



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS
LEGISLATION COMMITTEE

ESTIMATES

(Budget Estimates)

THURSDAY, 3 JUNE 2010

CANBERRA

BY AUTHORITY OF THE SENATE

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**SENATE EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS
LEGISLATION COMMITTEE
Thursday, 3 June 2010**

Members: Senator Marshall (*Chair*), Senator Cash (*Deputy Chair*), Senators Back, Bilyk, Jacinta Collins and Hanson-Young

Participating members: Senators Abetz, Adams, Barnett, Bernardi, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Colbeck, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Heffernan, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Mason, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Abetz, Back, Bilyk, Boswell, Brandis, Cash, Collins, Cormann, Crossin, Fisher, Furner, Heffernan, Marshall, Mason, Parry, Ronaldson, Scullion, Williams and Xenophon

Committee met at 9.00 am

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

Consideration resumed from 2 February 2010

In Attendance

Hon. Kim Carr, Minister for Innovation, Industry, Science and Research

Department of Education, Employment and Workplace Relations

Ms Lisa Paul, Secretary

Mr Robert Griew, Associate Secretary, Strategy

Mr Ewen McDonald, Deputy Secretary, Corporate

Mr Tony Cook, Deputy Secretary, OECECC

Dr Michele Bruniges, Deputy Secretary, Schools

Mr Michael Manthorpe, Deputy Secretary, BER

Ms Kathryn Campbell, Deputy Secretary, Tertiary Youth and International

Ms Sandra Parker, Deputy Secretary, Employment

Mr John Kovacic, Deputy Secretary, Workplace Relations

Corporate and network

Ms Lisa Paul, Secretary

Mr Ewen McDonald, Deputy Secretary

Mr Craig Storen, Chief Finance Officer, Corporate, Finance Group

Mr George Kriz, Chief Legal Officer, Corporate, Legal, Investigations and Procurement

Mr Simon Gotzinger, Acting General Counsel, Corporate, Legal, Investigations and Procurement

Ms Helen Willoughby, Group Manager, Corporate, Communication

Ms Susan Smith, Group Manager, Corporate, Delivery and Network
Ms Paul McHugh, Acting Branch Manager, Corporate, Delivery and Network
Ms Fiona MacDonald, Acting Branch Manager, Corporate, Delivery and Network
Mr Benjamin Wyers, Acting Group Manager, Corporate, People Group
Ms Christine Silk, Branch Manager, Corporate, People Group
Ms Sue Saunders, Branch Manager, Corporate, People Group
Ms Tina Daisley, Acting Branch Manager, Corporate, People Group
Dr Alison Morehead, Group Manager, Social Policy Unit
Ms Lynne Stevenson, Branch Manager, Indigenous Employment Program

Outcome 1—Office of Early Childhood Education and Childcare

Ms Lisa Paul, Secretary
Mr Tony Cook, Deputy Secretary
Ms Vicki Rundle, Group Manager, Outcome 1—OECECC, Early Childhood Development
Ms Kathryn Shugg, Branch Manager, Outcome 1—OECECC, Early Childhood Development
Ms Maddona Morton, Branch Manager, Outcome 1—OECECC, Early Childhood Development
Ms Ngaire Hosking, Group Manager, Outcome 1—OECECC, Indigenous Pathways and Early Learning
Mr Matthew Hardy, Branch Manager, Outcome 1—OECECC, Indigenous Pathways and Early Learning
Mr Russell Ayres, Branch Manager, Outcome 1—OECECC, Indigenous Pathways and Early Learning
Ms Robyn Calder, Branch Manager, Outcome 1—OECECC, Indigenous Pathways and Early Learning
Ms Helen Lamming, Acting Branch Manager, Outcome 1—OECECC, Indigenous Pathways and Early Learning
Mr Ben Johnson, Group Manager, Outcome 1—OECECC, Early Childhood Programs
Mr Murray Kimber, Branch Manager, Outcome 1—OECECC, Early Childhood Programs
Mr Mark Wright, Acting Branch Manager, Outcome 1—OECECC, Early Childhood Programs
Ms Robyn Shannon, Branch Manager, Outcome 1—OECECC, Early Childhood Programs
Ms Amanda Brown, Acting Branch Manager, Outcome 1—OECECC, Early Childhood Programs

Outcome 2—Schools

Ms Lisa Paul, Secretary
Dr Michelle Bruniges, Deputy Secretary
Dr Evan Arthur, Group Manager, Outcome 2—Schools, Digital Education and Youth Transitions
Ms Rhyann Bloor, Branch Manager, Outcome 2—Schools, Digital Education and Youth Transitions
Ms Helen McLaren, Branch Manager, Outcome 2—Schools, Digital Education and Youth Transitions
Ms Catherine Wall, Group Manager, Outcome 2—Schools, Lifting Educational Outcomes
Ms Louise Hanlon, Branch Manager, Outcome 2—Schools, Lifting Educational Outcomes

Mr Matt Davies, Branch Manager, Outcome 2—Schools, Lifting Educational Outcomes

Ms Margaret Banks, Branch Manager, Outcome 2—Schools, Lifting Educational Outcomes

Ms Gabrielle Phillips, Branch Manager, Outcome 2—Schools, Lifting Educational Outcomes

Mr Stephen Goodwin, Branch Manager, Outcome 2—Schools, Lifting Educational Outcomes

Ms Janet Davy, Group Manager, Outcome 2—Schools, National Curriculum, Assessment and Reporting

Mr Tony Zanderigo, Branch Manager, Outcome 2—Schools, National Curriculum, Assessment and Reporting

Mr Craig Robertson, Group Manager, Outcome 2—Schools, Infrastructure and Funding

Ms Leonie Horrocks, Branch Manager, Outcome 2—Schools, Infrastructure and Funding

Mr David De Silva, Branch Manager, Outcome 2—Schools, Infrastructure and Funding

Outcome 2—Building the Education Revolution

Mr Michael Manthorpe, Deputy Secretary

Mr Anthony Parsons, Group Manager, Outcome 2—Schools, Building the Education Revolution, Program Management

Ms Gillian Mitchell, Branch Manager, Outcome 2—Schools, Building the Education Revolution, Program Management

Ms Kylie Emery, Acting Group Manager, Outcome 2—Schools, Building the Education Revolution, Strategic Management

Outcome 3—Tertiary, Youth and International

Ms Lisa Paul, Secretary

Ms Kathryn Campbell, Deputy Secretary

Ms Nicky Govan, Branch Manager, Outcome 3—Tertiary Youth and International, National Resources Sector Employment Taskforce Secretariat

Ms Margaret McKinnon, Group Manager, Outcome 3—Tertiary Youth and International

Mr Michael Maynard, Group Manager, Outcome 3—Tertiary Youth and International, Youth and Industry Skills

Mr Daniel Owen, Branch Manager, Outcome 3—Tertiary Youth and International, Youth and Industry Skills

Ms Katy Balmaks, Branch Manager, Outcome 3—Tertiary Youth and International, Youth and Industry Skills

Ms Jan Febey, Branch Manager, Outcome 3—Tertiary Youth and International, Youth and Industry Skills

Ms Donna Griffin, Branch Manager, Outcome 3—Tertiary Youth and International, Youth and Industry Skills

Ms Robyn Priddle, Branch Manager, Outcome 3—Tertiary Youth and International, Youth and Industry Skills

Mr David Hazlehurst, Group Manager, Outcome 3—Tertiary Youth and International, Higher Education Group

Ms Julie Randall, Branch Manager, Outcome 3—Tertiary Youth and International, Higher Education Group

Ms Susan Bennett, Branch Manager, Outcome 3—Tertiary Youth and International, Higher Education Group
Ms Jenny Chadwick, Branch Manager, Outcome 3—Tertiary Youth and International, Higher Education Group
Mr Jason Coutts, Branch Manager, Outcome 3—Tertiary Youth and International, Higher Education Group
Ms Catherine Vandermark, Branch Manager, Outcome 3—Tertiary Youth and International, Higher Education Group
Ms Jennifer Taylor, Group Manager, Outcome 3—Tertiary Youth and International, Tertiary Skills and Productivity
Mr Neil McAuslan, Branch Manager, Outcome 3—Tertiary Youth and International, Tertiary Skills and Productivity
Ms Maryanne Quagliata, Branch Manager, Outcome 3—Tertiary Youth and International, Tertiary Skills and Productivity
Mr Richard Millington, Acting Branch Manager, Outcome 3—Tertiary Youth and International, Tertiary Skills and Productivity
Ms Linda White, Branch Manager, Outcome 3—Tertiary Youth and International, Tertiary Skills and Productivity
Mr Colin Walters, Group Manager, Tertiary Youth and International, International
Mr John Barbour, Acting Branch Manager, Outcome 3—Tertiary Youth and International, International
Ms Tulip Chaudhury, Branch Manager, Outcome 3—Tertiary Youth and International, International
Mr Jason Coutts, Branch Manager, Outcome 3—Tertiary Youth and International, International
Mr Vipin Mahajan, Branch Manager, Outcome 3—Tertiary Youth and International, International
Ms Di Weddell, Branch Manager, Outcome 3—Tertiary Youth and International, International

Outcome 4—Strategy

Ms Lisa Paul, Secretary
Mr Robert Griew, Associate Secretary
Ms Margaret Kidd, Group Manager, Outcome 4—Strategy, Job Strategies
Mr Mark Roddam, Acting Group Manager, Outcome 4—Strategy, Economic Strategies
Ms Sue Dawson, Group Manager, Outcome 4—Strategy, Strategic policy
Ms Jo Wood, Group Manager, Outcome 4—Strategy, Indigenous Economic Strategies
Dr Alison Morehea, Group Manager, Outcome 4—Strategy, Social Policy
Ms Alex Gordon, Branch Manager, Outcome 4—Strategy, Social Policy
Ms Rosemary Addis, Group Manager, Outcome 4—Strategy, Social Innovation
Ms Jenny Harrison, Victorian State Manager
Ms Helen McCormack, Branch Manager, Victorian State Office

Outcome 4—Employment

Ms Sandra Parker, Deputy Secretary
Ms Dianne Fletcher, Group Manager, Outcome 4—Employment, Procurement and Business Partnerships

Ms Margaret McKinnon, Group Manager, Outcome 4—Employment, General Employment Services
Mr Stuart Watson, Branch Manager, Outcome 4—Employment, General Employment Services
Mr John Manthey, Branch Manager, Outcome 4—Employment, General Employment Services
Ms Ingrid Kemp, Branch Manager, Outcome 4—Employment, General Employment Services
Ms Linda Laker, Branch Manager, Outcome 4—Employment, General Employment Services
Ms Fiona Buffinton, Group Manager, Outcome 4—Employment, Specialist Employment Services
Ms Alison Durbin, Branch Manager, Outcome 4—Employment, Specialist Employment Services
Ms Sharon Stuart, Branch Manager, Outcome 4—Employment, Specialist Employment Services
Mr Derek Pigram, Branch Manager, Outcome 4—Employment, Specialist Employment Services
Ms Marsha Milliken, Group Manager, Outcome 4—Employment, Income Support
Ms Margaret Sykes, Branch Manager, Outcome 4—Employment, Income Support
Mr Stephen Moore, Group Manager, Outcome 4—Employment, Employment Systems and Relationships

Outcome 5—Workplace Relations

Ms Lisa Paul, Secretary
Mr John Kovacic, Deputy Secretary
Ms Michelle Baxter, Group Manager, Outcome 5—Workplace Relations, Safety and Entitlements
Ms Helen Marshall, Federal Safety Commissioner, Outcome 5—Workplace Relations, Safety and Entitlements
Mr James Hart, Branch Manager, Outcome 5—Workplace Relations, Safety and Entitlements
Ms Flora Carapellucci, Branch Manager, Outcome 5—Workplace Relations, Safety and Entitlements
Mr Derren Gillespie, Branch Manager, Outcome 5—Workplace Relations, Safety and Entitlements
Mr Jeff Willing, Acting Group Manager, Outcome 5—Workplace Relations, Workplace Relations Implementation
Ms Helen Bull, Branch Manager, Outcome 5—Workplace Relations, Workplace Relations Implementation
Mr Matthew Gardiner, Acting Branch Manager, Outcome 5—Workplace Relations, Workplace Relations Implementation
Ms Kate Driver, Acting Branch Manager, Outcome 5—Workplace Relations, Workplace Relations Implementation
Ms Colette Shelley, Acting Group Manager, Outcome 5—Workplace Relations, Workplace Relations Policy

Mr Paul Dwyer, Acting Branch Manager, Outcome 5—Workplace Relations, Workplace Relations Policy
Ms Rachel Livingston, Acting Branch Manager, Outcome 5—Workplace Relations, Workplace Relations Policy
Ms Jody Anderson, Branch Manager, Outcome 5—Workplace Relations, Workplace Relations Policy
Ms Jan Rees, Acting Branch Manager, Outcome 5—Workplace Relations, Workplace Relations Policy
Mr Jeremy O’Sullivan, Chief Counsel, Outcome 5—Workplace Relations, Workplace Relations Legal
Mr Peter Cully, Branch Manager, Outcome 5—Workplace Relations, Workplace Relations Legal
Mr David Bohn, Branch Manager, Outcome 5—Workplace Relations, Workplace Relations Legal
Ms Elen Perdikogiannis, Branch Manager, Outcome 5—Workplace Relations, Workplace Relations Legal
Mr Henry Lis, Branch Manager, Outcome 5—Workplace Relations, Workplace Relations Legal

Australian Curriculum, Assessment and Reporting Authority

Dr Peter Hill, Chief Executive Officer, Australian Curriculum, Assessment and Reporting Authority
Mr Robert Randall, General Manager, Curriculum, Australian Curriculum, Assessment and Reporting Authority
Mr Peter Adams, Acting General Manager, Assessment, Australian Curriculum, Assessment and Reporting Authority
Mr David Wasson, Acting General Manager, Reporting, Australian Curriculum, Assessment and Reporting Authority

Australian Building and Construction Commission

The Hon John Lloyd, Commissioner, Australian Building and Construction Commission
Mr Ross Dalgleish, Deputy Commissioner, Australian Building and Construction Commission
Ms Heather Hausler, Assistant Commissioner, Australian Building and Construction Commission
Mr John Draffin, Assistant Commissioner, Australian Building and Construction Commission
Mr John Casey, Chief Financial Officer, Australian Building and Construction Commission

Australian Institute for Teaching and School Leadership

Mr Tony Mackay, Chair, Australian Institute for Teaching and School Leadership
Mr John McCarthy, Acting Chief Executive Officer, Australian Institute for Teaching and School Leadership

Australian Learning and Teaching Council (ALTC)

Dr Carol Nicoll, Chief Executive Officer, Australian Learning and Teaching Council

Comcare

Mr Paul O’Connor, CEO, Comcare
Mr Steve Kibble, Deputy CEO, Comcare

Fair Work Australia

The Hon Geoff Giudice, President, Fair Work Australia
Mr Tim Lee, General Manager, Fair Work Australia
Mr Dennis Mihelyi, Director, Fair Work Australia
Ms Bernadette O'Neill, Director, Fair Work Australia
Mr Brendan Hower, Director, Fair Work Australia
Mr Terry Nassios, Director, Fair Work Australia

Fair Work Ombudsman

Mr Nicholas Wilson, Fair Work Ombudsman, Fair Work Ombudsman
Mr Alfred Bongi, Customer Service GM, Fair Work Ombudsman
Mr Michael Clark, Executive Director Contact Centre/AVR, Fair Work Ombudsman
Mr Leigh Johns, Chief Counsel, Fair Work Ombudsman
Mr Michael Campbell, Executive Director WR Policy and Education, Fair Work Ombudsman
Ms Ann Smith, Executive Director Knowledge Management, Fair Work Ombudsman
Mr Bill Loizides, Field Operations Group Manager, Fair Work Ombudsman
Ms Natalie James, Group Manager Fair Work Implementation Strategy, Fair Work Ombudsman
Mr Mark Scully, Finance and Reporting CFO, Fair Work Ombudsman
Mr Steven Ronson, Executive Director, Fair Work Ombudsman

Safe Work Australia

Mr Rex Hoy, CEO, Safe Work Australia
Ms Amanda Grey, Branch Manager, Safe Work Australia
Mr Wayne Creaser, Branch Manager, Safe Work Australia
Mr Drew Wagner, Branch Manager, Safe Work Australia
Ms Justine Ross, Branch Manager, Safe Work Australia

Skills Australia

Mr Robin Shreeve, CEO, Skills Australia
Ms Sue Beitz, Branch Manager, Skills Australia Secretariat

CHAIR (Senator Marshall)—I open this public hearing of the Education, Employment and Workplace Relations Legislation Committee. On behalf of the committee I wish to acknowledge the traditional owners and custodians of the land on which we meet today and pay my respects to their elders, both past and present. The Senate has referred to the committee the particulars of proposed expenditure for 2010-11 and related documents for the Education, Employment and Workplace Relations portfolios. The committee must report to the Senate on 22 June 2010. It has set Friday 30 July 2010 as the date by which answers to questions on notice are to be returned.

Under standing order 26, the committee must take all evidence in public. This includes answers to questions on notice. Officers and senators are familiar with the rules of the Senate governing estimates hearings. If anyone needs assistance the secretariat has copies of those rules. I particularly draw the attention of witnesses to an order of the Senate of 13 May 2009 specifying the process by which a claim of public interest immunity should be raised, and which I now incorporate into *Hansard*.

The extract read as follows—

Public interest immunity claims

That the Senate—

- (a) notes that ministers and officers have continued to refuse to provide information to Senate committees without properly raising claims of public interest immunity as required by past resolutions of the Senate;
- (b) reaffirms the principles of past resolutions of the Senate by this order, to provide ministers and officers with guidance as to the proper process for raising public interest immunity claims and to consolidate those past resolutions of the Senate;
- (c) orders that the following operate as an order of continuing effect:
 - (1) If:
 - (a) a Senate committee, or a senator in the course of proceedings of a committee, requests information or a document from a Commonwealth department or agency; and
 - (b) an officer of the department or agency to whom the request is directed believes that it may not be in the public interest to disclose the information or document to the committee, the officer shall state to the committee the ground on which the officer believes that it may not be in the public interest to disclose the information or document to the committee, and specify the harm to the public interest that could result from the disclosure of the information or document.
 - (2) If, after receiving the officer's statement under paragraph (1), the committee or the senator requests the officer to refer the question of the disclosure of the information or document to a responsible minister, the officer shall refer that question to the minister.
 - (3) If a minister, on a reference by an officer under paragraph (2), concludes that it would not be in the public interest to disclose the information or document to the committee, the minister shall provide to the committee a statement of the ground for that conclusion, specifying the harm to the public interest that could result from the disclosure of the information or document.
 - (4) A minister, in a statement under paragraph (3), shall indicate whether the harm to the public interest that could result from the disclosure of the information or document to the committee could result only from the publication of the information or document by the committee, or could result, equally or in part, from the disclosure of the information or document to the committee as in camera evidence.
 - (5) If, after considering a statement by a minister provided under paragraph (3), the committee concludes that the statement does not sufficiently justify the withholding of the information or document from the committee, the committee shall report the matter to the Senate.
 - (6) A decision by a committee not to report a matter to the Senate under paragraph (5) does not prevent a senator from raising the matter in the Senate in accordance with other procedures of the Senate.
 - (7) A statement that information or a document is not published, or is confidential, or consists of advice to, or internal deliberations of, government, in the absence of specification of the harm to the public interest that could result from the disclosure of the information or document, is not a statement that meets the requirements of paragraph (1) or (4).
 - (8) If a minister concludes that a statement under paragraph (3) should more appropriately be made by the head of an agency, by reason of the independence of that agency from ministerial direction or control, the minister shall inform the committee of that conclusion and the reason for that conclusion, and shall refer the matter to the head of the agency, who shall then be required to provide a statement in accordance with paragraph (3).

(Extract, Senate Standing Orders, pp 124-125)

[9.01 am]

Department of Education, Employment and Workplace Relations

CHAIR—The committee will begin today's proceedings with outcome 2 and will follow the order as set out in the circulated program. Proceedings will be suspended for breaks as indicated on the program. I welcome the Minister representing the Minister for Education, Employment and Workplace Relations, Senator the Honourable Kim Carr, and the departmental secretary, Ms Lisa Paul, and the other officers of the department. Minister, or Ms Paul, would you like to make an opening statement today? No? We are starting outcome 2 in program 2.1—government schools national support. Senator Mason, do you have questions here?

Senator MASON—I am suffering from sentimentality this morning, Mr Chairman, thinking that if we do not have estimates later this year, this could be my last appearance before you, Minister, and Ms Paul.

Senator Carr—Are you resigning from parliament?

Senator MASON—No, I suspect—things are always shuffled up and so forth or shuffled down so I may not be back.

Senator Carr—There are very few people on your side with any interest in education.

Senator MASON—That is very charming, Minister.

Senator Carr—I trust that you will be maintained in your current position.

Senator RONALDSON—I think he meant that he will be on that side of the table, and you will be over here.

Senator MASON—No, I did not. I did not mean that, Minister.

Senator RONALDSON—Yes you did.

Senator MASON—I did not. I suffer from sentimentality that is my problem. It always has been my problem. But I will follow you on Twitter, Minister, wherever you go. At the last estimates, the committee was told that the current quadrennial agreement is due to expire at the end of I think 2012 and that the government is committed to a review of school funding. As of the last estimates the government was not yet committed to a specific process of review. I think the evidence was that there would be broad stakeholder and public consultation as well as on the terms of reference of the review. The evidence also was that it would commence sometime later this year and conclude in 2011. Subsequent to the last estimates, Ms Gillard announced the composition of the expert panel leading the review, released the draft terms of reference and also a discussion paper that I have had a good look at. The terms of reference I understand are expected to be finalised in June, this month. Public consultation will be conducted by the expert panel from the second half of this year. Minister or Ms Paul, how was the expert panel selected?

Ms Paul—The expert panel were selected by the Deputy Prime Minister. We offered advice. The expert panel members, as you can see from who they are, represent a range of experiences and expertises. Ken Boston AO, the former Director-General of the New South Wales Department of Education and Training, has been exceptionally well known in education circles, including in the UK. Carmen Lawrence, Director of the Centre for the Study of Social Change, School of Psychology, University of Western Australia and former

federal minister and Premier of WA, has been involved particularly from the Western Australian perspective. Kathryn Greiner AO, chairman of Australian Hearing and former Deputy Chancellor at Bond University, has had an interest for a considerable period. Peter Tannock AM is a noted international educationalist and former Vice-Chancellor at University of Notre Dame Australia and has, of course, been directly involved as vice-chancellor. David Gonski of course is well known to all of us.

Senator MASON—Can the committee and parliament assume then that the issues will not have been pre-judged, that the recommendations of the committee will be open and transparent?

Ms Paul—Yes they will be.

Senator MASON—I ask because, as you know, I always have a look into people's backgrounds in relation to appointments to committees. I did find a piece by Dr Boston, one of the appointees to the panel, in an opinion piece in the *Age* on 24 June 2002. He seems to be particularly critical of the current funding model as disadvantaging government schools. He says:

Do we want to educate our children mainly in government-assisted fee-paying private schools, based on an exclusive clientele identified by socio-economic status, religion, ethnicity or some other dimension? Or do we want them mainly to be in inclusive government-funded public schools, mixing with children from a wider range of backgrounds and experiences?

That strikes me as reflecting a very firm view, in my view. What do you think? Do you think that Dr Boston will keep an open mind?

Ms Paul—I have not seen that article so I cannot comment on that. I think he will keep an open mind. From our experience so far with Mr David Gonski, who is a very, very eminent Australian as all of us here would know, I think Mr Gonski will keep a very firm hand on the openness and the open thinking of that group.

Senator MASON—Do you think there might be some balance somewhere there, Ms Paul? Is that what you are trying to say in your diplomatic way?

Ms Paul—I think there will be a fine sense of balance.

Senator MASON—I ask because when I read that I thought: well, Dr Boston might refer to non-government schools as an exclusive clientele but it is not always by religion or socioeconomic status. It is often also by priorities and sacrifice.

Ms Paul—That is right.

Senator MASON—I am a product, as the minister knows and the chairman knows, of government schools from Year 2 to Year 12. I acknowledge a lot of people often from very ordinary backgrounds go to non-government schools.

Ms Paul—That is right.

Senator MASON—So I think you can see my concern that that is reflected in the—

Ms Paul—We would share that concern. It is important that that group have a very open and robust review process. I am sure they will.

Senator MASON—I also checked Dr Lawrence, who I do have respect for. What she said in a speech entitled ‘What is social justice?’ delivered to the Curtin University on 22 September 2002 again seems very much to pre-judge against the current funding model. She says:

Some of the wealthiest schools operate with 200% of the resources available in government schools. The Government’s funding policies and the SES funding formula are major contributors to this reverse discrimination.

...

In the past our inclusive public school system helped reduce inequality; now education appears to be reinforcing privilege and making it even harder for the kids of poorer Australians.

So again, you see my concern that these issues are not pre-judged.

Senator Carr—I think you can quote at length from any range of opinions that have been stated. This is a review that has been put together to provide advice to government. At the end of the day decisions are made by government. This is a balanced committee. There are a range of opinions expressed there, a range of political views I would suggest to you in terms of the representation. It is the nature of this policy area that there will be strongly held views on both sides.

Senator MASON—I accept that.

Senator Carr—What you can say is that the government has had a commitment to ensuring that people get a fair go. One-third of our school population or thereabouts I think attend non-government schools; two-thirds do not. Our task is to make sure that there is equality of opportunity for all Australians.

Senator MASON—I agree with you.

Senator Carr—That is what the government is committed to. If I recall the history of the SES modelling and the SES policy development, there were a range of opinions expressed when it was introduced including from people who are represented on this panel, on both sides. For instance the Catholic Education Commission took the view that they did not think much of it, not much at all. I think you will find they worked within the system even though it did not really apply to them.

Senator MASON—I do not dispute anything you have said. My point really—and I have tried to make this clear—is my concern that people do not come to this issue with closed minds having pre-judged all the issues. It is a fair point to raise. My staff did a lot of research and they find these things. It is fair to look at what people have said in the past. I do not think that is unfair.

Senator Carr—That is not unreasonable, I agree. The truth is that you will look through each one of these people who have got an interest in this area and they would have said things in the past. Whether or not you can say from that that their positions are predetermined in regard to the examination of the evidence now—

Senator MASON—You are assuring me they will not prejudge the issue?

Senator Carr—I made the point to you that the government has made a public commitment about ensuring fairness in the system.

Senator MASON—And that they will not prejudge the issue? That is fine.

Senator Carr—They do not prejudge the issue.

Senator MASON—Alright, fine. I am happy, Mr Chairman.

Senator Carr—The fact is, we have talked time and time again about our commitment to ensuring that we have equality of opportunity for all Australians.

Senator MASON—If that is the commitment, the issues have not been prejudged insofar as you can give them on behalf of Dr Boston and Dr Lawrence. I know it is difficult but I understand you—

Senator Carr—No, hang on. I am making the point that the review will examine the evidence.

Senator MASON—Yes, I understand that.

Senator Carr—It is the government's job to make decisions. The education minister will make recommendations to the government and the government will assess things fairly as they do.

Senator MASON—What has the feedback been thus far on the draft terms of reference?

Dr Bruniges—Regarding the circulation of the draft terms of reference, we are in the process of analysing the submissions that we have got in from a number of key stakeholder groups about that. I think it has been very positive. The review has been welcomed by a range of stakeholders. Indeed they have provided some valuable comments that we will take into consideration in providing advice back to government.

Senator MASON—Looking at the draft terms of reference, they do not seem to pay much attention to the concept of autonomy and the role that plays in successful and efficient delivery of educational outcomes. It is as if all schools in Australia were one and the same. Will such aspects of education be given due consideration when the draft terms of reference are finalised?

Ms Paul—What do you mean by autonomy there? Do you mean principal autonomy et cetera?

Senator MASON—Yes.

Ms Paul—This is a funding review; it might go there. We are right at the moment of receiving feedback, so your feedback is very appreciated as well.

Senator MASON—Not by the minister, I do not think.

Senator Carr—I never cease to be amazed by Ms Paul's generosity.

Senator MASON—You are very generous, Ms Paul.

Senator Carr—I think this is very fair, and that proves the point, does it not, how incredibly fair this department is?

Ms Paul—Perhaps I need to move on at that point. It is a funding review so I think any element which is relevant to funding can be considered. I will be interested to see what the feedback on the TOR is; whether we get a range of feedback along those lines or whether people really are just focusing on the overall funding levers. That is yet to be worked through.

Senator MASON—On funding mechanisms, will any consideration be given about the funding mechanisms that provide the greatest efficiency in program delivery? How about that?

Ms Paul—Yes, I think that would be relevant.

Senator MASON—Would that be in the final terms of reference, do you think?

Ms Paul—Maybe, it depends what the feedback is.

Senator MASON—I do think it is very important.

Ms Paul—It is important.

Senator MASON—In the broader current context?

Ms Paul—Yes, it is.

Senator MASON—I now have some questions, and I know I am floating about a bit here in 2.1 and 2.2, relating to recurrent and capital funding for Catholic schools.

CHAIR—Have you finished with questions in 2.1?

Senator MASON—Yes, I think I have touched on both 2.1 and 2.2.

CHAIR—We will conclude with 2.1 then and now move to 2.2. Are you happy with that?

Senator MASON—Yes, I know I am trying to jump around too much, thank you. In relation to non-government school funding, can we look at recurrent funding first of all? What provisions have been made in the budget for recurrent funding to non-government schools for 2013?

Ms Horrocks—The provisions for 2013 have not been made because the funding period finishes in 2012. I note that the minister has advised that the outcomes of the review will be made in 2011 so that there is sufficient time to implement funding mechanisms for the new quadrennium, to give schools sufficient time to make any adjustments. Also the minister has committed to ensuring consideration of any transitional arrangements for 2013.

Senator MASON—Are you saying the government has not published the recurrent funding for non-government schools for 2013?

Ms Horrocks—That is correct.

Senator MASON—I must be looking at the wrong bit of paper then. I have got the DEEWR budget statements, 2010-11, page 53.

Ms Paul—Are you looking at the part-year effect of the financial year?

Senator MASON—Yes, I know I do flit around between financial years.

Mr Robertson—Those figures are the normal part of forward estimates processes based on current parameters going forward, assuming for budget purposes for forward estimates that the current arrangements and structures would apply.

Senator MASON—Maybe I did not make myself clear. That estimate there of \$8,700—

Ms Paul—That would be based on an estimate of projected enrolments and would have the indexation rate average government school recurrent cost applied to it.

Senator MASON—How does this compare to the provision for 2012?

Ms Paul—One of my colleagues can correct me but the difference in estimates here is essentially due to estimates of the indexation rate and the number of enrolments. It depends on population.

Senator MASON—Enrolment growth in the non-government sector, for example?

Ms Paul—That would be right, which basically would be population growth, et cetera.

Senator MASON—Is it based on anything else?

Dr Bruniges—No.

Senator MASON—How does the indexation rate used in the budget for 2013 compare to the average government school recurrent cost indexation applied to recurrent funding for non-government schools over recent years?

Ms Paul—It is the same indexation rate.

Senator MASON—The same? The acronym is AGSRC, is that right?

Ms Paul—The average government school recurrent cost.

Senator MASON—It is the same and has been for the last few years?

Ms Paul—It is the same indexation. We may make some estimates inside that on what the level of AGSRC might be, because it relates to real costs. I would have to check the notes.

Senator MASON—Thank you, officers. I understand there is the SES review, I appreciate that, but when I look at these figures it seems to make the assumption that current recurrent funding arrangements will continue.

Ms Paul—It has to because there is no known change.

Senator MASON—It is the default position.

Ms Paul—You have to have the forward estimates.

Senator MASON—I will now go from recurrent funding to capital funding. What provision has been made in the budget for capital funding to non-government schools for 2013?

Ms Horrocks—The minister has advised that she cannot confirm capital funding beyond the current quadrennium in view of the review taking place, presuming that capital and infrastructure will be a prominent or critical part of that review.

Senator MASON—The number of schools assisted with capital support for 2013-14 is blank; is this because of the review?

Ms Paul—Because it has not yet been determined.

Ms Horrocks—That is correct.

Senator MASON—It has not been determined. So, there are no default assumptions in the cases of—

Ms Paul—Not in capital, because it is so chunky, if that is the technical term.

Senator MASON—It is very technical, Ms Paul. With respect to capital grants, it is not that the government has decided that there will be no more; rather they are saying that they will await the outcome of the SES review.

Ms Paul—It is because there has been no decision taken.

Senator MASON—Is it as simple as that?

Ms Paul—Yes.

Senator MASON—You cannot make assumptions about capital grants in the same way you can about recurrent funding: in other words growth in enrolments, indexation, rate of grants and so forth were not in a sense built into the forward estimates on this?

Ms Paul—It is less formulaic, if you like. The recurrent is entirely formulaic. I think it is a fair thing not to have included it.

Senator MASON—It just that the non-government sector as we all know, I think, is becoming larger and larger as a proportion of all schools or as a proportion of servicing more Australian children. When I saw it, it worried me that there was no provision made at all in the forward estimates for it. You are telling me, Ms Paul, that is simply the basis of waiting to see what the review says?

Ms Paul—We can certainly offer them that assurance.

Senator MASON—I have no further questions on that particular issue but I have further questions on 2.2.

CHAIR—Yes, we are in 2.2.

Senator MASON—May I carry on?

CHAIR—Yes, carry on.

Senator MASON—I have got some questions I have put on notice regards funding for non-government schools because it is too detailed. Even though I am rather demanding of the department, I would not ask them now so I put some questions regarding specifics of funding on notice. I will put the questions on notice but let me flag an issue now. In the past we have discussed the issue of Indigenous students coming from remote areas—I think you know what the issue would be, Ms Paul—to a city which is classified as non-remote. I think we have had this chat before. It affects the funding entitlement per student. There are some issues. I think last time the example was from my home state of Queensland, kids from way outside Townsville coming into boarding school in Townsville. I will not go through that now but could I just flag it. It is Kormilda College in Darwin. It is really about the funding arrangements that attach to those kids coming from remote areas into Darwin, the complexities of funding and how that has affected in particular, boarding schools, I understand. I am just flagging the issues.

Ms Paul—Okay.

Senator MASON—Mr Chairman I have another 2.2 issue.

CHAIR—Yes, just keep going. This is 2.2.

Senator MASON—I will keep going. Kingsdene School and Residential Services and other special schools; again I think we discussed this last time. It is a fairly melancholy tale and I am not sure if there is any solution. I thought I would ask whether we have progressed. Let me just recite the facts. I do not think there is going to be any disagreement. This is not a partisan issue per se; it is just a very difficult one. I have received quite a bit of correspondence about it after our discussion. There is some fan mail in fact for you, Mr Chairman, as you know we get in this committee about flagging this issue. A lot of people are interested in it.

CHAIR—Why are they writing to you with fan mail for me?

Senator MASON—Because they always say I am awful to you. They say I do not treat you with sufficient respect.

CHAIR—Well indeed that is true.

Senator MASON—That is the problem. At the February estimates we were told that in 2003 when Anglicare originally decided to close down the Kingsdene School, there was an agreement involving Anglicare, the Commonwealth and the New South Wales state governments to provide \$350,000 each for three years, 2004 to 2006. The purpose of that funding was for Anglicare to commission a report in order to develop a financially stable model to take Kingsdene forward. As a special school, Kingsdene already receives the maximum amount of funding available under the SES model. I think that was established last time?

Ms Horrocks—That is correct.

Senator MASON—I do not think there is any dispute about that, I understand that. Since the report has been commissioned, Anglicare and Kingsdene have come to the government to say they are unable to continue under the current funding model and Anglicare decided to withdraw funding.

Ms Horrocks—That is correct.

Senator MASON—As of last time, I am not suggesting it may have changed, but as of February. The Commonwealth made an offer to Anglicare in December 2009 of \$350,000 by way of emergency funding on the condition the department be allowed to undertake an efficiency audit at the school. Anglicare declined the offer and is proceeding with the school closure. Are there any new developments?

Ms Horrocks—Certainly, Senator.

Senator MASON—Thank you, any good news?

Ms Horrocks—I can give you an update.

Ms Paul—Give him the news.

Senator MASON—Give me the update.

Ms Horrocks—I have been speaking with our colleagues in New South Wales and the Department of Ageing, Disability and Aged Care has advised that they have had regular meetings with the families and their children. Case workers have been assigned to each of the

families and the children to identify their specific needs. They are in the process of analysing those specific and unique needs for each child. Once they have done that needs assessment—

Senator MASON—For each child who is attending the Kingsdene School?

Ms Horrocks—Who is attending Kingsdene.

Senator MASON—Yes, just remind me, could you, how many children?

Ms Horrocks—Twenty.

Senator MASON—Twenty?

Ms Horrocks—Yes. They are attempting to identify appropriate placements for the children at the end of the year. They anticipate having the situation finalised by the commencement of the third term this year so they can provide certainty for the students going forward.

Senator MASON—I should know this, when does the term commence, it is a long time since I attended the third term?

Ms Horrocks—I do not know.

Senator MASON—Does anyone know, is it September or something?

Ms Paul—Middle of July.

Senator MASON—Oh, middle of July.

Senator MASON—It has been too long.

Ms Horrocks—Once they have analysed the appropriate placements then New South Wales will be liaising with the New South Wales Department of Education and Training to find appropriate school placements for them. The other thing that they have considered is whether they can group some of the current Kingsdene students into group accommodation because that was one of the issues, that the students had formed bonds with their other students.

Senator MASON—It is the only school like this is it not, where the kids stay there?

Ms Horrocks—That is correct. I can also advise that Anglicare has come through with its commitment to appoint a case worker as well. Of course, we continue to pay recurrent funding to Kingsdene while they are still operating.

Senator MASON—It seems that the unique aspects of Kingsdene are going to vanish?

Ms Horrocks—I imagine that the funding review for students with disabilities will be a critical part of the funding review. Indeed, representations to date would seem to indicate that as well. I imagine that that will be looked at as part of the review.

Senator MASON—But when is that due to report?

Ms Horrocks—In 2011.

Senator MASON—It will be a bit late. It just seems a great pity. A lot of people have contacted my office, particularly after last estimates to say what a great concern it is. I am not suggesting that it is SES funding because, as you mentioned, it is at maximum levels and all that—

Ms Horrocks—That is correct.

Senator MASON—It just seems a shame that a unique and apparently very successful facility may have to close or at least kids be dispersed and looked after and educated elsewhere.

Ms Horrocks—One of Anglicare's views is that by reallocating the funding that they had allocated to Kingsdene, they will be able to help more families by way of case work assistance. They anticipate in the order of 100 families they will be able to help annually as opposed to 20 families that they are currently helping.

Senator MASON—Because they are changing the format of their commitment?

Ms Horrocks—That is right. That is Anglicare's view, not our view.

Senator MASON—In a sense they will be assisting more students?

Ms Horrocks—Yes, Senator.

Senator MASON—But not in the same way?

Ms Horrocks—That is correct.

Senator MASON—I do not have the answer. Does anyone have the answer to this?

Ms Horrocks—No.

Senator MASON—No, I do not either.

Ms Paul—It is a hard one, isn't it?

Senator MASON—It is. St Lucy's School I touched on last time as well. The committee was told that in regards to St Lucy's School, their funding under Commonwealth government Literacy, Numeracy and Special Learning Needs program has not been reduced but the department was unable to comment whether the school is receiving less money per se as it is within the Catholic school system in New South Wales which is ultimately responsible for funding, and their overall funding from the Commonwealth has increased. Has anything changed there?

Ms Horrocks—I would have to defer to my colleague on that matter.

Senator MASON—I defer all the time, you are all right.

Ms Horrocks—Thank you.

Ms Phillips—With regard to St Lucy's School, the situation—

Senator MASON—What is happening? Has anything changed?

Ms Phillips—As we spoke at the last estimates, Literacy, Numeracy and Special Learning Needs program funding goes to the Catholic education authority for St Lucy's in New South Wales. They allocate the funding to their individual schools. Our understanding is that they will receive their funding. There will also be supplementation—

Senator MASON—If I can just go back, with respect to Catholic schools it goes to a central—

Ms Phillips—Yes.

Senator MASON—and they decide?

Ms Paul—They have the domain to decide, that is correct.

Senator MASON—It is a bit different though, isn't it? You are quite right. That operates with respect to St Lucy's as well even though it is a different sort of school?

Ms Phillips—Yes. The initial allocation has been made and there will be supplementation at the end of the year under that program which will also be paid to the Catholic education authority.

Senator MASON—So nothing has really changed?

Ms Phillips—Not that we are aware of, Senator.

Senator MASON—I thought you might give me some good news on a Thursday morning. Last time I think I touched on Vision Australia. Has anything happened there with the Vision Australia school, the special needs school?

Ms Phillips—My understanding is that Insight Education Centre for the Blind and Vision Impaired, which is a newly established organisation based on the parents from the school, has been formed. They are now seeking discussions and information regarding funding for setting up an alternate school. There have been conversations with us but also with the Victorian education department regarding it.

Senator MASON—Setting up a separate school?

Ms Phillips—The organisation has been in contact with us and the department of education in Victoria to get information about how they might go about that and what they would need to do.

Senator MASON—Do you know why that is?

Ms Phillips—No.

Senator MASON—I am not saying it is good or bad, it just seems a bit unusual as a response to say, 'We are going to create a new school.' It may be a very good idea but it is an unusual response.

Dr Bruniges—It may be a critical mass of facilities for vision impaired children. They may see a need to do that or a growing number in the population of students for whom they could provide support. They are some of the reasons I guess in terms of people making decisions whether or not they would seek to establish a new school with special facilities. That might be part of their motive but I am really only speculating on what their motive might be.

Senator MASON—I appreciate that. Thank you again. Are you aware of the Palm Avenue School which operates in partnership with the Dalwood Assessment Centre?

Ms Paul—Dalwood?

Senator MASON—Dalwood, is it?

Ms Paul—Dalwood. It sounds like we do.

Senator MASON—It provides support for students with severe reading disorders and they are referred from schools in rural New South Wales. It seems again to be facing closure, the same problem. What is happening there?

Ms Phillips—This is a centre in New South Wales that provides diagnostic and assessment services for students with educational difficulties. Sorry, I will just read through—

Senator MASON—Sure. It is receiving Commonwealth funding?

Ms Phillips—I would have to take that on notice I think.

Senator MASON—All right.

Ms Phillips—I am aware of the school and some of the issues that they have been working through with the New South Wales department of education. I understand that they have created an expert advisory panel to look at sustainable programs for children with complex reading difficulties who live in remote New South Wales and how they progress the work, but I am not aware of what our funding commitments are.

Senator MASON—Could you take it on notice, if you will, and let the committee know what the funding arrangements from the Commonwealth are and is it now or has it ever received Commonwealth funding?

Ms Paul—It is not hard to work out. It will come down to whether it is a registered school and then whether it is also seen as a school specialising in disability.

Senator MASON—I suppose the theme is the special needs schools, and often you are right, they do not necessarily cater for a lot of children but they are so critical to those families and it is just a pity when people contact my office and say that they are under threat of closure. I understand under the funding arrangements that often, as you say, they are at maximum funding and I do not dispute that at all. It just seems a pity that there cannot be some arrangements.

Dr Bruniges—The advice I have in front of me says they are funded and managed by the New South Wales Department of Education and Training. It would probably be totally funded by them through recurrent funding flow I suspect and it would depend on other supports that the New South Wales Department of Education and Training would have with categories of schools. Different categories of schools within the New South Wales area would receive different forms of funding, which would be different to integrated students.

Senator MASON—Can you take it on notice?

Dr Bruniges—Absolutely.

Senator MASON—I appreciate that. I think my colleague has some other issues. Mr Chairman, I have no further questions on 2.2.

Senator ABETZ—If I may follow up on St Lucy's as well. If you have already answered these questions please tell me. I understand that the reduced funding coming out of the New South Wales government to St Lucy's is as a consequence of less Commonwealth funding to the New South Wales government in relation to the targeted funding that the Commonwealth provided to New South Wales. When St Lucy's complained to New South Wales they put the blame on you guys. To use a term that the Prime Minister is familiar with, the blame game, where do we lay the blame for this one?

Ms Phillips—In terms of the funding from the Commonwealth to the Catholic education authority for the LNSLN program, which is the targeted funding program, there is an initial

payment at the beginning of the year and then there is supplementation received at the end of the year. The initial funding would have been slightly lower than the previous year but with supplementation the overall funding to the Catholic Education Office was \$78,000 more than the previous year's final allocation. From 2008 to 2009 there was an increased amount overall paid to the New South Wales Catholic education authority under that program.

Senator ABETZ—From the Commonwealth?

Ms Phillips—From the Commonwealth.

Senator ABETZ—Sorry, I am a bit slow on this; this money goes direct from the Commonwealth to the Catholic education system?

Ms Paul—That is right. It would go to the Catholic Education Commission of New South Wales and then it is up to them how they disperse it.

Senator ABETZ—So, the New South Wales education commission would be the New South Wales Catholic education commission?

Ms Paul—Yes.

Senator ABETZ—You are saying that there was in fact a \$78,000 increase out of a total budget of how much to the New South Wales Catholic education commission?

Dr Bruniges—The final 2009 funding for the New South Wales Catholic education commission under LNSLN funding was \$45,088,062.

Senator ABETZ—What about the targeted funding? There was a special amount, was there not?

Ms Paul—I think that is it. This is the literacy, numeracy and special needs funding.

Senator ABETZ—I come from a state like Tasmania where \$45 million for a fund like this—

Dr Bruniges—Sounds like a lot?

Senator ABETZ—Yes, it sounds like a lot but I can understand that in New South Wales, with 10 times the population or whatever it is, that figure stands.

CHAIR—The same amount of senators though.

Senator ABETZ—What is more, better quality senators as well.

Senator Mason interjecting—

Senator ABETZ—Other than the two Greens of course but let us move on. It was a \$78,000 increase on \$45 million?

Dr Bruniges—That is correct.

Senator ABETZ—So that would not even cover for inflation or CPI, would it, so in real terms it is a cut?

Dr Bruniges—It is an increase of \$78,000.

Senator ABETZ—I know that in dollar terms but—

Ms Paul—Not necessarily. I think I would want to work that out. It might actually represent indexation, I am not sure. I think we would have to take that on notice.

Senator ABETZ—\$78,000 on \$45 million?

Ms Paul—I think we would have to take that on notice. Do not forget also, Senator, I suspect this funding is related to an—

Senator ABETZ—That would be \$78 increase on a budget of \$45,000. I do not think that reflects CPI. I never claim to be a mathematician but I do not think that would.

Ms Paul—I am happy to take it on notice and explain it. It may also be based on changes in enrolments, that sort of thing. We probably need to explain it for you.

Senator ABETZ—If you could I would be much obliged. The figures you gave me were for 2009 and that is the calendar year?

Ms Phillips—Yes, Senator.

Senator ABETZ—What about the budget or money allocated for this calendar year, 2010, because I think that is what the complaint is actually about, this calendar year's funding?

Dr Bruniges—I do not have that with me, I would have to take that on notice. I have got the final for 2009 but no further.

Senator ABETZ—I think you have got the flavour of the concern I am seeking to express. If you can come back to me and Senator Mason with an answer on notice we would be much obliged.

Senator JACINTA COLLINS—Just looking at enrolment trends, what is represented in the PBS on 2.2.2 please?

Ms Paul—What page are you on?

Senator JACINTA COLLINS—Page 54. We have got enrolment trends non-government here up until 2013-14. What are those projections based on?

Mr Robertson—It is a fairly standard basis of projection. It looks at, for example, ABS population projections, birth rates, et cetera, in terms of children coming into schooling age. It then does a forward projection in terms of is there any trend in terms of the split between government and non-government school attendance. It is basically forwarded projected on that basis.

Senator JACINTA COLLINS—What sort of trend are we anticipating at this point?

Mr Robertson—I do not know the actual—

Senator JACINTA COLLINS—The reason I ask is that there is continued growth up until 13-14 in all primary, secondary and Indigenous students. I understand a proportion of that might be demographic but the proportion, as you said, may also be a representation of presumably a current trend towards non-government schools. I am interested in what that trend is that you are currently factoring? If you do not have it—

Mr Robertson—Yes, I might have to take it on notice.

Dr Bruniges—Senator, I can probably add something around the census of ABS and Schools Australia each year. We certainly can look through that audited data collection. It is

looking at the number of schools, the increase in schools in the non-government sector and clearly that is driven by part of the population. Part of that would be important and that varies across jurisdictions, I should say too. In different states and territories we probably see a little difference when we look at that data. Where in some states the increase in the non-government sector has been substantial; in others it has kind of flattened out a little bit. My understanding is the model that would be used to do this would have a look at the past trends and then project forward, as Mr Robertson has said, using population and demographic data. I think if we looked back to the ABS collections on Schools Australia we would see an increase over the last five years of non-government schools and students enrolled in the non-government sector and that would be used to project forward for the out years for the purpose of the budget. If your question goes to what happens beyond 2013-14 and will that trend continue, it is very difficult to say from the modelling projections. Mr Zanderigo might help me explain how far that modelling goes out and how it is broken down a little bit more.

Mr Zanderigo—The estimates of those forward projections are based on long-term rates. The underlying growth rates for any part of the population are just projected forward to support the reporting in the PBS. They do not make any particular assumptions about market forces or anything like that. Whatever the underlying trends are for any particular part of the school population, they are simply projected forward on long run estimates.

Senator JACINTA COLLINS—So it is simply inductive? It relies on past experience?

Mr Zanderigo—Yes.

Senator JACINTA COLLINS—Does it factor in changes to current or future policies?

Mr Zanderigo—On occasion it will if we have reason to think that a major change in school retention policy by a state. Sometimes this can be modelled. In this case a change of policy in New South Wales was factored into those estimates but generally all sorts of things might affect the trends. There could be 50 or 100 factors that influence school enrolment trends.

Senator JACINTA COLLINS—That is right. Parents who put their children in government schools say in Victoria might be far more satisfied with the quality of school infrastructure now than they were five years ago and may be deciding to keep their children within the government school system, but your projection will not necessary factor that?

Mr Zanderigo—No, we do not seek too, that is right.

Senator JACINTA COLLINS—So it is purely forward looking inductive on the past?

Dr Bruniges—I think there is another factor there that comes into play looking at the inclusion of preschools in primary settings. A number of jurisdictions have moved in the last probably two years to include preschools in the school setting. The ACT is one example. That will have different flow-on enrolment trends as those preschoolers move through school are encountered in that and that would not be picked up.

Senator JACINTA COLLINS—Are we picking up that trend in both government and non-government schools?

Dr Bruniges—It is probably more so in the government sector at this point and certainly some non-government schools. Traditionally under different education acts preschool has

been either outside education acts and jurisdictions would go from kindergarten to year 12. The inclusion of preschool often has been voluntary and set up by parent and community groups in different communities, and really stand alone outside the education. With the emphasis on the importance of early childhood and that immediate year prior to schooling, some jurisdictions around the country have moved to include preschool under their education act and indeed as part of their education system so that they get a good start for those early years.

Senator JACINTA COLLINS—The other thing that intrigues me about this table 2.2.2 is that the enrolment trends are described as program effectiveness indicators. How does whether a trend continues or not, based on demographic and past trend indicators, determine program effectiveness?

Dr Bruniges—That is a very good question.

Senator JACINTA COLLINS—This is why I say I love PBSs.

Dr Bruniges—Can you add some light on that, Mr Zanderigo?

Mr Zanderigo—I can venture an opinion. I think the basic logic of that is that the supply of schooling is compulsory generally, so governments need to be able to fund places and in order to plan to fund those places we need to have some estimate out through the forward years of likely numbers. I would imagine that the same thing would be done at the state level as well.

Senator JACINTA COLLINS—The program effectiveness indicator here is provision of funds?

Mr Zanderigo—Essentially, yes, in a general sense, yes.

CHAIR—I have just got one quick question, really. It is about the take-up rate for new arrivals in the English as a second language program. Is this the right area for that?

Dr Bruniges—Yes. In non-government schools it is.

CHAIR—Yes, well a non-government program. What is the size of that compared to the government program or is it all non-government? What is the take-up rate for new arrivals; is it improving or decreasing? Do we know?

Ms Paul—I will get what we have for you.

Dr Bruniges—I might start by saying what this indicates is that the number of new arrivals assisted in the non-government sector but it does not really probably look at the population of new arrivals across the country. I am not sure whether we would have those statistics with us and again, I would probably need to go back to the ABS and Schools Australia to have a look at the number of arrivals and then look at the proportion that are arriving in the non-government sector as compared to the government sector. I think that is probably the way—

CHAIR—I would be interested to understand what the take-up rate is and why and whether it is an acceptable take-up rate because you would assume people who do not have English as their first language would all be taking up the opportunity, whether it be in the government or non-government sector. I would just like to understand what that is.

Dr Bruniges—I think we do know that in a number of jurisdictions the different programs that are offered for new arrivals probably is quite diverse. In places like, for example, Western Sydney where you have a greater number of Sudanese refugees coming in, the language programs that are supportive of those people when they come in would be probably higher than what it had been in the last decade. The increasing number of different groups will bring different issues for programs. It is very important that we remain fairly flexible to be able to cater for the needs of those new arrival peoples as well. I am certainly happy to take it on notice to have a look at those broader population statistics and come back to the committee.

CHAIR—Thank you. Has anyone else got questions in 2.2? We will conclude with that and now move to program 2.3—school support.

Senator MASON—Indigenous education, Indigenous boarding schools, is what I want to ask about. The 2008-09 the budget document said:

In the Northern Territory, funding of \$28.9 million over four years will build three Indigenous student accommodation facilities: two 40-bed facilities and one 72-bed facility. The Indigenous Land Corporation (ILC) has committed a further \$15 million to this measure. The facilities will accommodate students from years 8 to 12 and help to give Aboriginal young people from remote areas access to a secondary education. This measure will contribute to COAG's goal of halving the gap in Years 12 or equivalent attainment by 2020, offering new opportunities for many young Territorians.

Are the two facilities promised under the 2008-09 budget, a 72-bed and a 40-bed one, still in line to become operational during the 2010 school year?

Ms Wall—I can give you an update on those. There are three sites. The Wadeye site is well advanced. The site has now been identified and agreed and the lease arrangement is very close to final. The contract with—

Senator MASON—Sorry, the lease?

Ms Wall—The lease agreement for the land is expected to be signed very soon. The Deputy Prime Minister has approved Aboriginal Hostels Limited to construct and manage the Wadeye facility and we expect that contract to be signed within a few weeks.

Senator MASON—Sorry, let me just get one site individually. It is the Watair site?

Ms Paul—Wadeye, W-a-d-e-y-e.

Senator MASON—Wadeye?

Ms Paul—Yes, north-west of Darwin.

Senator MASON—So we have a site there. Has building commenced?

Ms Wall—It has not commenced. We have tendered for the project consultant and we have tendered for the site engineer.

Senator MASON—There is a tender out to do the work?

Ms Wall—There is.

Senator MASON—When does that tender have to come back in?

Ms Wall—I would have to check the exact date but fairly soon, Senator. Obviously it depends on the results of that and the signing of contracts but we expect that all to start happening—

Senator MASON—Is there a due date for the completion of construction?

Ms Wall—Again, Senator it is going to depend on two things; one is the wet, which is going to be a significant factor there.

Senator MASON—Sure, but this will all be factored in of course when these promises are made. So, we have got tenders out, do we have any idea when construction will commence?

Ms Wall—I cannot give you a date at this time but the objective is to get construction started and as much completed as possible before the wet but at this stage I cannot give you further—

Senator MASON—Before the wet? That is late in the year?

Ms Wall—Yes, that is right.

Senator MASON—It is not going to be operational this year, is it?

Ms Wall—It is not going to be operational this year.

Senator MASON—Will it be operational next year?

Ms Wall—Yes.

Senator MASON—You think that construction might be finished by the wet, by, let us say October or November?

Ms Wall—Yes, it will probably be around November.

Senator MASON—Is that a contractual stipulation as part of the tender?

Ms Wall—No.

Senator MASON—It is not? Maybe next year that might be operational?

Ms Wall—As I said the aim is to get as much construction completed as possible before the wet but that is going to depend upon a number of factors.

Senator MASON—That is not a firm guarantee, Ms Wall, at all. That is the aim but you have no idea in fact when the school will be operational?

Ms Wall—It is not a school, it is a boarding facility. The boarding facility will be operational next year.

Senator MASON—Next year?

Ms Wall—Yes.

Senator MASON—2011?

Ms Wall—Yes.

Senator MASON—When will it be opened?

Ms Wall—Again when the building is completed.

Senator MASON—Some time next year?

Ms Wall—Yes.

Senator MASON—2011? That is Wadeye. What is the next site?

Ms Wall—Wadeye is the 40-bed facility.

Senator MASON—Forty beds?

Ms Wall—The other two regions identified by the government were the Warlpiri triangle and East Arnhem. We have been through a very extensive process of consultations about what might be the preferred location within those regions.

Senator MASON—We have not even got a location for either of them?

Ms Wall—We have a preferred location in each region which this week we are meeting with traditional owners about and then I would expect in the very near future that would be announced and we would progress to the same site identification, leasing and tendering as we have currently done with Wadeye.

Senator MASON—We have at best a preferred locations in both of those other locations, East Arnhem and Warlpiri triangle?

Ms Wall—Yes.

Senator MASON—Just a preferred location, we do not have a definitive location?

Ms Wall—The preferred location is being discussed at the moment with the communities. As you know, community support is absolutely essential for the successful operation of these. Extensive time and effort has been put into that to make sure that the communities support the site and the development of the facility.

Senator MASON—We have a preferred location, no guarantee that is the definitive location. After a location is defined and agreed upon, do you then go to tender after that?

Ms Wall—Yes, there would be the land leasing issue of course, which you know is very important there. There would be the identification of the site, the piece of land and then the leasing arrangement and then tendering again for construction.

Senator MASON—We cannot be sure that there will even be a tendering arrangement this year in the last two locations, East Arnhem and the Warlpiri triangle?

Ms Wall—I would expect that there would be, Senator, it is only June.

Senator MASON—A lease perhaps?

Ms Wall—It is only June.

Senator MASON—Do you think construction will commence?

Ms Wall—Again, I would expect it to.

Senator MASON—But we have not even got a location yet?

Ms Wall—The Warlpiri triangle, being in the desert, does not have the wet season issues. We will be able to—

Senator MASON—That is a fair point, Ms Wall, I had not thought of that.

Ms Wall—We will be able to progress much more—

Senator MASON—Senator Scullion knows about all these sorts of things coming from the Northern Territory. He knows about this.

Ms Wall—Whereas East Arnhem will be subject to the issues of the wet, yes.

Senator MASON—At best, at very best, they become operational, Warlpiri triangle and East Arnhem, next year?

Ms Wall—I would expect them to.

Senator MASON—You would expect them to, Ms Wall, but they were supposed to be operational during the 2010 school year. This has been a promise going back to before the 2007 election. It is not your fault, Ms Wall, I am just putting the history. It has taken a long time to get to even here. Even as we sit here in early June 2010, we have not even got a definite location for two out of the three sites. This really is—

Ms Wall—That is the nature of the really extensive community consultation that is required. In these lands, parents would be sending their children away to other communities. As you know, things like safety et cetera are very important to them. There has been quite a bit of working through.

Senator MASON—I accept that but it has been literally years now and we still have got only one confirmed site. Even there no construction has commenced. It has taken a long time. I am not sure if Indigenous boarding kids would be happy with that. But we are still waiting.

Senator SCULLION—I am sorry to come in a little late, I know much of this must have been discussed. In terms of the consultation we talked about, I think we all acknowledge that it is a pretty slow state of affairs over such a long period of time. As I travel around the countryside, apart from the Tiwi Islands, no one has ever spoken to me. I have asked, ‘How is the consultation going with the boarding school?’ They look at me pretty blankly and these are people who should understand and know about that. Perhaps, as often occurs, the frequency of the consultation is once a year, it might not always be the same people who attend. Talk to me about the frequency of the consultation. What sort of a tempo—

Ms Paul—These are not boarding schools. You are using—

Senator MASON—Facilities.

Senator SCULLION—Facilities.

Ms Paul—They are boarding facilities for kids to be able to go to school.

Ms Wall—I do not have to hand the list of all consultations since the announcement of the measure. I can say that certainly over the last six months there have been continuous consultations. We engaged in the Warlpiri triangle and East Arnhem consultations. KPMG was undertaking a feasibility study which involved extensive consultations. Our staff, particularly our Northern Territory office, have been following up those consultations. Some were held again last week and there are others being held today and tomorrow. I am a little surprised to hear that. I could certainly give you a comprehensive list of all the consultations that have been held over the period. I just do not have that with me.

Senator SCULLION—Excellent. What are the issues that the consultations are dealing with? Where are we up to in terms of the issues? Is it about saying, where exactly is this going to go? Is it the level and nature of amenities? What sort of things are we talking about?

Ms Wall—The consultations have been based on a set of criteria around what we believe a suitable site needs to meet. There are things like adequate infrastructure, community safety, transport.

Senator SCULLION—What do you mean by community safety?

Ms Wall—The overwhelming message from communities has been, not only in regard to this initiative but many others, that if they are sending their children away from home, they want to be guaranteed that the children will be well looked after and safe. Often that is about exposure to drugs and alcohol and that they will be suitably—

Ms Paul—They are not putting students right next to a pub or whatever it is, that sort of consideration.

Ms Wall—Yes. That has been the overwhelming message that we have had throughout the consultations. Again, probably unlike some other consultations which are about building facilities in a community where the local community uses it, the extreme sensitivity around sending children away from the protection of family has added a complexity and it has required follow-up conversations.

Senator SCULLION—Have you used the example of the Tiwi Islands?

Ms Wall—The Tiwi Islands certainly have been used in discussions.

Senator SCULLION—Often when you see something yourself that is working, there is a high level of confidence, particularly if they are countrymen. You know that they have gone through the same sorts of challenges and the same sort of concerns you have had. Do you take some of the leaders to the Tiwi Islands to have a look at the college and see how that is going as part of the process?

Ms Wall—I have not been involved in those consultations myself. I know that the Tiwi Island facility has been raised by us, in terms of a model, and also by the communities with whom we are consulting. I am not sure about taking people to have a look at that. I would have to check if that has happened.

Senator SCULLION—If you can take that on notice, that would be useful. I am sorry I came in a little early. You corrected me when I said a secondary boarding school, saying it was something different. Can you tell me exactly what the initiative will achieve?

Ms Paul—Of course.

Ms Wall—It is a boarding facility, therefore the facility is for secondary students to come from other areas to board. It is not part of a school. It will not be part of an operating school. That said, depending upon the chosen site, it needs to be close to a school, obviously so the children can attend school, but it is not a school in itself. A feature of the consultations is that communities, as have we, have been concerned that that is located near a school that has the capacity both now and into the future to offer a quality educational program for their students.

Senator SCULLION—Just to make sure we are on the same track, this is the \$28.9 million program over four years?

Senator MASON—Promised in the 2008-09 budget.

Senator SCULLION—Indeed. Out of the \$18.8 million that was promised in the 2008-09 budget—and if it has already been asked, you can say that and I will refer to the answers from Senator Mason—how much of that has been spent?

Ms Wall—I said previously that the Wadeye site is the most advanced and that we are about to sign the contract with Aboriginal Hostels Limited to construct and manage the facility. I would expect the bulk of that money to go out under that contract before the end of the financial year.

Senator SCULLION—What about the 2009-10 budget? Is that the total expenditure over that period of time or has there been anything taken? We have got \$18.8 million in 2008-09 and the most advanced has been Wadeye. What is the total amount that has been expended, whether it is consultation or whatever, to date, on the initiative?

Ms Wall—That will be the first payment out of the administered funding for the actual facilities. The funding spent to date on consultations has come from a separate appropriation, which is our indigenous education targeted assistance funding. To date, I understand we have spent approximately \$400,000 on consultations and engaging consultants to undertake the feasibility studies.

Senator SCULLION—Where is the site in Wadeye?

Ms Wall—Can I come back to you on that one? I thought I had it here.

Senator SCULLION—It goes to the question: what about the people who live in the community? This is the issue about access and who gets to use it. I was wondering how well thought out that has been. How far away do you have to live before you are in the catchment that can get access to the boarding facility?

Ms Wall—That is an issue that has come up repeatedly in the consultations. Our position on that is that the expectation is that its primary use is for students who do need to live away from home but that, if there is capacity, certainly local students could be accommodated. Those sorts of details are things that will be worked through really from now on with Aboriginal Hostels because they are going to be managing the facility. In terms of governance, clearly local communities will be involved. That is the finer detail. In terms of a principle, that has been our approach.

Senator SCULLION—I can recall them being closely involved in the construction and the process with the Tiwi college. It was part of a shared responsibility agreement that said, 'We will effectively build the college.' It was a school so that people were far enough away from the community so they would not be influenced by, 'Well, I just don't like this. I'm just going to say that I just don't like it and go home.' They decided it should be far enough away to do that. It would be a school. That was a trial, which I have to say, being out there at the opening the other day, although it has been running for some time, appears to be quite successful. It seems now there has been a change. If we are now building something close to Wadeye, the people who live in the town can say, 'Well, my kid who is living in my house can now go and

live in a boarding college that might not be too far away.’ There seems to have been quite a significant change from what I recall to be a trial, which was at Tiwi Island. There is quite a significant difference in that it was a schooling and education facility.

I am surprised that we are now nearly three years down the track and some of those fundamental answers that we need in terms of access and who is going to be in the school in the circumstances still appears to me to be a bit vague. Do you think there will be a point under which I can ask you the questions, ‘Who will have access to this?’, and ‘What will be the catchment that people will have access to it?’ Normally that is a pretty strict liability because if you let one in, you create a lot of questions around that. You have spent a lot of time in terms of consultation, you might not have signed a cheque yet, but expectation is built on consultation, sometimes the correct one, often incorrect in these areas. When do you think we are going to be able to get some definitive answers around access to these boarding colleges? It has been such a long time and all we have been doing is consulting now for nearly three years. In the fundamental area of access, one would have thought that we would be able to have a clearer answer on that particular issue.

Ms Wall—I expect it would be quite soon, as I said, as we finalise the contract with Aboriginal Hostels Ltd. That is on the basis of a business plan. In fact some of those details may have been agreed now and I could get that to you fairly soon. I will take that on notice and we will get back to you as soon as possible on that.

Senator SCULLION—Ms Paul, you have been very kind in the past to me, terrifically kind in being able to provide information in fact on the same day.

CHAIR—You deserve it, Senator Scullion.

Senator SCULLION—Indeed, and thank you.

Senator MASON—Ms Paul is always very kind, she is very generous.

Senator SCULLION—I know you will do your best, but if I could get that today, that would be very useful.

Ms Paul—I am getting very worried now.

Ms Wall—I can certainly get you the details on the actual site today and we will see what else we can get today.

Ms Paul—Perhaps this will be phrased as too generous, but anyway, you are always welcome to talk to Arthur Townsend from DEEWR as well, of course.

Senator MASON—They never say that about me, Ms Paul, I tell you.

Senator SCULLION—The original remote Indigenous boarding school budget included a figure of something like \$15,000 per student resident per year, and that is indexed at four per cent per annum to operate the facilities. Have you decided on whether or not there will be a contribution from the student or the family, or a fee that would be included in that?

Ms Wall—I do not believe we have, but I will check that for you as well.

Senator SCULLION—I have a growing degree of concern that we have been doing this for three years, and we do not have any buildings. It is terrific that we have not spent any money, apparently; that is great, but we have not seemed to have advanced very far. These are

fundamental questions about process. How much are people going to pay? What sort of contribution will there be? How far away from towns are they going to be? Are they supposed to be a boarding school facility? Why is it, Ms Paul, that we just do not seem to have answers after investing so many years in this detailed consultation process?

Ms Paul—I think you have exactly hit the point of why the consultation process is so important, and indeed why it is taking so long. There is a myriad of questions and every single one of them is difficult: what is the safety of my child if I want to send my child away, and so on. I think we have gone into this with a mindset which is entirely open to how communities feel they can best use these facilities. That means we have not gone in and said, ‘You’re in and you’re out; you’re over that boundary line.’ That sort of conversation we have undertaken by necessity takes longer because we are actually seeking all views. You know how complex that can be. Would we have liked it to be faster? Sure. But, on the other hand, we will not compromise speed for something which is not going to work the best for the kids.

In terms of fees and all that sort of thing, possibly we just do not have some of that here, and I would like to take that on notice and come back to you on that. It is a good question. It is fair enough. As I say, we will probably want to get on to Arthur Townsend, our state manager up there, anyway, whom you probably know, and get the latest on what is happening up there.

Senator SCULLION—Another important process, clearly, that we know in the successful schools has been the mentoring. The amicus role we play on a number of levels to move people from a situation where perhaps the educational outcomes have not been ideal to a place where they are, we know from experience that mentoring is a fundamental. What part has that played in both the consultation and the planning, given that some decisions, I understand, are now imminent?

Ms Wall—I am sorry, what role has mentoring played?

Senator SCULLION—What funding has been provided for the obvious levels of support?

Ms Paul—So, what sort of support will be offered ongoing?

Senator SCULLION—If you have had consultation, and almost anywhere in the conventional wisdom, particularly in Australia and overseas now, moving individuals from one demographic and one level to another is going to involve mentorship, coaching, call it what you like, and notionally we have always provided funding, and in other programs, this government and others have had, there is a provision of funding to ensure that that mentoring aspect has been able to be facilitated.

Ms Paul—We will probably have to take that on notice, too, to get down to that level of detail.

Senator SCULLION—If you can take those on notice, that would be very useful. The only comment I would make on it, with respect, is that, as part of the consultation process, Indigenous people, particularly the Aboriginal people in the areas that we have indicated, have said that they have a number of questions. If a decision has been made about providing a boarding school facility, if we are still discussing the notion, ‘Do you want one or not?’, I do not think that has been part of the process. The offer was made and supported by both the coalition government and the current government that we should move ahead with this. I

know they have had a number of questions, and the questions are, 'What about the safety of my kids?' One would hope the absolute answer to that is that we can build and construct a facility in a way that we can absolutely and utterly say, 'Your child will be completely safe.' That is a pretty simple process, I would have thought. In respect of the site selection, I acknowledge that has been difficult, as with all those things. But three years—it is still probably double the scope of what we would notionally see in terms of the negotiation as to the site. I have to say I am fairly underwhelmed with where we have got to, given that period of time. I look forward to being provided some detail of that process. Perhaps that will alleviate some concerns.

Ms Paul—We are certainly hopeful that we are now coming to the end of all of that, and as we are in Wadeye, can get the site tendered.

Senator SCULLION—Perhaps just a ballpark day on which some announcements can be made that this is going to happen, and that this is the timeframe under which we will actually see a boarding college?

Ms Paul—Push it along a bit, yes, okay.

Senator SCULLION—I refer to another education program that you have, the Indigenous Youth Mobility Program. What are you able to tell me about the Indigenous Youth Mobility Program? What is it about?

Mr Davies—It is a program that was created to assist Aboriginal and Torres Strait Islander people, primarily from regional and remote areas, to gain access to quality training pathways. It is for those who might not have easy access in their region. We currently deliver it through 17 locations.

Senator SCULLION—What is the budget for that?

Mr Davies—The total budget over the 2009-12 quadrennium is \$49.2 million. It has an accommodation and support element to it, as well as access to training. The idea is that individuals who do not have easy access get pretty much a comprehensive set of supports in a safe accommodation location. They are assisted by the organisation that we have contracted to access quality training and to make their way through. About 324 places would be an optimum maximum participation rate.

Senator SCULLION—Could you quickly describe the sort of demographic that get access and enter the program? Is it VET?

Mr Davies—Our primary focus is from certificate III and up in the vocational stream, and through university. But we allow for some young people who are coming in who are not quite ready for that yet; they will be supported in certificates I and II. There are also apprenticeship pathways for young people. It is a quite flexible program that allows customisation to the young person's needs. The idea is that then they are supported through that experience and hopefully get into work as a result, or on to a tertiary pathway.

Senator SCULLION—When they get access to this program, would any of them be receiving ABSTUDY or a portion thereof?

Mr Davies—If they are eligible, yes.

Senator SCULLION—Would the assistance through this program be seen as a supplementary income stream and would the adjustment be made from ABSTUDY? I asked this question yesterday. If you are on ABSTUDY, there is a cap of \$6,000 or whatever it is and if you have other supplementary streams on top of that, such as gifts or whatever else, then whatever is above that number is seen as income and then there is an offset, so you can only earn that much and then after that that is as much as you can receive. How is access to this program seen in terms of an offset against ABSTUDY?

Mr Davies—I would like to confirm with you, if I can afterwards, but I am pretty sure it is not counted as income, because it is assistance for accommodation. If that is incorrect, I will confirm later for you.

Senator SCULLION—It is assistance, okay.

Mr Davies—So far more than 587 young people have participated over the last several years. We have had almost 120 successful completions. Right now a little over 200 people are participating in the program around the country.

Senator SCULLION—So 120 people have completed the course, the certificate or whatever they were doing in that process?

Mr Davies—Correct.

Senator SCULLION—The first number was 324. I am not sure where that fits in again.

Mr Davies—At any point in time, the full-time capacity—

Senator SCULLION—That is the maximum capacity?

Mr Davies—Correct.

Senator SCULLION—The 587 is the number in the system at the moment?

Mr Davies—Cumulative.

Senator SCULLION—They have been through the system so far?

Mr Davies—Yes.

Senator SCULLION—How many facilities would that involve in terms of TAFE or school or whatever the institution? How many institutions are being engaged at the moment?

Mr Davies—I do not have the figure with me as to how many institutions the current 200 are in. I could find that out for you.

Senator SCULLION—All right. Just from a budget perspective, of the \$49.2 million how much has been expended so far?

Mr Davies—Sorry, Senator, I will have to find that expenditure figure for you.

Senator SCULLION—I am sure of the normal kind relationships we have developed, so I have a level of confidence that you can get that to me today.

Mr Davies—Yes, I will have it.

CHAIR—On that same program, it is actually quite a lot of money and I understand the objective, which is ultimately to get people into sustainable employment. Is that working? How are we actually going to measure the outcome of that?

Mr Davies—The kinds of outcomes that we aim for are successful completions through programs of study and learning. For example, we have had 36 participants; by April this year we had over 180 who were active through the program, and 156 had exited by April—they had begun, done training and had left. Almost 40 had already completed their course, so they would have been undertaking a fairly targeted set of training that they wanted to complete. It might not have been a full certificate; it might have been modules within it, but they were targeting the skills sets that they needed.

CHAIR—Sure, but the program is not just there to deliver the training. It is about training to lead to employment, so what I am actually interested in is: do they actually take that next step? How is that working?

Mr Davies—We are establishing destination surveys, if you like. We are finding out where these people end up and what success they do have. We do not yet have results on our first one, because this program basically began from 1 July last year, when we shifted to a model of a number of locations around the country and a number of service providers. Prior to that there was a single operation. The program was adjusted based on feedback in the first pilot stage, and we are now aiming to do follow-up surveys with a selection of participants who exit. I guess you would have to mark success by the achievement of their learning objectives and then their destination. That could include further study. It could include employment. For some it might mean going back to the community and becoming involved in community management organisations, working for local organisations. We will have to identify a number of potential success options that are appropriate to the goals.

CHAIR—That is right. If we go through this process and train someone as a plumber, I guess the objective is that they then get employment as a plumber. It might just be as simple as that. There are other complex variations. So it is as long as we are going to track that, so we actually see the end result.

Mr Davies—Yes, indeed.

Senator SCULLION—I think one of the problems with this issue is that it concerns a mobility allowance. They are allowed to go away and they have it measured by an educational outcome, which I do not think is a bad one. The reason why there is no employment outcome is they go away—so they pack their bags and say, ‘I am going to be back’ in so many weeks—and then they come back to a place that has no employment at all. That is why there is probably a reflection of such low levels of employment as a consequence of this. I think our challenge, across parliament, is to ensure that we have a program that deals with the same mobility issue that they had getting education, in terms of getting employment. I think it is very useful, even if we are all cringingly embarrassed by the low number, to have a connectivity between the outcome and the education, and then the next step of employment.

Mr Davies—Yes. Our policy challenge, as you say, is to make better connections between this support for the person and the economic opportunities that are in communities, because there are jobs there that, for a long time, have been done by non-Aboriginal people that can be taken up by local community members. As you point out, unless you are bonding someone, you cannot force them to go back and become a plumber. They might find something else. As with all Australians, our pathways diverge.

Senator SCULLION—You cannot underestimate the value of moving away from a community, even to study, in terms of the levels of confidence that people have that can be translated into work and other skills.

Mr Davies—Indeed.

Senator SCULLION—With respect to the Sporting Chance program, which sporting organisations and sports are involved?

Mr Davies—This program is in an expansion mode. The government made some decisions to make further investments, and consequently it is reaching far more young people now than it was previously. We have 59 Sporting Chance projects around the country; 54 of them are sport based academies, and five engagement strategies which are less intensive, with bursts of activity to try to encourage and entice the kids into a learning pathway. The 54 academies are primarily in AFL; there are 13 girls' academies covering basketball, netball and hockey; and there are some ARL focused activities as well.

Senator SCULLION—There still seems to be a predominate focus on the males, with the AFL. Whilst I am from the Territory, I know an awful lot of very good female AFL players. Very quickly, what extra efforts are being made to fill that gap? I think that a lot of females are less connected than they could be. During this expansion, have you considered the notion of not only sports but also arts or some positive activities? Have you considered some of those demographics that perhaps we are not reaching?

Mr Davies—Definitely. The most recent expansion was targeted at girls' academies. In recognition of precisely what you said, the history of this came out of a boys' focused primarily AFL sport initiative, and it has been very successful. There is an acknowledgement that we need to extend the scope and the focus. Also, there has been an acknowledgement that, for some kids who are potentially at risk of disengaging, sport is not the only way to connect with them, or not the way. We need to be able to identify other cultural and personal pursuits to connect them to a learning experience that they really love and therefore get some good education out of it.

Senator SCULLION—Thank you. And thank you, Chair; I will pop back in later to see if there is some more information for me.

CHAIR—Thank you.

Proceedings suspended from 10.32 am to 10.46 am

CHAIR—We will resume these estimates hearings. Ms Paul?

Ms Paul—We were talking before about the PBS and that line of budget, and over the page the number of capital projects which then ran out, and we explained that. We want to put a bit more information on that to help you out.

Mr Robertson—We were concerned that the interpretation might have been in respect of the Schools Assistance Act 2008, which is actually on page 53, the \$8.7 billion.

Senator MASON—I do not have those papers with me anymore.

Mr Robertson—We were concerned that the impression might have been given that that was recurrent funding only. But that covers recurrent funding, capital funding and targeted funding. That is simply the clarification that we needed to make.

Ms Paul—So the forward estimates for capital funding are there, and I am sorry that I was not clear on that. Over the page we find the number of projects, and that is what we cannot predict. But the capital funding is in the forward estimates.

Senator MASON—But you cannot predict the particular projects because they are particular projects and you cannot specify them until the review is completed?

Ms Paul—That is right.

Senator MASON—Where it says special appropriations, that is recurrent and capital?

Mr Robertson—Correct.

Senator BILYK—I want to go back to the Sporting Chance Program, the national Aboriginal sporting chance academies. Where are the projects? Do you have a list? How many are there all together?

Ms Paul—Can I just recap? You asked for the number of projects and where?

Senator BILYK—Depending on the number, whether I get the full list.

Mr Davies—I do not have the full list of locations. There are 54 academies now.

Senator BILYK—Are you able to give me some idea of locations?

Mr Davies—Yes; they are in WA, Northern Territory, South Australia, New South Wales, Victoria and Queensland. The girls academies that I mentioned include 10 new ones that have started this first semester in 2010. In the recent expansion, we have established 10 new girls sports academies. That was based on an open request for application across the country, so it was an open market thing. Out of that, we have four in WA, four in the Northern Territory, and one each in Queensland and Victoria. That brings the total of girls academies to 13, and about 900 girls are being supported each year in those 13 academies.

Senator BILYK—That is for secondary students, is that right?

Mr Davies—Yes.

Senator BILYK—Is there another program as well for primary students? The education engagement program projects, is that correct?

Mr Davies—Yes, the engagement ones are for both primary and secondary, but primarily primary.

Senator BILYK—How many are involved in that primary engagement?

Mr Davies—About 9,000 kids are in the five engagement projects, and those projects have multi locations so they can run activities in different communities and different schools. They tend to be a couple of days or a focused activity, and they bring in mobs of kids in and try to encourage them through that engagement activity to undertake further learning.

Senator BILYK—Are they based in all of the states and territory that you mentioned?

Mr Davies—Yes, they are spread across the country—correct.

Senator MASON—I have one to follow up from the previous questions from Senator Scullion about Wadeye. Of the three promised and projected facilities, Ms Wall, we have one confirmed site and two preferred sites, but no construction has commenced on either site. I was looking at an interview with Ms Macklin on 22 February this year when she was interviewed by a journalist:

Journalist: So how long would you expect before we see a remote boarding school?

Jenny Macklin: Well we certainly hope that the one in Wadeye will be underway shortly and up and running as quickly as possible. But as I say I gather there have been some problems with the site.

That is the one confirmed site. Are there continuing problems with the site?

Ms Paul—No. The initial site that was identified ended up being problematic, so we had to go back and identify an alternative site. That caused some problems at that time, but the site I referred to earlier is agreed. The lease is almost signed, and that is where the building will be. So no, there are no current problems.

Senator MASON—In a sense, you were able to secure a site in the last three months?

Ms Paul—Yes.

Senator MASON—That is quick, given the other ones have taken years.

Ms Paul—By ‘site’, I think we have a problem with terminology here. The complexity has been the identification of the location, meaning, for example, Warlpiri and East Arnhem: what community, what town.

Senator MASON—I understand that.

Ms Paul—Whereas ‘site’ in terms of Wadeye was what block of ground in the chosen location. The block of ground that was initially agreed became problematic for a number of reasons. I guess it was not quite as difficult because we knew the location.

Senator MASON—The general location, but with respect to the other two, there is still argument about the location—the town or the locality, put it that way?

Ms Paul—Yes, exactly; where in East Arnhem, where in the Warlpiri?

Senator MASON—Because this time you had a particular locality and it was a particular block of land within that locality?

Ms Paul—That is right. It was the block of land, yes. Could I also take the opportunity to respond to the earlier question about the actual site on Wadeye? I can confirm that the facility will be built on a 3.4 hectare block adjacent to the high school.

CHAIR—Was that one of Senator Scullion’s questions?

Senator MASON—Yes, it would have been. The nomenclature is boarding facility/school, but I understand what you are saying, that it is not a school per se, even though that term has been used by many people and, as you say, incorrectly. I appreciate that. I have another question on 2.3.

Senator WILLIAMS—With regard to 2.3, what does drought assistance for schools entail?

Senator Carr—I will defer to the officers on such a question.

Ms Wall—I will start while my colleague is getting her notes. Drought assistance has involved a number of different programs: some assistance to schools and some assistance to families. They operate under different programs. Do you want us to explain that package?

Senator WILLIAMS—Just give me an example of some of the drought assistance programs, if you could, briefly. I do not want to take up too much of your time.

Ms Phillips—One example of drought assistance for schools is a payment directly made through education authorities to schools involving the payment of up to \$10,000 for a school to use for a variety of activities, generally things like paying for school excursions and paying for additional activities; things that families might be struggling to pay for during the drought at the time.

Senator WILLIAMS—So it is an assistance package where communities are devastated with drought and the money is not in the community. If they want to go off to visit Parliament House, for example, there is some financial assistance for that?

Ms Phillips—Yes.

Ms Paul—It is all part of that broader drought assistance package.

Senator WILLIAMS—Why has the budget for next year taken the amount from \$20 million to zero, do you know?

Ms Phillips—What page are you on there?

Senator WILLIAMS—I am on page 57. In the drought assistance for schools there was \$20.066 million in the 2009-10 budget but the 2010-11 forecast budget is zero, yet there are still a lot of areas in drought.

Ms Wall—In terms of that funding, as I said there are various packages. That relates specifically to the funding assistance for schools.

Senator WILLIAMS—In drought areas?

Ms Wall—In drought areas. The funding assistance for families continues, but this particular measure was initially only a time limited measure for two years, I think. Last year it was extended for a further year. However, obviously given some alleviation of drought and the diminishing numbers of drought affected areas, but also given the very significant injection of funding into schools generally in the order of \$47.5 billion, it was decided that there were sufficient other financial supports for schools.

Senator WILLIAMS—Look at the situation of a school that comes to mind: Bundarra, just south of Inverell where I live. They have had a terrible drought for two years, with their second application for exceptional circumstances now. Surely if the program were continued, it might assist those children to get off to excursions and help with their education. This is concerning when there are still many areas in severe drought, unfortunately. Is there any assistance for these students now?

Ms Phillips—Payments to families remains. That was extended for another 12 months, so families will still receive the additional supplements.

Senator WILLIAMS—But that was there before, though.

Ms Phillips—It was part of the original—

Senator WILLIAMS—Along with the funding for schools in drought areas; but if the payments to families are still there, there is no change there, and there is certainly a change if this amount has been removed for school payments for those areas in drought?

Ms Paul—That is right. As Ms Wall says, that school would now want to look at the increases in funding that it is probably experiencing through a whole lot of other means because of the significant increase in funding over the past couple of years.

Senator WILLIAMS—Do schools have access to grants to assist in those programs?

Ms Paul—I am not sure about that particular school, and if you would like, we could take it on notice. For example, depending on what it is and where it is and who it is looking after, it may well be receiving money through some of the national partnerships and so on. If you would like us to take that question about that particular school on notice, we can.

Senator WILLIAMS—That would be good. I cite Delungra but there are many small regional areas, towns and small schools where obviously this would have been of great assistance to them. Now it is gone, and I am sure they have concerns about that.

Ms Paul—Yes.

Ms Wall—There is also often some contingency funding within the department of education for the jurisdiction to support a whole range of means which the school can draw on. As Ms Paul said, if we take the name of the school that you are interested in and follow up, we are more than happy to find that out for you.

Senator WILLIAMS—Yes, if you could please; they are Bundarra and Delungra.

Ms Wall—Okay.

Senator WILLIAMS—Even schools like Bingara and Barraba; those four would give me a good idea—Bingara, Barraba, Delungra and Bundarra.

Ms Paul—Whereabouts are they?

Senator WILLIAMS—In northern New South Wales; the New England and north-west plains areas, where there is severe drought, even though it was raining yesterday. Lots more would be very welcome.

Senator MASON—I have a few questions on the National Schools Chaplaincy Program (NSCP). On the DEEWR website, it says: ‘The Australian government will provide an additional \$42.8 million to extend the NSCP for all participating schools until December 2011.’ I understand that a consultation process is currently under way, first, by way of meetings with stakeholders, following which a discussion paper will be produced for comment. How is the consultation process going?

Dr Bruniges—I might begin, and then I will hand over to Dr Arthur. During 2010, our idea is to undertake that extensive consultation process involving all chaplaincy program stakeholders to look at options going forward. That consultation process has involved discussions with state education departments, service providers, independent and Catholic school sectors, parents and community organisations and other interested bodies. We intend to conduct that in three stages. The first one, which we are currently in, looking at April to June with a series of meetings with key stakeholders, is being conducted in each state and territory

to look at the issues that they raise and what they see about the effectiveness of the program. Stage 2 will go from about August to October, and a discussion paper will be drafted on the basis of information coming out of those original stakeholder meetings. In stage 3 in about November this year we will have an options paper for submission to government for its consideration.

Senator MASON—Is there a discussion paper in August to October, was it? What was the date?

Dr Bruniges—Yes, about August to October.

Senator MASON—August to October for the discussion paper, and the third is an options paper for government in about November?

Dr Bruniges—That is correct.

Senator MASON—What sort of feedback are you getting thus far?

Dr Arthur—The first stage of this process is just about complete. We have held discussions both with national organisations in Canberra and with state organisations in all states and territories. The feedback we have received has reflected the views of the various stakeholders that we have consulted. With your indulgence, I will not go to the identification of the views, but I will give a quick summary of them. The reason I am not doing identification is that this is a two-stage process—

Senator MASON—I do not need to know the identity; I just want to know what the views are.

Dr Arthur—That is what I propose to reflect. There are strong views in support of the program. Those who speak in support of the program tend to fairly generally express that it has, in their view, two major types of benefits: one is that it provides a student welfare support for students which is not directly linked to the authority line within the schools and therefore is more accessible both to students and parents for that reason; the other is that, because it does have in broad terms a spiritual element to it, they see value in that spiritual element itself.

Senator MASON—Could you say that again?

Dr Arthur—Those who support the program, the second major theme that they used in expressing that support is to say that their view is that a particular benefit of the program is that it does have an overtly spiritual element which is brought into schools through the program.

CHAIR—What does that mean?

Dr Arthur—In the course of these conversations and discussions, we had some lively discussions over the definition of spirituality.

Senator MASON—Or the meaning of God, Dr Arthur. That would be very good.

Dr Arthur—I am not likely to indicate to you that we reached a firm and definite conclusion on that. It was the subject of discussions in the consultations that there is interesting tension in the program between the fact that the program is seen as having value in bringing that spiritual element; on the other hand, the guidelines for the program and the code

of conduct for chaplains makes it clear that chaplains are not to engage in proselytising for a particular religious view as part of the program. I do not think I can assist you much more in terms of the meaning of spirituality.

Senator MASON—Do you mean by that particular religious view, denominational, that is, Christian denominational, or do you mean more broadly?

Dr Arthur—It is not really for me to try to define too carefully the meaning of that. I can say that those involved in the consultations in general, particularly those involved in providing chaplaincy services in government schools, did not express difficulty about being able to distinguish between a spiritual element to the program and the requirement not to engage in proselytising as part of the program. Some comments were made by those who were supporting chaplaincy services in faith based schools that there was a degree of discomfort expressed by some people within their communities about that element in the guidelines. Their view was that in those schools, being explicitly faith based, there was some uncomfortable reactions to be involved in a program which stated that the funds available under this program were not to be used for proselytising purposes.

Senator MASON—And some faith based schools would take the view that such school chaplains should not be barred from proselytising a certain denomination or religion?

Dr Arthur—Yes. However, I think the view of people involved in the administration of the program would be that, while they are engaged in activities which were specifically funded by taxpayer dollars, they should not be using those taxpayer dollars for proselytising activities. That is not to say that it is not appropriate that proselytising activities are occurring in their schools, but that was an appropriate distinction to maintain in terms of the objective of this particular funded program.

Senator BOSWELL—I cannot understand that. If you have a chaplain, and he is obviously a chaplain of faith, I can understand that he tries to sell the Catholics or the Baptists or the Church of Christ or whatever, but if he is espousing generally Christianity, are you saying he should not be doing that?

Dr Arthur—No, that is not what I am saying. I would report that in terms of the consultations, what I have reflected is that certain people involved in the consultations indicated that some members of their communities expressed this view. However, the representatives of all of the faith based organisations involved in the chaplaincy program indicated that their organisations were entirely comfortable with the guidelines and saw no difficulty in the program operating in accordance with its current guidelines.

Senator BOSWELL—What are the guidelines?

Dr Arthur—The guidelines state that a chaplain must not engage in proselytising activities.

Ms Paul—These guidelines were originally developed with a group of religious and other people from across a range of denominations, and it was broadly accepted at that time, including by the—who is the national group, Dr Arthur?

Dr Arthur—There are a number of national provider groups involved in this.

Ms Paul—No, the ones representing chaplains.

Dr Arthur—I will also add that this aspect of the guidelines has not changed since the program was first introduced under the previous government.

Ms Paul—That is right. That is really where I was going.

Senator MASON—Senator Boswell touched on an important point, and that is the definition of proselytising. For someone to say that to say spirituality would be okay, but to say a belief in a Christian God would not be okay?

Dr Arthur—All I can say is that these issues—

Senator MASON—Hold on. Let me make this question clear. In other words it is okay to, in a sense, proselytise spirituality—that is not in issue—but to proselytise the existence of a Christian God would be an issue? Is that right, Dr Arthur?

Dr Arthur—I am not in a position to recall the detail of the considerations that were gone into when this program was established under the previous government, because I was not involved at that time. However, the current guidelines reflect those discussions. The settlement of what the program was to do and the distinction between having spiritual elements and that chaplains should not engage in proselytising was an element settled by the previous government. That has not been changed since then.

Senator MASON—I am glad that you are comfortable with defining what proselytising is, but I find that hard. You perhaps have more of Saint Aquinas than I do. I am not good at that.

Dr Arthur—All I can say is that all participants involved in delivering the program, including those in faith based schools and those organisations providing these services in government schools, expressed themselves entirely content with the guidelines and with the description of activities that were not and were permitted under those guidelines.

Senator MASON—Sure. That is the answer, and it is a bureaucratic answer, and I expect that. That is fine, but it does not answer the question. In the background section of the website it says: ‘The National School Chaplaincy Program aims to support school communities that wish to access the services of a school chaplain or secular pastoral care worker.’

Dr Arthur—Indeed.

Senator MASON—Again, referring to Senator Boswell’s question, how does that fit in? You have determined that there is support for an overt spiritual element. I think that is what you said.

Dr Arthur—I said that those people in the consultations that expressed support for the program cited that as one of the reasons that they supported the program.

Senator MASON—Yes, one of the two. A secular pastoral care worker would not necessarily have that, would they?

Dr Arthur—No, although there were also lively discussions in parts of the consultation in terms of whether or not spirituality was or was not connected with particular religious beliefs. I do not have a view on that, as in terms of program manager. In terms of history, just to clarify this—and this has been canvassed at previous estimates, some time ago, and I do not have the detail of the dates in my notes—in the life of this current government, when it proved to be the case that some schools were having difficulty in securing the services of a

chaplain, the guidelines were amended so that if a school was unable to secure the services of a suitable chaplain, they could then secure the services of a secular pastoral worker, but the uptake of that option has been quite low.

Senator MASON—Can they simply choose to have a secular pastoral worker irrespective of whether or not they can obtain a chaplain?

Dr Arthur—No.

Senator MASON—They have to try to obtain a chaplain, and a default position is a secular pastoral care worker—is that right?

Dr Arthur—Yes, and in terms of the history of this program, as you will recall, this program was created with a set budget, and there were a number of application rounds. Most of those application rounds were very well advanced before this option was made available. There has not been a reopening of applications under the program. So, there are not opportunities now for schools to change their current position. They have a chaplain; there are contracts currently in place. One of the issues before the consultation process and before government will obviously be: does it continue the program so that it essentially services only those schools who applied when the program was first introduced, or does it open the program to new schools? That is a policy question that will be before government in due course.

Senator MASON—Will the program be extended beyond December 2011?

Senator Carr—That is a matter for the government to determine.

Senator MASON—I think we have had this discussion before.

Senator Carr—We have, and my answers have not changed.

Senator BILYK—That is why the review process is going on.

Senator MASON—The essential nature and purpose of the program will not be changed?

Senator Carr—I have just heard that a review is under way.

Ms Paul—That is all part of this consultation process.

Dr Arthur—At the moment, I have only canvassed the views of those who support the program. I have not canvassed the views of other people in the consultations, but I am entirely in your hands as to how we proceed.

Senator BOSWELL—You have told us that the government is going to review the program in 2010. Who will do the review?

Dr Arthur—Before you came in, Dr Bruniges outlined the process, which is as stated by the government. We are engaging in a two-stage consultation process whereby we are first consulting, and we have just about completed that stage of the process, with all stakeholders. On the basis of that consultation with stakeholders, we will develop a public discussion paper which will canvass a range of options and commentary concerning the program emerging from that first stage of consultations. We will publish that discussion paper on our website, and then engage in a fully public discussion process. At the end of that, in about November this year, an options paper will be put to government.

Senator BOSWELL—The report will be at the end of the year?

Dr Arthur—November is our current time frame.

Senator BOSWELL—Who did you say is doing the consultation?

Dr Arthur—The secretariat for the consultation process is being provided by the office of the department in South Australia that administers the chaplaincy program.

Senator BOSWELL—But who will actually do the consultation?

Dr Arthur—In terms of who has been doing the conversations with the stakeholders, that has involved staff from the South Australian office; it has involved the state director for South Australia, and it has involved me.

Senator BOSWELL—So you will not get an independent consultant; you will do it yourselves?

Dr Arthur—This is a departmental program. We are having a process to review that. It is a normal, open consultation process where the secretariat is being provided for that review by the department.

Senator BOSWELL—You have said that generally stakeholders are being consulted, but who is being consulted?

Dr Arthur—Yes. It has involved broadly all of the education departments around Australia; it involves consultation with all of the major non-government schools organisations, and therefore both the national Catholic organisations and the local Catholic education commissions to the extent that the local Catholic education commissions wish to be directly consulted. It has involved consultations both with the independent schools associations and with the systems or the groupings which exist with the independent sector, such as the Australian Council for Islamic Education in Schools, the Australian council of Jewish schools, Youth for Christ, Fusion Australia, ACCESS Ministries, a range of chaplaincy providers that naturally includes some of those I have just gone through, ACCESS providers, Scripture Union, parent bodies, both nationally and in states and territories, union organisations both nationally and in the states and territories, and people who have expressed an interest in the program and have sought to be involved in the consultations such as one called the Australian National Secular Association—ANSA. We can certainly provide you with a list of all the people who have been involved in the consultations, both nationally and in the states and territories. I do not have it with me just now.

Senator BOSWELL—That is all right.

Senator MASON—Are the sceptics seeking to be engaged on this?

Dr Arthur—The Australian National Secular Association has certainly been involved.

Senator MASON—It is a broad and eclectic group?

Dr Bruniges—I do not think that is the sceptic group.

Senator MASON—I do not know. That is a different issue.

Dr Bruniges—I think that is a different organisation.

Senator MASON—Secular is different from sceptic.

Dr Arthur—A sceptic is a different term. It has a long history in philosophical discourse going back to about 350 BC.

Senator MASON—Dr Arthur, I thought you had a touch of the Aquinas—I think I am right.

Senator BOSWELL—The report will go down, and you will report back to the government by the end of November?

Dr Arthur—That is the current plan.

Senator BOSWELL—When will the government say yes or no, Minister?

Senator Carr—What will it say yes or no to?

Senator BOSWELL—To the report.

Senator Carr—The government will consider the report in its normal manner. I have not seen the report. I cannot give an opinion on it.

Ms Paul—The timing we anticipate is during 2011 because this is about the future of the program from 2012 and beyond.

Senator BOSWELL—Thank you.

Senator BILYK—Could you tell us about the reach of the current chaplaincy program into areas of need?

Dr Arthur—The current program is essentially being delivered in those schools which applied. I was not involved at the time, but my understanding is that there were some thoughts when the program was being rolled out that there would be a need to target the program to schools in particular need, and some consideration was given as to how to do that. In the end, the applications that came in for eligible chaplains pretty much equalled the funding that was available. The current program provides services on the basis of those schools that applied. There is no overtargeting in terms of need. The issue of how to target the program for schools on the basis of need was canvassed in the consultation process we have just been through. If a government were to continue the program and to reopen it for applications, on the basis of the consultations we have had to date, it would seem likely that more schools would want to apply in the future than applied when the program was first introduced. For example, the program has a very low participation at the moment in government schools in New South Wales, and that appears to have reflected certain issues that were around at the time the program was rolled out.

There was no consensus in the consultation process on what might be an appropriate measure of need. Some people consulted certainly felt that the program could well be targeted to schools which have a high proportion of students from a low socioeconomic status background, as indeed are a number of other government programs. There were other views that the student welfare needs, the student wellbeing needs, and particularly the psychological wellbeing needs which the chaplaincy program was particularly intended to address, were not necessarily correlated with high concentrations of SES. As I say, there were different views on that. Views were expressed that it would be more appropriate to concentrate the program on primary schools as opposed to secondary schools, because primary schools by their size had less discretionary income to provide these kinds of services without a specific government

program. On the other hand, there were also views that high schools tended to have more acute forms of wellbeing needs that need to be addressed by a chaplaincy program. So, there was no consistency of view in the consultations on that issue.

CHAIR—I have some questions about the Supplementary Funding for School Operations. What has been spent on that, and where and on what?

Ms Paul—Certainly.

CHAIR—Ms Horrocks, I understand that the program is \$4 million a year over the next four years.

Ms Horrocks—That is correct. It started in 2008.

CHAIR—What money has been expended at what locations so far?

Ms Horrocks—Certainly. Four schools, including three in Victoria—did you want me to name those?

CHAIR—Yes?

Ms Horrocks—Adass Israel School, Yeshivah-Beth Rivkah College and Yesodei Hatorah College, all in Victoria, and the Kesser Torah College in New South Wales received an amount relevant to the \$4 million annually, dependent on their per capita enrolments. In 2010, the entitlement for Adass is \$1,016, 213.75; for Yeshivah-Beth Rivkah, it is \$2,068, 965; for Yesodei Hatorah, it is \$261,703, and for Kesser Torah, \$653,170.

CHAIR—What is the money for?

Ms Horrocks—The funding was provided to take into account special circumstances for the families at those particular schools. For example, for Orthodox Jewish schools, due to their culture and their faith, they often live in areas close to community and to support, and also to their religious support. Sometimes that does not reflect their actual capacity with regard to income and other sources. Also, the other issue is that—

CHAIR—How is that paid? Is it actually paid to families?

Ms Horrocks—It is paid to the schools under a separate funding agreement.

CHAIR—To families?

Ms Horrocks—To the schools.

Ms Paul—The schools argue that their costs were higher for this range of reasons, as I understand it.

Ms Horrocks—Also, Orthodox Jewish families generally have larger numbers of children within their family. That was another of the cultural issues.

Senator JACINTA COLLINS—So it is not about the security issues of the schools?

Ms Horrocks—No.

Senator JACINTA COLLINS—That was different funding?

Ms Horrocks—I think you might be referring to the Secure Schools Program which is through the Attorney-General's Department, to my knowledge.

CHAIR—Is this the totality of schools or are more schools going to receive funding?

Ms Horrocks—Yes.

CHAIR—So those same schools will again share \$4 million until the \$16 million is up?

Ms Horrocks—Yes, dependent on their enrolments.

CHAIR—How many students all up?

Ms Horrocks—I do not have my calculator, and Senator Mason is not here—

CHAIR—I do not think he would like you describing him as a calculator.

Senator JACINTA COLLINS—I am sure we can work it out.

Ms Horrocks—I will give them per school, if that is okay.

CHAIR—No, that is all right.

Ms Horrocks—From the 2009 enrolments, based on the August census, it is 445 for Adass, 906 for Yeshivah-Beth Rivkah, 114 for Yesodei Hatorah, and 286 for Kesser Torah.

CHAIR—What was the total figure of students?

Ms Horrocks—I will defer to my colleague.

Mr Robertson—We have added that up to 1,751.

CHAIR—Okay, 1,751 and \$16 million. I want to ask a little bit about the Parliament and Civics Education Rebate, PACER. I guess the throwaway line we hear a lot from some is that this is a nice little rort for private schools to drop into Canberra on their way to a week in the snowfields in Thredbo, and it helps to subsidise that. Is there any evidence of that?

Ms Paul—I have not actually heard that one.

Dr Bruniges—I have not, either, but as you know, PACER actually supports civics and citizenship education by subsidising our school excursions to Canberra to do a number of visits to Parliament House.

CHAIR—Do not get me wrong; I think that is a very good thing.

Senator Carr—What, to have rorts? Do you think rorts are a good thing?

CHAIR—If the purpose is to actually do the civics experience as opposed to simply a drop-in tour, quickly out of the bus, back on the bus, and keep the bus engine running on the way up to—

Senator Carr—I see.

Ms Wall—They generally have to spend a week here.

CHAIR—They have to spend a week? Can you just run through those criteria for eligibility?

Senator Carr—It is very popular, if I recall.

Ms Wall—It is very popular.

CHAIR—I am glad you have put to bed that terrible assertion that has been made to me.

Dr Bruniges—I might ask Ms Davy if she has some details there to share with you.

Additional witness:

Ms Janet Davy, Group Manager, National Curriculum, Assessment and Reporting, Outcome 2—Schools, National Curriculum, Assessment and Reporting

Ms Davy—In regard to your first query about non-government/government, our figures over the last three years that this has been running suggest that about 60 per cent of the schools come from the government sector, about 20 per cent from the Catholic sector, and about 20 per cent from the independent sector.

Senator JACINTA COLLINS—How does that reflect the population?

Ms Davy—That is a fairly reasonably close mix in terms of the enrolment data around government and non-government. As to the criteria, schools have to apply before they actually come on the excursion. They have to meet some eligibility requirements. The first is that it actually has to be part of a school civics and citizenship education program. They have to demonstrate that they have actually incorporated some learning about civics and citizenship education in their school before they have actually come on the excursion. They need to visit three sites: Parliament House, Old Parliament House and the War Memorial. So they must satisfy those criteria. Of course, we encourage them to go to other places as well. It is available for students between years 4 and 12. It is only available for schools with students that are travelling more than 150 kilometres away from Canberra. There is a bit of a sliding scale for the rebate. The minimum amount of the rebate is \$20 per student if they are between 150 and 499 kilometres away, and it goes up to about \$260 per student if they are greater than 4,000 kilometres away.

Senator Carr—How many students have taken it up, or how many schools?

Ms Davy—In this financial year, up until the end of April, we have supported 1,805 schools with a total of 92,556 students. The PBS talks about an estimated—

CHAIR—Is this a capped program?

Ms Davy—Yes, it is a demand program, and certainly there is a budget element against it of about \$4 million each year. The guidelines clearly state to get your applications in early and it is first in, first served. Having said that, since it has been operating from 2006, we have managed to provide the rebate to every school that has applied.

CHAIR—And spent the budget allocation?

Ms Davy—And spent the budget.

CHAIR—That is a good fit. Are they required to actually go through the Parliamentary Education Office program here in this building as part of that?

Ms Davy—Yes, they are. They have a choice. They can do both, but in terms of Old Parliament House, they have to be part of the Museum of Australian Democracy or they have to visit the National Electoral Education Centre. Each of those programs has a distinct education program attached to it.

Senator Carr—And members and senators get to talk to them.

Ms Davy—Yes.

Senator Carr—I can see, Senator Marshall, you have taken up the offer on many occasions.

CHAIR—I have on the odd occasion, but I have never been asked back, though.

Senator BILYK—With respect to the autism program, Helping Children with Autism package, are you able to explain the elements of the package?

Ms Wall—DEEWR is responsible for two elements of the overall package. The entire package itself is managed through the Department of Families, Housing, Community Services and Indigenous Affairs. The two elements for which DEEWR is responsible consist of professional development for teachers and workshops and information sessions for parents and carers. To date we have supported about 3,000 parents in face-to-face workshops, and about 1,700 teachers nationally through professional development. As well, the website that has been developed as part of this has 12,000-odd registered users who go online and pick up information and get further details about how to work with kids with autism.

Senator BILYK—Autism is a fairly broad-ranging spectrum.

Ms Wall—A very broad spectrum.

Senator BILYK—Is this program specifically about a particular element of the spectrum of the disability?

Ms Wall—No, it covers all elements of the spectrum of autism. One of the really nice benefits of this program is that parents and teachers have reported back that the work and information and learning they have gained from the workshops have actually helped them deal with other issues that they are facing in the classrooms with their own children. So, although it is targeted at autism, it is actually being more beneficial to some other programs as well.

Senator BILYK—Is this an ongoing program?

Ms Wall—The package is a five-year package. This element is for four years. We are just completing the end of our second year and are moving into the next two years.

Senator BILYK—You said that there has been close to 1,500 teachers and other school staff attending professional development courses. How many of those courses were there? Were they run in each state?

Ms Wall—They are run nationally in every state and in regional as well as urban areas. I can get you more detail if that would help.

Senator BILYK—That would be good. I would be very interested in that, as well as for the carers. Can you give me a breakdown by state?

Ms Wall—Yes.

Senator BILYK—If you could take that on notice, that would be great.

Dr Bruniges—The importance of that professional learning component is really critical so that teachers are able to identify particular characteristics in students in the classroom.

Senator BILYK—Yes, it is a tough working area.

Dr Bruniges—People who have worked in autism units know how critical that professional learning is, not only for the identification of students but also the support and the ways in which learning is best suited to students with a particular need. So, from both, I

guess, a pre-service end and an existing support for teachers in the workforce, that professional learning or professional development component is really quite a central and very important feature.

Senator BILYK—It is very important, yes. I am pleased to see that we are running it and we are offering it, and that it is continuing on. Also, I wanted to ask a couple of quick questions about the National Asian Languages and Studies in Australian Schools, NALSAS, program. Can you update the committee on the programs and initiatives being put in place through the grants to schools aspects of the program?

Ms Davy—Yes. In regard to the grants to schools element, it is one of four elements of the NALSAS program. It is a grants program direct for schools. The Asian Education Foundation is the service provider; we actually contract them to administer the grants program. It is an annual grants program. In 2009, which was round 1 of the program, we had 86 successful projects which involved 141 schools. Some projects actually work together as schools join together.

Senator BILYK—If they have small numbers or something?

Dr Bruniges—It might be, or it might be as part of a delivery so that you might have a critical mass of some language teachers, and they are able to use digital technology to be able to connect other clusters of schools, or it might be one secondary school linking to some feeder primary schools. The mix is quite different. The purpose for doing them can be quite different as well.

Ms Davy—For example, I came from the ACT, and I know that the Lanyon cluster, Lanyon High School with quite a number of its feeder primary schools, were successful with one of the grants for the 2009 round. They were looking at the promotion of Japanese within the school. They are actually looking at using the funds to support the hiring of a teacher which would allow them to continue the teaching of Japanese from the primary school into the high school area. They are some of the sorts of examples that schools use.

Senator BILYK—Did you tell me how much it was worth?

Ms Davy—No. Individual schools can apply for a grant of up to \$20,000, and clusters of four to five schools can apply for up to \$40,000. In terms of the total amount of funding for that particular part of the program, in 2009, which was round 1, we expended \$1.8 million to those 86 projects. In round 2, we have an available allocation of \$2.9 million. Round 2 has just closed. We are currently assessing 369 applications for that \$2.9 million.

Senator BILYK—Is that open to all schools to apply?

Ms Davy—All schools, government and non-government, primary and secondary. I can give you an indication of the numbers per state.

Senator BILYK—That would be excellent; thank you.

Ms Davy—For round 1, which was the 2009 round, there are 44 schools in New South Wales that have received the grant; 33 in Victoria; 27 in Queensland; 14 in WA; 11 in South Australia; six in Tasmania; two in the Northern Territory; and four in the ACT, which totals 141 schools. As we said before, some of those are clumped together in cluster projects.

Senator BILYK—Do you find that smaller schools apply?

Ms Davy—I would have to go back and check this, but I would expect that we are getting more clusters of schools applying—and that high school-primary school model. One of the big issues we have in languages education is the continuity of the same language learning from the primary school to the high school.

Senator BILYK—I was thinking about the regional areas where it is probably harder to get teachers.

Dr Bruniges—We could have a look maybe at the kinds of schools that have applied and how many are in clusters. I certainly think that this component has created the licence for schools to innovate in a whole range of areas, to look at the importance of both the professional learning of teachers and how they might deliver, how they craft curriculum resources and how they link to their communities. As Ms Davy has pointed out, that clustering often comes from a really positive response to gain things like continuity of language learning between primary and secondary schools.

Senator BILYK—I know that my children, who are now adults, did a different language every year until they got to high school, so that was a bit frustrating. What are the universities doing?

Ms Davy—Another element of the NALSAS program is something we call a Strategic and Collaboration Partnership Fund. It is open to universities as well as other academic providers, community organisations, et cetera. Again, it is an annual application round process. The bucket for this is up to \$500,000, so they are quite significant, strategic national partnerships. Again, in round 1 of that partnership fund in 2009 we have seven projects for a total of \$2.75 million.

Senator BILYK—Which universities are they at?

Ms Davy—Many of them are consortiums. There is a project which is looking at in-country Indonesian student support, and that is a consortium of 19 university members all working together with two European universities to look at how they can do greater work around teacher immersion in the Indonesian language. One is led by Deakin University with a consortium of the Ministry of National Education of Indonesia and the Victorian Indonesian Language Teachers Association. Obviously their primary target is the language of Indonesia and looking again at teacher supply and support. There is a consortium led by the ANU which is working with the University of Canberra and the University of South Australia. Again I had a little bit of involvement in that when I was back in the ACT. What we were trying to do in that particular project was to link a teacher training university, like the University of Canberra, with a language expert university like the ANU or the University of South Australia, and see different ways that you could actually support targeted or expert language education as part of the preservice training of teachers. Another one is led by the University of Melbourne looking specifically at developing online Chinese materials for teachers. Again, that is a partnership with the ANU. There is a project led by the University of New South Wales which is about establishing a centre for excellence for Korean languages. That project is looking at trying to get a national hub for the development of teacher support materials, teacher professional development, promotion of Korean languages in schools and a bit of research into the teaching and learning of the Korean language. That has a large consortium with Curtin University, the ANU again, the Korean Language Teachers Association and the

Korean Studies Association of Australasia, and part of that consortium is the Seoul National University in Korea itself. The last of the seven 2009 national projects is led by the University of Tasmania—

Senator BILYK—Last but not least.

Ms Davy—That is working with the Tasmanian education sectors and also linking up with a university in Indonesia, a university in Japan and the University of Shanghai in China. That is actually trying to focus on the in-service of teachers in those three languages within Tasmanian schools.

Senator BILYK—I have some other questions on a couple of other areas still in the same program. I refer to Local Schools Working Together, LSWT. Is this a pilot program?

Ms Horrocks—Yes.

Senator BILYK—It is to support construction of 26 shared school facilities between government and non-governmental schools—is that right?

Ms Horrocks—That is correct.

Senator BILYK—Can you update the committee on the state of the program?

Ms Horrocks—Certainly. As you said, 26 projects are being funded. There were two rounds. Round 1 opened in September 2008 and closed in October 2008. There were 15 successful projects under that for a total of \$31.7 million. Round 2 opened on 1 April 2009 and closed on 22 May 2009. There were 11 successful projects under that for a total of \$24.1 million. To date, funding agreements have been signed for all 15 round 1 projects and initial payments have been made. Eight projects have also received milestone payments. Funding agreements have been offered to seven round 2 projects; six funding agreements have been executed and the corresponding initial payments are being processed. It is anticipated that eight round 1 projects and two round 2 projects will be completed in 2010. To date, invoices totally \$16.8 million have been paid or are currently being processed.

Senator BILYK—Are you able to tell us about some of the collaboration between the school sectors? I am particularly interested in rural and regional areas.

Ms Horrocks—Yes. In regional areas, there are 11 projects over the two rounds and four in rural communities.

Senator BILYK—In what areas are they?

Ms Horrocks—Do you want them by state?

Senator BILYK—If there are 11, can you tell me where they all are?

Ms Horrocks—Okay. I have them by state, but not by region or within state, if that is all right?

Senator BILYK—Yes.

Ms Horrocks—In New South Wales, there is Eagle Vale High School, which partners with Mary Immaculate Parish Primary School and the Claymore Public School. That is to support participating schools in an arts program while enabling and encouraging ongoing quality community wide performance projects. Do you want me to go through them all?

Senator BILYK—Yes, that would be good, thanks.

Ms Horrocks—The Plumpton High School, which is partnered with the Australian Islamic College of Sydney and the Good Shepherd Primary School in New South Wales, is to construct a performing arts and multifunction centre. That includes technologically advanced projection, light and sound facilities, video links to external venues, rehearsal rooms for music, tuition and practice, and appropriate service facilities. In Victoria, Box Hill High School is partnered with the RMIT University School of Education and the Deakin University to construct a science and technology hub for teaching and learning suitable to the digital age. It is to provide real world science programs as well. It will initially cater for local primary and secondary students with the scope to extend throughout Australia.

Sebastopol College, in Victoria, is partnered with Redan Primary School and Sebastopol Primary School. They are developing a community multiuse precinct comprising a fitness workout centre, flexible learning spaces, change rooms, community meeting rooms, kitchen, a rehearsal and performance area and an occasional childcare facility.

Edenhope College, in Victoria, is partnered with St Malachy's School for the installation of a synthetic turf oval that enables partner schools and the local community to access an athletics track and sporting field. It will include a sprint track and will also have scope for distance events. The inner oval will cater for sports such as soccer, hockey and volleyball, and will include a long throw area.

The Ivanhoe East Primary School, in Victoria, is partnered with Mother of God Primary School to construct a multipurpose learning facility that complies with sustainable energy standards. It will incorporate a performing arts centre and a before and after school care program. Undurba State School, in Queensland, is partnered with Living Faith Lutheran Primary School and the Pine Rivers Neighbourhood Centre to construct a multipurpose facility which will feature a stage, lighting and sound systems capable of high-quality performing arts. There is a flexible flooring design to enable a range of activities not limited to performance, sports and arts activities. The facility will also contain a kitchen, an ICT area, breakout rooms, a neighbourhood centre, storage and amenities areas, and it has been designed to accommodate both large and small groups.

The School of the Nativity, the Thiele Primary School and Pilgrim School, in South Australia, have a project to construct a state-of-the-art performance and technology centre housing two music classrooms, a media hub containing computers and a sound house, and integrating ICT and music. It will see the students able to digitally record their music and give students the capacity to transmit across campus through a radio station. Additionally, the centre will include three purpose-built soundproof music suites for individual tuition. The centre will be self-contained and secure and it will enable after-hours operations.

The St Columba College is partnered with Andrews Farm pre-school and the City of Playford, in South Australia, for the construction of a community gymnasium which will include a full-size multipurpose court built to international standards, a weight training area, gross motor skill developments space, change rooms, offices, meeting rooms, kitchen, storage areas, furniture and equipment, and a car park. It has been designed for value for money, making extensive use of locally manufactured prefabricated components to minimise transportation and to promote local employment. The building is solar passive, minimising

heat gain and naturally ventilated to eliminate the need for air conditioning to reduce the lifecycle costs. Sunlight and rainwater will be harvested and utilised throughout the centre. In Western Australia, Meridian senior high is partnered with Northam Senior High School and Central Midlands Senior High School.

CHAIR—We might get you to put the rest on notice.

Senator BILYK—I know time is running out but I was very interested in the broad range of facilities being built and the fact that there is actually going to be some community input usage, with neighbourhood centres and occasional childcare facilities.

Ms Horrocks—That was the aim.

Senator BILYK—Especially in regional and rural areas, that has an extra depth of importance to it. Thank you.

[11.55 am]

CHAIR—Are there any more questions on 2.3? If not, we will move to program 2.8: Smarter Schools—Low SES School Communities National Partnership.

Senator MASON—I have four sets of questions. I refer first to 2.8, the Western Australian independent public schools program. On the Department of Education in Western Australia website there is a column regarding independent public schools. It states as follows:

The creation of Independent Public Schools from 2010 is an exciting new development in Western Australian public education. The first intake of Independent Public Schools began operating in 2010.

... ..

These schools have more ownership of overall school direction, teacher selection, education programs, values/ethos and discipline, and behaviour management. Principals and staff have more authority and freedom from central policies, procedures and compliances. However, there are strict accountability measures in place.

Are you aware of this program?

Dr Bruniges—Yes, I am.

Senator MASON—Does the federal government contribute towards the costs of the running of this program?

Dr Bruniges—My understanding is that it is a Western Australian government initiative. About 34 independent public schools were established in 2010, but it is an initiative of the Western Australian government.

Senator MASON—It is an initiative of the Western Australian state government and they pay for it?

Dr Bruniges—Yes, that is correct.

Senator MASON—Why then did Ms Gillard claim, regarding the proposed coalition funding cuts in education, that the federal government indeed contributes to this program, and therefore the proposed coalition cuts to education funding will put this Western Australian program at risk. She said that coalition cuts would affect initiatives like the one in Western Australia where public school principals are being allowed to run their school more like an

independent school, with more say and more empowerment. So, in fact, coalition cuts would not have any effect on that at all, would it?

Ms Banks—The initiative of principal autonomy or increasing school decision making is one of the reform areas of the National Partnership on Improving Teacher Quality. Increasing school decision making about recruitment, staffing mix and budget allocation to school level is one of the reward payment areas. The contribution is not an upfront payment. In a number of areas there are facilitation payments which are upfront payments, but it is in fact a process of reward payments for those states and territories that meet the requirements of the reward areas, of which this is one.

Senator MASON—We heard the evidence before that in fact it is funded by the Western Australian state government. That was the evidence. Are you saying that is wrong?

Ms Banks—No, I am not saying that is wrong. It is one of the activities for which the state government—

Ms Paul—Might be using that national partnership, so the reference is about the quality teaching national partnership. It is those sorts of activities which can be rewarded under that partnership.

Senator MASON—But it is funded by the state government?

Ms Paul—It is joint, so the national partnership—

Senator MASON—It might be joint, depending—

Ms Paul—But the national partnership funding comes from the Commonwealth.

Senator MASON—Yes, the Commonwealth might contribute; is that right?

Ms Paul—The national partnership funding comes from the Commonwealth. This is an activity which the state might be using to try to access the Commonwealth reward funding.

Senator MASON—Yes, it might be; that is my point. It might, but not necessarily.

Ms Paul—We would have to check.

Senator MASON—That is why I asked the question.

Ms Paul—I appreciate that. WA may or may not have already made motions towards the national partnership, and we can find that out for you. Either you are right and it has just not yet been decided or they actually have made some approach to us, but I am not aware of it.

Senator MASON—So Ms Gillard has gone out on a limb, because I cannot see any evidence that any money has gone in from the federal government here.

Ms Paul—It is just that that is precisely the sort of activity which comes under the national partnership. It is the principal autonomy area and so on which you have been interested in, but that is exactly the sort of activity that is to be rewarded under that partnership.

Senator Carr—I take it that you have been briefed on the coalition's proposed cuts to schools?

Senator MASON—According to the evidence this morning, it will have no effect on this at all.

Senator Carr—But how much money are you going to take out of the schools program if you ever win election?

Senator MASON—The point is it will have no effect on this at all, Minister.

Senator Carr—Can you tell us how much?

Senator MASON—Absolutely. The evidence thus far is that the Western Australian state government pays for it. That is the evidence.

Senator Carr—But how much money is the Liberal Party going to take out of schools?

Senator MASON—Therefore, if they are paying for it, the Commonwealth contributions make no difference. That is the evidence.

Senator Carr—How much money are you going to take out of schools?

Senator MASON—It depends if we can afford to pay for them, Minister, after you have bankrupted the country.

Senator Carr—So you are intending to cut the schools programs; is that true?

Senator MASON—Do you know what we are going to try to do? Get good value for money after you have trashed the entire system.

Senator Carr—Are you going to cut the schools program? Mr Hockey—

Senator MASON—You can make some apologies about that later on.

CHAIR—All right.

Senator Carr—Mr Hockey has said today that there is an intention to actually freeze school funding, to cut back the overall amount of money that is available for schools.

Senator MASON—To cut back the failure by you to administer Commonwealth money appropriately, and it has cost this country billions of dollars. That is the problem. That is what the Auditor-General says. That is what Mr Orgill is worried about on the front page of the *Australian* today. That is what everyone in the country, except you and the government, is concerned about. Do you understand that, Minister?

CHAIR—All right. Senator Mason!

Senator MASON—Or is it okay to spend \$16 billion and waste a quarter of it?

Senator JACINTA COLLINS—Senator Mason!

CHAIR—There is no correlation between volume and anything else, really. Let us get back to questions.

Senator MASON—Anything else to add on that, Ms Paul?

Ms Wall—We would need to check the details of those individual schools, and we can do that. My understanding is that, as Ms Banks said, the teacher quality initiative comprises both facilitation and reward funding. I believe that some of those schools are using Commonwealth facilitation funding for this initiative, and my expectation is a number would expect to receive reward funding should they—

Senator MASON—But we do not know they are.

Ms Wall—I do understand at least some, if not all, are receiving facilitation, and I can check that.

Senator MASON—Thank you. I have questions on the Low SES Schools Communities National Partnership.

CHAIR—Sorry, I should have announced at the beginning that we are doing 2.8 and 2.9 together in this bracket.

Senator MASON—I understand that. I think this is 2.8.

CHAIR—All right. Just move between 2.8 and 2.9 as you so wish.

Senator WILLIAMS—Mine is the same.

CHAIR—Okay. Did you want to go now, Senator Williams?

Senator MASON—The Smarter Schools—Low Socio-Economic Status School Communities National Partnership is providing \$1.5 billion over seven years to facilitate a range of within school and out-of-school reforms to address the learning needs and wellbeing of students in low-SES school communities. The *Age* reports on 24 May 2010 that, at least in Victoria, there is concern about the way the state government is implementing the program, another one of these partnerships:

Figures obtained by *The Age* under freedom of information laws show that almost 70 of the state's poorest schools will have to wait months, if not more than a year, to get much-needed funds to employ literacy and numeracy coaches, improve teachers' skills, or provide extra welfare services for the most challenging students.

And further:

The money trail shows that the state education department has chosen to cluster many schools into groups—and allow one school to act as “the banker” and hold the money for the group—rather than give each school individual funding.

Are you aware of the newspaper report?

Ms Wall—Yes, we are.

Senator MASON—Does the department consider it a good enough outcome that the needier schools are still waiting for funds three or four years into the program?

Mr Davies—As you would be aware, the arrangements between the Australian government and the states allow, for the first time, a long period for reform to take place and some assurance of government support for states' initiatives to undertake reform initiatives which take time, as we know. The low-SES national partnership guarantees funding for four years for schools when they come on board. The whole relationship between the Australian government department and the states across the three sectors has been one where it has tried to really establish a reality based approach to reform with the sectors. Consequently, we have negotiated with the states for when schools come on stream under the national partnership that suits the states' priorities and reform efforts, and really—

Senator MASON—Sure, but are you concerned that it has taken three or four years for needier schools to get the money, or do you not care?

Mr Davies—We think the most appropriate way to ensure reform is done properly is that it is built up from the school community basis with the education department, with the Catholic sector, and the independents, and yes, in some cases that means the best time to allow the money to flow to the school is when they say their reform program allows it.

Senator MASON—What is the Commonwealth department doing about it to ensure that the money gets to the schools?

Mr Davies—To ensure that it gets to the school, our relationship with the state education authorities is one which guarantees those funds are managed by the states, the education sectors, and they support those school based reforms. Some of them—

Senator MASON—You are trusting the states to do the right thing?

Mr Davies—Correct. This partnership relies on a trusting relationship.

Senator MASON—That is the problem, here and elsewhere; you are trusting the states to do the right thing.

Mr Davies—We also have rigorous monitoring procedures. We have progress reports. We have annual reports.

Senator MASON—What are your monitoring procedures saying about this? In other words, what have you done?

Senator JACINTA COLLINS—Senator Mason, just wait for a moment.

Senator MASON—What have you done?

Ms Wall—In terms of context, this a seven-year national partnership. As Mr Davies said, schools are funded for four years, so it is staged. We will have a group of schools starting this year, a group of schools starting next year et cetera for their four-year, if you like, intensive investment. Of course there will be some schools that have been identified as a national partnerships school.

Senator MASON—As needy?

Ms Wall—Yes, exactly, that will not actually be in the first tranche this year. I think that is the issue here. They will be getting that funding next year or the year after. Some schools are certainly getting the money right now, but they are a group that will not, and that is the nature of the staged reform. In terms of us satisfying ourselves that they are getting the money, we are doing that through a variety of ways.

Senator MASON—Are they getting the money in a timely fashion; that is my point?

Ms Wall—Yes.

Senator MASON—I am not saying they are not getting the money. In the end, it may be one year or 10, but my point is, what are you doing to ensure that the money gets to these kids in a timely fashion?

Ms Wall—We have negotiated that with the state in terms of their identifying how many and which schools will come on when. We are monitoring that, as Mr Davies said, through regular reporting, but also part of the funding is a requirement to have a school plan which

identifies the Commonwealth funding. That will be quite explicit, and that will be publicly on websites.

Senator MASON—What sanctions do you have if they are not complying with your directions?

Ms Wall—As with any agreement, we have the option, if we are not satisfied, to withhold funding.

Senator MASON—Hold on, after you have given the money to the states, you have given the money to the state government, you cannot get it back then, can you?

Ms Wall—We are not giving all the money upfront.

Senator MASON—No, but the money you have already given, you cannot get that back, can you? No, is that right—no?

Ms Paul—I do not know whether the Commonwealth has that power, but it would usually be withholding future payments.

Mr Davies—There is a facilitation payment under the Low Socio-Economic Status School Communities National Partnership. Unlike the reward payments, both for teacher quality and literacy and numeracy, which are clearly tied to performance targets and improvements, the whole nature of the low socioeconomic status communities reform is one which is a facilitation. The government recognises that, to gain the kinds of reforms in school communities, you need to invest and allow time for those relationships and change behaviours and change practices, improved capabilities to grow. This NP is facilitation all across the seven years, whereas in the other two, there is a facilitation stage and then switching to reward payments.

Senator MASON—Fine. This is the problem, Mr Davies. This context and others is about, as you say, that you have to trust the states. The experience over the last little while would suggest that may be unfortunate.

Mr Davies—We probably have a balance—

Ms Paul—We are going to have school-by-school plans here, and we will know precisely what they are doing. But Mr Davies may want to extend that.

Senator MASON—Who is responsible if there is an inordinate delay in the money getting to these kids? Who is responsible, the Commonwealth or the states?

Ms Paul—I think it is a partnership, so we both care about it.

Senator MASON—Both?

Ms Paul—Yes, we do.

Senator MASON—Both responsible?

Ms Paul—We certainly care about the money getting to the schools in a timely way.

Mr Davies—We have some rigorous—

Senator MASON—Let me just summarise, so the Commonwealth has to trust the states, but you are both responsible?

Ms Paul—The states are responsible for the funding under the partnership. We have actually had a few examples in the national partnership which I can remember, last year or the year before, where it was thought that some funding would not flow in a timely way because of the new federal financial arrangements. It was actually raised with us, and we took it up with our Treasury—either we took it up or our Treasury took it up with the state treasury and made sure that payment came through. Of course, the absolute responsibility is the payer, literally, the state treasury, but in that instance we actually facilitated the timely payments.

Senator MASON—But the Commonwealth parliament is voting them money. The Commonwealth parliament—and this committee is part of that—wants to know if it has been spent timely and appropriately.

Ms Paul—That is right, and that is why—

Senator MASON—We have had so many examples, Ms Paul.

Ms Paul—That is why the national partnerships actually include a timely payment section too. There are clauses in there about timely payments.

Senator MASON—That is the problem. It goes to the state authority, and whether it is getting to all the schools in time, that is the problem.

Ms Paul—The bottom line here, though, is that—

Mr Davies—We have detailed milestones agreed with the states and the sectors.

Ms Paul—I think Mr Davies has said here that we have not seen untimely payments; is that not what you are saying?

Mr Davies—Yes, they have been on track.

Ms Paul—They have been fine. Everything we are talking about now is entirely hypothetical and in fact has not happened.

Senator MASON—Can you monitor the allocation to each individual school?

Mr Davies—If I can give an example; the school level plan that I have in front of me has an identification of the priorities that the school has set with its school community. It has identified the outcomes that it is aiming for, for the kids; it identifies specific targets and improvements that it is trying to make across attendance, literacy levels and other things; and then it goes into a detailed set of strategies about how it is going to achieve those. Beside that, it has dollar amounts that it is using.

Senator MASON—That was not my question, was it?

Mr Davies—Sorry.

Senator MASON—My question was: does the Commonwealth monitor whether the money is getting to the individual schools?

Mr Davies—We rely on the states to report against their milestones and the funding is the responsibility of the states to distribute.

Senator MASON—You rely on the states to tell you whether the money has got to individual schools?

Mr Davies—Correct.

Senator WILLIAMS—Just following on from Senator Mason's points, an example of a school with low socio-economic advantage is a school just out from where I live, a little place called Gilgai Public School. I have written to Minister Gillard about this. On the myschool website, Gilgai's index of community socio-educational advantage is 905, which is the second to lowest in the New England area, yet schools with a higher figure have been getting funding. We have been on this issue for six months or more; why do schools under this SES program which desperately need that money miss out and others which, according to the scale, are not so desperate, receive the funding. What is the problem there?

Ms Wall—I cannot comment on that individual school, but in instances where we have heard reports of that and raised that with the education authorities, they have advised—and this may or may not be the case for the school—that in many instances they are investing heavily in those schools through their own targeted programs and, because they believe that the level of investment and focus and improvement strategies is adequate, they are not including them as one of the schools under the national partnership. The national partnership schools are not going to be a perfect match with the low-SES schools because there are a range of other initiatives that the states will have in place.

Senator WILLIAMS—Are you saying that the schools that we see on the scale that are very needy for this funding, the state government is putting other funding into that school? Would that not be the case with basically all the schools around? There is substantial funding right across the region.

Dr Bruniges—You would have to look at the individual case, I think. There would be programs that run within jurisdictions, such as New South Wales which has a disadvantaged schools program, so those categories of schools may be in receipt of that funding. We would really need to look at the individual school to see the sources of funding and some of those things.

Senator WILLIAMS—Can you do that? Can you look at the individual school?

Dr Bruniges—Yes.

Senator WILLIAMS—Could you take on notice three schools for me, please?

Dr Bruniges—Yes.

Senator MASON—The information is provided by the states; that is the evidence.

Senator WILLIAMS—The schools I am very interested in are Red Range, Mingoola, Bonshaw and Gilgai Public Schools because these schools I think really fit the criteria, and they have been missing out. We hear of other schools that are in more affluent areas getting the funding. My concern is that the little battlers are missing out. I think this is an issue that you really need to address in your department because, without being cynical, I do not have a lot of faith in the state system, and you are putting a lot of funding into it, and that is what concerns me. I will certainly take it up with the state member in my region as well.

Ms Paul—There would also be the issue of how the school is actually going. On the myschool website, does it have lots of reds on it or does it have lots of greens? If it has lots of greens, it means it is going significantly better in terms of literacy and numeracy than schools in the same socio-economic status range. What that may mean is that they are going so well in

terms of their outcomes that they may not need the extra assistance that other schools need. That is one thing that you would want to look at. Another thing you would want to look at is that it is not just the ICSEA score, of course, that informs decisions about neediness; it is also things like the level of students with a disability and Indigenous students and so on. I think what would be good is to take up that particular case. When the myschool website went up and there were a number of schools in disadvantaged socio-economic status areas, also with lots of reds, the Deputy Prime Minister directed some funding from the partnership towards schools which states had not formally identified through the partnership. I think that is important, too. We can probably pick up that particular school and get a story on it.

Senator WILLIAMS—Of course, we could have 100 per cent total faith in the myschool website as being honest facts about everything, can we?

Ms Paul—It is an outstanding website, and it is world leading in what it presents.

Senator MASON—You would not get away with that answer with me, Ms Paul. It does not answer the question. Anyway, I did not ask the question.

Senator Carr—Senator Mason, I think you will find there is a bit more information that you will require.

Ms Paul—We just need to correct the record on your WA question. The independent public schools initiative is identified in the national partnership, so it will be receiving Commonwealth money directly.

Senator MASON—Has it received any Commonwealth money?

Ms Paul—I do not know whether or not it has yet, but it is already accepted in the national partnership in WA.

Senator MASON—Has it received it—that is my concern.

Ms Paul—We can find out for you.

Mr Davies—Facilitation payments have been made, yes.

Senator Carr—What we can say is that you are planning to take \$425 million out of the program which would have a serious impact on national professional standards for teaching, increased principal autonomy, it would have serious effects in reduction of teachers' professional development, it would have serious effects for the disadvantaged schools program—

Senator WILLIAMS—Point of order, Chair.

Senator MASON—No, let him do it.

Senator Carr—And the provision of teaching aids. So what you have got, quite clearly, is the Liberal Party position aimed—

CHAIR—Everyone gets a guernsey.

Senator Carr—Aimed at the removal of \$425 million from the program, and you want to cry crocodile tears in here.

Senator MASON—Now that you have wasted \$3 billion or \$4 billion on the BER—well done.

Senator WILLIAMS—Can I get back to my final question?

CHAIR—Ms Paul, is there any question that the states are actually at one with the Commonwealth in its objective of achieving the proposed outcomes in this measure?

Ms Paul—No, there is no question that they are as one because they have signed up—

CHAIR—So there is no resistance or anything else?

Ms Paul—No, they have signed up to the national partnership.

CHAIR—They have agreed on the objective, the need for it, so everyone is working one to achieve it?

Ms Paul—All premiers have signed up in detail to these national partnerships. In terms of the question whether WA has received a payment, WA has already received a payment under the national partnership. Whether that funding has flowed directly through to this new initiative, we cannot tell you at this point.

Senator WILLIAMS—My final question, now that we have got around the political speeches in here at last—

Senator Carr—No, we just had Senator Mason lose his sense of decorum.

CHAIR—There are plenty of them, Senator Williams.

Senator Carr—And his mild manner persona as well.

Senator MASON—I never lose my sense of proportion, not when billions of dollars are wasted, Minister.

CHAIR—All right, order!

Senator MASON—Not when billions of dollars are wasted.

Senator Carr—That is a vain attempt to defend—

Senator MASON—You waste billions of dollars and you do not even care, Minister.

CHAIR—Senator Williams has a question.

Senator WILLIAMS—Thank you, Chair. After spending a day with Senator Conroy, Senator Carr has nothing on Senator Conroy.

Senator Carr—That is probably true, too.

Senator MASON—I will not comment on that.

Senator WILLIAMS—These schools have missed out badly, and we will check out that website and see the situation. But are you saying there are opportunities in the future where they can get some of this funding, or it is likely that they will be able to get some of this funding? Not all schools have been rolled out as yet, so there are prospects that there will be funding in the future.

Ms Wall—If schools have raised it with us, such as you have done, and our discussion with the state raises questions about whether they should really be in receipt of funding, we would review that with the state. There is certainly opportunity for that to occur, yes.

Senator WILLIAMS—I would really appreciate it if you could review it and see that the fairness test does apply here. I am very concerned about some of these schools. I appreciate your time; thank you.

Senator MASON—I have two sets of questions, and we will see how we go. If I do not finish, I will put them on notice. Has the low-SES school communities national partnership commenced?

Mr Davies—Yes.

Senator MASON—When did it commence?

Mr Davies—The year 2009 was basically focused on establishing implementation plans between the department and each state and territory across the three sectors. Some states' schools began initiatives last year, and certainly all of them are underway now across the country. So the answer is progressively from last year.

Senator MASON—How much money has been appropriated by the Commonwealth parliament?

Mr Davies—This is \$1.5 billion over the seven years of the low-SES partnerships.

Senator MASON—Aside from implementation, are the states contributing?

Mr Davies—Yes. The national partnership agreement states that each state and territory will make a co-contribution at an equivalent level, and that is either in redirecting existing resources or in new money.

Senator MASON—Has any of the money appropriated reached individual schools as yet?

Mr Davies—Yes. I visited one the week before last, and the principal said, 'This new reform activity wouldn't have happened unless the partnership was in place.' She was incredibly impressed and enthusiastic, and you could see the impact in the school.

Senator MASON—How many of those schools have been touched by the program thus far?

Mr Davies—Under the low-SES partnership—

Senator MASON—The second question is how much has been spent there?

Mr Davies—Almost 400 schools right now have their school-level plans on their website.

Senator MASON—Does that mean the money has arrived? They are not quite the same thing?

Mr Davies—There were two questions: how many schools are active, and how much money has gone out? I will answer the second one first. We have paid—

Senator MASON—How many schools have received the money?

Mr Davies—We have paid out \$120 million under the low-SES partnership to date.

Senator MASON—How many schools have received that?

Mr Davies—By December this year, there will be 975 schools that will be active under the partnership and participating. Almost 400 already have their plans up on their websites

demonstrating what they are doing with the funds received. It is rolling out in stages across the country.

Senator MASON—So 400 schools have received money thus far?

Mr Davies—Some of the states are working on a sort of regional basis. They will use the money to employ a new coordinator for speech pathology support, a new coach for principals or a new quality assurance person on literacy teaching, and then five schools will access that person. In the example I was reading to you earlier, other schools, line by line, use the amount of dollars for in-school kinds of activities. You can say that all of those 400 schools are receiving support under the national partnership. Most of them will have received—

Senator MASON—It will take different forms?

Mr Davies—Exactly.

Senator MASON—How many schools ultimately will qualify for money under this program?

Mr Davies—Some 1,542 currently low-SES schools and another 141 which receive funding under both the low-SES and the literacy and numeracy partnerships. In total, 1,683 schools will receive funding support through the low-SES partnership.

Senator MASON—But at the moment about 400 have, so it is about one in four of the target group.

Mr Davies—Thus far, correct, as at June. By the end of this year, as I said, it will be over half. A really substantial proportion of students in these schools will therefore get support. Looking across the country, 11.5 per cent of all students in Australia will receive support through this low-SES partnership. It is around 40 per cent of Indigenous students in those schools.

Senator MASON—I know we are running out of time. I had questions on teacher quality partnership, but I will put them on notice. I have a couple more questions on this, and we will have to leave it there. What sort of monitoring are you doing? You are not relying on the states again, are you?

Mr Davies—We have a multifaceted approach. We do face-to-face visits establishing the relationship and going out and seeing what is happening on the ground with the sectors. We have progress reports each year that tell us where they are up to against their milestones and their reform initiatives and what activity is underway. We have an annual report which provides a summary of all the reform initiatives but also includes the performance information—what outputs and outcomes are being achieved. Then we have a national evaluation which is being implemented, and that will run concurrently. So over the next several years we will be having reports along the way about progress and which reform approaches are having the greatest bite in school communities.

Senator MASON—Do you actually go out and check whether the information the states are giving you is correct?

Mr Davies—Yes.

Senator MASON—You do?

Mr Davies—Yes.

Senator MASON—You have a section in the department, branch or whatever it is, and you have people going out and checking. The Commonwealth is giving you the money, so the Commonwealth is entitled to say what you have to achieve. Do you do that?

Mr Davies—Yes, we do that. We have our state office network of staff, and they have extensive relationships on the ground with schools, parent communities, Indigenous education consultative bodies and students with disability advocacy groups. We have relationships with all of those people, and our conversations with them are about: ‘How’s the reform working. What’s best? Are you receiving the support you need?’

Senator MASON—Who supplies the information? The states, of course.

Mr Davies—No, as I said, all of those different stakeholders.

Senator MASON—All the different stakeholder groups?

Mr Davies—Yes, as well as the principals. I ask the principals, ‘What’s happening?’ and they tell me their stories, and we then share that with the state authorities, because the whole aim of this is to make the partnership work.

Senator MASON—I know we are out of time. I had more questions, but I will not ask them. Finally, what are the benchmarks against which the success of this national partnership is measured? What are the benchmarks going to be for determining success?

Mr Davies—As I said, this partnership has a long-term reform focus. Its objectives between governments, agreed at COAG, are to contribute to the National Education Agreement outcomes. Those are really high level, improving the educational outcomes for Australian kids. They focus on improved literacy levels, year 12 retention—

Senator MASON—We will be able to monitor this and take a reading from NAPLAN and so forth. Is that right?

Mr Davies—Yes. We would expect to look for the different types of reform that have gone on in these school communities and what impact that has had on literacy and numeracy improvement.

CHAIR—Thank you. We will now suspend for lunch.

Proceedings suspended from 12.30 pm to 1.30 pm

CHAIR—We are now taking questions on program 2.4, trade training centres.

Senator CORMANN—When we last met, one trade training centre was said to be fully operational. How many are fully operational to date?

Mr De Silva—Twenty-two trade training centres have now been built.

Senator CORMANN—That was not my question.

Mr De Silva—If I can continue, there are 42 school sites, in total, which are delivering trade quals that are benefiting 70 schools.

Senator CORMANN—How many are fully operational?

Mr De Silva—We do not have confirmed numbers for every one of the 22, but I can take that on notice and get back to you.

Senator CORMANN—This is the same question that I asked in February and you are still not ready with that answer.

Ms Paul—We know that 42 school sites are already delivering new trade qualifications and as a result are benefiting 70 schools.

Senator CORMANN—Mr De Silva did not say new. Mr De Silva said that they were delivering qualifications, not new qualifications.

Mr De Silva—They are new qualifications.

Ms Paul—They are new as a result of trade training centre funding.

Senator CORMANN—These are things that were not delivered before?

Ms Paul—Correct.

Senator CORMANN—Are you confident of that?

Mr De Silva—There will be some schools that are building on existing quals.

Ms Paul—These are new trade qualifications as a result of TTC funding. We can go through those quals if you like.

Senator CORMANN—You are essentially saying that there are 20 schools that are delivering qualifications, even though their TTC is yet to be built?

Mr De Silva—There are 22 trade training centre projects where construction has been completed.

Senator CORMANN—There are another 20 where construction has not been completed, but you are saying—

Ms Paul—A trade training centre might impact on more than one school. That is the implication.

Senator CORMANN—Is it? You said there were 42. Are you saying that this is as a result of the clusters?

Mr De Silva—Yes.

Senator CORMANN—At what point did the policy change from having one trade training centre in every school to one where we now have clusters?

Dr Bruniges—Perhaps I could go to that. My understanding is that the policy always included a parameter for schools in close proximity seeking to share trades training centres in schools' facilities. They would be allowed to pool capital funding to create school trade precincts.

Senator CORMANN—I have the policy announcement in front of me and there is no mention there of schools in close proximity clustering at all. In fact, it says there will be one in every one of the 2,650 secondary schools and that every school will be able to apply for \$500,000 to \$1.5 million.

Mr De Silva—Every school can apply for between \$500,000 and \$1.5 million. We do not specify whether schools apply on their own. Schools can choose to cluster with other schools where they think it is in the best interest of their students and the community at large to provide additional quals which they may not be able to do at a single school site. The student pool may not have enough students to be able to do a particular qualification, but if you cluster with other schools you may have a student pool that allows you to deliver additional qualifications.

Senator CORMANN—Dr Bruniges, when you say in close proximity, what is your definition of ‘close proximity’?

Dr Bruniges—That comes down to the communities. If I think back to my personal experience in the ACT and think of Gungahlin, then close proximity would be a way in which similar colleges of students in cohorts could reasonably get there and be timetabled in a way that allowed them to do the course.

Senator CORMANN—Is 454 kilometres close proximity?

Dr Bruniges—Depending on the nature of the course and what it has been doing. I would have to look at the individual case, but probably not.

Senator CORMANN—The individual case of Edward John Eyre High School, which is clustering with Ceduna Area School, is 454 kilometres away; Cleve Area School is 146 kilometres away; Cummins Area School is 257 kilometres away; Port Lincoln High School is 266 kilometres away; Streaky Bay Area School is 376 kilometres away and Wudinna Area School is 242 kilometres away. It does not sound like ‘close proximity’ to me.

Dr Bruniges—It depends on the nature of what is being delivered and how it is being delivered. I am happy to have a look at that case. Perhaps Mr De Silva can add to that.

Mr De Silva—It is schools coming together and putting forward a proposal that they think works for the individual schools and the schools involved in that cluster.

Senator CORMANN—I am sure it works for the Edward John Eyre High School, because they get the pool funding. What about the kids? Are you putting them on a bus to have part of their schooling at Ceduna Area School and then the rest of it at Edward John Eyre High School?

Mr De Silva—I can take it on notice in terms of the particular details of that project. I can say that in other trade training centre proposals there are mobile TTCs which go around from school to school and do block training. In other arrangements there are hubs where students come in for block training. It is based on what the school has put forward in their application saying, ‘This is how we will ensure that the schools in this cluster will be able to access the trade quals being delivered as part of this proposal.’

Senator CORMANN—So if this program runs its course for the 10 years with \$2.5 billion, given the way you are now tracking, how many trades training centres are you going to end up with?

Mr De Silva—The program will allow for all 2,650 schools to apply. Whether it is single schools that apply or whether they apply as clusters will be a decision for those schools.

Senator CORMANN—That is not quite right. You have \$2.5 billion in the budget. You have already allocated a certain amount. This is saying that we will see new trades training centres built in Australia's 2,650 secondary schools. We already know that is not going to happen. How many trades training centres are going to be built at the end of the process? You now know what your ratio is in terms of the clusters as to, on average, how many schools are clustered together.

Mr De Silva—In terms of the number of proposals that have been approved for funding, approximately two-thirds are clusters. Some of those will have multiple sites built. There is a school in Tasmania where it is a cluster of seven schools and there are five sites being built. In a different proposal there might be three schools and one site being built. It will depend on how schools determine, on their own, how they come together to put forward a proposal that suits the needs of those schools and those students.

Senator Carr—Perhaps I can help the officers.

Senator CORMANN—You are essentially not able to answer the question.

Senator Carr—Can I follow through this question you have asked? The Australian government has already allocated \$809 million to fund 230 projects, benefiting some 732 schools. One hundred and thirty-five projects are underway to construct or refurbish trade training centres; 13 trade training centre projects have been completed, and 42 schools are already delivering new trade qualifications as a result of this funding. By the end of this year approximately 68 trade training centre projects benefiting 173 schools are scheduled to be completed. As I understand it, I am sure you can enlighten the committee—

Senator CORMANN—I have read the minister's press release before.

Senator Carr—I think it is time that you enlightened the committee as to why you have decided to cut this money out of your forward estimates.

Senator CORMANN—Minister, this is our question time.

Senator Carr—That might be the case, but the Australian people have got a few questions for you, as to why you are trying to cut the \$2.5 billion program.

Senator CORMANN—It is good that you have finally woken up, Minister.

Senator Carr—You are trying to take this away and pretend it does not hurt anyone.

Senator CASH—You are trying to pretend you have not racked up a huge debt that is going to bankrupt the country.

Senator Carr—You intend to cut \$2.5 billion and no-one will notice. You are in for a bit of a shock.

CHAIR—Let us get back to questions.

Senator CORMANN—On what basis are you claiming TTC is delivering qualifications? Is it correct that St Brendan-Shaw College, the Catholic Regional College at Sydenham, the Catholic Agricultural College in WA and many others are being claimed as operational while they are delivering qualifications in old facilities?

Mr De Silva—I am sorry, I did not hear the end of that question.

Senator CORMANN—They are being claimed by you as operational, while they are delivering qualifications from old, pre-existing facilities.

Mr De Silva—There are some schools that are doing new quals as construction is being completed; that may be on the basis that they are doing certain theory components until their workshop is constructed. There are others where a single site has been completed in a cluster school and they are able to deliver the quals that were designed to be provided there. If that is a cluster project other schools in that cluster will be able to access that site.

Senator CORMANN—How much funding are you providing towards the delivery of new qualifications?

Mr De Silva—All of the funding is going towards the—

Senator CORMANN—All of your funding is going to buildings, capital and infrastructure. How much funding are you providing towards delivery of the new qualifications?

Mr De Silva—The basis of the program is to provide the infrastructure to allow the qualifications to be—

Senator CORMANN—So you don't?

Senator Carr—The officers have explained to you that it is an integrated program. You cannot simply take away the program, as you are proposing to do. You cannot take away something from 900 schools, which is the consequence of your decision, and say it has no effect on the capacity to deliver trade qualifications.

Senator CORMANN—Is it correct that you are claiming some of the TTCs as delivering qualifications, even though they are being delivered from old, pre-existing facilities and funded by state and territory governments as they have always been funded?

Ms Paul—No, we are not claiming that, not at all. I would imagine that what is happening here is that these are trade training centres, exactly as Mr De Silva said, which have not yet been completed. Therefore, we have not included them in our count that we have already given you. No doubt those schools, being in the middle of construction, probably wanted to offer their new qualifications from the beginning of the academic year. That would be my judgment of what is happening here. What you are seeing here is nothing more than a transitional arrangement and the TTCs are being built for these students.

Senator CORMANN—And state government schools are delivering the qualifications, which they may or may not have done anyway.

Ms Paul—State, Catholic or independent.

Senator CORMANN—That is right. We will get to that now. How many of the TTCs are attached to government schools and how many are attached to non-government schools?

Mr De Silva—For round 1 there were 106 government projects for 331 schools; 22 projects in the Catholic sector for 69 schools and 10 projects in the independent sector for 31 schools. For round 2 there were 62 projects in the government sector benefiting 223 schools, 16 in the Catholic sector benefiting 38 schools and 14 in the independent sector benefiting 40 schools.

Senator CORMANN—Of those 68 due by the end of the year, how many are government and how many are non-government?

Mr De Silva—I do not think that I have that data here.

Senator CORMANN—Can you provide it on notice?

Mr De Silva—Yes.

Senator CORMANN—Can you provide us with a list of where they are?

Mr De Silva—Yes.

Senator CORMANN—How can you be sure about the quality of the technical education that is being delivered at these trade training centres?

Mr De Silva—Under the application one of the key criteria is the quality of the training being proposed. One of the key things that schools need to demonstrate is that they have a partnership with an RTO or they are an RTO in their own right. That goes to the quality of the proposal in terms of how it is assessed.

Senator CORMANN—That is as you are assessing the proposal, but do you monitor what happens?

Mr De Silva—Before we sign a funding agreement we check that the RTO that they have stated has the qualifications that they are proposing to deliver in scope. As part of the ongoing monitoring, once a trade training centre is operating there is an annual report that they must provide and, as part of that, we can also look at whether the RTO they have used has stayed in scope. They need to report every year for the next 10 years what is happening at that TTC.

Senator CORMANN—The information you are going to provide for me on notice is going to show me how many schools have their own individual TTC without being in a cluster and how many of them are going to be clustered. Is that going to be part of it?

Mr De Silva—We can show that, yes.

Senator CORMANN—Including for those that are going to be delivered by the end of the year and those that are committed to as part of the funding rounds and so forth—

Mr De Silva—Do you want a breakdown by single schools, TTCs and clusters?

Senator CORMANN—Yes.

Senator Carr—I think that with such a program we actually make sure that—

Senator CORMANN—Minister, you have been asleep for the past two days. You are very active—

Senator Carr—Because you have sung this little lullaby for a day and a half—

Senator CORMANN—I am asking some factual questions. If you want to play rhetoric—

Senator Carr—It is an old story here. You are running around like a dog chasing a car and the fact is that sooner or later some of the things you have been saying are going to come back to haunt you. That is what the situation is—

Senator CORMANN—Right now there are a lot of things that will be coming back to haunt you, but I would like to ask some questions.

Senator Carr—There are 900 schools here as a result of your policy initiative that are going to miss out.

Senator CORMANN—You have got your talking points on the record, Minister. It is a good time now to move on and to let me ask some more questions.

Senator Carr—In terms of the next round of budgets and those allocations—

Senator CORMANN—You keep reading the press releases and that is very good.

Senator Carr—need to be measured as well. I think—

Senator CORMANN—I am sure that Julia Gillard when she becomes Prime Minister will keep you as a minister.

CHAIR—Order! Have you had your answer completed?

Senator CORMANN—I am still going. How many cluster TTCs are in distinct campuses?

Mr De Silva—Right now?

Senator CORMANN—Yes, right now and planned, moving forward.

Mr De Silva—In terms of the ones which have been approved, 150 of the 230 applications which were successful were clusters.

Senator CORMANN—How many of them are in distinct campuses, on a separate site? Are they always attached to a school or are there some that have a—

Mr De Silva—The vast majority of all TTCs are built on schools.

Senator CORMANN—What do you mean when you say ‘the vast majority’?

Mr De Silva—Some schools have opted to build on a third party site where it suits their needs.

Senator CORMANN—How many of them are built on a third party site?

Mr De Silva—I would have to take that on notice.

Senator CORMANN—As you take it on notice, could you also find out what is the dollar amount that is invested on those third party sites for us?

Mr De Silva—It would be the amount of funding for the project as a whole. If it is a cluster and there are several sites being built, some may be built on schools and some may be built on third party sites.

Senator CORMANN—We do not really know yet because the policy there was supposed to provide between half a million dollars and \$1½ million. That is not enough money to be doing something serious, which is why things have been clustered so you come up with figures of \$4 million-plus. I guess what I would like to know is: for those that are on third party sites what is the capital invested on those sites as part of the program?

Ms Paul—Sure, we can do that for you. The clustering is also to get a high-level qualification able to be delivered to a critical mass of students, if you like. So clustering in part is to bring together smaller numbers of enrolments into a larger cohort that makes sense to offer a certificate III or whatever qualification it is.

Dr Bruniges—What the other part of clustering would do is, if you are going to put in an industry-built kitchen for hospitality, the pooling of those funds ensures that the students who access that facility are in facilities of industry based standards.

Senator CORMANN—In the context of a bad policy clustering makes a lot of sense because half a million dollars to \$1½ million is less than what is being paid on building school halls. You are not going to get serious technical education based on half a million dollars to \$1½ million, so of course you have got to cluster. But that was not the way it was put forward in the policy. There are some consequences out of this. I am just looking at the distances again. I am just looking here at the Ngukurr School in Roper River which is clustered with the Borroloola Community Education Centre, the Minyerri School in Hodgson Downs and the Numbulwar School. They are 200 kilometres, 328 kilometres and 140 kilometres away. This is not the close proximity as you were talking about before. How long and how far will students have to travel between schools on average?

Mr De Silva—I would have to take it on notice in terms of particular details of a particular TTC project. What I can say again is that it is based on what the schools have put forward to us as a proposal which they have to come up with themselves—

Senator CORMANN—But this is government funding—

Mr De Silva—But it is a proposal which they have come up with themselves saying, ‘This is a viable proposal for us; this how we think we can make this work.’ As I have said, the training model may involve a mobile TTC or it may involve block training.

Senator CORMANN—Wherever I look—if I look at Narrogin. Narrogin is clustering in Western Australia with Lake Grace, 163 kilometres away; Beverley District High School, 110 kilometres away; Boddington District High, 81 kilometres away; and Corrigin District High School, 122 kilometres away. Will cluster schools be required to have insurance in terms of potential liabilities from transport requirements?

Mr De Silva—The program works under a partnership arrangement with each of the sectors. The Commonwealth is putting in up-front capital for the infrastructure and equipment. The ongoing operation under the arrangements goes to the state government or the Catholic sector or the independent schools.

Senator CORMANN—When people come together, if you provide something to a cluster like for the Edward John Eyre High School will you be monitoring to make sure that the 10 schools that are part of it with them are actually going to get their fair share of access in terms of students in the TTC? Will you be monitoring that?

Mr De Silva—As I said, there is a report which is done by each lead school for each year and what it goes to is the number of students who have been enrolled for a cluster. It will show where they came from, what qualifications they were enrolled in—

Senator CORMANN—You would be getting regular reports?

Mr De Silva—Every year. It is part of the mix for 10 years.

Senator CORMANN—How does this work with the mix of public and private schools in clusters? How many clusters have got private-public mixes?

Mr De Silva—I would not be able to give you an exact number in terms of the breakdown of clusters where they are a sector-only cluster as opposed to a cross-sectoral cluster. We can get that data. The obligations in terms of reporting fall on the lead school and the relevant education authority for that school.

Senator CORMANN—There are some schools that are behind schedule in the tender process. Who is picking up the cost of that? Are there schools behind in the tender process? I understood that there are.

Mr De Silva—There are some schools that are still in their procurement stage. There are some schools where a tender has been completed and they are still working out with the builder a cost that they can agree to.

Senator CORMANN—Have you got an average cost for each TTC that has been committed to so far? We know about between half a million dollars and \$1½ million, but what is the average cost?

Mr De Silva—I can tell you what the average cost was for round 2. I do not have the information for the average cost for round 1, but I could get that very quickly.

Senator CORMANN—Tell us the average cost for round 2 to start off with.

Mr De Silva—About \$1.2 million for round 2, but I will just confirm that.

Senator CORMANN—It does not sound like there are many clusters.

Ms Paul—That is on average so you have got a range, I guess.

Senator CORMANN—We will get the detail.

Ms Paul—I was just going to say on those clusters I was contemplating the WA example that you gave. You know the area much better than I, obviously, but it is possible there that with those distances of 80 kilometres and 100 kilometres—I would like to look at that case—they might be doing block training. I do not have that case in front of me unfortunately but I have got St Catherine's Catholic College, which is clustering with three schools and is actually offering a cert III in construction carpentry, a cert III in hospitality and commercial cookery, a cert III in agriculture, a cert III in rural operation, a cert III in horticulture, a cert II in electro technology, cert II in career start and a cert II in automotive through TAFE. So I suppose that is—

Senator CORMANN—They are new qualifications that were not delivered from those premises before?

Ms Paul—That is what I understand.

Senator CORMANN—You might want to check that.

Ms Paul—This is based on St Catherine's Catholic College in—I am not sure where. That is my understanding, that these were not offered to these three schools before. I suppose the point I am trying to make is that the advantage you get of clustering, even I think in a remote situation—and that is just the nature of Australia—is that you get that economy of scale where you can actually offer such a large number of qualifications no doubt to suit quite a range of student aspiration and student choice which you just could not get otherwise.

Senator Carr—We made it very clear in our—

Senator CORMANN—You have not finished on the press release yet.

Senator Carr—No, I am just saying to you that our original statement goes to outline the policy position—and check it if you like on page 18 of the original statement—and this is exactly what we would do. I notice that your spokesman in this area said back in December 2008, ‘We promise a new cathedral of vocational education at every high school.’ Now you have decided to cut the program.

Senator CORMANN—You are reading from your talking points from the—

Senator Carr—No, ‘a new cathedral of vocational education at every high school’, and you are cutting the program. Now, do you want to get straight with us, or not?

Senator CORMANN—Let us just keep going through the questions, Minister. This is our question time. Are you working with a dollar figure per square metre in terms of what you are investing or how are you assessing what the appropriate investment is?

Mr De Silva—It will depend on the proposal being put forward. As part of the assessment process we engage a capital works assessor who looks at the costings for each of the large proposals, so any proposal above \$1 million goes to a capital works assessor. A capital works assessor identifies any issues that we should raise with the school or the education authority. That takes into account the different cost of building in one area compared to another. It will also take into account any site conditions that may affect the cost, in case the land is on a slope, in case there is rock and so on.

Senator CORMANN—It is like for like; an industrial kitchen type TTC set-up could cost more in one area than another depending on local conditions?

Mr De Silva—I would take that on notice.

Senator CORMANN—Why don’t you give us the per square metre cost for the projects, if that is not too difficult, that have been approved so far?

Ms Paul—Of course, they might differ. Naturally they might differ, as you say, depending on if they are sloping sites or rocky sites, remote—

Senator CORMANN—I thought that that was an obvious point. I am not even suggesting that that is—

Ms Paul—But each of these will have gone out to some sort of competitive—

Senator CORMANN—Sure. How are you ensuring value for money when you talk about competitive tender? We did not get very good value for money with the school halls program. How are you trying to do a better job?

Senator Carr—It was certainly better value for money than the ACCs that you put in.

Senator CORMANN—How are you sure you get value for money?

Mr De Silva—As I said, it is one of the criteria for the program. We engage a capital works assessor to look at the budgets put forward for each of the projects which are \$1 million or more. We take advice on that and that goes into the assessment process.

Senator CORMANN—Is that a different process from that which was used for the school halls program?

Ms Paul—No, the school halls program also included those moneys in the guidelines and so on—

Senator CORMANN—So it was the same process. There were a couple of assessors sort of going—

Ms Paul—The Building the Education Revolution also featured the education authorities themselves being responsible for project based value for money but, yes, it—

Senator CORMANN—Isn't that the same here with the trade training centres? Don't you deal with these local school authorities in a similar fashion?

Ms Paul—Not entirely, because these are individual project proposals coming to us. Because of the time lines and so on the education authorities have responsibility.

Senator CORMANN—Why is there an overspend in 2009-10? In last year's budget the expectation was \$211,759,000 and the estimated spend now is \$371 million. What is causing that?

Dr Bruniges—Sorry, do you have a reference for that?

Senator CORMANN—I do have a reference. The reference to \$211 million is in last year's budget and it is in the summary of the 2009-10 budget; I think it is page 78 of the portfolio budget statements. The reference for this year is Treasury portfolio budget statements for 2010-11, page 45. The estimated figure last year for the trade training centres in government schools was \$211,759,000, and this year your revised budget is \$371,061,000.

Mr De Silva—There are a few things that affect that. One, there was \$110 million brought forward.

Senator CORMANN—Why was that?

Mr De Silva—Under BER.

Senator CORMANN—Is it true that you have been asked to accelerate your spending in this area by the Deputy Prime Minister?

Dr Bruniges—That was a government decision to accelerate some of the funding for TTCs; there are five.

Senator CORMANN—The government has decided to accelerate spending?

Ms Paul—That has been announced for quite a long time. I think it was the 2009 budget, was it not?

Mr Robertson—Part of the stimulus measure.

Ms Paul—Part of the stimulus.

Senator CORMANN—No, it was not. The 2009 budget allocated \$211 million and, like Mr De Silva just says, in this year's budget \$110 million has been brought forward, which still does not get us to the \$371 million.

Mr De Silva—What I can say is that \$110 million was brought forward from 2010-11 into 2009-10.

Senator CORMANN—Yes, so it has got to be spent over the next five weeks?

Mr De Silva—It was brought forward so round two could be increased to \$384 million.

Senator CORMANN—Has it all got to be spent by the end of the financial year?

Mr De Silva—No, there is money which is allocated for this financial year for round 2 and there is money which is—

Senator CORMANN—But it will not be spent in this financial year, will it?

Mr Robertson—No, it allows you to commit against those projects coming forward.

Senator CORMANN—When was the decision made to bring that \$110 million forward?

Mr De Silva—In the previous budget.

Ms Paul—It was part of the stimulus package.

Senator CORMANN—But it has not been spent yet; it has just been committed.

Ms Paul—It was added to one of the rounds.

Senator CORMANN—Then you have also brought funding forward into 2010-11, have you not? That is going up from \$85 million to \$100 million.

Mr De Silva—Do you have a reference for—

Senator CORMANN—I have given you the references. In the 2009-10 budget, it was page 78 of your portfolio statements. In the Treasury portfolio statements for 2009-10, which is last year's budget papers, it is page 28. For this year's budget papers it is page 45 of the Treasury portfolio statements or page 60 of your portfolio statements. If you want to assess budgets, surely you have got to compare what was set and planned last year with what is happening this year. I will just keep on going through.

Mr De Silva—To clarify: there were two things that happened. The first one is that there was a rephrasing based on the estimated number of applications coming in from the government sector compared to the non-government sector. Given that there was a lower number of non-government sector projects and that money is held by this portfolio, and a high number in the government sector, the Treasury budget was increased.

Senator CORMANN—Why is there so much less interest for this from non-government schools?

Mr De Silva—It is not less interest. It is based on the number of applications which were successful.

Senator CORMANN—There is less interest. Are you saying that less of them were successful? Why is that?

Mr De Silva—It is based on a quality national process; it is a competitive process and government schools have been—

Senator CORMANN—Can you tell us how many applications were received from government and non-government and how many applications were then successful from government and non-government? It will probably overlap with some of the stuff that we have talked about before.

Mr De Silva—For round 1—total round 1, not by phase—there were 44 applications. In round 1, phase 1, there were 44 applications from the government sector, 18 from the Catholic sector and 25 from the independent sector. There were 21 successful from government, 8 successful from Catholic and 5 successful from independent. In round 1, phase 2, there were 93 applications from the government sector, 23 from the Catholic and 19 from the independent sector. There were 85 successful applications from the government sector, 14 from the Catholic sector and 5 from the independent sector. In round 2, there were 93 applications from the government sector, 25 from the Catholic sector and 24 from the independent sector. The number of successful was 62 from the government, 16 from the Catholic and 14 from independent.

Senator CORMANN—Can you tell us—and take it on notice—the average cost of a TTC in a government school compared to the average cost in independent and Catholic schools?

Mr De Silva—I will have to take that one on notice.

Senator CORMANN—Can you tell me now how many actual projects the money that remains in the forward estimates allows for in total?

Mr De Silva—It will depend on the number of projects that are submitted for assessment.

Ms Paul—The forward estimates still allow for every school to have access to a trade training centre to be offering qualifications like those I read out for St Catherine's. It is actually not possible for us to say how many projects there will be, because we do not know how many schools will be in each cluster. We could go to where you were going before and try to work from an average number, but I am not sure whether that is going to be particularly helpful, given that we have got different things. Like Mr De Silva said, in Tasmania there was one for seven schools with five sites and so on and so forth. It is not really easily possible to say how many projects there will be. It still is the case that the money is there to cover every school having access to one.

Senator CORMANN—I guess we know that not every school is going to have a TTC. What you are saying is every school under the plan will have access to one—some of them are 300 or 400 kilometres away, but they will have access to one—but not every one of them is going to have one.

Ms Paul—As we said, the policy allowed for that. It is entirely sensible to do a clustering arrangement to be able to offer such a broad range of qualifications as those I read out, which was just for a cluster of three schools alone, let alone some of these bigger ones. The distance factor we have covered by saying, 'These schools; they just do face distances like that.' If they are actually working up proposals for mobile trade training centre arrangements or block training, I think that is fantastic to give those students opportunities in the trades and vocational qualifications that they have never had before; that is just the way Australia is.

Senator CORMANN—I am reading the policy now:

That is why Labor has already announced a ten year \$2.5 billion plan to build trade training centres in all of Australia's 2,650 secondary schools for the one million students in Years 9 to 12.

The reality is there is not going to be a trade training centre built in all of Australia's 2,650 secondary schools, and you are not able to tell me how many schools will have a trade training centre built in them because you do not know yet; is that what you are saying?

Ms Paul—I will repeat myself. I am saying that because we do not know how many schools will seek to cluster for one project that is very difficult to say, but the \$2.5 billion commitment over 10 years is to cover every single school in terms of those students being able to have that opportunity.

Senator CORMANN—That is not what the policy says; it might be sensible.

Ms Paul—The policy—which Dr Bruniges has read out to start with—says, I think on page 18, the policy allowed for this.

CHAIR—You read the policy implementation guide or are you just ticking up—

Ms Paul—Let me paint the picture here. Think about a 50-student school somewhere in the country—I do not know your area very well—say in the Avon or the Barossa. Why would they build a commercial kitchen when not only the policy but common sense allows for the capacity to build a trade training centre like, say, a full commercial kitchen or a full woodwork shop and so on? That is what is being—

Senator CORMANN—I am looking at page 18 of the policy and I cannot see the word 'cluster' anywhere.

Ms Paul—You have got a lot of white on your page 18.

Senator CORMANN—That is my page 18 of the policy.

Ms Paul—Dr Bruniges has quoted from it. At any rate, we can do that again if you like.

Senator CORMANN—How many new training courses in schools have been introduced and how many existing courses have received additional funding?

Mr De Silva—On a question on notice from the last estimates we gave a full list of all the qualifications that are being delivered for those which have been approved. We have not done a comparison of qualifications that may be there.

Senator CORMANN—They were being delivered by the schools even before. The list that you have given me were qualifications that were already being delivered.

Ms Paul—No.

Mr De Silva—No, the list is the qualifications that were approved to be delivered in the new trade training centre. There may be no quals done at the school prior; there may be different quals done at the school prior; there may be Cert Is done at the school prior; now we are doing Cert IIs and Cert IIIs. We have provided a full list of all the qualifications that were approved; we have not done a comparison of every—

Senator CORMANN—Can you match them with the schools? I want to know, per school, what the new qualifications are that were not being delivered at that school before which have only started to come into play since the trades training centre became fully operational. Last time we spoke there was only one of them fully operational; that was at the Aviation High in Brisbane and that was not one of the traditional trades. That was a school that was building on what they were already doing anyway; there was not anything new there. I have not seen any

match up between investment into a trades training centre in a particular secondary school and a comparison between what trade qualifications were being taught there before and what has actually changed since the money has been provided.

Ms Paul—We can certainly pull out some of that information for you. We will probably have to go to the schools and I think it will be really useful because the point about getting modern twenty-first century facilities for these vocational training courses is that you have to have facilities of that quality to offer the high level qualifications. For example, when I look at the Armidale school, which is a cluster of only two schools, they are going to be offering a cert III in engineering fabricator, a cert III in engineering mechanical, a cert III in automotive mechanical, a cert III in automotive specialist, a cert III in automotive vehicle bodies, a cert II in electro technology, a cert II in sustainable energy, a cert III in agriculture and a cert III in horticulture. That is astounding, actually, for two schools.

Senator CORMANN—It sounds unbelievable, does it not?

Ms Paul—It sounds good. We certainly can pick some and have a look at what was on offer before, but I think you will find that on the whole the new facilities allow for higher level qualifications. We could get out that question on notice, too, but it probably—

Senator CORMANN—Out of the 2009-10 budget, is there any funding out of that \$371 million that is currently unallocated?

Mr De Silva—The 2009-10 budget deals with both the remaining funding for round 1, phase 2 and the funding for round 2. So, in the 2009-10 budget there was \$154.3 million which is attributed to round 2. The total funding for that round was \$384 million, which was announced on 5 November last year. The remaining money for that round is drawn from 2010-11, which is \$88.6 million, and 2011-12, which is \$141.33 million.

Senator CORMANN—Out of the 2009-10 budget for TTCs overall, how much is unspent?

Mr De Silva—I will have to take that on notice to give you the precise figure.

Senator CORMANN—If you take it on notice, can you also let me know how much remains unallocated from the 2010-11 overall allocation for trades training centres and forward estimates?

Mr De Silva—For round 2, I can tell you that there is about \$28.8 million of agreements which have been executed; there is another \$78.5 million where agreements are actually out for signature; and for the remaining \$276.3 million there are agreements currently being worked out with the schools and education authorities. We would expect those to go out for signature over the next two to three months, at which point there will be a funding agreement for each of the projects for round 2.

Senator CORMANN—Is any money for the forward estimates from 2011-12 onwards already contracted to projects?

Mr De Silva—For round 2?

Senator CORMANN—Have you committed any funding in the out years beyond the next financial year?

Mr De Silva—There has been \$384.2 million approved to go for schools which have applied, been assessed and been approved. The process is now to enter into funding agreements for each of those projects. We are in the process of working through those and getting all of those funding agreements executed.

Senator CORMANN—Do your contracts have commencement KPIs?

Mr De Silva—Each of the funding agreements will set out certain milestones. Milestone 1 is when you sign the contract. Milestone 2 is when a builder is appointed to commence construction for major capital works projects, which are those where capital works is more than \$1 million. Milestone 3 is where you meet midpoint construction. Milestone 4 is where construction is completed. Milestones 5 and 6 are when the TTC is operational and when acquittal occurs. Each project has milestones particular to that project, which reflects the uniqueness of that project.

Senator CORMANN—Presumably the department will be holding back funds on any contracts, pending each one of these milestones. Is that right?

Mr De Silva—I did not hear you.

Senator CORMANN—So you would be holding back funding on each one of those contracts pending the milestones being achieved?

Mr De Silva—Yes. The money is not released to the school until a milestone is reached. If you have reached milestone 2, where you have contracted with a builder, we release a percentage of the funding then. We release further funding when you reach midpoint of construction and we release the final funds when construction is completed. Once the school enters into a building contract, there is a contract to build that building.

Senator CORMANN—What is the legal status of a project described as being in the ‘planning and tender stage’?

Mr De Silva—If it is in the planning and tender stage, an agreement would have been executed, and they may be in the process of getting final plans done, getting quantity surveyors in and conducting a tender process. Milestone 2 is when we have been advised that a builder has been appointed and a contract has been signed to construct a building.

Senator CORMANN—So, when you are in the planning and tender stage, is there a binding requirement that the project proceed?

Mr De Silva—There is an agreement that the project will proceed. If the project was terminated, there would be a requirement to pay any milestones that had been reached and to pay any expenses associated with the termination.

Senator CORMANN—Are you able to quantify that cost?

Mr De Silva—It would be on a case-by-case basis.

Senator Carr—We can quantify that the \$230 million of the \$384 million that has already been approved is reliant upon budget appropriations in 2010-11 and 2011-12. The consequences of removing that money would be that 60 per cent of round 2 approved projects may not proceed, which could affect 160 to 210 schools, depending on the amount of funding that has been approved. The result would be that the Commonwealth would have to pay

compensation to education authorities or to schools. That would be the consequence of your policy if it were ever to be implemented.

Senator CORMANN—Could we have a copy of the contracts—funding agreements—that you have entered into to date?

Mr De Silva—I can give you a blank copy of all the funding agreements, which have each of the clauses dealing with milestones and all of the clauses dealing with what happens if a project is terminated.

Senator CORMANN—What sorts of management fees are involved with these projects?

Mr De Silva—They vary between each project. For round 3 we are allowing 15 per cent of funds to go to a range of things. That goes to the cost of architect plans, the cost of engaging engineers and quantity surveyors, the cost of running a tender process and the cost of engaging a person or a business to manage the actual project.

Senator CORMANN—That is up to 15 per cent, is it?

Mr De Silva—It is up to 15 per cent.

Senator CORMANN—When you say it varies, was it up to 15 per cent all throughout the program so far?

Mr De Silva—No. It varies by project.

Senator CORMANN—I know, but are you saying that, essentially, it is up to 15 per cent in this latest round.

Mr De Silva—Yes.

Senator CORMANN—Is that different from previous rounds?

Mr De Silva—We did not set a benchmark for round 2. We have set a benchmark for round 3.

Senator CORMANN—What happened in round 1?

Mr De Silva—It was the same for round 1.

Senator CORMANN—So there was no benchmark in rounds 1 and 2?

Mr De Silva—No. It was based on justification of each cost, and as part of the assessment that was done by the capital works assessor, they would comment on whether these costs were appropriate or not.

Senator CORMANN—What was the proportion of management fees applied to the projects in rounds 1 and 2?

Mr De Silva—It varied between projects. Some projects, where they were very complex, may have had a higher fee. Some projects that were quite straightforward may have had a lower fee. It would depend on the cost associated with the design of the TTC and whether you need to have a quantity surveyor or an engineer, based on the site itself. If the site is on a slope you would most likely need an engineer to work out what kind of foundation you would need, so it would be on a case-by-case basis as to what would be the costs associated with design, quantity surveyors, use of engineers, the tender process and then the actual management of the construction of the project.

Senator CORMANN—Are you able to provide us with the percentage of how much of the project that was spent on management fees for each one of those projects in rounds 1 and 2?

Mr De Silva—The individual cost for every single project?

Senator CORMANN—What was allocated as a proportion of the overall spend on each project for management fees and—

Mr De Silva—Design costs and engineers?

Senator CORMANN—All of those, yes.

Mr De Silva—Yes.

Senator CORMANN—Why did you change your approach? It is obviously sensible to put a benchmark in. Why was that not done from the beginning?

Mr De Silva—We were getting advice from the capital works assessor and, based on that, we were going back to schools as to what was an appropriate amount for those fees. To give schools greater clarity, we basically set a benchmark of up to 15 per cent.

Senator CORMANN—You clearly changed your mind there and ended up putting a benchmark in place. Why did you come to that view?

Mr De Silva—I would not say that it was a change of mind. I would say that it was a clarification to assist schools.

Senator CORMANN—Were there any schools that were spending more than 15 per cent on management fees prior to that benchmark coming in?

Mr De Silva—There were some. I cannot comment on each case. There may have been some schools that had put in their application at a higher percentage. We would have gone back and queried that and they would have had to justify what was the appropriate percentage for that project.

Senator CORMANN—I asked a series of questions on Tuesday which the Deputy Prime Minister very helpfully put into a press release, so I will use that as assistance to me to go through the questions again. How many schedules under the overall contract have formally been agreed to across all government schools?

Mr De Silva—Just for government schools or across all schools?

Senator CORMANN—Let us start off with the government schools and then I will work my way down the list.

Senator Carr—While the officer is looking it up, I can help you.

Senator CORMANN—You have some more talking points, Minister?

Senator Carr—I am sure you are gagging to know the truth that in regard to the ATC program, the average cost was \$16.9 million for each one—

Senator CORMANN—That is your propaganda; it is not the truth.

Senator Carr—It was \$16.9 million. The average cost per student was \$53,958.

Senator CORMANN—It is serious investment. They were serious centres of training excellence.

Senator Carr—The highest cost was \$28.7 million in Townsville and the lowest cost was \$9 million at Gladstone. That is the contrast there. There is \$405 million for 24 of these centres.

Senator CORMANN—Minister, I would not list them to brag about it.

Senator Carr—If you want to talk about incredible waste.

CHAIR—The officers have Senator Cormann's answer ready. Mr De Silva.

Mr De Silva—For round 1, phase 1; round 1, phase 2; and round 2 there have been 99 projects scheduled which have been signed for the government sector. Each of those schedules becomes a schedule to the overarching funding agreement with each of the government sectors.

Senator CORMANN—How many individual contracts have been entered into with the non-government sector?

Mr De Silva—It will be 48.

Senator CORMANN—You have only given me round 1.

Mr De Silva—No. That is to date. That is round 1, phase 1; round 1, phase 2; and round 2. There are 99 agreements which have been executed for the government sector. That is a project specific schedule which is a schedule to the overarching funding agreement. There have been 14 school project agreements which have been executed with either Catholic sector schools or independent schools.

Senator CORMANN—What is the total dollar value of these 113 projects?

Mr De Silva—For round 1, phase 1, it is the total funding announced. For round 1, phase 2, there is \$307.4 million. For round 2, as I said before, there is approximately \$28.9 million and there is a further \$78.5 million where there are agreements with the school and we are waiting for them to come back signed.

Senator CORMANN—So what you have given me there are the payments that have been committed, to date, under the contracts?

Mr De Silva—Yes.

Senator CORMANN—What additional costs would be incurred if the Commonwealth were to make a decision to get out of those contracts?

Mr De Silva—It would depend on the date on which that happened. It would depend on the number of agreements that were executed at that point in time. It would also depend on the stage at which each of those contracts was at.

Senator CORMANN—If that were to happen by the end of this calendar year, would you be able to quantify that for us on notice?

Mr De Silva—It would be difficult to estimate, based on when the milestones would be reached for a particular project.

Senator CORMANN—At this stage you do not know when you are going to reach all of those individual milestones?

Mr De Silva—Each one will be on a project-by-project basis. Milestone 2, which is when you sign a contract to build whatever you are building, will be the determining factor in terms of any compensation that may be payable.

Senator CORMANN—Are there any specific exit arrangements contained in the contracts?

Mr De Silva—Each of the contracts allows for a project to be terminated. It makes clear that any milestones that have been reached must be paid. It also makes clear that any reasonable expenses incurred as a result of the termination of the contract must also be paid. As I said, the actual costs would depend on where the individual project was up to. If it had reached milestone 2 and they had entered into a contract to build something with a builder, that would determine how much it would cost if they were going to terminate that. If it was close to being completed, there may be no savings by terminating the contract, because you would still have expenses associated with the ongoing construction of that building.

Dr Bruniges—Under round 2 of the program, if the \$384.2 million has been approved for 92 projects, which is 301 schools, of that amount almost \$230 million is reliant on the budget appropriations from 2010-11 and 2011-12. If that funding were to cease at the end of 2009-10 the shortfall of \$230 million would mean that up to 60 per cent of round 2 approved projects may not proceed. Over the period of the forward estimates, this would mean that approximately 900 schools would not be able to access new or refurbished trade training centres under the program. If the program were halted altogether, about 1,800 schools would be affected.

Senator CORMANN—Thank you. That concludes my questions.

Senator CROSSIN—Do any of the Australian technical colleges still exist?

Dr Bruniges—We will get some people here from that team. My understanding is that at the end of last year they came into normal schools, but we will get someone here to confirm that.

Mr McKinnon—All 24 ATCs completed their transitions as at 31 December 2009.

Senator CROSSIN—Can you give me a rundown on what those transitions have mainly consisted of—back into the state TAFE system predominantly?

Mr McKinnon—Fifteen of the ATCs transitioned into the state system—that is, predominantly the second school system—with partnerships with TAFEs. Three made a transition arrangement into the Catholic system, one into the Anglican system and five remain independent colleges.

Senator CROSSIN—By what process does that occur? Do they get accredited as a TAFE college in their own right?

Mr McKinnon—Effectively they are now the primary responsibility of the state department of education and/or training in the state in which they reside in the way that any other state would be. They have to be registered to operate as a secondary school in that state and meet that state's requirements as to offering Australian school based apprenticeships in school.

Senator CROSSIN—Where are those five based?

Mr McKinnon—From memory, there are three independents in Queensland and, of the other two, one is in New South Wales and one in Western Australia.

Senator CROSSIN—Are there no outstanding moneys? The technical colleges have been transitioned, so I am assuming there is no line item left in the budget anywhere to operate against them?

Mr McKinnon—There was a deed of agreement signed with each of the colleges. Some of that involved the transfer of remaining capital that had been committed to those colleges. I think those deeds have all been signed, but I will look at my colleague just for confirmation.

Ms Febey—Yes, those deeds have all been signed.

Senator CROSSIN—How many technical colleges were originally promised?

Mr McKinnon—In 2004 the former government committed to the establishment of 24 ATCs and then one year later agreed to an additional ATC in Adelaide—so 25.

Senator Carr—That is 7,500 students, that is all.

Senator CROSSIN—That might have been my next line of questions.

Senator Carr—I just thought I would help you out there.

Mr McKinnon—Then in 2007 there was the establishment of three further colleges, Brisbane, Penrith and Perth—

Senator CROSSIN—Which make up the 28.

Mr McKinnon—Which make up the 28. However, those three did not proceed.

Senator BILYK—Can I just interject? How many students were anticipated to be enrolled?

Mr McKinnon—We had projected enrolments of around 10,000 across the three years, 2007, 2008 and 2009.

Senator BILYK—What was the total cost of the ATCs?

Mr McKinnon—The commitments for the program totalled \$423 million.

Senator BILYK—That was the commitment. What was the total cost?

Ms Febey—At the end of the program there was a surplus of \$17 million.

Senator BILYK—The commitment for the colleges was \$423 million and what was the total cost? Was the original commitment \$423 million?

Mr McKinnon—No, it was \$439 million, I beg your pardon.

Senator BILYK—What was the total cost?

Mr McKinnon—It was \$423 million. So there was \$17 million unspent.

Senator BILYK—There was no cost blow-out somewhere along the line there?

Mr McKinnon—You may recall we need to return to budget.

Senator Carr—I have underestimated the cost here.

Senator BILYK—I thought you might have.

Senator Carr—Because I probably have not included the \$10,000 per head when there are private school students. That probably accounts for it as well.

Senator BILYK—I am a bit confused, sorry.

Mr McKinnon—If you quarantine it away from the general recurrent grant amount that used to go to students in non-government schools, the original appropriation was \$343.6 million but then there was an amendment to the bill in 2007 which increased the funding to \$456.2 million. It is difficult because it was round the 24 colleges, so some colleges were more expensive than first thought in the proposal and there was an assumption that the majority of the funding would go to refurbishment of existing buildings. That did not actually materialise. A lot of it was either leased premises or new capital works.

Ms Paul—Basically it was about a 50 per cent increase that was required to go back to budget for.

Senator CROSSIN—So, during the life of this project, the establishment of the Australian technical colleges, a further 50 per cent had to be allocated against the program to make it happen?

Ms Paul—Yes.

Senator CROSSIN—How many students were projected to be enrolled? You said 10,000.

Mr McKinnon—Around 10,000.

Senator CROSSIN—Of those 7,500 how many actually got through to the other end and completed any kind of certificate outcome?

Mr McKinnon—That is difficult to say. I can take it on notice but if I explain to you there was only three years of the life of the program, so the first year you started you would have one cohort that went for two years of secondary schooling. I think the point is now that they have transitioned particularly into the state, Catholic and Anglican systems if you like we have lost the tagging of an individual student's outcome because they are now under the wider umbrella of the state school system.

Senator CROSSIN—How many transitioned into an apprenticeship or at least completed a certain one in the first three years? You must be able to track how many students were enrolled in the first year and where they were at by the end of the third year?

Mr McKinnon—We can tell you the enrolment per—

Ms Febey—We can tell you the enrolment for each of the years and we can tell you that over the period of time 49.73 per cent of the students were enrolled in school based apprenticeships. Those of course on a three-year program would not have completed that program. They would continue their apprenticeship in the broader community so we do not—

Senator CROSSIN—What happened to the other 50, 51 per cent?

Ms Febey—The colleges were unable to secure apprenticeships for those students, so they undertook trade training but without the apprenticeship arrangement in place.

Senator BILYK—Did they end up with any sort of qualification, having presumed that they were going into an apprenticeship? Did they end up with any sort of accredited trade?

Ms Febey—Those students as well would have been part way through trade training at the end of their school experience, so they would not have achieved the qualification.

Senator BILYK—There were quite a few problems with the ATCs, were there not? I am not sure if you can elaborate on this. There was a bit of an issue around specific workplace relation requirements placed on staff at the ATCs. Are you able to elaborate on that?

Ms Febey—The staff in the Australian technical colleges were under AWAs. That was the arrangement at the time.

Senator CROSSIN—Can I just get this clear then? The scenario with the Australian technical colleges was that during the life of the program there was a 50 per cent blow-out in cost and at the end of the day only 50 per cent of the students were actually in a school based apprentice position?

Mr McKinnon—Were in apprenticeship arrangements.

Senator CROSSIN—That is a monumental failure then in terms of what the government of the day wanted to achieve with technical colleges. No wonder we have a current minister who saw the flaw in that and sought to abolish it. It was not incredibly successful in terms of actually getting people into school based apprentice positions if you could only get 49 per cent into those positions in that time, I would have thought.

Senator Carr—They were in the wrong locations. I think you will find if you look at the geographical spread it was very poorly—

Senator BILYK—There was one in Tasmania; was there not?

Senator JACINTA COLLINS—I think there was a reason for the geographic spread.

Senator Carr—It did occur to me at the time. I remember making some comment about the location, the spread of these things.

Senator BILYK—There was one in Launceston; was there not?

Senator Carr—Yes—marginal seats!

Senator BILYK—I think that was very poorly attended.

CHAIR—Can I ask a general 2.4 program question? I just want to ask a little bit about the program reporting and evaluation strategy.

Mr McKinnon—For the ATCs?

CHAIR—It is part of the general program objective in the PBS. It actually says on page 59 of the PBS:

Part of the strategy will be to examine the role of the program in contributing to the broader COAG evaluation reforms including closing the gap between Indigenous and non-Indigenous Australians.

I am just wondering whether we have got any specific information about where we are at with the strategy, whether it has got any meaningful results yet and whether we are on track.

Ms Paul—This is the evaluation strategy for trade training centres, so we will talk about that.

Senator Carr—Are you quoting from the PBS?

CHAIR—I am.

Mr De Silva—This was actually published on the website earlier this year. It is actually comprised of three components, a periodic report which will look at a range of data in terms of what has been approved, where and what sorts of qualifications. There is a second component which deals with a review of the implementation of the program. It will look at the process to enter into agreements, the roles and responsibilities of state and territory education departments and on government authorities and the effectiveness of the communication and information provided to schools. The third component, which is the evaluation, will be conducted in 2012 and 2013. That is to allow time to see actual outcomes. There will be two years of TTCs being up and operating.

As I said before there is an annual report that schools must provide, so we can start getting data from that. So there are three components. One is I guess an ongoing report on an ad hoc basis which will basically put out to the public and to the sectors what is some of the data which is coming in. It can go to locations of trade training centres, the breakdown between sectors and the qualifications being provided. The second component goes to the operation of the program as a whole and will look at what processes have been in place and what processes have been changed to enhance the operation of the program. On evaluation, once there is a large number of trade training centres operating and data has started to come in and part of the report that schools must provide each year we can require them to identify how many Indigenous students are enrolled and what outcomes they are getting from the qualifications they have been enrolled in.

CHAIR—Because I see in the PBS the obvious thing is comparing the trend in retention rates for years 11 and 12 students across the board and comparing that to the trend in Indigenous students. But is that the only comparison you are making?

Mr De Silva—The process for how the evaluation will be conducted has not been finalised. What has been put forward is that we will consult with each state and territory education department and non-educational authorities and consult with schools as to the scope. But it will look at the extent to which the program is achieving its outcomes, which include Closing the Gap and include increasing the number of students attaining year 12 or equivalent qualifications.

CHAIR—Can you outline if there has been a particular strategy to determine what sort of occupation is going to be taught in areas and schools that would have high Indigenous participation?

Mr De Silva—The schools can choose from the range of qualifications.

CHAIR—Maybe I should clarify that, because it might help you answer the question. Is it about providing skills that are useful in the communities as a priority or is it about providing choice for people to get to schools and potentially leave the community?

Mr De Silva—It is for national skills but also to look at the needs of that community and what qualifications would benefit students and the community at large. As part of the changes between round 2 and round 3 we introduced a new stream of qualifications called occupations in local demand. It was basically those qualifications which were technically not trades but had high capital intensive costs to get them going. We allowed schools to apply, if they could

demonstrate that this would achieve a better outcome for students at a particular school or in a particular community. That may mean that, based on the needs of the school in an area, they can apply for quals that best suit those needs.

CHAIR—Thank you. I have a general question. One of the main aims of the whole scheme is to assist young people in making a successful transition from school to work or further education and training. One might argue that simply the successful completion of a qualification meets that aim, but in a more practical sense what assistance is provided for people, once they have got their qualification, to make that step into finding a job, getting a job and a real employment outcome? Is that part of the program or is it simply delivering the qualification?

Mr De Silva—In terms of how we look at applications, we want to see schools that have strong partnerships with industry and employers. There will be certain certificates where they need on-the-job training. We will have a look at whether a school has lined up a certain number of employers to provide on-the-job training for those students. It encourages those students to perhaps stay with those employers post school. An alternate is that it encourages links between the schools and an RTO, which may be a TAFE, and for those students who wish to go on to further training, if that link exists, it is easier for them to continue their pathway. They may start a cert III. Depending on the qualification, they may complete a certain number of units, but if there is a strong partnership between the school and an RTO they can leave school, continue that qual and complete a cert III post school. It is a twin approach.

Mr Robertson—There are other support programs that the Commonwealth, state and territories fund to help students either finish school or transition into work, including one of the main ones, Job Services Australia. There are brokers of various sorts that also assist and can come in.

CHAIR—I do not know what happens in other states, but in Victoria there is quite a wide and extensive network of group training companies. Some of them are very industry specific. I am probably talking more about traditional trades and qualifications. Often they will have intakes because they want people signed up and then there is formal trade training. Is there some consideration to developing the links? I think the courses or qualifications that will be taught in the trade training will get recognition as part of the trade course. Is there going to be some formal linkage with group training companies so a pool of job ready people can potentially move straight into their chosen career?

Mr De Silva—As part of the application process schools need to show that they have a strong partnership with an RTO. It may be a TAFE or it may be a GTO. We want them to show that there is an understanding between the school and the ultimate provider to recognise the qualifications done in that school so they can continue on post school, and it may be with that provider, to complete a training qualification.

CHAIR—Speaking from practical experience, a lot of those skills and qualifications that are available in schools are a ‘see’ thing or an interest thing. In terms of the physical presence of a lot of this work now in schools or available to every school is there any modelling or expectations on the extra interest that would generate in traditional type trades, for instance?

Mr De Silva—I can provide anecdotal evidence based on what schools have told me and my staff when we meet with them. It is about having an integrated approach in schools. There is a TTC out in Broome where there were students that were going to the local TAFE. They left school and they went to the TAFE. What they found was that the students were not staying at TAFE. They have built a TTC at Broome. I think the take-up for the number of students is 80 out of approximately 320. The fact that it is integrated into school means that it is more likely that the students will stay and complete it. That is not only because they get to stay at school; they get to do a range of other school activities. One school said it is the basic things like they can do this trade and still be on the football team. It does not sound all that important, but the fact that the student can maintain contact with the school and do something that is present at that school, firstly, keeps their interest going and, secondly, there are other support structures, such as friendships and in terms of structured activities that encourage the retention of students at that school, which may be quite higher than if they had left school and gone to a place where they do not know anyone. Schools have said the fact that it is integrated makes quite a big difference to their interest. Schools have come to me and said, ‘We have a sister school and we let our grade 6s come in, play around with the woodwork class and they can do TAFE courses in years 7, 8 and 9.’ It encourages interest in certain types of training they might not otherwise be exposed to if it is not at the school or accessible from the school in an easy way.

CHAIR—Thank you. I was just wondering about the career advisors. I am not sure what they are called now or whether they even exist in schools. With people engaged in those qualifications is there going to be an active encouragement to advise, ‘If you like it and enjoy it, this is how you develop more’, and people are steered properly and appropriately into the right career paths?

Mr De Silva—As part of the process we ask schools to identify what support arrangements they have in place, which goes to career advice, pastoral care and so on. These may be arrangements that already exist. It is to guide and assist students to work out what are some possible pathways for those students. The fact that there is a TTC at the school will broaden the range of training options that may interest a student at that school, and so we look at what support arrangements are at that school to assist students to make an informed choice as to what training they wish to do. They may go down a certain pathway or they may weave between pathways. They may do a Cert II in building and construction and still do music. It is not the assumption that you go off on this pathway or you go off on a different pathway. It allows them to choose all the way through up until year 12, and they might choose to focus purely on cert II and cert III. It gives them the option of still doing history, maths and so on.

CHAIR—Indeed. Many of the traditional trades now have very high levels of maths, physics and chemistry involved which are at or above year 12 level, anyway, so it is very complementary. Trades have changed a lot from where you leave in form 3 and you go off and do an apprenticeship, which is all it took. I understand in Victoria that to gain electrical trades people with less than year 12, whilst generally you are able to do it, without at least that level of mathematics you are not even considered. It is hard to get into it in the first place.

Mr Robertson—We could show you the trends in the apprenticeship data that says that the proportion of entrants who have year 12 is certainly growing, compared with the past when it was year 10 when you would traditionally leave school and go into an apprenticeship.

CHAIR—Thank you. Are there any more questions on Outcome 2.4?

Senator CORMANN—Just one question.

CHAIR—On 2.4?

Senator CORMANN—No, in the next one.

[2.54 pm]

CHAIR—We will move to program 2.5, digital education revolution.

Senator CORMANN—Senator Mason asked a question on notice at the last estimates, which was to provide a breakdown of the number of units promised for each federal electorate and the number of units actually installed. I think it comes under the headline ‘National Secondary School Computer Fund, unit requirements and installation by federal electorate as at 21 April 2010’.

Senator CROSSIN—What is the number of that?

Senator CORMANN—The number of that question is EW0915_10. Does that mean something to you?

Senator CROSSIN—Yes.

Senator CORMANN—I have a specific question in relation to the federal electorate of Canning, where 4,314 laptops were promised but only 882 have been delivered effective 21 April. Could I have a breakdown of those 882 that have been delivered by school?

Dr Arthur—We can provide that information. We are not going to have that information available today.

Senator CORMANN—I did not expect you to be able to do that.

Dr Arthur—However, I can make a general comment on that. The information provided is not directly in response to the question asked. The information provided does not allow you to determine the speed of the rollouts of computers in the electorates as set out in the answer to the question. The reason for that is that the information provided relates to the rollout of round 1, round 2 and round 2.1 of the fund in principle, and those funds were directed on the basis of need as determined by the number of computers already in those schools. The principal factor driving the number of computers that will have been delivered electorate by electorate, as evidenced in the answer to the question, will have been the prevalence of computers in those schools prior to the rollout of the National Secondary School Computer Fund.

Ms Paul—Are you asking which schools the computers have gone to?

Senator CORMANN—Yes. I am listening to what you have just said, and I am looking at your answer and it says, ‘Number of units required to reach the one-to-one benchmark,’ and it gives the number 4,314. It then says ‘Number of units actually installed’, and it is 882. The question was: which schools have those 882 gone to?

Dr Arthur—We can provide that information.

Ms Paul—Dr Arthur is noting that there will be a number that are already there.

Senator CORMANN—He was trying to be very helpful and I appreciate it. Thank you.

CHAIR—Senator Mason.

Senator MASON—The digital education revolution—this takes me back.

Senator Carr—While you are struggling with your calculator, perhaps you can tell us how you are going to explain the \$700 million that you are proposing to cut from the budget—the election promise you have now made to take 120,000 students and deny them access.

Senator MASON—Guess what I have got just for you?

Senator Carr—You have got your calculator?

Senator MASON—I have got it. I never forget it.

Senator Carr—You can explain how the \$700 million is going to affect the 120,000 students.

CHAIR—Order! Senator Mason has brought his calculator.

Senator Carr—He will have no trouble then.

Senator CROSSIN—If you are going to axe the digital revolution then you can at least do the figures in your head without a calculator.

Senator MASON—This is digital enough for me—thank you, Senator Crossin. Who answers these questions these days?

Ms Paul—I am sorry?

Senator MASON—On the digital education revolution, about computers delivered.

Ms Paul—We will all be answering.

Senator MASON—We are all helping?

Ms Paul—Yes, we are.

Senator MASON—Dr Arthur, does the chaplaincy as well as the DEO.

Senator Carr—I do not need a calculator to know that \$700 million is a lot of money.

Senator CROSSIN—Throw technology out the door; get the pencil out.

CHAIR—I do not want to encourage Senator Mason to raise the volume to be heard above other people speaking in the committee, so if we can keep it down. Senator Mason has some questions.

Senator MASON—One battle I always win, is it not? I am very loud. That is very true.

CHAIR—Indeed. That is why I wanted to wave the white flag before we started.

Senator MASON—Of that 116,850 computers approved under round 1, how many have now been delivered and installed?

Ms Paul—Ninety-eight per cent. We are actually ahead of track probably, because they are due to be finished at 30 June.

Senator MASON—Do you have a number? What number is that, Ms Paul? That is making it a bit hard for me.

Senator Carr—Ninety-eight per cent. We are going to have to use the calculator.

Senator MASON—I do not know how to use it.

Ms Paul—These are due for completion on 30 June this year. As at 31 May it is at 98 per cent. We have one month left to achieve the other two per cent, which will not be hard, obviously.

Senator MASON—So, 98 per cent under round 1 have been delivered. Under round 2—

Dr Arthur—We have that figure that you asked for, if you wish to get the actual figure.

Senator MASON—Thank you, Dr Arthur, yes. Ms Bloor?

Ms Bloor—The number of computers that have been installed as a result of round 1 funding is 114,367.

Senator MASON—Right.

Ms Bloor—That is 98 per cent.

Senator MASON—Under round 2?

Ms Bloor—It is 94,592.

Senator MASON—What sort of percentage is that? About two-thirds?

Ms Bloor—That is 67 per cent.

Senator MASON—That was not bad, was it? That was not a bad guess. Round 2.1—how many have been delivered and installed?

Ms Bloor—It is 25,702.

Senator MASON—That is about what?

Ms Bloor—That would be 74 per cent.

Senator MASON—That is about three-quarters. Outside of the three rounds, how many computers have now been delivered and installed?

Ms Bloor—The total number of computers installed is 297,500 as at 31 May.

Senator MASON—As at a couple of days ago? Can you give me a breakdown of how many computers have been delivered and installed in government schools and non-government schools, both overall, nationally and by state?

Ms Bloor—Yes.

Ms Paul—Can I just clarify your question before last? Did you ask how many had been funded or how many—

Senator MASON—Delivered and installed.

Ms Paul—That is fine—297,000.

Senator MASON—Yes, and then I asked: could you give me a breakdown of how many computers have been delivered and installed in government schools and non-government schools, both overall, nationally and by state?

Ms Bloor—All right.

Senator MASON—If you cannot do that here and now, clearly—

Ms Bloor—Yes, I can.

Senator MASON—You can, Ms Bloor?

Ms Bloor—It just does take a little time. This is both as a result of the rounds and as a result of the national partnership funding?

Dr Arthur—It will take considerable time if we want to read it out with the breakdown between rounds.

Senator MASON—Just globally is fine. Can you take it all on notice—give me all the information—but just give me the global figures as well?

Ms Bloor—Certainly, yes. We can do that.

Dr Arthur—They still want you to read the totals.

Ms Bloor—They do want me to read the totals? The number of computers installed in Catholic schools as a total is 59,516.

Senator MASON—Yes.

Ms Bloor—That breaks down to 472—

Senator MASON—No—

Ms Bloor—You do not want by state?

Senator MASON—You can give me all that information on notice; that is fine. Independent?

Ms Bloor—Independents are 34,475.

Senator MASON—The remainder, government schools?

Ms Bloor—It is 202,958.

Ms Paul—I do not know if we have mentioned this, but that 297,000 is out of the 696,000 already approved.

Senator MASON—Yes, approved, but let me get to—

Ms Paul—These are the ones installed, yes.

Senator MASON—Delivered. The last estimates I was assured that by 31 December next year there will be a 1:1 ratio achieved; is that still the claim, Ms Paul?

Ms Paul—Yes, that is right. Just to recap, 98 per cent of installations—so we are entirely on track, if not ahead of track for round 1; 68 per cent for round 2, which is only due for completion by 31 March 2011, but we are already at 68 per cent; and we are already almost 40 per cent on the way to 1:1, in terms of installations—

Senator MASON—Yes, 40 per cent. So, this is about right.

Ms Paul—Which is due at the end of the next calendar year.

Senator MASON—That leaves just over a year and a half to deliver all the remaining computers, by the end of next year?

Ms Paul—Yes.

Senator MASON—The government has managed to deliver 297,500 over the period of two years and eight months since being elected. Now, there is the balance, about 480,000, over the next one year and seven months—

Ms Paul—Yes, and you can—

Senator MASON—is that right?

Ms Paul—Yes, and we have explained why before, which is that the purchase gains momentum. Indeed we have graphed it—and it looks like that—which basically shows that we are tracking along pretty well.

Senator Carr—I think we should table it; provide it to the committee.

Senator MASON—Uruguay managed to deliver all their primary school students laptops within a few months but, Ms Paul, we are a bit better than Rwanda. That is how well we have done in terms of administering this program.

Ms Paul—We are 98 per cent for round 1, so we are well on track at the moment.

Senator MASON—We have got the figures: 297,500, at least 480,000 to go in the last one year and eight months. That is correct, is it not?

Dr Arthur—Perhaps I could help you with—

Senator MASON—Dr Arthur, is that correct?

Dr Arthur—Would you repeat the question, please?

Senator MASON—Perhaps you might want to answer my questions rather than—

Senator JACINTA COLLINS—That is what he asked you; to repeat it.

Senator MASON—Yes, but I think Dr Arthur was about to run off on something else. But let me ask again. Therefore, to get to a 1:1 ratio by the end of next year, that leaves just over a year and a half to deliver all the remaining computers—or one year and seven months. The government has delivered, what, 297,500, since the election—it is two years and eight months since the election—and now the claim is that there will be 480,000 over the next year and seven months to attain the deadline.

Dr Arthur—Yes. In order just to reassure you, that would require a monthly rate of some 25,000 computers. At the current rate for the first five months of 2009 it is 19,000, which is an increase of 3,000 per month from the rates of an equivalent period in the previous year. My judgement would be, as program manager, that that rate, given the history of the program to date, is entirely achievable.

Senator MASON—Given the fiasco thus far, let us wait and see. I will accept it when I see it, Dr Arthur.

Senator Carr—What I will do to help you is table a graph which highlights the rate of computer installation necessary to achieve the 1:1, and while doing so I might just point out to you that in two and a half years the Rudd government has delivered more computers for students than the Liberals did in 12 years of being in office.

Senator MASON—We did not make the promise. The fact is you make promises and you never deliver them. Has this government ever delivered on any promises, ever?

Senator CROSSIN—Yes.

Senator MASON—On any subject, ever? Within budget?

CHAIR—Order! The difficulty with actually asking that question is that I am obliged to let the minister answer and there might be a long list.

Senator MASON—I was provoked.

CHAIR—Let us move on.

Senator MASON—Let me get on to internet connection—another one of my favourite issues. Has the department of broadband's NBN implementation study come out yet?

Dr Arthur—Yes.

Senator MASON—In light of that study then, when will the government implement its promise that every computer will be connected to a fast, up to 100 megabytes per second, fibre internet? When will it happen?

Dr Arthur—As I understand it, the government has committed to respond to the implementation study within a particular timeframe.

Ms Paul—In the coming months.

Senator MASON—So, the government is going to reply to the report within a couple of months, but it is not going to connect the computers to the internet within a couple of months; is that right?

Dr Arthur—As we have indicated on a number of occasions, the benefit to the schools from the National Broadband Network is that it greatly reduces the complexity of providing fibre connections, particularly to, for example, independent schools that do not have the ability to secure those connections by way of collective purchase. It is certainly dependent on the overall investment of the government in the National Broadband Network.

Senator MASON—Are you able to tell me when the government will be able to implement its promise to connect all the computers to 100 megabytes per second fibre internet?

Dr Arthur—As I have already indicated on a number of occasions, the benefits that will flow to schools from the implementation of the National Broadband Network are clearly dependent upon the timing of the rollout of that network.

Senator MASON—So, you cannot assure me when it is going to be done; I understand that.

Dr Arthur—I am not in the portfolio that is dealing principally with the National Broadband Network.

Senator MASON—I understand that. I do not even blame you, Dr Arthur, but the facts are the facts. How much will it cost to ensure that every computer is connected to a fast fibre internet?

Dr Arthur—I believe we have canvassed this question on a number of occasions.

Senator MASON—I am still asking, Dr Arthur, because every time we see a new press release; you never answer it or the answer is insubstantial.

Ms Paul—I think he is trying to answer.

Senator MASON—Please.

CHAIR—Senator Mason, ask the questions and wait for an answers.

Dr Arthur—The answer is that the government has committed \$100 million for the Fibre Connections to Schools program. It has also committed up to \$42 billion for the National Broadband Network, and both of those investments will be crucial to the provision of high-speed broadband to schools. In terms of what precise allocation of the funding for the National Broadband Network could be attributed to providing connections to schools, it is not possible to determine.

Senator MASON—So, you cannot be certain, again, that the \$100 million will be enough?

Dr Arthur—We have canvassed this on a number of occasions.

Senator MASON—That is why I keep asking you. I love the answers you give me.

Dr Arthur—The \$100 million is, and was always stated to be, a supplement to major investment from the National Broadband Network. What has changed over the time is that original commitment to the National Broadband Network was, as I recall, some \$4.7 billion. It is now by an order of 10 higher.

Ms Bloor—We have no reason to believe that \$100 million will not be sufficient to connect schools in the context of the National Broadband Network to the sorts of fibre connections that they require as large aggregations of users.

Senator MASON—Have you any reason to believe that it will be enough, Ms Bloor?

Ms Bloor—We have no indication from discussions with the broadband department that there would be a problem with that.

Senator Carr—What we can say with certainty is that if your cuts proceed 696,000 computers will not be delivered, and that would be therefore a complete undermining of the progress that has been made to date.

Senator MASON—I just wish you could deliver a program on time and within budget.

Ms Paul—This one is being delivered entirely on time, according to our estimates.

Senator MASON—Let us wait and see, Ms Paul.

Ms Paul—Certainly, at the moment we are entirely on track, if not ahead.

Senator MASON—I have another question on the Digital Education Revolution. According to the DEEWOR budget statement for outcome 2, page 62, the program has been extended for another year at a cost of \$122 million. I see from the DEEWOR budget statement

that the Computers in Schools program now extends into the 2013-14 financial year at a cost of \$122 million, the same as the two preceding financial years. What does that expenditure consist of and is that an extra \$122 million?

Ms Bloor—That figure reflects the allocation of funding to the non-government sector, and the funding of \$74 million as a proportion of \$200 million in 2013-14 that has been provisionally allocated in the budget to contribute to sustainment of the National Secondary School Computer Fund in 2013-14.

Dr Arthur—For example, in 2013, without that funding there would be some 150,000 computers that otherwise would become obsolete.

Senator MASON—Which we have discussed in the past.

Dr Arthur—Indeed.

Senator MASON—That is what I suspected. Is this money ongoing every year?

Dr Arthur—It is to the conclusion of the current forward estimates.

Ms Paul—That is right. The program does not terminate.

Senator MASON—What costs does that budget allocation cover?

Ms Paul—You recall that we are not just talking about a one-off installation of computers. We are talking about an ongoing program of one-off installation to bring the ratio to one-to-one by 31 December next year and then replacement. You need funding for both things. Once you have computers to a ratio then you have to sustain them. Remember we are working on computers of less than four years old basis.

Senator MASON—Yes. I remember that.

Ms Paul—By the time we get to that, which could be now, next year or the years after, there are a whole bunch of computers which are becoming more than four years old.

Senator MASON—They will be obsolete.

Dr Arthur—As you will recall, the Commonwealth is responsible for 70 per cent of that cost going forward, the education authorities are responsible for 30 per cent, and the figure that is used to calculate was a figure calculated in the Grimes report, which took into account the reduced ancillary costs that would be attributable to the program once we have been through the major upgrades.

Senator MASON—How could I forget? I recall the Grimes report on infrastructure costs and warning everyone that there were going to be infrastructure costs. I was ignored, but then I celebrated. It seems like a long time ago.

CHAIR—Did you finish your answer, Mr Arthur?

Dr Arthur—Yes.

Senator MASON—I would like to bring to your attention the difference in the description of the National Secondary School Computer Fund between last year and this year's DEEWR budget statement. Why has the cost of the program gone up from \$1.9 billion to \$2.1 billion? What accounts for the \$200 million?

Dr Arthur—That is the difference in terms of the extra year of sustainment funding.

Senator MASON—The sustainment funding is \$122 million.

Dr Arthur—Ms Bloor indicated some of the complexities behind that number. The number in the Treasury papers is \$200 million.

Ms Paul—This is because Treasury reflects the government schools and our figures reflect the non-government schools. The total is \$200 million. It is a presentational issue.

Senator MASON—Has it gone up?

Dr Arthur—Yes, it has gone up.

Senator MASON—Why was that not forecast?

Ms Paul—It is for an extra year.

Dr Arthur—The normal practice in forward estimates is that when the next year arrives it will be added to the forward estimates total.

Senator MASON—So, that is the forecast expenditure for both government and non-government?

Dr Arthur—Yes.

Senator MASON—That is all I have on the Digital Education Revolution.

CHAIR—I have a couple of issues Senator Mason has referred to in the past. One was about the access to teacher training, the strategy to make sure that we have computers in schools, and that we will have teachers with the skills and ability to use them effectively in the classroom. Can you tell me how that is going and how it is being implemented?

Dr Bruniges—That is a very important issue. As I said before, the teacher professional learning is a critical component for teachers in the use of the technology and software to support learning. Ms Banks can go through and explain what we are doing in that area.

Ms Banks—There has been a budget of \$40 million announced for a twofold program for both pre-service and in-service support for teachers. As to the makeup of this budget, there is a \$20 million allowance to develop in the area of proficiency, and the other is the \$20 million innovations fund, which I will come back to. Within the proficiency area, the main thing is not just proficiency of pre-service and teacher trainees but their capacity to apply their learnings of IT into the classroom and to utilise the technologies available to teaching and learning today. That requires an approach to pedagogy, not just using the tool for your own personal use.

We are currently in the process of developing a proficiency tool to enable teachers to be able to self-assess where they are up to and to align their own professional development needs to where they are in their use of the technology within teaching and learning. We are undertaking a process at the moment that involves consultation with jurisdiction, because some of these tools are already available and we do not want to duplicate work that has been done. If we can build on what is already available, we will be doing so.

We will be scoping out the nature of the work and aligning the level of proficiency that is expected with the standards for teachers that are currently being developed as part of the teacher reform process. We expect that all teachers, both in their pre-service and in their training, will be highly competent in using the technology within the classroom, and these

standards will specify the expectations at the various levels of a teacher's career development. That proficiency tool will be a major part of the strategy.

The second part that I mentioned was an innovations fund. Currently available on the website are guidelines for applications to this fund. I think the closure is towards the end of this month. We are expecting a number of significant applications from universities and pre-service consortiums to be developing innovations to support the pre-service training and skilling up of those who deliver the teacher education within universities, because it is not just the pre-service people themselves, but those who are training the pre-service teachers. We are expecting applications that will significantly enhance that aspect of their training. Those applications are yet to be received and to date we have worked out our selection process, which will be by an independent group. We have an advisory group that embraces key stakeholders, including the pre-service, the deans of education, who will be playing the significant role in the selection of which innovation programs are recommended to be taken forward.

CHAIR—So, you are telling me this is really lifting the skills and the use of technology up to a new level?

Ms Banks—Yes.

CHAIR—There is obviously a base level across-the-board now. Has that been welcomed by the profession?

Ms Banks—Very much so. The other significant aspect of it is improving the alignment of what is available. There are significant professional development opportunities available, but it is sometimes difficult for teachers and those training to be teachers to identify exactly where to go to match their professional development with where they are in their learnings and understandings. It is trying to build a strong foundation for continuous learning and continuous development.

CHAIR—In some respects it is a spin-off benefit. You need to lift the level of skills across the board to use it, but then those skills go across the whole of the board, and not just the years that have an access to one-on-one. It is right through. It is part of the whole evolution in this technology.

Dr Arthur—Indeed. The way in which the program is being developed means those benefits do occur. New South Wales is a good example. As a result of the program in New South Wales, every secondary school now has an extremely capable wireless local area network, which benefits the entire school. Also in terms of the reaction of teachers, we have a number of anecdotes now from schools where this rollout has occurred, where even before we get to the excellent programs that will be funded through that, because of the scale of the investment there is now technology which is everywhere and just works. That simple fact is changing people's practice and is changing the atmosphere in schools, particularly with disengaged students. We are getting a large number of anecdotes at the moment that students who are particularly difficult and areas particularly difficult, now that they have the technology and are dealing with that, where they do not feel that they did in the past—there was a disconnect between their normal lives and school we are getting benefits. We have a

long way to go before we get all of the benefits from that, but even now we are getting interesting reactions.

CHAIR—It is extraordinary. Senator Back and I visited a school not too far away from here a couple of weeks ago. It is a primary school, and I must say that I was quite surprised that most of the classrooms had electronic whiteboards. It was all computer driven. There are video conferencing facilities, and they share classes with other schools in the area. It is quite amazing at primary school level.

Dr Bruniges—The impact that has had on learning outcomes and will continue to have in curriculum access, with smart boards and white boards in classrooms as well, means that students can see things like continental drift happening in science classes. They can see it happening rather than the days of cut and paste and then glue it together. In each key learning area and in each area of the curriculum teachers, in their areas of expertise, are coming to terms with that. That is the professional learning and supporting around what that means, and the advantages that is giving students. Science classes are in real time. There are some examples here. At Bathurst High School the students in science are using real-time data from the internet to track volcanic activity in North America. The engagement that Dr Arthur has spoken to about real-time activities and what that has allowed to happen in every curriculum area is substantial.

Senator BILYK—If this program were to stop what would be the impact on schools?

Dr Arthur—We cannot speculate on that. I can look at the number of computers provided under the National Secondary School Computer Fund which would not be replaced at particular times. You can make projections on that. The question that would arise would be the extent to which the cost currently being borne by the Commonwealth was or was not picked up by either the parent bodies and the independent sector or by state governments.

Senator FISHER—Let us assume not at this stage.

Dr Arthur—In that case, for example, in New South Wales government schools, where their rollout each year involves every student having their own laptop, all of their teaching practices are beginning to be based around the fact that all of their students will have that technology. If you assume not, then in the relevant years, say, 2013, there will be a whole class going through New South Wales secondary schools that will not have the technology that by then they will assume to be there in all of their programs.

Senator JACINTA COLLINS—Can you quantify that?

Dr Arthur—We have numbers and these just reflect in a forward projection the rollout numbers that are happening at the moment. So, it would mean that in 2013 some 160,000 to 170,000 computers would become obsolete. In 2014 some 250,000 computers would become obsolete. These figures are assuming that we also do not issue 120,000 computers in 2011. In 2015, some 230,000 computers would become obsolete around Australia.

Senator JACINTA COLLINS—Do you have a graph of that decline?

Dr Bruniges—We can do a graph, but I think we will take it on notice.

Senator BILYK—The other issue would be the impact it would have on the students' learning and their ability to function in this technological society, would it not? A large part of

this whole process is that computers and technology are just a part of everyday living. The kids learn it like we learnt about dollars and cents back in the sixties. If you are brought up with it, it is easy to understand. If you were brought up in the pounds and pence era, then it has been a bit harder for some people early on to grasp. I think it is a really important issue.

Senator Carr—Nearly 700,000 computers have been provided. The effect of cessation of the program now would be effectively to waste that. That is the real problem.

Senator JACINTA COLLINS—And to create enormous inequity.

Dr Bruniges—I was going to say that we will move to the first online national curriculum as we move forward, and that would mean that the curriculum would be offered completely online. As we move forward we need the means to be able to access that.

CHAIR—I want to go to the tools that are involved. We are now talking about the staff development itself. Just before I finish on that, as to the \$40 million, is that across all sectors or is that the government school contribution?

Ms Banks—It is available to all schools. The tools are to be developed and the innovations fund will be looking—

CHAIR—I am still on the teacher training and the skills development for teachers. Is that a different amount of money? I thought that was the \$40 million.

Ms Banks—The \$40 million is available for the preservice training tools, but it is broader than that. It is not just confined. What is produced for the preservice will have application beyond.

CHAIR—What I am getting at is what about the independent sector? It is the same skill set that is rolled out—

Ms Banks—Yes, it is inclusive.

CHAIR—This is not about the delivery this is about the development?

Ms Banks—Yes, and the development of services.

CHAIR—As to the development of online curriculum tools and resources in subjects such as languages and other things, what is under way there and what are the objectives?

Dr Arthur—A number of things are under way. Building on Dr Bruniges' remarks, that funding and the tools that are being developed very much do go together with the introduction of the Australian curriculum. We do have the opportunity now to provide the sort of access to resources that would just simply not be possible. For example, the sorts of things that we are trying to work on are that when a teacher wants to find out what this particular element of the national curriculum means they will not as in the past be directed to a wall chart that may or may not have some information. They will simply be linked to a rich set of resources exemplifying the curriculum assessment resources, keyed to that element of the curriculum, and to these resources not just in Australia but also available internationally.

CHAIR—How much money is being allocated for this?

Ms Bloor—There are component parts in the DER funding—over the period of the program something around \$27.4 million over four years.

CHAIR—Where is that work being developed?

Ms Bloor—It is being developed collaboratively with the jurisdictions—some of the jurisdictions themselves have quite rich content—and also through the ministerial company which has been formed this year through the merger of Education.au and Education Services Australia. As a result of the increased activity in this area, we would also be looking at generating more of a marketplace for digital content with an educational focus.

CHAIR—I should probably ask the obvious question. Are we taking the opportunity of a lot of new development to actually drive it on a national standards basis? So, we are not going to allow—or we are going to discourage; we may not be able to allow or disallow anything—the development of a state based curriculum?

Dr Arthur—This is indeed a crucial issue. I will not talk about state based curriculum. Other people can talk about that item. But in terms of the tools and services designed to ensure that access is indeed fully national and universal, a lot of work is happening in that area. The ministers have already agreed to funding to establish something which has an absolutely horrible name, National Interoperability Program, which is designed exactly to try to achieve a result whereby a teacher in a remote non-government school in WA is able to access exactly the same set of rich resources as a teacher in a well-resourced government school in the middle of a metropolitan area. So, there is a whole range of activities, including agreed schemes of classification of materials, the development of tools that work on a truly national basis and standards, that will allow us not merely to do this with new material but will also allow us to leverage existing investments. For example, we are doing work at the moment that is intended to ensure that the very significant investment of governments, including the previous government, in curriculum in the function known as the Learning Federation, will be available directly from people trying to work from the national curriculum.

CHAIR—Special mention is made of languages. I know it is certainly possible in large metropolitan schools to have specialist language teachers, even across a number of languages, but I guess in less populated schools, regional schools, it is just unrealistic to expect that they would have maybe a Chinese speaking teacher qualified to teach those sorts of languages. Is this really going to enable that next step across the board?

Dr Arthur—Certainly in the area of languages, and I would also suspect in the areas of science and mathematics and indeed everything which is particularly technical, we are going to have to use technology as an expertise multiplier. But right at the moment in New South Wales I am aware that there are some schools that are experimenting with programs which exploit the fact that we and China are essentially in the same time zone and have classes using the devices provided under the Digital Education Revolution doing live interactions with classes in China at the moment.

CHAIR—What will they think of next? That is quite amazing really. I just want to go to another issue on which we have spent hours and hours and hours at estimates over quite some time, which Senator Mason pursued, and that was in relation to the actual cost of the computers. It was suggested over a long period that there simply was not enough money to achieve it, and from memory you were always arguing that through a process of bulk buying power—because we are talking about how many computers again, remind me?

Dr Arthur—I am happy to be able to say that the work that we did in the Grimes report that attempted to work out what was a realistic total cost of ownership of the computers over the four-year program is being proved to be correct. It is the case that the funding that has been made available under the Commonwealth budget is proving adequate to provide both a robust and ubiquitous infrastructure for the computers and for the computers themselves. This program is actually reducing the average unit cost of technology in Australian schools. For example, in New South Wales, they have been able to have tender processes that not only give them access to extremely powerful devices at very competitive prices but also in the area of software. In New South Wales government schools I am aware that a deal was done with Adobe whereby all people in New South Wales education have access to the full suite of Adobe software, which is something that would normally cost you some multiples of hundreds of dollars for, as the price was described by the Chief Information Officer of New South Wales, essentially a cup of coffee per student per year. These are the kinds of reductions in the IT area you can achieve by proceeding at scale.

CHAIR—Are you able to tell us the sort of costs or is that still commercial-in-confidence? I understand that it is a matter—

Dr Arthur—It is commercial-in-confidence. However, it is a deal which is available to other schools. I know one other school system has already signed a similar deal with Adobe, and so it is not appropriate for me to discuss details here. But through the normal processes of exchange of information amongst Chief Information Officers and their interactions with the industry the price effects of this program are available nationally.

CHAIR—Last year I bought a laptop for my 14-year-old and it reduced me to tears, because it was in excess of \$2,000. I am still recovering. You are not paying anything like that for a computer, are you?

Dr Arthur—With all computers, as you would know, the specifications of a computer are many and various and so it is not a question I can really answer, but I can say that for the netbooks, which are the majority deployment under the program, the prices are certainly less than \$500.

CHAIR—Per unit?

Dr Arthur—Per unit.

CHAIR—Can you tell me again the total number of computers?

Ms Bloor—There are 788,000.

CHAIR—We are now on track for the ramping up, and again this was the subject of much discussion as to whether we could physically do it. It is a lot of computers to actually even physically get here let alone unpack and move around the country. Can you just explain that process? Who are we doing the bulk of purchasing with? Is it one big lot or is it going to be a multiple—

Dr Arthur—The processes are many and various. In the independent sector it is normally going to be a case that the money will go to the block grant authority for the Catholics or the independents in a particular state. The money will be made available to individual schools and the individual schools will then purchase the computers. In most cases they have access to the

panel of arrangements established by the state and territory governments and they will then purchase through that mechanism. In the Catholic sector it tends to be pretty much the same. I think there are some instances of central approaches to it. In the government sectors, it varies. In New South Wales it is a single contract run by the government. They acquire the computers and they provision them fully functional to schools. In Victoria, which has self-managing schools, there will be a list of devices with prices that have been centrally negotiated which are available to schools but the actual funding movement will occur from schools, because Victorian schools have single-line budgets from which the money will come for the computers. So, there is a whole range of models around Australia.

CHAIR—But it is the central bulk-buying power regardless of who actually puts in the order that is going to generate the price?

Dr Arthur—It is the price effect on the marketplace of there being a specification of this kind of unit for educational purposes and the downward pressure that places on the competitive forces that unleashes within the marketplace.

CHAIR—Would that actually affect the marketplace outside the education sector?

Dr Arthur—I am not qualified to speculate.

CHAIR—Are there costs involved with the physical movement of the computers or is this a delivered, set-up cost?

Dr Arthur—That would vary. The transport costs are not going to be a large component of the price. They are normally, as I recall, priced at delivery. If as in the case of New South Wales they will be delivered to a central point, New South Wales is certainly going to be picking up some costs for its transport out to particular schools, but that is something which is just picked up as an element within the overall cost. It is not a significant driver of cost within the system.

CHAIR—That takes us to the actual connection. I know there was a discussion with Senator Mason about that. But I did want to explore that further given that it is a \$100 million commitment to support the deployment of high-speed broadband connections to Australian schools. I was actually interested to understand where that is state by state and the impact that is having, but we will have to do that after the afternoon break.

Proceedings suspended from 3.45 pm to 4.03 pm

CHAIR—We will recommence the estimates hearings. Mr Arthur, you are about to give me a very brief overview of the fibre connection. Senator Bilyk told me in the break that she has some questions about support mechanisms to provide the deployment of ICT, so that probably just leads us into that area.

Dr Arthur—Sure.

Ms Bloor—In 2009, we conducted a second survey of schools across Australia with respect to their connectivity. This year we received a response rate of over 95 per cent, which is exceedingly good, particularly with respect to non-government schools. Over 99 per cent of Australian schools have internet connections. The very small number of schools that are not connected to the internet presumably have made a choice in that regard. Very close to 50 per cent of Australian schools are currently connected to fibre, reflecting the significant

investments that have been made by jurisdictions and school systems over several years with respect to connectivity. The major issue about connectivity for schools is very much affordability and the affordability of high-speed connections, and that is what the initiatives under the Digital Education Revolution are seeking to address.

The \$100 million that was committed to contribute to the additional costs of Fibre to the Premises deployments to schools will be used in conjunction, as we said, with the NBN. We are also progressing initiatives with respect to promoting collaboration between schools, authorities and jurisdictions through the Vocational Education Network, which was an announcement out of the 2020 Summit. There was an allocation of \$80 million to provide a network for TAFEs, and ministers have agreed that that network should be available also to promote collaboration between schools' authorities.

We are currently undertaking a procurement process for that network. It is a two-stage process that involves a request for expressions of interest; the time frame for that ended in April and we have reviewed it. The respondents have been advised and five respondents have been short-listed to go on to a request for tender process, which we would anticipate being able to release some time in July. I think the five successful proponents are on the DEEWR website. That network will give us a capacity to promote affordable collaboration and affordable connectivity between schools' authorities and between TAFEs. It will assist transitions between schools and TAFEs and VET in Schools initiatives. It is independent of and not dependent on the time frame for the National Broadband Network; but the rollout of the NBN will provide connections then to the remaining premises that are not as yet connected to fibre.

CHAIR—Just before that leads into Senator Bilyk's questions, the collaboration issue sparked my memory because, again, Dr Arthur, you would have spent many hours discussing this broader issue with Senator Mason. So I wonder where we have now ended up, given that we are well and truly into the program. I think the suggestion was being promoted that really the states saw this whole program as a burden and they did not, in fact, want it. Where are we now?

Dr Arthur—I think it is fair to say that we are in a very different position, if we were ever truly in that position you have just referred to. Without going into that history, certainly a view was taken as to the appropriate apportionment of costs; that view was discussed at COAG and resolution was reached. But, apart from that, we are in a stage of very considerable collaboration and, indeed, investment by states and territories and other authorities—but certainly, most visibly, by state and education authorities—to ensure the success of the program. I will give just a couple of examples.

In terms of collaboration, the key documents now driving the implementation of the Digital Education Revolution are the strategic plan for the Digital Education Revolution and an implementation road map. Those documents were not merely developed in collaboration with the states and territories; officers of the states and territories were, in fact, the principal drafters of very large segments of those documents. They represent very much an agreed view of what needs to happen and how it needs to happen into the future. Those documents are now attached and provide the key meat to the national partnership on the implementation of the Digital Education Revolution.

In terms of investments, in both the area of computer provision and the area of connectivity, it is the case that everyone understands that this needs to be a shared effort, and investments are occurring. For example, in order to assist the rollouts of computers to students, the New South Wales government is meeting the cost of the provision of laptops to all of its teachers. This provision exists in some other states and territories, but it is now being done in New South Wales and out of the resources of the New South Wales government as part of the rollout of the Digital Education Revolution. Similarly, New South Wales some time ago completed its own tender with Telstra, which will mean that 97 per cent of New South Wales government schools will be on fibre connections. Because of the way that they have done that, they will be able to meet, at least partially, some of the cost issues associated with that, as Ms Bloor indicated.

Meanwhile, the Catholic sector likewise is in the process of establishing the Catholic Education Network, which also will involve the collective use of funds within the Catholic sector to upgrade connectivity to Catholic schools, thus increasing significantly the number of Catholic schools on fibre. As Ms Bloor has indicated, the key issue then remains that, for some states and territories and particularly for the independent sector, where it is very difficult to do a kind of collective buying of telecommunications, the National Broadband Network will mean that there will be actual fibre close to a whole range of schools that have not been close to fibre. The rollout of that network is, indeed, crucial to ensuring that all schools have access to fibre connections.

CHAIR—Senator Bilyk.

Senator BILYK—Once computers have been placed in the schools, what support mechanisms will there be for those schools? If I was working in a school, as I am not particularly technically minded, I might be a bit challenged by all this new technology. What are we doing there?

Dr Arthur—That responsibility rests, in formal terms, with however it is being organised, whether it be the government system or the independent school. It is, however, covered within the funding that we provided under the Digital Education Revolution when we looked at the costs that needed to be met to ensure that the computers could be effectively utilised; that issue was part of that costing formula. Exactly how it happens, we do not dictate. But certainly, again, it is an issue where the scale of the funding allows a more cost-effective approach to be adopted. So, again, just giving you the example I know best, in New South Wales government schools, there is now a single uniform device, a single mechanism, for the wireless network. Essentially, you get the computer, you open it up, you turn it on, it is connected and it works.

Senator BILYK—It is ready to work.

Dr Arthur—Yes. Also, technical support people are available in all schools to deal with issues when the local land link goes down. But certain kinds of issues have bedevilled systems and the same issues existed with Dr Bruniges's former responsibility in the ACT. There, likewise, they used funding to make sure that they did not have teachers in schools trying to be bad network technicians. Instead, you have a deployment which is properly thought out, properly put in place and properly supported at a technical level, and the teachers can get on with the job of using this technology in their classrooms for pedagogical purposes.

Senator BILYK—Are those tech people employed by the state or are they supplied through Commonwealth funding?

Dr Arthur—They are going to be employed by the state or by the local school, but the funding for that was part of the calculation of the funding for the program.

Dr Bruniges—That allows for sustainability. In the past it probably has been somewhat ad hoc and a bit ‘person dependent’, with the teacher who had a passion or an interest in the IT area going and doing the fix, whenever they could, for others and probably over and above their normal duties. I think one of the changes that we are seeing is the recognition of a systemic approach to making sure that all teachers in classrooms have the support that they need so that they can focus on their core business of teaching and learning, while the technical side is appropriately done by a paraprofessional in the field. I think that helps standardise systems; and, where a teacher is transferred or, under mobility, moves on, what exists in the school and learning environment remains.

Dr Arthur—It also ensures that the flexibility you will need occurs at the right place. You do want the teacher to be free to be completely flexible in the way that they use the technology pedagogically. But that is not dependent on their being free to make particular choices, such as that they like one particular device and will have it contribute in one particular way. If you can make sure that stuff is just uniform and it is a vanilla—to use the term that is used—deployment, then the innovation can occur where you want it to occur, which is in the actual teaching.

Senator BILYK—Earlier you were responding to one of the chair’s questions about collaboration with states and territories. Does this program extend into collaboration with universities?

Dr Arthur—Formally, it does not cover that; however, it provides a mechanism that facilitates that collaboration. It is the case already—I know a fair bit about this from past things—that the universities have an extremely capable broadband network and there is extremely capable connectivity between all Australian universities; it is equivalent to anything in the rest of the world. But there have been severe limitations on their ability to connect into schools, because of the connection difficulties and because there was not the technology in the schools to allow those things to occur.

So, picking up on some of Dr Bruniges’s former examples, in the research and teaching areas—but particularly in the research areas—of universities now, it is the case that you carry that out electronically. You do research by having very large datasets. Coming from instruments, you have information that is played with electronically. Now that we are making capabilities that are appropriately stepped down so as to be available in schools, you can have situations where a geophysics area, which has built a very, very complex research model on how continents move, can have an element of that appropriately stepped down so that a school student can be playing with the real data of how continental drifts occur. They can put some parameters into that data and watch the continents move on a simulation. That is not a game; it is simply learning how the principles are applying in real time. You can only do that if you have an appropriate degree of computer technology in the schools and an appropriate connection, at an appropriate price, between the schools and the rest of the Australian education framework.

Senator BILYK—I am also interested in rural and regional areas. I am happy to be corrected, but I think it was in 2008 that the Darwin university—I am sorry; what is it called?

Dr Arthur—Charles Darwin University.

Senator BILYK—Charles Darwin University did some work with rural and regional areas, and Cape Barren Island and Flinders Island were included in that. Is this within your sphere?

Dr Arthur—I am not familiar with that particular—

Senator BILYK—Other rural and regional areas in the rest of Australia were involved as well, but I was going to ask what the children had gained from those projects; whether there had been any ongoing benefit. Perhaps you can expand on what we are doing for rural and regional areas in regard to the project.

Ms Bloor—The DER is a universal access program, so it is applying with equal weight in rural and regional areas.

Senator BILYK—Do you have a couple of case studies that you could tell us about just to let us know how it is going?

Dr Arthur—We could certainly look at that, but I do not know that we have anything and I am not familiar with the example that you have just cited.

Senator BILYK—I think it was in about 2008.

Dr Arthur—We can certainly investigate that and come back to you with any details on that. In broad terms, there is no doubt that technology offers us an opportunity to deal with some of those key problems of rural and remote education. For a long time it has been a problem that particularly, for example, in senior secondary schools in rural and remote areas, or even just in regional areas, you do not get the richness of curriculum offerings at senior levels to hold those students within those areas. The reality is that we have not solved this problem through physical presence in all the time that we have been trying to do so and my personal view is that it is only technology that offers us an opportunity to really start addressing those issues.

Dr Bruniges—Around the learning outcomes of those children in rural and remote areas, the point that Dr Arthur has made is that access to material on what the digital environment can do opens up a whole range of either subject specialties or links into a school that might be teaching something for which they do not necessarily have the expertise. The subject area in some of the secondary schools could be delivered such that the students would have much better access to both the content and the knowledge that they need but would not normally get. Access is probably the key point. The other point is that, when you think about some of the great resources that probably reside in places like the National Archives and the Museum, it enables students to get access to learning objects, in terms of key speeches and a whole range of resources that can be used and that they would not normally have.

Dr Arthur—I can build on that. As part of the work around the delivery of the tools that we talked of beforehand and, again, collaborative activities between ourselves, national agencies—such as Education Services Australia—and, in this case, the Victorian government, a lot of work is being done at the moment to make accessible collections and materials held within the cultural institutions around Australia and to make them available not only online to

students but also under copyright arrangements that ensure that schools can use and manipulate that material without incurring additional costs in doing so. So there is a body of work that is trying to leverage the rich collection of material that is available in and through our cultural institutions and to use online technology to make those directly available to schools and usable within lesson plans. One way of doing that is by making sure, for example, that material is appropriately tagged so that, when a teacher is trying to find a particular resource on a particular subject, they will not just do a generalised search; they will ask for that particular material and that precise material will come back.

Senator BILYK—For example, they would go to the National Museum site as opposed to just doing a Google search.

Dr Arthur—It goes even beyond that. It is not about going to a national museum site. We are trying to get to a position where you will be on the school site and say, ‘I want to find some resources dealing with this particular element of the national curriculum.’ There will be embedded within their own school site the technology that will take you directly to those resources in the National Museum, in Victorian cultural institutions and so on. We are working now, for example, in the science area with a whole range of resources, created by the National Science Foundation in the United States, which are likewise intelligently tagged to the national curriculum.

Senator BILYK—I suppose, overall, we can say that computers are making a pretty big impact in schools and on the future of the students. The example that you have just given shows that they are opening up the world really, especially to students in rural and regional areas, who might have travelled long distances but not to major cities in order to be able to see any of these things. So that is really good. Are there any other specific case studies that you can share with us?

Dr Bruniges—I think there are probably some themes coming through—and Dr Arthur has touched on some of those before. There is the nature of student engagement; it has, I guess, remotivated students to engage in learning in different ways through digital technologies. That seems to be a theme that is coming through. I guess that the evaluation will highlight some other important points, as we go through. But, at this stage, anecdotally, there is student engagement and their access to things like language studies and character writing studies; in Japanese, we have a number of those where they would probably have done it a little differently. We also have a range of particular things such as how students are tracking earthquake tremors across the world in real time. That, again, leads back to higher levels of student engagement and motivation for learning. So, through the evaluation process, we get to fully understand the breadth and the significance that that may well have or the changes that happen because of that access. But I think that will be very valuable as we go down that evaluation track.

Dr Arthur—I will just add to that that the evaluation process is another example of the collaboration that is now showing in the program. The process of working out how we will evaluate the program and the detail of that is being conducted by a committee, which chaired not by the Commonwealth but by the chief information officer of a particular state. The process is being done in a fully collaborative way. It is a Commonwealth program, but it is being evaluated by a process that is chaired by a state and territory representative.

Senator BILYK—When is that evaluation due?

Ms Bloor—The evaluation is likely to be over a period of time. We envisage that it will be at the end of the program, but it will probably need evaluation instruments that are longitudinal so that it would start sooner. We are in discussions with education authorities presently and we will be continuing, over the next several months, to settle on key indicators and how the appropriate data can be collected in ways that are the least administratively burdensome for them. But we would see it being ongoing from 2011.

Dr Arthur—We already have some data instruments in the area. In fact, the sample survey on ICT proficiency is, in some ways, leading with the data sources it has already on ICT in education.

CHAIR—Thank you; there are no further questions.

[4.25 pm]

CHAIR—We will now move to outcome 2.6—National action plan on literacy and numeracy

Senator MASON—Minister and Ms Paul, I have some questions about NAPLAN and, in particular, the ICSEA index: the index of community socio-educational advantage.

Ms Paul—That is actually to come on tonight. It does say NAPLAN now, so I do take your point. It is just that underneath it says Lit/Num pilots, and the partnership really was here. You could try us; but we will have all the experts here at 10, with ACARA as well. Of course, they are the ones that developed ICSEA. We had them here last time when we were doing these questions.

Senator MASON—I also have questions for ACARA, in effect, in looking at the national curriculum and its implementation and so forth; but I also have questions about NAPLAN—literacy and numeracy—methodology and so forth. Let us see how we go. Speaking about the ICSEA index—the index of community socio-educational advantage—Ms Gillard said in a speech to the Sydney Institute on 15 April this year:

The index was developed with input from school sectors and while it might throw up some results that challenge our expectations, only 26 schools out of 10,000 (or one quarter of one per cent) across the country have asked for their score to be reviewed.

The same information was provided by ACARA officials and, I think, also by you, Ms Paul. Let me just check. On page 64 of estimates on 11 February, Dr Hill states:

So far we have received, from 26 schools, requests to review their ICSEA index.

The *Hansard* reads further:

Senator HANSON-YOUNG—Thank you, Chair. You mentioned 26 schools have asked for their index to be reviewed?

Dr Hill—That is correct. That is as of yesterday.

Then further on, Senator Hanson-Young says:

The point still stands that schools are suggesting that they are not being fairly compared, and you are saying that, as of yesterday, there are at least 26 schools which have said that they believe that the comparison is wrong.

Ms Paul, you then said:

Out of 10,000.

This is on page 71 of the *Hansard*. In other words, the argument was, first of all, that the index was very robust; that was the argument.

Ms Paul—Yes.

Senator MASON—So few schools—26 out of 10,000—asked for their scores to be a reviewed. But then stated in the *Sydney Morning Herald* of 18 April 2010 is:

The government was forced to adjust ICSEA rankings for 7 per cent, or about 650, of the nation's 9509 schools before launching the My School website in January after it was found that census data was not reliable for those schools.

So I am after an explanation of the difference between what Ms Gillard said and what Dr Hill said and so forth.

Ms Paul—We actually went through that when Dr Hill was here the last time, and he explained what that process was—and I might ask my colleagues to explain it. But it was ACARA's process, so you may wish to revisit it at 10. Nonetheless, we are familiar with it; so, if you would like us to, we can give it a shot.

Dr Bruniges—My understanding is that, in the formulation of ICSEA for each school, there was a point, before My School went live, at which consultation was carried out with each jurisdiction and schools to look at the characteristics.

Senator MASON—But before.

Ms Paul—Yes; that would have been last year.

Senator MASON—Yes.

Ms Paul—Dr Hill went through the dates of that.

Senator MASON—So we are talking about before the launch of the My School website.

Ms Paul—It was actually to reach ICSEA. It was part of actually establishing ICSEA; it was a process of verification.

Senator MASON—But 'seven per cent have concerns'.

Ms Paul—No. That seven per cent was not concerns from schools; it was a process of ACARA checking, with education authorities, the data that they had and seeing whether education authorities thought that some of the information was not accurate for that school—because, remember, ICSEA works on information from parents' addresses into the census collection district, which is where the parents are from. On that basis—Peter Hill was much more eloquent on this in the last estimates than I can be—later in the *Hansard* in the same part, he explained how that worked; it was just a robust part of the process. I cannot recall even whether he said that it was seven per cent, but let us assume that he did. That was all part of reaching ICSEA. So that was done with the education authorities based on the knowledge of their school bodies.

Senator MASON—So the draft ICSEA, in effect, was amended to take account of those—

Ms Paul—Yes. It went through a verification process; that is right.

Dr Bruniges—There was a quality assurance step in going back to jurisdictions, once they had formulated from the ABS census; the quality assurance and the additional check was to go back and ask the question.

Senator MASON—So it was not robust initially, but it was robust after.

Ms Paul—No; it is robust because the—

Senator MASON—That does not answer my question. It was robust after the launch of the My School website.

Ms Paul—Of course; and it was after that the 26 schools came in with issues. I have seen somewhere a report on how ACARA has been working through those—I am sure that Dr Hill can go into that tonight—and most of them, I think, have been resolved or whatever. You will recall the school that Senator Hanson young raised; she raised a school in the Murray.

Senator MASON—She did, yes.

Ms Paul—It turned out—I am sure that we will go here again later tonight—that, for that school, ACARA had not been able to receive all of the addresses; it was actually a completion issue for that school. That has now been fixed up.

Senator MASON—So the index was made more robust after this review; is that right?

Ms Paul—After the quality assurance process?

Senator MASON—After the quality assurance.

Ms Paul—Yes.

Senator MASON—The *Hansard* from the February estimates reads:

Senator MASON—Are you encouraging principals to withdraw kids with learning difficulties from doing the test?

Prof. McGaw—No, we are not. We—

Senator MASON—Your view would be every kid should take it?

Prof. McGaw—No, our view would be that every student who does not satisfy an exemption requirement should take it ...

Then he goes on to explain what some of those might be. Is the department aware of media reports, such as the one from the *Age* of 13 May 2010, that students who are underperforming, whether on account of some mild learning disability or not, are being asked not to sit the NAPLAN tests?

Dr Bruniges—I have seen that media.

Senator MASON—So you are aware of it; what are you doing about it?

Dr Bruniges—I think in the administrative guidelines—again, we might have to defer to ACARA for the actual documents—there are set rules about the rights of children to sit the test. In consultation with parents, students with special needs, indeed, do the test in most states and territories. It would only be the parent who would raise the issue and have the child absent from the test, if they wished. The normal flow of information is that all students, whether they have a special need or not, are entitled to sit the test.

Senator MASON—Are entitled to sit it?

Dr Bruniges—Yes. In some cases, there may be some parents who feel as though their child, for a whole range of reasons, is not ready to sit the test at a particular point in time and, in consultation with the principal, may ask for their child to be withdrawn; that would be a parent's right. But the evidence lies in the statistics that we will have in terms of the participation, the withdrawals and the exemptions; and, of course, all of that is part of the My School website in terms of participation. So we have access to the data at a school-by-school level about the proportion of students who have been participating in the test.

Senator MASON—Which is why the *Age* wrote this, of course. In a sense, they are flagging what, apparently, the website is saying—or other people are saying.

Dr Bruniges—Yes. This year's test data would not be on the website yet. We would have data at the beginning of this year from last year's NAPLAN. This year's NAPLAN has been set and we will then upload later in the year. Between that time and now, when all of the marking is done after the test has been sat, we would sit down and work out the participation rates and have a look at that data—and ACARA would be generating that and not the department.

Senator MASON—Is it being monitored in the following sense? Taking an average across schools, just ordinary schools, on any given day perhaps five per cent of children might be away sick or whatever. But surely, if there were a large variation, it would cause you to wonder, 'Hey, what's going on?' Is that sort of monitoring going on?

Dr Bruniges—From a jurisdictional point, having worked in the largest and smallest jurisdictions, I understand that is what goes on exactly; so you can see the evidence of monitoring of participation and absentee rates that are produced—

Senator MASON—By the states?

Dr Bruniges—By the states—in their annual reports. Many of them report that publicly through their annual report to parliament. In the case of the testing information, we would be looking at participation on test day or components of test day. Indeed, through looking at trend data, enrolment and things from the annual report, you could triangulate that evidence to see whether the variation was, indeed, much greater than you would expect it to be.

Senator MASON—So state education departments are monitoring absences from NAPLAN tests; is that right?

Dr Bruniges—Yes; and they would report those in different categories.

Ms Paul—It gets reported on the My School website too.

Dr Bruniges—And it gets reported school by school in school information packages and in most things that go back to schools as well.

Senator MASON—What happens if there is a level of absence outside the ordinary?

Dr Bruniges—I would think there would be questions asked of the school principal, so there will be different structures in different jurisdictions. There might be a regional director in some who would go in and look at the patterns of data. I think we have seen a growing diligence in regard to data, now that we have got it, I guess, from the first national test and it

is indeed comparable. Before, without comparability, that was a bit hard. But I can say that, at this stage, we do know that ACARA has received only three reports of students being asked to stay at home. So we have that information from ACARA. But monitoring should be very, very much a part of a school's normal business: looking at the data, looking at participation rates, looking at performance, looking at retention rates—

Senator MASON—I appreciate that, but it is not so much that. I suppose I am concerned, and certainly the article in the *Age* is. I accept what you say: schools should be doing that; but it is rather that some schools might be doing the wrong thing. I am not casting any aspersions, as I do not know that. But the assertion is being made that some principals of some schools are not necessarily doing the right thing; so, in a sense, that will inflate the results of their school.

Ms Paul—If they are, it will be known now; because of the look of the My School website, it will be entirely transparent.

Senator MASON—So this will not be a problem—

Ms Paul—If you look up any school right now on the My School website, you will see the percentage of kids that sat the test.

Senator MASON—This is not a headline issue, I know, but it has been around for a while now. But you think that sort of transparency will negate the issue or at least lessen it.

Ms Paul—I think it is not as big a problem as it might be reported as being. My reason for thinking that is that I think all kinds of natural controls are against it. It is reputational for a teacher and it is reputational for a principal. They all know that it will be entirely transparent. All of the code of conduct and everything is against it. ACARA has only received three reports et cetera. I do not want to diminish the importance of that issue because, if it were to happen, it would be very, very serious and would need to be looked into. But I think there are quite a number of controls, if you like, or a natural momentum against it.

Senator MASON—They mention all sorts of reasons: significant intellectual or functional disability; if students come from—

Ms Paul—But that is for a parent to decide. The point that you are making, quite rightly, is where the reports are that a school has tried to get a student not to come, which of course is inappropriate. It is appropriate for a parent to decide that, if they wish to.

Senator MASON—Although there is the allegation that has been reported in the paper. It says:

One Melbourne teacher told *The Age* he was aware of parents of failing students being told during parent interview nights there was no educational benefit for their child to sit the NAPLAN test.

In other words, teachers were telling parents not to have their child sit the NAPLAN test.

Senator Carr—But there is no evidence that that has actually happened. That is the problem.

Senator MASON—I am just saying that this issue, you will admit, has been around for a while now.

Senator Carr—Yes; it is an easy claim to make and it is a great sensational line to run, but the truth of the matter is that we do not have any evidence that it is occurring.

Senator MASON—The only evidence required, really, is that this is a concern. All I am raising is the concern.

Senator Carr—But it does not make it true. The concern does not make it true.

Senator CROSSIN—You may be dealing with one teacher.

Senator MASON—I am raising a legitimate concern about the methodology, I would have thought; but, anyway. Mr Chairman, can I move to NAPLAN testing regarding Indigenous literacy and numeracy? I asked some questions on notice, Ms Paul, concerning the gap between Indigenous and non-Indigenous students in taking the NAPLAN tests, and I have received back responses to those questions. To summarise it—it is not so complex, but the implications are fairly frightening—the responses seem to say that the test scores of Indigenous and non-Indigenous students fall as you move from the cities, but the Indigenous scores fall relatively more rapidly. So let me explain the way I would see it. I live in the City of Brisbane. For a central suburb—let us say, New Farm, which is very close to the centre of Brisbane—the results would be fairly similar between Indigenous and non-Indigenous kids. Then, moving out to the outer suburbs of Brisbane—say, Ipswich and Caboolture—the test results go down but also the scores between Indigenous and non-Indigenous widen. That continues further at Roma, which is sort of in the central west, and further again, I suppose, in Birdsville—although the numbers there might be so small that it makes it very difficult. But do you follow that? That is, I think, what the NAPLAN tests say.

Dr Bruniges—Perhaps I could say that, at this stage, we have only two years data on NAPLAN. So it was just a pure and different score between 2008 and 2009 and we would want to look at that trend over three to five years to see whether it holds robustly.

Senator MASON—I accept that and it is still early days, but the trend is not an encouraging one. I suppose that is my point: it is not an encouraging one. Professor Helen Hughes and Mark Hughes from the Centre for Independent Studies released a report that shows, I think, some pretty scary statistics. It states:

Indigenous students are trailing mainstream students by six years, according to analysis of their performance in national literacy and numeracy tests ... indigenous students in year 9 achieved similar scores last year to non-indigenous students in year 3.

That is through analysis but, from what I have read, it seems to be correct. It continues that the authors:

... ranked the performance of about 9500 primary and secondary schools across Australia based on NAPLAN results. The bottom 150 schools were filled with mostly indigenous students.

... ..

Of the indigenous students who sat the 2009 tests, 40 per cent—60,000 students—failed to meet national minimum standards ...

It goes on to say that in Victoria and the ACT there were very high rates of students who did not sit the tests and so forth. It concludes by saying:

Only a handful of indigenous schools were performing to minimum national standards.

Is that your understanding? Does this accord with the research that the department has?

Dr Bruniges—Again I go back to the national tests. With two years of data, when you look at 2008-09, the gap actually reduced for eight out of 12 of the measures. So, if you take reading, writing, numeracy—each of the components of the test—and you look at what they are, we do see a reduction. But the gap is still there. I might ask Ms Hanlon to talk about some of the strategies that we have in place and some of the evidence and data trajectories that we have required of states and territories to close the gap.

Senator MASON—Perhaps you could touch on absenteeism too. I did not get into that, because there is a lot of material here; but, please.

Ms Hanlon—States and territories and the Australian government are very, very aware of the gap and also further implications with remoteness and other issues. In light of that, they have agreed to setting trajectories to halve the gap by 2018. That piece of work has been agreed by ministers. So, although it is a technical exercise to set targets on a yearly basis at the state level, it does provide, on record, trajectories by the states and territories to show that they at least are intending to get to the point where they have been able to halve the gap. So, although that is a big picture and it does not respond to some of the challenges at the more remote end of the scale, there is certainly now an on-record commitment for the states and territories to achieve that halving of the gap.

Senator MASON—One of the interesting conclusions that Professor Hughes draws is that often Indigenous students are in the worst schools and have some less able teachers. In fact, the product is really one merely of disadvantage, and we are too ready to make excuses for that. What outcome are you seeking over what period of time? I think we all agree that the disparity between Indigenous and non-Indigenous students is great and it gets even greater the further away we get from the major cities; that is what the evidence says. What outcome are you trying to achieve and over what period; what is the time line?

Ms Hanlon—The trajectories are over a 10-year period, but I can talk perhaps more realistically about a shorter term approach under the national partnerships. So, with literacy and numeracy in the National Partnership on Low Socio-economic School Communities, the outcomes are really quite clear and are to improve the literacy and numeracy outcomes of students in those schools. So, through the work that is happening, both at the system level and the schools—I can give you examples, if you would like—there is a significant shift towards a number of elements that we know will improve the outcomes of students. They are around leadership and the understanding of the explicit teaching of literacy and numeracy. They are around professional development of teachers—and we see a predominance now of literacy and numeracy coaches across the country in those national partnership schools.

The other most significant theme that is flowing through these national partnerships is a far more sophisticated use of data to identify not only the school needs but also the individual needs of students so that targeted intervention can, in fact, take place. So I think we are seeing a significant move towards an understanding of the necessary requirements to improve outcomes of students over a longer period of time as opposed to a quick treatment, if you like.

Senator MASON—I suspect that the entire committee hopes that you are right. I acknowledge that it is a short time frame, but the results are scary.

Ms Hanlon—Yes, certainly.

Senator MASON—They are not heartening at all. One last thing is absenteeism. That is clearly an issue. How are we combating that?

Ms Hanlon—Are we talking about attendance at school generally of Indigenous students?

Senator MASON—Yes, Indigenous children.

Ms Hanlon—I might have to refer to a colleague on attendance issues; however, a range of things are in place nationally to support attendance. Again, through the national partnerships, one of the very clear measures of the low-SES national partnership is to improve attendance. A lot of that is being tackled through parental engagement strategies. The more the community and parents are involved in the education of their children, the better the attendance is likely to be. Again, there is no simple response.

Senator MASON—There is no silver bullet.

Ms Hanlon—No silver bullet.

Senator MASON—I accept that. I will yield to Senator Crossin; I can see her chafing at the bit.

Senator CROSSIN—Ms Hanlon, according to the results in 2008-09, you say that the gap has decreased; in how many of the areas?

Ms Hanlon—Eight out of the 12 measures.

Senator CROSSIN—How is that tracking in relation to 2007-08, 2006-07?

Ms Hanlon—It is a difficult comparison for us to make because NAPLAN, as a national test, did not exist until 2008. Although we know from the state results pre-2008 that the gap was significant, we are seeing a reduction over a period of time. It is only slight, I would have to say. The gap is still very significant, and we are very focused on that gap. But it does appear to be decreasing slightly; certainly the 2008-09 NAPLAN data would indicate that, particularly at the lower—

Senator CROSSIN—You say that it is decreasing now but, if you tell me that it is the first year that NAPLAN has been used, what baseline are you using to say that?

Ms Hanlon—It is 2008 to 2009. For example, we have seen a decrease of 5.5 percentage points in the gap for year 3 reading.

Senator CROSSIN—You have not done a comparison, but states and territories were still having system-wide testing prior to that. Have you done an analysis in relation to the 2008-09 data?

Ms Hanlon—I may have to take that on notice, But, to my knowledge, we did analysis from 2001, I believe, of the gap or the difference between Indigenous performance and all student performance.

Dr Bruniges—Before the introduction of NAPLAN, states and territories, as you rightly say, did their own testing program and the results of Indigenous and non-Indigenous students were reported every year through the National Report on Schooling, which is an annual report, and you can discern a trend over a much longer period of time than just 2008-09.

Senator CROSSIN—Yes. So what is the difference?

Dr Bruniges—I would have to take that on notice and get back to you because I would want to look in each of the reading for year 3, year 5, year 7 and year 9. Clearly, by the time that we get to 2008, administering the same test across the country, that constitutes a new baseline for going forward. Ms Hanlon has really talked about the difference between 2008 and 2009, and we have to be careful that we look at probably three- to five-year trend data; it can bounce a little bit.

Senator CROSSIN—What are you putting that change down to?

Ms Hanlon—The decrease in the gap?

Senator CROSSIN—Yes. Like, in the Northern Territory, do you think it is due to the additional teachers that you funded?

Ms Hanlon—Again, there is a range of factors and not just one in particular. I described previously a combination of factors that we know are making a difference. The intensity through the national partnership work and work at the individual school level to both acknowledge the issue but also put into place the appropriate strategies to deal with it is showing some difference. We will not really have a clear sense of that until we get the 2010 NAPLAN data for the national partnership schools; but certainly, anecdotally, we are seeing some real changes in the way that schools are dealing with their literacy and numeracy challenge.

Dr Bruniges—The other thing that comes to my mind is the way in which they can analyse the NAPLAN data. Because it is linked to the curriculum and describes the skills that students can do, you are able to look at not just numbers going up and down but also the types of strengths and weaknesses that students and groups of students are displaying.

Senator CROSSIN—So you can use it as a diagnostic tool for education outcomes.

Dr Bruniges—Absolutely. It is very strong in that. A lot of people focus on the gap, but I think part of the diagnostic strength of NAPLAN is to look at the strengths and weaknesses, which provides teaching information that teachers can act on. I think teachers are starting to use that data in quite a different way from the way they have in the past.

Senator CROSSIN—I probably should know the answer to this question, but we did have tabled in parliament annually a report specifically on Indigenous education. Is that still happening, or has that been discontinued? There was always catch-up; it was always 12 months behind where it should have been. I do not recall having seen one for the last couple of years.

Ms Hanlon—I know there was a report. We would have to confirm whether that report still exists.

Senator CROSSIN—I am thinking they have discontinued that.

Ms Hanlon—I am not sure whether it still exists.

Senator CROSSIN—There is no-one behind me looking like they know.

Dr Bruniges—No. I was not looking like that either; sorry; but I am happy to take it on notice.

Ms Paul—Can you just say that again?

Senator CROSSIN—The annual report on Indigenous education. We started to play catch-up after a while. I think the 2004 year was not tabled finally until 2006. But I just have not seen it for the last few years, so I am wondering whether that is still occurring. I am thinking that you are thinking ‘not’.

Ms Paul—I am thinking that I am thinking that it is, and I will go and check. It is important. You are right; I have not seen it either. I will check it out; it is important. There was always the problem with the lag.

Senator CROSSIN—Yes, there was.

Ms Paul—We will check it out.

Senator CROSSIN—So I guess that my question to you is: is that comparable data now going in the annual report on schooling?

Dr Bruniges—Yes, it will. It will go into the annual report on schooling and it will also go on to the My School website.

Senator CROSSIN—Except that the annual report I am talking about tracked trends in VET and higher education schooling and also trends in each of the specific Indigenous education programs, such as IEDA, for example, when it existed.

Dr Bruniges—I will have to take that on notice and find out for you. I am not aware of that at all.

Ms Paul—It will have changed, obviously, because of the change to the federal financial regulations; but, nonetheless, that is a particularly good question.

Senator CROSSIN—This is probably not the right time to ask questions about your PaCE Program. Was that earlier?

Ms Paul—Yes, it probably was. I do not think it is under national partnerships, I am afraid. We are happy to take something on notice.

Senator CROSSIN—All right. Also, attendance: can you tell me about the review of the SEAM program? Who is conducting it and where is it at?

Ms Hanlon—We may have to take that on notice so that the appropriate person—

Ms Paul—Basically, the review of the SEAM has found it to be ‘probably useful’, but we were bogging it down in some red tape.

Senator CROSSIN—The review or SEAM has been found to be useful?

Ms Paul—I am talking about SEAM. This is where the review is heading.

Senator CROSSIN—Do you have evidence that people who have been captured under SEAM are sending their kids to school more regularly?

Ms Paul—I will have to check that out for you. But, certainly, we found that we needed to improve our paperwork requirements; there were too many. I do not have the experts here, but my recollection is that we are making it a much more automatic process for schools.

Senator CROSSIN—How does that interact with any state or territory government's attendance plans or programs? I am aware that the Northern Territory government has started to improve its attendance policy and program; it is starting to get a good system in place. Is there an interaction there through the national partnerships in regard to that?

Ms Paul—I do not think there is a formal interaction; but, on the ground—for example, when Arthur and others have gone out and about in the Territory and on to schools on this matter, I think they are probably talking about all of these things in the same meetings and so on. I do not think there is a formal requirement for SEAM to link in with state plans, but it is a good idea. I am happy to feed that idea into our refined approach to SEAM. Certainly, as I recollect SEAM—I might have to clarify this on notice—when we looked at it, we decided that, basically, we needed to make it easier for the school to deliver that sort of information. So it should be able to link more easily into their own plans.

Senator CROSSIN—It has been extended for another year; is that correct?

Ms Paul—Yes, that is correct.

Senator CROSSIN—Just going back to the NAPLAN tests, did we have all schools around the country participating?

Ms Hanlon—Yes.

Senator CROSSIN—My understanding is that a group has been established now to look at how those results will be utilised on the My School website—although 'utilised' is probably not the right word.

Dr Bruniges—Yes; and that is under the branch of ACARA. ACARA has established a working group to be able to have a look at those issues.

Senator CROSSIN—Who is involved in that working group then?

Dr Bruniges—I would have to take that on notice, or it can be put to ACARA tonight, when they arrive at 10.

Senator CROSSIN—I am sorry; am I jumping ahead of myself on this? I just thought that, as we were talking about NAPLAN, we would talk about how we—

CHAIR—But, if it is in another outcome, we will deal with it elsewhere.

Senator CROSSIN—Can you explain to me then why it is in another outcome? Is NAPLAN the actual implementation of the test and the other outcome is how you use the results? Is that right?

Dr Bruniges—All of it sits under ACARA, but we had undertaken with Senator Mason to try to answer some of the questions about NAPLAN, to be helpful.

Senator Carr—As usual.

Senator Mason interjecting—

Dr Bruniges—We tried to answer his questions on NAPLAN.

CHAIR—This is self-described, Senator Mason—

Senator MASON—It is.

CHAIR—and it is not worth much.

Senator MASON—It is a Queensland thing; that is right.

Senator CROSSIN—Then I am done; thank you.

[4.02 pm]

CHAIR—It is time to move to program 2.7. Senator Mason.

Senator MASON—Under round 1 of the National School Pride Program a total of 8,663 projects in 5,994 schools have been approved. They were to commence in April-May 2009 and be completed by 20 December 2009. Under round 2 a total of 4,513 projects in 3,500 schools have been approved, and they were to commence in July 2009, for completion by 1 February this year. I asked whether all projects had been completed in a question on notice, and I was told by Ms Wall, ‘We expect to be able to give you an answer within a couple of weeks.’ I have only just received the answer, on 26 May. Why did it take so long?

Ms Paul—I am not sure why the answer took so long.

Senator MASON—It is a pretty simple question on notice.

Ms Paul—Yes.

Senator MASON—What were the completions by 1 February? I was told by you, Ms Paul, being helpful, ‘We are happy to take that on notice and update you. It is only a few weeks until we get the data.’ I received the answer on 26 May, which was last Thursday.

Ms Paul—What is the number of the question?

Senator MASON—EW1024-10.

Ms Paul—What is the currency of the data we have in there?

Senator MASON—As at 28 February 2010, 7,885 National School Pride projects were reported by education authorities as being complete.

Ms Paul—I apologise in that case. It should not have taken that long.

Senator MASON—Have all the 13,148 projects under both rounds of the National School Pride Program been completed?

Mr Manthorpe—No, they are not all completed at this point in time. As at 30 April, 88 per cent, or 11,215, of the NSP projects have been completed.

Senator MASON—Completed?

Mr Manthorpe—That is right. Ninety-nine per cent of them have commenced.

Senator MASON—So 88 per cent were completed as at 30 April?

Mr Manthorpe—That is right.

Senator MASON—They were due to be completed by 1 February?

Mr Manthorpe—Yes, but some of the project schools and the education authorities have come forward to seek variations to extend.

Senator MASON—So these are the reasons for the delay?

Ms Paul—Yes, that is right.

Mr Manthorpe—That is what I am coming to. There might be a variety of reasons why a school, particularly a school that might also be in the process of putting in place a P21 project, wants to sequence the work in such a way as to make sense for that particular location or site, and so there are issues to do with that.

Senator MASON—When do you expect them to be completed?

Mr Manthorpe—I will see if I have a date for when we expect them to be wrapped up.

Ms Mitchell—We expect the vast majority of those projects to be completed by 30 June.

Senator MASON—I would like to move on to Science and Language Centres for 21st Century Secondary Schools and the progress of that. At the February estimates the department confirmed that a total of 537 school projects had been approved. All projects should have been commenced by September 2009, for completion by 30 June this year. The department advised that as of December 503 projects had commenced. That is about 94 per cent. Have all 537 projects commenced?

Mr Manthorpe—I can advise that 99 per cent of them have commenced, all but four. In fact, 533 have commenced as at 30 April.

Senator MASON—So 99 per cent have commenced as at 30 April?

Mr Manthorpe—That is right.

Senator MASON—Given that they are all due for completion by the end of this month, how many have been completed?

Mr Manthorpe—Twenty-nine were completed by 30 April, which is five per cent. Bearing in mind that is five per cent that are finished early.

Senator MASON—Only five per cent finished by the end of April?

Mr Manthorpe—That is right.

Senator MASON—There are two months to finish the other 95 per cent.

Mr Manthorpe—Yes. There are 432.

Senator MASON—How many are operational? I assume that the five per cent completed means operational. Is that right?

Mr Manthorpe—Yes.

Senator MASON—And you will finish the next 95 per cent in two months.

Mr Manthorpe—Some of them have variations to extend them out towards the end—

Senator MASON—How many of those are there?

Ms Mitchell—There are 164 variations.

Senator MASON—Is that out of the 537?

Ms Mitchell—That is correct.

Senator MASON—Can you tell me the progress on the Primary Schools for the 21st Century. All 10,697 projects in the three rounds of the program were supposed to have commenced by now. Have they?

Mr Manthorpe—Ninety-eight per cent of the P21 projects have commenced. Some 10,376 commenced by 30 April.

Senator MASON—As at 30 April, 98 per cent have commenced?

Mr Manthorpe—That is right.

Senator MASON—I would like to clarify this, because that has been an issue of some debate in the committee over the years. When you talk about commencement, are you using the original construction commencement definition or the new project commencement definition?

Mr Manthorpe—That is the project commencement definition.

Senator MASON—That is simply the undertaking of any action, post any design phase, that incurs an expense covered by BER funding for the project; is that right?

Mr Manthorpe—Yes. From memory, that is the definition.

Senator MASON—That could be the fluorescent orange fence. Is that right?

Mr Manthorpe—I do not have anything to add to the definition.

Senator MASON—It is just that there has been debate. I thank you for that. You were candid enough to tell me where you were coming from. I understand that, because there is quite a big difference between project commencement and construction commencement. I did not want to get into that debate about terms and nomenclature again. So 98 per cent have commenced the project. How many of the smaller school projects in rounds 1, 2 and 3 have been completed, given that their completion dates have past? This is for small schools with less than 150 students.

Mr Manthorpe—Yes.

Senator MASON—The round 1 date of completion was 20 January this year. Round 2 is 28 February this year. Round 3 is 31 May this year. They all should have been completed. How many have been?

Ms Mitchell—I will have to add this up. In round 1 there are 69.

Senator MASON—Would you like my calculator?

Ms Mitchell—I do need your calculator. I have this in three separate amounts. It is 69 plus 104 plus 34, which comes to 207 in total.

Senator MASON—207?

Ms Mitchell—From round 1.

Senator MASON—Out of how many?

Ms Mitchell—Out of 453.

Senator MASON—That is for round 1?

Ms Mitchell—That is correct.

Senator MASON—So less than half are completed?

Ms Mitchell—For round 2, some 361 projects have completed.

Senator MASON—Out of how many?

Ms Mitchell—Out of 1,634.

Senator MASON—That is about one-fifth. That is not very good. That is about 20 per cent. And I do not even need my calculator. That is round 2. A failure mark there, but I am generous. How about round 3?

Ms Mitchell—For round 3, some 55 projects have completed.

Senator MASON—Out of how many?

Ms Mitchell—Out of 1,348. However, I would like to note that the completion date for round 3 was 31 May and we will not receive the data on round 3 until 21 June.

Senator MASON—What is the last data that you have?

Ms Mitchell—This data is based on 30 April.

Senator MASON—They would have had to finish in a month. I do not like your chances.

Mr Manthorpe—The other point to make about this area is that, as with a number of the science and language centres, variations have been agreed to extend the time frames for some of these projects.

Senator MASON—I accept that. Is the department still unable to disaggregate the data to give me information per round—not the total for the whole program—in terms of commencements? You have, in effect, because you have small and large. I can work that out myself, because that is the remainder. You have given me the small, and the rest would be large, would they not?

Ms Mitchell—That is correct.

Senator MASON—What are the rules relating to signage at schools in terms of the time that a sign must be visible? What are the rules, regulations, administrative arrangements or guidelines?

Ms Mitchell—The program guidelines say that the signs should be in place until the end of the program.

Senator MASON—The sign has to be in place until the end of the program?

Ms Mitchell—Yes.

Senator MASON—So, not the building project? You mean the Building the Education Revolution program?

Mr Manthorpe—That is right.

Senator MASON—How long is that due to be around for? What is the end date there?

Mr Manthorpe—As a result of the rephasing of \$500 million of the anticipated expenditure from 2010-11 into 2011-12, the end of the program will be sometime during 2011-12. We anticipate towards the end of the 2011 calendar year.

Senator MASON—Another 18 months or thereabouts. Is that your best estimate?

Mr Manthorpe—Yes.

Senator CROSSIN—They will come down, will they not? Unlike the plaque the Howard government put up that will be there forever.

CHAIR—Senator Crossin.

Senator Carr—What I can also assist you with is that the cost of the signs was much cheaper than the cost of the signs under the previous government's program. The signs and plaque costs were \$422 per school. Under your program the cost was \$1,500 per school. The average expenditure was over \$500. The fact is that the signs under your program were much more expensive. They were also much bigger and they—

CHAIR—Minister, I think you have addressed the—

Senator Carr—And there were further requirements in terms of opening—

Senator Cormann interjecting—

Senator Carr—You should get the full picture. If you want information—

Senator MASON—If you were answering my question I would be absolutely—

Senator CROSSIN—There needs to be balance.

Senator MASON—This is not about balance. This is about the executive being accountable to the parliament of the country. Is that clear? I ask the questions and the executive answers them. Let me make that very clear.

CHAIR—Just so everyone understands, the timing of this particular part of the questioning has been subject to some negotiation and agreement. It is Senator Mason's time. If there are propositions put to the witnesses or the minister that go to the subject of political undertones or value judgments being made about those things, it is more than appropriate for responses to be made to answer them. If the questions are purely about information, it is appropriate that the answers be limited to that, too. That is what I would ask people to try to stick to. Senator Mason, you have the call.

Senator MASON—At the end of the program—and let us say that the end of next year is your best estimate—when were the first projects completed under the BER?

Ms Mitchell—We were starting to see projects being completed as early as August last year, I think.

Senator MASON—August 2009?

Ms Mitchell—That is correct.

Senator MASON—The signs have to be up until, what, December 2011 or thereabouts? Over two years; is that right?

Ms Mitchell—The guidelines say that the signs are to stay up until the end of the program on 31 March 2011 or until the project is completed, if an extension has been granted.

Senator MASON—Who enforces this?

Ms Mitchell—The education authorities are responsible for erecting the signs in consultation with their schools and their builders.

Senator MASON—Who enforces that they stay up?

Ms Paul—It would be a matter for them. I do not envisage that we will send around a team of inspectors, for example. We would expect the education authorities to abide by the guidelines.

Senator MASON—Do you know if they check whether the signs are still up?

Ms Paul—I do not know that, but presumably the principals are aware of the requirements. We could certainly check that and reinforce it.

Senator Carr—I guess when your members turn up for the openings they can check to see if the signs are still up though, can't they? You are being photographed all over the country saying what a wonderful thing these things are.

Senator MASON—Thank you, Minister. This is your program we are discussing.

Senator Carr—Yes, we are.

Senator MASON—Your program and the fact that it is not going so well.

Senator CORMANN—You just cannot help yourself, Minister.

Senator MASON—In terms of determining whether the signs are still there, that is something for the 22 individual education authorities, in effect?

Ms Paul—I think that is the appropriate place for it.

Senator MASON—And the Commonwealth government has no role in any of that?

Ms Paul—We certainly have a role in monitoring that.

Senator MASON—How do you monitor that?

Ms Paul—I think in terms of signs, our monitoring would be reasonably light-handed. I would expect we would get updates on occasion if we seek them.

Senator MASON—Have you sought them?

Ms Paul—We have not sought an update on compliance with the signage, but of course in a way it is not really a question until after March 2011, if you see what I mean. Are they still up, are they not up and so on? We certainly could, but I have not spent my resources on checking that yet.

Senator MASON—You have not spent your resources on checking whether the signs are still up?

Ms Paul—That is correct.

Senator MASON—In a sense that is entrusted to the educational authorities and states.

Ms Paul—The guidelines are guidelines for compliance.

Senator MASON—The original target was that the total funding of \$16 billion was to be spent by March 2011, but what the Auditor-General's report outlines that this is way behind schedule. As at today how much has been committed to projects and what is your definition of 'committed'? Is it when the project has been approved?

Ms Paul—Just to start the ball rolling here and then I will hand over to colleagues, I do not accept the view that we are way behind schedule, and indeed we have just made that clear

now. So, 98 per cent of P21 projects have commenced. That is pretty good. The small schools are certainly more disappointing, but I just want to be clear I do not hold—

Senator MASON—I am not suggesting you have to accept the Auditor-General, but the Auditor-General is not happy.

Ms Paul—Certainly. He also did note, though, the 98 per cent. It was probably 96 per cent or 97 per cent.

Senator MASON—He did, but it did not persuade him to your point of view?

Ms Paul—Did not persuade?

Senator MASON—The Auditor-General was not persuaded by that to your point of view? He remains disappointed.

Ms Paul—I think he made a reasonably neutral comment and notes it in both directions.

Senator MASON—It is not neutral. How much has been committed as of today for the project?

Mr Manthorpe—I will just have to check the date of the most available data. Did you say committed by the Commonwealth?

Senator MASON—Committed to projects by the Commonwealth, of the \$16 billion.

Mr Manthorpe—As at 7 May, on P21 \$7.8 million has been paid by the Commonwealth to the education authorities.

Ms Paul—We have to find the figures for the other components.

Senator MASON—Yes, do you have a combined figure for the others, as at 7 May or thereabouts?

Mr Manthorpe—If we have that with us we will certainly give it to you. Ms Mitchell has it.

Ms Mitchell—As at 30 April the Commonwealth had made payments in the order of \$9.5 billion.

Senator MASON—That is for everything? That is the global amount?

Ms Mitchell—Yes.

Senator Carr—What percentage of the projects have actually commenced?

Senator MASON—What do you mean by ‘committed’? What is your definition of ‘committed’?

Mr Manthorpe—To us, ‘committed’ means that contracts have been entered into that have given rise to a commitment of contracts between the education authority and a contractor.

Senator MASON—Do you mean the contract between the Commonwealth and the education authority; is that what you mean?

Mr Manthorpe—No, that is not what I mean.

Senator MASON—What do you mean? Make this clear.

Mr Manthorpe—There are a couple of different concepts here.

Senator MASON—I just want to know what ‘committed’ means in your language.

Mr Manthorpe—Yes. Let me try to clarify what I just meant. As at 7 May for P21 we have paid \$7.8 billion and the education authorities have entered into, if you will, contractual commitments with other parties, typically building contractors, of \$6.16 billion as at 30 April. Our best data for commitments is at 30 April.

Senator MASON—Is that the same as what has actually been spent so far as the Commonwealth is concerned?

Mr Manthorpe—No. Then there is a third step of the education authorities spending the money on getting the building done.

Senator Carr—I think we should be clear here. I think Senator Mason actually wants to know how much money the Liberals can take out of the system.

Senator MASON—Please.

CHAIR—He did not ask that question, Minister.

Senator MASON—‘Commitment’ is—

CHAIR—We will not make value judgments. I am trying to chair this in an orderly, fair and balanced way.

Senator MASON—The commitment is when the money goes from the Commonwealth to the state education authorities?

Mr Manthorpe—No.

Ms Paul—To all 22 education authorities.

Mr Manthorpe—I might have misheard you, but that is not the commitment. There is a payment by the Commonwealth through the education authority. The education authorities then enter into commitments with other parties.

Senator MASON—We will just get this right. Firstly, there is a payment by the Commonwealth to education authorities; is that correct?

Mr Manthorpe—That is right, and my evidence is that as of 7 May—

Senator MASON—I just want the process. The payment by the Commonwealth to education authorities is one. What is two?

Mr Manthorpe—Two is entering into commitments by education authorities with third parties, essentially builders.

Senator MASON—Entering into commitments by education authorities, all 22 of them, to?

Mr Manthorpe—Third parties, the people who are going to build the buildings.

Senator MASON—Generally builders or project managers. Let me get this right. One is the payment by the Commonwealth to education authorities?

Mr Manthorpe—Yes.

Senator MASON—That happens when the education authorities have entered into commitments; is that right?

Mr Manthorpe—There are a couple of different issues here. We pay education authorities on the basis of schedules that are agreed in our bilateral funding agreements with each of them, and the arrangement is that as, if you will, the balance of funds that the education authority holds is drawn down. As that balance is drawn down below 51 per cent from the amount that they have got, we can make the next payment at the next scheduled point. There is a payment due in July. There is another one due in November. There is another one due in March. So, there is a schedule of payment timeframes. That is how the bilateral agreements that we have with the education authorities govern the way in which those payments proceed.

Senator MASON—We have payments by the Commonwealth to education authorities, entering into commitments by education authorities to, let us say, builders and then we finally have a spend.

Mr Manthorpe—That is right.

Senator MASON—Thirdly, by?

Mr Manthorpe—By the education authorities to those who are providing them services and—

Senator MASON—To the builders in a sense?

Ms Paul—Yes.

Senator MASON—What is the timeline for the rest of the expenditure? When are each of the instalments to take place and at what point will all the funds be committed?

Mr Manthorpe—There is a payment to be made on 7 June, a payment to be made in July, a further one in November, and a further one in March.

Senator MASON—March 2011?

Mr Manthorpe—I note that in the context of the rephrasing of expenditure, we anticipate that some component of the funds from those latter repayments will be in effect pushed out into 2011-12, consistent with the rephrasing of the exercise into financial year 2011-12.

Senator MASON—By July this year, what percentage of the funds will have been committed?

Mr Manthorpe—For P21, I do not have that broken down by percentage. I can give you, if you—

Senator MASON—There we go; is that a calculator? I salute you, sir.

Mr Manthorpe—I would just like to check one detail too. My colleague is doing some calculating. Would it be easier if I gave you the dollar figures while that is going on?

Senator MASON—Give me those and we will see how we go.

Mr Manthorpe—Okay.

Senator MASON—I want to know how much is committed to be spent by the end of July.

Mr Manthorpe—I do not have a figure on how much is committed to be spent by the end of July. I have a figure on how much we might pay to the education authorities by the end of July.

Senator MASON—Let me live with that for the moment. What is that figure? How much of the total funding will have been spent by the end of July?

Mr Manthorpe—The maximum amount of the P21 funding—and I have a set of data here about P21; I am happy to take on notice the SLC and NSP components of this—which as you will appreciate is the lion's share of the BER by value, the amount we have paid to date is the figure of \$7.803 billion.

Senator MASON—We have been there.

Mr Manthorpe—I am sorry, I am coming to your question. I just do not have it added up in front of me, so I am going to give you the numbers so that we can see—

Senator MASON—Ms Mitchell, you gave me the figure before, by 30 April, paid to education authorities—\$9.5 billion; that is right, is it not?

Ms Mitchell—That is correct.

Senator MASON—For the whole lot. That is a pretty good ballpark. That is by the end of April. What is it going to be by the end of July?

Ms Mitchell—There is no more funding to go out on NSP. The appropriation for NSP has been fully provided to the education authorities. Assuming the maximum money will go out the door, we expect to pay a further \$2.2 billion in July for P21, and there is no further money on SLC. The last payments for SLC will be made on 7 June.

Senator MASON—That is about \$11.7 billion by the end of July.

Mr Manthorpe—As I was indicating before, if the use of the funding by the education authorities at that point is such to trigger the maximum payments to them.

Senator MASON—I understand that.

Mr Manthorpe—It may be less than that.

Ms Paul—It could be less than that, if they have not undertaken the activity. That does not represent the level of out-and-out commitment to contractors and so on. It is a lower figure, because they are still undertaking them.

Senator MASON—Thank you. You gave me July, November, March 2011, and then 2011-12; that is the time line for the rest of the expenditure, is it not?

Mr Manthorpe—That is right.

Senator MASON—When is each of the instalments to take place and at what point will all the funds be committed?

Mr Manthorpe—The time line I gave you, those months are the seventh of the month, so 7 July, 7 November, 7 March 2011. I do not think we have yet determined the precise date at which we might make a payment in 2011-12.

Senator MASON—Okay, that last bit, I appreciate that. If they are the dates of the instalments, at what point will all the funds be committed—sometime in 2011-12? Is that right? It is still a bit indeterminate, is it?

Mr Manthorpe—I would say it is still a bit indeterminate, yes, because we are not the ones who are a party to the contracts that give rights to the commitments.

Senator MASON—I understand that and you flagged that; that is fair enough. Can I go to a question on notice, EW1026_10, and the heading that you put on it, ‘Similar agreement with block grant authorities in each state’. Your answer to my question on notice about the capacity for the Commonwealth to apply sanctions for noncompliance with the guidelines of this program states that under the bilateral agreement with the states and the territories the Commonwealth can suspend or withhold payments made if obligations under the agreement are not met.

Ms Paul—Yes. That is correct.

Senator MASON—In relation to the states and territories, at what point must the Commonwealth suspend or withhold payments—before the money is committed or before it is spent?

Ms Paul—We have a range of powers. I think Mr Manthorpe is just finding them.

Mr Manthorpe—The bilateral essentially describes:

Without limiting the Commonwealth’s rights, the Commonwealth may withhold or suspend any payment in whole or in part if:

(a) You—

‘you’ meaning the education authority—

have not performed Your obligations under this Agreement or you have outstanding or unacquitted money under any arrangement with the Commonwealth.

Senator MASON—Sure, but that does not quite answer my question. At what point must the Commonwealth suspend or withhold payment—before the money is committed or before it is spent? That is a specific question.

Mr Manthorpe—I am not a lawyer, but my plain reading of this would be either, because it is silent on the point. It does not go to whether it is spent or not; it goes to whether or not the education authorities performed their obligations under their agreement. If my legal colleagues want to clarify my interpretation of that, they are free to, but that would be my, if you like, layman’s interpretation of the clause.

Ms Paul—For example, we are usually empowered to reclaim moneys if an acquittal does not meet an obligation. Even at that very last point we have power to reclaim moneys.

Senator MASON—The time from the time it is committed or spent.

Mr Manthorpe—There is also a provision to reclaim moneys. I was referring there to a provision around withholding or suspending payments. There is also a capacity to reclaim payments.

Ms Paul—That is at 5.4 of the bilateral.

Senator MASON—There is also a power to reclaim?

Mr Manthorpe—That is right.

Senator Carr—That is on the basis of noncompliance.

Senator MASON—Let me just make this clear. Isn’t the power to reclaim only to do with block grant authorities and not states or territories?

Mr Manthorpe—I am reading in fact from a bilateral agreement with one of the states or territories, and there is a capacity to seek repayment of funding.

Senator Carr—For noncompliance.

Senator MASON—Yes. I have the question on notice right here. The answer reads:

In relation to the Commonwealth's power to withhold or suspend payments there is no difference in the effect between the two types of agreements with the state and territory education authorities or Block Grant Authorities.

Ms Paul—Yes.

Senator MASON—Let me go through this. This is important. It goes on:

Whilst the wording in the Bilateral Agreements and the Funding Agreements (for Block Grant Authorities) varies slightly, the effect is the same.

That you can withhold or suspend payments. I accept that. But then the answer to the question on notice goes on to say:

Note that for BGAs—

Let us call that non-government schools—

there is a further power where the BGA fails to comply with a requirement of the agreement outline in Clause 10.

There is a further power, and that is to recover moneys granted, which does not apply to state governments. Is that right? That is in the answer to the question on notice.

Ms Paul—I think what we have done here is focus on 'withhold' or 'suspend' rather than 'repay'.

Senator MASON—The answer is very explicit. Do you have a copy of the answer?

Ms Paul—Yes, I do. But certainly what Mr Manthorpe is reading from is under the heading 'Repayment of funding' in the bilateral, and so it may be that perhaps we have not taken into account repayment for states and we need to set that out as well.

Senator MASON—Are you suggesting, Ms Paul, that there is that power—repayment from the states? That is not the answer to the question I received.

Ms Paul—That is because I think we focused on 'withhold' or 'suspend'.

Senator MASON—Hold on. It says: 'Note that for BGAs there is a further power'. The further power relates to recovering moneys granted. It is a further power, not the same power. It is a different power. It does not apply to states and territories.

Ms Paul—Fair enough.

Senator MASON—Your answer to my question on notice implies that the Commonwealth can seek to recover money and have it repaid by the block grant authorities for failure to meet requirements, but not the states and territories because there is no specific clause about recovering money. Can you confirm that your only power over the states and territories is to suspend or withhold money; that there is no equivalent clause to the block grant authorities that the Commonwealth can seek to have money repaid by states and by territories?

Ms Paul—No, we cannot confirm that, because I think there is such a power. You are a lawyer and I am not. I will need to go away and compare them. I think our answer to this QON has not been as fulsome as it should have been. We should have put in that part of the bilateral.

Senator MASON—It is very explicit in its terms.

Ms Paul—Yes, it is.

Senator MASON—Let me come to the point. On *The 7.30 Report* last night, Ms Gillard said that money can be recovered if the education authorities—which has to include the states and territories—are found to have breached the value for money guidelines. But you are saying the minister is wrong because there is no power for the Commonwealth to do so.

Mr Manthorpe—No.

Ms Paul—No; I am saying the opposite.

Senator MASON—But you do not know.

Ms Paul—No, I am saying that we are reading from the bilateral about repayment of funding. My evidence here is that I believe we have that power in the bilateral and that we have not reflected it into our QON but—

Senator MASON—You believe?

Ms Paul—I do want to take that away and clarify it.

Senator MASON—This is a very important point.

Ms Paul—Yes, it is an important point.

Senator MASON—It is based on your belief—

Ms Paul—No, it is based on me looking at what is in front of me here, and I am sorry if I used the word ‘belief’; it is my consideration.

Senator MASON—Sure.

Ms Paul—I am happy to clarify it quickly for you. I understand it is important.

Senator MASON—If it could be done immediately, that would be—

Ms Paul—We will give it a shot.

Senator MASON—This is very important. I would appreciate it.

Ms Paul—Yes, I appreciate that.

Senator MASON—That would mean that the answer to the question on notice is incorrect, or at least not fulsome, because it is absolutely explicit that the powers of recovery only applying to block grant authorities and not to states and to territories.

Ms Paul—Yes. I need to check that out.

Senator MASON—I would not want Ms Gillard to be wrong and to have said the wrong thing on *The 7.30 Report* about her powers under these agreements, Ms Paul; we would not want that. I would like to ask some questions about the BER Implementation Taskforce.

Ms Paul—Certainly.

Senator MASON—What is the remit of the implementation taskforce? What are the terms of reference?

Mr Manthorpe—I can tell you the terms of reference. The BER Implementation Taskforce terms of reference are to:

... receive, investigate and respond to complaints regarding the full operation of BER—

Senator MASON—Could you say that slowly? ‘Receive, investigate and respond to complaints.’

Mr Manthorpe—It continues:

... regarding the full operation of BER, including individual school projects, in particular

- (a) by referring complaints or evidence of potential breaches of the law, regulations or guidelines to the appropriate authority for action; and
- (b) ensuring arrangements are in place between the Commonwealth and States and Territories to minimise duplication of complaints handling processes.

That was all under heading 1. It continues:

2. assess value for money aspects of individual projects, including project oversight and administration;
3. investigate and assess at its own discretion areas of the operation of BER, especially as they impinge on the outcomes of projects at schools; and
4. make recommendations to the responsible authority about changes to policy, contracts or projects required to ensure the objectives of the BER are realised.

Senator MASON—Thank you. Is Mr Orgill tasked with considering all the costs across each sector in relation to specific structures to identify whether both the government and non-government sectors have achieved the same value for money? In effect, is he comparing the efficiency of education authority versus education authority—there are 22 of them—or is he just considering where specific complaints have been made? From what I heard you say, it was actioned by complaint. Is that right?

Mr Manthorpe—Let me reflect back on what I read out.

Senator MASON—Unless there is a complaint, is there a systemic analysis of the difference between education authorities?

Mr Manthorpe—Yes. I think it is the full operation. It is true that he is looking at individual complaints, but it is also true that he may ‘at its own discretion areas of the operation of BER.’ That is not limited by complaint.

Senator MASON—So he can examine—

Mr Manthorpe—Systemic issues.

Senator MASON—Value for money across the entire sector, whether it relates to a complaint or not?

Ms Paul—At his discretion.

Senator MASON—I understand that, but he has the power to do that. That is what I want to make clear. Is that right?

Ms Paul—Yes, ‘especially as they impinge on the outcomes of projects at schools’. That is how it reads. It is item 2 or 3.

Senator MASON—He has the power to compare. Do you know what benchmarks he will be looking at to ascertain whether there is relative value for money? Is there any indication of that as yet or are we still waiting for all of that? What benchmarks will he be using?

Mr Manthorpe—I understand he is looking at that issue, but he has not reported in any detail to us. He, of course, reports to the Deputy Prime Minister and not to us. He has not reported any detail of that to the department.

Senator MASON—So we do not know as yet?

Mr Manthorpe—That is right, other than to say those are generally the sorts of areas. Beyond that, I would not like to speculate about the detail of his work.

Senator MASON—What date can the report be expected?

Mr Manthorpe—He is expecting to provide a report to the Deputy Prime Minister during August, in the order of three months after the task force commenced operation, although, as has been commented on in the media recently, if he has anything earlier that he wishes to bring to the government’s attention—views, recommendations or what have you—the government would be prepared to accept and consider those matters, as I understand it.

Ms Paul—There is nothing that limits him to wait for three months. He is able to do something earlier if he wishes to.

Mr Manthorpe—When I say ‘accept’ I mean accept a report, not necessarily accept recommendations.

Senator MASON—I understand. So by the reporting date of August \$11.7 billion will have been spent out of the \$16 billion?

Mr Manthorpe—No, it will not have been spent. It will have been paid by the Commonwealth to the education authorities.

Senator MASON—Yes, it is committed.

Mr Manthorpe—That is an important distinction.

Senator MASON—I did ask the question, did I not?

Mr Manthorpe—Yes.

Senator MASON—Slowly and distinctly for that very reason.

Mr Manthorpe—And I am attempting to assist you.

Senator MASON—I did not do it just for fun. So by that stage the \$11.7 billion would have been committed?

Mr Manthorpe—No, paid by the Commonwealth.

Ms Paul—It would have paid by us to the education authorities and not committed. ‘Committed’ in our terms means committed with a contractual relationship between the EA and their builders and so on.

Senator MASON—That is fair enough. You did say it was the first step of that three-step process. Is that what you mentioned?

Mr Manthorpe—That is right.

Senator MASON—Payment by the Commonwealth to education authorities is step 1. Is that right?

Mr Manthorpe—Yes.

Senator MASON—So \$11.7 billion will have been paid by the time Mr Orgill is due to report in August. Is that right?

Mr Manthorpe—Up to that amount.

Senator MASON—It is \$11.7 billion of \$16 billion. I understand it is up to that amount. Why is Mr Orgill doing this? Why is the department not doing this?

Senator Carr—The Deputy Prime Minister asked the reviewer to look at this as an additional measure of assurance. There is a whole series of other steps to be put in place as well. You can look at what has occurred here and at the number of projects that are being committed. As I understand it, as of 30 March some 23,869 projects have been approved across 9,000 schools. There are 8,092 projects currently under construction. As of 24 May there have been 104 complaints. There have been almost as many media inquiries to the review task force as there have been complaints, which represents about one per cent of all the BER projects. That is 0.44 per cent of all projects.

Senator MASON—That is not the question I asked.

Senator Carr—It is important to understand what the project has sought to do. You have run a campaign to try to denigrate what is probably one of the most important reform programs ever undertaken for Australian schooling in the history of this country.

Senator MASON—Thank you.

Senator Carr—You have sought to denigrate it in voting against it.

CHAIR—Minister.

Senator Carr—Let me finish. I have been asked a question directly. I have been asked why the government established this review process. This is an additional measure of assurance. I have said that from the very beginning. This is a factious denigration of this program. It is a political campaign by the Liberals in this parliament. This is a way of ensuring that people have an additional measure to deal with complaint. There is a website available. There is an opportunity to assess allegations of systemic problems. There is an opportunity here to deal with specific complaints for individual schools. What is the consequence so far? There are 104 complaints when you are looking at a project number of nearly 24,000 projects. I know it is a view that some people are peddling that there is a massive problem here. There is not. There invariably will be questions that will arise when you are looking at a program of this size. This is an additional measure to provide assurance that there is value for money and that there is an opportunity for people to examine the way in which the needs of individual school communities are being met. After all, this program

probably did more than any other program to save this country from recession and the context has to be seen and understood.

Senator MASON—Thank you for that. So this is an additional measure?

Senator Carr—An additional assurance to the Australian public that the BER program is being implemented in accordance with guidelines.

Senator MASON—I have got that now. Some 59 per cent of the government school principals say there is an issue that they did not receive value for money. Is there an issue? There is an issue. You talk about an additional level of assurance and I understand that, but, for example, Mr Orgill cannot be here today. He is not compellable by this committee, as you know.

CHAIR—I can make the point that he tried to appear and I had to tell him that he could not.

Senator MASON—He is not compellable, is he?

CHAIR—No.

Senator MASON—He is not an officer. He is not accountable to this committee of the parliament. Ms Paul, the department is the primary agent of Commonwealth responsibility and has been since the program came into being—or are you trying to say you are outsourcing responsibility for this program to Mr Orgill? Which is it?

Ms Paul—I am happy to comment on that. I will refer to the Deputy Prime Minister's media release. In announcing the set up of the taskforce, she said:

It will employ or contract investigators with a range of skills in building, design construction and safety, quantity surveying, architecture, financial audit and law. It will also have access to the full resources of DEEWR.

... ..

... as custodians of the public purse the Government believes the establishment of the Taskforce is a prudent step.

This will be a further strengthening of what is already a heavily audited program with an ongoing Auditor General's inquiry under way. Setting up the BER Implementation Taskforce is additional insurance for the Australian taxpayer.

From our point of view, there are two aspects. Firstly, it is an additional insurance for the Australian taxpayer from the point of view of its independence, and I think that is important. I recognise that it can often be important to have an outside body.

Senator MASON—I accept that, but I cannot examine him here.

Ms Paul—I appreciate that. The other reason is that we do not have that range of expertise so it makes sense, given the range of other responsibilities we have in this program, to set up something which concentrates that expert on these particular questions.

Senator MASON—You are right—you do not have that expertise—but you have been administering this for 12 months. Billions and billions of dollars have been spent and now you say, 'We don't have the expertise to administer it properly.'

Ms Paul—That is not what I said.

Senator Carr—That is not what she said.

Senator MASON—I am sorry—

CHAIR—Senator Mason has put a proposition which the officers and the ministers disagree with, so you should now put your argument in disagreement.

Senator MASON—That is fine.

Ms Paul—For these questions of project based value for money and so on, I am not currently employing quantity surveyors, architects and so on. That is all I was saying.

Senator MASON—I am sorry, I did hear that?

Ms Paul—I am not currently employing the quantity surveyors, architects and so on who will take such an intensive look at this.

Senator MASON—‘Value for money’ has been there since August last year.

Ms Paul—Yes, it has, and we have taken an interest and a responsibility for value for money for that time. I am happy to describe what we have done, if you wish.

Senator MASON—We might get to that a bit later.

Ms Paul—This is by no means the first activity. We have been active in this area for a long time.

Senator MASON—From memory, you received the Auditor-General’s report in March. Mr Orgill was then appointed in April or just shortly thereafter. Up until that time there was no action to appoint anyone else on the issue of value for money. It only happened after the department received the Auditor-General’s report? That is right, is it not?

Ms Paul—That is the sequence of events. Whether they are causally related I would not actually speculate. Indeed, the Auditor-General’s report is quite positive in a range of areas, as was reported in the media at the time.

Mr Manthorpe—But, Senator, if the inference is—and correct me if I am making an incorrect inference from what you are saying—that there has been no engagement with or interest in the issue of value for money until that late in the piece, we would refute that.

Senator MASON—Let me get to that. You have said that the department is trying to ensure value for money from BER projects, and I think that was in the guidelines from, I think that is right, August 2009.

Ms Paul—It goes a long way back before that actually.

Senator MASON—Sure, but it was in the guidelines then.

Ms Paul—It was, but it was also in former documents before then, which Mr Manthorpe can spell out for you if you wish.

Senator MASON—No, that is fine. It only was in the guidelines in August.

Senator Carr—But the presumption that the department does not as a matter of course seek to ensure value for money needs to be challenged, which is what you have put to this committee.

Senator MASON—I am getting through it. In terms of information you receive from various education authorities—as we know there are 22 of them—I have got the Building the Education Revolution guidelines and key reporting requirements. It is all public, quite clearly. It is the terminology I do not get, so you will have to help me here. Do you receive for the various educational authorities a project cost for each individual project?

Mr Parsons—When the education authorities or the block grant authorities propose a project they will propose it against an approved budget—

Senator MASON—I am sorry?

Mr Parsons—They will propose a project against an approved budget for each project. We ask them for progress reports on a monthly basis.

Senator MASON—Do you know how much the project is going to cost?

Mr Parsons—At the outset we approve the budget for the project, and the project is described against that budget so we have an indicative cost. It is an estimate.

Ms Paul—You never know, naturally, how much it is actually going to cost.

Mr Parsons—It is an estimate, not an actual.

Senator MASON—You approve the budget for an individual project; is that right?

Mr Parsons—That is correct.

Senator MASON—Does that individual budget nearly always end up as being the project cost?

Mr Parsons—Rarely.

Senator MASON—In fact, you do not really have much of an idea about the project cost; is that right?

Mr Parsons—Until the project is completed and the costs are all acquitted.

Senator MASON—Until the costs are all acquitted you do not know.

Ms Paul—This is just the way capital works, of course. It is no different from any other program like our Capital Grants Program or Investing in Our Schools or whatever.

Senator MASON—You approve the budget from what, did you say?

Mr Parsons—There is an application form made for a project and on the application form the education authority or the block grant authority will outline the project. It is a pro forma. That will be against a budget, and you are aware of the method that was used to determine the allocations based on the census of student enrolments?

Senator MASON—I might come back to this point in a minute. You approve the budget for a project; is that right?

Mr Parsons—That is right.

Senator MASON—Do you receive information as to a description of the building?

Mr Parsons—A high-level description. We will know whether it is a canteen, a COLA or a school hall.

Senator MASON—I am not a builder, but okay. We get a general, what, industry description?

Mr Parsons—Yes.

Ms Paul—On a project-by-project basis.

Senator MASON—Yes, per individual project.

Mr Parsons—At the time of application.

Senator MASON—Will you know size and square metres?

Mr Parsons—Square metres is an interesting topic, because even within the building sector I am led to believe that there are different measures. By way of example, if you are building your classroom, some people would measure square metres as being the area within the walls that the children are occupying. Others would say, no, the building standard says that it should go to the eaves.

Senator MASON—Sure, but here are industry standards for these sorts of things, aren't there?

Mr Parsons—I think there are at least three.

Senator MASON—But there are industry standards, even if there are three.

Senator Carr—Senator, you would have to acknowledge that you have got more front than Myer's, given the history of your government when it comes to square metreage—\$28 million for an ATC in Townsville.

Senator MASON—For God's sake, Senator Carr!

CHAIR—At the moment Senator Mason is confining himself to simply factual questions. He is not making any allegations at this point. I am happy for you to respond if he puts a proposition that you want to disagree with, but it is simply seeking facts at the moment so I would ask you to desist. Senator Mason, you have the call.

Senator MASON—Thank you, Chair. So within your project cost there is an approved budget. I understand that. Is it in the ballpark of what the project usually costs or not?

Mr Parsons—Generally within the ballpark.

Senator MASON—What sort of percentage?

Mr Parsons—I would not even hazard a figure. The reason I say that is—

Senator MASON—There will be exceptions?

Mr Parsons—There are always exceptions.

Senator MASON—Of course; I accept that.

Mr Manthorpe—The other point is that only a relatively small number of the projects have now been acquitted. There are quite a number that have been completed, as we have outlined previously, but only a relatively small number have got to the final acquittal stage, so it is a bit early to tell.

Senator MASON—So the project cost is often within the ballpark of the approved budget, is that right?

Mr Parsons—Yes.

Senator MASON—I just want to know that. What you are saying, Mr Manthorpe, is that we have many projects completed but not many acquitted? Is that across all sectors?

Mr Parsons—If I can answer that, that is across all sectors because, at my most recent discussions with all 22 of the authorities, many of the builders appear to be slow at putting final invoices in and, as the projects are completing, some of the authorities are putting quite a lot of effort into chasing the builders for the final invoices so that they can get to that acquittal point.

Senator MASON—So many projects have been completed but not yet acquitted?

Mr Parsons—Correct.

Senator MASON—I will give you an example. You say you are trying to ensure value for money from BER projects. This information I have got is publicly available; it did not fall off the back of a truck and I will tell where I got it. Senator Cash will know and I think the chairman will. Both the Catholic and the public sectors have been building 14 core square communal halls and COLAs. According to figures provided by the Catholic Block Grant Authority of New South Wales to the Senate Economics References Committee—this committee in a different guise, in effect—for a 391 square metre hall and 183 square metre COLA, a covered outdoor learning area I think it is, they are paying roughly \$1.15 million, with evidence that this is broadly in line with industry standards. However, according to New South Wales government figures provided through the New South Wales Legislative Council, the New South Wales Integrated Planning Office is paying more than double, at \$2.49 million for a hall and a COLA the same size, and that is the average. This is the average across 263 of these structures, so it is taking into account any individual variations for location and so on. It is not just one or two, it is 263. That is in fact more than double the cost. How do we explain that?

Mr Manthorpe—The first point to make is that we are in the realm of estimates and not actuals. We are in the realm of the potentiality of there being, if you will, apples and oranges in terms of, yes, square metreage is one indicator of what you are getting for the dollars but there may be—may be—issues to do with aspects of fittings, furniture, finish et cetera that might go to explain some of those differences. Certainly when we have talked to the New South Wales government about these sorts of matters they point to the school facility standards and their very deliberate intent to build buildings for which very limited maintenance will be needed in the years ahead, buildings that are going to last a long time. Those are the sorts of factors that might be at play. I am not at all wishing to come to firm and final conclusions about those matters, but those are the sorts of matters that are at play.

Senator MASON—I accept what you say and, to be fair, those issues have been raised in the references committee hearing and elsewhere. We are talking here about double the cost, and I have heard the apples and oranges arguments before, but remember here the amount is averaged over 263 structures. It is not one or two. It is right across the state. It is a ballpark. I am not suggesting this is a precise science. I am just talking ballpark. In terms of quality, how are Catholic BER projects different from government school projects? No-one has ever

explained how that could possibly relate to a doubling of the cost. I accept what you say that these are issues, but it does not explain the difference.

Mr Manthorpe—There are two comments, one that I will make and another that I know my colleague is eager to assist you with. The one I wanted to make was that of course that is one of the reasons why Mr Orgill and his taskforce have been put into place and he has people with expertise in these matters that are looking into these very things systemically and individually almost as we speak. So that is the first point. I might ask Mr Parsons to add something to that.

Mr Parsons—In chatting to my colleagues—

Senator MASON—On the Orgill point that was just raised, before we get to your point, Mr Parsons, I understand Mr Orgill has particular specialties. But, you see, this is the department's responsibility. This is Commonwealth money administered by the executive, and up until Mr Orgill's appointment the expenditure of billions of dollars was totally the Commonwealth government's responsibility. I accept Mr Orgill has particular—

CHAIR—The officers have already offered to go through in detail about what they have done up until—

Senator MASON—I will get there.

CHAIR—and you did not want to do that at that point.

Senator MASON—I will get there, but I just wanted to make it clear that responsibility for this expenditure of billions of dollars lies with the government and the executive. This is not Mr Orgill's problem. This is the Commonwealth government's problem.

Ms Paul—Absolutely. I am more than happy to go through this whole process.

Senator MASON—We will go there in a second. I will come back to that. If I do not, you can pull me up.

CHAIR—I do want to acknowledge that the officers did earlier offer to go through that in some detail and they do not accept that they did nothing.

Senator MASON—I just wanted to answer the Orgill issue.

Mr Manthorpe—Was there a question about the Orgill issue there?

Senator MASON—No. I have heard a lot about Mr Orgill. I do not know Mr Orgill. I have seen him, but let us not—

CHAIR—Given the proposition has been put, Mr Parsons—

Senator MASON—Let us not outsource responsibility to anyone. You would agree with that, Ms Paul, wouldn't you? You cannot.

Ms Paul—That is right.

Senator MASON—We will come back to what the department has done in a minute. I am happy to do that.

CHAIR—All right.

Senator MASON—I will ask questions about that in a minute.

Ms Paul—That is fine. All I would say is that—as the media release says—it is additional insurance.

Senator MASON—Up until that stage it was totally the responsibility of the department.

CHAIR—Let us go to Mr Parsons now and then I think we should go to what the department has done.

Senator MASON—No, that is fine.

Mr Parsons—I thought it might be helpful just to share an example or two of the variance that we see between the New South Wales published estimated costs. For a couple of projects that have completed, where they have got their final invoices and so on, I can tell you what the final cost of the projects were, just to give you a sense of the deviation. If I can quote first a school called Russell Lea Infants School. It is a school in Five Dock in Sydney, some six kilometres west of the GPO in Sydney. The figure that you will find on the New South Wales Department of Education and Training website will show that the estimated cost for that school is \$835,426. There are a couple of new classrooms being delivered, so that is \$800,000 round about. When all the tallying up was done and the project was finished, that project came in at \$530,204. I have got a calculator, but I have not done the maths, but you can see that there is a fair bit of margin.

Senator MASON—I am not suggesting this is an exact science. I am not suggesting that.

Mr Parsons—In that case, though, you can see that there is a fair bit of margin for contingency that was not—

Senator MASON—Not quite 2:1.

Mr Parsons—Getting close.

Senator MASON—Across the entire sector in every case, that is where it does not quite add up.

Mr Manthorpe—There is another point there. I do not in any way want to disparage other systems, but I think the Catholic system would also acknowledge that there are outriders on the upside here, that whilst they may have views and evidence about what their per square metre costs typically are—and you can add on an amount for site costs and the like—there may be outriders as well, just to sort of complete the picture.

Senator MASON—That is true, Mr Manthorpe. I accept it is not an exact science, but when you have two to one across the huge numbers that I have mentioned and you have dissatisfaction only—only—in the government sector and not in the independent or Catholic sectors then the parliament and the people of Australia start to think something is up.

CHAIR—Are you going to—

Senator MASON—Yes, I am; I am going to do that right now. Is anyone in the department making a systematic comparison of the cost of buildings in the government and the non-government sectors?

CHAIR—I want to allow the department to answer this in a holistic way because it goes to one of the main points of argument between everyone. So do not just address that narrow part

of the question but address the whole process of what you have done in terms of the value for money issue.

Senator MASON—Sure. Yes, that is fine. Can you answer that?

Ms Paul—Yes is the short answer to your question, but we probably should put it in the broader context.

Senator MASON—Tell me how you are doing that?

Ms Paul—I would like to have it put in context.

Senator MASON—Yes, that is fine.

Ms Paul—Sure, okay.

Senator MASON—I will ask follow-up questions after the explanation. That is fine.

Ms Paul—Of course.

Mr Manthorpe—I think the first piece of the broader context is to reflect on the way in which achieving value for money is a shared responsibility between the Commonwealth and the education authorities in the context of the federation and in the context of the different responsibilities of the parties. In particular, I would want to draw your attention to the findings of the ANAO and its audit. At paragraph seven of its report it noted:

The education authorities are responsible for implementing the program in government and non-government schools respectively, including responsibility for ensuring that individual projects achieve value for money.

Senator MASON—We will get to the oversight. I will return to that.

Senator Carr—Let the officer finish.

Mr Manthorpe—The point I was going to go on to make was that I note that in estimates proceedings last week, in a discussion between the committee and Mr McPhee, he acknowledged that, despite that finding as to where responsibility lies for securing value on a project, that does not absolve the Commonwealth department from getting some level of assurance around value for money, and we accept that. We, of course, want to secure value for money. That is the first piece of context that needs to be put on the table.

The second is there has been a suggestion that—and indeed you may have echoed it yourself a few minutes ago—until the BER guidelines were amended in August 2009 to pick up an explicit reference to value for money, somehow value for money was kind of not on the radar. I appreciate that they are not your words, but the flavour of some commentary in this area seems to be almost that value for money was some sort of afterthought. I just want to put to the committee that, in our view, that is not the case. We make the point that the National Partnership Agreement on the Nation Building and Jobs Plan makes an explicit reference to adopting a best-value approach in contracting and tendering. I make the point that the bilateral agreements with each state and territory, one of which we were referring to earlier, explicitly pick up an expectation that each state and territory block grant authority requires compliance with all relevant statutes, regulations, by-laws and requirements of any Commonwealth, state and so on. Those requirements include the requirements to meet procurement rules,

regulations and laws that exist in each state and territory. It is important to note in that context that each state and territory does have its own procurement laws—

Senator MASON—Sure, which I accept.

Mr Manthorpe—all of which encompass the concept of value for money as a central principle. So I think that is a very important part of the context.

Senator MASON—I have got all that now and I have heard that. The complaints are coming from the government sector. How do you know whether a particular state school project has come in at an appropriate price? How do you know that?

Ms Paul—We can talk to you both about how we have investigated individual project complaints like that and individual issues—

Senator MASON—No, not individual.

Ms Paul—and we can also talk to you about what we have done on a systemic level.

Senator MASON—What I want to know is: how do you know that any individual project is good value for money? What information does the Commonwealth have and what expertise does it have to be able to assess whether the state government educational authorities are receiving good value for money?

Mr Manthorpe—I think the point to make about that is that we are, in effect, best placed to make a systemic assessment of that rather than necessarily a project-by-project level assessment of that. That is not to say that we have not looked at individual projects; we have. In the context of complaints that have been raised and, in the small number of cases where complaints have been raised with the BER national coordinator, we have looked at those. But the systemic point I would make is that not only did we make it clear in the guidelines that value for money was required, not only did we—

Senator MASON—How do you know?

Mr Manthorpe—Yes, I am coming to that. I am just wanting to put my answer in an appropriate context, if I can.

Senator MASON—I understand. I want to know how you know—how the Commonwealth department knows, not you.

Mr Manthorpe—Having established the context within which value for money was to be secured through the guidelines and so on, I can absolutely tell you that, with regard to the whole question of value for money and how to extract as good a price in the context of the stimulus environment in which the exercise was rolling out, we absolutely engaged in discussions with all the education authorities, both the non-government and the government during 2009.

Senator MASON—I understand that. Do you engage in discussions and you receive commitments from them? I think it was Ms Paul who said—

CHAIR—Senator Mason, wait to hear the answer before you summarise it and put it back to the witness.

Mr Manthorpe—I am sorry to keep repeating myself, but I just want to be clear. We set up the documentary framework in a way that could be step one, if you like, in achieving the

appropriate level of assurance. We then engaged in discussion with all of the education authorities regularly during the foundation period of the program, during 2009, with a view to getting some assurance about the way that we are going to go about it. It is important to note we have been upfront with you about the fact that we are not—

Senator MASON—I know, and I accept that.

Mr Manthorpe—I am not sure what you accept; I have not said it yet.

Senator Carr—Accept you have been upfront.

Senator MASON—I know, I do. I accept they have been upfront.

Mr Manthorpe—I am not a quantity surveyor and I am not a builder, but something that the Commonwealth has done and something that this department has done for years is procurement. We are extensive procurers and we are extensive operators of grant programs and our understanding of those matters was brought to bear in our discussions with the education authorities during 2009 when they were going through their processes of working out how they were going to conduct the procurement in accordance with their frameworks that are intended to secure value for money. I am not sure why that is so amusing, Senator.

Senator MASON—Because in the end, what you have just said is you are not quantity surveyors, and I accept that—you do not have that expertise; that is elsewhere. What you are doing is having to rely on the appropriate expenditure by state governments and the assurance that it is good value for money with respect to state schools, and you just admitted you do not have the expertise to question that.

Mr Manthorpe—No, I do not accept that. I do not accept that we do not have the expertise to question the way in which they went about procurement.

Senator MASON—No, not about procurement, about whether with any individual project, or indeed systemically, there is value for money.

Ms Paul—No, I do not accept that.

Senator MASON—Let me just go through what we have heard the last couple of weeks. Sadly, the ANAO, in evidence to the finance and public administration committee last week, stated categorically—and I will read the transcript if you wish—that DEEWR did not have adequate mechanisms in place to assure itself that each of the 22 education authorities which were tasked with implementing the program were achieving value for money for the \$16.2 billion of taxpayers' money spent on the program. The office also concluded that the department should have done more to assure itself that value for money was being achieved. As you know, I have it right here, Ms Paul, and the evidence was explicit and I might say, damning. Now, what do you say to that?

Mr Manthorpe—We do not agree with it.

Ms Paul—We refute it.

Senator MASON—You do not agree with the Auditor-General?

Mr Manthorpe—No.

Ms Paul—Indeed, we note that the Auditor-General did not say that in his audit.

Senator MASON—Hold on. I have the transcript here.

Ms Paul—No, I am talking about the audit.

Senator MASON—Yes, but you know what? He did not say it in his report; that is true. He made all the suggestions, but only when I asked the question explicitly did he say clearly and explicitly on the record that the department did not have the necessary oversight mechanisms to administer this program.

Ms Paul—And we do not agree with that.

Mr Manthorpe—And we particularly—

Senator MASON—That is fine; you do not have to agree. I just want to make it very clear that it is explicit and on the record.

CHAIR—No, and you have done that. Did the department want to elaborate further?

Senator MASON—They do not agree, I think.

Mr Manthorpe—I would like to elaborate in one respect to defend the department's position on this, and that is to make the point that the Auditor-General also found that at a project level the education authorities themselves were responsible for securing value for money. We do not wash our hands of seeking value for money assurance, but we do make the point that the auditor has made.

Senator MASON—Hold on; let me go back to that. It was state governments initially seeking to procure value for money. What the Auditor-General says is that you do not have the capacity to determine whether that level of payment was appropriate and good value for money. That is what he says.

Ms Paul—I do not think he says that specifically.

Senator MASON—I can read this out.

Ms Paul—At any rate, having read the *Hansard* myself, I do not agree with that sentence—I think by Mr Cahill; I do not think it was by Mr McPhee. As we say—

Senator MASON—It is the officer responsible for the report though, Ms Paul. Get this right.

Ms Paul—No, I appreciate that.

Senator MASON—The officer responsible for the report was not the Auditor-General; I just want to make that clear.

CHAIR—Let Ms Paul give an answer.

Ms Paul—The audit, of course, occurs in a particular period of time and so on, but our strong view is that our frameworks were not only appropriate but actually went beyond what we had used to date. Our experience with capital programs is, of course, extensive. It goes back decades. In recent times, of course, there is not only the ongoing capital grants program for schools where value for money is dealt with through the states' own procurement requirements and so on, but we also do a range of capital programs, as Mr Manthorpe said, including in higher education and other places. We are capable of administering a strong

framework of assurance and also, in some areas, looking at value for money on a project-by-project basis, which we did here on occasion when cases came up.

Senator MASON—We will move on. The ANAO also stated in estimates that value for money was not part of the guidelines for the BER until August 2009, which would make many people think that value for money was an afterthought.

Senator Carr—You have made that claim. It has been refuted at least three times tonight.

Senator MASON—Hold on. The Auditor-General—his office and himself—uses that evidence as an indicator that the oversight mechanisms were not sufficient, Minister. Have a look at the report. The next one is that monitoring and compliance was only finalised in late 2009, well after the project was underway and, therefore, too late to collect and measure the information necessary to assess and determine the achievable of value for money and indeed, whether the program was meeting intended outcomes like the number of jobs created. That is also the evidence.

Also from last week Senator Ryan found that the BER was costed in one week and even the pink batts scheme was costed over two weeks. The ANAO report also states at page 26 that the department was provided with a copy of their report on 22 March 2010 for comment. It may be a coincidence, Ms Paul, but the Orgill taskforce was then established on 12 April 2010, just after you received that. That is as a sequence. It could be a coincidence, of course.

Ms Paul—I am happy to comment.

Senator MASON—Yes, of course.

Ms Paul—Taking it from the top. The guidelines were August. Mr Manthorpe has gone into considerable detail on that.

Senator MASON—He has mentioned that and I accept that.

Ms Paul—Why August? It was August because we have been concerned about value for money and because we were going beyond what we have done in the past in terms of assurance. For starters, we had not revised the guidelines frequently and that was something the auditor commented on positively. August was just the time when the education authorities were really getting down to the business of starting to go out to tender and we thought it would be wise at that time to reinforce the importance of value for money, even though it was redundant, really, because it was already in the national partnership, the bilaterals, the funding agreements and in all the references to their approaches. That is the reason for August.

What was your next issue? You had another one from the audit?

Senator MASON—The Auditor-General's next issue.

Ms Paul—Yes. Which one was that?

Senator MASON—Monitoring and compliance.

Ms Paul—Yes. We do not accept that view. You will also see in the audit that we commented on that. The fact is that it was appropriate to come to a monitoring and compliance framework at that time because projects were really only just getting underway. It was a sequencing question. On his behalf, I think you were drawing a connection. And there are jobs. We have been around jobs data before.

Senator MASON—No. I have a bone to pick with you on that. The Auditor-General has picked it up. However, I do not think that I have the time. There are so many issues that I want to touch on that I am not going to get anywhere near it. We will leave that for another day.

Ms Paul—I appreciate that. We have dealt with that before, too.

Senator MASON—But I want to do it again. The Auditor-General is on my side, as always.

Ms Paul—Was there a third issue?

Senator MASON—There are many. There is Senator Ryan's questioning that the BER was costed in a week and even the pink batts scheme was costed over two weeks, and the appointment of Mr Orgill, which you say may be coincidental, but I am not as generous in the interpretation of that.

Ms Paul—I have already commented on the implementation task force and the costings. I would have to go back and look at the time frames. I am not sure whether it was a week or two weeks.

Senator MASON—That is the evidence. I am going to run out of time. I have a few more questions that I want to get to. Are we finishing at 7.30?

CHAIR—Yes.

Senator MASON—Public administration—this is your forte, Ms Paul, and I suspect it is not the minister's because he is a politician like me. Mr McPhee, the Auditor-General said—and this is the interesting part of this; I have always been a bit cynical with these partnerships, which you will recall; I am a little bit concerned about what it means—'This is part of a journey.' They are the words he used last week.

Ms Paul—I noticed that.

Senator MASON—He said the word 'journey.' This is conceptually interesting because it goes to the heart of the matter. I think you know where I am going to go.

Ms Paul—Not necessarily, but try me out.

Senator MASON—The Commonwealth parliament votes money to the executive to spend \$16 billion on the BER and then it goes out and it spends billions of dollars on 22 different education authorities. They are different. I know that. I criticised you for one-size-fits-all, which was not appropriate. The money has gone out. Then the question is: is the Commonwealth government—the executive—able to satisfy the parliament and, indeed, the taxpayer that the state governments and education authorities—all of them—have spent the money well? That might sound like a simple question, but it goes to the heart of the matter. Ms Paul, the implications are not just for education but also for health, which is coming up. It is even a bigger issue. It is a huge issue. The Auditor-General pointed this out and he is right. He cannot investigate state instrumentalities about whether they have secured value for money. He said, 'That's for the state Auditors-General, the state political process and the state estimates.' This is not partisan. I do not have much regard for state estimates of whatever party. Even Mr Orgill cannot be called before estimates. The concern for so many people, in an administrative sense, is the lack of accountability. I know from that time last week that the

Auditor-General shares my concern that there is billions of money going out and the Commonwealth taxpayer and the parliament that votes the money cannot be sure that value for money is being secured. It is a huge issue. Do you agree?

Ms Paul—No.

Senator MASON—You do not think it is a huge issue?

Ms Paul—I think value for money is a very, very important issue. What I do not think is a huge issue is the change of federal arrangements. Of course I agree with you that value for money is absolutely important.

Senator MASON—Is there sufficient oversight of the arrangements? That is my key point.

Ms Paul—I understand what you are saying. It is incredibly interesting from a public administration point of view. We could talk for a long time about it. I found those comments interesting. The really interesting thing for schools is that we have always worked in the federation. Schools are constitutionally the responsibility of the other level of government in the federation and in all of our programs under each quadrennium of funding, the capital grants program and so, have always worked with the 22 education authorities. The change is the following. The change is from us working into that layer of government or the other authorities through an act to a different vehicle for the states, which is what he is talking about. He is talking about the shift to the vehicle of national agreements and national partnerships signed up by COAG, rather than the Schools Assistance Act, which is still used as the vehicle for the non-government schools. The thing that interests me is that in terms of accountabilities, responsibilities and responsibility for value for money, that has not changed.

Senator MASON—Let me get to that.

Ms Paul—Sure. The funding vehicle has changed. The legal vehicle, as you well know probably better than I, has changed. In terms of value for money and all the other assurances which we are well used to applying in all of our programs, including in schools capital, there is not really any different approach. I certainly agree with the Auditor-General that it is a journey in terms of the nature of this changed Commonwealth-state relations and, in particular, the difference is more about agreements other than this one which are agreements which have moved to an outcomes orientation, not so much an input orientation.

Senator MASON—I know that.

Ms Paul—This one is straightforward and traditional. At any rate, we were criticised for one-size-fits-all. We have applied the same approach across the sectors.

Senator MASON—Yes. The Auditor-General argued that it was not good enough. I want to come back to that if I have time. It is the old story. In construction the independent and Catholic BGAs are using industry standards as benchmarks of quality, efficiency and value for money, whereas state governments are using their own benchmarks that they have developed internally. What mechanisms do you have in place to consider the benchmarks used by states in the assessment of value for money?

Mr Manthorpe—I have a couple of comments on that. First of all, I could be corrected, but I am not sure that all the states are adopting that means of arriving at benchmarks. I may have to check that.

Senator MASON—That is the evidence that we have heard, that there are internal benchmarks. That could be wrong.

Mr Manthorpe—I am conscious of that in New South Wales and a couple of others, but I am not sure it is true of all of them.

Senator MASON—It may not be, but that is the evidence that we have heard.

Mr Manthorpe—The second is, returning to the procurement frameworks within which they operate—

Senator MASON—No. It is a very specific question, Chair.

CHAIR—Ask it again.

Senator MASON—What mechanisms does the department have in place to consider the benchmarks being used by states in the assessment of value for money? It is a very specific question.

Mr Manthorpe—The monitoring activity that we have undertaken with the education authorities that goes to the way in which they have conducted themselves has not gone to precise price issues but has gone to the way in which they have gone about testing the market. Something that gets a bit lost in all of this is that the education authorities have, one way or another, all of them, tested the market. They have not merely arrived at internal costs; indeed, in many cases the internal costs that they have arrived at have been arrived at with advice from independent quantity surveyors.

Senator MASON—We will get to that in a minute. How does the department know that those benchmarks—

Ms Paul—Mr Manthorpe is saying that. He is talking about how we have had regard to their approaches and so on.

Senator MASON—How do you know their benchmarks are appropriate, that the benchmarks that are being used by states are getting value for money? You have not answered that.

Ms Paul—He is answering that.

Senator MASON—He is trying.

Mr Manthorpe—The point I am trying to make is that our assessment has been of the way in which they have gone about their contracting and procurement process.

Senator MASON—That is a different question.

Ms Paul—No—

Senator MASON—That is a different question.

Mr Manthorpe—If that is the way in which the benchmarks are derived, if intrinsic to the procurement process that they have gone to we can be satisfied that they have an effective procurement arrangement in place, then that gives us some assurance around the sorts of prices that they are paying.

Senator MASON—But that is a different issue. Thank you. At least that was explicit.

Mr Manthorpe—I would also make the point that Mr Orgill is looking at those very matters.

Senator MASON—We have been to Mr Orgill. I was going to ask this: are you aware of any instances where a state's benchmark is industry standard, or are they all internal benchmarks? In other words, are there any instances where the state internal benchmark is the same as the industry standard?

Mr Manthorpe—I am sorry to answer a question with a question, but what do you think the industry standard is?

Senator MASON—The industry standard; I will get to it. Let us say Rawlinsons.

Mr Manthorpe—It is one set, I believe.

Senator MASON—But any of them? I want to know any of them. Are you aware of any instances where a state's benchmark is industry standard or any industry standards, or are they all internal benchmarks?

Mr Manthorpe—We are just checking. There may be a state or two where we know that.

Senator MASON—You do not know that off the top of your head?

Mr Manthorpe—Not off the top of my head, no.

Senator MASON—That says a lot in itself.

Mr Manthorpe—That depends.

CHAIR—That depends on the context.

Ms Paul—I do not know that it does.

Senator MASON—Okay. Are you finding this out right now?

Mr Manthorpe—We are seeing whether we have information on that with us. If we do we will answer the question as best we can. If we do not we will take the matter on notice.

Senator MASON—Okay, but you are unable to tell me now? I am surprised by that.

Mr Manthorpe—But, there is nothing—it goes back to the question—

Senator MASON—Do not worry; I have plenty of questions. If it is all internal benchmarks, what processes are followed to review internal assessments against the current industry standard?

Ms Paul—We have just said that we are not convinced it is all internal benchmarks and we have talked about how we assure ourselves. I do not think—

Senator MASON—But where there are internal benchmarks—and there certainly are; we know that from the evidence—have they been compared against industry standards?

Mr Manthorpe—One thing I do know is that the kind of assessment that you are describing is not a feature of how we have run the capital grants programs in the schools in the past, essentially because of the procurement frameworks that exist at the education authority level.

Senator MASON—You cannot tell me then whether in the states where there are internal benchmarks—and we know there are some. In fact, we have only heard there are internal benchmarks. But I take your point they may not be. I accept that.

Ms Paul—I will give you an example of what we—

Senator MASON—Hold on. Does the department compare the internal benchmarks of states against industry standards? The answer is no; is that right?

Ms Paul—Let me tell you one of the things we can say—

Senator MASON—Hold on, please.

Senator Carr—You have asked the question. You are not giving the officers a chance to answer.

Senator MASON—I do want to ask the questions.

Senator Carr—Give them a chance to answer.

CHAIR—You have asked the question. It is an important question.

Senator MASON—It is.

Ms Paul—I think we have done it and I will explain why. Of course we have had the same interest. We looked, for example, at what was in some of the per-square-metre inclusions in, say, New South Wales, which is clearly a state of interest in this matter with Rawlinsons, for example.

Senator MASON—You did.

Ms Paul—Yes, we have. And we found that there was quite a difference between what was included, so it is back to that apples-and-oranges issue that I raised at the inquiry. We found that Rawlinsons, for example, in its industry standard does not include a whole lot of stuff that New South Wales is including in its estimates, and of course what it has on its website are only estimates anyway. But, for example, one of the things not included is fit-out and furnishings. The other thing is that there is the internal standards issue. That is just an example. I cannot remember the full set, but I certainly have seen that comparison that we did.

Senator MASON—This is against all state benchmarks?

Ms Paul—I think we were just looking at New South Wales in particular, but we can check that. We may have looked across the board.

Senator MASON—It does not happen as a matter of course, and it did not happen 12 months ago?

Ms Paul—Normally, as Mr Manthorpe said at some length I think, we rely on the procurement and longstanding approaches by the states, which, of course, are themselves audited and which are required to achieve value for money.

Senator MASON—I understand that and I accept that. I am not disputing the fact that that happens. Why is it then that the non-government school sector is operating according to industry standards but for the public sector that benchmark is inappropriate?

Mr Manthorpe—Again, first of all, I would not necessarily accept the premise that all of the states and territories do not assess themselves against industry benchmarks, and we have said we will check that—

Ms Paul—And, for example, we know of many—

Senator MASON—That is being checked, okay.

Ms Paul—We know of many instances, for example, where states have brought in quantity surveyors, and they do it as a matter of course. We know of instances, for example, in Victoria where they were not convinced they were receiving value for money from a tender and they retendered and so on. We have had regard to all of that as part of our assurance framework.

Mr Manthorpe—The other point—and I think it goes to your question; I am trying to answer your questions—is that, if you take Victoria, the independent quantity surveyors, in arriving at the expected costs—hence, if you will, the benchmarks—had regard to the designs and to the type of building that the education authorities were wanting to construct. So that is relevant, I think.

Senator MASON—Catholic independent schools operate with the industry standards. Certainly we know some states operate with their internal assessments. I cannot work out why that benchmark is inappropriate—the industry standard—

Mr Manthorpe—Presumably it—

Senator MASON—There are additions. I accept your additions and all that, but it does not explain the enormous divergence.

Mr Manthorpe—It goes back to the array of considerations I outlined before, presumably going to things like the quality of the buildings and so on and the state's long history in building school buildings and what that—

Senator MASON—Are Catholic schools inferior?

Mr Manthorpe—That is not what I said.

Senator MASON—You said inferior to—

Ms Paul—No, he did not.

Mr Manthorpe—I did not say that.

Senator MASON—Of less quality? What did you say?

Mr Manthorpe—I did not say that either.

Senator MASON—What did you say? Say it again if you like.

Mr Manthorpe—What I have got on *Hansard* will speak for itself. I did not say that they were inferior.

Senator MASON—If they are not inferior, why do they cost so much more? Why do they cost so much more if they are not inferior?

Mr Parsons—Can I—

Senator MASON—Can I ask the question? It is a fair question.

CHAIR—I think Mr Parsons is going to have a crack at trying to answer it for you.

Senator MASON—Let me ask the question again. If the Catholic schools are not inferior, why are they costing so much less?

Mr Parsons—Because I understand that the figures reported by the Catholic sector for dollars per square metre have different inclusions, notably fittings and furniture—

Senator MASON—We touched on this before.

Mr Parsons—which if I remember correctly—

Senator MASON—Fittings?

Ms Paul—Fittings and furniture are not included.

Mr Parsons—And, if I remember correctly from either Cordell's building guide or Rawlinsons—they are both industry reference points—I thought that was up around 35 per cent of estimated cost. I am willing to be corrected, but that is my recollection.

Senator MASON—You mentioned Rawlinsons; let us go to Rawlinsons.

Ms Paul—That helps explain some of those differences which you have raised—

Senator MASON—It does, but I want to go to Rawlinsons because it has been raised and I should go there. An article in the *Weekend Australian* of 8-9 May highlights the fact that Rawlinsons, the leading industry expert—or the construction bible; isn't it?—labelled the costs of BER projects as 'insane' and 'anomalous' and risking distorting the market. Are you aware of that, sir?

Mr Manthorpe—I think I saw that article.

Senator MASON—From Rawlinsons, whom you just cited.

Mr Manthorpe—I am not sure I did cite the article.

Mr Parsons—I quoted Rawlinsons and I also quoted Cordell's.

Senator MASON—We will do a few others on the way through.

Mr Parsons—I do not know of any others. I think they are the two leading ones.

Senator MASON—I have got a few, BMT and Associates and Swift Construction, which are slightly different but all come to the same point—

Mr Parsons—They are not industry references.

Senator MASON—I know, but they are quantity surveyors.

Mr Manthorpe—But even Rawlinsons—and I quote—says its costs can provide no more than a rough guide to the probable cost of a building.

Senator MASON—That is true, but it is better than state government costs being 'insane' and 'anomalous'.

Ms Paul—We cannot possibly comment on why someone from Rawlinsons decided to say that. I think it is a very interesting point that Mr Parsons has spelled out that one of the apples-and-oranges factors which is clear to us is that the one standard is including fit-ins and fit-outs and the other used is not and that that can account for around 35 per cent. And that is very significant.

Senator MASON—At tops, yes, sure.

Ms Paul—I do not know whether it is at tops, or minimum, or average, or whatever.

Senator MASON—Sure. I accept that.

Ms Paul—I think Mr Parsons is saying it might be an average. Anyway, the point is the apples-and-oranges point which—

Senator MASON—We have touched on.

Ms Paul—We have certainly touched on it.

Senator MASON—I gave that huge example of 285 different constructions in New South Wales. This was not one or two.

Ms Paul—It is interesting to think though—and we would have to check this—that you thought the difference was a doubling—

Senator MASON—It is two to one. It is more than double, more than double.

Ms Paul—That is—

Mr Parsons—I was going to say that there is a big difference though between an empty shell and a classroom with chairs and tables.

Senator MASON—But they were comparing like with like. That is the problem—

Mr Parsons—No, I do not think—

Ms Paul—That is the problem: they were not.

Senator Carr—That is exactly the point of dispute, and it is up to a 40 per cent variation for non-construction costs that are giving people the impression that one is lower than the other—

Senator MASON—That is not right, Minister.

Senator Carr—You have got to look at the whole and not part of it.

Senator MASON—You have been coming to these—

CHAIR—I think the minister can respond. You have put a position. He is disagreeing with it.

Senator Carr—You have relied on a series of newspaper articles—

Senator MASON—No, Rawlinsons.

Senator Carr—a series of published reports in newspapers—

Senator MASON—Rawlinsons.

Senator Carr—and what we have is a problem of not comparing like with like. Even the stated experts have said these estimates are a guide—

Senator MASON—They are ‘insane’ and ‘anomalous’; that is what they have said.

Senator Carr—What you have in terms of the Catholic Education Commission is a proposition that the costs of their building projects do not include a number of matters which

are required as other construction or non-construction costs. The estimate that I have been given is that that variation can be as much as 40 per cent.

Senator MASON—Thank you, righto. The article I cited quotes analysis of New South Wales BER projects based on Rawlinsons industry data. Even allowing for very reasonable substation allowances as well as considering the cost of the most expensive location in New South Wales, it found that the cost of projects should be \$1.65 billion but they are actually costing \$2.985 billion, so the difference is—what?—over \$1.3 billion, nearly double the cost and certainly not good value for money. What is your estimate of what the cost of the approved projects is in New South Wales?

Mr Parsons—The only figure I have, which is the one I mentioned before, which was that Russell Lea Infant School, is a calculation I have done since I last spoke, if I can find it. My understanding is that the final price of that represents 63 per cent of the figure that is on the New South Wales website as the estimated cost—

Senator MASON—You are citing one primary school?

Mr Parsons—Yes, one primary school in New South Wales, the one that I have got from New South Wales DET.

Senator MASON—That is fine. I deliberately did not come in here today armed with—and you will accept this, Chair—individual examples. I thought I could do it, so I spoke systemically and my example was very broad—285, wasn't it?

CHAIR—But you also did ask questions about how it would actually make value on each individual site, too.

Mr Parsons—The only reason I mention the individual site is that very few acquittals have happened because of the late invoicing we spoke of. New South Wales DET has given me a list of four. That is one of the four.

Senator MASON—As reported in the *Australian* on 6 May:

According to national quantity surveyors BMT & Associates, one- to two-level airconditioned office buildings - the closest structure to the halls analysed by the group - should cost about \$1260 per square metre to build.

The standard “cookie-cutter” 430sq m school hall structure is costing taxpayers \$5800 per square metre ...

That is—what?—about four times. The article says:

Construction industry data shows school buildings should cost between one-third and one-quarter of that paid by public schools.

That is a huge difference. Do you think that is good value for money? Do you know BMT and Associates? Do you know them?

Mr Parsons—No, I do not know them.

Senator MASON—They are national quantity surveyors, apparently a very large firm. That is my information.

Mr Parsons—I am not challenging their credentials. I would just ask does the article say—because I do not have it—that the classroom has furniture in it, or not?

Senator MASON—Furniture? That is not going to explain that difference even if you put King Louis couches in there. You could not furnish it and make it that expensive.

Ms Paul—That is not what Mr Parsons has said.

Senator Carr—It is beneath you to try to ridicule someone in this way—

Senator MASON—I am not. I just think it is—

Senator Carr—You have an obligation to actually listen to the answers.

Senator MASON—I have been. Now, come on.

Senator Carr—What you are being told are crude, crude attempts to get comparisons of the type that appear in the *Australian* on a daily basis are not an accurate assessment of building costs. They are not a comparison of like with like in regard to the sites. They are not a comparison in regard to the actual nature of the buildings being considered. They are not reasonable comparisons in regard to the special design features. They are not direct comparisons based on the floor area or the levels measured or the internal or external walls that are actually being considered and they are not a fair comparison in regard to the probable cost of a building. You are attempting to run a crude, political exercise and you are not listening—

Senator MASON—I am listening very well. That is the problem, Minister. I do have to say I know the turf just a little bit more than you.

Senator Carr—I do not think you do. You are relying on beat-ups in newspapers—

Senator MASON—Let me go on. The quantity surveying firm Swift Constructions—

Senator HEFFERNAN—You can hear what is going on down the hallway.

CHAIR—We can do without your assistance.

Senator MASON—The Melbourne quantity surveying firm Swift Construction stated in an article in the *Weekend Australian* 22-23 May that \$1 in every \$3 spent under the BER is being frittered away on needless bureaucratic costs, onerous documentation requirements and expensive building materials. There are multiple independent assessments that are all saying the same thing. That is that public schools are getting a raw deal and it is obvious that the divide between public and private schools now has increased.

Senator Carr—Well—

Senator MASON—Hold on, you can have your political say in a second, that is fine. Minister, you are a former teacher in public schools—I acknowledge that and I attended them, as you know, from year 2 to year 12. They have relatively speaking gone backwards over the course of this program against non-government schools because the value for money has been so poor. And this is from a party that is supposedly dedicated to the government school cause. What you have done in fact has persuaded many more parents to go into the non-government sector because the projects have been so appallingly mishandled. And poor old Mr Orgill when he comes out in the end will not be doing some review, he will be doing a post mortem on an appalling program and going through the entrails of administration.

CHAIR—Okay. I would have hoped that you have got a question with a speech so—

Senator Carr—I have got a question.

CHAIR—You can answer questions but I am also going to give you ample opportunity to respond to those several propositions that were put.

Senator Carr—What I can say to you is pretty straightforward. There have been very, very few complaints about this program, a program that involves 23,869 projects of which—

Senator MASON—Sixty per cent of primary school principals think it is a waste of money—

Senator Carr—104 of the projects have been subject to complaint. Most of those—

Senator HEFFERNAN—That is political bullshit.

CHAIR—We will suspend proceedings. I'm not going to put up with that.

We will now resume proceedings. The minister has the call.

Senator Carr—What I was saying is that there have been very, very few complaints about this program. Of those complaints, 104 out of 23,869 projects—that is 0.4 per cent of all of the projects that have received BER funding—the majority of these complaints have actually been resolved. Notwithstanding that, the government has established a group of experts to follow the money trail, if you like, to examine specific complaints that may arise and the government will receive a report on that. But there are experts around that can make proper judgments as to whether or not the claims that are being made as part of a political campaign—

Senator MASON—Like Rawlinsons.

Senator Carr—a political campaign which have been demonstrated to be factually inaccurate time and time and time again. You raised the question about the relativities between public schools and private schools.

Senator MASON—Yes.

Senator Carr—This is a government that has actually increased the level of support for school education by well in excess of 50 per cent, a massive increase—a massive increase. It is the biggest level of increase in support for education in the history of this Commonwealth, a program which you have opposed, that you have voted against—

Senator MASON—Relative to private schools it has gone backwards, and you know that.

Senator Carr—and you have now sought to justify your opposition to what has been widely supported across this country on the basis that you now say that we are going to withdraw the money because you say there has been misspending. There is no evidence—

Senator MASON—Oh, come on, Minister! That is absolutely outrageous, and you know it.

Senator Carr—There is no evidence of systemic flaws in the program. With a program of this size, of course there are going to be hiccups along the way.

Senator MASON—Is that what you call it, a hiccup? A \$5 billion hiccup.

Senator Carr—Let me try to deal with it. You raised the question about my involvement in the education system. Yes, I was a teacher for the better part of 10 years, at Glenroy

Technical School of all places. I can tell you if you want to know about administrative difficulties in that 10-year period, I saw them time and time again under governments of a range of persuasions. But the fact remains that under this government there has been the biggest increase in spending for school education that the Commonwealth has ever seen. There is an opportunity here for every school community across this Commonwealth to get a direct benefit—a direct benefit in improvement of learning outcomes for students. Not only that, it has been part of a stimulus package which has actually been incredibly important in saving this country from recession.

So on a range of levels this program has been extremely successful and it is unreasonable for you to just spurt these allegations without evidence to back them up. If there are complaints, there is a proper process, through the internal processes of the department, the audit processes of the states and now on top of all of that a specific group of experts to deal with any allegations—any allegations—concerning misappropriation, criminal activity—

Senator MASON—I am not suggesting that.

Senator Carr—This is where it goes to—

Senator MASON—Oh, no.

Senator Carr—What you are saying is that—

Senator MASON—I have not alleged that. Come on. I have not alleged that.

Senator Carr—Well, you have been going to that point. If there are problems, there are opportunities—

Senator MASON—I have not alleged that and neither has the opposition. Come on. That is not—

Senator Carr—If there are questions that arise, there are proper processes to investigate them. The government has not been shy about it. It has not been in any way shy on the question of accountability. You have to face the fact you are running a political campaign. You are seeking to undermine one of the biggest programs this Commonwealth has ever seen to actually enhance the opportunities for the education of children in this country.

Senator MASON—The Auditor-General said that the department does not have sufficient oversight mechanisms in place to assure itself and the taxpayer that the 22 educational authorities are achieving value for money from BER projects. The department first saw the report on 22 March. What have you done to correct what the Auditor-General sees as a failure of administration and oversight?

Ms Paul—You are not quoting from the audit there, though, are you?

Senator MASON—Do you want me to go to the *Hansard*? I asked—

Ms Paul—No. I am entirely aware—

Senator MASON—Do you accept what I say, that that is a reflection of what—

Ms Paul—Let me explain.

Senator MASON—No, I will go to the *Hansard*. I do not want—

Ms Paul—We have already been on this question.

Senator MASON—Mr Cahill, the officer responsible, said precisely that; is that correct?

Ms Paul—I do not have it in front of me but let us say he did.

Senator MASON—Well, he did. He did. What have you done, or what has the department done and what is the government doing, to correct what the Auditor-General says was insufficient oversight of the expenditure of billions of dollars?

Ms Paul—He did not say that, because I read the *Hansard*—

Senator MASON—He said the insufficient oversight in place to assure itself—

Ms Paul—I do not think—I am not sure he used the word ‘insufficient’.

Senator MASON—that the 22 educational authorities were achieving value for money for BER projects.

Ms Paul—I am not sure he used the word ‘insufficient’.

Senator MASON—Yes, he did. So what is the answer to my question?

Ms Paul—Let me start, then.

Senator MASON—Yes, please, what are you doing to remedy this situation?

Ms Paul—I have answered this question before here tonight and I will do it again. First of all, I do not accept what Mr Cahill said. I have said that before. It is not what the audit says.

Senator MASON—I am sorry?

Ms Paul—It is not what the audit says. It is not what the audit says.

Senator MASON—No, but upon examination of the audit, he said that.

Ms Paul—Well—

Senator MASON—Yes, he did.

Ms Paul—Sure, so let me continue. You asked about what we have done since then. It is actually more important, of course, for this program to know what we have done right through on value for money and, because I do not accept those comments as the case, what I do accept as the case is what we have explained, and that is that the department not only applied the sort of assurance frameworks for value for money and other monitoring and so on that we have applied in our previous programs, but went beyond them in this case in a range of ways. Mr Manthorpe has outlined that in some detail earlier this evening.

Senator MASON—All right. I have many more questions on BER, as you would expect. Can I go to the ANAO report, which refers to the \$1.7 billion cost blow-out and assumptions made around the original costings by PM&C, Finance and DEEWR. According to the Auditor-General, the department of finance and DEEWR made different assumptions as to spending and there was a lack of communication between the departments. I am not an economist, Ms Paul, as you know, but, putting it simply, Finance assumed that 100 per cent of schools would spend 90 per cent of the money allocated to them—this is in the Auditor-General’s report—and that DEEWR assumed that 90 per cent of schools would spend 100 per cent of the money allocated to them. Is that a fair articulation of different perspectives?

Ms Paul—Of what is in the audit?

Senator MASON—Yes.

Ms Paul—That is essentially where the audit comes to, or at least tries to describe.

Senator MASON—I have many questions. Why did DEEWR make the assumption that only 90 per cent of schools would spend 100 per cent of the money allocated to them, given that it is nationwide so a lot of money is being spent? The assumption that DEEWR made was that 10 per cent of schools would not seek any money. To a layman, that seems like a silly assumption.

Ms Paul—That is not what we assumed.

Senator MASON—So you are saying that is not the case?

Ms Paul—That is not what the auditor is trying to describe, either. Let me take you through it.

Senator MASON—I thought you just said it was not accurate.

CHAIR—Let Ms Paul take us through it.

Ms Paul—To help you out here, this is a confusing part of the audit, in my view.

Senator MASON—I have read it.

Ms Paul—The auditor is trying to spell out some difference between us and the department of finance. I do not accept that there is a major difference between us and in my response in the audit I go to that point, which you can see in the audit.

Senator MASON—Yes, I did.

Ms Paul—Basically what happened was this. My evidence here you will find is basically the same as the evidence already given last week by the secretary of the department of finance. What happened was that the department was given a funding envelope which was 90 per cent of the maximum funds being able to be on offer. I know as I have said here before, indeed in the October estimates last year, I have always thought that 90 per cent assumption was reasonable. Ninety per cent assumption, no matter how you derive it, is reasonable because the program was entirely unprecedented and because of the scale of the program. It could well have been the case that simply not all schools could take up the offer at that time because of the hugely unprecedented nature of it, and indeed 136 schools did not. It could well have been the case that even if all of the schools went in, they could not—

Senator MASON—So 136 out of 10,000 or so, is it?

Ms Paul—Yes, primary schools. They could not make use of the maximum funds on offer. Both of those things could have been the case. At the same time, even then the government recognised that education authorities and schools might rise to that challenge and actually go all out to help the Commonwealth government achieve stimulus, and in fact that is exactly what did happen. At the end of the day 98 per cent of schools took up the BER opportunity and 99 per cent of project funds on offer were taken up. This is almost exactly the same result as for Investing in Our Schools. For Investing in Our Schools the department was given a funding envelope of 80 per cent of the maximum funds on offer and in Investing in Our Schools 97 per cent of schools took up the opportunity to participate and 98 per cent of funds on offer for projects were taken up. For Investing in Our Schools this impressive take-up

required a return to budget, which was a cost to the taxpayer. In the BER the response to stimulus did not require an extra cost on the taxpayer because it was dealt with internally.

Senator MASON—I have not got anywhere near there. I am not talking about that. That is a different issue. I was simply asking why you said it was unprecedented?

Ms Paul—It could be for both reasons. The 90 per cent could have been for either the reason of not all schools taking it up or the reason of all schools taking it up but not at the amount on offer. As it happened, 98 per cent of schools did take it up and 99 per cent of project funds were taken up.

Senator MASON—That is not quite what the Auditor-General says in the report. On page 16 the office goes on to describe this at some length about the different interpretations. It states:

... Ministers comprising the Strategic Priorities and Budget Committee of Cabinet (SPBC) advised that they understood schools would be able to undertake a project or a number of projects to fully utilise the amount of funds allocated to the school based on school size; they were aware from the outset that the BER P21 funding envelope represented only 90 per cent of possible expenditure; and it was therefore evident and transparent to SPBC ministers that, depending on the response of schools, a budget estimates variation may be required.

Ms Paul—That is right.

Senator MASON—This clearly says that the SPBC was aware that the funding envelope was based on 90 per cent of possible expenditure and not based on a 90 per cent take-up by schools. In other words, to put it simply, the SPBC adopted the department of finance's and PM&C's assumptions and not DEEWR's. Is that correct?

Ms Paul—Not entirely. We received 90 per cent. The authority was for 90 per cent. The point I make in my response is that how that 90 per cent is reached is actually irrelevant and could have been reached in either way.

Senator MASON—Did you say irrelevant?

Ms Paul—Yes. It does not matter.

Senator MASON—The Auditor-General does not believe it is irrelevant.

Ms Paul—Think about it. It does not matter whether the 90 per cent is because not all schools could take it up. Indeed, 136 did not. It does not really matter where the 90 per cent is achieved because 100 per cent of schools take up a project to 90 per cent of value. In fact, 99 per cent of project funds were taken up. The point that you are making from the audit is that ministers recognised at that time that if schools and the education authorities were able to respond to that challenge, which was unprecedented and therefore unknown, then it could be the case that 100 per cent of the funds on offer would be taken up and an estimates variation would be needed. That is what it goes to there.

Senator MASON—The ANAO report says that in late January 2009 that the Committee of Strategic Priorities and Budget Committee of Cabinet was aware that the funding envelope represented only 90 per cent of possible expenditure and the program was available to 100 per cent of the schools. The ANAO report says that as of late January 2009 that became clear

when they considered the funding before the original announcement on 3 February. The Deputy Prime Minister is a member of the SPBC, is that correct?

Ms Paul—Yes.

Senator MASON—This is what I do not understand. Why, in September 2009, was Ms Gillard telling the parliament that the extra funding was due to the costings having been done on the basis of a 90 per cent take-up when in fact, as the Auditor-General points out very clearly, that was not the case. It was that 100 per cent of schools spent 90 per cent of the money allocated to them, which was the department of finance and PM&C approach. Why was she telling the parliament that in September?

Ms Paul—The evidence from the department of finance last week clarifies that. We did not do the costing, so in a way we are reflecting our different roles here. Last week in the evidence from the department of finance they talked about—

Senator MASON—No, not costings. I am not referring to costings. That is not my point.

Ms Paul—This is the whole issue.

Senator MASON—No.

Ms Paul—There is no other issue than costings.

Senator MASON—Why did she tell parliament that the extra funding was due to costings on the basis of a 90 per cent take-up when that, in fact, was not right? She is part of the committee that made that decision. Why did she do that?

CHAIR—Let Ms Paul answer the question.

Senator MASON—She did that on three occasions.

Ms Paul—It was entirely correct because, as the department of finance said last week, it could have been the case—and I have paraphrased that—that they considered both possible take-up by numbers of schools and they considered the possibility that schools might not use 100 per cent of funds available to each of them. In fact, both of those things came out almost to 100 per cent. The point she was making was that with an entirely unprecedented program it was impossible to tell at the beginning, in January, the extent to which schools would take it up. Indeed, at the end 136 did not.

Senator MASON—Why did she refer to the wrong formula?

Ms Paul—She did not.

Senator Carr—No matter how many times you say it, it does not change the proposition.

Senator MASON—I know you do not like the Auditor-General, Minister. That is fine. That is your view.

Senator Carr—I made no comment on the Auditor-General whatsoever.

Senator JACINTA COLLINS—Senator Mason should withdraw that comment.

Senator Carr—I have not made any comment at all on the Auditor-General.

Senator MASON—Thank you, Minister.

Senator Carr—You have asserted that the Deputy Prime Minister has made a claim which is quite contrary to the evidence that is presented before the committee.

Senator MASON—I will make my claim, not you. Ms Paul, you have read the Auditor-General's report?

Ms Paul—Yes.

Senator MASON—Do you understand why Ms Gillard put the formula in that way when clearly the cabinet committee had formulated it in another way? I do not understand it, and neither does the Auditor-General.

Ms Paul—I refute the implication.

CHAIR—There is really only enough time now for this answer.

Ms Paul—I refute the implication about the cabinet committee but, in addition, clearly what the Deputy Prime Minister was referring to was the fact that Australian schools and education authorities had risen to the challenge required by government for stimulus, had gone all out and had actually overachieved, compared to what was thought might have been possible.

Senator Carr—I need to correct one statement before we close. I said that there had been a 50 per cent increase in funding for schools. In fact, there has been an increase of nearly 100 per cent. It is \$63.7 billion in school funding for 2009-12, compared to \$33 billion deliverables invested between 2005-08. That is nearly a 100 per cent increase in funding for schools in less than two years.

Senator MASON—Chair, I would like to thank you and the witnesses, particularly.

CHAIR—We will now suspend until the dinner break.

Proceedings suspended from 7.30 pm to 8.30 pm

CHAIR—We will resume these estimates hearings. We are still on questions in program 2.7, which is Education Infrastructure, referred to as Building the Education Revolution. Minister or officers at the table, I have a question. This clearly is an unprecedented level of spending in the education system. It was designed as stimulus. Are you able to inform the committee of the impact of this stimulus spending on the economy?

Senator Carr—Just bear with me for a moment, please, because I am still trying to get my folders open. Would you just like to start that off and I will just get myself organised.

Mr Manthorpe—Economic benefits?

Ms Paul—Yes.

Mr Manthorpe—There are a couple of points. Firstly, and very currently, the national accounts came out from the ABS just yesterday for the March quarter. They showed that public capital expenditure on non-dwelling construction was the main contributor to real GDP growth, pushing GDP growth to 0.7 percentage points higher than it would have been had government spending not increased. As the Treasurer said yesterday, the continuing strength of public investment, up more than 40 per cent over the past year, has been driven by the government's stimulus investment, particularly on education infrastructure. So BER has evidently had a significant role to play in that.

Interestingly, we see now that BER is showing up not only in terms of ABS building approvals, which I think we have reported to the committee about in the past. To recap, BER has contributed \$12.5 billion to seasonally adjusted values of ABS building approvals to April 2010, which is 32 per cent of the total value of non-residential building approvals over the year to April. So there is this story about building approvals coming through, but there is now a story about building work done coming through. As the process rolls through, the work is getting done and that is having a significant impact on the economy.

Hence, the impact of BER related construction work was around \$1.8 billion in the March 2010 quarter. It has been ramping up since September 2009 and now adds up to about \$3.2 billion, as picked up by the ABS measures. What that in particular means—based on estimates that we have done off unpublished ABS data—is that BER has contributed almost 10 per cent of the total value of non-residential building work done over the year to the March quarter. If it was not for BER related construction work done in the March quarter, DEEWR estimates that the value of non-residential building work done in current price, seasonally adjusted terms would have fallen by 1.3 per cent compared with an actual rise of 9.4 per cent. That is certainly one dimension of the point that you are raising.

CHAIR—Do we have any information on the impact on jobs and employment as a direct consequence of the stimulus spending here?

Senator Carr—If we look at the construction work done in the March quarter, DEEWR's estimates of the value of non-residential building work done in current prices, seasonally adjusted, are that it would have fallen 1.3 per cent over the March quarter compared with an actual rise of 9.4 per cent. That in itself is a very significant turnaround in terms of what the official estimates are now saying.

Ms Paul—Yes, and of course Treasury's estimate is that but for the stimulus measures 200,000 Australians who have jobs now would not have jobs—and, of course, BER is one of the largest slices of the overall stimulus package.

CHAIR—Thank you. You are aware, of course, that the committee is also conducting an inquiry in its references form into this project. I was interested that one of the witnesses during the inquiry, who is very happy with the program, said to us that the government could have actually achieved the same sort of building stimulus, potentially, by building a war memorial in every town. They were just so grateful that the government actually chose the education sector to spend the money in because of not only the stimulus effect but also the flow-on effect and benefit for the education sector. Can you give me a view on the impact, because one of the things they said is it actually brought forward what they could only dream about for the next 20 years in terms of capital investment in schools. Is there a view that has been able to be formed of the impact on educational outcomes and benefits to the education sector by this spending?

Ms Paul—There are a whole range of views. We know, for example, from research that the highest level of capital facilities do make a difference to learning. We know—and we had a bit of this discussion, I think, under the Digital Education Revolution or perhaps under trade training centres—that the highest calibre facilities simply make some things possible that are not possible otherwise, in terms of learning. We have an enormous number of testimonials from schools just like the one you heard from, saying, 'This has enabled us to take our

learning to a new level.' I have seen some things from some principals that say, 'We just simply weren't able to offer what we were offering now at school until we had this facility.' If it is a hall, they say, 'We can do things with the whole school we could never do before', and so on. Or with a library they can pursue resources they could never pursue before, and we certainly have received a lot of testimonials of that sort.

There were two objectives of Building the Education Revolution. One was stimulus, jobs, and one was 21st century learning environments. It is clearly the case that the stimulus impact is working. This is entirely backed up by all these external commentators in terms of the impact on construction. But the point about doing it in every school was to get into every single community in Australia and create jobs in every city. Of course, it then delivers the second objective, 21st century learning environments. Certainly a lot of schools have said to us that they have in effect leapfrogged; they had facilities from the sixties or seventies, which might not sound that old to some of us but basically in school terms they were well beyond their useful life and just did not suit the nature of learning these days in terms of how students work in groups and with IT and all the rest of it.

Mr Manthorpe—Indeed, not only that; since the last estimates there have been two material surveys of principals that have come into the public domain. One, of course, was the ANAO survey of principals, which among other things found that 95 per cent of principals were confident that P21 would provide an improvement to the school which will be of ongoing value to the school and school community. The other is the survey by the Primary Principals Association, which also found overwhelming support for BER from the several thousand principals who completed the survey. There has been further evidence in that respect also.

CHAIR—Mr Manthorpe, I was interested in your answers to some of the questions from Senator Mason in terms of the square metreage price comparison. One principal who appeared before the committee simply determined that the way to value the square metreage was to take his notional allocation of money—in this case, it was \$3 million—simply divide it by the square metreage of the building they ended up with and come out with a square metre, which of course does not work and it is not the way it can work. You gave some other examples, but you also said, I thought, that only four projects have actually been finally acquitted at this point in time.

Mr Parsons—It was me who mentioned that. More accurately, the four refer to a sample that I received from the New South Wales Department of Education and Training of projects that have got through to completion and that have had final invoices presented. That was just in that instance; that is what the four referred to.

CHAIR—But in an example that you were giving based on the information that was up on the New South Wales website, when the final acquittal took place, it was a substantial reduction in the actual cost.

Mr Parsons—Yes, my understanding is that on that example the final cost represented only 63 per cent of the estimated cost, which is published.

CHAIR—I am making an assumption—and you can correct me if I am wrong—that a lot of the figures that have been bandied around about the dollar cost per square metre could not

be right, because in a lot of instances the final acquittal process would not have even happened yet.

Mr Parsons—That is correct.

CHAIR—Okay.

Ms Paul—You know the estimates have to be higher, because there has to be an outer envelope to allow the project to proceed.

CHAIR—In terms of the complaints—and this is really my last line of questioning—and the contextual stuff, a lot have been made, and there have been several reports in the newspapers. But through the inquiry we do know that across 10,000-odd schools there are 23,000 or 24,000 projects. It is a small number, but of course we should be interested in getting good value in every instance if we can. But in the context it is a small number. Can you just confirm how many formal complaints you have received. What is the process for people complaining and why would you be confident that you have received all the complaints that are out there?

Senator JACINTA COLLINS—And how many are outstanding?

Mr Manthorpe—The official avenue of complaint to us is to the BER national coordinator. I currently occupy that role. My predecessors or I have received 104 complaints about BER, of which about two-thirds—I think the figure is 61—relate to P21, and the others are spread across the other categories. The number is not large. We know that it is possible that people might complain to other places. They may complain to the state, territory or other education authorities, and the last time we looked at that with the education authorities the numbers of complaints they had received was relatively low, in the vicinity of 30 or so.

Ms Paul—About 30 all up.

Mr Manthorpe—Now, separately, of course, people can complain to the BER Implementation Taskforce. Their role has been made very widely known. I do not have an exact number for their complaints with me, but it is certainly not an astronomical figure. So all of that suggests that the totality of the range of places where people might complain has not generated a huge number of complaints when viewed in the context of the number of schools, which is not to say that each complaint does not need to be considered carefully. We think that, of the complaints that we have got on board, only around four remain outstanding. The way we are dealing with them is by engaging with the education authority, sometimes with schools directly, sometimes with complainants directly and trying to work out what can be done. But there are only about four that have not been dealt with.

CHAIR—Thank you. Senator Collins.

Senator JACINTA COLLINS—Mr Manthorpe, still on that issue, can you give us an assessment or comparison of the complaint rate in terms of how it relates to other project implementation processes—I am sure there is a general sense of what is an acceptable level of problems in implementing a program—and how this sits in that benchmark. As you said, it sounds relatively minor in comparison, but by the same token some people have been able to attract significant media attention to those examples. I would be interested in looking at the implementation of other Commonwealth programs, what sorts of complaint rates have

occurred in those and how these then compare, both in terms of the number of actual complaints and the level of resolution. You will obviously have to take that on notice.

Mr Manthorpe—We will.

Senator JACINTA COLLINS—Along similar lines, my own high school principal had pointed out that she was particularly impressed with the training packages, so I am interested in what was available for principals and/or project managers in the training packages in terms of managing these types of projects, what the level of utilisation was and whether there is any correlation between the utilisation of those packages and complaints.

Mr Manthorpe—That is an interesting dimension of the issue. I am not sure we have any information on that with us today, but we are happy to take that on notice and come back to the committee with some advice.

Senator JACINTA COLLINS—Thank you. That is it, thank you, Chair.

CHAIR—I think that concludes our questioning in BER, so we will now move to program 2.2, and while people change seats we will have a small suspension.

Proceedings suspended from 8.46 pm to 8.50 pm

CHAIR—We will recommence these estimates hearings. Ms Paul?

Ms Paul—Thank you. I said earlier today that on the PACER, the Parliament and Civics Education Rebate, something like ‘students spend a week in Canberra’. Actually, I think I qualified it, but they do not necessarily do that. Apparently there is no particular time limit, and they normally spend between one and three days on a visit.

CHAIR—Thank you. That was fine. I was convinced anyway that it is a very worthwhile program.

Senator MASON—For the record, in relation to Rawlinsons, Mr McEvoy from Rawlinsons said his ‘costings allow for contingencies for cost overruns and the full cost of preliminary substructure, superstructure, finishes, fittings and services, such as plumbing, electrical, fire and mechanical’. I just wanted that on the record as well.

Ms Paul—But not fit-out.

Senator MASON—Not furniture.

Ms Paul—No.

Senator MASON—That might explain why it is 2 to 1.

Ms Paul—No, but tuckshops have ovens and benches and—

CHAIR—Anyway, we have finished that outcome and it is proper that you have corrected the record and we are now on outcome—

Senator MASON—One issue that I did ask to be taken on notice was the Commonwealth’s ability to recover money from the states as compared with the block grant authorities. Has anybody got to the bottom of that?

Ms Paul—No, I just wanted to get the legalities correct, so we will have to come back to you on notice.

Senator MASON—It is a critical issue.

Ms Paul—Yes, I understand that.

Senator JACINTA COLLINS—Just while you are on that question on notice, though, I am sorry, could we have an historical perspective on that as well?

Ms Paul—Yes.

Senator JACINTA COLLINS—Thank you.

CHAIR—I am definitely now moving to 2.2, Youth Support.

Senator MASON—You will have to help me on youth. You may need to take some of these on notice, but bear with me. What is the number of organisations for each state and territory who had previously been funded under, firstly, the Mentor Marketplace Program and, secondly, the Youthlinks Program who are not funded under the Youth Attainment and Transitions National Partnership? Dr Arthur, this is not you, is it?

Dr Arthur—Yes, it is. We have some information, but I do not know that we have the complete set of information that you want so we will probably need to take that on notice.

Senator MASON—Okay. You may need to take this on notice as well: I have a number of programs—Youth Connections, Youth Attainment and Transitions National Partnership, Schools Business Community Partnership Brokers and several others. I need to know what the total funding for these programs is; I would not expect you to have it on you, but can I just put that on notice?

Dr Arthur—Yes, but I do not know that I heard a complete list of programs.

Senator MASON—I will read them out and then put it on notice. For each of the programs I am about to mention I need to know what the total funding for these programs is in 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14—any funded by multiple governments, what is the federal government's funding contribution, if funded by multiple federal government departments, what is DEEWR's funding contribution, what is the number of staff positions allocated to these various programs and what budget line items are these programs funded under.

Dr Arthur—Yes.

Senator MASON—I will put these in writing, but for the record the programs are the Australian Youth Forum, the Youth Development and Support Program and the Transition to Independent Living Allowance, and under the National Partnership on Youth Attainment and Transitions: Youth Connections, School Business Community Partnership Brokers; Maximising Engagement, Attainment and Successful Transitions; and National Career Development.

Dr Arthur—Thank you. We will certainly respond to those on notice. I just note in passing that some of those items that you mention are actually elements of larger things that you also mentioned. The National Partnership has a number of elements, which includes some of the programs you mentioned, but we will sort all that out when we come back with a detailed answer.

Senator MASON—I know you will, and I thank you. So, can I put them on notice?

CHAIR—Yes. We will now move to the Australian Curriculum Assessment and Reporting Authority, if they are here. Just while we are waiting for the Australian Curriculum Assessment and Reporting Authority, I can advise that the secretary has not been advised that any senators have questions for the Australian Institute for Teaching and School Leadership, so I can advise those officers that they will not be required tonight. Which does, in fact—just so everyone understands—leave on the program now, ACARA, and they will be here shortly.

Senator MASON—Yes, thank you, Chair.

Senator Carr—And you have not got many for those?

Senator MASON—No, I do not, Minister. I have a few, but not many.

Proceedings suspended from 8.56 pm to 9.13 pm

CHAIR—We will resume these estimates hearings. We welcome officers from the Australian Curriculum, Assessment and Reporting Authority. Do you have any opening remarks you would like to make to the committee?

Dr Hill—I would like to introduce my two colleagues. This is Mr Rob Randall, who is general manager of curriculum, and Mr Peter Adams, who is general manager of assessment.

CHAIR—Senator Mason has a series of questions for you.

Senator MASON—Thank you for coming in. I hope these questions justify your quick travel here. I would like to turn to the national curriculum, and in particular the cross-curriculum perspectives. What was the rationale for deciding that the national curriculum should be developed so as to include cross-curriculum perspectives? What is the reason for that?

Mr Randall—It is worth going back a couple of steps. The national curriculum is organised around three dimensions. The first one is the learning areas. Right now we have draft curriculum out there for English, maths, science and history, with others to follow. The list of those learning areas is given to us by the Melbourne Declaration, signed off by state and territory ministers.

The second dimension of the organisation of the curriculum is around a set of general competencies of literacy, numeracy, ICT, creativity and thinking skills. They are those general capabilities that are particularly important—twenty-first century learning and the like.

The third aspect is the one that goes to your question, which is the focus on three cross-curriculum priorities. The first of those is Indigenous history and culture; the second, Australia's place in the Asian region; and the third, which we would say is a more international one, is a focus on sustainability. All of those come from the Melbourne Declaration.

Senator MASON—What is the Melbourne Declaration?

Mr Randall—It is the Melbourne Declaration of Educational Goals for Young Australians. It is an agreed statement of learning with some goals for learning signed off by state and territory education ministers in late-2008.

Ms Paul—All ministers.

Mr Randall—Yes, all ministers. The reason I say that is that the clear and the prime focus for the curriculum is around the learning areas. The Melbourne Declaration and ACARA's documents make that pretty clear, and then the focus on the general capabilities. When we come to the general capabilities and the cross-curriculum dimensions, with the focus that they have, we have said where they are inherent to learning in those areas they should be included. If I took sustainability, you will not find that a lot in mathematics. It is not inherent to the learning area. Where we teach science we are saying that there is an opportunity to strengthen young people's understanding about the challenges of sustainability.

Senator MASON—What about Indigenous perspectives?

Mr Randall—If you take Indigenous perspectives, it is building upon where the country has got to, in terms of reconciliation with the first people of the country. We have said that it is important for young people to understand about the history and the culture of the Indigenous people.

Senator MASON—Indigenous perspectives on science?

Mr Randall—No. I do not think you will see many of those at all.

Senator MASON—You can, that is why I asked the question. To my mind, there is an artificiality with all those learning streams—and I accept all of them—of trying in a sense to put, change, move or somehow accord with all those different streams in these perspectives. I do not understand the educational—

Mr Randall—The artificiality for the test I would say is the one where I said that it is inherent to the learning area. That is a pretty strong and clear test of saying if we are focused on history, it is reasonable for young people to learn through the study of history presettlement and the arrival of Europeans from an historical point of view. The test is inherent to the learning area. We have draft curriculum out there at the moment and in terms of K to10 curriculum; the consultation period finished last week. The proposition, as I have said, is the learning areas, the priority. We have then focused on the general capabilities and, where it is inherent to the learning area, the cross-curriculum dimensions. We will get some feedback about those. There is some feedback coming in which says we have got that right, there is some saying we have not got enough and there is some saying that there is too much. As we look at that feedback we will keep coming back to that test about where it enriches and enhances young people's learning—and I take your point there—not where it is artificially added; it is not a matter of scattering it everywhere.

Senator MASON—You said it came from the Melbourne Declaration, which is great, but was that Melbourne Declaration specifically for the purpose of inclusion in the national curriculum?

Mr Randall—No. The Melbourne Declaration deals with setting out what we want young people to learn, but it also talks about a sense of how we would want that learning to be organised. It is more than just the national curriculum, it is a key reference point for the work on national curriculum.

Senator MASON—So those overarching perspectives were not designed specifically for the national curriculum?

Dr Hill—They were designed for all young Australians.

Senator MASON—But were they designed for the national curriculum?

Dr Hill—The implication is that would absolutely be part of the national curriculum.

Senator MASON—That is the implication. When they were decided by the state ministers in Melbourne, did the state ministers make that decision knowing that they were the overarching themes in the national curriculum?

Dr Hill—Absolutely.

Senator MASON—Did they?

Dr Hill—They have been aware of that ever since.

Senator MASON—Hold on. When they made the Melbourne Declaration did they sign up to that declaration knowing that the purpose of that declaration was for the national curriculum?

Dr Hill—The national curriculum is one of the parts of the Melbourne Declaration.

Senator MASON—That did not answer my question. It is a very specific question. When the Melbourne Declaration was formulated was that specifically for the purpose of providing the cross-curriculum perspectives?

Dr Bruniges—Perhaps I can help with that because I was there at the time. I think the answer to that is yes.

Senator MASON—You think.

Dr Bruniges—I can say yes, because the Melbourne Declaration set the parameters for forward work that was considered by all state ministers and the Commonwealth minister in starting the work of the national curriculum. In its formulation there was consultation across all states and territories about what the parameters were that we thought were important in order to form the next steps for the national curriculum.

Senator MASON—You have still not quite answered the question. When all the state ministers got together and signed up the Melbourne Declaration—and I understand the process, you have explained it and that is fine—did they know that in doing that they were producing the overarching cross-curriculum perspectives for the national curriculum?

Mr Randall—I can build upon that. As has been answered there about timing—

Senator MASON—I have asked that question about four times.

Senator JACINTA COLLINS—I think it actually means cementing.

Senator MASON—No, it is quite specific.

Senator JACINTA COLLINS—No.

Senator MASON—It is a yes or no.

Senator JACINTA COLLINS—Did they know at the time, in your view, that they were actually cementing the principles that would apply. Is that the question?

Mr Randall—Following the Melbourne Declaration when the interim National Curriculum Board was established a draft of a document called *The Shape of the National Curriculum* was published and it drew upon those—

Senator MASON—Mr Randall, it is very late. We have had a fortnight of this. This is a yes or no answer. Either the ministers knew or they did not. Did they know?

Mr Randall—I cannot say what ministers knew in their mind at the time.

Senator MASON—You do not know that they knew.

Senator JACINTA COLLINS—You do not know that they did not.

Senator MASON—I accept that. That is the point. They did not make their intention of so doing explicit.

Mr Randall—I do not know what was in the ministers' minds at the time. I can build upon the answer, to say that in terms of engaging with the broader community, the draft—

Senator MASON—I will ask the questions. You will need to hold on.

Senator Carr—Senator Mason, the officers have tried to answer your question. I do not know how much further we can take this.

Senator MASON—I accept that. In a sense, I have the answer that I thought I would get. Thank you. Was there any thought to including other cross-curriculum perspectives in the national curriculum? Was there any thought given to that?

Mr Randall—Building upon taking the Melbourne Declaration with its focus on those three, we constructed a document called *The Shape of the Australian Curriculum* and built upon the Melbourne Declaration, subject to consultation and discussion in 2008. At that time the three cross-curriculum dimensions were subject to consultation within the broader community, the education community. They confirmed the commitment to those three at that time. I do not recall that there were other cross-curriculum dimensions raised at that time.

Senator MASON—Was consultation sought from the public, for example, on those three cross-curriculum perspectives?

Dr Hill—Yes.

Senator MASON—Can you show me documents where you asked for input as to what those cross-curriculum perspectives should be? Can you show me how you sought that input?

Dr Hill—The consultation was on a paper that included them.

Senator MASON—We have the Melbourne Declaration.

Dr Hill—Yes.

Senator MASON—We are not quite sure whether the ministers knew they were signing that up to be part of the national curriculum, but they are adopted in the document. You are saying that this document that included the three cross-curriculum perspectives from the Melbourne Declaration was circulated in the document.

Dr Hill—Yes.

Senator MASON—Who did that document go to?

Mr Randall—It was circulated through the education department, the boards of studies and to key stakeholder groups in education at the time. The responses to the consultation report were published on our website.

Senator MASON—Were parents consulted?

Mr Randall—Yes, as a key stakeholder group through the formal groups that represent parents.

Senator MASON—I have never heard of any consultation regarding those cross-curriculum perspectives. I am not saying it did not happen, but I do not know how broadly it was canvassed. Can you get back to me and show me, firstly, the document and, secondly, the stakeholders that were consulted?

Dr Hill—Yes.

Senator MASON—Can you take that on notice?

Mr Randall—Yes.

Senator MASON—I would like to go back to the nature of the consultation and the extent of it. Was it just one paper? How was the consultation sought? What form did it take?

Mr Randall—It was a draft of the document we called *The Shape of the Australian Curriculum*. It was a document circulated with particular questions and then inviting comment about it. Yes, it was a document.

Senator MASON—A document?

Mr Randall—Yes.

Senator MASON—Input was specifically sought as to the make-up of the cross-curriculum perspectives?

Mr Randall—Amongst a whole range of other things in it, yes.

Senator MASON—Specifically sought?

Mr Randall—A comment on the document proposing the three cross-curriculum dimensions that I mentioned as being part of the construction of the curriculum. Comments were sought upon those and feedback about the overall document was sought as well.

Senator MASON—In their feedback did any of the stakeholder groups suggest any other cross-curriculum perspectives?

Mr Randall—To answer that properly I would need to go back and check. My recollection was that there was no strong feedback, otherwise we would have picked those up. I would need to take that on notice and, with the other document, give you the consultation report that was there at the time.

Senator MASON—Let me throw some at you. You have three. Why not a cross-curriculum perspective that teaches students about the role and importance of liberal democratic institutions in shaping the society that they live in? How about that one? The role and importance of liberal democratic institutions in shaping the society we live in. What is wrong with that?

Mr Randall—One of the areas of learning in the Melbourne Declaration is civics and citizenship. I would imagine that would be picked up in one of the learning areas.

Senator MASON—All your cross-curriculum perspectives would get picked up in learning areas. All of them would. One would be put in science. Asia would be in history or geography and Indigenous perspectives would be Aboriginal history. They all would be. The point is that this shapes the national curriculum. Liberal democratic institutions, I would argue, is more overarching and more important than the three you have named there.

Senator JACINTA COLLINS—What are the three?

Senator MASON—Indigenous perspectives; a commitment to sustainable patterns of living, which will be reflected in curriculum documents; and skills knowledge and understandings related to Asia and Australia's engagement with Asia. I am not saying that what I have suggested is the only one, but I am just putting it forward. What about the role and importance of liberal democratic institutions in shaping the society we live in?

Dr Hill—That will be picked up—

Senator MASON—I think that is fundamental.

Dr Hill—There is a learning area in the Melbourne declaration called civics and citizenship.

Senator MASON—I understand there is a learning area. There is a learning area that touches on each of these cross-curriculum perspectives. The fact that a learning area touches on cross-curriculum perspectives does not void it from being a cross-curriculum perspective. Why do we not have something like that? Why do we not have a debate about that? The national curriculum is a huge issue right across the country. All our school kids are doing this. I have suggested the role and importance of liberal democratic institutions. I reckon that is pretty important. Why would that not be included as one of the cross-curriculum perspectives?

Mr Randall—The documents that are there for the moment are subject to the consultation and the feedback can come. In terms of commitment, as I said earlier on, the focus of the learning areas is on English, maths, science and history. Civics and citizenship will come. Part of my answer earlier on was that they are the prime focus for the curriculum.

Senator MASON—I accept that. I accept, as I keep saying, that liberal democratic institutions could be part of civics or whatever you call it. Each one of the cross-curriculum perspectives that you have here would be part of a specific learning area, as well as being a cross-curriculum perspective. So are you going to go back and have a think about my suggestion?

CHAIR—The answer is yes. That is a safe answer.

Senator JACINTA COLLINS—You can take it on notice.

Senator MASON—I have some more. Why is my suggestion not as important as the three you have? I think it is a fair question. This is a huge issue.

Senator Carr—Of course it is. There is a whole lot of stuff. We could go hammer and tong on the nature of political philosophy all night. I have heard the officers say that this is a

beginning process. My understanding of the history curriculum is that there is plenty of scope for an examination of those issues. I think you are misjudging the evidence put to you.

Senator MASON—I am not talking about the learning areas, I am sticking to the cross-curriculum perspectives. I am keeping away from the learning areas as much as I can. The cross-curriculum perspectives is the closed issue. Is that right? It can be altered; is that right?

Mr Randall—The focus on the curriculum is that we get the consultation feedback. Those things are taken on board and considered in the process.

Senator MASON—So it is not closed. Is that correct?

Mr Randall—No.

Senator MASON—Next is the heritage and impact of Judaeo-Christian Western tradition. How about that as an overarching perspective? The heritage and impact of a Judaeo Christian Western tradition that touches on every aspect of life in a modern Western country like Australia, from arts, literature, philosophy and to science; how is that for an overarching perspective?

Senator JACINTA COLLINS—It is very similar to the earlier one.

Senator MASON—It is another one. How about the impact of the Judaeo-Christian Western tradition as an overarching perspective?

Dr Hill—Yes, that is another one.

Senator MASON—It is another one. Is that going to be considered as well?

Dr Hill—It can be.

Senator MASON—You have the three there. I am not certain that they are any more important, in fact, anywhere near as important, as the two I have mentioned thus far. Thirdly, there is the role of science and technology in the material progress of humankind, including its contribution to both creating and then solving problems inherent in such progress. What is more important as a cross-curriculum perspective than science and technology and the material progress of humankind? How about that one?

Senator JACINTA COLLINS—They will probably do that one in science.

Dr Hill—Okay.

Senator JACINTA COLLINS—That would be in science.

Senator MASON—I hope we get somewhere on this and it does not become some politically correct trendy fiasco. It would be good because most people are not like that in Australia. People think things like liberal democratic institutions are even more important than the three you suggested, that Judaeo-Christian values are critical to understanding who we are and where we are going and that the role of science and technology is critical. I hope you gentlemen understand how important that is and that this debate has not closed.

Senator JACINTA COLLINS—I think you are turning them off.

Senator MASON—In terms of the implementation across the states, you are no doubt very aware of different ages at which students across Australia start their post early childhood

education as well as the different ages at which they finish primary school and start secondary education.

Dr Hill—Yes.

Senator MASON—For example, Queensland, my home state, South Australia and Western Australia have a 7-5 split; in other words, primary school goes to year seven. In New South Wales, Victoria and Tasmania they have a 6-6 split. In terms of the working of a design and implementation, are we moving to take account of that different split?

Mr Randall—Yes.

Senator MASON—Is that under control?

Mr Randall—Yes.

Senator MASON—It is?

Mr Randall—Yes.

Senator MASON—So the states will be moving to a 6-6 split? Is that the proposal?

Dr Hill—For the 6-7 split, which is probably the trickiest, we have ensured that the curriculum that has been developed does not require the kinds of resources that you need in a high school; for example, science labs and so on. We are being very careful about the content to ensure that the curriculum can be taught by a generalist primary teacher. In doing that, we have to be careful that we are not dumbing down the curriculum for those states that have access to secondary teachers. There is something of a need to ensure that those teachers who are generous primary teachers have the necessary support to enable them to teach what we are doing. On the other hand, for those systems where it is in the secondary school, we are not saying they do not need to use their laboratories, for example. Of course they can make use of them.

Senator MASON—This is only my understanding. In Queensland, for example, there is a move to changing from a 7-5 split to a 6-6 split. Do you have any idea of the progress states are making in doing that, or is it still a work in progress?

Dr Hill—That is a jurisdictional matter. One of our board members is from Queensland and she relates as you have said, that they are moving in this area. It really depends on the facilities to actually house the students, and it is a facilities issue which cannot be solved overnight.

Senator MASON—I accept that.

Dr Hill—In many instances they are able to solve it quite quickly, so I suspect it will be something that will happen over a period of years, but that is a policy direction which I know they are taking in Queensland and considering elsewhere.

Senator MASON—Your argument would be that the way the national curriculum has been designed is sufficiently generalist at the year 7 level that it could be done by generalist teachers in the primary school.

Dr Hill—With perhaps some extra support in particular areas.

Senator MASON—There has been some suggestion by me, among others, not necessarily well received, I might add, that we have a NAPLAN exam for years 3, 5, 7 and 9 and, given that we now have a national curriculum, I thought that it might not be a bad idea to have a common national form of assessment. It does not have to take the form of a national exam, per se. I am not an expert, so I do not know. What do you think of the idea of a common national form of assessment?

Dr Hill—This is an issue that has come on the agenda several times in the past, so it clearly is an issue that people think about because there is variation between the systems. What we have been tasked by ministers to do is, for the first time, to have common curriculum and common achievement standards for the set of all the year 12 main courses. We have just released the common content for year 12 courses. That is a big step.

Senator MASON—I think it is a move forward, too.

Dr Hill—Over the next few months we will be working with the Australian curriculum assessment certification authorities and the various boards of study on the achievement standards. That is an even bigger task. Those various authorities or boards are aware that the next step is to look at issues of comparability to ensure that the standards in the different jurisdictions are comparable. At that stage issues of assessment will come to the fore. We are fairly confident with the various certification agencies because they have already done studies that we can ensure high levels of comparability between standards and between the systems.

Senator MASON—Do you think it is sensible that with a national curriculum there is a national form of assessment, in particular in year 12?

Dr Hill—Changing year 12 is a very tricky thing to do, for obvious reasons.

Senator MASON—That does not answer my question.

Dr Hill—It has to be thought through pretty carefully. Something that might be good in theory, in practice requires a lot of careful thinking. One does not want to disrupt the education of year 12 students and of course there are legislative issues.

Senator MASON—That does not answer my question. Do you think it is a sensible idea to have a common form of national assessment for year 12?

Dr Hill—There are arguments for and against.

Senator MASON—I know that in Queensland they do not want a year 12 examination.

Senator Carr—They cannot get daylight saving, let alone this.

Senator MASON—Thank you, Minister. In New South Wales, for example, Premier Carr was very keen, one, on the nature of the curriculum and, two, on a form of assessment. This is not a partisan issue. I know plenty of people in the Labor Party that are for common examinations at year 12, for reasons that kids can come from any background, do well in the exam and then get into the most desired place at university, whereas if you do not have that you have moderated results and, if you are a bright kid but in a poor-achieving school, that makes it much harder relatively. I have heard this argument across all parties. This is not a partisan issue. Mr Bob Carr and I would probably agree on a lot of these issues more than some of my coalition colleagues. Is the common assessment in the mix for the future?

Dr Hill—It is in the mix for the future, yes.

Senator MASON—Thank you.

CHAIR—Thank you Dr Hill, other officers of ACARA and Ms Paul. Pass on our thanks to all of your officers that have appeared before the estimates. Thank you Minister, Hansard, attendants and senators. These Senate estimates are now adjourned.

Committee adjourned at 9.42 pm