELLA BOSCA: Let me answer your question from before as part of the answer to that question. We are reviewing the ERI at the moment. That is an absolutely open and transparent process involving the Catholic authorities and independent schools. So, I think it is important to note that we do that in a spirit of accepting, as I said, certain principles about the way the system is engaged with one another and their obligations. In respect to The Kings School, I do not intend to answer questions about a specific school. I am the Minister for Education and Training. I have obligations to the system at large and I am not really going to get into a dogfight about the way an individual school spends its money.

Dr JOHN KAYE: What does the State give to category 1, 2 and 3 private schools each year, and how much do we spend on the PSFP and PAS schemes in public education?

The Hon. JOHN DELLA BOSCA: I will have to take that on notice. I do not have the figures off the top of my head.

Dr JOHN KAYE: Would you be surprised to hear that what we give to category 1, 2 and 3 private schools is twice what we give to PSFP preschools?

The Hon. JOHN DELLA BOSCA: I am not surprised to hear that Dr Kaye is continuing this line of questioning, but I have to say that the resources that the Iemma Government is committing to schools that we believe require extra support is very substantial. I will go through that program. You can watch, and there is a lot more to be seen over the next 12 months. I do not really want to concentrate on the line of questioning the member wants to pursue but I am happy to provide him with all the responses to the questions he has asked so far within 21 days.

Dr JOHN KAYE: When will the funding data for each individual private school for the 2006-07 year be available?

Mr COUTTS-TROTTER: The allocations?

Dr JOHN KAYE: The allocations for the 2006-07 year, when will that be available?

Mr COUTTS-TROTTER: I do not know, Dr Kaye. You will find out when we do.

Dr JOHN KAYE: Every year, in various processes, we have extracted from the Government the individual funding of each private school—whether it is by way of information.

The Hon. JOHN DELLA BOSCA: I will come back to the Committee with an answer to that question on notice.

Mr COUTTS-TROTTER: We can provide that very quickly.

Dr JOHN KAYE: I will go very quickly to one last area and that is to go back to behaviour schools and the issue of why it is that principals in behaviour schools are teaching principals. Does that not mean that there is not somebody available in behaviour schools who is in a senior position of authority that can intervene at a time of crisis?

The Hon. JOHN DELLA BOSCA: Why are we not getting questions about sustainability and things like that in schools?

Dr JOHN KAYE: Minister, you have typecast me twice tonight—once as a tree hugger and once as a Marxist Leninist, and I am neither. Will you please answer my question?

The Hon. JOHN DELLA BOSCA: I am very happy to, Dr Kaye. I am happy to provide you with the complete policy rationale on notice, but I have to repeat my observation of earlier that these schools are usually very small, that the staff are very skilled and very dedicated to the educational mission they pursue, and my view would be from the observations I have my that a non-teaching principal position—bearing in mind there are adequate opportunities for teachers to relieve one another in that environment—would possibly not get the result that you are clearly suggesting it would, but I am happy to get a more detailed explanation of the current policy for you as soon as I can. And I am not typecasting you; I am just curious.

(Short adjournment)

PAT MANSER, Deputy Director General, Office of Industrial Relations, Department of Commerce, and

DAVID BOWEN, General Manager, Motor Accidents Authority and Chief Executive Officer, Lifetime Care Support Authority, affirmed and examined:

JON BLACKWELL, Chief Executive Officer, WorkCover NSW, sworn and examined:

CHAIR: We will now deal with the portfolio areas of Central Coast, Finance and Industrial Relations. We will start first with Opposition questions. The Hon. Matthew Mason-Cox.

The Hon. MATTHEW MASON-COX: In relation to visits by the Office of Industrial Relations officers to New South Wales businesses in 2006-07, could you inform the Committee how many businesses were visited by the Office of Industrial Relations in that time?

The Hon. JOHN DELLA BOSCA: Ms Manser might answer that question on my behalf.

Ms MANSER: During 2006-07, 10,300 workplaces were visited, covering 35,000 workers. Those were inspections. We also run seven-hour programs, attended by some thousands of people both in the country and in the city and we run employers seminars as well.

The Hon. MATTHEW MASON-COX: What criteria do you use to determine which businesses are visited?

Ms MANSER: Yes. We have an array of information that has come to us over a period of years, which gives us information about the low-complying industries. That allows us to target industries where we know help is needed versus those that are generally able to provide their own information or have sophistication within their management teams to deal with the industrial relations issues for themselves. That assists us to put a program together at the beginning of each year that targets specific industries, specific geographical areas or specific occupations.

The Hon. MATTHEW MASON-COX: Would one of those criteria be, for example, a report from employees who think that something is not quite right in their workplace?

Ms MANSER: It does sometimes happen. We get about 2,000 complaints from people in the year, so we deal with them as well and we would use the information from our complaints database to assist us to put a program together. But our targeted campaign is much larger than the complaints area and what we are using there is historical data from the previous three or four years of information.

It has changed somewhat in the last year, largely as a consequence of the Federal Government's legislation, so we are getting a lot more interest from employers and, of course, when we go into any kind of business, our first job would be to check that what we are being told by workers is correct, and to listen to the employer's side of the story. We do not go in with any brief for any particular side of the equation.

The Hon. MATTHEW MASON-COX: You have an investigation unit, do you not, in your department that actually investigates breaches?

Ms MANSER: Our investigators look for breaches. That is essentially what they are doing, breaches of industrial instruments or industrial statutes.

The Hon. MATTHEW MASON-COX: How many breaches were detected at the workplaces that you visited?

Ms MANSER: There were 10,400, including nearly 2,000 that represented underpayment of wages. We recovered some \$4.5 million worth of wages and back payments of various kinds for workers in those workplaces.

The Hon. MATTHEW MASON-COX: How many of those businesses were actually found to have breached New South Wales industrial relations legislation?

Ms MANSER: Well, 1,890 were underpaid wages. Some of the others were less significant breaches.

The Hon. MATTHEW MASON-COX: Did your office conduct any investigation into WorkDirections New South Wales operations following those public revelations about underpaid workers?

Ms MANSER: I am not absolutely certain whether we did or not. I can find that out.

The Hon. MATTHEW MASON-COX: Could you take that on notice?

Ms MANSER: Yes.

The Hon. MATTHEW MASON-COX: You are just not aware of that at the moment, but given the public notoriety of that instance, you will come back to us with that information?

Ms MANSER: Yes.

The Hon. MATTHEW MASON-COX: In terms of the Chili's group of restaurants and the Pink Salt investigation in Manly in 2005, did those investigations come from complaints from employees or was that a routine targeting of those businesses?

Ms MANSER: Both of them came from media reports that suggested we should look into what was happening in those restaurants. As restaurants are one of our low-complying sectors, we were happy to do that and to establish whether or not the allegations were correct.

The Hon. MATTHEW MASON-COX: So similarly the actual WorkDirections issue would have come from media reports too, presumably?

Ms MANSER: It may have done, yes, and I may be forgetting whether we did anything about it or not.

The Hon. MATTHEW MASON-COX: In relation to Public Service Association [PSA] bans at the police assistance line, are you aware of certain industrial action by members of the PSA over staffing levels of the police assistance line, which resulted in staff answering calls to the police assistance line rather than calls to 000?

The Hon. JOHN DELLA BOSCA: I am not aware of that specific industrial action or dispute, no.

The Hon. MATTHEW MASON-COX: You have not had any discussions with the Minister for Police or the New South Wales Police Force about this matter?

The Hon. JOHN DELLA BOSCA: No, I have not.

The Hon. MATTHEW MASON-COX: Does the Office of Industrial Relations have a ministerial and executive service unit?

Ms MANSER: I am not sure what you mean. I have a professional assistant and an executive assistant; that is it.

The Hon. MATTHEW MASON-COX: In your liaison with the Minister, you have two staff members?

Ms MANSER: We have two staff members who are the principal connection, if you like, with the Minister's office. In relation to ministerial correspondence or briefing notes for the Minister, the people who are responsible for the issue would be the writers of those documents, and they go through me before they would come up, so they get quality checks on the way through.

The Hon. MATTHEW MASON-COX: I turn to WorkCover. I refer to a Public Service Association flyer on a one-day Your Rights at Work course, a workplace campaign in the Dobell electorate. Minister, were you aware that the Public Service Association held this workplace course for its workplace campaign on 12 July in the WorkCover New South Wales headquarters in Gosford?

The Hon. JOHN DELLA BOSCA: No, I was not aware of that.

The Hon. MATTHEW MASON-COX: Were you aware that the media rooms had been used for political campaign purposes at all, and would you condone such a use of those rooms?

The Hon. JOHN DELLA BOSCA: I have no knowledge of that, but I think perhaps Mr Blackwell could provide some enlightenment for the Committee.

Mr BLACKWELL: We did receive a request from the Public Service Association to use our facilities at Gosford in relation to looking at the issues of the campaign against the Commonwealth's WorkChoices legislation. We did not agree to the Public Service Association using our facilities, and neither did we allow our staff to take leave to attend.

The Hon. MATTHEW MASON-COX: So the training never went on?

Mr BLACKWELL: I do not believe it did. It certainly did not go on in WorkCover premises. I do not know what occurred outside WorkCover premises. I know that we did not grant our staff training leave to attend any such course.

The Hon. MATTHEW MASON-COX: No meeting took place in your offices?

Mr BLACKWELL: No.

The Hon. MATTHEW MASON-COX: Minister, are you aware that the Public Service Association has withdrawn from WorkCover's Joint Consultative Committee?

The Hon. JOHN DELLA BOSCA: I am not aware of it in particular, but I am advised by Mr Blackwell that they have at one stage done that. Perhaps Mr Blackwell could help the Committee with that.

The Hon. MATTHEW MASON-COX: Mr Blackwell, if you could explain to the Committee what action was taken in establishing why the Public Service Association withdrew, and what has been done to address those issues since?

Mr BLACKWELL: I think there are a number of difficulties with the joint consultative committee which have been experienced over the years, in fairness to both sides. The committee met monthly, and some of the issues were fairly low-level issues. The Public Service Association wrote to us indicating that it would withdraw from the committee. We responded. I have since met with the Public Service Association on a couple of occasions. I believe it is now reinstating the Joint Consultative Committee, with Public Service Association involvement, to meet on a quarterly basis. We have also indicated to the Public Service Association, and I believe it has accepted this, that if any major issues occur it can meet with me or general managers within the organisation.

The Hon. MATTHEW MASON-COX: Why precisely did the Public Service Association withdraw? Was it because of concerns over workplace occupational health and safety?

Mr BLACKWELL: No, I do not believe so.

The Hon. MATTHEW MASON-COX: Can you assure us that WorkCover has met its obligations with regard to occupational health and safety legislation, particularly concerning consultation on limiting hazards in the workplace?

Mr BLACKWELL: I believe we have, yes.

The Hon. MATTHEW MASON-COX: You are 100 per cent compliant with occupational health and safety practices?

Mr BLACKWELL: We believe we are.

The Hon. MATTHEW MASON-COX: There are no problems with internal e-mails or anything of that nature?

Mr BLACKWELL: In what sense?

The Hon. MATTHEW MASON-COX: In the sense that they might shock and outrage members of your workforce?

The Hon. JOHN DELLA BOSCA: I think you need to be more frank than that. Madam Chair, I am not sure what the member is trying to get to, but I think, in fairness, he needs to be a bit more explicit with his question.

The Hon. MATTHEW MASON-COX: In relation to the WorkCover computer failure that occurred on 27 March 2006, it is our understanding that the systems failure resulted in a large amount of computer files being destroyed. It is thought that the cost to the WorkCover Authority will run into millions of dollars. I wanted to get some information in that regard, particularly as to how much information relating to completed or current cases was lost in that computer breakdown.

Mr BLACKWELL: I would have to take that on notice. I think you are referring to a computer failure at the Workers Compensation Commission, as opposed to the WorkCover Authority?

The Hon. MATTHEW MASON-COX: It is the Workers Compensation Commission data that was lost, yes. Do you have any information in relation to the impact of that on current cases?

Mr BLACKWELL: Only that the data that was lost were recordings of arbitration situations within the commission. My understanding is that the loss of those records has had no affect at all in relation to the operations of the commission.

The Hon. MATTHEW MASON-COX: Do you have figures on the actual amount of information that was lost?

Mr BLACKWELL: I do not have it readily, but I can certainly take that on notice.

The Hon. MATTHEW MASON-COX: Was it discovered what the computer failure was the result of?

Mr BLACKWELL: Yes it was and those situations have now been rectified.

The Hon. MATTHEW MASON-COX: Can you tell me what that computer failure was the result of?

Mr BLACKWELL: What happened was that the system went down but we discovered that there was inadequate backup in relation to some of the tapes of those arbitration meetings. The backups were not occurring on a basis that was regular enough. That has now been rectified and if the system were to go down again we would have up-to-date records and we could access those.

The Hon. MATTHEW MASON-COX: What processes have been put in place? Just backup procedures to ensure that those things do not happen in the future?

Mr BLACKWELL: Yes.

The Hon. MATTHEW MASON-COX: In terms of the WorkCover departmental liaison officer, can you inform the Committee when the position of WorkCover departmental liaison officer to your ministerial office was last filled? When that position was last filled in your office?

The Hon. JOHN DELLA BOSCA: There is an incumbent in that position, Madam Chair. Do you mean at the time when Adam started? I would have to get back to you with a date on that?

The Hon. MATTHEW MASON-COX: If you could. Could you also inform us what the current public service grade and salary level for this officer is?

The Hon. JOHN DELLA BOSCA: I am happy to take that on notice.

The Hon. MATTHEW MASON-COX: Was the position advertised within WorkCover or externally before it was filled?

Mr BLACKWELL: It was advertised internally as a temporary vacancy.

The Hon. MATTHEW MASON-COX: So it has now been filled permanently or—

Mr BLACKWELL: No, just temporarily filled, I believe.

The Hon. JOHN DELLA BOSCA: It is customary for most ministerial offices departmental liaison officers to be temporary filled I believe.

The Hon. MATTHEW MASON-COX: And then confirmed in that position at some subsequent time?

Mr BLACKWELL: No, not necessarily because it is a position that we use almost as a developmental position. Typically departmental liaison officers would be there for a period of somewhere between six months and a year.

The Hon. MATTHEW MASON-COX: As a means to gain experience and exposure to the ministerial side of things?

Mr BLACKWELL: Yes.

The Hon. MATTHEW MASON-COX: Would you be able to inform us who made the decision in respect of the officer to be appointed to that position?

Mr BLACKWELL: The recommendation came to me from Vicki Telfer and I approved it.

The Hon. MATTHEW MASON-COX: So it was a recommendation from Miss Vicki Telfer?

Mr BLACKWELL: Yes.

The Hon. MATTHEW MASON-COX: I have a couple of questions in relation to the WorkCover Occupational Health and Safety Division Inspectorate. Last year the Committee was provided, at a later date after a request in the estimates hearing, with the Occupational Health and Safety Division Inspectorate activity quarterly performance report to the chief executive officer. Could we receive a copy of the latest report to allow comparison between this year and last year?

The Hon. JOHN DELLA BOSCA: Yes, happily.

The Hon. MATTHEW MASON-COX: In the last report provided to the Committee it said during the June quarter 2006 there were 4,578 workplace visits and experience shows this number will increase further by approximately 200 when numbers are rerun at the end of next quarter. Can you tell me the amount of workplace visits that were undertaken in the September quarter 2006 and did they reflect the anticipated increase?

Mr BLACKWELL: I cannot give you the information quarter by quarter but I do have the information for 2006-07 if you would be interested in that?

The Hon. MATTHEW MASON-COX: Yes.

Mr BLACKWELL: We actually had 19,881 inspector visits in the year 2006-07 but we also had the business assistance branch. We set up the business assistance branch, as you may be aware, to help small business in particular to comply with occupational health and safety legislation, through education, advice and assistance. We had 3,364 workshops conducted by the business assistance branch in that particular year. We also had a number of inquiries to the information centre and so forth.

CHAIR: I have a quick question on a Central Coast issue. This is really in your capacity as Minister for Education and Training as well as Minister for the Central Coast. The Somersby community are concerned, as you would know, about a proposed landmine adjacent to Somersby Public School. Minister, what action have you taken to prevent the mine proceeding?

The Hon. JOHN DELLA BOSCA: I think the principal concern for me as Minister for Education and Training, as I think you have foreshadowed, is the potential effects that the proposed landmine might have on the health and safety of the adjacent school community and we have made, first of all, strong general representations about that. I share the concerns of the community about that. We are obviously committed to a safe and enjoyable learning environment—that is clearly an important element of not just Somersby Public School but also every school. The Department of Education and Training has written a formal submission to the Department of Planning outlining the concerns of the school community and recommending that there would be strict conditions regarding dust emissions, noise pollution, transport and the protection of the water table.

The Department of Education and Training will continue to seek assurances that the health of staff and children at Somersby Public School will be safeguarded if the mine were to proceed. I might say that the Department of Education and Training does not have the function of being the consent authority for developments, mining or otherwise, and has an obligation obviously to make the concerns and conditions in which anything would proceed as its main focus. What decisions are made by the Department of Planning in the end is not something that the Department of Education and Training would seek to have specific control over. But our strong view is that all these conditions must be in place before there is any development of the Somersby site.

CHAIR: So, given your answer, it sounds like you are assuming it is going to go ahead. Are you prepared to give assurances to the school community that their children will be safe?

The Hon. JOHN DELLA BOSCA: With respect, Madam Chair, I think you are jumping to conclusions. The formal process is that public sector organisations, like the Department of Education and Training, in the same way as community organisations and others ask about a particular development. It is appropriate, I think, to couch those in technical terms about what the problems are with the development. That is what the Department of Education and Training submission does. It details the risks and places a view that they are quite high risks in the context of the sand mine development near a school and addresses all those potential risks. It is not unusual, in fact it would be the normal thing, for the response to be, if you like, emphasising the conditionality of any potential consent the Department of Planning might pursue. In summary, it should not be read as support for the Somersby sandmining proposal: just the opposite!

CHAIR: So you are opposed to the sandmining proposal then?

The Hon. JOHN DELLA BOSCA: My personal view is, I think, inappropriate in the context that—

CHAIR: I am asking you as the Minister for the Central Coast and Minister for Education and Training?

The Hon. JOHN DELLA BOSCA: There is still the Minister for Planning, who makes decisions and is the consent authority in relation to these matters. I would have to leave it to him to make any commentary on behalf of the Government. I am very conscious of the concerns of the community and strongly representing those of that Minister and all other relevant Ministers.

CHAIR: So you will pass the buck to him and hope he takes the blame?

The Hon. JOHN DELLA BOSCA: Well, it is up to you to decide whether that is passing the buck. I think it is doing my job.

Ms LEE RHIANNON: Mr Blackwell, I understand that WorkCover completed a survey of all staff several months ago. It sounds like it is really worth congratulating you, considering the high participation rate. I understand more than 800 staff responded. I did find the results interesting and I want to ask you some questions about that. So to just set the scene, I will give you some of the results. In question 41 it asked people to avoid politics and backstabbing as ways to get things done. One-third of the staff said this is not true and a further 34 per cent said the statement is sometimes untrue, sometimes true. Question 44: If I am unfairly treated I believe I will be given a fair go if I appeal? To that question 23 per cent said this is almost always untrue or often untrue. A further 31 per cent of staff said this statement is sometimes untrue, sometimes true. Question 28: Promotions go to those who best deserve them? To that question 26 per cent say no and 34 per cent say sometimes.

Question 26: This is a psychologically and emotionally healthy place to work? To that question 20 per cent disagreed and another 29 per cent said it is sometimes untrue or sometimes true. Question 47: Management is honest and ethical in its business practices? Mr Blackwell, 13 per cent of staff said it is not true and 25 per cent of staff said that management is only sometimes honest and ethical. That is a worry. I found the results surprising and extraordinary. I must admit that I came to the conclusion that bullying could easily exist in such a corporate environment. However, there were no questions about bullying. Could you explain how the survey came about? Again, it is excellent that it was conducted. Who devised the questions? Why was the issue of bullying not addressed?

Mr BLACKWELL: This was the second survey that we had done. Basically, to go back to the beginning of this process, we want to make sure that WorkCover is an attractive place to work where we have proper processes internally and where we can improve in whatever way we can. As you say, in terms of the results of the second survey, which we completed only this year, 74 per cent of staff basically felt that WorkCover was an excellent place to work. Some questions, of course, although they did not directly go to the bullying issue did indicate, as you have indicated, that there were potential issues in relation to inappropriate behaviour, if you like, between managers and staff or between staff and staff. The questions were set by WorkCover executive but on the advice of a

number of people within WorkCover. There was no specific question in relation to bullying but a few questions that tangentially related to it. In relation to bullying and harassment, we have embarked on training programs. A number of staff has already attended that program. Between February and September 2007 300 staff attended training to build their awareness of bullying and harassment in the workplace. We are addressing that as a potential issue. I do not believe that it is at all widespread within the organisation. Otherwise I do not believe that the vast majority of staff would have said that they found WorkCover a great place to work.

Ms LEE RHIANNON: I understand the Public Service Association [PSA] conducted a survey earlier this year about bullying within WorkCover. I know that you cannot speak for the PSA but you would obviously know the sequence in which all this has played out. Did you consider that the PSA survey was undertaken because of the failure of the WorkCover survey to address the bullying issue? Did you see any link?

Mr BLACKWELL: No, I did not see any link. In terms of the PSA survey, when we became aware that the PSA wanted to run its own survey, we spoke to the PSA about its engagement in having a joint approach to this staff culture survey. Unfortunately that did not occur. So the PSA surveyed its own members.

Ms LEE RHIANNON: I am concerned that the union survey showed 83 per cent of the 179 respondents reported being bullied and/or witnessing bullying and only 7 of the 179 respondents, or 5 per cent, reported that they would approach Human Resources if they were concerned about bullying. The lack of confidence in your organisation to deal with bullying is, I believe, confirmed by your own corporate survey. I quoted question 44, which states: If I am unfairly treated I believe I will be given a fair go if I appeal? To that question 23 per cent said that it is almost always untrue or often untrue and a further 31 per cent said that it is sometimes untrue and sometimes true. That shows that 54 per cent do not have confidence that they will be fairly treated. I am left with the impression, from looking at these two surveys, that there is a big problem with fairness and bullying within WorkCover. Is that your conclusion?

Mr BLACKWELL: No, it is not. As I say, I think the overall results of the second survey were very encouraging indeed. I think there are still issues that need to be sorted out. In relation to the PSA survey, its response was 179 people. About 800 people responded to our own survey. It was a much higher response rate and a better result, I believe. Can I just add that certainly the PSA is aware of the results of our survey? We provided all of that in an open manner to the PSA. The PSA has given us the results of its survey. I have already personally met with them to talk about where we go from here in relation to some of these issues.

Ms LEE RHIANNON: To understand how the process works internally, earlier this year the dignity and respect policy and guidelines was launched. Perhaps Mr Della Bosca was involved when it was launched. You would be aware that the first of these guidelines is to conduct a risk assessment. Has WorkCover ever conducted a risk assessment for bullying?

Mr BLACKWELL: I do not believe that we have conducted a specific risk assessment in relation to bullying. We have conducted a risk assessment into a range of issues. I cannot recall us doing one into bullying.

Ms LEE RHIANNON: Do you think you need to do one?

Mr BLACKWELL: I think that what we need to do is to move forward in relation to this issue. I am certainly keen that we do and I am certainly keen that we do that in conjunction with the PSA.

Ms LEE RHIANNON: You did not say yes, you needed to do a risk assessment. That is the first point in the dignity and respect policy. Do you say that you do not need to do one?

Mr BLACKWELL: I could not say.

Ms LEE RHIANNON: I thought it would be an easy "yes" for you. Would you explain why not?

Mr BLACKWELL: What I have said is that I am not sure whether we have done one or not. I know we have run a number of courses in relation to bullying and harassment in the workplace.

Ms LEE RHIANNON: I asked you did you need to do one and you were equivocal.

Mr BLACKWELL: The reason I answered as I did was because the key issue to me is if there is a perception, even albeit in a minority of staff, that bullying and harassment can occur, I think we need to act on it. That is what we are doing.

Ms LEE RHIANNON: Mr Blackwell, is swearing at customers or other staff addressed by the WorkCover staff code of conduct?

Mr BLACKWELL: Yes. The code of conduct states that people have to behave reasonably towards one another.

Ms LEE RHIANNON: Would you view swearing at customers or other staff as misconduct or bullying behaviour?

Mr BLACKWELL: I would.

Ms LEE RHIANNON: We do expect that staff who swear at others repeatedly ought to face misconduct proceedings?

Mr BLACKWELL: You would have to look at the individual circumstances around that. Swearing at other staff is not acceptable.

Ms LEE RHIANNON: To your knowledge, has any of your executive staff issued written apologies this year for swearing at staff?

Mr BLACKWELL: Yes, I believe that has occurred.

Ms LEE RHIANNON: How many times?

Mr BLACKWELL: I will have to take that on notice. I do not have that information at hand.

Ms LEE RHIANNON: Are there occasions when senior staff have sworn at or around other staff and not apologised?

Mr BLACKWELL: I would not know. It certainly has not come to my attention.

Ms LEE RHIANNON: Mr Della Bosca, are you aware of any workers employed by your department or employed by companies undertaking contract work with your department who are on 457 visas?

The Hon. JOHN DELLA BOSCA: The Department of Education and Training or WorkCover or the Office of Industrial Relations?

Ms LEE RHIANNON: All of them.

The Hon. JOHN DELLA BOSCA: I would have to take that question on notice.

Ms LEE RHIANNON: Can I ask why? It is coming up in other departments that workers have 457 visas. Why is that happening?

The Hon. JOHN DELLA BOSCA: Why is it happening?

Ms LEE RHIANNON: Why are you allowing people to be employed on 457 visas?

The Hon. JOHN DELLA BOSCA: I do not understand the question.

Ms LEE RHIANNON: I thought the Government would have been wary of employing people on 457 visas, considering the problems often associated with it?

The Hon. JOHN DELLA BOSCA: The Government has high standards in relation to appointing and contracting staff. As Ms Rhiannon knows, Madam Chair, we put a lot of resources into addressing the procurement issue, particularly since that has been made more difficult as a result of policy changes outside the State Government's immediate control.

I am referring there to the WorkChoices laws and the intervention of occupational health and safety and a whole range of other areas where you might say that some aspects of employment have become loosely orientated towards collaboration between jurisdictions on key issues. The question of employing people on work-related visas and associated practices of course is one for each agency, as required. Clearly, there would be some agencies where due to shortages of skilled personnel and other issues they may be from time to time required to look at those options, but, as I said, I would have to get back to you on notice as to whether or not that applies to any of the agencies that I am responsible for.

Ms LEE RHIANNON: Would you also take on notice what procedures does your department undertake to check whether workers are on 457 visas?

The Hon. JOHN DELLA BOSCA: Our own workers?

Ms LEE RHIANNON: Yes, workers employed by your department.

The Hon. JOHN DELLA BOSCA: I am happy to do that, yes.

Ms LEE RHIANNON: Mr Blackwell, we were actually together on 1 December 2006 and I asked you at that time about an advertising campaign developed by Peach Consulting on slips, trips and falls, and you said at the time:

The advertising campaign has not been withdrawn. The advertising campaign has been delayed.

Is it still delayed?

Mr BLACKWELL: I do not believe that we ever progressed with that any further.

Ms LEE RHIANNON: Could you explain why?

Mr BLACKWELL: I will have to take that on notice because I cannot recall the final decisions around that.

Ms LEE RHIANNON: How much has been spent on this program? How much has been paid to Peach Consulting?

Mr BLACKWELL: I will have to take that on notice.

Ms LEE RHIANNON: You have been five years in Gosford?

Mr BLACKWELL: Yes.

Ms LEE RHIANNON: In October 2002 you had 480 staff and that has grown considerably?

Mr BLACKWELL: There are 480 in Gosford.

Ms LEE RHIANNON: And 680 now in Gosford in the same building?

The Hon. JOHN DELLA BOSCA: When the building opened are you saying there were 480? That would be correct but there were more than that very shortly thereafter when most of the complement of corporate staff moved to Gosford.

Ms LEE RHIANNON: So it opened with 480 and it is now 680. So we have had an increase of 200.

Mr BLACKWELL: I will check the numbers for you.

Ms LEE RHIANNON: What I am interested in is it starts off with a high standard of office accommodation—a lot of people were keen to move there—but how are you maintaining the working office standards considering the large increase in staff? Is it the case that you have had to convert a lot of meeting rooms to offices?

Mr BLACKWELL: There are currently 694 permanent and temporary staff located in Gosford. Certainly we have had to find additional space within the building. We have had to convert some rooms—amenities rooms and some meeting rooms—into office space. I think that that is a reasonably proper way to do things. We are still well within the Government's accommodation framework in relation to space for people, but some meeting areas have had to be converted into office space, yes.

Ms LEE RHIANNON: So you are now going to Gosford Leagues club for your meetings, is that how it works now?

Mr BLACKWELL: Some meetings are held at Gosford Leagues club and other venues where we cannot fit them in in our own offices. We can accommodate meetings of up to 50 or 60 people still within our various areas. In fact, some presentations, for example, we might have 100-odd people meeting in Gosford in our offices.

Ms LEE RHIANNON: How much are you spending on office meetings? How much did you spend last year on hiring meeting spaces outside of your building?

Mr BLACKWELL: I will have to take that on notice.

The Hon. JOHN DELLA BOSCA: Are you referring only to WorkCover corporate meetings outside of the Gosford location?

Ms LEE RHIANNON: Yes. WorkCover corporate meetings in Gosford when you cannot conduct work base related meetings and you hire nearby meeting rooms?

Mr BLACKWELL: We will have to take that on notice.

Ms LEE RHIANNON: Are companies in New South Wales allowed to collect data on their workers by monitoring the phone calls they make?

The Hon. JOHN DELLA BOSCA: In what sense monitoring the phone calls they make?

Ms LEE RHIANNON: Any phone calls. If they have got a phone at their desk can that phone be monitored to assess the work that they conduct on the phone and any other reasons they are using the phone?

The Hon. JOHN DELLA BOSCA: Can you just explain what you mean by "monitoring" again? You are suggesting listening to the telephone conversations?

Ms LEE RHIANNON: Yes.

The Hon. JOHN DELLA BOSCA: No.

Ms LEE RHIANNON: So people cannot listen in on telephone conversations when people are working in New South Wales?

The Hon. JOHN DELLA BOSCA: Madam Chair, I do not know where the member is going with this line of questioning but if she wants a legal opinion I can provide her with one. But she might be better off asking Ms Manser that question if it is a general question.

Ms MANSER: The Federal Telecommunications Act prevents people from listening in on telephone conversations, generally speaking. There are some arrangements that you would have been subject to yourself where you ring somebody up at Telstra and they say, "We are going to monitor the call for training purposes. If you do not want us to monitor the call you should say so", and it is those sorts of situations in which people can do it, as long as there is permission granted. But in terms of actually monitoring your own staff, we would do that, for example, with our call centre where we train people. So if we are giving them additional advice about how they should answer questions from the public we might do that, but they are well aware of it, of course, and it is part of the training procedure and it is usually well received because they are getting advice on how to proceed.

Ms LEE RHIANNON: So you are saying that the monitoring occurs only in the context of call centres where people are being given advice in terms of how they improve their manner?

Ms MANSER: I cannot guarantee that people always obey the law.

Ms LEE RHIANNON: I am just trying to work out what they are allowed to do.

Ms MANSER: That is what they are allowed to do.

Ms LEE RHIANNON: Minister, have any New South Wales unions requested the companies operating in New South Wales not be allowed to collect such information?

The Hon. JOHN DELLA BOSCA: A representation has not been specifically put to me by any union in recent times, but I can recall that that issue was discussed and was the subject of a number of campaigns a few years ago. It has not been put to me in recent times as an issue.

Ms LEE RHIANNON: Minister, I wanted to check where the New South Wales Government procurement policy industrial relations requirements are up to. We have talked about it before. Do you know where the policy is at?

The Hon. JOHN DELLA BOSCA: In respect to industrial relations I do, but are you referring just to industrial relations issues?

Ms LEE RHIANNON: Yes.

The Hon. JOHN DELLA BOSCA: Ms Manser can help you.

Ms MANSER: The procurement policy, which operates out of the Department of Commerce, has had a pilot process applied to the courier tender process, which has revised the way in which tenders are put for industrial relations information. This has come about because of the Commonwealth's requirements in relation to WorkChoices and the need for the State to respond to those in a way that is both legal and also able to gain information about people who are working for employers being treated fairly, without specifying in too much detail how that takes place.

The courier tender has now been awarded and there is an assessment to take place between procurement and industrial relations within Commerce to work out whether it has been a useful process or not. Cabinet is to make a decision on those processes at some point.

The Hon. JOHN DELLA BOSCA: Could I just make the point to Ms Rhiannon and to the Committee that formerly the Department of Commerce administers the procurement policy and the policy-setting body for procurement is Treasury. That has been a matter of some protracted negotiations and, as Ms Manser has said, it has become much more complex in regard to industrial relations because of the WorkChoices issue and the way in which that has affected the ease with which government can check conditions under which employees are treated by respective or prospective contractors and service providers.

The Hon. CHRISTINE ROBERTSON: Can you advise the Committee on any changes to the green slip scheme and how the Lifetime Care and Support Scheme is going?

The Hon. JOHN DELLA BOSCA: I can, and with a fair bit of pleasure. One year ago the Lifetime Care and Support Scheme began operating for children. Eight catastrophically injured children in the scheme and the second and final stage now implemented. Based on the normal actuarial outcomes, annually about 125 people in New South Wales will be catastrophically injured in motor vehicle accidents. More than 70 per cent of those are under 35 and typically male. Care will be provided for them regardless of who was at fault in the accident. As members are familiar statistical evidence indicates that the large proportion of these people, especially young males were previously uninsured and therefore outside the care of the Motor Accidents Authority or its capacity to resource care for them.

The Lifetime Care and Support Scheme provides day-to-day practical services such as: assistance with personal care such as feeding, drinking and personal hygiene; domestic services like cooking, cleaning, shopping and home maintenance; home and transport modifications; child care services; nursing care; assistance with community access; and, where possible and appropriate, educational and vocational services to help the injured person to enter or remain in school or the workforce. Of course, respite care is important for the injured person's family and is provided under the scheme. It also provides support co-ordinators to ensure that all appropriate services are accessed by the client and/or their family. The scheme is a very successful addition to the statutory insurance armoury of support for victims of catastrophic accidents in New South Wales. The Government is very pleased with the way the scheme is performing.

The Hon. MICHAEL VEITCH: What impact is WorkChoices and the Howard Government's fairness test having on workers and their families across New South Wales?

The Hon. JOHN DELLA BOSCA: Of course, the Howard Government's so-called fairness test is riddled with loopholes. It is so limited in the protections that it purports to provide that working families can not be confident they are getting a fair go from the Commonwealth Government or a fair day's pay when they do a fair day's work.

CHAIR: In your opinion.

The Hon. JOHN DELLA BOSCA: Yes. You are asking the questions and I am giving you my opinion.

CHAIR: I am not asking the questions.

The Hon. JOHN DELLA BOSCA: The test does nothing to protect workers' rightful entitlements or to ensure that where award conditions are traded or modified that they are exchanged for real and fair compensation. Instead, the Workplace Authority's own manual says that where an agreement does not provide fair monetary compensation, non-monetary benefits can be taken into account to establish compliance with the test. Through the fairness test, the Howard Government is asking Australian working families to trade off penalty rates, overtime and other award entitlements for non-monetary compensation, perhaps a free cinema seat, a big Mac or a DVD.

What is most unfair about the so-called fairness test is that although it was introduced to counter, as the Prime Minister puts it, perceptions that WorkChoices is unfair, it does not apply to all WorkChoices agreements. There are more than 300,000 WorkChoices agreements made before the fairness test applied. The Workplace Authority's own data shows that a large proportion of these agreements have had entitlements to penalty rates, shift and overtime loadings, public holiday and public holiday pay, rest breaks, annual leave loading, allowances, incentives and bonuses stripped away. Two-thirds of agreements cut penalty rates and annual leave loading, more than half cut overtime loadings and shift allowances and 40 per cent cut rest breaks. The fairness test is a skewed law that clearly favours one side of the employment equation.

The failure of the fairness test should come as no surprise to hardworking Australian families because WorkChoices was set up to fail. When John Howard and Kevin Andrews put WorkChoices together the aim was to cut family living standards and they have exceeded their goal. Since the

introduction of WorkChoices, there have been numerous reports on how bad these laws are for families, businesses and workers, including "The Australia@ Work: The Benchmark Report", which found WorkChoices had reduced wages by up to \$106 a week; "The Lowering the standards: From Awards to Work Choices in Retail and Hospitality Collective Agreements Report", which found retail workers, on average, lost up to 18 per cent of earnings while hospitality workers on average lost up to 12 per cent; "The Employers Greenfields Agreements Under Work Choices Report", which found that 79 per cent of agreements removed all protected award conditions and more than 67 per cent of workers were being underpaid; and "The Down and Out with Work Choices: The impact of Work Choices on the Working Lives of Women in Low Paid Employment", which found WorkChoices had materially reduced their earnings, control over working hours and job security. It is not only my opinion but also the opinion of quite a few peer reviewed academic studies that WorkChoices has failed and the fairness test is a failure.

The Hon. TONY CATANZARITI: In your capacity as Minister for Industrial Relations, can you inform the Committee about the impact WorkChoices is having on New South Wales employers?

The Hon. JOHN DELLA BOSCA: It has been over five months since the fairness was introduced. Of course, we are hearing a lot about taxpayer dollars being expended to promote WorkChoices and to inform employers about their obligations. Its so-called fairness test to counter perceptions that WorkChoices is unfair, yet all it has done is add a further layer of complexity to the red tape nightmare Work Choices has imposed on employers.

The Federal Government is wasting millions of taxpayer dollars on their Work Choices hard sell yet they have not managed to inform employers of their obligations. A recent Sensis survey of small and medium businesses revealed that a staggering 45 per cent were unaware of the new fairness test. Because of the fairness test, employers are now struggling to keep pace with pre-lodgement processes, lodgement assessments, requirements to hand out fact sheets or face hefty fines. In developing agreements to put to the Workplace Authority for approval, employers have no real idea of what they should be paying their workers.

The Howard Government's Australian Fair Pay Commission last year ripped pay rates out of awards and has failed in its obligation to publish replacement pay scales. Workers do not know what they're entitled to and employers' responsibilities are unclear. Employers in an attempt to do the right thing are lodging agreements for pre-approval but are finding they are faced with a six- to eight-week wait to hear back from the Workplace Authority. From its own statistical report published on 5 October we know that the Workplace Authority has yet to complete the assessment of more than 145,000 agreements, some of which were made in May.

The test is an absolute farce as it is being assessed by 260 new contractors, including dozens of backpackers, who have no knowledge of awards or experience with our industrial relations systems. The only thing Mr Howard and his Workplace Relations Minister, Joe Hockey, have achieved is a sham process that will cost taxpayers \$370 million over the next four years. It generates needless red tape and it is reducing New South Wales businesses' productivity. A recent Australian Human Resources Institute study revealed about 55 per cent of human resources practitioners had increased their reliance on legal advice and 40 per cent had found it more complex to manage employment generally.

No better illustration of the complexity is Spotlight's recent announcement of their intention to abandon their use of Australian workplace agreements all together. From the perspective of employers, the system is simply not working, it is not worth the trouble and it is very complex. Evidence shows that employers are being hamstrung by the Federal Government's draconian workplace laws and employees are feeling the effects on their living standards. In fact, According to the Eastern Seaboard Workplace Industrial Relations Survey, only 4 per cent of Australian businesses were dissatisfied with the pre-WorkChoices industrial relations system. The New South Wales Office of Industrial Relations receives thousands of calls every month from employers indicating their desire to be covered by the new South Wales system.

CHAIR: Is it a fact that under the Howard Government there are record levels of employment and the lowest unemployment rates for the past 30 years?

Ms LEE RHIANNON: What is this? You only have to work one hour a week, and you are employed. It is the biggest con job there has ever been!

The Hon. JOHN DELLA BOSCA: I will add to Ms Lee Rhiannon's—

CHAIR: No, that is out of order.

The Hon. JOHN DELLA BOSCA: I will repeat Ms Lee Rhiannon's assertions that one of the difficulties with your analysis there is that the Commonwealth has altered the statistical measure of employment along the lines that one hour of employment counts as employment. Never previously would that be so. Indeed, one of the problems is that one of the early effects of WorkChoices—and this is supported by the studies I referred to earlier—is that it is increasing the casualisation and reducing the net hours of many categories of employees. I might add also that I would have thought a well-educated woman like yourself would have understood the concept of post hoc ergo propter hoc—simply because a change in unemployment numbers happened before or after WorkChoices, does not mean it was caused by WorkChoices.

Ms LEE RHIANNON: I will just finish off on the government procurement policy. I understand there has been a trial of the couriers. Can you give me a timeline? Has the report been finished, when will it be finished and when is it going to Cabinet?

Ms MANSER: No, I cannot do that. It is still in the early stages.

Ms LEE RHIANNON: So the report is not even finalised yet?

Ms MANSER: No.

Ms LEE RHIANNON: So, we have only looked at couriers, we have not looked at contracts of state-owned corporations or local government?

Ms MANSER: No. The idea was to try a pilot.

The Hon. JOHN DELLA BOSCA: In policy terms, though, we expect the principles will be sustainable. The reason the courier contract was chosen, given the nature of that industry it seemed like the most viable one to give us a clear indication of what principles would work.

Ms LEE RHIANNON: Minister, can you give us an idea of a timeline, when the report will be finished and when it will go to Cabinet?

The Hon. JOHN DELLA BOSCA: As I indicated, Ms Rhiannon, this is no longer absolutely my portfolio area. Ms Manser's agency, which I had responsibility for before, provides industrial relations advice on this matter but procurement itself is a job for the Department of Commerce and procurement policy. The agency involved in setting that is Treasury. It is not in my control, my gift, to decide when such matters are submitted to Cabinet but I expect it to be fairly soon.

Ms LEE RHIANNON: How do you justify limiting public sector workers pay rise to 2.5 per cent when members of Parliament have gained a 6.5 per cent pay rise?

The Hon. JOHN DELLA BOSCA: I was not aware I have a job to justify or give opinions about one pay rise against another. I will simply make the point that has been repeatedly made, and I think Ms Lee Rhiannon and other members of the Committee are fully aware of it. The Government wages policy is that there will be an assumed across-the-board adjustment on the application of 2.5 per cent, which will reflect the fact we already have the highest paid teachers in the Commonwealth. We have the best-paid and remunerated police force. We have the best-paid and remunerated public hospital staff and doctors and nurses, the best-paid fire brigade and pretty well every other category of service, including most grades, I would think—I cannot say it is absolutely but I am pretty sure—of the general sector as well. We are saying we will sustain the very best possible outcomes in wages terms for our employees.

I think also that Ms Lee Rhiannon understands that is not an absolute limitation on wage increases, because the Government has also said, and the Treasurer, though the Premier, me and all Ministers concerned with these matters have consistently repeated, that productivity service improvements and other matters, normally negotiated with the workforce when EBAs, awards and other industrial instruments expire, will be part of the Government's wages proposals. We will be discussing with respect with our workforce on the assumption that they will be maintaining the purchasing power of their basic salary and wages, looking at ways in which we can improve those in a way that benefits not only those workers but also taxpayers.

Ms LEE RHIANNON: You are effectively talking there about productivity trade-offs.

The Hon. JOHN DELLA BOSCA: No, you are putting words in my mouth.

Ms LEE RHIANNON: I would not want to do that, but that was the interpretation.

The Hon. JOHN DELLA BOSCA: You always want to do that.

Ms LEE RHIANNON: I just want to know. I want information. Quite seriously, over the years would you not agree that for a lot of public sector workers there are no more trade-offs they can do? How much more can you keep cutting back on conditions so you get a greater pay rise? Is that not something that worries you?

The Hon. JOHN DELLA BOSCA: You make the mistake—and I would have thought that someone with your industrial experience would not make this mistake—of assuming that productivity changes is automatically a synonym for breaking down or adverse results on conditions of workers. That is not necessarily inherently the case, and I think I can probably with a bit of time think about it and provide you with some pretty good examples where that is not the case, and I think you would be aware of some of them yourself. So, it is not necessarily something that follows that because you get a productivity enhancement you reduce conditions. You may need to change some of the aspects of the way they operate, but that does not necessarily mean a lot of conditions for them. I concede that in the past there have been productivity agreements which have taken away previous practices or what people might have construed as conditions, but I do not think it is so, or even reasonable, in the current climate to assume that those two things always need to be the same.

Secondly, we have made it very clear that productivity enhancements include enhanced service provision. So, what we are talking about is making sure that the people receiving the services, whether it be struggling families looking for assistance from the Department of Community Services, whether it be people sending their children to government schools or whether it be any of the wide range of services we provide and that we are responsible for, that may mean service enhancements that improve the productivity of employees. I made that point repeatedly and that policy has stood us in good stead and I think it will be executed over the next 12 months to great advantage to both the workforce and the taxpayers of New South Wales.

Might I say also that we make a policy of treating our workforce with respect. We support the idea of the independent umpire when we have, which is almost inevitable in industrial negotiations, disagreements or points of fundamental difference between us as being responsible for employment and employees. We always support the principle of a fair arbitration, with a powerful arbitrator to put in place that arbitration and, of course, we support fair minimums and a fair basis for negotiating the outcomes. So, I think with regard to staff and our current wages policy, it is an absolutely consistent way for a Labor government to deal with its employees.

Ms LEE RHIANNON: You said there were some examples where it has not resulted in a downgrading of conditions. I gather that they were not immediately in your mind, so can you take that on notice and give me those examples please?

The Hon. JOHN DELLA BOSCA: I am happy to apply my mind to the problem and come up with a couple of good examples, yes.

Ms LEE RHIANNON: You spoke passionately about the problem with WorkChoices. The legislation went through last year to provide protection. Can you explain why that protection was not

extended to all the state-owned corporations? Why did Port Kembla Ports and Sydney Ferries and all those other corporations miss out?

The Hon. JOHN DELLA BOSCA: I am not sure that the premise of your question is correct.

Ms LEE RHIANNON: But it is.

The Hon. JOHN DELLA BOSCA: The way in which state-owned corporations operate is that there are boards that discharge a corporate responsibility. Their corporate responsibility can never be countermanded but is supervised by shareholder Ministers. The shareholder Ministers make determinations about what is in the best interests of corporations and their employment practices, and employment practices include employment practices that prevent them from signing up to unfair bases of employment.

Ms LEE RHIANNON: But in the legislation that was passed you listed a whole number of state-owned corporations but you did not list all of them.

The Hon. JOHN DELLA BOSCA: Can you elaborate on that? What do you mean? Do you mean the ones you just nominated I did not mention?

Ms LEE RHIANNON: Port Kembla Ports, Sydney Ferries, and I am pretty sure State Rail was missed out as well. I never understood, considering you gave that commitment of using State legislation to extend protection to workers against WorkChoices, that it did not go to all state-owned corporations.

The Hon. JOHN DELLA BOSCA: First of all, I think one of the complications with the rail industry, which is something that is really for the portfolio Minister to account for, but the general point I make is that the rail industry has operated in the Federal jurisdiction since 1921 or 1927—I cannot remember off the top my head—and it is highly unlikely at this stage that that will change, although obviously that is something that the Government and the relevant Minister could negotiate with the workforce in time, but it would probably result in the overturning of a lot of arrangements.

Ms LEE RHIANNON: But a lot of those State-owned corporations are not Federal?

The Hon. JOHN DELLA BOSCA: No, but I was specifically responding to your assertion about Rail. I am not sure about Ferries and as for the Port Kembla Ports Corporation, I will have to take that detail on notice because I simply do not have a response. However, I am absolutely clear that at all levels, both statutory first of all, then where appropriate administratively, the Government has remained committed to ensuring that all of the employees under its direct supervision are protected from the adverse circumstances of WorkChoices.

Ms LEE RHIANNON: Can you take on notice why not just Port Kembla ports but all the State-owned corporations were not named in your legislation?

The Hon. JOHN DELLA BOSCA: Yes.

CHAIR: Members are aware that if they have further questions they can place them on notice in the usual manner. Minister, you have taken a number of questions on notice in your portfolio areas. I remind you that answers are to be provided within 21 days, so your staff will be busy, no doubt. I thank everyone for the way they have conducted tonight's hearing.

(The witnesses withdrew)

The Committee proceeded to deliberate.