

CORRECTED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2005-06

Melbourne – 16 May 2005

Members

Mr W. R. Baxter
Ms C. M. Campbell
Mr R. W. Clark
Mr B. Forwood
Ms D. L. Green

Mr J. Merlino
Mr G. K. Rich-Phillips
Ms G. D. Romanes
Mr A. Somyurek

Chair: Ms C. M. Campbell
Deputy Chair: Mr B. Forwood

Staff

Executive Officer: Ms M. Cornwell

Witnesses

Ms Lynne Kosky, MP, Minister for Education and Training

Ms Jacinta Allan, MP, Minister for Education Services

Mr Grant Hehir, Secretary, Department of Education and Training

Mr John Sullivan, General Manager, Strategic Policy and Planning, Office of Strategy and Review, Department of Education and Training.

Mr Jeff Rosewarne, Deputy Secretary, Office of Resources, Management and Strategy, Department of Education and Training.

The CHAIR—I declare open the Public Accounts and Estimates Committee hearing on the Budget Estimates for the Education and Training and Education Services portfolios.

I welcome the Honourable Lynne Kosky, Minister for Education and Training; and Ms Jacinta Allan, Minister for Education Services; Mr Grant Hehir, Secretary of DET. I also welcome Mr Darrell Fraser, Deputy Secretary, Office of School Education; and Mr John Sullivan, General Manager, Strategic Policy and Planning, Office of Strategy and Review; Mr Jeff Rosewarne, Deputy Secretary, Office of Resources, Management and Strategy; Dr Dahle Suggett, Deputy Secretary, Office of Learning and Teaching; Ms Katherine Henderson, Deputy Secretary, Office of Strategy and Review; and Ms Patricia Neden, Acting Deputy Secretary, Office of Training and Tertiary Education; other Departmental officers, members of the public and media: you are all welcome.

In accordance with the guidelines for public hearings, I remind members of the public they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members.

Departmental officers, as requested by the Ministers or their Chief of Staff, may provide information to the table. Members of the media are requested to observe guidelines for filming or recording proceedings. All evidence taken by this committee is taken under the provisions of the Parliamentary Committee's Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcripts in a couple of days.

Before I call on the Ministers to give a brief presentation on the more complex finance and performance information that relates to the Budget Estimates for Education and Training and Education Services could I ask that all mobile phones be turned off please and pagers put to silent.

Minister, before you go to your overhead presentation, do you want any of these names ruled out or are they all likely to be here at some stage or other? The people I welcomed?

Ms KOSKY—Probably Mr Dahle Suggett won't be here and I think I mentioned Darrell Fraser.

The CHAIR—He's not here?

Ms KOSKY—Yes.

The CHAIR—Right, over to you now. You've got ten minutes so if you're still going at about 2.15 I'll let you know.

Overheads shown.

Ms KOSKY—Thanks, Chair, and we divide up the presentation between Jacinta and myself. The presentation will basically focus on two main areas. The first is our approach to education and training including the key strategic directions for the portfolio and our progress against the key targets and an overview of the key elements of the 05–06 budget.

Just running through our approach to education, we have obviously been focused on boosting participation levels and outcomes across all parts of the system and in all stages of education. Improving the performance of groups which have traditionally suffered educational disadvantage; improving the quality and flexibility of the workforce in all areas of education and training; improving our accountability frameworks and encouraging innovation and excellence in striving for the best for our students.

This, of course, fits within the Growing Victoria Together priorities: one of the ten goals being to provide high quality education and training for life-long learning for all Victorians. I think the

challenge for the government is to continue to improve the education and training system so that we keep pace with the rest of the world.

The key areas of our focus include obviously literacy and numeracy. Successful completion of Year 12 or the equivalent qualification and adult participation in education and training for those who may have missed out. These areas obviously reflect the importance of sound foundation skills including literacy and numeracy; vocationally specific skills; and also the capacity, inclination and opportunities to develop skills and knowledge throughout life.

Our investment is paying off and on this slide you'll actually see in relation to our prep to year 2 reading skills just a little bit of information: between 89.6 per cent and 96.1 per cent of year 3 and year 5 students achieved the national benchmark levels in reading, writing and numeracy according to preliminary results for 2003. The percentage of year 4 and year 6 students in government schools assessed for consolidating or better at the required level in the curriculum for reading and maths has increased from 2000 to 2003. The teacher judgments also for year 4 and year 6 reading show improvements during that same time period. If there are questions later, I can talk in more detail about that.

The proportion of 20 to 24 year olds who have completed a year 12 or a vocational certificate have increased from 82.9 per cent in 1999 to 85.2 per cent in 2004 and it is worth mentioning that this result was higher than the national average and in fact is the highest of all states except the ACT. So it is indeed pleasing - that has been a focus on our completion rates.

Our apparent school retention rates as well from year 10 to year 12 are above the national average and rising; and since 1999 for all Victorian schools from year 10 to year 12 we have had an improvement of 4.3 points to 83 per cent in 2004 over the same period. So that's 83 per cent for us in 2004. Over the same period the national average has increased by only 2.7 points to 77.1 per cent so we are well above the national average.

There are more and more young people taking up both VCAL and VET in the VCE and that has grown strongly since 2001. We now have over 8000 students undertaking VCAL and over 33 000 studying the VCE so there have been significant improvements there.

The next slide is just our increase for vocational education and training where we have seen a 9 per cent increase for the 25 to 64 year cohort since 1999.

Apprentices and trainees: between 1999 and 2004, we have seen an increase of more than 60 per cent in the number of apprentices and trainees in training in Victoria. That is just an extraordinary increase in that period. We have also seen an increase over that period as well in traditional apprenticeships.

Some other positive signs: the average prep to year 2 class sizes are at an all-time low and we have the highest post-compulsory school participation rate in Australia.

As you know, I have put in place a blueprint for government schools which is one year old now and we have actually provided information on where we are up to with the blueprint which focuses on those targets that the government has set and of course the budget links in with this.

Just to highlight against the blueprint's three priority areas - again, I'll talk about it more if people have questions later. The first is recognising and responding to diverse student needs. Student learning, we have both the Victorian Essential Learning Standards which have been put in place in the new student resource package. The second area was building the skills of the workforce to enhance the teaching/learning relationship and with professional development we have actually provided the opportunity for over 3000 new and experienced teachers to enhance their skills. The third area is continuously improving schools. We have the leading schools fund: 88 secondary schools have received funding already and there is \$150 million provided over three years. The second area in continuously improving schools is school improvement. We have a new school accountability and improvement framework.

The CHAIR—You're at the halfway mark.

Ms KOSKY—We have also put in place the legislative review of education and training really to make sure that we put that within a contemporary framework rather than under a very old framework which we found was no longer suitable for the way education is occurring now let alone how it should occur in the future. An exposure draft will be released fairly soon for further public comment with the consultation period having just finished.

The key budget themes relate very much to what I've talked about to-date. So all of the initiatives actually fit in with the blueprint and the government's major objectives, that is, a focus on driving excellence and innovation; opportunity for all; and better learning and teaching environments.

The CHAIR—We take the next slide as read.

Ms KOSKY—They are a very good set of numbers.

The CHAIR—I am just conscious of the time. I don't want to – –

Ms KOSKY—Just in relation to the new schools and improved facilities: \$280.5 million has been provided which is essentially for capital which includes the modernisation of more than 50 schools; building or completing 16 new and replacement schools; and the building of specialist facilities. We have \$30.6 million for the specialist facilities, \$94.1 million for the new and replacement schools and \$145.5 million for modernisation projects.

We also have in the budget, \$197 million for class sizes, for teachers and student retention. They include the keeping prep to year 2 class sizes low and there has been an increase in that population so additional funding was required. There is \$43.5 million for enrolment-based funding to respond to growth in the number of students in government schools and almost \$43 million over four years to support and improve numeracy outcomes for students.

In the third area, overcoming disadvantage, \$112 million has been provided to overcome disadvantage including money for the early years numeracy programs; helping needy students in the middle years which will be built into the student resource package, the funding to schools. We have the continuation of the local learning and employment networks, and money for teacher professional development.

The CHAIR—You have two minutes.

Ms KOSKY— There is \$151 million for non-government schools and I will go into the details if people have questions. We have \$43 million for training, for skill development. Again, I am happy to answer questions on that and I am happy to hand over to my colleague.

Ms ALLAN—Thank you, Lynne, thanks Chair.

Ms KOSKY—It's hard to do in ten minutes.

Ms ALLAN—Particularly when there is so much good news in education from this budget. I might just go straight to the school governance slide. Just briefly for the committee's information, we are in partnership with the legislative review that's being undertaken which Minister Kosky referred to. We are also taking the opportunity to review our school governance structure and happy to answer any questions if the committee would like some further detail.

A big feature of this budget for education was the terrific boost to information technology and the very innovative SmartOne initiative which has been funded with \$89.3 million to provide the best broadband network of any Australian state to every single Victorian government school in Victoria as well as some additional funding: \$7 million for computer equipment.

We have better learning environments. We know better learning environments produce better education results and in addition to the enormous capital program that Minister Kosky mentioned, we have also provided funding for school cleaning: \$15 million for school cleaning and also \$1.1 million for airconditioning for the hotter parts of the state. We are providing support for needy students, particularly students with disabilities, with \$29 million over the next four years that has been allocated in this budget. For 2005 we are spending \$317 million for students through the disabilities program and that includes \$30 million for the language disorder program.

Just to finish: you can see that this budget continues the government's ongoing commitment to education to rebuild the system and really puts the focus on the students, improving their learning environments, resulting in the great results that Minister Kosky mentioned in literacy, the year 12 completion rates, the smaller class sizes and also has a significant investment – this budget has an enormous investment – in improving facilities. Thanks, Chair. Back to you.

The CHAIR—Thank you for being so succinct, Minister. If I could take you please, to BP3 and we are looking at page 14, driving excellence and innovation in the blueprint for government schools. This would be for Minister Kosky I understand. We are looking at the blueprint for government schools. What was your first priority and how did you assess what was to be the first priority? Could you run us through some of the performance measures, key performance indicators?

Ms KOSKY—It's probably worth just giving, reminding I suppose, members of the framework for the blueprint and I'll do that very, very quickly. Essentially what research we did before we put out the blueprint showed us was that there was a significant variation in student groupings based on location, cohorts of students, so obviously Aboriginal students, but also students in particular geographic locations. So that was a real focus on student need and the fact that there are variations across the state. There was also a significant variation between like-schools, so one school had had similar cohorts of students. There was quite a variation in terms of student outcomes between those schools so that meant a focus on schools. The third area was a significant variation within schools which meant, between classrooms essentially in terms of student outcomes, so that meant that we needed to have a very strong focus around teachers.

We have three areas as part of the blueprint in response to the concerns that were developed or came through the research. The first was a need to respond to individual learning needs which is a focus on students. The second was responding to workforce needs, a focus on teachers. The third was continuously improving schools which is a focus on schools. So I think it's just worth putting that context there.

Chair, you asked really about the students, the first priority, and essentially the two major elements that we have put in place to really focus on the fact that one size does not fit all and we need to make sure that all students have the capacity to learn to their fullest potential. The first was a strong focus on what was the curriculum standards framework. There was a lot of concern with the CSF that whilst it provided a strong framework it had actually become too busy, too detailed and did not give enough capacity for schools to put in place what was needed within their schools. Still needed a focus around the standards but wanted to focus on some of those local issues.

As well the CSF was not mandatory; it was actually a decision for schools to use that framework – whether they wanted to or not – and in fact you saw wide variations across the sectors and across the state. What we have now put in place is the Victorian Essential Learning Standards which are what is essential, what educationalists and parents are saying is essential for learning for students and they are standard, so they will be assessed and reported on to parents. The standards have narrowed from million the Community Support Fund, but they are absolutely critical and it is no longer a choice for schools.

The three strands that have been developed through the essential learning standards are: discipline-based learning, or content, which was in place with the curriculum standards framework; physical personal and social learning which is really about the generic skills that all parents expect children to learn at school but they were not assessed; they were not standards that were set and reported against; and the third area is interdisciplinary learning, so areas such as ICT, which really should not

only be taught as a key subject but should be included in all sorts of teaching. So, there were those three strands developed and we are now trialling the million across the state with a whole range of schools to see where tweaking might need to occur. There is a whole lot of professional development that's been provided. In fact, there was funding money in the budget to provide for professional development, \$3 million, and that will put us in good standing to run that out next year. I should say we are also providing professional development money for the Catholic or for the non-government school sector as well.

The CHAIR—Thank you.

Ms KOSKY—And also, there was a student resource package which we have put in place which was a completely new funding model for the way that we fund schools. That was rolled out from million this year, and that includes both a base funding for schools acknowledging that all schools need a certain level of funding to open their doors. It also involved funding for a student funding level. We have also included equity funding and in the budget there was additional funding that was included for – I'm trying to find the money – for the new equity for schools that will go to needy students.

The CHAIR—Thank you, that's very clear. Mr Forwood?

Mr FORWOOD—Thank you. I'd like to go to the issue of disabled children, if I could – disabled funding. If you look at your slide show you will find it on page 23. There is one figure of \$29 million; earlier on there is a figure of \$112 million. If you go to BP3, page 58, there is \$312 million. So, I wonder if, firstly, you could tie it altogether for us, and if you want to bring in the \$96 million that was announced as new money three years ago and tell me where that fits in.

Ms ALLAN—Do you want to go through that? You had 28 in the budget?

Mr FORWOOD—There's 312 on page 58 of BP3. On page 25, \$29 million for students with disabilities and on page 17 there's 112 to overcome disadvantage. And, frankly, you've got me confused.

Ms ALLAN—Well, this calendar year, the 2005 calendar year, to give you another figure – we are putting in \$317 million to support students with a disability. The \$28 million in this year's budget is for the 05–06 year and for the following three years after that, so, it is the four years forward estimates period.

Mr FORWOOD—So, it's \$7 million a year for four years?

Ms ALLAN—Yes, starting 05–06.

Mr FORWOOD—And that is new money, is it?

Ms ALLAN—Yes. The 312 figure is the – I am just checking this now – that would be the 2004 school year allocation, and I'll just check that for you. The \$112 million that Minister Kosky referred to to overcome disadvantage was a range of programs that was being funded through the student resource package to support numeracy programs, needy students in the middle years, local learning and employment networks. That is separate to the disabilities program. The disabilities program funds the highest needs students who have been assessed as having a disability against the educational needs questionnaire. This additional funding is to address issues of disadvantage and the student resource package that Minister Kosky introduced at the end of last year has really had a very strong focus at recognising that whilst we have put in an enormous investment in education over the last five years, we do need to target those students who need support the most. That, in addition to other initiatives around equity that have been introduced are going to address those students' needs which are very separate to the students with a disability program.

Mr FORWOOD—In the previous two years when we have been here talking about this, we have had a figure of 18 000 students: 6000 at special schools and 12 000 in mainstream schools. My

memory is that there were six levels for which you can get funded: from level 1 which was a couple of grand; up to level 6 which was 30 grand.

Ms ALLAN—Four and a half grand, just for the record.

Mr FORWOOD—Well, that was my recollection. So, what I am interested in is what is the total number now being funded under that program, and how much is that going to cost for what we would traditionally call disabled students. And the second part of the question is: did I understand you right when you said in relation to page 51, ‘investment and services to students with disabilities’, you actually meant ‘students with disadvantage’?

Ms ALLAN—Which page, sorry? This is the presentation?

Mr FORWOOD—Page 58, second line of the report.

Ms ALLAN—Sorry, I didn't hear what you said.

Mr FORWOOD—Page 58 – 53.

Ms ALLAN—Fifty three?

Mr FORWOOD—Second line, ‘investment and services to students with disabilities’. It says, ‘\$312.2 million’.

Ms ALLAN—Yes, just for clarification of what I said earlier, that is for the 05–06 year. That is the target for 2005–06. Yes?

Mr FORWOOD—But, for what category of students?

Ms ALLAN—For all students, levels 1 to 6, that are assessed as having a disability.

Mr FORWOOD—Right, so that's the 1 to 6 group?

Ms ALLAN—Just for your information, that is for the 2005 calendar year, because of course that is where we get a little bit even more confusing between comparing calendar year against financial year funding. This calendar year we are funding over 22 000 students on the – that includes the program for students with a disability and a language disorder program, which was a new program that we introduced this year, which is really recognising that those students have a particular need. They have particular - - -

Mr FORWOOD—Are they in categories 1 to 6?

Ms ALLAN—No, not for this. Sorry, just - if you want me to go into a bit more detail on that I'm happy to.

Mr FORWOOD—I'm just trying to get clear on it, that's all.

Ms ALLAN—Yes. The levels 1 to 6 – the language disorder students were assessed against those categories for the 2005 calendar year but they are being supported through this separate program because it is recognised that they have a different set of needs because they are predominantly at the younger levels and they are the ones that need – by the package of supports that we are providing through the schools, through some professional development and materials, they are going to get five-day-a-week support in the classroom. Previously that was when a speech pathologist would come in for a short period of time during the school week which wasn't necessarily giving them the best support. So that the levels – the remaining just under 16 500 students on the program for students with a disability are assessed against levels 1 to 6. I have a breakdown of students by category, if you'd like them. I know the committee 's interested in - - -

Mr FORWOOD—Yes, thank you, thank you.

Ms ALLAN—And we can provide that to the Chair.

Mr FORWOOD—It will be the third year in a row. Yes, OK.

Ms ALLAN—I am happy to read them out if you would like to know the number of students and, indeed, the levels of funding we provide on each category.

Mr FORWOOD—If you could make it available to the committee . Thank you very much.

The CHAIR—Right, Ms Romanes?

Ms ROMANES—My question is also for Minister Allan, and I refer to budget paper 3, page 282 which refers to the government's investment in the SmartOne broadband network for government schools which is an excellent initiative and I congratulate the minister on that initiative.

I ask if you could tell the committee more about the SmartOne initiative. How was it made possible; how is it going to be delivered; and what benefits it will bring to the students.

Ms ALLAN—Thanks, Glenyys. Well this is a really exciting initiative which I briefly touched on and I am really pleased to have the chance to expand on in a bit more detail because this will really place the Victorian government school system as a world leader in the way that we deliver information and communications technology to our schools and also the way that will have an enormous impact on the way that we deliver learning and teaching in our schools. This in an \$89 million initiative that we are calling SmartOne, and this is being delivered in partnership with Telstra, which will see, as I said before, every government school in the state regardless of where they are, big or small, will be receiving a fibre optic high speed broadband upgrade. We are the first state in Australia to do this; indeed the only state in Australia to do this. Over the next four years – it is a four-year program – we'll see all our schools connected to this fibre optic high speed broadband and it will mean every school will have equal access to this technology.

The technology that is going to be delivered is going to be a four megabit technology that's being delivered over the band width. It is also scalable infrastructure so the schools will be connected to a four megabit capacity. If they choose to – and only probably the very, very biggest of schools will choose to – they can quite cheaply and affordably scale that up to say a ten megabit connection if that school chooses to. At the moment they can't do that because they are limited by the way the technology is delivered and the capacity in the school with the exchanges.

This has been possible due to an agreement that's been reached between the government and Telstra through our whole of government telecommunications purchasing and management strategies. With our \$89 million that we have been able to commit to this through the Department of Education and Training we have been able to partner with Telstra who have been able to bring forward a \$100 million investment: that's what Telstra is bringing to the table – to upgrade their 700 exchanges right across the state of Victoria. This is bringing forward an investment that would have otherwise taken ten years to deliver. We are bringing that forward and delivering it over the next four years.

You can see why we are calling it SmartOne. It is going to make all of our schools very well connected and, really, the way the negotiations are under way at the moment between Telstra how this program will roll out to schools.

Just to give the Committee members a further understanding of what it means: currently our schools are connected through what is known as the wide area network. This means the connections range in capacities from 64 kilobits per second to two megabits per second. To put it in a bit more perspective, the 64 kilobits is just a little bit better than what you have at home. Many homes have a home dial-up of around 56 kilobits per second but of course schools with students and teachers and administrative needs

and learning needs, need much more than what we have at home and that is where schools will really be able to embrace it.—

There was a school we visited a couple of weeks ago, Upper Plenty Primary School, where the principal spoke about how her students have an enormous enthusiasm for technology but that enthusiasm is dampened a little bit because of the capacity of their system. Under this roll out, Upper Plenty Primary School will go to a four megabit connection and it means the technology will keep pace with the students' needs. They will be able to download information quickly. It also means that the administrative staff will be able to do their job whilst the students are downloading the information at the same time. For many schools we are going to be increasing the capacity by 30 to 60 times what they have at the moment.

You can see the enormous potential through this initiative to really, as I said, transform the way the kids learn, the way we teach, the sharing of information that's going to be made possible through this. At the moment only eight per cent of our schools have the capacity to share information via video conferencing. Under this initiative every government school will be able to provide information over the video conferencing.

The CHAIR—Thank you.

Ms ALLAN—OK. It is very exciting.

The CHAIR—Has this been signed as yet?

Ms ALLAN—Has it been signed?

The CHAIR—Signed with - - -

Ms ALLAN—The agreement has been signed, as I understand it, with Telstra and we are in the process now of negotiating the roll out.

The CHAIR—Has the Auditor-General had a look at —

Mr HEHIR—We could take it on notice,

The CHAIR—Take it on notice, yes. Our Committee 's very conscious of the costs of IT and the implications a bit further down the track.

Ms KOSKY—I think what's really exciting about this initiative as well is that from a whole of government perspective once the cable is laid out it actually allows communities to access that cable from the schools so it has much broader implications than just schools which is very exciting.

The CHAIR—Thank you, Mr Clark?

Mr CLARK—Yes, my question is to Minister Kosky, and I refer to budget paper number 3, page 53 and to the performance measure there of the percentage of year 10 students assessed as consolidating at a curriculum standards framework level 6 or above. According to the expected outcomes for 04–05 you're expecting that about 17 per cent of students will be below that level in reading; 18 per cent in writing; 25 in algebra; and 23 in chance and data. Could you tell the committee what does consolidating mean in this context? Secondly, either now or on notice, can you give details of what standards the children have achieved who are below those benchmark levels? It would seem that roughly one child in five is going to be going into year 11 without having met the level 6 benchmark. What consequences does that have for their ability to handle years 11 and 12 and how do you plan to cope with those difficulties?

Ms KOSKY—Thank you for the question and it is good that we have focused on the positive students who have obviously exceeded the target.

Can I just say that this week is Education Week. I thought it was really important to mention that. We are celebrating what we do well in education. We are actually changing the reporting techniques, because to be honest with you, this consolidated and beginning consolidating and established is actually quite complicated. I know that as a parent it took me a few years to work it out.

Essentially, beginning either means that they have just been introduced to the material so it is far too early to make an assessment or indeed that they have not yet been introduced to the material.

Consolidating means that they are actually on top of quite a lot of the material, usually, but haven't necessarily met every standard. So there is a whole range of standards. I don't have them before me, and we can certainly provide it – it becomes quite complicated. There's a whole lot of different areas in English which, say, in reading, which would be around comprehension. It would be about their capacity to actually transpose the information, read different types of texts and understand different types of texts and different genres. So there would be a whole range of those different issues which are all assessed by particular standards that would be part of that. It might be that a student has achieved 80 per cent of those but hasn't, according to the teacher, reached every one of those areas. When it says that 83 per cent have achieved the actual results, that means that 83 per cent of the students, say, in reading, have achieved every standard for that year level that's expected in order to proceed well to the next level. For lots of the students, however, they'll actually achieve all of the standards very quickly.

Essentially this model was developed because students might have 90, 95 per cent of all the standards that are required. You want to give parents a sense – and clearly the report that they get gives a sense of what they have achieved and where the area of further achievement is required. But it doesn't mean that, say, 17 per cent have not achieved the standards that are required of that level. It does mean that 17 per cent have not achieved all of the standards, every single standard, that is required of those levels, but they might have achieved 90 per cent of them. So, it acknowledges that students do not have every single piece of knowledge; not 100 per cent of students have every single piece of knowledge they need in order to move into the next level but generally they will pick it up fairly early.

How do they cope the following year in year 11 and 12? Teachers will obviously focus – and the information is provided to the teacher for the following year – on those areas where they still need a little bit of attention in order that they can proceed well.

That is fairly standard for how children progress through school. There might be 5 per cent, and I am making an assessment, but around 5 per cent in that group where we would have some significant concerns that are probably struggling. Obviously that is a discussion between the teacher and the parent about how the students are going to cope with the following year; whether they need to look at some other pathways. We have included other pathways in years 11 and 12 but that would be part of that discussion. I think it is important to note that it does not mean that 17 per cent have not achieved what is required. They have achieved a lot of what is required; maybe not 100 per cent of every one of those standards.

Mr CLARK—Based on the first part of your answer when you said consolidating meant that they were getting on top of their knowledge of a particular area, although not fully covering it, those that haven't reached that would seem to be doing less well than consolidating or getting on top of it which suggests they were at the previous phase you described: to the beginning or worse which does seem to suggest they are going to have troubles if they go from year 10 to year 11 without having been consolidating.

Ms KOSKY—Yes, sorry. This is what my notes say: this does not imply that they cannot read rather they are not at a point that we would ideally wish them to be. There are a number of strategies that are put in place to assist them. So, they are at that stage. It's one of the difficulties with the current reporting system. Consolidating means students who are really struggling right through to students who have almost achieved all that is required. It's too large an area which is why we are looking at how we can report to parents in much more meaningful ways. These are teacher assessments. But yes, it does mean that there are 17 per cent of students who are not where we would like them to be at that point. So we will put the strategies in place to work with them.

Mr SOMYUREK—Just a follow-on question from that please. Concentrating back on the negatives again for a minute: does the Department know what the break-down of the 17 per cent of students who obviously have some deficits in reading and writing are concerned? Do we have a break-down as to what percentage of those students can't read because of phonological awareness issues for example or other issues, or dysfunction, family dysfunction, cultural learning?

Ms KOSKY—We wouldn't have that as a Department. Obviously schools would actually have that much more detailed information. The way that we are trying to work with schools with the collection of data, there's a lot more collection of data that we get students, we get schools, teachers to collect and we use across the system. Particularly what we are trying to do is work with schools so that they both collect the data and then they analyse that data and work out strategies. For instance, you can actually identify a student who has, say, a reading difficulty and actually make the assessment as to what that relates to. The tests we do in the early years now, around literacy and numeracy, very much allow teachers to really hone in on the particular concern and then to develop strategies to put in place and then to assess whether the strategies are working.

I should also say what we are looking at is the introduction, we are trialling at the moment, the unique student identifier which will allow us to then get the information of what sort of interventions a child has had. Say, reading recovery: you'll be able to pull out every student, not by name, but by number, who has had reading recovery and to assess the impact of that intervention to see whether it has had a greater impact than say another initiative. We are doing a lot more of that detailed work which we can do at the data collection but we do need the unique student identifier so that we will be able to analyse, in a system-wide sense, the interventions.

The CHAIR—Good, thank you.

Ms KOSKY—So we will be able to look at it by region, by student family occupation and by gender.

The CHAIR—Thank you, Mr Somyurek.

Mr SOMYUREK—My question is to Minister Kosky again. I refer to page 52 of BP3, the post-compulsory year's output and the performance measure of VCAL. I notice here that providers of VCAL have increased from 300 to 380, the target is for 2005–2006, and a big increase in enrolments too from 6500 in 2004–05 to 8500 hopefully next year. Can you please advise what other key achievements have been in relation to VCAL since its introduction?

Ms KOSKY—VCAL has been incredibly successful across the state. In two of the regions 100 per cent of schools are offering VCAL now and in four other regions, over 90 per cent of government secondary schools are delivering VCAL. We also have a lot of the Catholic schools that are providing VCAL. It has built from the very early days where, in 2003 we had just over 5000 students, to this year having 9653 students, so almost 10,000 students, with over 360 providers which is government schools, Catholic schools, TAFE institutes and adult and community education organisations. The Victorian Qualifications Authority completed the destination survey on the students for 2004 of VCAL students and it showed that 86 per cent of VCAL students in that year, in 2004, had the next step of their pathway in place for this year. It found that 52 per cent were continuing their VCAL studies, or had taken up other education and training options; 34 per cent had taken up employment; 7 per cent were not in study or seeking employment, due to factors such as home commitments or travel; and 7 per cent couldn't be contacted at the time of the survey. Remembering that for a lot of the students VCAL has actually kept them in education, they are quite extraordinary results. The research also checked how many students it had actually kept in the system and found that 31 per cent of students would have left school in 2005 if VCAL had not been in place.

The CHAIR—What per cent?

Ms KOSKY—Thirty-one per cent. So it has made a huge difference. If you look at our completion rates of year 12, or an equivalent qualification, and you'll notice that we are the 85.2 per

cent, we are the highest apart from the ACT in terms of completion rates of any of the states and it's been increasing. Part of it was about having some of those other pathways and so it's just been, I think, incredibly successful. The local learning employment networks have really worked very hard particularly in rural areas, bringing schools together, so they can provide VCAL for students.

Just an example, two examples of how it operates on the ground: one of the projects I saw which was up at Edenhope in the Wimmera-Southern Mallee area, they had a hot rod project and they had a group of students that were doing automotive studies, pretty bored, looking out the window most of the time and the teacher noticed that that's what they were doing. He took the time to look out the window with them and saw that there was a hot rod competition occurring on the oval opposite. He completely redesigned the automotive program. The kids have actually not only designed, but they have made their own hot rod. When I went up there the students were just so excited, I actually had to say it was time to leave, because they were so engaged in what they were doing. They'd all gone incredibly well and quite a number of the students I spoke to said, 'We would have dropped out. We just would have left.'

Another project which is with the City of Greater Shepparton is a young mums in education program. It is for very young women who've had children and it's developing a program that focuses on them as young mums: it can look at their personal and social development, but also vocational skills, a work placement and the maths and English and it's kept them not only engaged in the system but actually successfully engaged and with a focus on what their career is going to be. So it's been an incredible success.

The CHAIR—Thank you. Mr Rich-Phillips.

Mr RICH-PHILLIPS—Thank you Chair. Minister I wanted to ask you about the broadband roll out, specifically, first of all: what exactly is the nature of the government's commitment, that is, what is the government buying? So they have upgraded the school fence, the school buildings and upgraded the Telstra network. What exactly is the nature of that? Secondly, the communication costs to run the broadband roll out: will they be passed on to the schools; will the schools incur increases or drops in their actual per unit communication costs?

Ms ALLAN—When you say communications cost you mean the — —?

Mr RICH-PHILLIPS—The ongoing.

Ms ALLAN—The ongoing costs. Yes in the budget, the substantial component of the \$89 million is going to the recurrent, you call it communications, the ongoing draw down on the capacity of the system. By the fourth year it goes up to \$27 million ongoing. Obviously the more you expand the capacity the more we are going to see schools use it, the more it will draw on the system, so we are funding schools over the next four years to — in the out years — \$27 million to meet those needs. The infrastructure needs of the program I think were around \$7 million so that is our commitment to the infrastructure upgrades, that we will be purchasing from Telstra. They will be upgrading the exchanges and we will be buying the infrastructure needs from the exchange to the school. Just something that Minister Kosky said before is that you can then, once the exchange is upgraded, the enormous potential for local businesses to piggy-back off that capacity, local homes, private use as well. It is going to really be quite transformative. In terms of the potential, we are yet to really see and realise the potential, because it will only happen once the infrastructure is in place on the ground. In every single community in the state, whether you're in the outer suburbs, whether you're out in Monbulk or whether you're in the remotest parts of country Victoria, everyone's going to have access to this and it's going to mean an enormous change for the way, not just we deliver education, but whether it's regional development benefits, economic development benefits and the capacity for other systems to piggy-back on it.

On Telstra's involvement, it is estimated that they'll be creating about 270 jobs during the life of this four-year project as they go around the state upgrading, or extending 3000 kilometres of fibre optic cable and that they estimate that they'll also be seeing 30 jobs ongoing as they manage the project. It is an enormous project.

Mr RICH-PHILLIPS—In terms of the in-school infrastructure, I see there's a separate \$7 million for new computers which is a relatively modest amount, relatively small number of computers in the school, do you anticipate there will be a big need for an upgrade to individual school's hardware, to actually make use of this. I think about 7000 which wouldn't go far across the entire school network.

Ms ALLAN—That's on top of the 200 000 computers that are already there and of which 160 000 have been purchased since 1999. The \$7 million, as you indicated, is part of a \$14 million investment that we are putting into new computers and classroom equipment. It will purchase 10 000, that total, I think the \$7 million that's in the budget plus \$7 million that the department is funding itself is going to purchase 10 000 new computers and that is going to really see the maintenance of our computer-to-student ratios which are amongst the best in the country.

We have a little hand out here that shows quite clearly the way the computer-to-student ratios have gone up quite dramatically with the numbers of schools, and you'll see it in the budget papers. Eighty-four per cent of schools have that computer-to-student ratio of one to five or better, that's up from 32 per cent in 1999.

As you can see we have put an enormous investment over the last five years to purchase, as you call it, the hardware; to purchase the latest computer equipment. It comes on top of the notebook for teachers program which we recently saw 95 per cent of teachers now have a notebook computer. It is also on top of the wireless initiative. We are in the process of connecting every school in the state to wireless technology. So that means for those teachers, similar to what we have in Parliament, and I think I might have mentioned this here, last year. Is that perhaps another estimates for another day: the Parliament's IT system? But it is going to mean that teachers will be able to make maximum use of their notebooks.

Again I was at another school last week, Mount Waverley North Primary School, where the students had a laptop computer outside. They've got a frog swamp that the school's built and obviously they have got frogs in them now and they were going out to test the water quality and the water temperature.

Well at the moment, they can't connect to the Internet at the same time, because they are outside. Under this wireless initiative those kids will be able to be connected to the Internet outside, they'll be able to log their results in onto the computer, can go back into the school network system. Again, it just pushes out further and further the education horizons for those students.

Mr RICH-PHILLIPS—Do you have estimates of the current 160 000 computers in the school and what proportion of those are ready to take broadband access right now?

Ms ALLAN—Well, every computer will be ready to take broadband.

Mr RICH-PHILLIPS—There's no point having a high speed plugged into the computer that the gear itself is not capable of - - -

Ms ALLAN—Well most of them, you say they are already networked?

Mr ROSEWARNE—Yes, most of the computers in the schools are already networked, so therefore their capacity should be high. In terms of the specific details, I couldn't provide that to the Committee today. But, in the environment most schools are working in, most schools have their own networks operating with a very strong technical support program, which is technicians in schools, which enables those networks to be operational, almost on an ongoing basis.

Ms ALLAN—Sorry, I was just going to say. These computers are five years old or less, so —

Mr FORWOOD—A five-year-old computer is an old computer.

Ms ALLAN—Well no, actually, no. When you think about the computers in our electorate offices – over three years old now, certainly mine are – and they are quite good computers. The technology does change very rapidly but a lot of this infrastructure is still very appropriate for schools. We will continue to buy new computers and provide other technology that's needed for schools, but the computer system will be able to take this, I think.

The CHAIR—Minister, there's two more follow-up questions, so we are going into this in quite a bit of detail. I am just letting you know there'll be a couple of follow-ups and the reason probably this Committee is so interested is that we have dealt with the ramifications or when this goes wrong, so this is probably our keen interest.

Ms ALLAN—In Parliament you mean? Not education.

The CHAIR—In Parlynet and various other things; not in education, no I'll clarify that. So Mr Clark's got a follow-up and then Ms Romanes has got a follow-up.

Mr CLARK—If I can just clarify the first part of your answer to Mr Rich-Phillips' first question in relation to the cost impact for schools: you indicated the bulk of your expenditure was going to be on recurrent costs. Will there be any cost impact on school budgets and in particular on that part of the school budgets the local school community has to finance for communications costs in the form of download costs or other costs, either positive or negative. Will it reduce their costs or will it increase their costs compared with what they have to pay at present and if it is increasing their costs will they be provided with funding to the school budgets to cover those increased costs?

Ms ALLAN—Well that's what this budget does.: it provides, of the \$89 million, it provides \$82 million for those recurrent costs. It's \$14 million next financial year, going up to \$27 million in the out years. That is exactly that. It is to provide schools, within their student resource money, to meet those increased communications costs that will come with the greater use of the technology that we are anticipating.

Mr CLARK—Will they then be paying a fixed cost that they know will be covered by the extra funding that's going into the school budget, or will their costs vary with their usage and they therefore could be plus or minus compared with what goes into their budget?

Ms ALLAN—So you're talking about when you're at home, you get the deals if you use – the hours free Internet?

Mr CLARK—Per megabit , per time is the flat fee.

Ms ALLAN—That's the sort of question that , not wanting to pass the buck, but Multimedia Victoria have negotiated the TPAMs agreement with Telstra and we have been able to lever this benefit from that whole of government telecommunications agreement that's been reached with Telstra.

Mr ROSEWARNE—No we haven't got the details here, but for the member, what happens is the unit cost, the per megabit cost is coming down and what we have allowed for in our pricing is a substantial increase in the usage. We are making assumptions about the level of usage schools will take up and what the Minister said is that we think there will be very few schools in the state that will actually need to increase that usage capacity based on the four meg minimum. But that pricing the Minister spoke about has assumptions inbuilt into it which have then been negotiated at the whole of government level by Multimedia Victoria. So the unit price coming down, the usage going up. That has been paid for on behalf of schools through this arrangement.

The CHAIR—Thank you, and Ms Romanes.

Ms ROMANES—My question follows up on the reference that was made by Mr Rich-Phillips about the \$7 million for new computers. Can you tell us more about how you will allocate those funds through schools?

Ms ALLAN—Yes certainly. These grants will be distributed to all schools, all schools will share in this funding, and as I said, it's part of \$14 million in new equipment that we'll be providing to schools, 10,000 new computers. We are also embarking on a trial in 15 schools of computer interactive whiteboards, which I'll come to in a moment. Just on the computer-to-student ratio: we are working very hard to maintain the one-to-five ratio or better. Members will know that under the previous government it was up to one to six, one to seven and we have been able to maintain it. At the moment it's around one to four, but we want to keep it at that one-to-five level or below and that's certainly one of the best average ratios of any education system in the country and it really means that students can get full advantage of the things I mentioned before: the wireless technology, the teacher notebook program, and in future, the enhanced capacity that's coming through the SmartOne initiative.

Just on the whiteboards, we'll be, as I said, trialling a pilot of these computer interactive whiteboards, and these are pretty amazing pieces of technology where literally, the whiteboard becomes your computer screen. You can touch the screen and all the things you'd normally do with a computer mouse you do on the screen in front of you. As you can see, there are simple uses, such as teachers can write lessons on the whiteboard and that is then converted to a file document and saved on the computer. It also has a whole lot more potential when you can apply it to say the visual arts. You can put a piece of art on to the screen, the shearing of the rams, for example, you could put that on the screen and students can then zone in on a particular part of that piece of art; they can manipulate the data and we know that many, particularly advanced visual arts students take a traditional piece of art, and do some pretty amazing things. I know Minister Kosky through her role as minister responsible for design sees a lot of this: the talents of our students. Another thing that these can be used for is you can, if you've got a sports coach, coach - - -

The CHAIR—Finish on this example, it's been very interesting, but we are finished.

Ms ALLAN—Coach of the school's football team might be able to go out and video the footy practice. They'll be able to then show that on the screen to the class; slow it down, so they'll be able to show the student where their kick's a bit crooked and work with that student on how to improve the kick. As you can see again, it's this potential that we are really tapping into with providing the equipment, the computers and the whiteboards. Providing the broadband capacity, through fibre optic cabling, is really going to expand these opportunities even further.

The CHAIR—Thank you, Mr Merlino.

Ms KOSKY—They could enhance our images as well, all of ours.

Mr MERLINO—My question is also to Minister Allan and back to the issue of disability, and I refer to budget paper 3, page 282 which refers to additional funding for the program for students with disabilities. Can you explain to the committee how the changes to this program are contributing to improved outcomes for students with a disability?

Ms ALLAN—Thanks. It is something that goes back to something I touched on before about really providing a high-quality education that we are providing here in Victoria. The notion of inclusive education is making sure that we do support our students with special needs and the highest needs students throughout our education programs are provided in schools.

The program for students with a disability focuses on providing support for those students enrolled at our schools that meet the established eligibility criteria for the program. This government has certainly increased funding substantially every year to the program for students with a disability and indeed funding to this program has grown by 64 per cent since 2000.

In the 2005 calendar year, which I indicated also earlier before, we will be providing \$317 million this school year to schools for the program for students with a disability and that includes more than \$30 million that will be provided to those students with a language disorder. This budget is announcing a further \$28 million ongoing for the next four years to help with the demand in this program.

For the committee's information to some of the changes for the assessment processes to the program that were implemented during the 2005 annual round, a key change was the abolition and the removal of mandatory reassessments. Previously students had to be reassessed every two or three years. The Chair is nodding. I think it was something we spoke about either last year or the year before. Every two to three years every student had to be reassessed and that meant that all those student support officers, their time was taken up. There is a lot of paperwork that goes with reassessing and assessing every student. By abolishing these assessments and only having these assessments in place for new students to the program or students at the year 6 to year 7 transition period or where schools themselves, in a small number of cases, ask for a review themselves, this means we have freed up all that time from those specialists. That means we have got our speech pathologists and our psychologists spending less time on the paperwork and more time with the students with their learning needs and that has been a key change that we have made to the program. Particularly when you consider that there are some students with a disability whose education needs won't be changing, that they have a disability and their needs won't be changing. So that has been a key change that we have introduced.

Another one is that we are going to be bringing forward the timetable for the 2006 annual round, so that's to help schools to improve their workforce planning needs and also to prepare earlier for the 2006 school year.

We have also been providing for the students with a language disorder, we are providing schools with a single allocation for the delivery of support for students with a language disorder. This again goes to what I was saying before around providing this support, the funding to schools in addition to resources that we are providing through professional development and training with other materials and resources that we are providing to schools. This means that classroom teachers are going to be supported to provide the supports to the students in the classroom, and again means that these students get support in the classroom, every day of the school week, whereas previously it was as the specialist came to the school.

Committee members would possibly be aware that we have had a working party also assisting me and looking at giving advice to me on the program for 2006 and beyond. But as you can see, we are demonstrating our commitment. We have provided \$317 million worth of funding to provide our students with the most needs in our schools to help them achieve their educational goals.

The CHAIR—Thank you, Mr Forwood has got a supp.

Mr FORWOOD—Yes. On page 281 it shows that the program for students with a disability, new money output initiatives, \$6.9 million this year, \$7.1 million – and that's the \$28 million you're talking about. How many students currently not receiving funding for disabilities will now receive funding, given that you've increased the funding asset for the year.

Ms ALLAN—When you say not receiving funding, do you want to – these are ones that have applied to the program or –?

Mr FORWOOD—Well what this says is, 'Additional funding is provided to manage increased demand', and that is on page 282. So there's an increase in demand and you've provided \$7 million ongoing. I am interested in how many new people. What we know is there used to be 18 600; it came down to 18 000. You told us today it was 16 500.

Ms ALLAN—No. The increased funding is for the increased demand and the anticipated increased numbers of students coming onto the program. Just to go into a bit more detail on those figures: we have seen an increase – I am just looking at the increase in the growth of student numbers. Student numbers have fluctuated each over the last five years. I've got the data in front of me. The fluctuations have varied, but it's grown by probably an average of around 5 or 6 per cent. I can confirm that information - - -

Mr FORWOOD—Students with a disability – leaving aside the language people?

Ms ALLAN—No that includes the language students. But just to break down, just to go down into that detail: students with a language disorder has grown by around I think it's 170 per cent over the last five years. You can see that has been an enormous growth in students coming into the program which has presented some particular stresses on schools which is why we have created this separate language disorder program. There are - - -

Mr FORWOOD—But the \$28 million I'm talking about is not a separate program is it?

Ms ALLAN—No that's for the program for students with a disability. That's separate to the language disorder program.

Mr FORWOOD—Yes, so that's what I'm talking about. Let's put the language stuff to one side.

The CHAIR—Perhaps we could go to the figures you've got on that \$7 million and how many new students will be covered by that, if you've got that figure with you.

Mr FORWOOD—You can take it on notice if you like.

Ms ALLAN—Yes, we will have to because again it's hard to estimate the demand because we won't know how many new students we have got on the program until the 2006 annual round is completed later this year.

The CHAIR—All right, OK. Mr Forwood.

Mr FORWOOD— I refer you to page 272 of last year's BP3 which I know Mr Hehir has got and I think this is again to you Minister Allan. It shows under 'Asset initiatives': classroom replacement, relocatable classroom renewal. This is the fourth line down, of \$18 million, \$16 million, \$16 million – a \$50 million program for relocatables. I refer you to page 20 of the department's response which under, carry over funding, says that, 'Carry over funding will be needed for school maintenance program', and then it says, 'Carry over has been identified in the budget papers for asset initiatives, classroom replacement, relocatable classroom renewal – \$16 million.' Doesn't that mean that of the \$18 million that was meant to have been spent this year, you are rolling over \$16 million because, as I think this says, you were slow letting the contracts and they were slow building the relocatables, so that you anticipated spending \$18 million this financial year and you've only spent \$2?

Ms ALLAN—Well the \$50 million that was allocated as part of the 2003–4 budget statements was for a four-year program so it's \$50 million over four years. Yes we are carrying over that \$16 million. The contracts were signed – sorry?

Mr FORWOOD— Three years?

Ms ALLAN—Three years.

Mr FORWOOD— Page 272, \$18 million in 04–05, that's this year, with \$16 million 05–06 and 16 million 06/07.

Ms ALLAN—Yes the original commitment was for four years and the funding is being allocated over three. But we are carrying over the funding of \$16 million. The contracts were signed last month with Bendigo Relocatable Buildings to build the 600 new relocatable classrooms. And yes the contract did take a little bit longer than we anticipated but at the end of it we are going to see 600 new relocatable classrooms in our schools right across the state.

The CHAIR—Right, thank you very much.

Now, Minister Kosky I want to go back to the blueprint for government schools and again referring to BP3, page 14, which talks about the government's drive for excellence and innovation. Could you

provide us – last time I asked about your first priority for the blueprint – could you now take us to the second priority which I understand is teacher workforce for improving student outcomes.

Ms KOSKY—Thanks Chair. I will try and work through this quickly because there's an enormous amount we have done to focus on the workforce which is both: it is focusing on our leaders within our schools, developing and supporting a performance and development culture, and developing teachers. And there's a whole range of different strategies that have been put in place but I will attempt to run through them quickly. They are very exciting though.

The high potential leaders – because of the ageing workforce, we have identified that there will be some issues about future leadership supply that will all come together much more quickly and within a certain timeframe. So we have looked at how we can focus on succession planning as well as promoting mobility and learning across the system.

So we have got a program for high potential leaders which is those that are showing leadership and have that potential to move forward, aspiring leaders or those that we believe should be aspiring. So we have established a program to support current and aspiring leaders to develop their leadership skills. It provides three cohorts of up to 80 teachers with a place in a masters in school leadership course. This is linked with Melbourne and Monash universities and it is focused on teachers who have at least five years teaching experience, or experience in a relevant industry. It links them with both the professional and academic practice as well as research and theory and they are required to develop a workplace project. So it's a course that's focused on what they are doing in the school rather than a separate, in a sense, esoteric course. And so that's for 80 teachers.

Then we have a young leaders program which identifies within that group of people, 20 young high-potential leaders. It is restricted to teachers with between five and ten years experience. They have had an opportunity to actually travel, the first group of 20 young leaders, have had the opportunity to travel overseas to look at, it's in conjunction with INET which is a program supported by the principal associations and the department, linked in with the Specialist Schools Trust in the UK. They've been able to travel to, they've had overseas study, they've shared professional learning through pairing with a counterpart in the UK, and they've shadowed a high-performing leader in the UK. So it's really trying to develop them as very significant leaders in the future. I met with that group of young leaders, a very exciting group and they are young. But a very exciting group of young people, that often can leave the system if we don't really develop and nurture them.

We have also established mentoring for first-time principals which links them up – approximately 140 first time principals, participating in the program over four years. They have a mentor who is involved with them in their leadership development. So that is really about providing them with fairly ongoing support as first time principals.

We are providing coaching to enhance the capabilities of experienced principals. So it is those principals who are experienced in the system and need to develop their further leadership. Four cohorts of up to 100 principals will complete a 360 degree diagnostic instrument, so really getting feedback from a range of different sources. They have coaches linked up with them who can really help them to benchmark their performance, looking at student performance to actually benchmark their own performance, looking at their style of leadership, how they are working with their leadership team and obviously maximising school capability.

We also have a development program for high-performing principals, so those principals who are travelling very well, and we have got four cohorts of up to 60 high-performing principals who are involved in system leadership projects. I suppose in the past always the high-performing leaders have been taken out of schools and put into places within the department, which we have done a little bit of, but I mean obviously we want to really work with those leaders in their own schools, but also how we can actually use their knowledge expertise with other schools, that we are really wanting to push along.

The CHAIR—Thank you.

Ms KOSKY—I haven't finished.

The CHAIR—What we try and do is keep our answers to about four minutes and you've got pages there so would you like to make one last point and then we will move to the next question.

Ms KOSKY—Can I do two very quickly? One of the things that we have been doing which was in response to the Boston workforce survey, Boston Consulting did a survey for us, which was to establish a performance and development culture within schools. We are trialling with a group of schools. We have got 20 schools undergoing what is an external verification process and it's really about them focusing on how they have a range of different elements that would make a high-performing school. We are hoping to have by the end of 2008, every school that's a performance and development school, which means that they establish that culture which is very much about how they use data, feed it back in, work with students and with teachers. Then we have got a range of programs as well for teacher professional leave and for supporting beginning teachers. All about improving the system focused on the workforce so they improve outcomes for students.

The CHAIR—If you do want to take up that offer of providing that kind of detail we will happily accept it. Thank you, we are up to Mr Clark.

Mr CLARK—Yes my question relates to capital works for schools, I'm not sure which minister is relevant. But a number of schools in my part of the world are very unhappy: one, that they missed out on capital works funding, but secondly, about what appears to be an increasing lack of transparency and uncertainty about the process for providing capital works to schools. Could I ask first of all what happened to what schools expected to be a round of facilities upgrade announcements towards the end of last year that never eventuated? Secondly, have you made public the list of the 50 schools that have received upgrades that you referred to earlier or at least that part of them that have been individually announced? And thirdly, can you describe to the committee what the current process is for determining capital works or allocations to schools and in particular whether the two-stage master planning process that used to be around a few years ago is still current, and if not, what is the process for prioritising and scheduling of schools under the current arrangements?

Ms KOSKY—OK that one comes to me. We did change the process that was in place which was the master planning and the full planning. We changed it a couple of years ago. Essentially it is because what would happen is schools would actually get some money or they would develop, be told they could develop their master plan, and then there would be a process and they would wait until they were told that they could do their full planning, and then they would go and do their full planning. The process was quite disjointed, often things changing in between, especially costings. But it also, what we have attempted to do as much as we can, and we never know what the budget is going to be for capital works, but is to actually I suppose encourage or allow as many schools to go through the full planning process as is likely to connect with the amount that's in the budget. Because the costings change enormously, I mean they can over a two-year period as you can imagine. We try to link that as closely as possible.

Now as I've said, when I announce the schools to go into full planning or let the schools know, we don't do a large scale announcement any more, but I do make it clear that it is dependent on whether the money is in the budget or not. But it's not about allowing a whole lot of schools – I think in the past what has happened through politics is that ministers have let lots of schools go and do master planning in order to keep them happy and quiet, and then it can be six years before they actually get the funding, or longer in some instances. We have tried to be much more honest with schools about linking up their full planning process with the budget allocation.

So we have changed the process, just full planning. So they go into the planning and they do the whole lot. We announce that at different stages as well during the year, in part because what I'm also saying to schools is that you may be in the next budget but you may not. We are trying to separate the process a little bit from necessarily exactly the amount that's in the following budget. But it actually indicates that once they are in full planning they are in a queue in a sense. The process, the criteria, are very clear and I'll just run through them.

The first is deficiencies in area and individual space and that is the capacity of schools to cater for current enrolments and the curriculum is obviously considered when deciding on priorities for capital funding. For instance, specialist spaces, they might need an art room and may not have that and may be entitled to if the population has increased at the school or the individual classrooms may not meet current standards. That's the first one.

The second one is curriculum and learning needs which really is whether the conditions of the school buildings are fit for purpose and these are all taken into account. They are not in priority order.

Occupational health and safety issues so there are some areas where we need to undertake capital works related to health and safety of students. For instance, we have had some schools that have had white ants in them so clearly it becomes a major issue.

Education provision where we have a number of schools, often that are wanting to come together as groups of schools so if you look at the Maryborough precinct where a whole range of schools needed capital and we have got the example with Echuca at the moment, that have actually said, 'Look, we'd like to reconfigure how we provide our education' and so it's allowed that to come together.

School renewal is the other area which is the revitalisation of school amenities where often population is declining and schools are saying, 'Well, we really need our physical facilities fixed' – and we are encouraging this more and more I have to say 'and we'd like to take the opportunity to rethink how we provide education within this community.'

So they are the five areas. The department forms a state-wide priority listing based on the capital works program in each region. Government commitments that we have made obviously at election time, program type and regional distribution. One of the issues that we are now looking at with our capital works is: in the past it's always been driven I suppose by the physical facilities of the buildings, not by the educational needs. We are actually wanting schools – in lots of cases that's absolutely appropriate but there are, in some instances, examples of where we actually believe the educational provision can be improved or changed quite dramatically and that should be part then of the capital works because you can't just do it in terms of the curriculum that's taught in the school. It often does respond to the capital facilities so we are trying to bring that together as well and use that as an opportunity to rethink what we are doing.

In fact there's a group of schools in my electorate where numbers have been declining in a number of the schools. Their physical facilities need to be improved and they've actually taken the opportunity to think differently. We are not only providing them with the opportunity to do the full planning but we are actually providing the, with, in a sense, an educational expert who will work with them to look at the educational offerings as well as the capital facilities offerings.

Mr CLARK—Could I just clarify? The schools that were notified immediately following the budget they were going to full planning, are they the schools that are included in the 50 that are going to be modernised out of the budget funding or will they be coming out of the budget funding next year and a different model for schools that have been on the planning process for some time are the ones that are going to be modernised under this budget?

Ms KOSKY—Schools that go into full planning don't necessarily get up in the next budget. Most, with this budget being as large as it was in terms of capital, most that have gone through the full planning process did in fact get – it was indicated to them that they could now commence their processes. But they have to have finished the full planning process. In fact, I think all schools that had done the full planning – I don't want to be – there would have been a few that had some other issues that we needed to address so, sorry, not all. So then they are in the queue. The criteria are on the department's web site. So it's quite a strict process.

Mr CLARK—For the 50 that are included in the budget, are they known at this stage?

Ms KOSKY—We can provide the list. All of them, bar a couple, have been publicly announced I think and a couple, because they are actually working out some of those educational provision issues as opposed to the capital issues. But I'm happy to provide a list.

Mr CLARK—Thank you.

The CHAIR—That's clear, thank you. There was a - - -

Mr SOMYUREK—Just a follow-up on that. Minister, Mr Clark mentioned the capital works improvements program. Now, this, I guess, contributes to a quality learning environment. What is the government actually doing to ensure that students have the best quality learning environments?

The CHAIR—A physical environment?

Mr SOMYUREK—Yes.

Ms KOSKY—We have obviously invested an enormous amount since we have come to office in our physical facilities. Over \$1.6 billion extra we have provided since we have come to office. Just to put it into context: it's 45 new and replacement schools that have been provided in that time. In this budget, we have put in over \$94 million for 16 new and replacement schools. It's interesting where, when there's quite a range across electorates. In fact in my electorate there's actually a new school, which most of you would probably be surprised about, but I happen to have a growth corridor as part of my electorate. We had 16 new and replacement schools, Tarneit Primary School is a new school – I'm not going to run through all of them - - -

The CHAIR—No, I was going to say, you're very welcome to table it.

Ms KOSKY—Mill Park Primary School is a new school; Bendigo Special Development School is a replacement; Williamstown High School, replacement school, old facilities; Mt Erin Secondary College, new school stage three. I know everyone's interested in Wallan Secondary College, new school, stage three; and so there's 16 new and replacement schools there. Additionally, we have put in, out of the \$280 million for the building program, \$145 million has been provided for those 50 schools for the modernisation; \$30.6 million to build specialist facilities through the leading schools fund – so we provide both capital and recurrent and that's really about pushing leading schools and excellence in schools; and we have also got \$9.8 million to support better education and training. I know, Chair, you'll be interested, there's \$5.8 million to modernise Moreland City College which will be accommodating the Victorian Curriculum and Assessment Authority Exam Centre as well as providing for students. So really using the facilities to cater for both the regional office facilities as well as the students.

We have provided \$4 million for the ongoing planning of future facilities. I think it's the first time that that's been identified in the budget which is an acknowledgement that schools can't develop their facilities going into the future without that extra assistance that they need from someone to work with them.

The CHAIR—Minister, we'll break at this point for a short adjournment. I thank you for that. At the risk of being parochial I didn't ask what you would save by moving the regional office to the old Moreland City College because I'm sure that would be substantial. But we won't be parochial, we'll enjoy a cuppa now. Thank you.

Short adjournment

The CHAIR—Ms Romanes?

Ms ROMANES—Thanks, Chair. Question to Minister Allan and reference is budget paper 3, page 182 which refers to high-quality school learning environments and I think that issue was also covered on the slides. Could you provide more detail on what the government is doing to meet increased cleaning costs?

Ms ALLAN—Certainly, thanks Glenys. Last month, and again it was confirmed as part of the budget allocation, we announced that we will be investing more money and also to ensure some higher standards around the cleaning of Victorian government schools. Through this budget an additional \$15 million has been allocated to assist schools to meet their cleaning costs in 04-05 and in 05-06. This funding means that all Victorian schools will get an average increase of 15 per cent to their school cleaning budget and this 15 per cent is based on the average calculation of cleaning cost increases across all schools.

This additional funding will help schools to meet the costs of the award changes that came into effect from 1 January this year and also will help to make sure that our schools are properly cleaned. In addition to providing the new funding, we have also put in place a fundamental overhaul to the way school cleaning is operated and monitored so that we have only got reputable cleaning contractors providing the highest level of service to our schools.

We are establishing a contract cleaning panel which will mean that schools will be able to engage cleaning companies off that panel that meet the predetermined panel conditions and so for example cleaning companies will only be able to qualify for the panel if they already comply with things such as health and safety standards or where they have some employees that they meet the award wages and conditions.

In addition to this, we'll be introducing rolling audits across the state to ensure the cleaning is done to acceptable standards and also to check the bona fides of contract cleaners. We are also making special provision for those small sole traders or self-employed cleaners to qualify for panel selection and this is to really make sure our smaller schools, and again particularly in rural Victoria, to make sure that those smaller school communities are not disadvantaged because often they are the ones that employ the sole traders or the self-employed cleaners.

The department is also introducing a school-cleaning standards monitoring program to establish these benchmarks and also to provide feedback to the schools and to the department. Also as part of this we are expanding the department's cleaning advisory service and also improving the documentation that's used by schools to manage their contracts. The administration of contracts, cleaning contracts, is not necessarily day-to-day core business for schools so we want to make it easier for them. We want to make sure that they've got confidence in the cleaning companies they are engaging to clean their schools and that those companies will clean those schools to the highest standards. It is the responsibility of school councils and they will retain the rights to engage and manage their own cleaning arrangements but they will now be able to do so within some very strong guidelines and with that additional financial support particularly to meet the increase in wages.

I'm very pleased that this government has been able to clean up our school cleaning arrangements and particularly with the workforce, particularly after our cleaners were sacked by the previous government and arrangements with cleaners were contracted out with little or no mechanisms to monitor the standards and quality around those contracts.

The CHAIR—Thank you, Minister. Mr Rich-Phillips?

Mr RICH-PHILLIPS—Thank you, Chair and Ministers. I want to ask you about a fund that was allocated last year under *Victoria: Leading the Way*: \$2.7 million for growing our share of the international education market. This year's submission to the committee indicates that none of that funding was spent in the 2004–05 year and approval will be sought to carry that full amount forward. Why wasn't that program commenced this year and in terms of our performance, how is Victoria's share for 2005 year compare to 2004 year?

Ms KOSKY—OK. The reason that we did have the carry over, we actually established as part of the strategy for our international market, I put out a ministerial statement last year on global pathways and in that there were a range of different proposals for how we would move forward. But one of them was particularly around branding of international education. In the past none of our higher

education, our universities or our TAFE institutes, but particularly the universities have been prepared to have one over-arching brand for Victoria and they've actually agreed to do that. They were prepared to work through a working party to look at what that brand might look like which I thought was a really significant shift for our universities.

They will clearly still use their own university brand but we'll be able to have an over-arching brand and therefore do a lot more marketing which covers all of the institutions and which is recognisable. I established a working party which was headed by Paul Ramler – who Bill will recall – who is the deputy chancellor at Monash University. He chaired that group and got all of the universities and the TAFEs on board to both agree to a branding strategy and also to develop a whole range of other activities that should be addressed, including how we look at our visas and we are actually going to be piloting a new response to the visas so that we can have a much quicker response to students. That is in conjunction with commonwealth government so we'll pilot that, a one-stop shop really rather than it going through a range of different groups.

We are also looking at support loyalty programs: how we can, both before students come here, whilst they are here, and afterwards. That means establishing alumni after international students have left but before looking at the sort of support that students need, often not about their course but about where they are going to live, who they are going to bank with, very simple issues but they need that support.

We are also looking at, through our Victorian government business offices, particular ones, having an educational either position or buying educational support, in particular government business offices overseas so they can really work on the ground.

So part of the branding was a very important part of that so that's why the delay but I actually think it was worth getting the delay to get the buy in at the institutes. Just in terms of the market, you ask how we are going 2005 and I'm just looking at whether I've got the – I haven't got the 2005 figures but in 2004 nearly 90 000 students from overseas came to study in our educational institutions and around 25 000 were enrolled offshore. We have got, across all sectors, our international education has increased by 6 per cent and we have maintained our market share of around 20 per cent, 27 per cent of the Australian market so it's well over our population share.

We have also got the VCE now being recognised in countries such as China, Indonesia and the Middle East. I have to say, I mean this whole strategy is critical because Australia-wide we have seen a slight reduction in the increase in international education so it's been increasing but we are seeing a reduction, a deceleration really, of that. Part of that is because some of the countries that we have previously supplied to are now becoming our competitors: China, Malaysia, obviously Singapore. Also the Aussie dollar has had a bit of an impact and obviously the SARS, some of those issues have had an impact that you can't directly address but we do want to make sure that our capacity to have both brand recognition and to promote what we are doing in education isn't just about individual institutions; it's about all the institutions. We have got that by in now which is quite significant. Paul Ramler did a fantastic job.

The CHAIR—You've got a follow-up, Mr Forwood's got a supp and Mr Somyurek has got a supp.

Mr RICH-PHILLIPS—In terms of targets for this program, is that the current - - -

Ms KOSKY—Yes.

Mr RICH-PHILLIPS—What is the objective? Where do you want to see Victoria's share of this program?

Ms KOSKY—We both have to maintain – we haven't got a target for the actual growth but we obviously want to maintain our share but also grow in particular markets. So the schools market is a strong possibility for - - -

The CHAIR—The?

Ms KOSKY—The schools market is a strong possibility and the vocational, particularly with the number of the developing countries that both want students to come here but also want our expertise to establish projects. My view is that we have actually got to have a more mature relationship in terms of our international education and that is that it can't just be about the numbers of students we have now. It has to be long term relationships that demonstrate both the quality of our education but also the fact that we want partnerships with different countries. We want our students to study overseas as well.

So quite a number of the universities are looking at the twinning arrangements. They have the capacity to not necessarily do a full course overseas, but part of a course. Monash uni has been very successful in that, but a number of other universities as well, say RMIT in Vietnam. There's the capacity to leverage from RMIT's presence there and other institutions are actually using that to provide courses, rather than having to establish themselves fully in terms of a campus or out of offices themselves. We are looking at those opportunities, but demonstrating that it's long-term relationships, not short term. I think that's the way, that not only will we maintain our market share, but if we are seen to be honest in having educational, or truly international education for our students and others, then we'll actually maintain that in the longer term.

Mr RICH-PHILLIPS—In terms of putting people in which ones in particular?

Ms KOSKY—Yes, we have, the Middle East, so in Dubai. We have targeted – the Premier recently announced India – China, Japan.

Mr RICH-PHILLIPS—In terms of China: Shanghai or Beijing?

Ms KOSKY—I think it's through the Shanghai office, but I'd have to get back to you on that. I'm happy to get back. We actually haven't announced all of them yet. I probably have now. But we have been looking at the markets where there's obviously strong growth and long-term opportunities, but also we are doing market research, so part of the funding will go into market research so we can actually – it's a volatile market and it's actually looking at what's happening at the moment and where new markets are coming on board. For instance, South America is a market; Chile and some other areas are markets that seem to be developing a stronger middle class and they are actually wanting opportunities to study abroad. I just think we need those opportunities to study here, but we need the relationships between our institutions, as well as government-to-government.

The CHAIR—Thank you, Mr Forwood and then Mr Somyurek.

Mr FORWOOD—Couldn't agree more; I think it's absolutely true. Of the 90 000 that are currently come here, does that include the short-course people or is that just degree and diploma?

Ms KOSKY—That's all, so that includes our schools, short course, longer course, TAFE and higher education.

Mr FORWOOD—Could you bust up for the committee – take on notice and bust up for the committee – universities, TAFEs, private schools, government schools?

Ms KOSKY—Yes I can.

Mr FORWOOD—And short term and – you don't need to give it to us now. Really happy to get it - - -

Ms KOSKY—OK, happy to table it: short term, longer term, I don't know if I can do. I will do it if I can because of them are the English courses that they come out to do and then build on to that.

The CHAIR—Mr Somyurek?

Mr SOMYUREK—Yes, just a follow-up Minister, just quickly what is page 61 of BP3, overseas students approved to study in Victoria, government school and the year: Our target for 2004-2005 was 800 - - -

Ms KOSKY—Sorry, which page?

Mr SOMYUREK—Sixty-one.

Ms KOSKY—Yes.

Mr SOMYUREK—But the expected outcome was 1025. What are the causal factors there? Big variance.

Ms KOSKY—OK. It's uncertain whether – we actually had an increase, but it's uncertain whether that's going to continue, so we have taken, sorry the target - - -

Mr SOMYUREK—It's 800, 2004–2005.

Ms KOSKY—There was an over performance in 2003-2004 and it was uncertain whether that would be repeated for a whole range of reasons. I mentioned the Australian exchange rate before, which was actually incredibly beneficial for us, during that period. It has now gone up and that does have an impact particularly compared with the US, probably not so much with the UK, but with the US. We are obviously hopeful, but we have set the target at what we absolutely believe we will achieve. There was an incredible increase - - -

Mr FORWOOD—So 03-04 was 1000?

Ms KOSKY—Yes and because of the Aussie dollar, that meant that we did increase incredibly during that period but as soon as that changes that does have a very dramatic effect. As well we have also got China and Malaysia now coming on very strongly to the international education market. They are our competitors in a regional sense because they draw on the region that we have traditionally drawn on.

Mr SOMYUREK—So external factors essentially?

Ms KOSKY—It is external factors. We have set the target. That doesn't mean to say, clearly we'll be aiming higher than the target, but we wanted to be realistic, given some of those other – it is a changing market and part of, we certainly hope that with some of the strategies that we are putting in place that that will make a difference, but the target is set at what we believe we will achieve, not necessarily what we are aiming for.

The CHAIR—Good, thank you. Mr Merlino.

Mr MERLINO—Thanks Chair. My question is also for Minister Kosky and I refer you to budget paper 4 at page 163 which refers to the Commonwealth funding for technical and further education. Can you inform the committee, Minister, what the government is doing to conclude negotiations with the commonwealth on funding for vocational education and training?

Ms KOSKY—Well it's an interesting question given that on Thursday, it would have been, the federal government actually tabled the legislation relating to vocational education and training prior to us receiving any of the details, so I don't know that the discussions are going to be concluded amicably.

At the moment, what is on the table, in terms of broad dollars, is essentially an offer that provides no growth funding. It includes CPI of a very small amount and includes the welfare initiatives that were in the budget which have been previously indicated that that funding would be transferred to training.

In terms of growth that we need very much for skill shortages, there's no growth funding and that's despite the fact that we have increased our funding incredibly and in fact, now the breakdown, between commonwealth and state funding – commonwealth used to provide around one-third, 33 per cent of the funding for vocational education – that was before the Howard government. We are now at 28 per cent, and we provide the 72 per cent. So it's quite extraordinary. At the same time, through the agreement, they basically want to be a 50 per cent-plus shareholder. They want to have more than 50 per cent say but they are certainly not providing that funding. There is no growth funding in the offer and there has been no growth funding in any of the offers over the last seven years. It is very significant and in that time our funding has increased.

There's also no capacity to change or vary the agreement over the life of it and the commonwealth, with the abolition of ANTA are really trying to move decision-making processes to Canberra, rather than ensure a national approach. We raised all those issues. It was a schools ministerial council meeting on Friday but we did take the opportunity given that Minister Hardgrave was there to actually raise some of these issues with him.

Gary Hardgrave on Friday made a really interesting comment. He referred to the state-owned TAFE system. Now that's the first time that language has ever been used. I found out that – it's quite extraordinary – I've just found out that in the legislation that was tabled on Thursday, there is a clause which refers to TAFEs raising more private money so that the government contribution can be reduced. Now it's quite extraordinary the way that the TAFEs are now going to be treated by the commonwealth.

I have some major concerns about the current arrangements in funding. They are a very minor shareholder now and yet they want to have, really a bilateral agreement, where they have 50 per cent say and over the coming weeks we will probably be putting up some different proposals on how the training system should be appropriately funded and run so that it takes into account the commonwealth's contribution. Definitely they make a major contribution around employer incentives but one of the problems with the current arrangements we have is a lack of flexibility to be responsive to new needs; and a direct interference in the management of a lot of the apprenticeship, traineeship system, as well as the vocational system. As well we are obviously seeing a huge shift away from our public TAFE institutions by the commonwealth. There are some critical issues there that probably will play out over the next few weeks, I imagine. I actually think we should be looking at a completely new arrangement which we will be doing more work over the next few weeks.

The CHAIR—Thank you Minister, to Mr Forwood now.

Mr FORWOOD—Thanks. Minister, if you look at the six key risks on page 2 of - - -

Ms KOSKY—Which Minister?

Mr FORWOOD—I want to talk about WorkCover and stress.

Ms ALLAN—All right - - -

Mr FORWOOD—Is that you? It's not listed amongst the key risks. It's not listed - - -

Ms ALLAN—What page? You didn't get to the page, Bill. What page?

Mr FORWOOD—Page 2 of the responsible – page 46 and 47 of the budget paper 3 which lists the mission statement, challenges, policy directions et cetera and it doesn't score a mention there either.

I wonder if you could firstly tell the committee what is the education department's WorkCover bill these days because it used to be largish; and whereabouts it appears in the budget papers because it doesn't – I think it's disaggregated. Second is, have you got some statistics on the stress that staff – I do know that last year there were several schools that were issued by WorkCover with PIN notices and I'm interested to know – I don't want names of schools or anything – I just want to know in what circumstances PIN

notices are issued and then how you respond because you've got one government department telling another government department their occupational health and safety is not up to scratch. Finally, I'm keen to know whether or not the working party that was established with the VWA is actually beginning to lead to some improvements at the school level.

Ms ALLAN—I'll start and then get some supplementary information as we go through. Bill, you mentioned you wanted to know the information about our WorkCover claims and I can report that the WorkCover premiums for last year have gone down and that's particularly as well, we put in place a number of policies in 2003.

Mr FORWOOD—From what to what Minister?

Ms ALLAN—Just looking, here it is here. Our premium has gone down from, it was \$50 million, just over \$50.2 million in 2003-04 and for the last financial it's at \$46.5 million, so we are seeing the results of some of those policy changes that we have made in late 2003 and in particular the devolution of some of the premium responsibility to schools. Whilst it was, I know some particular schools and we supported them through the process, we did provide support to those schools who were experiencing difficulty. I think we are seeing, when we have 1620 schools, it is the school that is the best place to manage these WorkCover issues, which was a lot of the policy that sat behind the devolution of the WorkCover premium to schools. We are seeing that that is making a difference already and, of course, that's only the first year.

Just by way of information, you know, we estimate that for around every \$1 that we reduce WorkCover costs to schools, the premium cost is reduced by \$3. We have seen, what was it, we have seen \$5 million reduction in our WorkCover bill and those are savings that we can pass directly back on to schools. We'd rather be putting money into our schools than giving money to the VWA. We are very pleased with those results.

On the issue of stress, we have also seen a reduction in the number of stress claims from 218 to 201. That is an incredibly small figure when you consider that we have a workforce of over 55 000 teachers and staff, to have around 200 stress claims, that's an incredibly small number. You might have missed those as you were getting the note - - -

Mr FORWOOD—So 200.

Ms ALLAN—Yes, it's fallen from 218 to 201, that's 03-04, compared with 02-03 and so that – I just wanted to make a point that that is an incredibly small figure, for a workforce of over 55 000 teachers and staff, a workforce that is dealing with a whole range of issues, as I said, across 1620 schools, all the pressures and the responsibilities that come with that, that is quite a small number. Again, we are seeing a number of things that have been introduced: policy changes, whether it's a devolution. We are also providing extra supports, extra training, supports to schools as well. We are seeing a reduction in our WorkCover premium.

Finally you mentioned the VWA working party. Now I understand the secretary would like to share some more information with committee on that working party, Grant?

Mr HEHIR—Earlier, there's a framework that's been put in place with WorkCover and government departments where there's a round table that's been established between WorkCover, the secretaries of the major employing departments and heads of the key unions to deal with WorkCover-related issues in general. Flowing out of that, I think it was early last year, it was agreed that we'd send a research party to Europe to actually investigate what was happening in terms of best practice with respect to dealing with stress in the workplace and that research party consisted of union officials and officials from our department and from the Department of Human Services. They went and came back and gave a report back to that board.

As a result of that it was agreed that we'd establish some pilots, in effect, to look at how we could pick up some of those learnings and put them in place in various schools, various workplaces, to see whether

we could get better practice in terms of how you deal with organisational health more than stress, I suppose. With respect to the Department of Education and Training, we have actually been running a pilot and it's either just completed or about to be completed in a particular region where we have selected a group of schools which basically those where we have tried to investigate new approaches to how you deal with organisational health and those where we have left as a test group, where very little change has happened and as a result of that, trying to look at what sort of actions you can take to improve organisational health.

The methodology that we are implementing to try and deal with stress in the workplace isn't about saying that stress is an issue. We are saying that stress is actually an indicator of something in the workplace which you need to deal with. We are utilising the information out of that pilot with our base data which comes from our organisational health surveys where in every school we undertake a survey of staff every year to get indicators of organisational health to determine in what circumstances you can – what strategies work to improve organisational health in those places. By doing that, we can not only reduce our WorkCover premium and costs because it's actually a minor component – stress is very small for us – but what we know is that low, poor rankings on organisational health surveys has an impact on the student learning. So while we are working with WorkCover and with unions to develop better mechanisms for dealing with stress, the fundamental underlying for us is, we know if we actually improve organisational health, we'll get better outcomes for students.

Ms ALLAN—Can I also just add to that? I mean, things such as, you know, the employment of an additional 5300 teachers and staff and reducing class sizes has also assisted enormously.

Mr FORWOOD—I understand about the outcomes, it's all political - - -

Ms ALLAN—No, no, this has had, when you consider, they've reduced the number of students in a class does assist a teacher's workload enormously and that has had also, a contributing factor to - - -

Mr FORWOOD—Did you get a chance to think about the PIN notice?

Mr HEHIR—I can answer that as well. We deal with PIN notices like any employer. The Department of Education and Training is effectively the largest employer in the state in a lot of respects, like we have 55 000 people. WorkCover deals with us like any other employer. When a WorkCover inspector comes onto one of our worksites and determines that there is some occupational health and safety issue, if they deem it necessary they will put a PIN notice on and then we go through the statutory requirements of how to get the PIN notice put off. That's the process we have undertaken with respect to the two or three notices we had with respect to stress last year. I can't recall whether it was two or three of them; I definitely know we had two. With the tens of others that we have – we are in 1600 nearly 1700 sites around the state –we deal with occupational safety like everyone else. My understanding with respect to those notices of dealing with stress is that we have put up strategies to WorkCover and they've accepted those strategies to deal with.

The CHAIR—Right, thank you. I'd like to take you to BP3, page 49: primary school welfare officers employed. I think the relevant minister is Minister Allan, right. Could you provide details of the implementation of that initiative because I note that for the figures outlined the footnote says, 'financial year measure and result' and obviously so much of your work is on academic years. So, could you provide us with an update on those figures, please?

Ms ALLAN—Yes, certainly, thanks chair. Yes, the primary welfare officer initiative which was announced as part of our 2002 election commitments and was introduced from July of 2003 and, again, it's a three-year program that we are rolling out and we are at the start of – no, towards the middle of the second year – that really also builds on the investment in secondary welfare officers that we introduced during our first ter. When you reflect back on when we first came to office in late 1999 there were no welfare officers in secondary or primary schools. Indeed, the former government unfortunately sacked the welfare officers as well, along with those teachers that were gone. We have put back in the secondary welfare officers and we are now introducing welfare officers into our primary schools.

We have a commitment over four years of \$49.5 million to employ the primary welfare officers and we know that welfare is very important and is very crucial to a young person's learning. If young people are well supported, they are confident, they are resilient to some of life's pressures and demands we know that they'll have better educational outcomes. That's why we are providing these supports through our primary welfare officers, in addition to all the other things that we provide in supporting students' wellbeing. We are seeing our primary welfare officers taking a whole school approach to the supports they provide to students, and also linking with families of students and indeed to other support services outside of the school.

Since 2003 in phase 1 and phase 2 of the initiatives, as I said, we are rolling out the primary welfare officers over three years. We have seen 330 schools appoint a primary welfare officer and from July of this year a further 120 will join this program for phase 3 of this initiative. We have targeted this initiative - - -

The CHAIR—That's 330 and 120?

Ms ALLAN—Yes, 330 and 120 get us to 450 and just on that 450, we have targeted very much the high-need schools. This is a resource that we wanted to make sure it goes to those students and those schools who need this support the most and that's why we have targeted to those 450 high-need schools. They are doing a range of things, as I said. They are linking in with the families and with external community support services and they are doing a whole range of strategies around engaging the students' learning and behaviour, managing issues such as the issues of bullying and attendance in our schools and also, as I've mentioned, the links between parents and community agencies as well.

The CHAIR—Thank you. Can we go to the figures? We are looking at phase 1, 320; phase 2, 330 and 120.

Ms ALLAN—No, sorry, phases 1 and 2 are 330 in total.

The CHAIR—In total, right.

Ms ALLAN—And from July this year, phase 3 is 120.

The CHAIR—OK, clear, thank you.

Ms ALLAN—And I just think this would be of interest to the committee: we are evaluating the phase 1 of this initiative and in January of this year we engaged the University of Melbourne to undertake this evaluation and that evaluation is nearing its completion.

The CHAIR—That will be of interest. Probably next year we will ask you about that. Good, thank you. We now go to Mr Clark.

Mr CLARK—Yes, my question relates to maintenance funding, so I assume it's for Minister Allan. Can I ask, is there a current estimate of the backlog of maintenance in schools and/or of the amount that needs to be expended on maintenance in schools each year in order to maintain them in proper condition. How much money has been provided to schools in the 05-06 budget for maintenance, either through global budgets or otherwise? And, what's the current position with the PRMS program, is it still being operated and if so what stage of the audit cycle are we at at the moment?

Ms ALLAN—Since the last audit which was undertaken in 2000, we have provided sufficient funds. We have provided \$323 million in maintenance funding and that's enabled schools to complete all of their urgent work that was identified through that audit. This is the time and we'll be commencing an audit from June of this year of the schools' maintenance needs. But when you look at the impact that that funding has had, last budget we announced \$50 million that was to be spent in 04-05 for maintenance and that was to be spent on some of those bigger items that schools have: roofing and asphaltting, electrical works and plumbing works. That was on top of \$10 million that was provided to

upgrade school toilets in the previous financial year and was in addition to the \$34 million that's provided each year. So, that \$34 million is in this year's budget, as it's been in every budget over the last five years.

Mr CLARK—This is into school global budgets, is it?

Ms ALLAN—It is allocated through schools. I think members are well aware of the formula where it's allocated to schools. There's \$27 million: half of it goes towards the PRMS allocation; half of it goes towards the other funding. The school could spend that other half on PRMS, of course, or they can spend it on other maintenance needs. And there's \$7 million that's held by the regional office for urgent maintenance items that come up through the school year.

We have also got to remember the impact that our capital works program has on our maintenance budget. We have spent \$1.4 billion on capital since we have come to office; that's had an enormous impact. If you look at the 2005–06 budget, where we are committing \$145.5 million just for modernisation funding. This will address many schools who have some outstanding PRMS requirements. For example, we have got 12 schools with high maintenance needs who have received capital works projects to the value of \$24.9 million as part of the budget. So, you can see through our capital works program that has an enormous impact on our maintenance program. Through the additional support we provide to schools we have funded all the schools: all schools have been able to have their most urgent items needed. It is now timely, from June of this year, to move towards another audit and to really update the data that's there.

Mr CLARK—Do I take it from that that you don't have current estimates of what the maintenance backlog is in schools, or how much is needed on an ongoing basis?

Ms ALLAN—Well, it's difficult. When you consider that the last audit was over five years ago, by the time we complete this audit coming up, the impact of \$323 million in maintenance funding, \$1.4 billion in capital works funding, it's time for a new audit and to really update the data that's there. But we do know that the funding that we have provided has enabled all schools to address their most urgent maintenance items, and when you consider the response – there was a bit of a scare campaign that you and your colleagues ran around – some of the information was received through. No, it wouldn't have been Robert. No, but this is an important point to make, Chair, because we have seen that there was a release of some maintenance data that was inaccurate and out of date and when local newspapers contacted schools to check this, it was roundly rejected in many parts of the state. And we have seen this, you know, Liberal claims - - -

The CHAIR—OK, thank you, thank you minister.

Ms ALLAN—So you can see that there is in schools - schools are getting the maintenance money - - -

Mr CLARK—I'll put this up to some of my schools.

Ms ALLAN—Well, schools are getting the maintenance support they've needed. They've received it over the last five years: \$323 million that comes on top of our other capital investments but it is time to move to another audit from later this year.

Mr CLARK—When will you expect the results of this audit to be completed?

Ms ALLAN—The audit will take around three months to complete. It's an enormous task as you could imagine – auditing 1620 schools. Schools will have that information towards the end of the year in time for the 2006 school year.

The CHAIR—Can I ask for a point of clarification? In terms of maintenance where a school requires so much maintenance on a block that it's cheaper to demolish it, and obviously a much better value for our dollar invested, do they fall under maintenance? Do those school buildings fall under

maintenance? If it's considered better value for money that they are actually demolished and a new classroom or block built, where does that fall?

Ms ALLAN—They come under the modernisation projects. There were, I think was it, 50 in this year's budget? So, you'll see many schools - - -

The CHAIR—But is it listed under maintenance or - - -

Ms ALLAN—No, they are capital projects - - -

The CHAIR—No, right. So that's OK, that's all right, that's clear. Thank you.

Ms ALLAN— - - particularly large maintenance needs will come under that, and that's where schools can work with the regional office too - - -

The CHAIR—Which is a very, very good initiative.

Ms ALLAN— - - to plan for those needs.

Ms KOSKY—Once maintenance needs get to a certain dollar amount then it becomes a - - -

The CHAIR—That's right.

Ms KOSKY—Modernisation project, rather than maintenance. That is why we have invested the amount that we have. It's better to fix up a school than to be constantly patching up guttering and other facilities when they are large amounts - - -

The CHAIR—OK, and the audit that's taken when we look at blocks that might require excessive maintenance, would they fall under a category 'maintenance' in the audit, but then further down the process in education is transferred into 'modernisation'. Have I got that correct?

Ms ALLAN—Yes. Where there's more than 15 per cent of the replacement costs - 75 per cent - sorry, this looks like a one to me - 75 per cent of the replacement costs are identified through the maintenance audit, that's where that school will go into getting some new facilities.

The CHAIR—That's good.

Ms ALLAN—Just one other point around the audit that we are introducing later this year. We'll also be strengthening some of the school-based accountability of the maintenance database within schools to ensure that the funding that we provide through our maintenance budget goes directly towards those maintenance items that are identified.

The CHAIR—Thanks, it's clear now. Ms Romanes?

Ms ROMANES—Thank you. Minister Kosky, on page 281 of budget paper 3 there's a line item which describes funding for design and skills for the innovation economy, and I'm aware of your own very special interest in this area. Can you provide more details of the government's commitment to design?

Ms KOSKY—Thanks and can someone let Bill Forwood know that I've answered this when he comes back because I know he's particularly interested in this area? The Premier has given me the responsibility across government to really lead, I suppose, design, because it isn't just about education, it's about obviously other areas. What we have done initially was conduct research to find out the value of design to the Victorian economy. Previously we had been relying on the UK research which was useful but obviously different in our context. What the research found was that annual direct spending on design services in Victoria exceeds \$4.8 billion and when you actually consider the indirect flow-on effects of that, it's considered to be around \$6.8 billion that it contributes per year to the Victorian

economy. It is a significant sector. We have got over 3000 design firms in Victoria and over 44 000 companies actually use some form of design service, either in-house or they contract it in. So, it is a critical component of our economy.

What we have done when I launched the design initiative in 2002 was really focus on those three areas that we believe government could actually make a difference because it wasn't about us doing the design work. It was whether we can value-add to what our designers already do very well. The three areas were essentially to look at production: so, industry and particular areas of industry, particularly the manufacturing sector and small to medium enterprises and how we could assist them to access design services and design support; Promotion, which was really about promoting both publicly, within Victoria, our design capability, but obviously to do that nationally and internationally. The third area was to look at how we support our design education sector.

Bill, I'm million glad you're back for this, we are onto design.

Mr FORWOOD—Thank you - - -

Ms KOSKY—And so, just with the education sector, we have fantastic design students and great design courses, but what we wanted to do was to really develop the concept of design which is really about creativity within our students. Now in the essential learning standards that we have put in place design is one of the standards that will be put in place across all year levels. It's one of those creative thinking areas that will be assessed against – not so that our students become designers, but so they actually understand the value of design and they think outside the box, basically. Because that's what design is about. It's about thinking up new ideas and putting them into practice or into production.

So, we have done that. We have also done a lot of PD with our teachers and we have also funded – and again through this budget – are funding Lab 3000, which is an initiative which is located at RMIT. It links with a range of other institutes which both brings designers in the digital design area which is a critical area for us: games, games development, different areas of ICT where design is absolutely critical. ICT is used across a lot of design sectors. How they can develop networks between a lot of the single operators, because often they work from home; how they actually develop those partnerships between the designers, the tertiary institutions and the industry. They've also developed a VCAL program for design around ICT design. It was absolutely sensational. Some students were keen to drop out of school. They've actually travelled from a range of different schools. They've now completed Certificate II – and I've forgotten that actual percentage; I am happy to provide it, but I think it's all students or almost all of them went on to complete Certificate III and IV, which is really diploma level, Certificate IV in ICT. So, it has just been a fantastic initiative. And, they've established a range of other design forums.

The promotion that we had – so I've talked about production and education. Promotion: we had the State of Design Festival last year which was incredibly successful. It ran in the last part of July/early August. The festival, just to give you a sense in terms of promoting our design capability, the festival attracted television, radio and newspaper coverage in Australia, which you'd expect, but also overseas including the South China Morning Post in Hong Kong, the Bangkok Post. We had international designers coming here. It really showcased what our capacity is here which also means that our designers get that opportunity to export their services overseas and particularly within the region which is critical for us to be seen as, really a creative and thinking place which is what design is about. So it's been incredibly successful. The Premier's Design Awards, which is the largest prize that's given Australia-wide, was really well received. We got a lot of publicity both across Australia but also internationally.

The CHAIR—Right, thank you. Mr Rich-Phillips?

Mr RICH-PHILLIPS—Thank you. Minister, I'd like to ask you about the measure of satisfaction with the teaching standards which has been deleted in relation to the measures of this year. That measure years five to nine student opinion of the quality of instruction they've received. Why has that measure been deleted? What we have measured in its place is student opinion at their level of

connectedness. First of all what does the government take that to mean? And secondly, why is it going to be lower this year than last year and are there regional difference?

Ms KOSKY—Just let me know which page for the first - - -

Mr RICH-PHILLIPS—The deletion is shown on page 365 of BP3, down the bottom.

Ms KOSKY—Sorry, which of the students?

Mr RICH-PHILLIPS—Years five to nine students - - -

Ms KOSKY—Opinion of their motivation to learn?

Mr RICH-PHILLIPS—No, opinion of the quality of the instruction they've received, why was it deleted?

Ms KOSKY—It was deleted because it was seen to be highly subjective and not a good measure as the opinions of connectedness with the school. It is essentially the tool that's used. That tool was not seen to be a very strong measure and so the opinion of connectedness with the school has been retained and expanded to provide further detail for the year 5 to 6 group and the year 7 to 9 group. With the measures, we have really looked at what is meaningful and we do, as you know and as I've talked about before, that performance data is seen to be really critical and we have got to have measurements that actually do measure what we are trying to test. So that's why it was deleted. I can provide more information from the statistical people basically, but that's why it was deleted.

Mr RICH-PHILLIPS—What is the measure that remains?

Ms KOSKY—OK and the measure that remains that is the students opinion of their connectedness with the school.

Mr RICH-PHILLIPS—What do you take it to mean?

Ms KOSKY—Well it's actually not, it's not an assessment that I make. This is advice that I get from the department that measure and I'll actually ask Grant. I mean I asked at the time, because I know that it's absolutely critical that we both have measurements that are meaningful within the budget papers, but also I understand the issue of changing them and we are trying to do that as little as possible, but where they are not relevant, it seems to make sense to change, but I'll ask Grant if he can comment.

Mr HEHIR—We undertake a survey activity of students in schools to get data on performance within schools. The survey assessment around connectedness to school, we think is a good measure, because the research, this is my understanding, is that the research that we have undertaken suggests that if students feel connected to school that they succeed better. So rather than saying that a single piece of data along the lines of, 'Do you like your teacher?', 'Do you think they are good?' as being an indicator of whether we are being successful or not, we think connectedness is, at a macro level, a better piece of information.

At a micro level, that is, in a classroom, teachers getting feedback on how their students perceive that they are going is a useful piece of information but we are saying that at a macro level, does that actually make any – can you actually – is it a good indicator of how things are moving? We can actually provide you with a bit more information if you like about the type of data we collect at a school level – if that's OK Minister?

Ms KOSKY—M'mm.

Mr HEHIR—Sorry, we can't? If you're looking at a measure, at a system-wide level about how students – a measure that can determine an indicator of likely success of your system and you want to do it from the feedback from students, our view is that the measure around connectedness will give

you a better indicator of how the system is performing in terms of getting successful outcomes for students than a measure which is about, or sort of about, the opinion of the teacher.

Part of this is a difference between macro information and micro information which is a balance you've always got to try and draw when you're looking at big system data, because we collect vast arrays of information at a very micro level about how an individual student is going in a classroom: how they feel about things at a school level, at a classroom level, a region level. But when you bale it up into a system which is what we are doing through BP3, what is the best measure for us to get an indicator of how the system's going? Our assessment was that how we'd changed some of our data collection, that connectedness will actually give you a better idea about how the system's going than what we had before which was, my understanding is a slightly different measure of connectedness, plus this other information. We think this is a better indicator. I can get you a bit more detail on that.

Mr RICH-PHILLIPS—If you could, that would be fantastic. Also, we have noted this measure, referring to the report of last year, not broken down into two age groups. I think the reports on years five to nine, this year – this year it will be 3.8 for the younger and three for the older, or the ages - -

Ms KOSKY—Well it's actually been changed so that we are looking at year five to six, student opinion of their connectedness with school and year seven to nine. Essentially, we have broken it down because it does drop with the year seven to nine group and we want to measure that. I would have to get back to you as to why exactly that has reduced from last year. It may be because when it's combined that you get an averaging out. I'm not sure.

Mr RICH-PHILLIPS—But the other element of the question was: are there regional differences and is there any correlation between low attendance schools and schools which report a low score?

Ms KOSKY—I reckon you could probably answer that yourself. There will be regional differences and when I talked earlier about the research we had done for the government's blue print, obviously connectedness or some of these issues about how student outcomes can be in part measured by some of these issues. So yes, there will be differences. Schools that are struggling according to where they think they should be doing, that is if you consider the cohort of the students, if they are still struggling, then yes, I would expect that issue of connectedness to be lower, absolutely, because that is a really strong measure, as is teacher stress and issue of how a school's performing overall.

But that's really talking about whether the school is really building on their education performance, the value adding, rather than them all being at the top level. You can have some schools that are in that middle group that get quite good results which would still be lower in the student connectedness because they are not really challenging and pushing their students.

Mr RICH-PHILLIPS—So that's basically a measure of how they would see themselves performing relative to where they - - -

Ms KOSKY—No, no. It will be a measure on a range of different – there will be a whole range of different questions about how connected, how comfortable, confident they feel within the school. Do they feel that they really belong in the school? Do they have lots of friends? Do they have a good relationship with a range of teachers? It's those sorts of measures which we know actually connect with positive student outcomes. We know, for instance, the reason you would ask a question such as the relationship with teachers is we know that the student-teaching relationship is a really critical and probably the most important indicator of student success in terms of pushing that student, the education success. So you'd actually want to ask how they viewed their relationships with the teachers and the teaching – the instruction that's provided to them. It is a really strong measure of whether it is a strong performing school or not. Happy to provide the break down, which obviously isn't here, but there'll be a full questionnaire that goes as part of that. Happy to provide that.

The CHAIR—Right, Mr Somyurek.

Mr SOMYUREK—Thank you Chair, my question is for Minister Allan. Now Minister I refer you to budget paper 3, page 59, which refers to the education maintenance allowance. I seem to recall last year that there was an increase in the allowance in last year's budget. Now, can you advise a committee of the expected expenditure on the EMA following the revised payments to families in this school year.

Ms ALLAN—Certainly, thanks and your recollection is correct. There was an enormous increase in the education maintenance allowance as part of last year's budget with \$78 million which was \$74 million to increase the payments to families and an additional \$4 million was to provide for the indexation because not only did we provide an enormous boost to the EMA, but we also, for the very first time, linked it to indexation to make sure that it maintained its real value and kept pace with the costs of living so that those families who received the EMA maintains the real value for them.

The EMA is very much one of those very practical ways that the Victorian government can provide support to low-income families and to provide them with the support they need to get their children, whether they are parents of guardians, to get their children to school. The EMA is used to pay for things such as text books or stationary, it can be used for school camps that the school might require the students to go and other excursions.

The increase which came into effect from the start of this school year, took the payment of the EMA for primary school students from \$127 to \$200 per primary school student per year and for secondary school students it went from \$200 to \$400 and that represents an increase of \$20 million each year on to the total payment. The expected expenditure, which you were interested in, following the revised payments for the 2005 school year is approximately \$49 million is what we'll be providing through the EMA. This is certainly making a real difference for those families who are in receipt and particularly, as you can imagine, those families with three or four, all families who have got students at school, particularly some of those families that have got a number of children. It provides them with some very real support.

Just one other item that we announced as part of the *Fairer Victoria*, which was our social policy statement that was released prior to the budget, was that through the community support fund, we are also providing \$300 000 to the state schools relief committee, who do great work in helping, again low-income families, get their children clothed so they can get to school and that's going to provide that support, as I said, through the community support fund. This is a very practical way again. It is something I said earlier: that whilst we have provided enormous additional supports through education, through the additional \$5.2 billion we have invested in education, we do also want to make sure that those families, those students who need extra support, get that sort of targeted assistance and through the education maintenance allowance we have certainly been able to do that.

The CHAIR—Thank you very much.

Ms KOSKY—Can I just add to that, non-government schools have also got an increase for the EMA of \$3.9 million so they also are recipients or some of their students are recipients of the EMA.

The CHAIR—That's on top of the figure that was given?

Ms KOSKY—That will be part of the \$74 million was to – because we pay the EMA to both government and non-government low-income families.

The CHAIR—Thank you, Mr Forwood.

Mr FORWOOD—Mr Clark.

The CHAIR—Mr Clark.

Mr CLARK—Yes, my question relates to bullying and violence in schools. I assume it's a question for Minister Kosky. As you know - - -

Ms ALLAN—Depends if it's students being bullied or teacher's being bullied.

Mr CLARK—As you know this has been a controversial issue in recent times. There are no indicators on these matters in the budget papers. Can you tell the committee what records the department maintains to track various aspects of bullying and violence in schools and can you provide to the committee either now or on notice, details of what these indicators are showing about levels of bullying and violence in schools over the last five years or so?

Ms ALLAN—I think the first point I would make is that bullying is not just an issue, and violence in schools is not just an issue for the education system, but it is an issue for the community as a whole. Often, what happens in the schoolyard or in the classroom is reflecting what's happening in the broader community, and we are seeing increased reporting rates of domestic violence. That will also have an impact upon that student's life and it can have an impact on what they do in the classroom or the schoolyard.

We established last year, the student critical incident advisory unit which is responsible for providing support and advice to schools and to our regional departments to – when they are responding to incidences of alleged sexual or serious physical assaults involving students. The unit is charged with the responsibility to make sure that they are supporting the student, supporting the school, because this is a really difficult time, particular when, and I use the word alleged, some of the instances involve the police, have to go through those appropriate processes and we have established the unit to really develop some protocols and guidelines for how departments and schools respond to these sorts of assaults.

Again, with 1620 schools, we have to make sure that there is some consistency in the response across the state. Having a unit that provides that immediate support and advice, and can also tap into specialist advice and guidance to school principals when they are responding to these sort of incidences. The unit also deals with other agencies: the Department of Human Services and Victoria Police.

In bullying in particular, we require every school through their code of conduct to have anti-bullying strategies and that is to make sure that the school environment is as safe as it possibly can be and well supported, because, again, it leads to better educational outcomes. We have commissioned a study to review and look at the department's anti-bullying policies and guidelines; to look at the best practices. Some schools do a terrific job in dealing with anti-bullying strategies and they don't necessarily label it as an anti-bullying strategy; they place it in a whole school context. Many members will be familiar with the *You Can Do It* program which I've seen a number of schools implement with great success. Again, they involve the parents in that program and every parent, every adult who enters that school, has to abide by the guidelines or the protocols that are developed around each schools *You Can Do It* program.

That takes that whole school approach and we are seeing those schools do really well but we know that there are also some schools who could do better which is why we have commissioned this study. This study is being undertaken by Deakin University and in partnership with The Alannah & Madeline Foundation, again a foundation that members would know well, to review and redevelop our anti-bullying policies and also to help schools by developing some strategies to help schools deal with bullying behaviour.

Again, a heavy focus here on prevention because that is where we can make the most difference. This, with the additional range of supports, primary welfare officers, secondary welfare officers, that the support services staff that we provide, school nurses that are provided across a number of schools that are funded by the Department of Human Services all contribute to providing that very safe, very supportive environment for students.

Mr CLARK—That's been helpful in explaining government policy and action. Could I come back to the question of data, in terms of what records you maintain of these levels of bullying and violence and what you might be able to provide to the committee about how those indicators are tracking?

Ms ALLAN—Yes, we don't collect the data around individual bullying incidences that happen in schools. Obviously the student critical incidence advisory unit has information on those more severe physical assaults and sexual assaults, that unfortunately do, from time to time, happen at schools but that's very local level data. I guess here we were just talking about some performance measures around connectedness to schools and schools performing well, all of this contributes. If students are happy and feel safe and supported; if they are achieving well, that is a reflection that we are providing a safe environment for them to learn in.

The CHAIR—Thank you.

Ms KOSKY—My guess is, and I am not a 100 per cent sure, but my guess is that one of the questions in that connectedness with school measure, will be around whether students feel safe at school, so it does provide that information, which, if it starts to set some alarm bells going off, then the school knows that they actually need to take some additional steps on top of what they are already doing.

The CHAIR—Thank you, Mr Merlino – no we'll keep moving. Mr Merlino.

Mr MERLINO—Thanks Chair. My question is for Minister Kosky and I refer the minister to page 48 of budget paper 3 and the earlier years outputs regarding class sizes and also to your earlier presentation. Can you outline to the committee what the government is doing to keep class sizes small going forward?

Ms KOSKY—Thanks for the question. We do review each year, so at the end of the school year, school's have some sense of their classes and the regional offices stay in touch with the schools and get a sense of what the numbers are going to be like and I suppose keep some encouragement in place, so that schools actually achieve as close as they can to that 21 for the prep to year 2 class sizes. We are, again, at the average, we are just below the average of 21 for this year and it has reduced from 24.3 in 1999.

We do keep that pressure on through the regional offices and also talking with schools about how they actually can organise their classes, their schools to make sure that students in the prep to year 2 classes actually get the attention. It is essentially about the attention that we want them to get. It is not so much the class size, but the one-on-one care, the teacher-student relationship. So we keep that pressure on. Where schools choose not to, for a whole variety of reasons: one they actually can't, just because they might have five more students – they might have a group of 26 students that come in for that year – and they are unable to provide the average class size of 21. The region then works with them to make sure that they are getting that additional assistance through the additional teaching or staff position that we have provided so that they are getting that particular attention.

We are very honest in the data that we collect. Some schools are in a team teaching situation, they combine both classes and have two teachers, but because that's the way they operate, that's actually not viewed as a class size of 21. Even though it might be 42 students with two teachers, it's actually not judged as the class size of 21. But also what we do, if the classes are slightly larger for a variety of reasons, the emphasis is very much on the early morning period where they focus on literacy and making sure that there are smaller groups. You are really getting that very close attention. But we have provided the funding of course for the additional teachers to make sure we achieve the average of 21 and it has been reduced incredibly. I think also, I've actually got some handouts here if you want a handout, so Grant is keen to hand them out. Keeping the secretary happy is important.

I think if you look at why it's important to have the prep to year 2 class sizes lower: it is about student outcomes; it's about improving particularly literacy and numeracy. It is worth just giving an indication of how there have been improvements around reading. This is an example in terms of literacy and numeracy: the reading since 1998, so to 2004, for prep there has been an improvement of 16.6 percentage points, that is an improvement of those students that are achieving at or above the national benchmark of 16.6 percentage points. In year 1 it's been an improvement of 16 percentage points, and year 2 an improvement of 19.3 percentage points.

The reason we are having the lower prep to year 2 class size – and we have been really vigilant – is about those improvements in literacy and numeracy which is what we are seeing, quite dramatically I have to say. Just a couple of examples in terms of individual primary schools because this is here it really translates. As a result of the prep to year 2 class size initiative, the average prep to year 2 class size for Brunswick North West Primary School has decreased from 28 in 1999 to 22.8 in 2005. Between 2003 and 2004 the percentage of year 2 students reading with a high level of accuracy has increased by 17 per cent. So that's increased from 68.7 per cent to 85.7 per cent. That's between 2003-2004. It is quite extraordinary. The Frankston Heights Primary School, their numbers for prep to year 2 class sizes have reduced from 26 in 1999 to 19.4 in 2005 and between 2003-2004, the percentage of year 2 students reading with a high level of accuracy has increased by 18.2 per cent, from 75 to 93.2 per cent.

It is not only data that we collect obviously across the state but schools use this data in really important ways and we are just getting terrific results which will then carry through as those students move through the school. I mean they are quite dramatic results for the investment we have made.

The CHAIR—Thank you minister. Now Mr Clark.

Mr CLARK—Yes. My question relates to funding for students with disabilities and again you will know that this has been quite a vexed area in recent times and we touched on it earlier. But could I ask specifically in relation to the educational needs questionnaire, I understand that uses ten indicators to assess students for allocation of funding for disabilities, are you able to provide the committee with the funding formula that's used to weight each indicator and determine funding arising from the extent of funding based on the results for each indicator, and are you able to tell the committee whether there have been changes to the formula since the current government came to office, and if so what have those changes been?

Ms ALLAN—Well the ENQ, I think we talked about this last year also, is a document that is available in schools and I think it's on our department website as well, that provides the information to schools around how to assess the students. I think you were asking, are you asking about data on each individual indicator for every student on the program?

Mr CLARK—No, no, I am asking for you to explain to the committee, either now or on notice, how the results of the measures on these particular indicators translate into the funding that is provided to students.

Ms ALLAN—That is one that we would obviously have to take on notice but these are things that are assessed initially at the local level and then come into be assessed at the region and are forwarded to the central office for funding support. But it is something that we use experts across a range of different professions to provide the support on the assessment of those students. And there's been no change to the criteria through the ENQ over the last five years.

Mr CLARK—And the determination of funding arising out of the results of the questionnaire?

Ms ALLAN—What do you mean?

Mr CLARK—In other words, how you take the questionnaire results and translate them into the funding which is provided to each student?

Ms ALLAN—Well the funding for each student is predetermined on the level 1 to 6 rates and then they are funded depending on where they fall on the assessment with the ENQ.

Mr CLARK—And you're saying there has been no change to that methodology?

Ms ALLAN—No, not in the last five years but we can check that? No? Not in the last five years.

The CHAIR—Right thank you. My question goes I think also to Minister Allan. It is in relation to encouragement of broader community access to school facilities. Now in BP3, page 17, if you go to that, it refers to a quality school learning environment and also it goes to encouraging broader community access to school facilities. Now I would like to know how you measure that particular factor.

Ms ALLAN—The factor of?

The CHAIR—Of school involvement and use of school facilities. I know for example when there was funding announced to one of my local schools with a gym, this is back prior to Minister Allan taking responsibility for that, it was on the condition that the local community became involved.

Ms ALLAN—Yes, well, we have the community facilities fund, the \$30 million fund that these arrangements come under and they are all governed by a joint use agreement which sets out the arrangements between the school and the community and pretty much as a general rule of thumb, the school has use between 9.00 and 3.30. There is agreement around particularly if it's a sporting stadium where the school might say we will have dibs on that for two nights a week and the rest of the time the local sporting association, whether it's a basketball club or a netball club or something, will come in and manage the facility for their out of hours use. But this has been a terrific program. The community facilities fund particularly has been a terrific program and James can certainly attest to that with the Monbulk Primary School getting a great basketball – no Monbulk College has got the basketball, Monbulk Primary is getting the Living and Learning Centre.

Mr MERLINO—That's right.

The CHAIR—Can we go to how you, within the department, assess and monitor that the schools are actually sharing their facilities as was per the funding agreement.

Ms ALLAN—Well they are governed by that joint use arrangement which spells out quite explicitly the hours of use. It goes down into quite detail because these are often long-term contracts, could be 20, 30 years. Over the life of that agreement there needs to be, at the beginning, a shared understanding of who has the use of the facility and at what time to mitigate against future issues coming up. Often as I said, say particular sporting stadiums, the out-of-hours use is managed by another organisation – it could be the local sporting association.

The CHAIR—Is that available to the local community to know?

Ms ALLAN—Yes, well this is all part of the application process and the funding process. The school has to work with the local government. It has to have the tick off of the local government, the local council, and then obviously the third parties that might join them, whether it's a drama club or a sports club will come in and agree to that.

Ms KOSKY—The community facilities fund though has a contribution made by another organisation as well as government and it may be if it was prior to the community facilities fund, if there's not a joint use agreement, then that might be a bit harder to manage.

The CHAIR—That's my impression but it is good that it has changed. Now Mr Forwood.

Mr FORWOOD—Thank you,, aren't I lucky, I just - - -

The CHAIR—No we started after two.

Mr FORWOOD—Thank you. Minister you would be aware, I know that there's been some discussion out in my electorate in relation to catchment areas to secondary college primarily around St Helena's and the issues there, and you will have seen the correspondence as I have about the criteria. They, I understand, are now reviewing whether or not to shrink the catchment for the St Helena. Is it not possible though that another criteria ought be if there's a primary school right next door, and the kid's

been at the primary school for six years, that that ranks somewhat higher than it does so we don't get this migration that we got this year, where those kids – one kid had been there six years; the others had been there three or four years. This is literally a yard and a half. We are told that they couldn't go to that school. Perhaps we ought to review the criteria so that kids in that circumstance rank higher than someone who is coming from somewhere else and chosen to go to a different primary school and then wants to come in. I mean I understand the rules behind it but I think we ought to look at it. I thought it was particularly harsh. This kid was – I don't know if you've met the kid.

Ms KOSKY—No, but I've received the letter.

Mr FORWOOD—It's not an easy one I know.

Ms KOSKY—None of these are easy issues. I mean in a sense it's fantastic because you've actually got schools that people really want to go to and that's fantastic for the government school system. One of the difficulties I suppose with what you're proposing, and I don't want to go into particular circumstances of the child, but I do understand that what happens is some parents will organise things so their child can go to the primary school, even though they will live further away from another student that may go to another primary school, they will live further away from the secondary school. So you're making assessments about whether a child who has gone to the local primary school has a higher priority than a child who lives closer to the secondary school to go to the secondary school.

Mr FORWOOD—But doesn't choose to go to the primary school.

Ms KOSKY—Yes but we don't have a direct link between if you've been to a particular primary school, you have a right to go to that secondary school. Certainly in the instance of other schools that I know of very close to home, there will be issues where students have gone to the local primary school but will actually not get a place again at a zoned secondary school. So just because they are just outside the zone. I think one of the challenges for us, and obviously when we are looking at when schools are very popular there has been a policy in the past that when a school is particularly popular but other surrounding schools are reducing in their population, that we haven't given additional capital, the school that's very popular, saying to parents well you can send your children to the other schools.

We are trying to shift that position now. If we have got really strongly performing government schools and parents are wanting to send their kids there, then we need as much as possible, to cater for that. But as you know the St Helena's site is – we can't continue to expand on the site. So one of the options also is to look at how schools, one secondary might work with another secondary, so that you actually broaden out some of those opportunities. And we are obviously looking at that because part of the challenge for us is how we do make sure that we promote our government schools and the ones that are doing very well are encouraged to continue to do that but also to share their knowledge with other schools.

Mr FORWOOD—It does seem likely that St Helena's is going to have to reduce it's zone because the zone next year - - -

Ms KOSKY—It probably will have to. And also what happens Bill, and we have had it with a number of other schools, is parents will deliberately move into the zone so that they can actually get in. I am not saying that necessarily with St Helena's but we do have it with other schools. They will move into the zone so that their children can go to that school and they will check where the boundary actually goes. And the more people do that, the tighter the zone becomes. But can I just say, it does come to the issue, and you would be very sensitive to this one, with the select entry accelerated learning programs, because the SEAL program, even when it's only 25 students from outside that zone, it's actually 25 within, who maybe denied an opportunity to go to their neighbourhood school. They are tough issues; they are tough questions to try and juggle and St Helena's, you know I deal with both issues with St Helena's.

The CHAIR—Thank you very much to both the ministers and to the departmental officers involved. That concludes the consideration of education and training and education services. Can we place on record our appreciation to all of those who have been involved in preparing the briefing files, many of whom are not here and I compliment DET on the number of people they have not brought as opposed to some portfolios on the numbers they do bring. We will be providing copies of Hansard to you as soon as they become available. Good afternoon, thank you.

Committee adjourned.