

# **GENERAL PURPOSE STANDING COMMITTEE No. 1**

**Wednesday 21 September 2005**

**Examination of proposed expenditure for the portfolio areas**

## **EDUCATION AND TRAINING**

**The Committee met at 5.30 p.m.**

### **MEMBERS**

Reverend the Hon. Dr G. K. M. Moyes (Chair)

The Hon. J. C. Burnswoods  
The Hon. A. Catanzariti  
The Hon. C.E. Cusack

The Hon. R. M. Parker  
Ms L. Rhiannon  
The Hon. I. W. West

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### **PRESENT**

**The Hon. C. M. Tebbutt**, *Minister for Education and Training*

**Department of Education and Training**

**Mr A. Cappie Wood**, *Director-General*

**Representatives: Mr M. Bowles**, *Deputy Director-General Corporate Services*

**Mr K. Dixon**, *General Manager Finance and Administration*

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**CHAIR:** I declare this meeting open to the public. I welcome you today to the public hearing of General Purpose Standing Committee No. 1. First of all I want to thank the Hon. Carmel Tebbutt and departmental officers for attending this afternoon. At this meeting the Committee will examine the proposed expenditure of the portfolio areas of education and training.

Before questions commence some procedural matters need to be dealt with. I point out that in accordance with the Legislative Council's guidelines for the broadcast of proceedings, only Members of the Committee and witnesses may be filmed or recorded. People in the public gallery should not be the primary focus of filming or photos and in reporting the proceedings of this Committee you must take responsibility for what you publish or what interpretations you place on anything that is said before the Committee.

I just remind Members of the Committee around the table here that there is no provision for you to refer directly to your own staff while at this table. Members and their staff are advised that any messages should be delivered through the Chamber Support Officer on duty or the Committee clerks. We will be sharing 20 minute segments with Government, Opposition and Cross-bench members. I will keep a good check on the time. I assume this is not going to pose any difficulties for you.

I declare the proposed expenditure open for examination. First of all, Minister, this is the first opportunity for your former colleagues to congratulate you on your election to that other place.

**The Hon. CARMEL TEBBUTT:** Thank you, Chair.

**CHAIR:** Would you desire to make an opening statement?

**The Hon. CARMEL TEBBUTT:** I would, thank you. Chair, I have with me Andrew Cappie Wood, the Director-General of the Department of Education and Training. I know you have got the signs there. Martin Bowles is the Director-General of Corporate Services and also Ken Dixon on this side, who is the General Manager of Finance and Administration.

I will keep my opening comments brief in order to allow as much time for questions as possible, but I would like to indicate the Government this year will be spending \$10.1 billion on education and training. It is a record level of spending. It is a 4.5 per cent increase over the previous year's budget. This year we are supporting around 744,000 school students and employ more than 50,000 teachers in over 2,200 public schools, with an allocation of \$7.2 billion in recurrent funding and \$393 million in capital funding.

We are spending more per student on a per capita basis than any other State in Australia and the budget allows us to further strengthen public education, particularly by our class size reduction program, delivering smaller class sizes for kindergarten through to year two, with funding of \$476 million over four years, along with \$107 million for additional classrooms, improved learning outcomes for Aboriginal school students with new funding of \$53 million over four years and significantly upgrading school accommodation through the schools improvement package with a record allocation of \$1.4 billion over four years.

The budget provides funding of \$698 million for non-Government schools, \$96 million for the Board of Studies and \$5 million for the New South Wales Institute of Teachers. With regards to TAFE, the budget is increased to almost \$1.5 billion for this year. This will support an increased training effort for apprentices, particularly in skills shortage areas, improved outcomes for Aboriginal students and increased opportunities for mature age students, amongst others.

We are also providing an additional \$4.6 million to address skills shortages through the Trade Start program, with 465 places being created across New South Wales in a range of apprenticeship areas, additional travel support for apprentices and additional funding for group training. There is also capital funding of \$84 million to upgrade and expand TAFE colleges, so this

year's budget will allow us to continue to build on the outstanding results that our students are getting, whether they are compared nationally or internationally with counterparts of a similar age.

**CHAIR:** Do Government Members wish to start questions?

**The Hon. Ian WEST:** Not at this stage.

**CHAIR:** Opposition Members?

**The Hon. CATHERINE CUSACK:** Minister, what is the additional cost to your budget of pay rises for your department in the current financial year?

**The Hon. CARMEL TEBBUTT:** In the current financial year, you mean in the 2005-06 year?

**The Hon. CATHERINE CUSACK:** Yes.

**The Hon. CARMEL TEBBUTT:** You mean how much has been allocated for pay rises?

**The Hon. CATHERINE CUSACK:** No, what is the cost of the pay rises?

**The Hon. CARMEL TEBBUTT:** Which pay rises are you talking about?

**The Hon. CATHERINE CUSACK:** The cost of teacher pay rises, the additional cost to the budget.

**The Hon. CARMEL TEBBUTT:** The additional funding that has been provided, I will ask Ken Dixon to respond to that.

**Mr DIXON:** The additional salary cost, budget to budget, for award increases is of the order of \$350 million.

**The Hon. CATHERINE CUSACK:** What percentage is that? What percentage increase does that represent?

**The Hon. CARMEL TEBBUTT:** That actually covers the award salary increase that has been granted to teachers. If you are asking what have we actually budgeted for—

**CHAIR:** Is it three per cent, or five per cent?

**The Hon. CARMEL TEBBUTT:** For future increases the Government's position with regards to future pay increases is for a 3 per cent pay increase and I believe that has been built into our budget for the first six months of next year, which is when the current award expires but, as I am sure you would appreciate, there is a process of negotiation with the teachers federation about the expiry of the current award. Those discussions have started and the outcome will depend upon the outcome of those discussions.

**The Hon. CATHERINE CUSACK:** So the pay rises have been, as I understand it, fully funded by Treasury; is that correct?

**The Hon. CARMEL TEBBUTT:** That is correct.

**The Hon. CATHERINE CUSACK:** If the final arrangement in terms of percentage is above what is anticipated, above that three per cent, will that be fully funded by Treasury as well?

**The Hon. CARMEL TEBBUTT:** At this stage I am not able to respond with what the likely outcome is. The Government has budgeted for three per cent. We are in a process of negotiation with the federation. Those discussions have only just started. If those discussions are not able to resolve the situation in that way, then we will be able in New South Wales, to call upon the assistance of the Industrial Relations Commission and, as previously, the Government has abided by decisions of the Industrial Relations Commission.

**The Hon. CATHERINE CUSACK:** I am just trying to pin down what the source of funds will be for the agreement, whether it will come out of Treasury or whether it will have to be found out of the education funding.

**The Hon. CARMEL TEBBUTT:** Given there is no agreement it is simply impossible to pin down the source of funds.

**The Hon. CATHERINE CUSACK:** There is no guarantee that Treasury will fully fund a pay rise?

**The Hon. CARMEL TEBBUTT:** We will negotiate with the federation, as we have done with every other wage increase. If we are not able to reach agreement we will seek the assistance of the Industrial Relations Commission, as we are able to do in New South Wales, unlike the situation nationally very soon. We will seek the assistance of the commission and, as has always been the case in the past, we will abide by the decisions of the commission if that is necessary. For me to predict any more beyond that is simply predicting only, because those discussions have only just commenced. I might point out that the current wages agreement does not expire until the end of this year.

**The Hon. ROBYN PARKER:** Minister, welcome back. I wonder if you can tell us which schools have a guaranteed right to local selection for promotion positions?

**The Hon. CARMEL TEBBUTT:** With regards to staffing arrangements that are in place - did you say for executive positions or generally?

**The Hon. ROBYN PARKER:** Promotion positions.

**The Hon. CARMEL TEBBUTT:** For promotion positions the process that is followed is a process that is in accordance with the staffing agreement. I am seeking further detail with regard to promotion positions. Essentially with regard to promotion positions the first way that a position is filled is in accordance with priority transfers. That is a component of our Statewide staffing process because we need to make sure that we can staff all schools across the State. If that is not required to fill a promotion position then the next option is with regards to other people at level being able to apply for the position through a merit selection. If that does not fill the position, the position is then thrown open for merit selection and advertised both internally and externally when we are talking about promotion positions. That is the changes that were introduced last year.

**The Hon. ROBYN PARKER:** Do you want to add anything to that? Are there any special conditions, such as Aboriginal positions, or anything like that?

**The Hon. CARMEL TEBBUTT:** With regards to leadership positions I will just check. I will check with the Director-General.

**Mr CAPPIE WOOD:** There are opportunities certainly in there to be able to promote and encourage Aboriginal staff in the department. There is a range of strategies to do so and we certainly look to be able to mentor Aboriginal staff, including promotion positions, to ensure that they are fully competitive and are represented in all areas of the organisation.

**The Hon. ROBYN PARKER:** Are there schools that are excluded from the right to local

selections for promotion?

**The Hon. CARMEL TEBBUTT:** As I have just outlined, initially, in order to fill executive positions the priority transfer system comes into play. I am sure that as Members of the Committee appreciate, there are 2,200 schools across the whole of New South Wales. In order to make sure that we are able to fill every single position and that every school has an appropriate principal and leadership positions filled along with teaching positions, we have a transfer system that enables us to do that. With regards to executive positions, it is the priority transfer system that is first looked at, so if there is someone requiring a priority transfer they are selected for the vacancy. If the position is not filled through that process then the other two means come into play, which I just outlined.

It is not the same for each school. There are different circumstances but, as I have indicated previously, there are requirements that a person needs to meet in order to be satisfactorily appointed to a leadership position within a school.

**The Hon. ROBYN PARKER:** Could you provide details on how many positions are filled in that way?

**The Hon. CARMEL TEBBUTT:** I might get Mr Martin Bowles to answer that question.

**Mr BOWLES:** Yes, I can give you some idea of what has happened in this staffing cycle so far. Roundly, in executive positions, which are the promotion positions you are talking about, we have seen around 600 positions become available. A range of them are still to be filled. At this stage the ones that have been filled, there has been roughly 15 per cent that have gone to priority transfers out of the entire 600, so out of that entire 600 that are available the priority scheme has actually seen only about 110 positions out of that 600.

**The Hon. ROBYN PARKER:** Will you table a copy of the agreement between the Department of Education and the New South Wales Teachers Federation that prevents local selection in promotion positions?

**The Hon. CARMEL TEBBUTT:** I would find that very difficult to do because the agreement does not actually prevent local selections, but if you want a copy of the staffing agreement I believe that is certainly available, but it is not as you have described it.

**The Hon. ROBYN PARKER:** You will be aware, I am sure, Minister, of the concerns of parents from Maroubra Junction School; is that correct? Are you aware of the concerns of the parents of Maroubra Junction School?

**The Hon. CARMEL TEBBUTT:** Yes I am.

**The Hon. ROBYN PARKER:** Have you met with the parents of the Maroubra Junction School who are concerned about their children's future and want consideration and their wishes to be involved in the appointing of a new deputy principal?

**The Hon. CARMEL TEBBUTT:** No, I have not. A representative from the P&C, I believe, approached my office and a meeting was organised with the regional director. I have no power to make individual appointments with regards to positions in schools.

**The Hon. ROBYN PARKER:** Why wouldn't you meet with those parents?

**The Hon. CARMEL TEBBUTT:** Because my understanding is the request was for a meeting with the regional director, that was what was organized, but irrespective, I do not appoint individual positions within schools and it would be inappropriate for me to hold out that I do have that power. I am aware of the concerns of the parents of Maroubra Junction Public School. A meeting was arranged with the regional director - and I might just point out that with regards to that issue, the

deputy principal's position has now been filled. It was made in accordance with the statewide staffing agreement between the Department of Education & Training and the Teachers' Federation. The assistant principal, who has been acting in the position, as I understand it, will remain at the school in her current position as assistant principal, so those decisions have been made, and as I said, I believe it would be inappropriate for me to hold out hope that I could in some way intervene to overturn a decision when I in fact do not have that power to do that.

**The Hon. ROBYN PARKER:** Will you agree to meet with those parents though and discuss the future of their children and their involvement and their concerns with the Teachers' Federation?

**The Hon. TONY CATANZARITI:** Mr Chairman, if I could, I believe the Minister has already answered this question.

**The Hon. ROBYN PARKER:** She has not said whether she will agree to meet with the parents.

**The Hon. TONY CATANZARITI:** The Minister has already answered that question.

**CHAIR:** I note your comment, I will listen carefully.

**The Hon. CARMEL TEBBUTT:** I meet with parents, P & C representatives and others on a regular basis about a whole range of issues and am always happy to do so. With regards to this issue, it is a matter for the department, it is a staffing matter. The department has met with the parents, has outlined the reasons for the decision. The school has been responded to, the school has been dealt with in the same way that every other school in that situation would be, there has been no difference. I am sure that people would not expect that I would get involved and intervene with regards to individual schools because parents campaign in a particular way or don't campaign in a particular way. I need to be seen to be impartial and clearly not interfere - I think it would be entirely inappropriate for a minister to interfere in individual staffing matters and I have made that very clear.

**The Hon. ROBYN PARKER:** Given that a number of parents are here tonight to listen to your views, and perhaps some of your department are here as well, would it be convenient to meet with them after these questions?

**The Hon. CARMEL TEBBUTT:** No, no, it would not be.

**The Hon. ROBYN PARKER:** Just to clarify, your not meeting with those parents had nothing to do with your campaign last week.

**The Hon. TONY CATANZARITI:** I believe the Minister has already answered that question several times.

**CHAIR:** I certainly think the Minister has answered that question. She does not need defence from me I might say, she is one of the most competent ministers that the Government has and I am quite sure she can answer those questions, even if it means repetition.

**The Hon. ROBYN PARKER:** Minister, do you support government schools providing free education?

**The Hon. CARMEL TEBBUTT:** Yes I do.

**The Hon. ROBYN PARKER:** If as a basic principle you support Government funded education in government schools, how do you respond to parents in government schools having to raise massive funds to provide for education programs such as reading recovery and other literacy programs?

**The Hon. CARMEL TEBBUTT:** Well I think fundraising, whether it be in government or non-government schools has been a part of the history and tradition of schooling. Certainly for as long as I can remember and so therefore there has always been a role in government schools for

parents to get involved in fundraising. I actually think that provides a benefit for the school, for school communities and of course, it also results in schools being able to access additional supports over and above what they might otherwise be able to do from core Government funding.

**The Hon. ROBYN PARKER:** The issue though is about parents raising funds for things such as extra teachers, not additional things such as outdoor seating or nice things for the environment. This is about core programs, is that appropriate?

**The Hon. CARMEL TEBBUTT:** If you would raise a particular example so that I can respond to it, I would be happy to, but in usual circumstances it is a matter for the parents, for the P & C to determine how they would like to use funding that they have raised themselves and a whole range of services are often supported through P & C funding and certainly we have the joint funding program, now there are greater controls over how money can be used when it is part of the joint funding program.

**The Hon. ROBYN PARKER:** It is appropriate then, in your view, that parents raise funds for extra teachers?

**The Hon. CARMEL TEBBUTT:** Well I do not intend to dictate to parents how they can use funding that they work hard to raise. If you have got concerns about a particular school where you think it is inappropriate, give me the example of the school and I would be happy to look into it.

**The Hon. ROBYN PARKER:** Collaroy Plateau School, for example, has raised for a number of years the funds to employ an extra teacher, because they made that decision. Perhaps you could provide some communication with Collaroy Plateau School?

**The Hon. CARMEL TEBBUTT:** Perhaps I could provide some communication with them?

**The Hon. ROBYN PARKER:** I mean, you could explain to them that that is an appropriate thing that you are unable to provide, what they see as should be provided by the Government.

**The Hon. CARMEL TEBBUTT:** But that would be an additional teacher over and above what their teaching establishment provides them for. Now if the parents of Collaroy raise money and think that that is an appropriate way for that money to be used, I do not believe it is for me to dictate to them and say, no it is not, but if they have got concerns about what their staffing establishment provides for—

**The Hon. ROBYN PARKER:** Obviously they have.

**The Hon. CARMEL TEBBUTT:** Well I do not believe that it has been raised with me but I am happy to follow it through.

**The Hon. CATHERINE CUSACK:** Minister, can you tell me how many people does your department employ who are not based in schools?

**The Hon. CARMEL TEBBUTT:** I do not have that figure in front of me, I will just check – yes, we will take that on notice.

**The Hon. CATHERINE CUSACK:** Can you tell me the current staff establishment of head office of the Department of Education?

**The Hon. CARMEL TEBBUTT:** I will ask the Director General to respond to that but we would need to give you the actual figure on notice, because that is similar to the previous question you just asked.

**The Hon. CATHERINE CUSACK:** Two different questions I think.

**Mr CAPPIE WOOD:** Off the top of my head – and we will get you the exact numbers – 96% of school staff are in schools in terms of school area, and that includes when you take into account the head office component. This means that the out of school area is the lowest in Australia and that has been established through the Productivity Commission report and the findings can be easily accessed by anyone who is on the web. Our out of school, in other words, our overhead costs, are the lowest of any school system in Australia, so therefore, if you like, the overheads that are not in schools are the lowest.

Our benchmark against other large public sector agencies in terms of how we perform about the relative number of corporate support areas is the best there is in New South Wales and we have difficulty benchmarking against any other education system that we can come across. In other words, we are extremely efficient and we put as much resources to the frontline as humanly possible.

**The Hon. CATHERINE CUSACK:** How many people do you employ in total?

**Mr CAPPIE WOOD:** We can get the exact number in terms of EFTs, that is effective full time, as well as total numbers across – I assume you want schools and head office. Are you looking for TAFE as well?

**The Hon. CATHERINE CUSACK:** No, I am looking for schools at the moment. The Minister has just said there are 50,000 teachers. You must have a rough idea of how many people you employ.

**Mr CAPPIE WOOD:** In terms of the total number of group certificate type activities we hand out each year are difficult to number because we have casual staff across the system as well as full time staff. The number is in the order of 135,000, which makes us approximately the largest employer in Australia.

**The Hon. CATHERINE CUSACK:** The 50,000 teachers, would that be full time equivalent?

**Mr CAPPIE WOOD:** Approximately full time equivalent. We can get that figure for you exactly.

**The Hon. CATHERINE CUSACK:** When you talk about 4%, that is about 2,000 people is it, employed by your department not working in schools?

**Mr CAPPIE WOOD:** Can I just clarify that that includes all the people that are there to support the payment of people, in other words, the recruitment, the people who pay accounts, personnel, the IT, the regional staff – so I am differentiating between what is absolutely in a school and the educational support staff that are in regions and those regional staff include many consultants that do go round and do work in schools. So there is direct educational support and we have to differentiate that between what I see as overhead support.

**The Hon. ROBYN PARKER:** Minister, do you consider you have good communication as Minister with parents, teachers and students in schools?

**The Hon. CARMEL TEBBUTT:** Yes.

**The Hon. ROBYN PARKER:** Do you feel you are listening to the concerns of parents and the Teachers' Federation?

**The Hon. CARMEL TEBBUTT:** Yes.

**The Hon. ROBYN PARKER:** Why won't you then take the time today after this meeting to talk to the parents from Maroubra School?

*[Interruption]*

**The Hon. ROBYN PARKER:** Why won't you speak to them?

*[Interruption]*

**The Hon. ROBYN PARKER:** Why won't you listen to their concerns? Why did they have to come here to hear your answers fobbing off to other people in your department, instead of taking it and talking to them yourself?

**The Hon. CARMEL TEBBUTT:** I will respond.

**CHAIR:** Can I just say here—

**The Hon. JAN BURNSWOOD:** You might want to clear the room Mr Chair.

**CHAIR:** There shall be no demonstrations. Please, there shall be no demonstrations—

*[Interruption]*

**The Hon. JAN BURNSWOOD:** Mr Chair, you also need to ask the media to stop filming.

**CHAIR:** Would you please clear the room.

*[Interruption]*

**CHAIR:** Will the media please stop filming.

*[Interruption]*

**CHAIR:** Would you please clear the room.

*[Interruption]*

**The Hon. JAN BURNSWOOD:** Chair—

**CHAIR:** I appreciate your commitment to this. Can I ask the clerk to clear the room please.

*[Interruption]*

**CHAIR:** Honourable Robyn Parker, please continue.

**The Hon. TONY CATANZARITI:** Time is up.

**CHAIR:** Time is up. I do not think it will happen again, but if it does happen again, would you not focus on the public gallery, as was mentioned at the beginning of this session.

**The Hon. JAN BURNSWOOD:** Point of order Mr Chair, look I really think what you have just said is not enough. We have very definite written rules, which you referred to at the beginning of this hearing relating to the coverage by the media. What you have just said provides an option but in fact there has been a very clear breach of the rules which you spelled out at the beginning of the meeting. I think you have to say something a bit more definite than what you have just said. The media is still filming this discussion and you have asked for the room to be cleared, which has not happened.

**CHAIR:** I have not asked for the media to leave the room—

**The Hon. JAN BURNSWOOD:** No, I did not say you had, you asked for the room to be cleared.

**CHAIR:** I asked for the public to be cleared.

**The Hon. JAN BURNSWOOD:** The public have not left the room, Mr Chair.

**CHAIR:** We are spending a lot of time which is—

**The Hon. ROBYN PARKER:** We are wasting a lot of time, we have got some other important questions.

**CHAIR:** Thank you. The media have had my warning.

**The Hon. ROBYN PARKER:** Minister, what is the backlog for air conditioning classrooms in New South Wales government schools?

**The Hon. JAN BURNSWOOD:** Chair, the time for the Opposition questions has expired.

**CHAIR:** Yes. Lee Rhiannon?

**Ms LEE RHIANNON:** Thank you Mr Chair. Congratulations Ms Tebbutt.

**The Hon. CARMEL TEBBUTT:** Thank you.

**Ms LEE RHIANNON:** In your reply to one of the earlier questions you said, referring to Maroubra School, that the school was dealt with in the same way as other schools, but wouldn't you agree though that there has been a difference for Maroubra Public, as you made reference to their campaign in the latter weeks of the recent Marrickville bi-election?

**CHAIR:** I am not sure that the Minister could hear that question because of the amount of discussion from Government members. Could you please allow the questions to be asked in silence?

**The Hon. JAN BURNSWOOD:** Mr Chair, you are being a bit offensive. A lot of the discussion was behind you, between the clerk and the media.

**CHAIR:** Thank you ma'am, if you want to be elected chair of this meeting, there is an opportunity for you.

**Ms LEE RHIANNON:** I think Ms Tebbutt did actually hear the question.

**The Hon. JAN BURNSWOOD:** I do not want to chair the meeting but I suggest that if you are in charge of the meeting you need to be aware of the discussion going on behind you—

**CHAIR:** The discussion that I could hear that was interrupting was on my right.

**The Hon. JAN BURNSWOOD:** And the reason the Minister was having trouble hearing is because of the discussion going on behind you.

**CHAIR:** Thank you. Lee Rhiannon, you need to repeat your question.

**Ms LEE RHIANNON:** Ms Tebbutt, did you hear the question?

**The Hon. CARMEL TEBBUTT:** I did and can I just make clear, I do not have the actual date when the deputy principal has been appointed to Maroubra Junction Public School, but it is my understanding that that occurred before the bi-election. You have raised the campaign during the bi-election, I have not raised that.

**Ms LEE RHIANNON:** But my question was to you that you made reference to the Maroubra Public School issue during the bi-election.

**The Hon. CARMEL TEBBUTT:** No I did not, I said their campaign, the parents' campaign. The parents' campaign actually precedes the bi-election. The parents have been campaigning for some time. They chose to do some particular things during the bi-election, but I did not make reference to that, I generally said, however, that it is not appropriate I think as a minister to

simply respond in a particular way because parents run a campaign that is more high profile than other people.

**Ms LEE RHIANNON:** I was making the point during the election campaign when you were not a Member of Parliament but you were still the Minister, and you were campaigning that you made reference at that time, and that is what I am trying to flesh out, that that is where there is a difference. This school has not been dealt with in the usual way. The Maroubra campaign of these parents became part of the Marrickville campaign because you and other Labor people spoke about it.

**The Hon. CARMEL TEBBUTT:** No, it became part of the Marrickville campaign because that is the way the Maroubra Junction P&C chose to prosecute their case. This issue was first raised with me prior to Andrew Refshauge retiring from Parliament, prior to their being any question of a by-election in Marrickville. I think I had actually responded to the parents prior to the by-election being called and the position was already filled, as I understand it, and I need to check the date, but the department had certainly begun the procedures to fill the position prior to the by-election. This issue, in my mind, has absolutely nothing to do with the by-election. The parents chose to take their case to the people of Marrickville. I had to respond to that as a candidate. I believe it has nothing to do with the by-election.

**Ms LEE RHIANNON:** Let us move on to your response. Why did you blame the Greens for distributing materials about Maroubra Public School and call these fabricated actions disgraceful?

**The Hon. TONY CATANZARITI:** Point of order, Mr Chairman.

**The Hon. CARMEL TEBBUTT:** No, I will respond.

**Ms LEE RHIANNON:** She wants to respond. This goes to the core of her being a Minister.

**The Hon. TONY CATANZARITI:** Mr Chairman, it is a point of order.

**CHAIR:** I will take the point of order.

**The Hon. TONY CATANZARITI:** Point of order. I believe this has nothing to do with the Estimates Committee. This is purely and clearly something that has been in a by-election which is over and done with and has nothing to do with the estimates for this year.

**CHAIR:** Thank you. Could I ask Ms Rhiannon to stick to the question of budget review, the sorts of questions you can ask on those.

**Ms LEE RHIANNON:** Budget review, as we know, includes wide aspects of the management of one's portfolio and clearly it comes under that and I understood that Ms Tebbutt wanted to answer it. She said she did.

**The Hon. JAN BURNSWOODS:** Mr Chair, I believe that was a speech to the point of order. I am not sure. You ruled, I think, but then Ms Rhiannon—

**CHAIR:** Responded.

**The Hon. JAN BURNSWOODS:** Took a further point of order or questioned your ruling. Do you need to rule again or can one speak to the point of order?

**CHAIR:** No. It was quite clear. I said to you that this was outside the ambit of the review of budget estimates. Would you please keep to the review of budget estimates?

**Ms LEE RHIANNON:** Ms Tebbutt, about textbook subsidies: Textbook subsidies seem to

have disappeared from the budget estimates, from the Budget Papers. Textbook subsidies are no longer paid to private schools as a separate item, when you look at the material that we have been provided with for this budget. Can you explain where they have gone and in particular have the per capita payments to private schools been increased to account for the loss of textbook subsidies?

**The Hon. CARMEL TEBBUTT:** Can I clarify? Are you referring to textbook subsidies for non-government schools or for government schools?

**Ms LEE RHIANNON:** For non-government schools.

**The Hon. CARMEL TEBBUTT:** With regards to non-government schools there was a change in the way textbook funding is provided in the 2005-06 State Budget. It is no longer a separate line item in the budget. Under prior funding arrangements non-government schools received separate funding for textbooks, and expenditure in Government schools for the purchase of textbooks was excluded from the per capita funding regimen calculation. With the change that occurred in the 2005-06 budget non-government schools will now receive flow-on funding for textbooks through per capita grants which are calculated on the basis of 25 per cent of the equivalent cost of educating students in government schools.

**Ms LEE RHIANNON:** So the part of the 25 per cent rule, are you saying they do not have a separate component of funding now?

**The Hon. CARMEL TEBBUTT:** That is right, for non-government schools that is right.

**Ms LEE RHIANNON:** Per capita payments to private schools, can the Minister list the factors that are included in calculating the cost of educating a child in public education as applied in section 21 of the Education Act to improve per capita grants for private schools?

**The Hon. CARMEL TEBBUTT:** I will refer that to either the Director-General or Mr Ken Dixon, the General Manager of Finance.

**Mr DIXON:** The calculation is based upon what we call a regimen, which is a whole list of expenditure items which are calculated to determine a pool of funds on which the distribution is made. It is quite a long list which can be supplied to you, but it includes all the normal costs of educating a child in a government school, so we can supply that at a later date.

**Ms LEE RHIANNON:** If you can take that on notice I would appreciate it. What was the amount in respect of payments for 2004 please?

**The Hon. CARMEL TEBBUTT:** For 2004?

**Ms LEE RHIANNON:** Yes.

**The Hon. CARMEL TEBBUTT:** For per capita grants to non-government schools?

**Ms LEE RHIANNON:** Yes.

**The Hon. CARMEL TEBBUTT:** I think we might have to take that on notice. We were expecting to answer questions about 2005-06. We are checking if we have the 2004 figure. No. Can we take that on notice?

**Ms LEE RHIANNON:** Yes, thank you. About interest rate subsidies, last year the previous Minister announced that interest rate subsidies would no longer be available to category one private schools. Will you continue with this policy?

**The Hon. CARMEL TEBBUTT:** Yes. There has been no change announced to the interest subsidy scheme in this budget.

**Ms LEE RHIANNON:** What steps will you take to ensure that interest rate subsidies are not used to expand private schools and thus threaten the enrolment base of local public schools?

**The Hon. CARMEL TEBBUTT:** An interest subsidy can only be paid in respect of loans raised for the provision of proper and adequate facilities which are comparable in area and standard to those provided in a government school and under this scheme a school's interest bill is met within an interest rate maximum. If the school undertakes projects which are funded by a Commonwealth capital development grant and borrowings, then the Commonwealth grant is deducted from the interest subsidy assessment.

I am sure that you are as aware as I am that the major source of funding for non-government schools is from the Commonwealth and the major source of increased funding for non-government schools has been from the Commonwealth.

**Ms LEE RHIANNON:** As you also noted, your Government also puts in large amounts of money to private schools. It is sad that we are still having the ping pong game. Minister, I wish to take up a question to do with debt and the tutorial voucher initiative. How many people within DET are involved in developing and administering the TVI for New South Wales?

**The Hon. CARMEL TEBBUTT:** I will check with the Director of Corporate Services. No, we will need to take that on notice.

**Ms LEE RHIANNON:** You cannot go into this?

**Mr CAPPIE WOOD:** Just to say that the department is the broker and, as such, its responsibility is to find sufficient resources within the budget that the Commonwealth Government has provided for this initiative and in so doing they are not necessarily permanent staff of the department but we are looking to appropriate resources and trained resources that can deliver this particular literacy initiative and to do so by the end of November when it concludes.

**Ms LEE RHIANNON:** So is what you are saying that staff - I understand that you are the broker, so it is not the same staff doing the jobs. Is that how it works?

**Mr CAPPIE WOOD:** In some circumstances where we have sought resources to complete this initiative, some of them may well be our staff but they are doing that outside normal teaching hours. Some of it may well be from experienced resources in the community but we are making sure, and this is where the quality control comes in, that they have adequate training, that they understand exactly the outcomes sought in terms of the literacy initiative, and to make sure that we are doing it in a way that provides a safe learning environment in the delivery of this particular program.

**CHAIR:** Time, thanks Ms Rhiannon.

**Ms LEE RHIANNON:** Can I have one to finish off with? Thank you, Mr Chair. Just still with the TVIs, clearly person hours have to go into this job, so what has happened to the activities that those people used to undertake when they are undertaking TVI work?

**Mr CAPPIE WOOD:** Any work of this nature is undertaken outside normal hours where any of our staff might be involved in the delivery. The management of this program is also covered completely by the Commonwealth funding, so that there is no drain on state resources to deliver this particular outcome and we have been quite explicit with the Commonwealth Government about this. One of the other aspects about this is that it covers not only government schools but non-government school children as well, and that is why we are having to make sure we cover right across the state and

making sure that we can draw upon adequately trained resources for this literacy initiative. They do not necessarily all come from the DET necessarily at all.

**CHAIR:** Thank you Mr Cappie Wood. Minister, why is the Department of Education sending scores of first year teachers to some of the state's most disadvantaged and difficult schools when we would imagine you would be wanting to keep the morale high when the burn-out rate is as high as 25 per in these areas?

**The Hon. CARMEL TEBBUTT:** Thank you, Chair and you raise, I think, an issue that bedevils every education system certainly in Australia, but is particularly difficult in New South Wales given the range of schools that we need to staff and that is how we can effectively staff our more difficult to staff schools, whether they be in remote and more regional locations, or whether they be in some parts of metropolitan Sydney, but confront particular issues that make them difficult to staff. That is one of the reasons why, I referred earlier, to the fact that the department has a staffing agreement that has an element of transfer component in it, so that we can make sure that every school on day one term one has a teacher in front of the classroom.

The department has a range of strategies in place to support new teachers, to support first year out teachers, and I will ask the Director-General to provide some more detail about that shortly. I might say that as part of the Aboriginal education review, one of the things that the department has been looking at very closely is how we can better put incentives and arrangements in place to be able to attract more experienced teachers to some of our hard to staff schools, to deal with precisely the issue that you have referred to and I think really what we are looking for is it is about a mix.

New teachers, first year out teachers, second year out teachers, bring some wonderful things to a school, enthusiasm, energy, idealism and that is great for a school but what it needs to be balanced with is more experienced teachers who can provide support, leadership, guidance and wisdom and it is often actually the balance that we find difficult to get. I just might get the Director-General to respond.

**CHAIR:** Can I ask Mr Cappie Wood to put that in more detail in a written form?

**Mr CAPPIE WOOD:** I would be more than happy to and it will reflect many of the things raised in the Upper House inquiry into teacher recruitment.

**CHAIR:** May I ask you, Minister, in relation to the class size reductions is the department moving to change the structure of the classroom by moving teachers into classroom coordinator roles, who would direct the work of lesser trained smaller classroom tutors?

**The Hon. CARMEL TEBBUTT:** I am not aware of such an approach as you have outlined, but I will just get the Director-General to respond if he has more detail on that issue.

**Mr CAPPIE WOOD:** There is no doubt that the reduction in class size in kindergarten and as we extend into years one and two is having a profound and fantastic impact upon literacy and numeracy, in fact an early start to schooling. It is a great initiative which many people, many teachers are telling me constantly when I go into schools that this is a fantastic outcome. What it is also providing is sometimes that those teachers see the opportunity of varying the way that they teach and sometimes team teaching, sometimes involving parents to come in and assist with reading et cetera, so what we are seeing is innovation in the classroom. It is not saying that there is a set standard way of teaching other than saying we have a clear syllabus and curriculum to be delivered, but I would have to say that the innovation shown by these teachers in terms of how to take that opportunity of smaller class sizes is fantastic to see.

What you have raised as a particular technique I have not seen personally, but I have seen a number of other techniques used in smaller class sizes to be able to increase the benefit of the

particular initiative.

**CHAIR:** There are concerns in the Department of Education in the United Kingdom because of that trend. I will just mention that.

**Mr CAPPIE WOOD:** I think I know what you are getting to now and that is the question of having, if you like, teacher aids, assistant. No, we are not looking at that. This is about reducing the size of classes in kindergarten through to two progressively, and this is about making sure that teachers are there for the students, but you might vary the method of teaching, not the component of the workforce.

**CHAIR:** Thank you. Could I ask you, Minister, at what size does a school become economically unviable?

**The Hon. CARMEL TEBBUTT:** We do not set a size at which a school becomes economically unviable. We have a number of quite small schools both obviously in regional and more remote parts of the State, but also some small schools in Sydney metropolitan, and we do not set a size at which schools become unviable.

**CHAIR:** Having worked in another jurisdiction as a teacher in a one teacher school, I remember the rejoicing in the community whenever anyone became pregnant because it meant that the school would not close, but that would raise with me Plunket Street school, which is not remote, with 30 students and Fort Street Public with 49 students, are these schools slated for closure?

**The Hon. CARMEL TEBBUTT:** No, but I will ask the Director General to provide some more information with regard to small schools.

**Mr CAPPIE WOOD:** On the issue of Fort Street, it is very pleasing to see that there has been a 40% increase in enrolments in the last year.

**CHAIR:** It would not take many to have a 40% increase.

**Mr CAPPIE WOOD:** And I would have to say because it is one of two CBD schools effectively, that the change of development in that general area has a profound impact. Previously it was an aging population and the regeneration of that area—

**CHAIR:** Is that happening just because of the demographic changes in that area or does the department have some strategies in place?

**Mr CAPPIE WOOD:** Apart from some good strategies to promote the good things happening in public education, I was emailing the principal, Andrew Hewitt, of Fort Street today in terms of his circumstances, assuring him that we had no plans to close the school and I congratulated him on his increase in numbers. In terms of Plunkett Street, I have visited that recently. Keep in mind that that is a joint school site. There is a small primary school there. The Sydney Distance Education School also occupies that site. The primary school is very viable and is essential to service the largely housing commission population in that particular area and whilst the decrease in numbers reflects almost exactly the aging population in the Woolloomooloo area generally, particularly as public housing, as we know, is increasingly for single parent households rather than necessarily families in those communities. It has reflected that particular decline but it has a very viable and is very, very much cherished by the local community.

**CHAIR:** Minister, finally from me, how is the \$13.6 million which is allocated for the new suspension centres being spent? Are those suspension centres being built on current school properties?

**The Hon. CARMEL TEBBUTT:** Thank you Chair. The suspension centres are an important part of our approach to making sure that we have got a range of options for students who may be struggling with education in a mainstream environment, for various different reasons.

Obviously with regard to suspension centres it is about making sure that we can try and keep those people connected to education, making sure we do not lose them to the system, whilst at the same time providing an appropriate way to support their behaviour difficulties. We have got a four year plan to improve standards of behaviour in public schools. It includes specialist places for students with behavioural problems, it includes counselling services and it includes the suspension centres, as you have referred to.

The suspension centres will enhance the range of options available to principals. Twenty new suspension centres are being established to implement behaviour modification plans for students returning to schools after long suspensions.

With regards to where they are located, my understanding is it is a mix. The tutorial centres, which play a bit of a different role, are actually located on school sites. Suspension centres are usually located, as I understand it, away from school sites, but I will just see if the Director General has more information about their establishment.

**Mr CAPPIE WOOD:** Generally speaking we are attempting to use existing resources. Now that may be vacant land. That may be where a school has gone through a life cycle, such as Green Square, and we can re-utilise it for this particular purpose and I have been out in some regional areas also looking at sites, where again the department owns land that is no longer required and has not been built on in some cases, and schools can utilise it for these purposes.

**CHAIR:** Government members?

**The Hon. TONY CATANZARITI:** No questions.

**CHAIR:** Opposition members?

**The Hon. ROBYN PARKER:** Turning to school maintenance, Budget Paper No. 3 Volume 1, pages 5 to 7, notes that \$194 million is going to be spent on school maintenance over the financial year. There are approximately 2,200 schools and the total maintenance averages just over \$80,000 per school. The schools have reported, however, to the Opposition that the formula to allocate those maintenance funds fails to take into account the age, the size, the condition of buildings, such that you could have an old school building getting insufficient funds and maintenance to support the aging buildings. What is the formula for allocating maintenance funds?

**The Hon. CARMEL TEBBUTT:** The Schools Directorate has changed the maintenance delivery through the introduction of the 19 new maintenance contracts which took effect on 1 July 2005. These were awarded to seven contractors. They are in place for four years with two one year options. The implementation of the new contracts delivers on the Government's commitment to accept the recommendations of the School Maintenance Task Force, which was appointed by the previous Minister for Education & Training.

The award of the new contracts is the conclusion of an eighteen month process to find the contractors best able to provide high quality services to the State schools. The structure of the contract has been altered to make a range of improvements to its implementation, including addressing some of the issues that you have raised.

Contractor risk has been minimised to improve contractor response. The contracts are department directed, leading to reduced administrative overhead costs and conditions assessments are now conducted with greater accuracy.

The benefits to schools include programmed maintenance work being determined with principal's input to be able to maximise educational outcomes and the asset management units are currently working with school principals to develop lists of prioritised maintenance tasks. Under the new arrangements the asset management units now deal with maintenance contractors, so that lessens the facilities maintenance burden that is on the principal and at the same time there is an increased range of items that are covered by preventative maintenance and by essential urgent repairs. These are items which are deemed to be requiring immediate repair.

There is monthly contract monitoring meetings and they will monitor contractor performance. So there is a range of means that have been put in place through the new contracts in order to improve the maintenance outcomes for schools.

**The Hon. ROBYN PARKER:** Those seven contracts, is that all of the new maintenance contracts now?

**The Hon. CARMEL TEBBUTT:** There are two that are still awaiting because they are trialing a total approach to facilities management for two areas, the Central Coast and Riverina.

**The Hon. ROBYN PARKER:** The ones operating currently, are they meeting deadlines?

**The Hon. CARMEL TEBBUTT:** The advice I have is that feedback from principal reference groups have identified minimal dissatisfaction with the new arrangements and where issues have been raised, they have been followed up either through the asset management unit or the Department of Commerce. I will just check to see if the department has got more information about deadlines.

**Mr BOWLES:** No, that is correct. Pretty much most of it has been followed up and we have a range of processes in place with both our assets management unit and Commerce to follow up on any outstanding issues but the feedback has been quite reasonable at this stage.

**The Hon. ROBYN PARKER:** The Department of Commerce supervises those contracts, is that correct?

**Mr BOWLES:** That is correct, in conjunction with us. We play a key role in the maintenance contracts under the new arrangements.

**The Hon. ROBYN PARKER:** What is the cost of the Department of Commerce supervising the contracts?

**Mr BOWLES:** I cannot tell you off the top of my head what that would be.

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

**Mr BOWLES:** I will.

**The Hon. CATHERINE CUSACK:** Can you give a percentage cost or a dollar cost?

**Mr BOWLES:** I will take that on notice.

**The Hon. ROBYN PARKER:** Turning to air conditioning, what is the back log for air conditioning classrooms in New South Wales government schools?

**The Hon. CARMEL TEBBUTT:** I will ask the corporate services director to respond to that.

**Mr BOWLES:** We have finalised the air conditioning of demountable classrooms earlier this year, so effectively all of the demountable classrooms are now air conditioned. We have an ongoing process around hot spots, which is effectively we look at classrooms that fit over a certain medium temperature, depending on the isotherm in the State, which off the top of my head is the 30 degree isotherm, and we will progressively work through those. We do not have a back log, if you like, we continually monitor what is happening in all of those hot spots. As you can imagine, the dynamics of the weather do change on a regular basis.

**The Hon. ROBYN PARKER:** I note particularly your comments about the dynamics of the weather changing on a regular basis. Are you planning to review then the mean temperature that is currently set?

**Mr BOWLES:** No, not at this stage and I will just correct that, the isotherm is 33 degree isotherm.

**The Hon. CATHERINE CUSACK:** How much?

**Mr BOWLES:** 33. That is the mean maximum January isotherm.

**The Hon. CATHERINE CUSACK:** It is quite warm, isn't it?

**The Hon. ROBYN PARKER:** And that is recorded at weather stations, not inside the classrooms, is that correct?

**Mr BOWLES:** Sorry, I just need to correct that, I looked at the wrong figure when I was doing that. For the hot spot it is the 30 degree isotherm.

**The Hon. ROBYN PARKER:** And that is taken at weather stations, not inside the classroom?

**Mr BOWLES:** It is based on the weather bureau and where the isotherm is actually drawn on the map.

**The Hon. ROBYN PARKER:** Which could be no real indication then of the height inside the classroom, could it?

**Mr BOWLES:** Well, we rely on the Bureau of Meteorology for their accuracy in where they draw that line.

**The Hon. ROBYN PARKER:** How many non-school based departmental offices and premises are not air conditioned?

**The Hon. CARMEL TEBBUTT:** We would have to take that on notice, we do not have that information available.

**The Hon. ROBYN PARKER:** Could you also provide where they are as well, the location of those, if there are any, there may not be.

**The Hon. CARMEL TEBBUTT:** I am sure there are, in fact I think I have visited some.

**The Hon. ROBYN PARKER:** Do you have an indication of how many schools in New South Wales have been forced to use local community raised funds or P & C funds to install air conditioning because your Government has failed to do so?

**The Hon. CARMEL TEBBUTT:** I do not have a list of how many schools have used P & C funding to install air conditioning, but it is not unusual, as has already been indicated, we have a policy of installing air conditioning or air cooling in schools in certain temperature zones. It is often the case that schools outside of those temperature zones still have a desire, the parents have a desire to install air conditioning or air cooling and that is not an unusual arrangement but I do not have a list of the number of schools that have gone down that path.

**The Hon. ROBYN PARKER:** You are not able to provide us then with a list of air conditioners supplied by P & Cs fund raising?

**The Hon. CARMEL TEBBUTT:** We would not always have that information available.

**The Hon. ROBYN PARKER:** Surely they become assets of the school though?

**The Hon. CARMEL TEBBUTT:** But we do not keep a register of that.

**The Hon. ROBYN PARKER:** You do not keep a register of assets such as air conditioners inside the schools at all?

**The Hon. CARMEL TEBBUTT:** I will just get the Deputy Director General of corporate services, but that is certainly my understanding with regard to what is happening in individual schools with regard to air cooling.

**Mr BOWLES:** Yes, that is correct. The schools keep their own asset registers on a range of issues and the department does not necessarily collect every time a school, through local fund raising or other purposes, puts in air conditioning.

**The Hon. ROBYN PARKER:** They have made considerable savings for the Government, haven't they, providing their own air conditioning, I would have thought—

**The Hon. CARMEL TEBBUTT:** No, because they are providing it outside the policy so it is not a saving for Government as such but it is a benefit for the students that the school as chosen to put in place.

**The Hon. ROBYN PARKER:** Surely an air conditioner that they provide is one less that the Government has to provide?

**The Hon. CARMEL TEBBUTT:** We provide them within the required temperature zone, as has already been indicated.

**The Hon. ROBYN PARKER:** Do you have plans to review that temperature zone?

**The Hon. CARMEL TEBBUTT:** That question has already been answered and no we do not.

**The Hon. CATHERINE CUSACK:** Just to clarify, there is a back log of work that you are going through within that temperature zone?

**The Hon. CARMEL TEBBUTT:** That is right.

**The Hon. CATHERINE CUSACK:** So these will be schools within that temperature zone that do not want to wait, they want to fund raise and install air conditioning in advance of the program.

**The Hon. CARMEL TEBBUTT:** I thought that the Hon. Robyn Parker was talking about schools outside the temperature zone which had put in place air cooling or air conditioning. There may well be some schools within the temperature zone which put in place their own air cooling. We may have a list of those because that is actually within our policy responsibility.

**Mr BOWLES:** I just add that during the air conditioning of the demountable classrooms in fact we did find that some schools had already air conditioned those demountable classrooms and we actually worked with the schools to either update those air conditioning units, so we did work with them to do that or, in fact, if they were quite new we worked with them about how we could fund that, so we do quite often work with schools on those sorts of issues.

**The Hon. CATHERINE CUSACK:** You are aware of the needs of those schools in the zone, which classrooms are yet to be air conditioned?

**Mr BOWLES:** We would know within that 30 degree isotherm. We would not necessarily know right down to the individual classroom. We would know the schools and would know some that have come to light during our inspections.

**The Hon. CATHERINE CUSACK:** Can you give us those details?

**The Hon. CARMEL TEBBUTT:** Just to clarify, you want to know the schools within the 30 degree zone that have not yet been air conditioned in accordance with our policy?

**The Hon. CATHERINE CUSACK:** Yes, and have they installed their own air conditioning?

**The Hon. CARMEL TEBBUTT:** We will take that question on notice.

**The Hon. CATHERINE CUSACK:** Can I ask about the Department of Education inner city schools redevelopment loans? I understand that is drawn from the Crown finance entity between 2001 and 2004 and was valued at about \$100 million. A balance of \$82.6 million was outstanding as at 30 June 2004 and last year I think it was the Treasurer who indicated that the department was looking at repaying \$52 million of those loans to the Crown finance entity this year. Was that achieved? That was in the 2004-05 financial year. Were you able to repay the \$52 million of those loans?

**The Hon. CARMEL TEBBUTT:** I will ask Martin Bowles to respond to that.

**Mr BOWLES:** No, we did not make the \$52 million loan. It was a factor of the particular high school where there is a local issue around zoning that has held up the department selling that particular land. We have managed our cash allocation across the board. Nothing was delayed in relation to that particular issue.

**The Hon. CATHERINE CUSACK:** So in terms of that loan, that just continues on as a loan? You have not used funds from elsewhere to repay that \$52 million?

**Mr BOWLES:** That is correct.

**The Hon. CATHERINE CUSACK:** Can you indicate what the interest on the total loan has been in that 2004-05 year?

**Mr BOWLES:** Our interest payments are in line with normal Crown borrowings.

**The Hon. CATHERINE CUSACK:** What is that, for that loan?

**Mr BOWLES:** In percentage terms?

**The Hon. CATHERINE CUSACK:** In percentage, yes. If it is 100 million I can work that out.

**Mr BOWLES:** I am sorry, I do not have that figure off the top of my head.

**The Hon. CATHERINE CUSACK:** Would you mind taking that on notice?

**Mr BOWLES:** We will.

**The Hon. CATHERINE CUSACK:** Can you tell us what the assets are that have been sold to repay that \$100 million loan?

**Mr BOWLES:** We will take that on notice.

**The Hon. CATHERINE CUSACK:** What is the amount that you have budgeted this year for repayment of that loan?

**The Hon. CARMEL TEBBUTT:** We will take that on notice.

**The Hon. CATHERINE CUSACK:** I think it was the end of this year that you were going

to finalise that loan. Are you expecting it will be finalised, totally paid back?

**The Hon. CARMEL TEBBUTT:** I will ask the Deputy Director-General to respond.

**Mr BOWLES:** We are currently having a look at the entire loan issue. We are sometimes held up to ransom a little bit with local zoning issues, as I described earlier, so a lot of it will depend on those things.

**The Hon. CATHERINE CUSACK:** Obviously Treasury needs some firmer advice than that.

**Mr BOWLES:** We are constantly in touch with Treasury on how and when these issues are dealt with.

**The Hon. CATHERINE CUSACK:** Is the department still paying rent on its Market Street premises?

**The Hon. CARMEL TEBBUTT:** The Deputy Director-General will respond.

**Mr BOWLES:** My understanding is yes.

**The Hon. CATHERINE CUSACK:** What rent are you paying?

**Mr BOWLES:** I have no idea. I would have to take that on notice. It is only a small proportion, I think, one floor these days.

**The Hon. CATHERINE CUSACK:** How long would that extend for?

**Mr BOWLES:** Again it would depend on what our particular movements are at this stage, but we occupy a small proportion in comparison to what used to be at Market Street. I cannot give you the exact amount, and we are not proposing to move that group in the near future.

**The Hon. CATHERINE CUSACK:** It is hard to fit head office into one place. In regards to Tamworth West Public School, Minister, you indicated in Parliament in March of this year that you would try to visit schools in Tamworth to meet the communities and look at the infrastructure issues. Have you been able to do this?

**The Hon. CARMEL TEBBUTT:** I have not been to Tamworth West Public School.

**The Hon. CATHERINE CUSACK:** Have you been to Tamworth?

**The Hon. CARMEL TEBBUTT:** As Education Minister no.

**The Hon. CATHERINE CUSACK:** Because there is a number of schools.

**The Hon. CARMEL TEBBUTT:** No. I have had discussions with the local member on a number of occasions but no, I have not been to Tamworth as Minister for Education.

**The Hon. CATHERINE CUSACK:** Do you envisage visiting Tamworth?

**The Hon. CARMEL TEBBUTT:** Yes, at some stage in the future.

**The Hon. CATHERINE CUSACK:** In relation to those representations you have received from the local member, can you tell us what representations they are?

**The Hon. CARMEL TEBBUTT:** The local member has made representations on a whole range of issues. I do not have his representations in front of me, so I would prefer to take on notice, although it would be subject to him being happy with me disclosing the nature of his representations. I obviously do not want to divulge any privacy issues, but I am happy to respond generally with issues that I have corresponded with him about.

**The Hon. CATHERINE CUSACK:** I suppose there is some curiosity in Tamworth as to what it is he is asking for in relation to education. I appreciate you taking that on notice. Can you advise where the school facilities review is up to in Tamworth? This is a question I have asked every estimates. This is now the third year that I have asked it and the answer is always that it is pending, it is soon. Can there be a specific answer this year in relation to that review?

**The Hon. CARMEL TEBBUTT:** I am sorry to disappoint you. I do not have a more specific answer with me but I am happy to take it on notice.

**The Hon. ROBYN PARKER:** Minister, in a press release dated 1 April 2005 the former Premier, Bob Carr, promised \$6 million to be spent on installing school fences this year. However, I note that in a Daily Telegraph article on September 13 the education department safety and security director, Ike Ellis, said that \$5 million has been allocated this financial year and there were no additional funds. In view of the recent spate of fires in schools causing millions of dollars of damage, such as Kelso High School, Robert Townsend, in the millions, Mayfield West, do not you think your Government's funding for fencing is inadequate? How do you justify paying so little to protect those valuable assets?

**The Hon. CARMEL TEBBUTT:** Mr Chair, the Government has got a range of measures in place that enhance the safety and security of schools. Fences are obviously an important part of that. We have the education department safety and security directorate and they coordinate security issues and responses to security issues at schools. They work closely with the police and the fire brigade. We have made a \$20 million four year commitment to install an additional 200 security fences at schools around New South Wales. We made that commitment in 2003 as I indicated.

Security fences are an important part of our approach to keeping schools safer, but they are more effective in preventing opportunistic crime. They are limited when they are dealing with determined criminals who are planning an attack on schools but we have other measures in place as well, for example, the provision of security grilles, electronic surveillance, security alarms, school housekeeping, crime prevention workshops and security risk assessments, and all of these measures have helped significantly in reducing the level of crime in schools.

**The Hon. ROBYN PARKER:** Can you explain why there is a million dollar apparent difference between what Bob Carr promised and what has been allocated?

**The Hon. CARMEL TEBBUTT:** I am happy to come back with further detail but it is certainly my understanding that we will be spending \$6 million on installing security fences in schools.

**The Hon. ROBYN PARKER:** Could you tell us what schools have received security fencing this year and how much has actually been spent this year on security fencing?

**The Hon. CARMEL TEBBUTT:** Are you talking about 2004-05 or 2005-06, or this calendar year?

**The Hon. ROBYN PARKER:** You can provide both. You must have both details.

**The Hon. CARMEL TEBBUTT:** No, I do not, but I am happy to get a list of what the amount of funding is. It is about \$5.5 million in 2004-05 in for 2005-06 we are still working through

allocating the minor capital works program which is where security fences are funded from, so I am happy to provide that information to you when that is available, but in 2004-05 it was about \$5.6 million.

**CHAIR:** All I know is that I wish I had shares in aluminium extrusion fencing at the moment.

**Ms LEE RHIANNON:** How many schools still have not adopted the mandatory guidelines on healthy eating which were, I understand, supposed to apply to all schools from term one this year?

**The Hon. CARMEL TEBBUTT:** You are correct. The mandatory guidelines on healthy eating do apply to all schools. It is my understanding that there has been good compliance with the guidelines. Obviously for some schools it has required more significant change than others. I have visited numerous schools where I have spoken to them about the healthy eating guidelines and asked them about the impact it has had on the school canteen and they have simply said it is what we were already doing and it has really just put into a policy what was already happening.

For other schools it obviously required a significant change with regards to the food that is offered. The school education directors have been asked to monitor the situation. If they find an individual school is facing difficulties they can assist them to make the necessary changes and there has been no change in the expectation that all government schools will operate the healthy school canteen in 2005.

**Ms LEE RHIANNON:** I did actually ask for a figure. How many are doing this, considering it is mandatory, and we are now more than halfway through the year?

**The Hon. CARMEL TEBBUTT:** I do not have that detail. I am happy to see what further information is available. I do not have a figure. The advice I have got is that most schools are complying relatively easily. There are some schools that are finding it more difficult and they are being supported by school education directors but, as I said, if there is more detail I can provide you, I am happy to do so.

**Ms LEE RHIANNON:** Not even ball park figures like halfway there?

**The Hon. CARMEL TEBBUTT:** I will check if the Director-General has more detail.

**Mr CAPPIE WOOD:** The number is relatively small. In discussions with the regional directors and the school education directors it appears to be a relative small number. We are looking at what resources are available.

**Ms LEE RHIANNON:** Small that have committed?

**Mr CAPPIE WOOD:** Small that might be having difficulties and need further help. We have produced additional resources to help them with that in terms of DVDs, in terms of showing the benefits and outcomes of healthy eating and how that assists with questions around obesity et cetera. This is a program that is showing very positive benefits, as you well know, and we want to see this happen. We want to reinforce it. We are looking at appropriate materials and we are looking at follow-up. If they are having difficulties we will identify those and work with the community, not just the school, but the community about identifying how it can be put in place.

**Ms LEE RHIANNON:** Mr Chair, can I ask a clarification like I did last night? When the Minister says that they will try to get us more information, do I have to say can you take that on notice, or is that a given?

**CHAIR:** I undertake that if you have said that you are going to find further information it

will be given on notice.

**The Hon. CARMEL TEBBUTT:** I have taken notice.

**Ms LEE RHIANNON:** Thank you very much, Mr Chair. I would like to move on to children in public education with special needs. We understand that the implementation of the programmed place teachers aides special in every special education class will result in the closure of more than 180 special needs support classes. Can the Minister describe the criteria that will be used to determine which support classes were not viable and therefore collapsed?

**The Hon. CARMEL TEBBUTT:** If I can first of all make the point with regards to this issue, because it has received quite considerable attention over the last few weeks, the department is still in the planning stages for the implementation of the next stage of the special education changes which were announced last year by the previous Minister, and what we will be doing is we will be working with parents, with schools, with students and we will be doing it as carefully as possible. Our budget with regards to students with special learning needs is the largest it has ever been this year, \$774 million. It is \$130 million more than last year. It funds over 2,000 classes for students with special needs.

We are delivering \$15.6 million to fund the 660 new teachers aides over three years. We have done the first phase of that in the current year. The second phase of that will mean that by the end of 2006 every special class of students with physical and intellectual disabilities will have a teacher and a teachers aide. We are increasing the number of staff that are in each class and therefore increasing the ratio of adults to students.

There are some changes that need to occur with regards to classes and we are working through those with schools in order to make sure that no student is disadvantaged by the changes that are being implemented. We want to put the resources where the need is greatest.

**Ms LEE RHIANNON:** Can you describe the criteria that will be used to determine which support classes are not viable?

**The Hon. CARMEL TEBBUTT:** Which support classes are not viable?

**Ms LEE RHIANNON:** I was after the criteria. I was trying to work it out, the specifics.

**The Hon. CARMEL TEBBUTT:** I will get the Director General to respond to that because the department do have numbers for classes, whether they be IM classes or IO classes, those numbers are set, so I will get the department to outline what they are.

**Mr CAPPIE WOOD:** What we have, as you are probably well aware, a group that is working with us in the implementation of this. This includes representatives from schools, from principals' groups, those with special knowledge and understanding in this area, as well as the Teachers' Federation and the P & C to be able to work through these very issues about how we plan, how we carefully plan to make sure that we are implementing this in a very sensitive way, and that includes the appropriate criteria. At this point in time it is still in the planning phase and there have been no decisions taken yet about any specific class outcomes.

**Ms LEE RHIANNON:** Just moving on, as we have not got those yet. Will some children need to move schools when their classes are collapsed?

**The Hon. CARMEL TEBBUTT:** We will be able to make the changes with minimal disruption for students and for schools. What we are doing through this is providing additional funding, which is actually increasing the ratio of adults to students, so that students can have more careful attention to their educational needs. Now every year there are changes with regard to special education classes because of changing enrolments, changing student needs. Some students move out of the special class into a mainstream class. Some students move from a mainstream class into a

special class. So that occurs every year. This year the changes are added to by the fact that we are implementing the roll out of the additional teachers aids.

**Ms LEE RHIANNON:** I take from your answer that some students will have to move school. Can you give a number?

**The Hon. CARMEL TEBBUTT:** It is impossible for me to respond to that, as I have already indicated. There are changes that occur every year with regard to students with special needs. We have set up a committee to work through these changes. This was announced by the Minister last year, it is additional funding, 660 extra teachers aids. With regard to the impact on individual students, I have already indicated that we will be implementing these changes so that students are not disadvantaged and in fact students will be advantaged by the extra assistance, but if you are asking me to respond to what will happen to individual students when the final decisions have not yet been made, that would be something I cannot do.

**Ms LEE RHIANNON:** No, I was not after individual students, I was just after an idea of how many. Just as we are short on specifics, I will come at it in a different way. Will you release a list of schools that will lose special needs support classes? For each of these schools, I am trying to find out what type of class was collapsed, was it an IO, an IM, a hearing or physical needs, so to just get an idea how you are doing it?

**The Hon. CARMEL TEBBUTT:** We will certainly be communicating with schools, with school communities about these changes and about how we implement the changes. So certainly there will be more information provided, but I just want to make very clear, the department have already done an audit of classes where they have found that there are many classes that have very small numbers of students and while the committee is still developing the criteria, there are actually numbers, for example, a class with students who have mild intellectual disabilities is a class size of eighteen, as I understand - I will just confirm that that is correct.

**Mr CAPPIE WOOD:** Yes.

**The Hon. CARMEL TEBBUTT:** A class with students with moderate intellectual disabilities is a class size of ten students, so therefore those criteria are already established. Now in some areas you have got classes of say, mild intellectual disability where there are less than eighteen and in some areas that will be completely appropriate because it is a regional area and there is simply not the number of students in order to make up the class size. In other areas we have found that there are classes with as little as one or two students in it, now clearly that is not the most effective use of resources and it is those issues that the department are working through with the committee in order to make sure that we can put in place the extra teachers aids and we can also make sure that the current resources are being used as effectively as possible.

**Ms LEE RHIANNON:** If I understood you correctly, you were referring to criteria then, whereas the DG seemed to be saying that the criteria is still being worked out.

**The Hon. CARMEL TEBBUTT:** I am referring to the size of the classes, but as I indicated, there is capacity to go below that, based on certain needs, whether it be geographical needs or whether it be other needs, and that is what the committee is working through and that is the criteria that the Director General was referring to.

**Ms LEE RHIANNON:** You did in your previous answer - not that one but the second one back - you said more information will be provided. Could I ask when that will be, when you will have more information, because we still are short on details?

**The Hon. CARMEL TEBBUTT:** We will be working that through with the committee that has been established, that has got all the stakeholders represented and we will be working that through with the school communities, parents and students and then putting in place the arrangements for 2006.

**CHAIR:** Relating to the priority action school funding, what are your intentions in regard to future funding of this important program?

**The Hon. CARMEL TEBBUTT:** Thank you Chair. I have announced that the funding for the priority action schools program will continue - that is the \$16 million - and I have also indicated that we will be working with schools in terms of developing further outcomes that schools need to report against with regards to that program, in line with the recommendations from the TEES review, when I receive the final copy of the TEES review.

**CHAIR:** Minister, in regard to the Department of Training Services particularly, I was quite concerned to see under the operating statements for TAFE grants a very serious diminution of operating expenses. For example, on the 2004/05 budget it was \$37.9 million and under the 2005/06 budget it has decreased to \$9.8 million. What is the reason for the 74% decrease?

**The Hon. CARMEL TEBBUTT:** Can I just check what page you were on Chair?

**CHAIR:** I am on page 33, under operating statement. Under the budget revised for 2004/05 it was \$37.9 million and that has dropped under the current budget to \$9.8 million.

**The Hon. CARMEL TEBBUTT:** I will ask the Deputy Director General Corporate Services to explain that.

**CHAIR:** There is a 74% drop there.

**Mr BOWLES:** Yes, it is actually a change in--

**CHAIR:** Don't tell me accounting procedures.

**Mr BOWLES:** No, I was not going to talk about a change in accounting practice. It is a change in the treatment of superannuation for trainees, which happened a number of years ago and that is still washing through the books, so it comes into partial effect this year, which is why you see a significant reduction.

**CHAIR:** So superannuation is no longer counted?

**Mr BOWLES:** Sorry, not superannuation, workers compensation.

**CHAIR:** I would have expected that workers compensation would have increased, not decreased by 74%.

**Mr BOWLES:** No, effectively I think it was the 2004/05 - it might have even been the mini budget in the lead up to the 2004/05 budget - there was a change in traineeship schemes as far as workers compensation goes and the workers compensation was to be borne by the business, the employer. So it is not reflected in our accounts.

**CHAIR:** It is no longer in your area of provision, it has been flicked passed to employers?

**Mr BOWLES:** That is correct.

**The Hon. CATHERINE CUSACK:** Another incentive.

**CHAIR:** Ms Rhiannon, do you have another question?

**Ms LEE RHIANNON:** Yes please. Minister, are you concerned that the staffing formula and the demands on principal's time means that many small schools in rural and remote areas are operating with only one adult on their premises for some days of the week and are you concerned about the implications of the current staffing formula for the viability of those schools and for the welfare and educational outcomes for those children?

**The Hon. CARMEL TEBBUTT:** The staffing formula provides a way of making sure that all schools across New South Wales are staffed equitably. I certainly have had it raised with me on previous occasions where you have got very small schools with just one teacher, but with regards to

how you have outlined it, Ms Rhiannon, to my recollection I cannot recall that issue being raised specifically. The way we staff schools is done in an equitable way in order to ensure that the resources are used effectively right across the State.

**Ms LEE RHIANNON:** Are you aware that teachers of small schools are campaigning so at no time there is only one adult in the school?

**The Hon. CARMEL TEBBUTT:** Yes, that issue has been raised with me, with regards to a representation of people from small schools, yes.

**Ms LEE RHIANNON:** What is your response to their concerns and their attempts to change the current regime?

**The Hon. CARMEL TEBBUTT:** Well, the difficulty is that you do have some small schools that with regards to their numbers can only justify, under the staffing agreement, a single teacher. We often have--

**Ms LEE RHIANNON:** Sorry Minister to butt in there, they are not talking about a second teacher, they are often talking about an administrative person so they are not left in that situation where there is one adult, particularly in this time of such concern, and it is putting them under tremendous pressure and I am sure you know it is particularly resulting in many men not going into teaching.

**The Hon. CARMEL TEBBUTT:** As I was about to say, if you had allowed me to finish, often what has been put in place with regards to some of those schools, sometimes is a teachers aid, so that you do have a situation where you do not have a single adult at the school. We have also provided additional teacher supplementation to all small schools in the ranges of 21 to 25 enrolments and in schools with more than 50 students that have not gained a third teacher - and this amounts to one hour per kindergarten student and an extra one hour per year 1 student in priority schools, up to a maximum of 15 hours a week, and that is under the class size reduction program. There has also been since 2003, an additional one day of school administrative and support staffing. That has been provided for schools with enrolments of fewer than 51 students, with all other schools allocated an additional three hours per week.

**Ms LEE RHIANNON:** So for the very small schools that do not come in under what you have just run through, are you looking to ensure that there will always be two adults at the school at all times?

**The Hon. CARMEL TEBBUTT:** I am certainly continuing to discuss with the representatives of the small schools these issues but I certainly cannot make that commitment with regards to having two adults in places at all times, because there is obviously significant budgetary implications for that. As I have outlined, we have put in place a range of measures to try and better support small schools.

**Ms LEE RHIANNON:** Thank you Minister. What steps will you take to ensure that small schools do not suffer a loss of teacher when a small number of students, thus threatening their viability?

**The Hon. CARMEL TEBBUTT:** Well, as I have indicated on a number of occasions with regards to small schools, the department does take a compassionate approach, particularly to small schools that are in drought affected areas with regards to their teacher entitlements based on their number of student enrolments and it is going to be always one of those difficult issues that a school system faces whereby you have got to draw the line somewhere and it does mean that when you go below that line, you can lose some teaching resources. Equally, as many schools that lose teaching resources, you have got schools who gain teaching resources because they go above the actual number of students. So, it is something that I am very conscious of. The department certainly tries to work with small schools to manage that effectively as possible. As I have said with regards to drought affected schools in particular, the department deals with it on a compassionate and case by case basis, but we do have a staffing formula and that staffing formula does need to be applied across the State

because that is the way that we can make sure that we fairly staff all schools based on enrolment of students.

**Ms LEE RHIANNON:** Thanks Minister. Are you satisfied that the MET schools, run by the exclusive brethren, are conforming to their curriculum obligations in respect to information technology?

**The Hon. CARMEL TEBBUTT:** I think I will take that question on notice. What was the name of the schools, sorry?

**CHAIR:** MET.

**The Hon. CARMEL TEBBUTT:** I will take that question on notice. I would just point out that under the Grimshaw reforms that have been implemented, all schools are required to teach according to the New South Wales syllabus from kindergarten right through to year 12, but I will take that question on notice. I have no specific information about those schools.

**Ms LEE RHIANNON:** Why has the Government not provided the necessary level of funding to implement the recommendations of the Aboriginal education review?

**The Hon. CARMEL TEBBUTT:** With regards to the Aboriginal education review, that was a very extensive process of consultation. It was well received, I believe - I was not actually the Minister at the time - but the process of discussion about issues confronting Aboriginal students was a well received process and the review that came out of that makes a substantial number of recommendations to close the gap in terms of learning outcomes for Aboriginal students compared to non-Aboriginal students.

On many occasions I have said that the gap is unacceptable and this Government has given a commitment to try to close that gap within 10 years. Now, with regards to the recommendations that are in the Aboriginal education review, there are any number of those recommendations that be can be implemented either within existing resources or through the reordering of current priorities in order to meet the recommendations. There has been an advisory group to the Director-General that has been established to work through the implementation of the recommendations of the Aboriginal education review.

Of course in the most reason budget the Government announced an additional \$53 million that would be allocated over four years in order to fund some of the recommendations in the review that actually require extra funding and this includes the partnership schools. I made an announcement two weeks ago that outlined where the first ten pilot partnership schools would be and these are one of a number of initiatives that are funded through this \$53 million.

Just to outline some of the initiatives that are part of the schools in partnership approach, the new teaching appointments to this schools will be merit based. There will be parents, community representatives on interview panels. There will be incentive packages to attract experienced staff, which is something I was referring to earlier, Chair, with regards to your question, and personalised learning plans being developed for all students in participating schools.

There is also, through the extra \$53 million which has been made available over your fears, funding to put in place personalised learning plans for students in other targeted areas where we are piloting those personalised learning plans for Aboriginal students. There is a range of recommendations, many recommendations in the review. Not all of them will require additional resources. The Government has committed \$53 million over four years in order to implement those recommendation that is do require extra funding.

**CHAIR:** Thank you, Minister. When you were talking about the single teacher schools, I just suddenly realised that when I was a young teacher if they had appointed a second assistant I would never have been able to claim that I had been principal. Do the Government have any

questions?

**The Hon. TONY CATANZARITI:** No thank you.

**The Hon. ROBYN PARKER:** Minister, I would like to ask you some questions about community colleges. Given the community colleges have received funding cuts of around \$6 million, from \$22.2 million in 2003-04 to \$16.8 million in 2005-06 does your Government have a real commitment to adult education and life long learning?

**The Hon. CARMEL TEBBUTT:** Yes, we do have a real commitment to adult education and life long learning and I know that as you are aware the changes that we were required to introduce to this area was as a direct result of Federal Government funding policies and withdrawal of funds from the New South Wales Government. These were changes, as I recollect, that were announced as part of the mini-budget. What we have asked community colleges to ensure is that the funding that is provided by the Government is linked to vocational education.

**The Hon. ROBYN PARKER:** Surely that is a cop-out when you consider that these providers offer exceptional value for money with low infrastructure costs. They are flexible. They have different learning pathways. Surely that is a cop-out when you look at the way that they offer ways of re-entering education. Are you going to continue? Will you provide a commitment to continue funding the sector?

**The Hon. CARMEL TEBBUTT:** We are committed to funding the sector but with regards to the requirement for additional funding, I suggest you take that up with your Federal colleagues.

**The Hon. ROBYN PARKER:** What is the difference in funding a student in TAFE as opposed to a student in community colleges?

**The Hon. CARMEL TEBBUTT:** What do you mean? What is the difference in terms of the amount of funding we provide for college students, per capita?

**The Hon. ROBYN PARKER:** Per student, what would be the cost of a learning module in TAFE compared with a learning module in a community college?

**The Hon. CARMEL TEBBUTT:** I will ask the Director-General to respond to that.

**Mr CAPPIE WOOD:** The community colleges provide a wide range of courses, as you are well aware, from entry level courses and through to lifestyle courses, and some of them are AQF related courses as well. What we see is that there is considerable variation in the cost of courses. Some of the entry level courses and some of the lifestyle courses you are right, they are delivered in a very flexible and efficient manner. However, we also see that some of the delivery of the AQF courses, where they are literally certificate grade courses, is they can be considerably more costly than alternatives, so there is a wide variety of delivery and a wide variety of cost differences right across the sector.

**The Hon. ROBYN PARKER:** In terms of skill shortages in New South Wales, which are estimated at 42,500 skilled vacancies currently, and the skill shortages in regional New South Wales of 9,500 jobs, what strategies and programs does TAFE New South Wales have in place for identifying and meeting skills shortages?

**The Hon. CARMEL TEBBUTT:** Thank you. It is a good question. We all know that skills shortages are a major issue that are confronting not just the New South Wales economy but the national economy. The New South Wales Government has a strong approach and a strong plan to address skills shortages. We are doing a range of things. We are working collaboratively with industry, with training organisations, and employers and employees. We committed \$7 million to

addressing skills shortages.

Our Trade Start at TAFE New South Wales is a key part of the Government's strategy. 675 young people will commence an apprenticeship, having already completed part of their apprenticeship term and they will be matched with a suitable employer when ready to start their apprenticeship. The great value of this scheme is that it provides an opportunity for someone to complete a significant part of their apprenticeship training prior to actually taking up their apprenticeship. When they start they are more job ready and have got a better understanding of what they are getting into. We know that completion rates is an issue in regards to apprenticeships, so you have got a person going into an apprenticeship with a far better understanding of what is involved in that particular area of work.

We are also striving for improvements in the apprenticeship system. We are working with other states and territories on a national approach to addressing skills shortages. We have also increased the amount of funding that is available with regards to group employers, but I might say that one of the issues that concerns me greatly with regards to skills shortages is that we still do not seem to have an approach from the national government that one, recognises the importance of this issue and two, recognises that resolving it actually requires a collaboration with states and territories. We run the vocational education and training system. We are in the best position in order to be able to put in place strategies to address skills shortages.

We are doing what we can from a New South Wales perspective but the national government do not seem to be taking this issue seriously, right from the fact we still do not have a national training agreement that all states and territories have signed up to. We still have a situation where, under the new apprenticeship scheme, the Commonwealth do not fund subsidies according to areas of skills shortages, but rather have a blanket approach and so we are missing valuable opportunities to actually put subsidies in place. We all know resources are scarce. We are missing opportunities to put significant subsidies into place in areas where we know there are still shortages. These are issues that I have raised with the Commonwealth Minister on many occasions.

**The Hon. CATHERINE CUSACK:** Excuse me interrupting. Can I just ask, Mr Chairman, because our time is short, I think the Minister has answered that issue raised by the Hon. Robyn Parker relating to New South Wales apprenticeships. I ask if we can continue on with other questions.

**The Hon. CARMEL TEBBUTT:** I have not finished yet.

**The Hon. ROBYN PARKER:** Can you tell us, Minister, why New South Wales has not signed up to the training—

**The Hon. TONY CATANZARITI:** Chairman, just on the comment by the Honourable Catherine Cusack, while she may not be interested in the answer, there are members of the Government who are interested and I think that you would agree with me that we have been very patient in not asking questions to try to give the time to the people who do want to ask the questions.

**CHAIR:** Would the Minister please continue?

**The Hon. CARMEL TEBBUTT:** I would be pleased to. As I indicated, at the last meeting of Commonwealth, State and Territory Ministers I raised the issue with regard to the Commonwealth's incentive program. They actually invest \$558 million a year in employer incentives. It is a significant investment. It can be better aligned with our strategic skill needs. I was pleased that the Commonwealth Minister at least advised that he would report back to the next meeting of State and Territory Ministers with regard to how these incentives are used and whether there is a way that they can be targeted more effectively to skills shortages because that is something we really need to be looking at. It was very pleasing to see the Minister agree to that. There are many other issue that we believe the Commonwealth could be doing to more effectively address skills shortages.

**The Hon. ROBYN PARKER:** Minister, why has New South Wales not signed up to the training agreement with the Commonwealth for \$1.6 billion for 42,500 training places when Queensland already has already signed up, and how do you plan then to provide those extra training places?

**The Hon. CARMEL TEBBUTT:** As I have already mentioned in my previous answer, I think it is very disappointing that we do not have a national training agreement when we are confronting one of the most significant and serious skills shortages that this country has ever seen. In the discussions that occurred, again at the last Commonwealth, State and Territory Ministers' meeting, the Commonwealth Minister agreed that funding would continue to states and territories while ever negotiations around the new training agreement were continuing in good faith. That was actually a resolution of the agreement in writing in the minutes and yet what we see is just three weeks ago the Commonwealth withdrew or withheld funding that was due to New South Wales, despite the fact that we are continuing negotiations in good faith with the Commonwealth.

I make no bones about the fact and we have always said this, we do not support the Commonwealth using a training agreement to impose an industrial relations agenda on New South Wales. My view is that that is entirely inappropriate.

**The Hon. ROBYN PARKER:** Where will you find that \$1.6 billion from if you do not take it from the Commonwealth Government?

**The Hon. CARMEL TEBBUTT:** Can I respond to the question asked previously. My view is that that is entirely inappropriate. We have made that very clear to the Commonwealth. We have a very good vocational education and training system in New South Wales. We get great results. You only need to look at what happened at the last world skills international, where TAFE employees, TAFE staff and TAFE students in New South Wales were performing and did very, very well. We are very proud of our TAFE system. We believe it works effectively. We think we have a good industrial relations system in New South Wales.

We will keep negotiating with the Commonwealth. I have always said that we cannot afford to lose that money to our TAFE system in New South Wales. I have always made that very clear. We will keep negotiating with the Commonwealth in order to get a resolution to this issue, in order to find a new way through this issue, because it is our view that the Commonwealth have made a commitment and they have not honoured that commitment.

**The Hon. ROBYN PARKER:** Minister, could you tell me then where you are going to find \$1.6 billion from?

**The Hon. CARMEL TEBBUTT:** I have already answered that question.

**The Hon. ROBYN PARKER:** Can you tell me, obviously in your view, Minister, can you tell me has New South Wales TAFE undertaken an audit of skills shortage data gathering to assist in your meeting current training needs?

**The Hon. CARMEL TEBBUTT:** I would have to find out. I would have to take on notice whether they have done an audit but TAFE New South Wales is constantly looking at ways to ensure that they are meeting the needs of industry and employers in New South Wales and constantly looking at ways that they can ensure that they are directing their attention into areas of skills shortages. That is a critical role for TAFE. We also play a critical role in providing general education and I would never move away from that being also a very important role that TAFE plays, so TAFE has got to find that balance and my view is they do that very effectively.

**The Hon. ROBYN PARKER:** Minister, in terms of TAFE, I wonder if you could tell us, given anecdotal figures suggesting 75 per cent of course contact hours at North Coast Institute of

TAFE are being taught by casual teachers, what plans does New South Wales TAFE have for offering more permanent teaching arrangements?

**The Hon. CARMEL TEBBUTT:** I will ask the Director-General to respond to that.

**Mr CAPPIE WOOD:** The issue of types of employment to achieve the skilling requirements, we quite often see that those people with the appropriate skills to teach in TAFE are those who are also in industry at that point in time. That means that to achieve that we quite often employ casual staff, temporary staff, to make sure that we have the most industry relevant people teaching in TAFE. At the same time there has been a recent decision around the pro rata case for TAFE casual teachers which will see an increase in the permanent arrangements of staff in TAFE.

I have to say that you picked up the North Coast Institute, and that being one of the cases where outside large regional centres we see particularly a large number of part-time TAFE teachers. It is just the nature of how they have to operate in those areas, and we do not see that necessarily changes in large part, however the pro rata case will see an increase in the proportion of the full-time staff as we see it.

**The Hon. ROBYN PARKER:** Casual teachers tell the Opposition they lack job security, they would like to have AWAs. Are you ignoring their wishes?

**The Hon. CARMEL TEBBUTT:** I have not spoken to any casual teacher that (1) wants an AWA or (2) believes an AWA offers job security.

**The Hon. ROBYN PARKER:** Do you think casual teachers feel secure in their positions currently?

**The Hon. CARMEL TEBBUTT:** I think by virtue of the nature that it is a casual position, there is an element of casualness to the role, so therefore it can be an issue for casual staff. Some casual staff want casual employment for a whole range of reasons. Some casual staff want full time permanent employment but are not able to gain it because the positions are not there, so they have casual employment. I think for me to try and comment on the motivation or desires of individual staff without more detail beyond that, would be inaccurate.

**The Hon. ROBYN PARKER:** If they did approach you about AWA would you then consider it, the Government would take on their wishes then?

**The Hon. CARMEL TEBBUTT:** I have made clear that AWAs are not part of our approach to industrial relations in New South Wales and I do not believe that AWAs in any way, shape or form would lead to further job security, whether it be for permanent, part time or casual employees. In fact, it is my view that what AWAs would do, would be to significantly undermine the job security of employees and that is one of the reasons why this Government does not support AWAs.

**The Hon. CATHERINE CUSACK:** In the 2005/06 budget State Government increased TAFE overall course fees by \$7 million from \$61 million to \$68 million and at the same time axed 500 teachers. What percentage of the \$7 million went to increases in teachers' wages and what percentage went towards the delivery of more student training hours?

**The Hon. CARMEL TEBBUTT:** I do not have that level of information and I am not in fact sure that it is possible to provide that sort of break up with regards to fees, because as I understand it, that funding then goes into the way the budget is generally allocated and I am not sure that you could proportion it to the different causes that you have outlined. I might ask the Director General to provide a bit more detail.

**Mr CAPPIE WOOD:** The Minister is correct, the course fees go into the general operating cost structure. It effectively works, the cost of services, as you are aware, and the way the Government treats these particular revenues, and so therefore the increase in revenues associated with

the fees actually goes into the bottom line of making sure that TAFE can deliver in a range of locations and also I do not think that it is true that we have axed 500 teachers.

**The Hon. CARMEL TEBBUTT:** It certainly is not.

**The Hon. ROBYN PARKER:** What current percentage of New South Wales TAFE operating costs are associated with staff employment? Has this increased over time, and if so, is it associated with increased productivity, such things as better training, more contact hours, increased employment?

**The Hon. CARMEL TEBBUTT:** I will ask the Director General to respond to that.

**Mr CAPPIE WOOD:** We will just look to see if we can get the appropriate figures for you but if I could just indicate that the relative increase in output, which is measured in student contact hours as increasing at a higher rate than the increase in operational expenditure and that has been the case for a number of years to date, and that is something of which I think TAFE is duly proud.

**The Hon. ROBYN PARKER:** Sorry, are you going to take that question on notice?

**Mr CAPPIE WOOD:** We will take that first part of the question on notice.

**The Hon. ROBYN PARKER:** At what cost can New South Wales TAFE offer training on a cost per hour basis as compared to private providers?

**The Hon. CARMEL TEBBUTT:** We do not have that information available. I will just see that the Director General has.

**Mr CAPPIE WOOD:** There is some material that is available from an NCVER - don't ask me what the acronym means - report. It is a national body that has collected data across all of the TAFE systems and it is fair enough to say that TAFE NSW - if I am recalling, and we can get you the information - came out second highest in terms of relative efficiency by that independent process.

**The Hon. CATHERINE CUSACK:** Can I just correct something earlier. I believe I erroneously referred to the axing of 500 teachers, I would just like to correct that to 478 staff and I take that from budget paper 29-45 page 5-31. It is a fairly substantial reduction in staffing for TAFE and again I ask, the savings from that staff reduction, are they being applied to pay the salary increases for teachers this year?

**The Hon. CARMEL TEBBUTT:** The Opposition have tried on a number of occasions to float this as a story, that there has been a reduction in staffing and that positions have actually been cut. It actually represents the ongoing implementation of the shared corporate services across TAFE institutes. As part of the recent restructure the projected reviewed staffing level reflects the arrangement of shared corporate services, plus the transfer of a significant number of staff and their functions from TAFE to the Department of Education & Training. I think the Hon. Catherine Cusack is actually aware of this, because I actually do recall answering a question about this in the House. This includes those staff attached to the Centre for Learning and Innovation. Teaching delivery is not impacted upon as a result of the streamlining of the shared corporate service delivery and these initiatives aim to remove the processing functions from institutes. Services are being rationalised with the aim to provide improved streamlined services.

**The Hon. CATHERINE CUSACK:** What was the total number of positions transferred to the Department of Education?

**The Hon. CARMEL TEBBUTT:** I have not got that but I would be happy to provide that to you.

**The Hon. CATHERINE CUSACK:** Okay, and the funding of those positions obviously is transferred to Education as well?

**The Hon. CARMEL TEBBUTT:** That is right.

**CHAIR:** Ms Rhiannon?

**Ms LEE RHIANNON:** Thank you Mr Chair. Considering members of the Maroubra community are very upset with you and have publicly distributed posters of your face crossed out. Why did you blame the Greens, what is your evidence--

**The Hon. JAN BURNSWOOD:** Point of order Mr Chair, you ruled that Ms Rhiannon was not to ask that question--

**CHAIR:** It has got nothing to do with budget estimates.

**Ms LEE RHIANNON:** Mr Chair, I did not mention the word 'election'. This is clearly an education matter, it is very relevant to her portfolio. She has been the minister, even though she was not an MP, it is clearly part of it.

**CHAIR:** Please ask the question in another form.

**Ms LEE RHIANNON:** Well, I also draw your attention that previously the Minister indicated that she would like to answer the question and it does no credit to her creditability that she is avoiding it.

**The Hon. JAN BURNSWOOD:** Again, challenging the Chair.

**The Hon. CARMEL TEBBUTT:** You asked a different question this time.

**Ms LEE RHIANNON:** It is the same basis, it is just to try and give you the opportunity to answer it.

**The Hon. CARMEL TEBBUTT:** It is a different question.

**CHAIR:** Would you care to ask the question in a different form? Is the Minister of Education aware that in her role as Minister of Education her face has been defaced by members of the school community?

**Ms LEE RHIANNON:** Thank you very much Mr Chair, it is appreciated.

**The Hon. CARMEL TEBBUTT:** Mr Chair, I am very aware of that, although I have to say I became aware of that not in my role as Minister for Education but rather in another role. I just have to say that I found distributing a leaflet like that to schools in my local area, including the school that my son attends, to not be appropriate behaviour with regards to parents trying to pursue an issue. I understand the concern of the Maroubra Junction parents. I understand that they want to raise that issue. They have chosen a particular way to raise that issue which I do not agree with but I have to say that I believe it is entirely inappropriate that a leaflet like that is distributed to schools in the area, and as I said, to the school that my son attends.

**CHAIR:** Ms Rhiannon.

**Ms LEE RHIANNON:** Thank you Mr Chair. Mr Chair, the Minister did say that parents had pursued this issue. I would like to ask your assistance in asking the question, why in the previous weeks, what her evidence was for blaming the Greens. I notice she did not do that in her answer tonight.

**The Hon. TONY CATANZARITI:** Point of order Mr Chair. I really do believe that this is rehashing an election campaign. It has nothing to do with the estimates committee and I think it should be stopped.

**Ms LEE RHIANNON:** Well, why don't you give the evidence?

**The Hon. CARMEL TEBBUTT:** Because it has got nothing to do with me as Education Minister.

**Ms LEE RHIANNON:** It has, you were Minister for most of that time.

**CHAIR:** I would rule on this, this is an electoral issue which is over and done with. You have opportunity to have someone ask that question for you in the Lower House, if you wish.

**Ms LEE RHIANNON:** No we do not, because we have not got a very fair electoral system. Are you aware of the research which shows that children who attend a high quality early childhood program do better in numeracy, literacy and sociability than those who do not?

**The Hon. CARMEL TEBBUTT:** Yes I am.

**Ms LEE RHIANNON:** How do you justify then the situation highlighted by the New South Wales Productivity Commission, that New South Wales Government funding for pre-schooling is actually declining and that New South Wales funding for pre-schools is now the lowest in Australia, despite rising levels of demand?

**The Hon. CARMEL TEBBUTT:** With regards to the education and training portfolio, we have actually increased funding for pre-schools and established a number of new pre-schools but as is always the difficulty when you are comparing States and Territories, you get the problem that you are not comparing apples with apples. So, in New South Wales we have the requirement that all of our childcare centres provide a pre-school age appropriate development program. It is actually provided for under our regulations and so therefore you need to compare the experience of children in both childcare and pre-schools if you are going to accurately compare what is happening in New South Wales with other States and Territories.

**Ms LEE RHIANNON:** But you are not denying that the funding is declining?

**The Hon. CARMEL TEBBUTT:** No, no it is in fact increased if you look at Budget Paper No. 3 page 5-24, it is increased from 21,198 to 22,068 between - I have not got the years but I assume that is 2004/05 and 2005/06.

**Ms LEE RHIANNON:** Thank you for that Minister, it is useful. What do you plan to do to address the meagre and inequitable pay rates combined with other pressures like work loads, care ratios and funding cutbacks that are the cause of significant shortages of qualified staff?

**The Hon. CARMEL TEBBUTT:** Are you talking about qualified staff in childcare centres? I think that actually is a question that would need to be directed to the Minister for Community Services. In pre-schools that come under the Department of Education & Training the staff are paid in accordance with the Teachers Award.

**Ms LEE RHIANNON:** So you are saying that all teaching staff in DET pre-school services are on award wages?

**The Hon. CARMEL TEBBUTT:** That is certainly my understanding.

**Ms LEE RHIANNON:** Currently only 56.9% of staff working with children in DOCS pre-schools have formal qualifications. So you would be aware of research that qualified early childhood teachers are of crucial importance for young children to gain the desired educational social benefits of pre-schooling. What will you do to improve the professional qualifications of staff that look after the young children.

**The Hon. CARMEL TEBBUTT:** Again, it would be a question that would need to be directed to the Minister for Community Service. With regards to DET pre-schools we employ teachers and teachers aids in accordance with the Award.

**Ms LEE RHIANNON:** Can you also comment on the fees that parents are forced to pay in New South Wales for sending children under five to education centres?

**The Hon. JAN BURNSWOOD:** You are asking the wrong minister.

**CHAIR:** It would only be relevant if you are talking about K-1 classes.

**The Hon. CARMEL TEBBUTT:** Sorry, are you talking about fees for childcare?

**CHAIR:** Yes.

**The Hon. CARMEL TEBBUTT:** I mean, I am happy to talk about it but it is Community Services and really a question for the Federal Government.

**CHAIR:** It is not in this portfolio.

**Ms LEE RHIANNON:** I mean, this is where it is a problem when we do not have cross overs with portfolios. You were working DOCS for a while so it would be fascinating to know what you did on this issue while you were with DOCS.

**The Hon. JAN BURNSWOOD:** It is not relevant to this estimates committee.

**CHAIR:** I think it is quite inappropriate for the Minister to answer that question. Minister, you need not answer that question, it is not in your portfolio and it is not in the budget estimate purview for tonight.

**The Hon. TONY CATANZARITI:** The time is up.

**CHAIR:** Yes, the time is up, and I want to thank everyone concerned here tonight. Just before you go, there are a number of things. We have not had any documents tendered as evidence tonight so we do not need to ask for them to be tabled or printed.

Minister, would you and your staff please note, that we desire a return of answer to questions taken on notice within 14 days or certainly with 35 calendar days if there is some extreme difficulty. We will determine whether we require departmental officers to return and I will take that meeting in just a few moments.

Thank you Minister for attending, and thank you officers of the department, for being with us.

**The Hon. CARMEL TEBBUTT:** And thank you Chair.

**The committee proceeded to deliberate**