

GENERAL PURPOSE STANDING COMMITTEE NO. 3

Monday 31 August 2015

Examination of proposed expenditure for the portfolio area

EDUCATION

The Committee met at 2.00 p. m.

MEMBERS

Ms J. Barham (Chair)

Dr J. Kaye
The Hon. C. Houssos
Reverend the Hon. F. J. Nile
The Hon. N. Maclaren-Jones (Deputy Chair)

The Hon. S. Mitchell
The Hon. G. S. Pearce
The Hon. W. W. Secord

PRESENT

The Hon. Adrian Piccoli, *Minister for Education*

CHAIR: Welcome to the public hearing into budget estimates 2015-16. Before I commence I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay respect to the elders past and present of the Eora nation and extend that respect to other Aboriginal people who may be present. I welcome Minister Piccoli and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Education. Today's hearing is open to the public and is being broadcast live via the parliamentary website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. In accordance with the Legislative Council guidelines for the broadcast of proceedings, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings.

It is important to remember that parliamentary privilege does not apply to what witnesses may say outside the evidence given at this hearing. I urge witnesses to be careful about any comments they make to the media or to others after they complete their evidence, as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that witnesses could answer only if they had more time or if they had certain documents to hand. In these circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members of staff seated in the public gallery should be delivered through the Chamber and support staff or the Committee secretariat. I remind the Minister and officers accompanying him that they are free to pass notes and to refer directly to advisers seated at the table behind him. Transcripts of this hearing will be available on the web from tomorrow morning.

I have a reminder for anyone proposing to use social media, including Twitter. I ask that everyone maintain respectful behaviour when using social media. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. The Minister does not need to be sworn because he has already sworn an oath to his office as a member of Parliament. I note that Mr Philip West, Ms Leslie Loble and Mr Murat Dizdar from the Department of Education do not need to be sworn because they were sworn in at an earlier budget estimates hearing. I ask all other witnesses to state their full name, job title and agency and swear either an oath or an affirmation.

MICHELE BRUNIGES, Secretary, Department of Education, and

PETER RIORDAN, Deputy Secretary, Corporate Services, Department of Education, sworn and examined:

JANET DAVY, Deputy Secretary, Strategy and Evaluation, Department of Education, and

TOM ALEGOUNARIAS, President, Board of Studies, Teaching and Educational Standards, affirmed and examined:

LESLIE LOBLE, Deputy Secretary, External Affairs and Regulation, Department of Education,

PHILIP WEST, Chief Financial Officer, Department of Education, and

MURAT DIZDAR, Relieving Deputy Secretary, School Operations and Performance, Department of Education, on former oath or affirmation:

CHAIR: I declare the proposed expenditure for the portfolio of Education open for examination. As there is no provision for the Minister to make an opening statement, we will begin with questions from the Opposition.

The Hon. WALT SECORD: Minister, I recently read about your taxpayer-funded overseas trips. Do you regret them?

Mr ADRIAN PICCOLI: No. To which trips are you specifically referring?

The Hon. WALT SECORD: The most recent trips referred to in the *Daily Telegraph*. Are you planning any further overseas trips?

Mr ADRIAN PICCOLI: No.

The Hon. WALT SECORD: Are you aware that the department's annual report has a section that relates to overseas travel?

Mr ADRIAN PICCOLI: The department's annual report?

The Hon. WALT SECORD: Yes.

Mr ADRIAN PICCOLI: No, I am not.

The Hon. WALT SECORD: I turn your attention to page 139 of the report.

The Hon. GREG PEARCE: That is the annual report of the Department of Education and Communities?

The Hon. WALT SECORD: Yes. I am referring to the New South Wales Department of Education and Communities annual report. Page 139 has a heading "Appendix 6: Overseas Travel". Do you support bureaucrats going overseas?

Mr ADRIAN PICCOLI: I do.

The Hon. WALT SECORD: What are the merits of overseas travel?

Mr ADRIAN PICCOLI: I do not have that page in front of me.

The Hon. WALT SECORD: I can provide it. Are you aware that it lists 486 departmental officers as having travelled overseas between 1 January and 31 December 2014?

Mr ADRIAN PICCOLI: I will look at the list.

CHAIR: Perhaps we can come back to that when the Minister has a copy.

The Hon. WALT SECORD: Perhaps the director general can assist. Does she support overseas travel for bureaucrats?

Ms BRUNIGES: I certainly do.

The Hon. WALT SECORD: Why?

Ms BRUNIGES: Many of those trips relate to teachers and school excursions. Again, I do not have the list before me. I would appreciate having it before answering.

The Hon. WALT SECORD: I note that 63 of those trips relate to overseas professional development. Do you support that?

Ms BRUNIGES: Do I support professional development?

The Hon. WALT SECORD: Yes, involving bureaucrats travelling overseas.

Ms BRUNIGES: I certainly do.

The Hon. WALT SECORD: Can you provide the Committee with the overall cost of those 486 departmental officers travelling overseas?

Ms BRUNIGES: I am happy to take that question on notice.

The Hon. COURTNEY HOUSSOS: I refer to the Learning Management and Business Reform [LMBR] program. The Auditor-General's report into the program released late last year is lengthy and states that the LMBR program started with a measured and staged approach. It went on to say that the office found that the work undertaken for the first finance component was well managed but that in 2011, as the LMBR program moved into the more complex environment of student administration and learning management for schools and TAFE institutes, it found that the department did not consistently meet time, cost and quality requirements. Minister, these emerging issues were highlighted in the media at the time and in response on 8 December 2011 you said:

I have taken steps to make sure this important project gets back on track so that it will benefit schools, staff and students.

Given all those warnings, why, four years and \$500 million later, has this not been fixed and why is there no end in sight?

Mr ADRIAN PICCOLI: I do not accept the premise of the question; that is, that there is no end in sight or that it has not been fixed. As you said in the preface to the question, the easy bits were the initial parts and, as the Auditor-General said, it got more complex. Of course, there will be issues with things as complex as an IT upgrade—the first significant upgrade since 1991. It is not simply an IT system, a finance system and a student administration for schools; it is an upgrade to TAFE—the first upgrade it has had for a very long time—and an upgrade to corporate services. It is a very big reform program. It has been complex, but the department has done a good job with the support and assistance of Treasury and Finance. A number of governance procedures are being put in place to ensure that the system is functional for the entire Department of Education.

The Hon. COURTNEY HOUSSOS: Minister, you said there is an end in sight. Is there an expected end date?

Mr ADRIAN PICCOLI: The rollout to the other 2,000 schools will begin next year. That is pretty much the end of it. That is a key part of it. I will refer the detail of the parts already deployed to corporate services to the secretary. However, it is wrong to think that the LMBR program is simply an IT upgrade in schools; it is much more than that.

The Hon. COURTNEY HOUSSOS: I am aware that it is a detailed and complex project. If there is a plan for the rollout, what is the projected total budget?

Mr ADRIAN PICCOLI: A budget has been approved. However, that is a Cabinet decision that will not be disclosed for a variety of reasons, apart from the fact that it is a Cabinet decision. Tenders must be issued for training and other items that need to be procured. Those things are commercial-in-confidence. I made it clear in Parliament in 2006 when the Labor Government began this that it budgeted for the capital cost of building the system. As the Auditor-General said, those budgeted costs have come in within the Treasury tolerances for the capital component of the project. Of course, I was not in government in 2006 but my understanding is that at that time it was made clear that there were going to be additional costs—costs around the operational implementation of a very big IT rollout. Those things were never budgeted for, and of course there has been expenditure. The Auditor-General made it clear: \$576 million to the end of June this year.

The Hon. WALT SECORD: So we are now up to \$573 million after four years. In 2011 the Auditor-General said that the project was handed over and it was on track, and now, \$573 million—

Mr ADRIAN PICCOLI: Well, I am not sure that he said it was on track, did he? Did he say it was on track?

The Hon. WALT SECORD: But \$573 million and you have now told us that you have further parameters by the budget committee and you are not telling us what those figures are.

Mr ADRIAN PICCOLI: That is right. I am not telling you.

The Hon. WALT SECORD: This is budget estimates and we go over government expenditure.

Mr ADRIAN PICCOLI: Yes.

The Hon. WALT SECORD: This is the biggest expenditure, the biggest waste, in the Department of Education and you are not going to tell us what the end mark is. This is a bottomless pit.

Mr ADRIAN PICCOLI: No, I am not telling you what it is.

The Hon. WALT SECORD: You are not telling us what it is.

Mr ADRIAN PICCOLI: No. It is a Cabinet decision and Cabinet decisions are confidential by their very nature.

The Hon. WALT SECORD: But this is budget estimates. An amount of \$573 million has been spent and you are not going to tell us what the end mark is.

Mr ADRIAN PICCOLI: That is right.

The Hon. WALT SECORD: So this is a bottomless pit?

Mr ADRIAN PICCOLI: No.

The Hon. WALT SECORD: Then what is it?

Mr ADRIAN PICCOLI: As I said, a budget has been approved but I am not going to disclose it here. It is a Cabinet decision.

The Hon. WALT SECORD: This is budget estimates.

Mr ADRIAN PICCOLI: I swore an oath a few months ago about the confidentiality of Cabinet, and that is a Cabinet decision. I am not going to tell you.

The Hon. WALT SECORD: You are not going to tell us.

Mr ADRIAN PICCOLI: If you want to know what is in Cabinet, you need to be in there.

The Hon. WALT SECORD: We have a responsibility here. We are taxpayers. With \$573 million you can build 23 brand-new, schmick high schools—

Mr ADRIAN PICCOLI: And I am not going to jeopardise the process of procurement by disclosing to the market things that are going to go out for a competitive tender.

The Hon. WALT SECORD: Minister, these are taxpayer funds—\$573 million. This is the biggest waste—

Mr ADRIAN PICCOLI: You can sound as earnest as you like, Mr Secord, but that is a fact.

The Hon. WALT SECORD: Well, \$573 million might not be a lot to you, but it is a hell of a lot to the community and there is a responsibility to tell the community what the end mark is. So are you just going to continue to pour money into this project? What are you going to do?

Mr ADRIAN PICCOLI: As I just said, there is a budget but I am just not telling you what it is.

The Hon. WALT SECORD: So you are not telling the community—

Mr ADRIAN PICCOLI: It is a Cabinet decision and there are commercial-in-confidence reasons not to disclose it, to protect taxpayers' money.

The Hon. WALT SECORD: So you are going to hide behind commercial-in-confidence Cabinet discussions on everything that we do.

Mr ADRIAN PICCOLI: Well, I am entitled to.

The Hon. WALT SECORD: We might as well just walk out of here.

Mr ADRIAN PICCOLI: No, you can ask me what is in the budget papers.

The Hon. WALT SECORD: Okay. Earlier you said that there were corporate governance procedures that you had put in place—you referred to it in your answer. What are those procedures that you put in place—or are you going to hide behind Cabinet in confidence?

Mr ADRIAN PICCOLI: No. The department has worked very closely with Finance and Services—Treasury as well—throughout this period, even before we were in government. The secretary might want to expand on those governance arrangements.

Ms BRUNIGES: An overarching governance steering committee is in place.

The Hon. WALT SECORD: Who is on the committee?

Ms BRUNIGES: There are a number of members. I will ask Mr Riordan to go into further details of the membership of that committee.

Mr RIORDAN: Thank you. I can refer to the external people on that committee. Do you want names of people?

The Hon. WALT SECORD: Yes, absolutely.

Mr RIORDAN: Okay. So from Treasury, Executive Director Rick Sondolini is a member of the committee. From Finance, Services and Innovation is Pedro Harris, who I believe is also executive director in charge of their systems areas. We have Mr John Baird, who is Chief Information Officer for Deutsche Bank. In addition to those people we also have representatives from the department. Mr Greg Prior is the chair of that steering group. He is the deputy secretary of the school operations and performance area. I am also a member of that committee. Janet Davy, Deputy Secretary, Strategy and Evaluation, is also a member of that committee. We have a number of other advisers from the program itself who form part of that committee so we can ensure the latest information is available to us.

The Hon. WALT SECORD: Back to the director general and to these corporate and governance procedures that the Minister referred to. Can you detail what you have in place to stop this spiralling out of control? It is already out of control.

Ms BRUNIGES: We have a number of systems in place to be able to do that. We have monthly reporting through to our executive—a standing report on the financial and delivery aspects. I have weekly meetings with the internal team to ensure that everything is on track. We have it as a standing item with the Minister's CEO meetings to ensure that we keep regular track of delivery. But over the life—

The Hon. WALT SECORD: So you are watching the blowout occur?

Ms BRUNIGES: Sorry, over the life of the project, many of those aspects have been delivered around SAP finance and so many of those are complete. Your emphasis at the moment indeed goes to the school deployment area which we are working on very hard.

The Hon. WALT SECORD: How long have you been director general of the Department of Education?

Ms BRUNIGES: Since September 2011.

The Hon. WALT SECORD: Would you say that this is probably the biggest project to steamroll out of control?

Ms BRUNIGES: We are a big Department of Education, one of the largest education departments in the Southern Hemisphere. Anything that we do in regard to size and scale, whether it is a curriculum issue or an IT issue, certainly has a large scale to it.

The Hon. WALT SECORD: Minister, have you discussed with the Premier the project blowing out?

Mr ADRIAN PICCOLI: It is not blowing out. You keep saying that, and you can keep saying it if you like, but it is just not true.

The Hon. WALT SECORD: It is not me; the Auditor-General has said it. To me, \$573 million is a blowout. This is a bottomless pit.

Mr ADRIAN PICCOLI: Because you do not know the facts.

The Hon. WALT SECORD: Give us the facts here today. Here is your opportunity.

Mr ADRIAN PICCOLI: It has been going for 10 years.

The Hon. WALT SECORD: Explain why \$573 million is not a blowout.

Mr ADRIAN PICCOLI: This is a very large organisation with 100,000 staff, 2,200 schools and all the corporate services that are attached to it. It is one of the largest organisations in Australia. It has more staff than I think the Commonwealth Bank and BHP combined. Information technology in an organisation like that is very large. It has been going since 1996. In the same time across the whole agency close to \$100 billion has probably been spent in education. You are talking about \$576 million over a period in which \$100 billion has been spent in education. So to give it some kind of context, you might think that that \$576 million is a lot of money. Indeed it is a lot of money, but you have to put it in the context of a very large organisation.

When this project was originally kicked off by, I believe, either a Cabinet or an expenditure review committee [ERC] decision by the Labor Government in 2006, it budgeted for the capital construction of it. The IT world has changed significantly, as we all understand, since 2006. It budgeted for the capital costs of its construction; it did not budget for its implementation, the training, all the updates and the maintenance that occurs with an IT system. How often do you get an update on your iPhone or your Android device? That is what happens in IT systems. They get updated and those things cost money. They were not budgeted for at the time.

Those are the things that were never budgeted for initially. My understanding is that the Government at the time acknowledged that those had not been budgeted for because they could not be budgeted for. We have

made provision in the Education budget to cater for those costs. You can make the allegation as often as you want to about blowouts and the like—you can go for it—but those are the facts. An allocation of \$400 million or so for the capital provision was made in 2006. No provision was made for its operation and we are providing for those costs. It is a complex business.

The Hon. WALT SECORD: I go back to an earlier question. Have you discussed this blowout with the Premier?

Mr ADRIAN PICCOLI: It is not a blowout. You can say that as often as you like, but it is not.

The Hon. WALT SECORD: Have you discussed the project with the Premier?

Mr ADRIAN PICCOLI: Yes. Part of the governance is that there are regular updates to the Expenditure Review Committee [ERC] by the department dealing specifically with Learning Management and Business Reform [LMBR] project, like there are updates around capital—the usual process through the budget. So, yes, the ERC, of which the Premier is a member, is very much aware of this project.

The Hon. WALT SECORD: When did the Premier first raise his concerns with you about this?

Mr ADRIAN PICCOLI: As I said, ever since I have been a Minister this process has been going on. It has been going since 2006. I think quarterly updates get made to the ERC. The current Premier was the Treasurer, so I presume he has been aware of it since we first came to government.

The Hon. WALT SECORD: So when did alarm bells start to ring with you? When did you say, "Hey, I think we have spent \$573 million and that might be a problem"?

Mr ADRIAN PICCOLI: I think you will find, going back—and I recall as the Opposition spokesman for Education—that there were issues with LMBR before.

The Hon. WALT SECORD: Not according to the Auditor-General.

Mr ADRIAN PICCOLI: Well, I can tell you, I recall—

The Hon. WALT SECORD: The independent Auditor-General said that the Labor Government handed it to you.

Mr ADRIAN PICCOLI: No, he did not. He did not say that.

The Hon. WALT SECORD: And with your furry fingers you got it all sticky.

Mr ADRIAN PICCOLI: He did not say that.

The Hon. SARAH MITCHELL: Point of order: The Hon. Walt Secord is continually interjecting. The Minister should be able to answer the question uninterrupted.

The Hon. WALT SECORD: I am just giving voice to my frustration at his failure to answer my questions.

The Hon. SARAH MITCHELL: He is allowed to answer the question.

The Hon. WALT SECORD: I am just giving voice to my frustration.

CHAIR: Order! The Hon. Walt Secord should allow the Minister to finish his answer.

Mr ADRIAN PICCOLI: I am certain questions were asked in Parliament about this while we were in Opposition. I would have to check but I am certain there were newspaper articles about the Learning Management and Business Reform [LMBR] project. If you think this is some magic process that was going fantastically until 27 March 2011, you are wrong.

The Hon. WALT SECORD: In fact that is the case.

Mr ADRIAN PICCOLI: You are wrong.

The Hon. WALT SECORD: The Auditor-General said that.

Mr ADRIAN PICCOLI: You are wrong.

The Hon. WALT SECORD: You got your paws on it—

Mr ADRIAN PICCOLI: You are wrong.

The Hon. WALT SECORD: —and you have wrecked this project.

Mr ADRIAN PICCOLI: Well, you are wrong.

The Hon. WALT SECORD: As a Minister you have overseen the biggest waste of public funds in Education.

Mr ADRIAN PICCOLI: You are wrong.

The Hon. WALT SECORD: You sit here and you deny it.

Mr ADRIAN PICCOLI: Well, you are wrong.

The Hon. WALT SECORD: And you refuse to tell the Committee—

Mr ADRIAN PICCOLI: Well, Walt, you are wrong.

CHAIR: Order! Minister—

The Hon. WALT SECORD: I am not wrong.

Mr ADRIAN PICCOLI: You are wrong. Sorry, Mr Secord, you are wrong. You are wrong.

The Hon. COURTNEY HOUSSOS: Minister, I draw you back to your comment that the program is not a blowout. I draw to your attention the fact, as you are no doubt aware, that the initial funding estimated to be \$573 million is purely for the pilot program. I would be interested to know whether you had an updated figure today for the Committee. The original budget cost was \$483 million and all 2,218 schools were supposed to have the LMBR project by December 2014. If that is not a blowout, what would you classify as a blowout?

Mr ADRIAN PICCOLI: The Auditor-General had forecast, by the end of June, 473. The figure is 476 at the end of June.

The Hon. COURTNEY HOUSSOS: I am sorry, 473?

Mr ADRIAN PICCOLI: Sorry, 573 was the Auditor-General's projected figure and it is 576. That was not just for the rollout to 229 schools. As I said, there is a long list of the components of LMBR. It has delivered a SAP-based finance system for TAFE and corporate areas in 2010 and a major upgrade in 2014; a human resources and payroll solution to all TAFE institutes and phased deployment between 2013 and January 2014; the TAFE student administration and learning management solution to all TAFE institutes in October 2014; an interim revenue recognition solution for TAFE NSW in 2014; and then the integrated solutions to the 229 pilot schools; budgetary planning and consolidation, including a forecasting tool; student wellbeing and student management systems; schools finance; and a suite of finance and human resources reports to support school-based decision-making. That is what LMBR is. The rollout to schools is only a part of it. As I said, a capital component of the budget was a little over \$400 million, and the department has come within the budget tolerances for that. The implementation costs of it were never budgeted. To say there is a blowout of something that was never budgeted is simply wrong.

The Hon. COURTNEY HOUSSOS: You are obviously familiar with the Auditor-General's report.

Mr ADRIAN PICCOLI: Yes.

The Hon. COURTNEY HOUSSOS: The Auditor-General has said that the LMBR was implemented with known defects, there was "insufficient oversight of contractors who have taken up 60 per cent of LMBR's total costs" and despite the \$100 million blowout—and I would say it is a blowout—the Government has underestimated costs by not including education department staff time or accommodation, and that the department did not consistently meet time, cost and quality requirements. Before you answer, Minister, I refer you to the premise of my first question, which is that the Auditor-General said that the LMBR program started with a measured and staged approach. According to the Auditor-General, it appears that the problems started to emerge in 2011. What are your comments to those observations or evaluations by the Auditor-General?

Mr ADRIAN PICCOLI: As I have said publicly—I think I said it in Parliament—we welcome the Auditor-General's review of the program. The Auditor-General made 10 recommendations, nine of which have been implemented. The tenth is being implemented, but in respect of some of that detail I will ask the secretary to expand.

Ms BRUNIGES: I would have to say that the Audit Office also acknowledged the size and complexity of the LMBR program in replacing a whole lot of outdated and incompatible information technology systems in schools. The audit report, as you know, had 10 recommendations, nine of which are already complete. The tenth one, which we are working on now, relates to benefits realisation and we are in a process of working through the final recommendation.

Mr ADRIAN PICCOLI: You have to remember that this was started by, I understand, a deal made by the Labor Government at the time and the Public Service Association [PSA] about 400 PSA jobs it was trading off in exchange for salary increases.

The Hon. COURTNEY HOUSSOS: Minister, I will stop you there. My question specifically dealt with the problems the Auditor-General has identified after 2011. I did not ask—

Mr ADRIAN PICCOLI: You are suggesting that the Labor Government had done a fantastic and brilliant job?

The Hon. COURTNEY HOUSSOS: That is not what I am suggesting.

Mr ADRIAN PICCOLI: And it was not until the change of government that it became a problem.

The Hon. COURTNEY HOUSSOS: That is what the Auditor-General is suggesting. I have one more question. Killara High School has had to employ a student administration manager out of its own budget to deal with this disaster. Do you not think that it and the other taxpayers of New South Wales deserve to know how much you will ultimately spend on this project? Is \$1 billion too much to spend on this project?

Mr ADRIAN PICCOLI: I am sorry, what was the last part of the question?

The Hon. COURTNEY HOUSSOS: Is \$1 billion too much to spend on this project?

Mr ADRIAN PICCOLI: I am presuming that is the figure you have read from the *Daily Telegraph*, and that is not accurate.

The Hon. COURTNEY HOUSSOS: That is the question I am asking you, Minister.

Mr ADRIAN PICCOLI: No, you are putting a proposition to me that it is going to cost \$1 billion. I have said in Parliament that is not true. That is not accurate.

The Hon. COURTNEY HOUSSOS: You have said that you have a secret budget that you are not prepared to share with us. I am simply asking for you to be honest with the taxpayers of New South Wales and to outline how much is too much. Is it \$600 million? Is it \$700 million? Is it \$1 billion? As my colleague highlighted, the money already spent on this project—and I accept it is a complex one—could have built 23 brand new high schools.

Mr ADRIAN PICCOLI: Yes. Then your counter proposition is that we would have an information technology [IT] system—

The Hon. COURTNEY HOUSSOS: No, I am sorry, Minister, I have asked you what is the—

Mr ADRIAN PICCOLI: No, what you are saying is—

The Hon. NATASHA MACLAREN-JONES: Point of order.

Mr ADRIAN PICCOLI: It is a process that was started in 2006 by the Labor Government. I do not know what you are suggesting but are you saying that we have reached a point where halfway through it should have been cancelled, or IT should not have been upgraded and we should not spend any money on IT but we should spend it on other capital?

The Hon. COURTNEY HOUSSOS: Sorry, Minister you are misrepresenting what I have said.

Mr ADRIAN PICCOLI: And that somehow spending money on IT is a waste. I do not know any organisation, large or small, that does not spend money on IT. You have to spend money on IT in order to enable organisations to run effectively.

CHAIR: Minister—

Mr ADRIAN PICCOLI: Are you are suggesting that the department should not have emails, should not have—

CHAIR: Order! Minister, this is not the time to make a statement. This is the time to answer questions.

The Hon. COURTNEY HOUSSOS: Sorry, Minister, that was not my question to you.

Mr ADRIAN PICCOLI: Well, when you put those propositions in questions—

The Hon. COURTNEY HOUSSOS: My question is how much is too much?

Mr ADRIAN PICCOLI: When propositions are put like that, I am entitled to rebut them.

CHAIR: Order!

Mr ADRIAN PICCOLI: If you want to ask me the question without the other commentary in it I will answer the question.

The Hon. WALT SECORD: Minister, I have a simple question.

CHAIR: Order! The Hon. Courtney Houssos can re-ask her question.

The Hon. COURTNEY HOUSSOS: My question is: How much is too much? Is \$1 billion too much?

Mr ADRIAN PICCOLI: It is not going to cost \$1 billion. I presume you got that from the *Daily Telegraph*, and it is wrong. I said that in Parliament a week ago.

The Hon. WALT SECORD: Minister, you said earlier that it is not going to cost \$1 billion.

Mr ADRIAN PICCOLI: Yes, I said it in Parliament.

The Hon. WALT SECORD: But you are refusing to tell us what you are budgeting?

Mr ADRIAN PICCOLI: Yes, that is right.

The Hon. WALT SECORD: This is budget estimates. These are taxpayers' dollars. You have spent \$573 million and you will not tell us how much this project is going to cost.

Mr ADRIAN PICCOLI: Yes, that is right and budget estimates do not mean that I have to.

The Hon. WALT SECORD: When are you going to say—

CHAIR: Order! The Hon. Walt Secord will come to order.

Mr ADRIAN PICCOLI: I swore an oath of confidentiality when I was sworn in at Government House. I do not know what your ethics are but when I swear an oath like that I abide by it. I appreciate budget estimates and upper House committees, but that is not reason for me to breach that oath. I am not going to do it here.

The Hon. WALT SECORD: I think you owe it to the community to tell them how much you have spent.

The Hon. SARAH MITCHELL: Point of order.

Mr ADRIAN PICCOLI: Well, I am not going to.

The Hon. SARAH MITCHELL: The Minister has answered the question repeatedly.

CHAIR: Order! The Minister has answered the question. Asking the same question repeatedly will not deliver a different answer.

The Hon. GREG PEARCE: To the point of order: The member, being a relatively new member, does not understand the budget estimates process. You cannot ask questions about what is in the budget estimates unless it is in the budget. A hypothetical question is being asked about what might be in next year's budget.

The Hon. WALT SECORD: This might not be important to you, Greg.

The Hon. SARAH MITCHELL: He has answered it.

The Hon. WALT SECORD: The Minister has not answered it. He actually raised it.

The Hon. NATASHA MACLAREN-JONES: He has answered it every time you have asked the question.

CHAIR: Order! The question has been asked repeatedly. The Minister has answered in the same manner each time. If there is a specific line item that you are referring to then I suggest you re-ask the question. Hypotheticals are not acceptable in this context.

Mr ADRIAN PICCOLI: I believe I would be committing an offence if I answered the question.

The Hon. WALT SECORD: May I ask a question?

CHAIR: I ask that one person speak at a time, please.

Mr ADRIAN PICCOLI: I believe I would be committing an offence if I answered the question so I am not going to answer the question, no matter how many times I am asked.

CHAIR: That has been made clear.

The Hon. WALT SECORD: Earlier in the evidence you said that you refused to describe this as a blowout. How would you describe it?

Mr ADRIAN PICCOLI: You described it as that and I said that it was not that.

The Hon. WALT SECORD: Then how would you describe the \$573 million spent?

Mr ADRIAN PICCOLI: Every organisation needs to have an up-to-date IT system. That is what we are doing in the Department of Education.

The Hon. WALT SECORD: Do you not think somebody's head should roll for this?

Mr ADRIAN PICCOLI: No.

The Hon. WALT SECORD: So you would back everyone below you and everyone above you on this decision?

Mr ADRIAN PICCOLI: The Department of Education has done a very good job with the support of the other central agencies in New South Wales in delivering this project.

The Hon. WALT SECORD: So a blowout of \$573 million is a good—

Mr ADRIAN PICCOLI: You keep describing it has that but it is not that. The implementation costs were never budgeted for.

The Hon. WALT SECORD: Have you brought in a special team or anyone to oversee this project?

Mr ADRIAN PICCOLI: As I said, there are several governance measures in place. The secretary might expand on some of those things and some of the other expertise that has been brought in.

Ms BRUNIGES: As I said before, there are a number of mechanisms around the governance and, picking up on the Auditor General's report, we have certainly strengthened the governance by having independents on the steering committee to ensure that we have an objective look at all those things that we are putting in place. I have weekly meetings with the internal team within the Department of Education. We have external reporting, as the Minister has outlined, to the expenditure review of Cabinet on a quarterly basis. We have a number of processes in place to ensure that we are doing the very best we can to deploy to schools in a timely manner.

The Hon. WALT SECORD: Minister, you announce projects. You announce schools that are going ahead and you announce the repaving of streets. You announce projects all the time that go to external tender. Why will you not tell us—

Mr ADRIAN PICCOLI: When I am given approval by Cabinet to disclose those we do not disclose the actual figure; we ballpark—for example, the school at Parramatta was over \$100 million.

The Hon. WALT SECORD: So if the Premier gives you permission to release the figures—the estimated expenditure on this—will you do so? If the Premier green-lights you to tell the community how much will be spent on this project will you do that?

Mr ADRIAN PICCOLI: There are a lot of decisions that Cabinet makes that are made public.

The Hon. WALT SECORD: My question was simple: If the Premier directs you and gives you approval to release the expenditure—how much it will cost the budget—will you do so?

The Hon. GREG PEARCE: It is another hypothetical.

CHAIR: Yes.

The Hon. WALT SECORD: No, he said earlier in the evidence he would do it, "If the Premier allows me to do it."

Mr ADRIAN PICCOLI: I do not know that I said that. Did I say it was the Premier?

CHAIR: No. That is an interpretation, I think. The Hon. Walt Secord has 17 seconds left if he has another question.

The Hon. WALT SECORD: No.

Reverend the Hon. FRED NILE: I have a general question about the school chaplaincy program in New South Wales schools. Is there sufficient funding from the Federal Government for that program? How much is the Federal Government allocating to New South Wales?

Mr ADRIAN PICCOLI: My understanding is that there is a fixed funding pool and that public and non-government schools could apply. The secretary might be able to expand on that.

Reverend the Hon. FRED NILE: What is the fixed amount that you are referring to?

Ms BRUNIGES: In the 2014-15 Federal budget the Australian Government allocated \$243.8 million over a period of four years to fund the national school chaplaincy program across all States and Territories. Last October New South Wales and the Commonwealth signed an agreement for that program. Through that agreement the Commonwealth provides funding to the State to administer the National School Chaplaincy Programme on the Commonwealth's behalf. The agreement allows for a maximum financial contribution of \$44.45 million in New South Wales over the four-year period 2015 to 2018. That funding is for the provision of pastoral care services and strategies to support the emotional wellbeing of students and the broader school community

Following the signing of that agreement we formed a cross-sectoral committee for the National School Chaplaincy Programme. That committee includes representatives from government, Catholic and independent school sectors. The committee has determined the approach with the administration of the program in New South Wales consistent with Commonwealth requirements and has determined to provide some continuity for 2015 with all those three sectors involved in giving priority to schools previously funded by the Commonwealth. During 2015 a further application process for schools will take place for 2016 to 2018. That process is being developed jointly by that cross-sector committee.

Reverend the Hon. FRED NILE: Thank you. Can you give the Committee the approximate number of chaplains in each of those three categories?

Ms BRUNIGES: I would need to take that on notice. I do not have that detail with me.

Reverend the Hon. FRED NILE: Do you know approximately the total number of chaplains? Can you give me an estimate?

Ms BRUNIGES: I cannot tell you that. I know that 345 public schools have been allocated over \$6.4 million.

Reverend the Hon. FRED NILE: Three hundred and forty-five?

Ms BRUNIGES: Yes, 345 public schools. Over 756 public schools submitted an application.

Reverend the Hon. FRED NILE: Following up the current situation with scripture classes, I know there were some problems with the enrolment form. Has that situation now been clarified for the future?

Mr ADRIAN PICCOLI: There is a new section of the enrolment form. That will be in the enrolment form that is released at the beginning of term 4.

Ms BRUNIGES: That is right. On July 15 the Minister announced that the section of the enrolment form pertaining to special religious education [SRE] and special education in ethics [SEE] was to be amended. We posted a spot on our website indicating the amendment to the form. The enrolment procedures for 2016 have begun and we need to change the enrolment form. That normally takes us about a term in lead time, when we liaise with our central data collection systems and look at the translation of the form into 35 languages. We do that. The policy owners need to put in changes to policy documents as a result of that change, and update our websites.

Any revision of all our training materials must also occur and we must also look at the implementation and timelines. We give staff sufficient notice so that they can plan and implement all of those proceedings. We need to reprint the enrolment forms and we need to provide transition support and guidance to schools, including training for administration staff to support data entry and changeover from the previous form. That particularly relates to the cut-over between years 6 and 7, with the transition to high school. That happens

through our enrolment registration numbers and so forth. There is a fair bit of work to do but we have commenced that work.

Reverend the Hon. FRED NILE: You mentioned that you are printing the enrolment form in different languages. Is that the first time you have put it in different languages, or is this an expansion?

Ms BRUNIGES: We are required to meet accessibility requirements in a number of languages. My understanding is that it is not the first time we have had the enrolment form in a number of languages.

Reverend the Hon. FRED NILE: Could you take on notice the languages that are being used.

Ms BRUNIGES: Certainly.

Reverend the Hon. FRED NILE: With regard to the homeschooling program, I know that the parents do not get funding but is there any budget impact through the homeschooling program?

Ms BRUNIGES: I will get Mr Alegounarias to answer that. He has responsibility for homeschooling.

Mr ALEGOUNARIAS: Yes, there is a budget impact that is part of the board's budget—not directly in terms of allocation of resources except for staff of the board in overseeing the program.

Reverend the Hon. FRED NILE: For the administration?

Mr ALEGOUNARIAS: For the administration of the program, including home visits.

Reverend the Hon. FRED NILE: At this stage, obviously, there is no funding in the Education budget for homeschooling?

Mr ALEGOUNARIAS: It is included in the budget for the board, so it is part of our operations, yes.

Reverend the Hon. FRED NILE: Is there any impact on the budget through the Safe Schools program? Who is funding that?

Ms BRUNIGES: The Safe Schools program is a Commonwealth program, Reverend Nile. It comes from the Commonwealth.

Mr ADRIAN PICCOLI: I do not have a number.

Reverend the Hon. FRED NILE: I know they are allocating \$9 million or something. Is that correct? Do you know the amount of money from the Federal Government?

Ms BRUNIGES: I am not sure on that amount.

Mr ADRIAN PICCOLI: We are happy to take it on notice.

Ms BRUNIGES: Yes, happy to take it on notice and find out.

Dr JOHN KAYE: You do not deliver it?

Reverend the Hon. FRED NILE: There would be State costs, obviously, with schools implementing the program—producing materials?

Mr ADRIAN PICCOLI: Can we take that on notice?

Ms BRUNIGES: Yes, can I take that on notice? I know it is a Commonwealth program from my days at the Commonwealth, but I would have to be really clear. I know they have dedicated an amount of money, I think, in their most recent budget before it, but it is a Commonwealth administered and funded project.

Reverend the Hon. FRED NILE: They would actually fund a local school implementing it? It does not come out of the State budget?

Ms BRUNIGES: No. There is no funding that I am aware of that comes from the State budget to support that.

Reverend the Hon. FRED NILE: Thank you. I note that TAFE NSW has been separated from the Education cluster and is now part of the Industry, Skills and Regional Development cluster. Is there any particular reason for that? What impact is that having on the department since the TAFE has been such a major part of the department's role?

Mr ADRIAN PICCOLI: That is a decision taken by the Government post-election, just around those portfolio responsibilities and changes in clusters. It is a question that is probably best directed to the Premier.

Reverend the Hon. FRED NILE: Okay. I notice also there is support for successful students of \$167 million over four years across rural, regional and metropolitan schools. What is the breakdown of the student background accessing this support? Is there any particular group?

Mr ADRIAN PICCOLI: That is a \$167 million commitment that we made. The funding to that began on 1 July this year and will increase over the next three years. We are able to do this because we were the first State to sign up to the Gonski agreement. As you appreciate, the Gonski funding increases every year—well, for the first four years with equal Commonwealth contribution and in the fifth and sixth years with the New South Wales-only contribution at this stage, but we are working on that. We were in a position to be able to start these additional resources but it starts as a smaller amount this financial year and next year it increases again. The Secretary may have the breakdown by year.

It was done so that we could roll that out as quickly as possible. The first things that are being done here are releasing the district guidance officers from some of their casework load so that they are able to focus on higher-priority students that they deal with. It is rolling out. As I said, it will ramp up over the next three years but this is a 45 per cent increase in the amount of money that we are spending on student wellbeing—the first significant increase in more than 20 years. It is going to a fantastic resource for government schools. We can do it because of Gonski. If the Commonwealth does commit to the fifth and sixth years, we will be able to do even more of it.

Reverend the Hon. FRED NILE: Do you have any breakdown of how that money is being allocated to students—the background of the students? As you know, there are some areas in New South Wales which are regarded as severely disadvantaged.

Mr ADRIAN PICCOLI: Yes.

Reverend the Hon. FRED NILE: Are there students from those areas?

Mr ADRIAN PICCOLI: Before I ask Ms Bruniges, who may have those specific details, there were a couple of specific locations that were made to target particular groups that seemed to be particularly in need. One was a contribution specifically to refugee children and one was to the Connected Communities schools—those 15 schools in regional and remote parts of New South Wales with a high Aboriginal population, but certainly not exclusively Aboriginal. It is particularly focused on those issues of intergenerational trauma that some of those families have faced. That therefore has an impact on students, as they are in school. We have certainly targeted those two areas.

But then the broader contribution to the school counselling service, essentially, is really going to be employment of 236 additional school counsellors as part of this. Some of the money goes directly to schools for them to be used flexibly to support students, and then they can use the additional resource allocation model money that they get—the equity money—to top that up as well. Those dollars are targeted to schools based on their family, occupational and employment index [FOEI] that the department uses, which really targets the students' socioeconomic status [SES], essentially, but it is a different measure, a more accurate measure. You will find, Reverend Nile, that those schools that have the children who most need it do indeed get the greatest allocation of money. That is the very nature of the needs-based funding system and the very reason that we were so keen to sign up to it.

Reverend the Hon. FRED NILE: You allocate the money on a needs-based system. Do the schools themselves make an application, or can they make applications for that particular group?

Mr ADRIAN PICCOLI: School counsellors are employed centrally and work in and between the schools. The current average is one school counsellor for every approximately 1,100 students, if I recall correctly.

Ms BRUNIGES: Yes.

Mr ADRIAN PICCOLI: That level dropped down to about one in 750 students, which is in line, I think, with previous Coroner recommendations.

Ms BRUNIGES: Yes.

Mr ADRIAN PICCOLI: I should not be guessing this, but I am reasonably sure and I will correct the record if that is a little bit wrong.

Reverend the Hon. FRED NILE: The money is being used to pay the salaries of school counsellors? One hundred per cent?

Mr ADRIAN PICCOLI: Some of it.

Ms BRUNIGES: Some of it.

Reverend the Hon. FRED NILE: What percentage?

Mr ADRIAN PICCOLI: And some of it is used as specifically to allocate to schools.

Ms BRUNIGES: Reverend Nile, I have the breakdown here. There is \$80.7 million to employ 236 school counsellors, so that money would go to the salaries of those counsellors. There is \$51.5 million of flexible funding to support the student support officer positions, and that should do about 200 of those. There is \$8 million to provide over 500 graduate scholarships to help us boost the recruitment of school counsellors and other wellbeing positions. There is \$8 million to implement the Connected Communities healing and wellbeing initiative. There is \$4 million to support refugee students and their families who have experienced trauma, which the Minister has just spoken about, and \$15 million to support the implementation of Positive Behaviour for Learning in public schools across New South Wales.

In addition to that, the Minister spoke about resource allocation methodology that we use, which is based on student need. They go to student characteristics of funding where some of the funding around students with a disability would be targeted funding and linked to students; other funding is around Aboriginality, which relates to the model of how we fund our schools. So there is a whole shift in funding, the way we fund public schools, and in addition to that resource allocation model. This is additionality money that we have put in too, around the wellbeing aspect.

Dr JOHN KAYE: Minister, can I ask you about the National Assessment Program—Literacy and Numeracy [NAPLAN] contract that was awarded to the company Pearson. You would be aware that Pearson was awarded a contract to manage NAPLAN capturing and marking of students' test scores, marking centre services, and, critically, to score students' responses for reporting. You would also be aware, I think, that Pearson is a large multinational textbook provider. In Australia, if you go to your local newsagent you will find that they sell a large number of textbooks that relate specifically to preparation for NAPLAN. Can you tell me how that is not a conflict of interest between the two functions of Pearson?

Mr ADRIAN PICCOLI: I am going to ask the Secretary to answer this question.

Ms BRUNIGES: We might take it across to the president of the board to do that. The NAPLAN contract is done with the board.

Dr JOHN KAYE: I just get the sense that there is a passing of the buck here, Minister. I do not know why, but it has just bounced from you to the Secretary and to Mr Alegounarias.

Mr ADRIAN PICCOLI: There is a procurement process, so the issues of conflict, I am presuming—I do not do the procurement, but I am presuming that those issues are considered as part of the procurement process.

Mr ALEGOUNARIAS: There are separate processes for determining the content and the appropriate benchmarks for reaching each stage or level of achievement in the NAPLAN test and the processes for contracting the elements that you have just described are handled completely separately and are regarded on their own terms.

Dr JOHN KAYE: That is great, thank you. But still no-one has explained to me why there is not a conflict of interest between a company that is selling for profit textbooks to prepare students for NAPLAN and that same company being involved in those activities. Surely that is a conflict of interest.

Mr ADRIAN PICCOLI: The advice I have is that Pearson was awarded the NAPLAN contract in New South Wales after a competitive tender process in 2011, and that process requires respondents to identify any conflicts of interest as a condition of the tender. That 2011 tender process was reviewed by an external probity advisor prior to awarding the contract. And it was extended—

Dr JOHN KAYE: So you are saying it is okay because—sorry, I thought you had finished.

Mr ADRIAN PICCOLI: The term of the agreement was extended with Pearson to deliver NAPLAN services for 2015.

Dr JOHN KAYE: So you are saying it is okay because Pearson said, "We don't have a conflict of interest."

Mr ADRIAN PICCOLI: I am telling you that as part of that tender process the issue of conflict of interest is identified as a condition and that, indeed, an external probity advisor reviewed that process prior to awarding the contract. I do not award the contracts.

Dr JOHN KAYE: Can you tell us who the probity advisor was? Will you take that on notice?

Mr ALEGOUNARIAS: We will take that on notice.

Dr JOHN KAYE: Do you understand my cynicism when the words "probity advisor" are said in New South Wales, given the deals that were signed off by probity advisors under the previous Government, which subsequently turned out to be quite dodgy?

Mr ADRIAN PICCOLI: You may have concerns but I have confidence in the process of an external probity advisor.

Dr JOHN KAYE: Even though the average person would see this as a clear conflict of interest between Pearson the textbook company and Pearson the NAPLAN company.

Mr ADRIAN PICCOLI: When there is a competitive tender process the issue of a conflict of interest must be identified. Not only that; an external probity advisor was appointed to review that tender process.

Dr JOHN KAYE: We might park that one there and come back to it. This State, as I understand it—and correct me if I am wrong—gives about \$1 billion a year to non-government schools.

Mr ADRIAN PICCOLI: Yes, that is right.

Dr JOHN KAYE: And it does so to make them more affordable, is that correct?

Mr ADRIAN PICCOLI: That is probably one reason.

Dr JOHN KAYE: Are there other reasons why you give money—

Mr ADRIAN PICCOLI: Because we support choice in schools, and there is a recognition—

Dr JOHN KAYE: You support choice by making them more affordable?

Mr ADRIAN PICCOLI: There is a recognition that choice is a legitimate thing in schools in New South Wales, supported not only by this Government but by previous governments and historically. Certainly, for a long time governments have made a contribution to non-government schools.

Dr JOHN KAYE: In 2013 the State Government gave \$1.6 million to Waverley College in Waverley. How does that support choice? I am just picking one school at random, but it is a category one private school with fees in the \$20,000 a year mark or more. How does that \$1.6 million support choice?

Mr ADRIAN PICCOLI: The Government supports choice in non-government schools and provides some financial assistance to schools on a sliding scale. We have changed the way funds are given to non-government schools through the National Education Reform Agreement [NERA]. Dr Bruniges might be able to expand on the detail of that.

Dr JOHN KAYE: But not in the case of Waverley College because it was overfunded under the NERA so it will just continue to receive what it gets.

Mr ADRIAN PICCOLI: The NERA is an agreement between the New South Wales Government and the Commonwealth as part of the funding agreement.

Dr JOHN KAYE: Let me ask you another question about Waverley College while we are looking at that particular school. In 2013 the MySchool website shows that it diverted \$2 million from its recurrent budget into its capital budget. Is there not an argument that the \$1.6 million the State gave to Waverley College did not end up supporting choice or supporting affordable schools but, instead, ended up in capital works?

Mr ADRIAN PICCOLI: I do not know the details of this. I will have to take that question on notice.

Dr JOHN KAYE: Would you be concerned that, of the 62 elite private schools—the category one, category two and category three private schools under the old system in New South Wales—30 per cent of all their recurrent funding ended up in their capital works budget?

Mr ADRIAN PICCOLI: You are putting a proposition to me. I do not know, so I will have to take that question on notice.

Dr JOHN KAYE: Will you undertake to have a look at the MySchool website for 2013 and look at the amount of money that is diverted from those 62 schools?

Mr ADRIAN PICCOLI: If you want to ask, you have to ask me a specific question.

Dr JOHN KAYE: I am. I am asking whether you will undertake to look at those and look at the percentage of funds that is diverted out of their recurrent budgets and into their capital works budgets.

Mr ADRIAN PICCOLI: You are asking me two questions. One is: Is it diverted? I do not know that that is true.

Dr JOHN KAYE: No, the question I am asking is very straight forward. Will you have a look at it and look at the percentage—

Mr ADRIAN PICCOLI: If they are diverted—

Dr JOHN KAYE: —of money that is diverted. How much money is diverted?

Mr ADRIAN PICCOLI: You say "if", so you are putting a proposition to me.

Reverend the Hon. FRED NILE: Were any moneys diverted?

Mr ADRIAN PICCOLI: The question is if they are, then there would be a question. If it is, then how much? There are two questions. You are putting a direct proposition to me that funds are diverted. I do not know if that is true or if there is anything wrong with that.

Dr JOHN KAYE: You will look and see if it is, and if it is you work out the percentage that is diverted and then we may have another conversation.

Mr ADRIAN PICCOLI: You are entitled to put any question on notice that you like.

Dr JOHN KAYE: Let us go to the matter of TVET. Are you aware of what TVET is?

Mr ADRIAN PICCOLI: Yes.

Dr JOHN KAYE: And it is still within your portfolio because it is about vocational education and training being provided in schools by TAFE. You might be able to correct me on this, but is it true that TAFE delivered vocational education and training [TVET], which has traditionally been free to public schools, will no longer be free to public schools?

Mr ADRIAN PICCOLI: The secretary will answer this question.

Ms BRUNIGES: Sorry, I am not aware of that.

Dr JOHN KAYE: You are not aware of that fact.

Ms BRUNIGES: No, I am not.

Dr JOHN KAYE: Let me put this question. No-one has told the Minister or the secretary that the previous arrangement with TVET will no longer pertain, and the idea that a student can do a trade subject at TAFE, which will lead to both their Higher School Certificate and to a trade qualification, which in the past had always been free to a public school and for a public school student, will no longer be free. Nobody has told you that?

Ms BRUNIGES: No, I am not aware of that at all.

Dr JOHN KAYE: Mr Piccoli, nobody has told you that?

Mr ADRIAN PICCOLI: No.

Dr JOHN KAYE: Ms Davy?

Mr ADRIAN PICCOLI: No. You have to ask direct questions to me.

Dr JOHN KAYE: I am wondering whether anyone at the table—

Mr ADRIAN PICCOLI: If you want to ask me a question, we will take it on notice. I am not aware and the secretary is not aware.

Dr JOHN KAYE: You are not aware of that fact. That is fascinating.

The Hon. GREG PEARCE: Do you have anything to substantiate what you are saying?

Dr JOHN KAYE: Will you give an undertaking that if that is the case it will not be the individual student but it will come out of the department's budget?

Mr ADRIAN PICCOLI: I will get an answer to the question first. I am happy to follow this up with you separately. I do not want to make that up.

Dr JOHN KAYE: Let us go to the issue of voluntary lunchtime religious activities in public schools. You would be aware that the religious education implementation procedures [REIP] were changed in March 2015.

Mr ADRIAN PICCOLI: Yes.

Dr JOHN KAYE: And you would be aware that what was added were a number of responsibilities for principals in respect of activities that were carried out in schools, not special religious education but other activities.

Mr ADRIAN PICCOLI: Yes.

Dr JOHN KAYE: Largely those that are carried out by the Scripture Union. There were three additional requirements put onto principals: the issue of child protection, no attempt to proselytise and the requirement of principals to monitor content. I strongly support those changes. When were principals first told that those changes were made?

Mr ADRIAN PICCOLI: I will ask the secretary to answer that question.

Ms BRUNIGES: I will ask Mr Dizdar, the head of schools, to answer that.

Mr DIZDAR: On Wednesday 19 August our Deputy Secretary, School Operations and Performance communicated with all the principals of public schools—

Dr JOHN KAYE: That is Mr Prior, is it?

Mr DIZDAR: That is correct. We informed our principals around our religious education implementation procedures, from which you have just been quoting.

Dr JOHN KAYE: Paraphrasing, to be correct, not quoting.

Mr DIZDAR: We indicated to our principals that in their supervision of prayer groups they must ensure the things that you have referred to—in other words, parental permission is obtained, that appropriate child protection checks and practices in relation to any volunteers coming from outside the school take place, the content of those activities are monitored and that students or members of religious persuasions do not engage in attempts to proselytise or convert non-adherents of the religion to their faith in the course of school-authorised activity.

Dr JOHN KAYE: Minister, that happened on 19 August but the changes were made in the middle of March. Why was there no notification between March and August?

Mr ADRIAN PICCOLI: I will have to ask the secretary. My understanding is that changes were made earlier this year.

Ms BRUNIGES: My understanding was that when the changes were made in March there was some communication, but again I would have to take that on notice. I think the reminder of 19 August that Mr Dizdar was speaking about really related to a second wave of communication, but I need to go back to March.

Dr JOHN KAYE: A survey was done of principals in July or August. Is that correct? After the matter blew up about a particular prayer group at a particular school a survey was conducted of principals?

Ms BRUNIGES: That is correct.

Dr JOHN KAYE: That survey asked a number of questions in respect of how they were implementing these procedures?

Ms BRUNIGES: Yes, that is correct.

Dr JOHN KAYE: Many principals said the first they heard of the new procedures was when they were surveyed as to how they were implementing them.

Ms BRUNIGES: I need to go back, as I said, to March. I cannot answer that at this point in time but I would like to take it on notice and go back to see what communication occurred in March following those changes to see whether there was any at all. I suspect there was, but we need to follow that through.

Dr JOHN KAYE: Can Mr Dizdar table that document, the communication with principals?

Mr DIZDAR: Are you referring to the Wednesday 19 August communication?

Dr JOHN KAYE: The 19 August document.

Mr DIZDAR: Yes, we can.

Dr JOHN KAYE: Thank you.

CHAIR: The staff will collect the document.

Leave granted.

Document tabled.

Dr JOHN KAYE: Minister, you correctly and, I think, courageously identified earlier this year the condition of a number of schools in western New South Wales, schools which predominantly cater to Aboriginal communities. You identified the physical condition of those schools—I do not think you were commenting on the high quality of teaching there. What have you done about that and what is going to happen with the physical condition of those schools?

Mr ADRIAN PICCOLI: I think it was last year, but the department has subsequently allocated \$35 million in capital works funds to a number of those schools. A few of those projects have finished, including upgrading the oval at Brewarrina Central School, for example. There is \$15 million to rebuild a number of classrooms at Moree East Public School and that project is underway. There is about \$7 million or \$8 million at Walgett, which is also underway. The condition of some of those schools was not acceptable and I have made several public comments about that. Now we have put some money towards fixing them.

Dr JOHN KAYE: Will that be enough?

Mr ADRIAN PICCOLI: It is never enough in capital works and maintenance. I think every Minister managing an asset portfolio would say the same and every year we go, as every Minister has ever done, to Treasury and others and ask for more money. We spend what we get allocated and try to spend it as effectively as possible. In these cases, we have targeted schools that, unfortunately, over the years have been neglected because they were a long way away from public consciousness.

CHAIR: Thank you, Minister. Now the Opposition will ask another round of questions.

The Hon. WALT SECORD: Minister, I come back to the Learning Management and Business Reform [LMBR] program. Since you will not reveal budget implications, could you canvass with us what were the problems or concerns that came to light with the operation of the program?

Mr ADRIAN PICCOLI: Which particular program?

The Hon. WALT SECORD: The LMBR. What caused the explosion, the blowout for a year?

Mr ADRIAN PICCOLI: There is no blowout. Can you be more specific in your question?

The Hon. COURTNEY HOUSSOS: Can I pick up on that?

The Hon. WALT SECORD: Okay.

The Hon. COURTNEY HOUSSOS: In today's media you said that there were lessons to be learnt. Perhaps you could highlight some of those lessons.

Mr ADRIAN PICCOLI: Yes. In the rollout to the 229 schools—and again the secretary might be able to expand here—the very point of doing a pilot is to identify potential problems. Some of those problems included that in some schools there is—what is the right word to describe it?—inconsistent hardware. For example, there were printers required to print receipts that were not compatible with the LMBR system. When schools wanted to print receipts, the printer would not work, so there are things as practical as that. Advice to

me is that some schools had not updated their operating systems when they should have been updated—I am no information technology [IT] specialist—and that caused some problems. There were a number of functional things and, as I said, that is the very reason for identifying these problems by running a pilot. Those problems have been identified. Those emails that were referred to in the media today were from 12 and 18 months ago, and my understanding is those issues have been dealt with or those individual issues have been dealt with.

The Hon. WALT SECORD: Minister, you said that you would pass over to your director general to expand on that.

Ms BRUNIGES: It is right that when we first put the pilot in place it would be fair to say that we had underestimated the staff training component needed in the training materials for a new system and therefore staff were very frustrated that they were not given sufficient support with appropriate training materials. There were computer compatibility issues that we found in both operating systems and printers that did not complete, and a range of printing requirements across those 229 schools that were vastly different and unique to particular school settings. We also found that things like the operation of the school or the way in which they processed things was vastly different, so of those 229 schools, every one had a different way of processing things.

If you look at the secondary context, some would be marking rolls every period, while others would mark them at the commencement of the day. We needed to take into account in further training materials the unique way in which particular settings of primary schools operate differently from high schools. While the training materials really focused on the information technology and the new rollout, I would be the first on the public record to say that we needed to support staff much better and we learnt that lesson through the pilot.

The Hon. WALT SECORD: You mentioned needing to support staff more. We have heard reports of departmental staff and teachers going off on stress leave. Are you aware of those reports?

Ms BRUNIGES: I have read some of those reports. I would like to say that is the importance of the investment we are about to make—the recurrent cost that we need to invest in the system to provide the training support needed in such a massive change in 26 years in our schools.

The Hon. WALT SECORD: You mentioned that there were problems with marking off the rolls. What does that mean?

Ms BRUNIGES: Different schools had different ways of marking the roll. Some schools marked them once a day as is the requirement—a roll needs to be marked as it is a legal document in the school—and other schools had period checks which meant that whoever was on class in that period in a secondary context would do it. Sometimes we had to ensure that when there were situations like excursions, we had ready register rolls for schools, which are different from the mainstream roll of who is at school. We needed to add a lot more complexity with aspects like that to reflect the operation of a day-to-day school.

The Hon. WALT SECORD: What did the schools that could not mark rolls and record kids going on school excursions do?

Ms BRUNIGES: My understanding is that the good faith of our teachers stepped up. Many had manual systems that they continued to use. It might have involved recording names using a clipboard when kids got on a bus for a school excursion. In some classes teachers used iPads and a variety of other practices.

The Hon. COURTNEY HOUSSOS: Minister, I appreciate your making what I would consider to be a tenuous claim about Cabinet confidentiality. However, I will ask two final questions. Has the secret final cost of the LMBR program as approved by Cabinet been included in the Government's forward estimates?

The Hon. GREG PEARCE: Is this still a question about the Labor decision in 2007?

The Hon. WALT SECORD: You are no longer a Minister.

CHAIR: The Minister has been asked a question and we will allow him to answer it.

Mr ADRIAN PICCOLI: If you call Cabinet decisions secret—and to a degree they are because that is the nature of such decisions and I signed an oath a few months ago to that effect—the decision has been made.

Through the Appropriations Bill, the Parliament appropriates a budget for the Department of Education and the cost of the LMBR program for 2015-16 is in that budget.

The Hon. COURTNEY HOUSSOS: What is that anticipated expenditure?

Mr ADRIAN PICCOLI: It is \$12.8 billion.

The Hon. COURTNEY HOUSSOS: I specifically asked about the anticipated expenditure for the program in 2015-16.

Mr ADRIAN PICCOLI: As I said, that is part of the Cabinet decision made about the budget for the remaining rollout of the LMBR.

The Hon. WALT SECORD: So you are asking the community to approve expenditure of between \$573 million and \$990 million. You said it was below \$1 billion. Are we going to play a game where I hold up a number and you say yes or no?

Mr ADRIAN PICCOLI: We definitely will not play that game.

The Hon. WALT SECORD: I think you owe it to the community to be real. Of the 200 schools, have any asked to opt out of the LMBR program?

Mr ADRIAN PICCOLI: I do not know.

The Hon. WALT SECORD: Director general, do you know?

Ms BRUNIGES: I am not aware of any, but Mr Riordan might know.

The Hon. WALT SECORD: Mr Riordan, can you enlighten us?

Mr RIORDAN: I am aware that at one point NSW Teachers Federation members at a school carried a resolution to opt out. That school is still part of the program.

The Hon. WALT SECORD: What school is that?

Mr RIORDAN: I do not recall.

The Hon. WALT SECORD: Can you provide that information on notice?

Mr RIORDAN: Yes.

The Hon. WALT SECORD: There were also concerns about electricity bills not being paid and power supply being disconnected because of the LMBR program. Are you aware of those reports?

Mr ADRIAN PICCOLI: Again, I will ask the secretary to provide an answer. I know that there were issues with payments, but not necessarily because of the LMBR program.

Ms BRUNIGES: I am aware of those reports, but no school has had its electricity turned off as a result. There were issues with the slowness of payments, but beyond that I am not aware of anything recently coming across my desk.

The Hon. WALT SECORD: Is it true that principals paid bills using their own credit cards to keep schools operating?

Ms BRUNIGES: I am not aware of any situation like that.

The Hon. WALT SECORD: Can you take that question on notice?

Ms BRUNIGES: I certainly can. I saw the reports in the press this morning and I am happy to take the question on notice. However, I am not aware of that situation.

Mr ADRIAN PICCOLI: I understand that these things were raised predominantly at the end of 2013 with the initial rollout. Again, it is a pilot program designed to identify issues. I also understand that some of the suppliers changed the way they invoiced schools and/or the department. Some of the problems were associated with the way that vendors invoiced.

The Hon. WALT SECORD: So it was not the computer system, it was the vendors?

Mr ADRIAN PICCOLI: If I recall from the end of 2013, there were some issues with vendors and how they invoiced. I am not suggesting that there were no problems with the system itself, but there was more than just a problem with the system. These issues were raised in 2013 and the department took steps to ensure they were resolved.

The Hon. COURTNEY HOUSSOS: Minister, I draw your attention to the fact that during last year's budget estimates hearings you stated:

I have had some schools say that they wished they had signed up to the pilot.

Can you name those schools?

Mr ADRIAN PICCOLI: I cannot remember. There were some schools that said they wished they had signed up. The key reform that will come with the LMBR program is giving schools flexibility about the use of their budget. They will not have that flexibility unless they can manage their finances within the school. That is what this program will allow them to do. Schools really like the flexibility to be able to spend their money in the best interests of their students. When we came to government, schools managed about 10 per cent of their budget. At the end of the Local Schools, Local Decisions reforms they will be managing 70 per cent of their budget. In so doing they will be able to spend money in the best interests of their students recognising that every school is different. The LMBR program will enable that to happen. That will not happen unless schools have visibility over their budget, and that is what the LMBR program will provide.

The Hon. COURTNEY HOUSSOS: After what I would classify as a disastrous rollout of the TAFE LMBR—you might have a different opinion—one student was reported in the media as saying:

We were supposed to enrol and pay for our course online. But we had to line up for hours and my teacher had to fill out the paper work manually ... My fees went up by about \$300 and they want to cut down the course time. I reckon it's outrageous. It's our future.

Thousands of students were not enrolled more than five weeks after the term began. How can New South Wales parents have any faith that the same problems will not affect the State's schools when the program is ultimately rolled out to the remaining 2,000 schools?

Mr ADRIAN PICCOLI: The specific question about the student should be directed to the Minister for Skills. The TAFE Student Administration and Learning Management solution went live on 28 October last year, followed by a three-month support program that concluded on 30 January this year with the transition to TAFE NSW business-as-usual support. The system was accepted by TAFE NSW at the conclusion of the support period. Specific questions about student enrolments should be directed to the Minister for Skills.

The Hon. WALT SECORD: On what date will the LMBR program be completed and rolled out to all 2,218 schools in New South Wales? What is the end date?

Mr ADRIAN PICCOLI: The anticipated rollout to the remaining schools will start next year and it is anticipated to finish by the end of 2017.

The Hon. COURTNEY HOUSSOS: I again refer to the Auditor-General's report. It states:

The Department has commenced planning for further work in Stage 3 of the LMBR program and needs to allocate significant additional funding from its budget to enable it to complete the implementation of all the planned LMBR program components.

What is "significant additional funding" in the context of the \$579 million already spent?

Mr ADRIAN PICCOLI: As I said, Cabinet has approved a budget for the remaining rollout. It is a Cabinet-in-confidence decision and it will be funded through the Department of Education budget.

The Hon. COURTNEY HOUSSOS: You implied that \$1 billion was out of the question. Is the Auditor-General incorrect in his assessment that there will be significant additional funding?

Mr ADRIAN PICCOLI: You would have to ask the Auditor-General what he means by "significant". These things are relative to the size of the organisation. I will not guess what the Auditor-General means by "significant".

The Hon. WALT SECORD: The director general said that she was unaware of schools having electricity cut off because of the problems with the LMBR program. We have been told that it occurred on the North Coast. Are you aware of that?

Ms BRUNIGES: No, I am not.

The Hon. WALT SECORD: Are you aware that NSW Teachers Federation representatives from Grafton High School have told us that their school had its electricity cut off? Are you aware of that?

Ms BRUNIGES: I am not aware of what the Teachers Federation may have told you, I am sorry.

The Hon. WALT SECORD: Will you take it on notice and check to see whether, in fact—

Mr ADRIAN PICCOLI: What school? Grafton High School?

Ms BRUNIGES: Grafton High—absolutely.

The Hon. WALT SECORD: Maybe Mr Riordan can help us. Mr Riordan, are you aware?

Mr RIORDAN: No, I have not heard that.

The Hon. WALT SECORD: I ask another question about outside help with the LMBR. Have consultants been brought in from India and Malaysia to assist with the blowout, with the teething problems?

Mr ADRIAN PICCOLI: It is not a blowout. But what are you suggesting—that Indians and Malaysians cannot do the job?

The Hon. WALT SECORD: I have been advised that consultants from—

Mr ADRIAN PICCOLI: Labor has a record of racism.

The Hon. WALT SECORD: I have been advised that consultants from Mumbai and Kuala Lumpur have been brought in to help you.

Mr ADRIAN PICCOLI: Labor has a record of racist comments and I find that particularly offensive. What would you find offensive about Indians and Malaysians coming in to do contract work?

The Hon. WALT SECORD: That is a misrepresentation of what I said.

Mr ADRIAN PICCOLI: Sorry, no. Your question was—

CHAIR: Order! Can—

Mr ADRIAN PICCOLI: What about if we had Americans and Italians? Would that be okay? But not Malaysians and Indians.

The Hon. WALT SECORD: Are you finished?

Mr ADRIAN PICCOLI: No, I am not, actually. I find that really offensive.

CHAIR: Order! Minister, can I ask—

Mr ADRIAN PICCOLI: I find that really offensive and indeed racist to suggest that people from two particular countries—

The Hon. WALT SECORD: Do not try to turn this around. I asked a very simple question.

Mr ADRIAN PICCOLI: You did. You asked a simple and, dare I say, stupid question.

The Hon. WALT SECORD: Nothing will get away from the fact that you are trying to cover up.

Mr ADRIAN PICCOLI: You asked a stupid question.

CHAIR: Order! Mr Secord—

The Hon. WALT SECORD: Why are you calling me to order?

CHAIR: Order! I did not.

Mr ADRIAN PICCOLI: No, I am sorry. You asked the question.

The Hon. WALT SECORD: Madam Chair?

CHAIR: Order! I am asking for—

The Hon. GREG PEARCE: Just apologise and ask a sensible question.

Dr JOHN KAYE: Point of order: This is now absolutely unfair on Hansard. We can abuse each other all we like and Hansard can cope with that but we cannot all be talking at the same time.

CHAIR: Order! Dr Kaye is saying that you can abuse each other one at a time. I do not accept that point either, Dr Kaye.

The Hon. WALT SECORD: On that note, I will rephrase—

CHAIR: Order! Mr Secord, that is what I wanted to ask you to do.

The Hon. NATASHA MACLAREN-JONES: Stop speaking over the Chair. You have been doing it all day.

CHAIR: Order! I ask everyone to remain quiet for a moment. Mr Secord you might rephrase or ask your question again. Minister, you might wait for the question and then answer it.

The Hon. WALT SECORD: As a person who was born overseas, I would like to know. I have been advised that overseas experts have been brought in to assist the Department of Education. Is that correct? That is the question; that is the nub of my question.

Mr ADRIAN PICCOLI: I want you to apologise for the previous question.

The Hon. WALT SECORD: For what?

Mr ADRIAN PICCOLI: For singling out particular races, particular nationalities.

The Hon. WALT SECORD: I would like you to withdraw the accusation.

CHAIR: Order!

The Hon. WALT SECORD: I understand how The Nationals operate.

CHAIR: Order! Mr Secord, Minister! I am unable to rule on that because I could not hear with both of you speaking at the same time.

The Hon. WALT SECORD: This is just an attempt to divert attention away from the blowout.

Reverend the Hon. FRED NILE: He said, "Malaysian or Indians."

The Hon. GREG PEARCE: You said, "Malaysian or Indians." We all heard you.

The Hon. WALT SECORD: I did not say that. I said, "Malaysia or India." This is a diversion away from the real issue.

The Hon. GREG PEARCE: Thank you for the admission. Now apologise.

CHAIR: Order! Mr Secord—

The Hon. WALT SECORD: No.

The Hon. GREG PEARCE: What is your implication—that there are not Australians who can do the work? Is that what you are trying to say?

CHAIR: Order! Mr Pearce.

The Hon. GREG PEARCE: It is just as bad.

Mr ADRIAN PICCOLI: Or that it is okay if it is Americans?

The Hon. WALT SECORD: Madam Chair, you are losing control of this Committee.

CHAIR: Order! Yes and I am asking that you all refrain from interjecting for a moment. I call on the Minister to clarify: Are you seeking an apology? Is that what you are requesting?

Mr ADRIAN PICCOLI: I am seeking an apology or a withdrawal of the question. It is a completely inappropriate question to ask—to identify nationalities as somehow being problematic.

The Hon. WALT SECORD: Overseas experts.

Mr ADRIAN PICCOLI: That is a better question, but just withdraw the earlier question.

CHAIR: Order! Minister, my recollection—and I was distracted for a moment—was that the Hon. Walt Secord was asking about nationalities. I did not hear any other comment. Can we resume on that basis?

Reverend the Hon. FRED NILE: He was very specific.

CHAIR: Order! He was specific? Mr Secord?

The Hon. WALT SECORD: Overseas experts then. If it pleases the Committee, I will say—

The Hon. GREG PEARCE: No, withdraw the first one and we can get on with it.

CHAIR: Order! Mr Secord, if you made specific comments, are you willing to withdraw them and move to a more satisfactory question?

The Hon. WALT SECORD: If it pleases the Committee and so that we can return to the matters at hand, I will re-ask the question and substitute the words "overseas experts". Does that please you now?

Mr ADRIAN PICCOLI: I will answer your first question. I prefer for the question to be asked in that way because to ask it in a different way and to suggest that certain nationalities would be inappropriate—

The Hon. WALT SECORD: No-one said that. That is a distortion.

Mr ADRIAN PICCOLI: No, sorry—

CHAIR: Order! Mr Secord, allow the Minister to answer. Minister, you have been asked a specific question. Could you turn your attention to answering that question now that we have agreed it is the appropriate question?

Mr ADRIAN PICCOLI: He said, "Do you prefer that?" And I said, "Yes, I do prefer that." But I do not know the nationality of experts who might have been used in the LMBR process.

Ms BRUNIGES: I would have to refer again to Peter Riordan on that question.

The Hon. GREG PEARCE: You might have to ask the contractors.

Mr RIORDAN: I think that is almost the correct answer, Mr Pearce. At the moment I am not aware of any overseas experts, as you would call it, coming in to work on the LMBR program at a different stage. During the course of the program we have engaged with some other organisations including Accenture as a transformation partner. Accenture may have engaged people to come and work on the project, but they were engaged by Accenture, not by the department.

The Hon. WALT SECORD: Do you have the financial details of the engagement of Accenture?

Mr RIORDAN: I do not have those with me, no.

The Hon. WALT SECORD: Thank you.

The Hon. COURTNEY HOUSSOS: Minister, I wish to return to another part of the budget papers on page 2-18. The department's major assets and properties include 1,617 primary schools, 67 central schools, 113 schools for specific purposes, 23 environmental education centres, 398 secondary schools, 130 TAFE colleges, 10.63 million square metres gross floor area of school and TAFE buildings which are permanent and demountable buildings, 8,517 hectares of school land and 1,220 hectares of TAFE site area. Minister, I refer you to the line item under "cash flows from investing activities", which indicates that proceeds from the sale of property, plant and equipment are expected to increase this year from roughly \$3.5 million to almost \$30 million. What are you planning on selling?

Mr ADRIAN PICCOLI: Properties are bought and sold every year by the Department of Education and have been for a long time. I do not have the specifics in front of me but I am happy to take that on notice to establish what constitutes the \$31 million.

The Hon. COURTNEY HOUSSOS: You would appreciate though that that is a significant increase from roughly \$3.5 million to almost \$30 million—it is a tenfold increase.

Mr ADRIAN PICCOLI: Again it is all relative to the size of the footprint of the Department of Education.

The Hon. COURTNEY HOUSSOS: I am sorry, Minister—are you implying that that is not a significant increase? I appreciate that you have a large budget, but that is a significant increase in a line item.

Mr ADRIAN PICCOLI: I do not know what it is from year to year, going from one year to another. I do not know what it has been historically, but I am happy to take that question on notice.

The Hon. COURTNEY HOUSSOS: If you could expand a little. It refers to the "sale of property, plant and equipment". I would be interested to know what you are selling. If you have purchased something that you are selling, that you are no longer using, what is it?

Mr ADRIAN PICCOLI: Sorry, if we have purchased something or the department has?

The Hon. COURTNEY HOUSSOS: The line item includes "property, plant and equipment". I am interested in what is for sale and why it is for sale.

The Hon. WALT SECORD: Minister, I turn to Telstra Secure. What is the cost or what is the contracted budget between the department and Telstra Secure?

Mr ADRIAN PICCOLI: I will ask the secretary to answer that question.

Ms BRUNIGES: And I will refer it to Peter Riordan.

Mr RIORDAN: I am sorry, I have to take that on notice. I do not have the details of the contract value.

The Hon. WALT SECORD: While I have you, 1,800 schools have alarm systems. Has the department taken an audit on the effectiveness or on how many are working that are connected to Telstra Secure?

Mr RIORDAN: My understanding is that all the alarms are working.

The Hon. WALT SECORD: All of them?

Mr RIORDAN: Yes.

The Hon. WALT SECORD: How much does the department spend on school security, alarm and fire systems a year?

Mr RIORDAN: I would have to take that on notice as well.

The Hon. WALT SECORD: Are all schools required to have an alarm system?

Mr RIORDAN: No.

The Hon. WALT SECORD: How do you determine whether a school needs an alarm system?

Mr RIORDAN: It normally depends upon the location of the school and the size of the school. They are factors that come into play.

The Hon. WALT SECORD: Are you familiar with the fire that took place at Galston High School?

Mr RIORDAN: I am.

The Hon. WALT SECORD: Were the alarms working there?

Mr RIORDAN: The alarms had been working at that school, yes.

The Hon. WALT SECORD: You said you are aware of it. Can you spell out what happened at that school?

Mr RIORDAN: Yes, I am aware that in, I think, May last year a large fire occurred at Galston High School. It started in a computer area—an electrical fault caused that—it spread to the library and it caused extensive damage to the library and to some other associated buildings, including some of the administrative area.

The Hon. WALT SECORD: And how about Melville High School? Are you familiar with that?

Mr RIORDAN: I am not so familiar with Melville High School. I knew that there was a fire there.

The Hon. WALT SECORD: Over the past 18 months there have been multiple occasions when alarms going off at schools across the State did not result in any break-ins, is that correct?

Mr RIORDAN: I am aware that at Galston High School there was a delay in the recording of the alarm.

The Hon. WALT SECORD: How long was the delay?

Mr RIORDAN: I believe it was between an hour and two hours.

The Hon. COURTNEY HOUSSOS: Minister, I draw you back to the budget papers and the line item that appears on pages 2/7 and 2/8, which is newly appointed teachers resigning from the Department of Education within their first five years. Over previous years the number has gone from 8.1 per cent to 8 per cent. Over the forecast year you are expecting that to go down to 3.5 per cent?

Mr ADRIAN PICCOLI: Yes.

The Hon. COURTNEY HOUSSOS: Can you explain what you are basing this on?

Mr ADRIAN PICCOLI: Yes, great work of the Government, actually.

The Hon. SARAH MITCHELL: Hear, hear!

Mr ADRIAN PICCOLI: We do not want teachers in their first few years to resign, but what we have done with some of the Gonski money is provide additional release time for beginning teachers. We are very conscious that beginning teachers graduate and are thrust into a new environment with not enough support, and we have provided them with more support. In the first year that a teacher has a permanent appointment they get two hours of release time each week. A mentor gets an hour of release time to mentor those beginning teachers so that we ease them into the profession. They get the support of the mentor, the benefit of their experience and knowledge. We nurture beginning teachers so that we do not get those higher figures that we have seen in previous years. It is a problem across most jurisdictions around the world. People come in and then leave in the first five years. Some of the advice we received about what is the best thing to do in supporting teachers was to provide them with support in their first year.

The Hon. COURTNEY HOUSSOS: Is this the first year that the program has been in place?

Mr ADRIAN PICCOLI: I think it started last year. This is the second year. Those teachers that were first-year teachers last year had two hours. This year they get one hour as a second-year teacher, so we provide them with that additional support. We want teachers to stay so they do not get overwhelmed in those first few years in the job.

The Hon. COURTNEY HOUSSOS: I would absolutely agree with that.

Mr ADRIAN PICCOLI: Are you a former schoolteacher?

The Hon. COURTNEY HOUSSOS: No, I am not.

The Hon. GREG PEARCE: They are good questions. Have you got some more?

Mr ADRIAN PICCOLI: I thought you might have asked, having been a former schoolteacher. It is strongly supported. Beginning teachers I have spoken to say how much they appreciate it.

The Hon. COURTNEY HOUSSOS: What modelling has been done to indicate there would be such a significant decrease?

Mr ADRIAN PICCOLI: The intention was to decrease the number of teachers who left in their first year. More so, it is about nurturing teachers so that we have great teachers. It is not to stop them from quitting; it is to make sure they get professional development in their first couple of years. They still have to go through the accreditation processes of the board. There is a bit of paperwork, et cetera, as part of that. A lot of the mentoring teachers, the more experienced teachers, often do the work without additional release time. So the school either rearranges their staffing or uses some of the other resources to provide that release time. It is a positive thing in respect of giving those beginning teachers a great opportunity to develop their practice in their first couple of years.

The Hon. COURTNEY HOUSSOS: How long does it take to build a new primary school?

Mr ADRIAN PICCOLI: That would depend on a number of things, I would imagine, not having personally built one.

The Hon. COURTNEY HOUSSOS: I would assume you have supervised the provision of building new primary schools given that you have been the Minister for Education for 5½ years.

Mr ADRIAN PICCOLI: The department certainly has. We make the decisions around funding and the department operationalises that. Ms Bruniges?

Ms BRUNIGES: We would have to take an average figure on notice.

The Hon. COURTNEY HOUSSOS: Let us assume the land has been acquired and that it has been zoned appropriately. How long would it take to build a primary school?

Mr RIORDAN: It can take two to three years. It depends if you include the planning and consultation that goes to council to be approved as a major work before the school is built.

The Hon. COURTNEY HOUSSOS: Two to three years once planning and consultation has begun?

Mr RIORDAN: Yes, that is correct.

The Hon. COURTNEY HOUSSOS: Given your commitment to build a new primary school in Jordan Springs by the end of this term, Minister, when will construction begin?

Mr ADRIAN PICCOLI: I do not know. I can take that question on notice.

The Hon. COURTNEY HOUSSOS: You are aware there is no line item funding for the school in this—

Mr ADRIAN PICCOLI: I am aware of that. I am also aware of election commitments in my electorate that are not line items in the budget. Prior to an election members of political parties are asked, "If you are elected, what will you do in the next term of government?" Those are the commitments that we made. You do not get asked, "What will you do in your first year?" You get asked, "What will you do in your first term?" The Government has made those commitments. A document was released as part of the budget that lists those election commitments. No, they are not all funded in the first year but they will be funded within the next four years.

Dr JOHN KAYE: I understand that the University of Technology, Sydney, at Lindfield is vacating its site and a new high school is to be built on that site. I understand it was originally scheduled to be opened in 2017 but the start date has been moved to 2019. I have a document that suggests that in August 2014 it was proposed to be opened in 2017. In March 2015 it was pushed to 2019. Can you tell me why and what is going to happen in those two years?

Mr ADRIAN PICCOLI: I will have to ask the secretary to answer; otherwise I am happy to take it on notice.

Ms BRUNIGES: I am happy to take that on notice. I do not have those details, Dr Kaye.

Dr JOHN KAYE: You will take that question on notice. You would understand that there are parents who are concerned they will be without a high school for two years, given the constraints on high schools in that area. Minister, I will take you back to the document that was tabled by Mr Dizdar. I have lost the Minister's attention.

Mr ADRIAN PICCOLI: Sorry, I was looking for an answer for you.

Dr JOHN KAYE: I will take you back to the document tabled by Mr Dizdar. When I read it, it looked like it was the first time that those changes to the religious education implementation procedures were tabled with principals. For example, it says, "I ask that you now take immediate action to ensure that these procedures are fully implemented in your school." What was happening between March 2015 and August 2015—a period

of six months—in which they were not being asked to implement those procedures or they were not informed of changes to the religious education implementation procedures?

Mr ADRIAN PICCOLI: I will have to ask the secretary to answer this question.

Ms BRUNIGES: I will have to take that question on notice. I am not clear whether or not initial advice was provided. I have said before I will take that on notice and I am happy to do so again.

Dr JOHN KAYE: In answering that question can you explain why it was suddenly necessary to write a memo in August? I want to go to the issue of the Community Languages Schools Program. I do not need to explain to you what the Community Languages Schools Program is. I asked the Minister earlier this year how many full-time equivalent teachers there were in the Community Languages Schools Program in 2005, 2010 and 2015. Remarkably, the answer came back 243.8 in each of those years. There has been no change in the number of teaching hours allocated to the Community Languages Schools Program over the past 10 years, despite a significant population growth in New South Wales and a significant population growth in children from families whose background is not English, who would benefit—or whose parents would want them to benefit—from the Community Languages Schools Program. Do you want to explain why there has not been an increase?

Mr ADRIAN PICCOLI: I presume that is on the back of advice I have received from the department, so I will ask the secretary to answer.

Dr JOHN KAYE: I thought you had counted them yourself.

Mr ADRIAN PICCOLI: Accurately!

Ms BRUNIGES: Mr Dizdar might have more detail than me about the community language schools. I acknowledge there has been an increase in students who would benefit from community languages. I know in primary settings, Dr Kaye, there has been a bit of a resurgence in terms of teaching community languages. Our biggest difficulty in schools is finding people qualified to do it in particular language groups. Therefore, Saturday school is always an option but I would have to take that on notice, unless Mr Dizdar has some detail with him today.

Mr DIZDAR: I am happy to indicate, Dr Kaye, that the New South Wales Government provides \$5.7 million annually to support community language schools.

Dr JOHN KAYE: That is nice, Mr Dizdar, but it is not answering my question.

Mr DIZDAR: If I can go to that, with the Communities United Through Language reform there has been an extra \$400,000 committed from the 2016 school year to enhance teaching and professional development opportunities for our community language teachers, so that is a significant—

Dr JOHN KAYE: That is nice, but it is not answering my question.

Mr DIZDAR: With the Communities United through Language reforms, an extra \$400,000 has been committed from the 2016 school year to enhance teaching and professional development opportunities for our community language teachers. That is a significant—

Dr JOHN KAYE: But there has been no increase in the amount of money available to pay for teachers. There has been no increase in the number of teachers.

Mr DIZDAR: There has been an announced investment to increase the capacity of community language teachers that we have in our system.

Dr JOHN KAYE: Are you saying that the existing teachers will have to teach more? When you say "capacity" do you mean that they will have to teach more students?

Mr DIZDAR: I am referring to teacher quality and their professional development.

Dr JOHN KAYE: I will take that as a no. The Community Languages Program K to 6 guidelines were last updated in October 2000, 15 years ago, according to an answer to a question on notice that you gave me. Do you have plans to update them?

Mr ADRIAN PICCOLI: Not that I am aware of.

Ms BRUNIGES: We should have a routine practice of looking at those guidelines, Dr Kaye. That has been a long period and we need to turn our attention to taking in the changes to demographics.

Dr JOHN KAYE: I will have one last shot at this question. I take you back to the memo that Mr Dizdar tabled. The change to the Religious Education Implementation Procedures [REIP] in March came, I think you will admit, after concerns were raised by Darrin Morgan from the Human Rights Advocacy Australia, who wrote to Dr Bruniges last year and raised concerns. You responded and acknowledged that there were concerns. As I understand it, you then changed the REIP on the basis of that. Why did you not inform principals then that his concerns were valid? Why were principals not informed at that point that there was a change?

Ms BRUNIGES: I would like to go back and find out exactly what communications happened with principals. I am happy to take that on notice.

Dr JOHN KAYE: Minister, let us talk about Gonski for a minute and the National Education Reform Agreement [NERA]. I refer to the impacts of the effective cancellation of the last two years of increases which, for public schools, if implemented uniformly across Australia, would leave them with a 30 per cent increase rather than a 60 per cent increase, in rough figures, according to some work done recently.

Given announcements from the Federal Leader of the Opposition, there is no lock-in from him for the last two years of NERA. What are we going to do in New South Wales? How is New South Wales going to cope with that? You, quite correctly, have committed to the State's component, but that is only a third of the increases. That will put New South Wales public schools well ahead of other public schools, which is great. But, in effect, that is only one-third of that increase. Do you have plans to try to find other sources of funds, given that we now know there is that need?

Mr ADRIAN PICCOLI: Schools have already seen the benefits of Gonski, last year and this year. We will soon make announcements around the RAM [resource allocation model] for next year. Then there are the additional announcements that we have made: the quality teaching money; the supported students that Reverend the Hon. Fred Nile asked me about. The Gonski dollars are manifesting themselves in many ways. Yes, you are right, come the fifth and sixth years the funding for schools will increase—both government and non-government—by the amount of NERA that New South Wales is contributing plus whatever it might be from the Commonwealth. I think they have put as a place marker at the moment the CPI [consumer price index].

We would like both political parties federally to commit to the original agreement in Gonski because it will make a significant difference to schools—not just government schools but particularly low-fee Catholic and independent schools as well which, in most cases, serve low-SES [socio-economic status] communities. Here in New South Wales, we have been the strongest advocates in Australia for Gonski. Schools are benefiting already, and they would benefit more if the Commonwealth did, indeed, commit to the fifth and sixth.

Dr JOHN KAYE: New South Wales will continue to pay its share of the National Education Reform Agreement in the years 5 and 6, regardless of what the Commonwealth does.

Mr ADRIAN PICCOLI: That is right.

Dr JOHN KAYE: Do you know if other States have any commitment in that direction?

Mr ADRIAN PICCOLI: Victoria did. They have now been prevaricating about it but say that they are going to have a review of education—

Dr JOHN KAYE: "Procrastinating" I think you mean, rather than "prevaricating".

Mr ADRIAN PICCOLI: I am not sure whether they are committed to it. South Australia, from what I have heard and having spoken to the Minister there, seems genuinely committed to it. I am not so sure about

other States. Other States, even in the first four years, have withdrawn some State money and replaced it with Commonwealth money, which obviously was never the intention. That certainly did not happen here in New South Wales.

Dr JOHN KAYE: Did they not sign an implementation agreement?

Mr ADRIAN PICCOLI: Actually I am not sure whether they signed an agreement with the Commonwealth. They did not sign the agreement that we signed.

Ms BRUNIGES: The Australian Capital Territory and South Australia did.

Mr ADRIAN PICCOLI: Sorry, the Australian Capital Territory and South Australia signed the same agreement that New South Wales did, which was that we essentially had to guarantee the State's contribution to education and that the NERA contributions, State and Commonwealth, would be on top of our existing contributions. That was so that States could not do what it looks as though some States are doing, which is taking the Federal money and then taking some State funds out.

Dr JOHN KAYE: There is a risk that schools will be significantly worse off than they were prior to the beginning of Gonski because of the cancellation of national partnerships. I did not express that well. Gonski was supposed to take up a number of national partnership agreements which provided real Commonwealth funding on the ground to schools.

Mr ADRIAN PICCOLI: I do not think so. The RAM, and I can only speak for government schools—

Dr JOHN KAYE: I am really only interested in government schools.

Mr ADRIAN PICCOLI: —because I know about how government allocates money to government schools. Once you get to the fourth year of the RAM, I am presuming that the dollars in those schools exceed what any school might have received in national partnerships.

Dr JOHN KAYE: You might want to take that on notice.

Mr ADRIAN PICCOLI: Some schools got big amounts of national partnership money.

Dr JOHN KAYE: There would be schools, for example, that were receiving two or three national partnerships for literacy, low SES—

Ms BRUNIGES: And teacher quality.

Dr JOHN KAYE: Thank you for that; I was struggling. There would be some schools that were getting three national partnerships and large amounts of money. Can we identify schools that might have gone backwards? Is it possible to do that?

Mr ADRIAN PICCOLI: In the next couple of months the department will update the figures for next year. That is the equity loadings plus the base, the start of the rollout of the base in the resource allocation model for next year. They have not done the same work for 2017. It is at that 2017 figure—

Dr JOHN KAYE: —that it becomes critical.

Mr ADRIAN PICCOLI: It actually then goes up in 2018 because of the State contribution, our contribution. So the budget will still go up but not as much as if you add the Commonwealth on top of it.

Dr JOHN KAYE: Only a third as much as it would if the Commonwealth was added on top of it. The Commonwealth has not yet come to a landing, as I understand it, on definitions for "disability". Is it your view that we are unlikely to see next year the disability loadings?

Mr ADRIAN PICCOLI: There has been a lot of talk about this at ministerial council meetings and there has been a lot of work done by the officials from all of the jurisdictions.

Ms BRUNIGES: My understanding is that they will not come to a landing. We have not had a line of sight to that. We have been working really hard at the officer level, talking about the difference between the functional definition and the implications of the impact. Ms Loble may have more up-to-date information. She has been directly involved at the strategic policy level.

Dr JOHN KAYE: With all due respect, Ms Loble, my question was more political rather than the officer level. I put on record my acknowledgement of the excellent work done by a number of officers from a number of States in order to get us there. My question is more to the Minister at a political level. A casual observer such as I would say that there was a complete lack of commitment from the Commonwealth to get those definitions in place in order to get the loadings, which will probably substantially increase—

The Hon. GREG PEARCE: Point or order: Chair, I really think this question is way out of order. I mean, this is a budget estimates hearing, not a press conference.

Dr JOHN KAYE: To the point of order: It is directly relevant because it is specifically about funding over the next four years for students in our schools.

The Hon. GREG PEARCE: The question is out of order.

Dr JOHN KAYE: Nothing could be more relevant.

CHAIR: Order! I think the question is in order, but Dr John Kaye might wish to clarify exactly what he is looking for.

Dr JOHN KAYE: Yes. My question is specifically this: Is it your interpretation that there is a lack of commitment from the Commonwealth to deliver on those definitions at a political level?

Mr ADRIAN PICCOLI: I cannot comment on the motivations or the motives of the Commonwealth Government, but at the ministerial council meetings, as I said, this does come up regularly. At an officials level, they have done a lot of work on it and there has been a lot of data collection, but there is not a final recommendation that has come out of the education council yet. I do not even know whether it is on the agenda for the upcoming—there is probably not an agenda yet for the next meeting.

Ms BRUNIGES: No.

Mr ADRIAN PICCOLI: I cannot comment on the motives of the Commonwealth.

Reverend the Hon. FRED NILE: I am just following up on an earlier session, not this current one but the previous one where Dr John Kaye was asking about the memos concerning prayer groups. He made reference to a government school where there had been some problems with a prayer group. What government school was that?

Dr JOHN KAYE: You would have to ask me, and I am not answering any questions.

Reverend the Hon. FRED NILE: The Minister acknowledged.

Dr JOHN KAYE: You are asking the Minister to look into my head or my mind, and that is not a ministerial activity.

The Hon. WALT SECORD: Do not do that!

Reverend the Hon. FRED NILE: No. I am asking the Minister. The Minister acknowledged his awareness of that school.

Dr JOHN KAYE: Did he?

Reverend the Hon. FRED NILE: Yes.

Mr ADRIAN PICCOLI: I do not think I did but—

Reverend the Hon. FRED NILE: Yes.

Mr ADRIAN PICCOLI: —certainly from media, there is the issue about Epping Boys High School, which was the school in the media.

Reverend the Hon. FRED NILE: What school?

Mr ADRIAN PICCOLI: Epping Boys High.

Reverend the Hon. FRED NILE: Epping Boys High.

Mr ADRIAN PICCOLI: I recall it was Epping Boys High.

Ms BRUNIGES: Yes. That is correct.

The Hon. WALT SECORD: Yes, that was it.

Reverend the Hon. FRED NILE: Good.

Mr ADRIAN PICCOLI: Yes, so that is what prompted the audit of prayer groups, requested by the Premier.

Reverend the Hon. FRED NILE: What was the activity that was causing a problem at the Epping government school?

Mr ADRIAN PICCOLI: I will ask the secretary to take the question.

Ms BRUNIGES: There were a number of specific questions that appeared in the media. I think, from a department's perspective, we are really not able to comment on matters which are subject to ongoing police investigation. The department did not have a comment at the time. It was some allegations relating to a particular student and his or her practice of leading a prayer group in a lunchtime period. That seems to have been resolved. As a consequence, we have done a prayer audit across all schools to have a look at the adherence with the guidelines that we have—that Dr John Kaye referred to before. Once we analyse that information—now that it is in, Reverend Nile—we will look forward to putting recommendations to Government on the most appropriate ways forward.

Reverend the Hon. FRED NILE: What religion was that prayer group?

Ms BRUNIGES: I do not know what religion that prayer group was, actually.

Reverend the Hon. FRED NILE: There has been reference to the Scripture Union and so on in the discussion.

Ms BRUNIGES: I am not aware of it, but if I can take it on notice I can check whether or not it is still a policy matter for you, Reverend Nile.

Reverend the Hon. FRED NILE: Is it a fact that "prayer groups" is not a term used by Scripture Union or the Christian groups in government schools? They do not use that term.

Ms BRUNIGES: I do not know whether or not that is correct.

Reverend the Hon. FRED NILE: They are Christian fellowship groups and they may or may not have prayer at all. They have music, singing, and so on.

Ms BRUNIGES: Yes. The audit really went to whether or not prayer groups were happening at lunchtime. I am not sure of the terminology and which group uses that or not; but, as I said, once we have the analysis done, we will have a close look at that and see whether there is a level of detail that we need to look at.

Reverend the Hon. FRED NILE: There is no definition in the memo of which we have been given copies dated 19 August. It just says "an audit of prayer groups".

Ms BRUNIGES: It is certainly not including special religious education [SRE] or things that we have in curriculum. It is just ad hoc groups that may form at lunchtime in order to pray and of a particular denomination. So once we analyse the data we will be in a much better position to report to government on that.

Reverend the Hon. FRED NILE: But it may be confusing some principals as to what groups they should be identifying—

Ms BRUNIGES: We did have a validation—

Reverend the Hon. FRED NILE: —if they do not have any prayer groups, as such, only Christian fellowship groups or Scripture Union groups.

Ms BRUNIGES: We did have our directors of schools validate that work with their principals and their network to ask further questions where we were not clear. If there were questions that principals needed to ask, they worked closely with their directors of schools, who validated that information coming in. So we did put in a third party step to clarify anything that we needed to clarify.

Reverend the Hon. FRED NILE: Prayer groups usually refer to a Muslim prayer group. That is a term they use for their groups. They only have prayers—no singing and no music.

Ms BRUNIGES: Okay. I am not sure, in practice. I have taught in primary schools myself where there have been so-called prayer groups on the timetable coming into schools that have been from non-Islamic bases that have been conducted during school time at some of the schools that I have taught at.

Reverend the Hon. FRED NILE: They would only be of a very small number, if they were there. I would recognise that. That is where the confusion is. Large numbers, hundreds of other groups, have been caught up with this instruction. I have had principals contact me and say that they do not understand this instruction. It is causing a lot of confusion in the schools.

Ms BRUNIGES: Reverend Nile, they have all completed the survey now so we are in the process of analysing that data. As I said, once we analyse it we will put a report to government about any findings or recommendations we might have.

Reverend the Hon. FRED NILE: Right. I would appreciate on notice if we can get a copy or a summary of that—not the whole of the responses, but a summary.

Ms BRUNIGES: I am happy to take that on notice.

Reverend the Hon. FRED NILE: Good, thank you. Earlier we were discussing the programs to help students in schools. I notice the budget papers talk about flexible wellbeing resources for refugee students. What resources will there be to help refugee students or students from a refugee background?

Mr ADRIAN PICCOLI: I will ask the secretary to answer.

Ms BRUNIGES: I think I mentioned before in the student wellbeing package there is a total of \$4 million to support refugee students and their families who have experienced trauma. With those support materials, we work closely with our wellbeing team and student wellbeing to design the various kinds of support that will be required by refugee students. We have not got that at the moment. The election delivered the money this financial year. The money has come in, the \$4 million, and we will go into, first of all, looking at what we believe is needed by refugee students, and then think about the appropriate design of support materials for refugee students or their families.

Reverend the Hon. FRED NILE: Is any of this money specific to any religious, cultural or ethnic group?

Ms BRUNIGES: No, it is not at this stage. We have just allocated \$4 million to support refugee students.

Reverend the Hon. FRED NILE: Is there any information as to the background of those refugee students? Are they Middle Eastern, the majority of them?

Ms BRUNIGES: No, I do not have any of that information with me. At this stage, as I said, we are just starting to look at what we might do to support refugee students. I do not have the characteristics of particular groups, Reverend Nile.

Reverend the Hon. FRED NILE: On another aspect of supporting students, has funding for students with disability changed in this budget? There is some suggestion it has changed? Have there been any changes—perhaps with the disability scheme?

Ms BRUNIGES: When we talk about the budget, there is no doubt that our resource allocation model has put an additional effort into targeting funding for students with disability. If a student has a particular high-level need of disability, that funding, irrespective of where that student goes, will follow the student. If the student moves school, the funding would move with that student. The way in which we allocate that funding to high-need students through our resource allocation model—I may need to take on notice the whole quantum of funding—is that we have made a deliberate decision to design our resource allocation model to support students with a disability at the high end. We also have low level disability adjustments in schools.

Mr ADRIAN PICCOLI: Just further to that question, what we are doing with the additional dollars that we are putting in through Gonski and the way that we are doing it through the resource allocation model, it provides flexibility for the school. It is not that a certain student might attract funding. But the school then has the flexibility to do more with its resources than what might have been allocated to that student. That gives the school greater flexibility to target the individual needs of individual students, rather than saying that this is in this bucket and that is in that bucket.

Reverend the Hon. FRED NILE: So it is locally based?

Mr ADRIAN PICCOLI: That is right, and we rely on the expertise and experience of the principal and their staff to make those decisions. It may be an individual resource or teacher, let us say, to support two or three kids, or it might be one kid. We are trying to get away from that rigid allocation so that a school can do what is actually necessary for the student and not be tied by any budgetary or allocation decision.

CHAIR: The Committee will take a short break to enable everyone to stretch their legs.

(Short adjournment)

Reverend the Hon. FRED NILE: I note there is \$220 million for minor works to provide extra classrooms and other school infrastructure requirements. Is there an attempt to ensure in the tendering process that those works are carried out by local companies?

Mr ADRIAN PICCOLI: Yes, certainly. But there is a competitive tender process. We must consider taxpayers' interests. Certainly as a local member of Parliament I think that where local contractors can be used they should be used, particularly in the regions. But I say that with the proviso that there is a tender process and those processes must be followed. I do not know whether the secretary wants to add anything.

Ms BRUNIGES: That is correct. Where possible once a tender is issued, depending on the amount of money required, then we go through that process at a local level and, hopefully, local level contractors are employed where they provide the best response to the tender.

Mr ADRIAN PICCOLI: To add to that, one of the changes through Local Schools, Local Decisions is that it allowed more procurement locally but not for capital works. Previously if a school had to buy a cricket ball it might have had to go through the central procurement process. An Albury school might have had to buy a cricket ball from Sydney. Now, as an example, they can go to the local sports store and buy it. So we freed up that procurement process.

Reverend the Hon. FRED NILE: As far as extra classrooms?

Mr ADRIAN PICCOLI: I am talking about bits and pieces of equipment at schools. There is more flexibility around schools deciding on their own minor maintenance work. Certainly, where we can distribute work, particularly in the regions, we support that happening.

Reverend the Hon. FRED NILE: You mentioned \$220 million. Is there any figure for how many extra classrooms would be provided? In the budget paper there is an amount to provide extra classrooms and other works.

Mr ADRIAN PICCOLI: If you take into account all of the capital works—I am not sure if the minor capital works budget is for additional classrooms, but certainly the major capital works is. We have a number of projects announced and underway that will deliver up to 1,600 new and refurbished classrooms in a number of schools, particularly dealing with capacity issues in the northern suburbs of Sydney—the inner city, the inner west, the north-west and the south-west growth areas. If you add the major capital works budget to the billion dollars that will be allocated from the 49 per cent long-term lease of the poles and wires there are 1,600 new and refurbished classrooms.

Reverend the Hon. FRED NILE: Also in the budget papers is \$172 million to continue 27 major projects at government schools, including information technology [IT] enhancements. Is the Government giving preference to local suppliers?

Mr ADRIAN PICCOLI: Where possible through the procurement process there are whole-of-government processes around procurement for capital works. Obviously those have to be adhered to but, coming from the regions myself, we prefer regional contractors.

Reverend the Hon. FRED NILE: There is another \$15 million to start 11 new building projects. Will the Government give preference to local suppliers? What are the main projects in that?

Mr ADRIAN PICCOLI: Artarmon Public School, Bardia Public School—

Reverend the Hon. FRED NILE: Are they new school buildings?

Mr ADRIAN PICCOLI: Yes, these are major works; they are existing schools. Bella Vista is a new school. Cherrybrook Technology High School has, I think, 15 new permanent classrooms replacing quite a few demountables. There is Homebush West. Narellan School is a new school although it is a refurbished independent school that went into receivership. The department purchased and it will be refurbished.

Dr JOHN KAYE: Which school?

Mr ADRIAN PICCOLI: Narellan. It is being refurbished to be a school for specific purposes [SSP]. It was previously a Christian school, but the department entered into an arrangement to purchase that school and it will be refurbished into a school for students with disabilities. The King's School site in Parramatta is a new school where existing buildings will be refurbished while keeping the heritage parts of the school. Rainbow Street Public School upgrade, Randwick Public School upgrade and the relocation of the Rowland Hassall School.

Reverend the Hon. FRED NILE: How many graduate teachers are employed by the education department?

Mr ADRIAN PICCOLI: I do not know if we have a precise answer.

Ms BRUNIGES: It will vary from year to year, but we are happy to take that on notice.

Reverend the Hon. FRED NILE: Just approximately?

Dr JOHN KAYE: It is in the budget.

Ms BRUNIGES: I think it is about 500, but I will take that on notice to give you an exact figure.

Reverend the Hon. FRED NILE: Are they allocated across regional and rural areas? I am concerned that the regional and rural areas are getting quality teachers.

Ms BRUNIGES: What would happen with graduates is that there would be priority areas for placement of those graduates. It would vary from year to year, depending on where those vacancies were.

Mr ADRIAN PICCOLI: If there is a vacancy and a school has the opportunity to merit select then that school can ask the department for a targeted graduate or go to a merit selection process. Schools have several options. We are targeting, particularly through the Rural and Remote Education Blueprint, recruitment in country schools. A lot of teachers graduate but the distribution is not 100 per cent perfect and there is weakness in certain subject areas—there is no secret about the shortage of science and maths teachers. We are doing what we can to make sure that the distribution of teachers is equitable across the State.

Reverend the Hon. FRED NILE: Is there a program to encourage non-graduate teachers to become graduates through part-time university courses and so on?

Mr ADRIAN PICCOLI: We have internships that are available through the department, so whilst they are studying they can teach.

Ms BRUNIGES: There is a range. There are cadetships and internships. There is also a range of activities in the teacher education faculties of universities. From a departmental policy point of view, probably the most recent is under the Great Teaching, Inspired Learning policy document that has put in place particular internships and cadetship programs to encourage that kind of activity.

CHAIR: We now go to the final 15 minutes of questions from the Opposition.

The Hon. WALT SECORD: Minister, I am also shadow Minister for the North Coast and I have been asked by North Coast families, particularly people in the Tweed, whether you stand by your refusal to approve Pottsville high school.

Mr ADRIAN PICCOLI: Yes.

The Hon. WALT SECORD: What would make you change your position?

Mr ADRIAN PICCOLI: The advice to me from the department is that enrolment numbers in the neighbouring high schools are not sufficient to warrant the construction of a new high school.

The Hon. WALT SECORD: Have you reconsidered submissions from the parents where students are travelling up to two hours by bus to go to nearby schools because of the capacity in the local area?

Mr ADRIAN PICCOLI: I would have to check, but I know about the request from parents having visited Pottsville Beach Public School a couple of times and met with the Parents and Citizens [P&C]. They told me this issue had been raised and the member for Tweed, Geoff Provest, has raised it with me a number of times. The advice remains that there is not sufficient demand to warrant the construction of a new high school.

The Hon. COURTNEY HOUSSOS: Minister, given the decision by the Diocese of Maitland-Newcastle and the Catholic Schools Office to acquire land specifically to build a new high school in Medowie, would you concede that there is demand for a high school in Medowie?

Mr ADRIAN PICCOLI: No.

The Hon. COURTNEY HOUSSOS: Why is that?

Mr ADRIAN PICCOLI: Again, the advice is that enrolment demand is not sufficient to warrant the construction of a new high school. As Minister, I have to be careful about how we spend the capital that is allocated to the department. We have capacity issues in a number of areas, given the demand for enrolments in high schools and primary schools. We have to be careful about where we build schools. There is no secret about the demand pressures on the North Shore. I have met with some people, including the member for Ryde, during the week about some of the capacity issues around Ryde. We have to be cautious where we invest capital. At Medowie, as raised by the current member and previous members in response to concerns raised by parents, at present the demand projections do not warrant the construction of a new school.

The Hon. COURTNEY HOUSSOS: Is it only the demand projection factor that would convince you to change your mind?

Mr ADRIAN PICCOLI: I am not sure what other factors there are, but Irrawang and Hunter River high schools have a combined enrolment of 1,439, which compared to 1996, when it was 1,900, is a reduction of about 500. There is still capacity at those existing high schools.

The Hon. COURTNEY HOUSSOS: But, Minister, you would be aware, especially as a country member, that it is not ideal to have young high school students travelling on buses, largely without seatbelts, for long distances. I do not know off the top of my head the distance between Medowie and Irrawang or Raymond Terrace, but I would hazard a guess it would be in excess of a 45-minute commute. I do know the speed limit is approximately 100 kilometres an hour. Surely you would concede that that is not ideal?

Mr ADRIAN PICCOLI: We cannot, and neither should we, build schools on every street corner—and I know you are not suggesting that. I do not know the pupil split between the two high schools, but between two schools there are 1,439 students so between three schools there would be, on average, 500 each although I presume they would not be equal. To build an additional high school with 400 or 500 enrolments to start with does not provide sufficient curriculum choice, particularly in years 11 and 12. Let me put it this way: You would not start by constructing a new school and essentially dividing the total number of students.

The Hon. COURTNEY HOUSSOS: Are you saying that only 500 Medowie students are expected to travel?

Mr ADRIAN PICCOLI: I am advised that two schools—Irrawang and Hunter River high schools—have combined enrolments of 1,439 students. I am presuming that Medowie High School would also draw students from other schools.

The Hon. COURTNEY HOUSSOS: Local media reports estimate that approximately 1,000 students in the local area are bussed out each day. Would that not be an appropriate number? What level of demand do you consider appropriate?

Mr ADRIAN PICCOLI: The same issue has been experienced in the Tweed and other places where there are calls for a new high school. It means taking enrolments away from somewhere else and thereby reducing the number in existing schools. There would be demand at the new school, but it would mean taking students away from other schools. We are trying to offer as broad a subject choice as possible, particularly in years 11 and 12. Students will do better at subjects they enjoy and the broader the subject choice the more likely it is that there will be subjects in which they have an interest. While we have high schools with fewer than 500 students, my advice is that it is not a good idea to start by building one for only 400 or 500 students.

The Hon. COURTNEY HOUSSOS: Do you have a specific number?

Mr ADRIAN PICCOLI: No, because we have schools with lower enrolments than that for a number of reasons. There are central schools in my electorate that have only two or three students in year 12. Again, that is driven by the geography of the area. I am advised by the department that diluting schools—high schools particularly—by too much is not a good idea.

The Hon. COURTNEY HOUSSOS: Medowie and the surrounding area have a population of approximately 10,000. That is a significant number. My colleague also mentioned significant travel times. Would that also be a factor?

Mr ADRIAN PICCOLI: I represent almost one-quarter of New South Wales geographically, so I understand travel times. We want students in years 11 and 12 to have as broad a choice as possible. When there are more students in those years we can offer a broader curriculum choice. As I said, students do better in subjects in which they are interested. That is what we are trying to do as much as possible. However, geography drives some of this. Barellan Central School will have only three or four students in year 11 and probably the same in year 12. We have set up Aurora College to cater for distance education students wanting choice. We are not looking to dilute numbers in schools where we can avoid it. Of course, it is a different story where we have high schools operating at more than 100 per cent.

The Hon. COURTNEY HOUSSOS: You would be familiar with the area around Port Stephens that I am talking about.

Mr ADRIAN PICCOLI: I am not completely familiar with it.

The Hon. COURTNEY HOUSSOS: The population is growing. However, the figures you outlined for Irrawang and Hunter River high schools indicate that enrolments at both are declining. Is that correct?

Mr ADRIAN PICCOLI: I do not know whether that is true of both. I have only the combined enrolment; I do not have separate figures. I am advised that that is compared to the 1996 enrolment when it was 1,900.

The Hon. COURTNEY HOUSSOS: I have been told that they are decreasing. Has your department made any inquiries or looked into why the number is declining, given that the population in the area is increasing?

Mr ADRIAN PICCOLI: I do not know, but I will take that question on notice.

The Hon. WALT SECORD: Minister, can you tell me about Connected Communities?

Mr ADRIAN PICCOLI: It involves 15 schools across 11 communities. This is the first time that any government has so deliberately targeted some of the toughest schools in the State. The schools were selected because they are complex.

The Hon. WALT SECORD: I understand that you have conducted a review of the program entitled "Connected Communities Narrative Research Report". Are you aware of that?

Mr ADRIAN PICCOLI: I am advised that the Aboriginal Education Consultative Group was contracted to undertake that review and that people have been engaged to do it.

The Hon. WALT SECORD: Are you confident that the department has been open and transparent about that review?

Mr ADRIAN PICCOLI: In what way? I understand that they went to communities and interviewed people.

The Hon. WALT SECORD: Director general, do you know who conducted the interviews in the various communities?

Ms BRUNIGES: Yes, I do. The New South Wales Aboriginal Studies Association undertook the narrative research project with the aim of documenting stories in Connected Communities schools and communities.

The Hon. WALT SECORD: Are you aware of who carried out the interviews? Do you have a list?

Ms BRUNIGES: No, but I am happy to take that question on notice.

The Hon. WALT SECORD: Are you familiar with the freedom of information request lodged by the Opposition about the Connected Communities Narrative Research Report?

Ms BRUNIGES: Yes, I am aware of it.

The Hon. WALT SECORD: It was signed by Michele Hall. Who is she?

Ms BRUNIGES: Michele Hall is the executive director of Connected Communities.

The Hon. WALT SECORD: Do you support her determination on the freedom of information request?

Ms BRUNIGES: I have not seen her determination. She would make that independently of any reference to the secretary.

The Hon. WALT SECORD: Are you aware that the response to the request under the Government Information (Public Access) Act comprises 260 redacted pages?

Ms BRUNIGES: No, I am not aware because I would not have been in a position to see it. They are independent decisions made by officers. If people are unhappy with those decisions there is a right of appeal. However, I would not sight a response to requests under the Government Information (Public Access) Act. They would be assigned to the people making the decision.

The Hon. WALT SECORD: Do you think it is appropriate to respond by providing a document with pages 1 to 260 redacted? This is a report into the most disadvantaged schools in New South Wales and we want to improve them. Do you think that is appropriate?

Mr ADRIAN PICCOLI: Yes.

The Hon. WALT SECORD: Will you release the document unredacted?

Mr ADRIAN PICCOLI: No.

The Hon. WALT SECORD: Why not? There cannot be 260 papers redacted. Not even the title is there.

Mr ADRIAN PICCOLI: It can be. That is what you got.

The Hon. WALT SECORD: Minister, are you confident that the school security alarm system is working now?

Mr ADRIAN PICCOLI: My advice from the department is that it is. Yes, I am.

The Hon. WALT SECORD: Can you check whether the school security system is working now and will be working this evening?

Mr ADRIAN PICCOLI: I refer that question to the secretary.

Ms BRUNIGES: I am happy to take that question on notice.

The Hon. WALT SECORD: Are you confident and will you guarantee that the school security alarm system will be working this evening?

Mr ADRIAN PICCOLI: Are you asking me about every potential outcome?

The Hon. WALT SECORD: It is centralised.

Mr ADRIAN PICCOLI: The department has done a lot of work on school security, and I have enormous confidence in the department's capacity. The department and I take school security very seriously, as we should.

Ms BRUNIGES: There is no reason for me to think that it will not be working tonight unless you have some information that I should act upon.

Mr ADRIAN PICCOLI: Are you planning to do something?

The Hon. WALT SECORD: A whistleblower has indicated that the system has not been working since 5.00 a.m. Will you investigate?

Mr ADRIAN PICCOLI: Since 5.00 a.m. today?

The Hon. WALT SECORD: Yes. Will you investigate?

Mr ADRIAN PICCOLI: Yes.

The Hon. WALT SECORD: How many demountables are there in New South Wales?

Mr ADRIAN PICCOLI: I have the answer to that question here.

The Hon. COURTNEY HOUSSOS: While you are looking, can you tell me how much you spend each year transporting them around New South Wales?

Mr ADRIAN PICCOLI: The department owns more than 6,000 demountables, of which 4,823 are located on school sites. The remainder are undergoing repair or refurbishment or are in storage. The secretary might be able to tell the Committee how much is spent moving them each year.

Ms BRUNIGES: I would have to take that on notice.

The Hon. COURTNEY HOUSSOS: Thanks.

Reverend the Hon. FRED NILE: How many schools have been closed in New South Wales in the last few years, broken down to regional and suburban?

Mr ADRIAN PICCOLI: Can I take that on notice? I will be able to give you a more accurate answer.

Reverend the Hon. FRED NILE: I am happy to have an estimate and get the detailed figures on notice.

Mr ADRIAN PICCOLI: Okay. Since 1 January 2011, 37 schools have been approved to close and three schools have been placed in and remain in recess.

Reverend the Hon. FRED NILE: Is there any breakdown of regional and suburban?

Mr ADRIAN PICCOLI: Most of them are regional.

Reverend the Hon. FRED NILE: Country.

Mr ADRIAN PICCOLI: There are a couple—Gateshead West in the Hunter was an amalgamation. Gateshead and Gateshead West were amalgamated into one school. There are a couple in western Sydney—Badgerys Creek. There are a couple of smaller schools that were closed.

Reverend the Hon. FRED NILE: Has there been special provision for transporting the students from those schools to the nearest active school?

Mr ADRIAN PICCOLI: There has been no special provision from the department, but the Department of Transport makes arrangements for student transport to and from school. So in terms of that process when a school is closed, put in a recess or amalgamated, a lot of work does go in to making those new arrangements for students, whether it is transport—even with things like honour boards at schools that are going to be closed they generally have a good conversation with the community about moving them to the new school. Generally there are trophies and issues around school uniforms and the like. A lot of work gets done to make sure it is as seamless as possible. As I said, I represent almost a quarter of the State with a number of small schools. A number of those schools that were closed were in my electorate—decisions that I supported not just as the Minister, obviously, given I signed it off, but as the local member as well.

Reverend the Hon. FRED NILE: And have there been suitable arrangements made for the relocation of the teachers from those schools?

Mr ADRIAN PICCOLI: Yes.

Reverend the Hon. FRED NILE: Have there been any problems in that process?

Mr ADRIAN PICCOLI: Not as far as I know.

Reverend the Hon. FRED NILE: So there were no teachers made redundant, now without a job?

Ms BRUNIGES: No. Our teachers in the main are permanent teaching service staff. The only time that a teacher might be temporary would be if it was under, for example, national partnerships where they may have been employed two or three days a week under specific national partnership funding that had a sunset clause on it. But in the main the core staffing of a school is usually permanent teachers.

Reverend the Hon. FRED NILE: There were questions earlier about travel of departmental employees and officers. We were given a chart. I note that over two-thirds of those were staff members who accompanied students on excursions overseas to increase cultural understanding or attend commemoration ceremonies. Are those excursions mainly organised by the local schools or are they coordinated by the State department?

Ms BRUNIGES: No, they would be done by local schools. You are right; if we refer back to that table, a large number would be staff members who accompany school-based excursions. For example, the one that recently comes to mind that was indeed State-wide was the 100 students who went across to Gallipoli for the Anzac service.

Reverend the Hon. FRED NILE: That was very good.

Ms BRUNIGES: That was statewide, but in the main our schools would be organising a number of various excursions and of course the requirement is to take an appropriate number of staff with them on those excursions.

Mr ADRIAN PICCOLI: So despite the very misleading question earlier in the estimates—I am trying to add 26, 20, 25, one and 12—84 out of the 486 were actually funded by the department, not 486 funded by the department. So a large number of commercially or externally funded visits were funded by community—so relatively few were funded by the department is the answer to that question.

Dr JOHN KAYE: Why don't you fund more?

Mr ADRIAN PICCOLI: Why don't we fund more? That is—but it is not your question time.

Reverend the Hon. FRED NILE: Do not take up my time, Dr Kaye. In the budget papers 2014-15 performance report I was surprised to find that there are so many sections with no figures available. It indicates in the report itself that there is a 2½ year time lag on release of qualification completion data, so the data for 2012 will not be available until July 2014. That would mean the data for 2013 will not be available until 2015. Is there any way that these delays can be overcome? Maybe it is to do with the Federal Government.

Mr ADRIAN PICCOLI: I do not know the answer to that question.

Ms BRUNIGES: I think some of that would have to be the skills Minister, because it is training data I think you are referring to, and sometimes the National Centre for Vocational Education and Research [NCVER] who are responsible for collecting that data nationally and reporting that are responsible for when they release the data. Some of the other indicators might relate to the Australian Bureau of Statistics and survey data that comes in. It might be census dependent or whenever they do their surveys. There is probably a mixed bag in those numbers that you have pored into, but the bodies that we take the data from are really the determinant of how often we can report.

Reverend the Hon. FRED NILE: So there is no way that we can speed up that system to have more accurate figures? You could encourage them, anyhow.

Ms BRUNIGES: There is no doubt that we could raise the issue with them, but they conduct their surveys sometimes every three years which is part of the issue and part of their funding and what they are able to do or not. We are recipients of that data.

Reverend the Hon. FRED NILE: For example, a classic case is that there are a number of qualifications completed at certificate level Australian Qualifications Framework [AQF] 3 and above by

Aboriginal students in New South Wales. I would have thought that it was fairly simple to get that information within 12 months, not two to three years.

Ms BRUNIGES: Again that would have to be a question for the skills Minister. It relates to training data.

Reverend the Hon. FRED NILE: Thank you.

Dr JOHN KAYE: I refer to a memorandum that was sent to school principals on 16 December 2014 headed "memorandum to schools regarding SRE policy and implementation procedures". You might be aware that part of that was a sample letter that was to be sent to parents and caregivers who had not identified a particular religious persuasion on their enrolment form or who had identified one but that particular religious persuasion was not available as special religious education at that school. My question is: Why was it necessary to instruct schools to give parents a second bite at that particular cherry?

Mr ADRIAN PICCOLI: I will ask the secretary to answer this question.

Ms BRUNIGES: Sorry, I do not think I have that copy of the memo in front of me, Dr Kaye. Is it possible to table it for me?

Dr JOHN KAYE: Sure.

CHAIR: With your notes.

Dr JOHN KAYE: It says, "1."

Reverend the Hon. FRED NILE: Who wrote that note?

Dr JOHN KAYE: The question was put to me by Reverend the Hon. Fred Nile. The note was written by Mr Prior, the deputy secretary, something or other, who is head of schools.

Reverend the Hon. FRED NILE: No, I meant the "1".

Dr JOHN KAYE: The "1"? That is for me to know and you to find out. My question to you is why was that sent, why was it necessary and was it a cost-effective use of the time of principals and school administrative staff to send such a note?

Ms BRUNIGES: I do not know the answer to either of those questions, Dr Kaye. I will have to take them on notice.

Dr JOHN KAYE: Minister, are you aware of that memo and that form?

Mr ADRIAN PICCOLI: I am not. I do not recall having seen that, but I will take the question on notice as well.

Dr JOHN KAYE: So my questions are: Why was it sent, who was it sent by, and why did they decide that it would be a cost-effective use of the time of principals to do so? My next question is: Why was the same thing not done for special education ethics?

Mr ADRIAN PICCOLI: Again, I do not have the answer to that question.

Dr JOHN KAYE: Let us go to the question of teaching English as a second language [ESL] in New South Wales. In 2015 there was \$14 million identified as Gonski funds or NERA funds that went into teaching English as a second language. Am I correct in saying that in the absence of those funds there will be no additional money for teachers specifically employed for teaching ESL?

Mr ADRIAN PICCOLI: I will ask Ms Bruniges to take this question.

Ms BRUNIGES: For English as an additional language or dialect [EAL/D], converted from ESL, we have 896.2 full-time equivalent school base [EAL/D] teaching positions and \$14 million of flexible funding.

Dr JOHN KAYE: The figure of 896.2 has been true since 2012, has it not?

Ms BRUNIGES: That is correct.

Dr JOHN KAYE: Apart from the \$14 million in flexible funding, there has been no increase in ESL teaching capacity in New South Wales?

Ms BRUNIGES: For the first time in every school we have had those students identified in a survey. They also have an equity loading for English language proficiency to support their needs. For the first time in 2015, through the resource allocation model [RAM], they would have created a loading for those students, and all of those, Dr Kaye, are published on the website per school.

Dr JOHN KAYE: You are saying that all students from—

Ms BRUNIGES: I am saying every school with EAL/D students identified in the survey receive an equity loading for English language proficiency to support their needs. So 2015 was the first time we were able to do that through the resource allocation model.

Dr JOHN KAYE: Is that in addition to the \$14 million of Gonski, or is that the \$14 million?

Ms BRUNIGES: I will have to take that on notice.

Dr JOHN KAYE: I think what you are talking about is the \$14 million. My understanding is that that \$14 million went through the RAM as additional funds for schools with a certain number of EAL/D students.

Ms BRUNIGES: I will need to take that question on notice and double-check for you. We will certainly be able to see the visibility—

Dr JOHN KAYE: Apart from that, the base number is 896?

Ms BRUNIGES: That is correct.

Dr JOHN KAYE: Even though there has been an increase—

Mr ADRIAN PICCOLI: That is 896.2 positions plus \$14 million.

Dr JOHN KAYE: Yes, plus \$14 million.

Mr ADRIAN PICCOLI: Yes.

Dr JOHN KAYE: So my understanding is that the \$14 million is the only increase.

Mr ADRIAN PICCOLI: Well, it is better than—it is not 896 plus zero; it is 896 plus \$14 million.

Dr JOHN KAYE: There are 145,000 students in New South Wales public schools who are identified as needing additional support for language.

Mr ADRIAN PICCOLI: So \$14 million is not allocated as staffing, it is allocated as dollars, but at \$100,000 per head, if my maths is right, \$14 million employs—

Dr JOHN KAYE: That is correct.

Mr ADRIAN PICCOLI: So it would go from 896—

Dr JOHN KAYE: To 1,036.

Mr ADRIAN PICCOLI: Which is a 15 per cent increase.

Dr JOHN KAYE: That is correct, a 15.6 per cent increase.

Mr ADRIAN PICCOLI: But it is allocated as a flexible resource to schools as opposed to allocating a person.

Dr JOHN KAYE: Sure. I appreciate that schools might spend that in different ways. At the same time that is happening there is less support from the department of education central for ESL teaching, so some of that money may go to finding consultants to assist them in developing programs.

Mr ADRIAN PICCOLI: Possibly.

Dr JOHN KAYE: So it is not all for teachers?

Mr ADRIAN PICCOLI: Yes.

Dr JOHN KAYE: What do you understand to be the increase in the number of students who were either ESL or EAL/D—depending on what year it was measured in—between 2012 and 2015?

Mr ADRIAN PICCOLI: The increase?

Dr JOHN KAYE: Yes.

Mr ADRIAN PICCOLI: I do not know what the increase is.

Dr JOHN KAYE: In an answer to a question on notice from me, you identified 145,000.

Mr ADRIAN PICCOLI: Yes, across 1,250 schools.

Dr JOHN KAYE: In 2012 the figure was 89,400, according to your documents. That is a 62 per cent increase with, at best, a 15.6 increase in teaching effort.

Mr ADRIAN PICCOLI: Yes.

Dr JOHN KAYE: Do you not think we are headed in a bad direction in that the amount of money we are putting into EAL/D teaching and the EAL/D support is too low?

Mr ADRIAN PICCOLI: This is the ultimate question I have as the Minister for Education and the Government has to make choices how it spends its budget. We decided that we would provide it to schools flexibly. Some of it is allocated on these equity loadings, but there is nothing stopping a school from using its other RAM funding, low socioeconomic status [SES] and other funding to support students from a non-English speaking background, and they do.

Dr JOHN KAYE: But specifically for language support?

Mr ADRIAN PICCOLI: Possibly in some schools. We could take money away from one equity loading and put it another equity loading. That is just a question of—

Dr JOHN KAYE: Are you saying schools can do that or you can do that?

Mr ADRIAN PICCOLI: No, schools have the flexibility to do that. We can do it centrally—

CHAIR: We are out of time.

Mr ADRIAN PICCOLI: —but we have made decisions about what those loadings would look like. From advice, et cetera, we have been precise in respect of Gonski recommendations for the loadings. A lot of modelling has been done for allocations for disability, low SES, not EAL/D. Yes, you can change those around a little bit but ultimately we are giving schools flexibility. If they get a certain allocation—\$86,000—in one of those loadings for Aboriginal students it does not mean they can spend only \$86,000. That is exactly what we have moved away from. They can use more than that. Indeed, they can use less than that, but through their school plan they have to identify what their targets are as a school, whether it is improvements in performance of a particular cohort of students. Then they have to be able to show the director general and me as the person

ultimately accountable that they have spent their resources to achieve the outcomes that they have identified in their school plan.

CHAIR: Minister, thank you.

Mr ADRIAN PICCOLI: My pleasure.

CHAIR: Thank you also to your officers who are attending this meeting. You will have 21 days to provide answers to the questions that were taken on notice. The secretariat staff will follow that up. Any further questions will be sent to you within two days.

(The witnesses withdrew)

The Committee proceeded to deliberate.
