

CHAPTER 14: QUALITY HEALTH AND EDUCATION

Key findings of the Committee:

- 14.1 The Victorian Schools Plan represents a substantial asset investment in Victoria's schools system and is focused on delivering improved educational outcomes for students. Expenditure allocated to date of \$1.2 billion out of a total of \$1.9 billion, is well ahead of schedule.
- 14.2 The government accepted Recommendation 40 from the Committee's Report on the 2007-08 Budget Estimates that it increase the level of reporting on the implementation and effectiveness of the Victorian Schools Plan to the Parliament. The Committee anticipates this occurring in the departmental annual report.
- 14.3 In 2007, Victorian students performed above the national average in reading, writing and numeracy, thereby clearly meeting the GVT goal of achieving an average or better performance by Victorian primary students against national benchmarks.
- 14.4 In 2006, Victoria's year 3 and 5 students performed better than their 2007 counterparts in writing and numeracy. Students improved their performance in reading from 2006 to 2007. These changes were within normal statistical variations.
- 14.5 The success of the Literacy Improvement Teams Initiative is evident in the increased achievements in reading by years 3 and 5 students.
- 14.6 A comparison of student results over the last three years reveals significant variations to recording of reading, writing and numeracy performance for indigenous students. The Committee recommends that the reasons for such variations be researched.
- 14.7 A 2008 Auditor-General's report was critical of the government's implementation of *HealthSMART*. However, the extended deadline to 2009 is set to be achieved due to the rebaselining of clinical systems from the core implementation. DHS needs to provide clarification on the timeline and budget for the rebaselined clinical systems.

14.1 Introduction

In considering the budget estimates the Committee asked a total of 88 questions pertaining to the Quality Health and Education vision of the *Growing Victoria Together* (GVT) initiative. This represented 17.4 per cent of all questions asked in the budget estimates hearings.

The answers provided at the estimates hearings were recorded in Hansard and the transcripts of evidence were contained in Appendix 1 of the *Report on the 2008-09 Budget Estimates – Part One* and in Appendix 1 of the *Report on the 2008-09 Budget Estimates – Part Two*.

This chapter sets out an analysis of several key issues canvassed by the Committee at the budget estimates hearings relating to the Quality Health and Education vision of *Growing Victoria Together*.

14.2 The Victorian Schools Plan

The *Victorian Schools Plan* was announced by the government in November 2006 prior to the 2006 State election. The *Victorian Schools Plan* falls within the Building Futures program which oversees all government investment in education.

The plan commits the government to rebuilding or modernising every Victorian Government school by 2016 and includes:²⁵⁰

- the replacement of relocatable buildings in rural schools with permanent buildings;
- the purchase of new land for schools; and
- the building of 20 new schools in Melbourne's growth corridors.

In addition to these new schools a small number of specialist new schools including two selective entry academic schools, a science school, a sports school and three specialist science and maths centres will be built.²⁵¹

The focus of the plan is to achieve improved education outcomes through improvements to school buildings and facilities. The process of selecting schools for modernisation therefore includes an education feasibility study linking material improvements to demonstrable education outcomes.²⁵²

The 2007-08 Budget confirmed the government's \$1.9 billion commitment to the *Victorian Schools Plan* over ten years, with the provision of \$555 million for new and renewed schools over the four years from 2007-08 to 2010-11. The 2008-09 Budget allocation for the *Victorian Schools Plan* is a total estimated investment (TEI) of \$592 million over the next three years.²⁵³ The Victorian Government has allocated a total of \$1.15 billion for the *Victorian Schools Plan* up to 2011.

The Committee noted that on a pro rata basis, expenditure to date is commendably well ahead of schedule.

²⁵⁰ Department of Treasury and Finance, Budget Paper No.3, 2008-09 Service Delivery, pp.284, 306, 308
²⁵¹ ibid., pp.284, 306, 308; and

The Victorian Schools Plan, 2006 Election Policy Announcement, p.1

²⁵² Public Accounts and Estimates Committee, Report on the 2008-09 Budget Estimates, Part One, Appendix 3.2

²⁵³ Budget Paper No.3, 2008-09 Service Delivery, p.25

14.2.1 Government action

The Government has placed a large emphasis on the *Victorian Schools Plan* contributing to improved educational outcomes for students as a corollary to improvements to school building infrastructure.

The Department of Education and Early Childhood Development reiterated in its response to the Committee's 2008-09 Budget Estimates questionnaire that *Victorian Schools Plan* funding is dependent on material improvements having a link to improved education outcomes for students.²⁵⁴

During the budget estimates hearings the Minister for Education stated that in determining which schools receive funding there is a:²⁵⁵

“very comprehensive evaluation of schools to identify their eligibility for the Building Futures program. We have a published framework that schools know about, which they need to work within as part of the Building Futures process.

We offer a lot of support for schools as they go through this Building Futures program. We brief principals, we give them written feedback”.

It is evident to the Committee that within the implementation process of the *Victorian Schools Plan*, there are guidelines and measures for evaluating the link between material improvements and educational outcomes for students.

In its report on the 2007-08 Budget Estimates, Part 3 the Committee recommended that a reporting regime for informing the Parliament could be readily generated from within the existing process. The Government response accepted the Committee's recommendation in principle and the Committee considers that the plan to review the level of reporting is a constructive initial response.

The department advised the Committee, regarding external reporting on the implementation of the plan, that it has identified two pre-existing reporting mechanisms. These are:²⁵⁶

- Chapter 4 – Election Commitments Implementation Report Card which provides a breakdown of the funding allocation within the Victorian Schools Plan; and
- the Public Sector Asset Investment Program – Budget Information Paper No.1.

However, the Committee considers that this pre-existing information regarding approved funding and expenditure does not address the Committee's focus on the effectiveness of the *Victorian Schools Plan* to deliver intended educational outcomes.

The Committee believes that there is scope for the department to improve reporting on the correlation between funding provided through the plan and the resultant educational outcomes in its annual report to Parliament.

Recommendation 25:

The Department of Education and Early Childhood Development include in its annual report a comparative assessment of educational outcomes prior to and following the implementation of initiatives within the Victorian Schools Plan.

²⁵⁴ Report on the 2008-09 Budget Estimates Part One, Appendix 3.2, p.17

²⁵⁵ Ms B Pike MP, Minister for Education, 2008-09 Budget Estimates hearing, transcript of evidence, 14 May 2008, p.19

²⁵⁶ Budget Paper No.3, *2008-09 Service Delivery*, p.284

14.2.2 Continuing implementation of the Victorian School Plan

The 2008-09 Budget allocation for the *Victorian Schools Plan* is a total estimated investment (TEI) of \$592 million over the next three years. Of this allocation, \$236 million will be spent on asset initiatives in 2008-09. These asset initiatives include:²⁵⁷

- \$64.1 million for school modernisation;
- a further \$35 million funding through the *Better Schools Today Program* for the modernisation of up to 70 schools;
- \$33.6 million for new schools through the *Partnerships Victoria* program;
- \$10 million to begin the building of two select entry co-educational schools in the South-East and Northern growth areas;
- \$30 million to purchase land for new schools; and
- \$11.5 million for new schools in growth areas.

The current *Victorian Schools Plan* is now in its second year. With each successive year of the plan, the available data on outcomes in educational standards will increase. The Committee considers that an evaluation of this information will provide insightful direction for the future implementation of the program.

The Committee recommends that:

Recommendation 26: **The Department of Education and Early Childhood Development inform the Parliament of its evaluation of education outcomes resulting from the Victorian Schools Plan implementation.**

14.3 Improving the reading, writing and numeracy skills of Victorian students

The government has recognised the importance of education, both to an individual's development and the broader economic and social progress of Victoria.²⁵⁸ Fundamental to educational outcomes are reading, writing and numeracy skills. The government has identified that the *early years* of schooling is the stage where these essential skills are developed and the foundation is laid for ongoing progress in education.²⁵⁹

14.3.1 Aiming for above average outcomes for Victorian students

The *Growing Victoria Together* vision has made the achievement of an average or better performance by Victorian primary students against the national benchmark in reading, writing and numeracy a key measure of the government's education policy.²⁶⁰ Specific measures in years three and five are in addition to the broad outcomes relating to education programs and curriculum.

In 2007, Victorian students performed above the national average at all levels and in all three categories: reading, writing and numeracy. The 2008-09 Budget has outlined the targets for reading and numeracy to measure the success of the government's vision for quality education.

²⁵⁷ Budget Paper No.3, *2008-09 Service Delivery*, p.306

²⁵⁸ Victorian Budget Overview: Taking Action for our suburbs and our regions (2008-09), p.18

²⁵⁹ Budget Paper No.3, *2008-09 Service Delivery*, p.68

²⁶⁰ *ibid.*, p.65

The targets outlined by the government in the 2008-09 Budget were released prior to the 2007 reading, writing and numeracy results being published.

The government has formulated Literacy Improvement Teams to provide *expert advice and assistance on classroom programs*, individual mentoring for teachers and to develop intervention support materials. The Literacy Improvement Teams target schools where standards in reading and writing are falling below the government's benchmark objectives.²⁶¹

The total allocated funding for *early years* schooling in 2008-09 is \$2.35 billion. The government has made a specific allocation of \$22.1 million funding over three years to continue the Literacy Improvement Teams Initiative.

The department identified the budget break down over the next three years as \$3.7 million for the first six months in 2009, followed by \$7.4 million for each of the subsequent fiscal years and another \$3.7 million in the last six months of 2011.²⁶²

The department is also funding a two year evaluation of the Literacy Improvement Teams Initiative that concludes at the end of 2008. The evaluation is being undertaken by the Australian Council for Education Research (ACER).

Table 14.1 Selected key performance measures pertaining to the average Victorian performance in reading and numeracy.

Performance measures	2008-09 Target ^(a) (%)	National Average 2007 (%)	Victoria average		
			2007 (%)	2006 (%)	2005 (%)
Percentage of Year 3 students reaching national benchmarks in reading	92	93.4	93.6	91.5	91.7
Percentage of Year 3 students reaching national benchmarks in numeracy	95	93.2	95.0	95.9	95.5
Percentage of Year 3 students reaching national benchmarks in writing	na	93.0	94.1	96.6	97.5
Percentage of Year 5 students reaching national benchmarks in reading	92	89.2	91.4	89.9	88.7
Percentage of Year 5 students reaching national benchmarks in numeracy	95	89.0	91.5	94.9	95.4
Percentage of Year 5 students reaching national benchmarks in writing	na	94.1	96.0	97.6	97.4

Note: (a) actual time frame is the 2008 calendar year

Source: Budget Paper No.3, 2008-09 Service Delivery, p.68-70;

National Report on Schooling in Australia 2007: Preliminary Paper, p.5-7, 17-19

National Report on Schooling in Australia 2006: Preliminary Paper, p.5-7, 16-18

National Report on Schooling in Australia 2005: Preliminary Paper, p.5-7, 14-16

²⁶¹ Department of Education and Early Childhood Development, Fact Sheet, viewed 22 September 2008, <http://www.education.vic.gov.au/about/publications/budget/06literacy.htm>

²⁶² Budget Paper No.3, 2008-09 Service Delivery, p.302

While Victoria's year 3 and 5 students exceeded the national benchmark in 2007 in all categories, in some categories results were lower than the preceding year. In 2006, Victoria's year 3 and year 5 students performed better than their 2007 counterparts in four out of six categories. Only in reading did students improve their performance from 2006 to 2007. These variations are, however, not statistically significant for the general population.

Consideration of the recently released 2007 data, points to a need for the government to revise some of its targets for the 2009 school year.

The three year perspective taken in Table 14.1 indicates variable performance in reading, writing and numeracy skills. There has only been three years of consecutive improvement against the national benchmark in one area, the reading level of year 5 students. While the changes in performance in the general population are within normal statistical variations, the Committee suggests that the Department keep these performance results under close review to determine long-term trends

Improvements in the percentage of years 3 and year 5 students points to the success of the Literacy Improvement Teams Initiative. The completion of the ACER study of the initiative will provide an evaluation of the Literacy Improvement Teams. Analysis of this report will provide direction for improving the teams and potential further increases in the numbers of students reading at the national benchmark.

14.3.2 Indigenous students

The reading, writing and numeracy targets for indigenous students are lower than the targets for all Victorian students. While this disparity reflects the average lower educational outcomes being achieved by Indigenous students, it also highlights the need for further educational support for Victorian indigenous students. Table 14.2 identifies the targets for 2008-09 and related performance for the past three years.

Table 14.2 Selected key performance measures pertaining to the average performance of Indigenous Victorians in reading, and writing numeracy.

Performance measures	2008-09 Target ^(a)	National Average 2007	Victoria average		
			2007	2006	2005
	(%)	(%)	(%)	(%)	(%)
Percentage of Year 3 Indigenous students reaching national benchmarks in reading	74	80.7	86.1	81.5	83.6
Percentage of Year 3 Indigenous students reaching national benchmarks in numeracy	82	78.8	88.5	90.7	91.8
Percentage of Year 3 Indigenous students reaching national benchmarks in writing	na	76.6	86.1	91.8	98.6
Percentage of Year 5 Indigenous students reaching national benchmarks in reading	75	67.6	79.9	69.7	73.7
Percentage of Year 5 Indigenous students reaching national benchmarks in numeracy	85	65.5	75.4	84.4	89.5
Percentage of Year 5 Indigenous students reaching national benchmarks in writing	na	79.5	89.6	93.5	95.8

Note: (a) actual time frame is the 2008 calendar year

Source: Budget Paper No.3, 2008-09 Service Delivery, p.68-70;

National Report on Schooling in Australia 2007: Preliminary Paper, p.5-7, 17-19

National Report on Schooling in Australia 2006: Preliminary Paper, p.5-7, 16-18

National Report on Schooling in Australia 2005: Preliminary Paper, p.5-7, 14-16

There has been minor decline in the three years from 2005 to 2007 in four out of the six performance measures that relate to indigenous students. However, performance is higher than the national average in every indicator.

Table 14.2 also reveals wide variations in the performance of Indigenous students from year to year and between indicators. For example:

- the percentage of students reaching year 5 benchmarks in reading fell from 73.7 per cent in 2005 to 69.7 per cent in 2006, before jumping up to 79.9 per cent in 2007; and
- in 2007, only 75.4 per cent of students achieved the year five benchmark in numeracy, while 89.6 per cent achieved the year five benchmark in writing.

The Committee would like the Government to undertake further research to determine the causes of such variations, which can be used to further tailor programs to help Indigenous students achieve their maximum capabilities.

Recommendation 27: **The Department of Education and Early Childhood Development examine the reasons behind the significant variations in the performance of Indigenous students across the three benchmarks: reading, writing and numeracy.**

The disparity between indigenous students and the Victorian average is evident from tables 14.1 and 14.2. However, it should be noted that Victoria is outperforming the national average for both Indigenous and non-Indigenous students.

The government acknowledges that equivalent outcomes for Indigenous and non-Indigenous students have not flowed from its reform agenda, *Blueprint for Government Schools*. In response the government developed the *Wannik: Learning Together – Journey to Our Future*, Indigenous education strategy. The strategy, which is in being undertaken in collaboration with the Victorian Aboriginal Education Association Incorporated, identifies that:²⁶³

“... the needs of Koorie young people in many instances have not been adequately addressed within our school system. A consequence of this is that the full strength of the Government’s reform program has not had a significant impact on outcomes for these young people.”

While not all of the government’s stated targets in the 2008-09 Budget reflect the actual differences evident in national benchmark testing, the Committee believes that the differences highlight the need for the government to work towards reducing the gap in education outcomes for Indigenous students.

The 2008 Wannik strategy identifies the following areas for supporting Indigenous students improve their reading, writing and numeracy skills:²⁶⁴

- providing accelerated literacy and numeracy support based on best-practice models to Koorie students who are behind expected levels of achievement;
- employing additional literacy specialists to work in schools with high numbers of Koorie students, building on the already successful *Literacy Improvement Teams Initiative*;
- providing seeding grants to all regions to innovate and share effective practice in literacy and numeracy; and
- developing literacy programs that recognise the importance of *code switching* between Koorie English and Standard Australian English.

The performance identified by government indicates that greater help is needed in writing and numeracy, both to reverse the declining results achieved by Indigenous students and to close the gap to the Victorian average.

The government has allocated resources to support the learning outcomes for indigenous students within the education system. The 2008-09 Budget allocates \$25 million over the next five years to enhance programs to deliver improved educational outcomes for indigenous students through employment of literacy specialists.

The Committee recognises the importance of developing educational strategies to assist Indigenous students to improve their reading, writing and numeracy skills. A concurrent medium to long-term goal for the government should be closing the gap between the number of Indigenous students reaching both the national benchmark and the Victorian average. The *Growing Victoria Together* vision requires that this goal be realised.

²⁶³ *Wannik: Learning Together – Journey to Our Future*, Victorian Education Strategy for Koorie Students, 2008, p.7

²⁶⁴ *ibid.*, p.16

Recommendation 28: **The Department of Education and Early Childhood Development report on the effectiveness of the Wannik: Learning Together – Journey to Our Future strategy in improving writing, reading and numeracy skills for Indigenous students and use this information to refine the strategy.**

14.4 Implementation of *HealthSMART*

HealthSMART is the Victorian Government’s new information and communication technology (ICT) system which will interlink Victoria’s public health care providers. *HealthSMART* is coordinated by the Office of Health Information Systems (OHIS) within the Department of Human Services (DHS).²⁶⁵

HealthSMART involves central health services, rural ICT alliances and community-based health providers across the state. The aim of the program is to improve patient care, reduce the administrative burden for health care professionals and lower the costs associated with updating technical infrastructure within the public health care system by adopting a more standardised approach.²⁶⁶

The Committee noted that the delay in implementing *HealthSMART* has meant that in some instances there is already a need to replace equipment, before the completed implementation of the *HealthSMART* system. At the budget estimates hearings, the Committee was advised that information technology (IT) equipment has a three to four year life. *HealthSMART* is expected to have a life of 10 years or more and therefore updating IT equipment “*will be an ongoing issue for health services over the life of the program*”.²⁶⁷

The Committee has been informed by the department that the delivery timeline for *HealthSMART* has been extended from 2007 to June 2009. This extended delivery date, however, excludes delivery of the clinical systems element of the program. The schedule for implementing the clinical systems has not yet been rescheduled.²⁶⁸

The complexity of the project and the amount of preparatory work needed has been cited by the Department as a primary reason for the need to extend the implementation timeline from four to six years, out to an expected completion date of 2009. Another reason cited by the department is operational and financial limitations on the readiness of health services to participate.²⁶⁹

14.4.1 *HealthSMART* Funding

HealthSMART was originally a \$323.4 million, four year program to be completed in 2007. This funding was sourced from a re-allocation of previously approved DHS funds (\$112 million), new funds (\$138.5 million), and agency contributions (equivalent to \$72.9 million).²⁷⁰

²⁶⁵ *HealthSMART Implementation Driver’s Guide*, Version 5, July 2007, p.4

²⁶⁶ *About the HealthSMART program*, viewed 28 August 2008, <http://www.health.vic.gov.au/healthsmart/strat.htm>

²⁶⁷ Mr L Wallace, Executive Director, Metropolitan Health and Aged-care Services, 2008-09 Budget Estimates hearing, transcript of evidence, 13 May 2008, p.25

²⁶⁸ Department of Human Services: Response to the 2008-09 Budget Estimates Questionnaire – additional information sought by the Committee, Appendix 3

²⁶⁹ *ibid.*

²⁷⁰ *Delivering HealthSMART – Victoria’s whole-of-health ICT strategy*, Auditor-Generals report, April 2008, p.18

In 2006, this budget was reduced to \$310.7 million, on the recommendation of the OHIS board.²⁷¹ This adjustment included an increased DHS contribution of \$34.8 million which offset a \$47.5 million decrease in agency contributions. This adjustment was made to address the inability of agencies to meet the contributions expected by DHS.²⁷²

The department advised the Committee that as at June 2008, \$219.8 million has been spent on the *HealthSMART Program*. At the end of 2007, \$184 million had been spent with only 24 per cent of the expected program deliverables having been implemented. This equated to 19 operational components from a planned total of 78. The Finance and Materials Management Systems (FMIS) component was closest to completion, with only three of 11 recipient agencies still in the implementation phase.²⁷³

While there has been some need identified to reallocate the funding for *HealthSMART* it is predicted that the program will be delivered under budget. This forecast, however, now omits the unbudgeted implementation of the clinical systems component of the *HealthSMART* system.

The cost of infrastructure maintenance was originally to be borne by agencies but this was reallocated to DHS in 2006. However, the budget adjustment that reduced the contribution of agencies was, in part, achieved by shifting responsibility for the maintenance of information technology infrastructure from agencies to DHS.²⁷⁴

The \$103.9 million allocated to *HealthSMART* for the next four years in the 2008-09 Budget is for operational expenses and will not contribute towards the development costs associated with the system.

The Committee was advised at the budget estimates hearings that the \$103.9 million for *HealthSMART* in the 2008-09 Budget was divided into \$77 million over four years for operating the *HealthSMART* system and \$26.8 million over four years for updating system infrastructure.²⁷⁵

Recommendation 29:

The Department of Human Services provide Parliament with a cost forecast for the maintenance and replacement of the IT infrastructure over the life of the *HealthSMART* system.

²⁷¹ *ibid.*, p.27

²⁷² *ibid.*, p.30

²⁷³ *ibid.*, pp.5, 30, 23.

²⁷⁴ *ibid.*, p.17

²⁷⁵ Mr L Wallace, Executive Director, Metropolitan Health and Aged-care Services, 2008-09 Budget Estimates hearing, transcript of evidence, 13 May 2008, p.25

14.4.2 Delivering HealthSMART – Auditor-General’s report

In April 2008 the Victorian Auditor-General’s Office released the report, *Delivering HealthSMART – Victoria’s whole-of-health ICT strategy*. The report identified that the implementation of HealthSMART was not meeting anticipated timelines or budget estimates. The report found:

- the original timeline was too ambitious;
- HealthSMART will not be delivered by the extended implementation date in 2009;
- clinical systems with the most to benefit from HealthSMART are most at risk; and
- there is no reliable method for estimating or monitoring agency expenses.

The Auditor-General’s report made recommendations regarding processes for timing, funding and assistance to agencies including:²⁷⁶

- work with agencies to define a standard method to record agency costs related to HealthSMART;
- monitor, in collaboration with health agencies, agency costs for HealthSMART and report them to the Board of Health Information Systems;
- The Department of Treasury and Finance (DTF) and DHS should work with the Victorian Public Health System (VPHS) implementing agencies to develop an evidence-based business case, in line with current better practice guidance, to better assure the effective delivery of the incomplete components of HealthSMART; and
- DHS should adopt a whole-of-life asset management approach to ICT investment in the VPHS, so that agencies are able to both address obsolescence and to develop, as appropriate, their ICT capabilities and infrastructure with more certainty than the current funding models allow.

The transparency of the funding contribution from agencies was raised as a significant unknown by the Auditor-General. The result being that:²⁷⁷

“... extra, unforeseen components of the system roll-out are leading to higher than expected capital and recurrent costs for agencies, which is causing funding pressures, and hence approval delay.”

DHS stated in the Victorian Auditor-General’s Office report that it is addressing the issue of agency funding, adopting a standardised model to estimate and manage implementation funding and supports the Auditor-General’s assessment that this process be completed as a matter of urgency.²⁷⁸

The Committee understands that HealthSMART will now be delivered by the revised time line of 2009; however, it is concerned that this has been achieved through the exclusion of the clinical systems from the timed deliverables.²⁷⁹

²⁷⁶ *Delivering HealthSMART – Victoria’s whole-of-health ICT strategy*, Auditor-Generals report, April 2008, pp.3-4, 6, 7, 9

²⁷⁷ *ibid.* p.29

²⁷⁸ *Delivering HealthSMART – Victoria’s whole-of-health ICT strategy*, Auditor-Generals report, April 2008, p.29

²⁷⁹ Department of Human Services: Response to the 2008-09 Budget Estimates Questionnaire – additional information sought by the Committee, Appendix 3

