

VERIFIED TRANSCRIPT

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2008–09

Melbourne— 14 May 2008

Members

Mr G. Barber	Mr G. Rich-Phillips
Mr R. Dalla-Riva	Mr R. Scott
Ms J. Munt	Mr B. Stensholt
Mr W. Noonan	Dr W. Sykes
Mr M. Pakula	Mr K. Wells

Chair: Mr B. Stensholt
Deputy Chair: Mr K. Wells

Staff

Executive Officer: Ms V. Cheong

Witnesses

Ms B. Pike, Minister for Education,

Professor P. Dawkins, Secretary,

Mr J. Rosewarne, Deputy Secretary, Office for Resources and Infrastructure, and

Mr T. Cook, Deputy Secretary, Office for Planning, Strategy and Coordination, Department of Education and Early Childhood Development.

**Necessary corrections yet to be notified to
executive officer of committee**

The CHAIR — I declare open the Public Accounts and Estimates Committee hearing on the 2008–09 budget estimates for the portfolio of education. On behalf of the committee I welcome Bronwyn Pike, the Minister for Education; Professor Peter Dawkins, secretary; Mr Jeff Rosewarne, deputy secretary, office of resources and coordination; and Mr Tony Cook, deputy secretary, office of planning strategy and coordination, all from the Department of Education and Early Childhood Development. Departmental officers and members of the public and the media are also 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 minister or her chief of staff, can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming and recording proceedings in this committee room. All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. There is no need for evidence to be sworn; 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 transcript, and the committee requests that verifications be forwarded to the committee within three working days of receiving the proof version. In accordance with past practice, the transcripts and PowerPoint presentations will then be placed on the committee's website.

Following a presentation by the minister, committee members will ask questions relating to the budget estimates. Generally the procedure followed will be that relating to questions in the Legislative Assembly — in other words, there will be no supplementaries, and we expect the minister's responses to be no more than 4 or 5 minutes. I invite the minister to give a brief presentation of no more than 10 minutes on the more complex financial and performance information that relates to the budget estimates for the portfolio of education.

Ms PIKE — Thank you very much, Chair, and good morning to members of the Public Accounts and Estimates Committee. Thank you for the opportunity to present to you concerning the education portfolio. We have a presentation, which finally got here, and members have copies in front of them.

Overheads shown.

Ms PIKE — In August last year the Premier announced the formation of the new Department of Education and Early Childhood Development. This new department reflects the government's awareness of the importance of integrated services from the early years right through to adulthood. Much of the work of the department is reflecting that new emphasis on education and development during those periods, and particularly around the kind of support that is needed at those critical transition times for young people.

To recap, there has been a lot of investment in education since 1999, and those additional resources — those additional teachers et cetera — is such that the new focus on curriculum is really bearing fruit, with class sizes down, more young people completing year 12 and a world-class framework through the Victorian essential learning standards. The government's reform agenda, as I said, to date really has made a difference. The first *Blueprint for Government Schools*, which was released in 2003, certainly focused on improving leadership and to a professional development, introducing more accountability and introducing VELs.

One of the great advances, I think, in education in the last few years is that we have a very good understanding of the kind of preconditions that must exist for effective schools to develop and for excellent education to take place. That particular diagram indicates that there are a number of elements that are absolutely critical, and they are certainly the elements that we have been pursuing through the blueprint 1 and now into the blueprint 2 process. It is about having high expectations about the possible achievements of all of our young people, wherever they are, and then the kind of leadership that will develop the focus on teaching and learning, the creation of a stimulating learning environment through the development of learning communities and an emphasis on being accountable for those outcomes.

Students themselves in fact say school is improving. There is an 'attitude to school' survey, where 11 factors are measured, and in all of those factors students have indicated their view that school is improving. In these particular areas — I just highlight two of the 11 factors: student safety and teacher effectiveness — that chart shows the increase above, zero being the baseline and the increase above that.

Mr WELLS — Minister, will you release the questions that you asked these students?

Ms PIKE — Yes; I cannot see why not. It is a survey that goes to all young people, so that is fine.

The CHAIR — You can use it for your schools then, Kim.

Ms PIKE — One of the other elements around school improvement is the Victorian schools plan, which was announced in 2006. We have made a commitment to rebuild, renovate or extend all government schools by the 2016–17 year, and this particular period from 2006 will see 500 schools rebuilt or modernised at a cost of \$1.9 billion, and we are halfway with this budget through that commitment.

The other thing that I think has been happening in education is that Victoria has been leading national education reform. Many of the elements that have emerged through COAG working groups et cetera have been initiated through Victoria's work. A number of these elements are picked up in now the national partnership programs — the new National Curriculum Board, some of the initiatives around training centres, digital revolution et cetera. That environment is very good; the collaborative and cooperative environment is very good for Victorian schools. But we are never static in this area and we need to continue to build, and there is more to be done.

Mr WELLS — More to be done?

Mr DALLA-RIVA — There is more to be done.

Ms PIKE — I think everyone would concur that education is an area where we need to continue to drive for improvement, innovation and positive change. We have now released the discussion papers for the second blueprint, given that the first blueprint was such a success. I have copies of the discussion papers for members.

The CHAIR — Thank you. They are being circulated.

Ms PIKE — I would be very interested in people making submissions and would encourage members of the committee to read them and do so. The framework within these discussion papers around assisting our young people to thrive, learn and grow are these essential elements of system development and reform. We have got a government school system; we have got an overall school system, including non-government schools. What can we do to continue to reform, develop, grow, professionalise and add expertise into that system? We know that workforce is critical and workforce enhancement, reform, development and growth — all of these things are essential elements. Finally, I think a growing area of partnership with parents and communities in children's development and learning is critical. That is the framework for the blueprint, and much spills out of that.

When it comes to this budget, Chair, you will see that in two critical areas, both in assets and outputs, that we have a nearly \$1.3 billion investment in education and early childhood development. I will be going through that shortly, but it is part of the largest-ever asset program, part of now the second instalment in the \$1.9 billion and \$71 million over four years to have the resources available to support the forthcoming blueprint.

I want to quickly focus on that \$71.4 million, because there are some essential elements in there that are about driving continual improvement in our school system. We are now providing a workforce of 67 regional school improvement leaders who will be working to develop their network strategies for school improvement right across our state. Then we have a number of other strategic interventions. I want to also identify that we are providing extra student support through our SSSO area — that is the allied health professionals, speech therapists, psychologists and others that people will be aware of.

Literacy improvement teams: we are providing extra funding to maintain the existing 45 literacy specialists and provide funding for an extra 15 Koori literacy specialists and an additional \$7.3 million to make sure that particularly students from disadvantaged schools can have access to VET and other TAFE-based programs.

There are, as I said, initiatives in the workforce area and some funding here to look at how we can engage the community more intentionally as partners in children's learning. Other initiatives that are funded in this budget — you have documents before you, Chair.

The CHAIR — Thank you, Minister.

Ms PIKE — Wannik is the major strategy designed to improve outcomes for Koori students within all of our schools. A number of schools have at least 10 or more Koori students and there is a particular focus on those

students. That is around a redesign of the Koori support workforce, additional literacy and numeracy programs, professional development and focus on individual pathways.

The second area is \$6.5 million for programs specifically designed to assist refugee students, and I have another document here that I have made available to you. Just to finally go through the record investment in education and infrastructure — —

The CHAIR — I thought the overhead was a golf course.

Ms PIKE — It is not a golf course actually; it is a beautiful rural campus. These rural campuses have been terrific initiatives, Chair, because they have — —

Dr SYKES — Is that Marlo?

Ms PIKE — That is the Marlo campus of, now, the three schools. What a fantastic initiative within the public system, that students have the opportunity at the year 9 level to have an out-of-school experience, which is a comprehensive educational experience. Thank you very much, and I will be very happy to give you more information about that.

This shows the breakdown of the funding that has been provided in the capital area, the \$598 million. We have modernisation, with major projects in 26 schools; the upgrading of the science rooms; regeneration programs in Broadmeadows, Bendigo, Altona, Dandenong, Colac and Sunshine; new schools in growth areas — the Partnerships Victoria model for 11 new schools and a further \$29 million for schools under the traditional procurement method; and the Better Schools Today program, which is about modernising and upgrading up to 70 small to medium schools.

We are continuing to work at delivering brand new relocatable classrooms, which are essential for the movements in school population that inevitably occur within a system that has so many schools; funding for the select entry schools at Berwick and Wyndham Vale; replacement schools in Anglesea, Bass Coast and Wodonga; funding for small rural schools — nine small rural schools are now being provided with permanent, high-quality facilities; the John Monash Science School and then land acquisition, which is something that is an important feature of our capital program, because we always need to make land available so that we can continue to build new schools.

There is \$1.3 billion extra for early childhood development and education — a massive budget with a massive commitment. If you look now at the progress, \$73 billion since — sorry, \$7.3 billion; it would be nice if it was 73 — since 1999. Education is the government's no. 1 priority.

Mr DALLA-RIVA — Is that cabinet? Is that the latest picture?

Ms PIKE — It is actually the artwork in the blueprint, really recognising the diversity of people that we have. Chair, I would like to quickly correct the record. I said '598' about 1 minute ago, and it is 595 8, so I will correct that mistake.

The CHAIR — Thank you very much for that presentation. It is a lot of money anyway, whichever way you look at it.

Mr DALLA-RIVA — Thanks for that, Chair.

The CHAIR — That is all right.

Mr BARBER — My apologies, Chair.

The CHAIR — That is all right, thank you, Mr Barber.

Minister, one of the areas which the committee is looking at this year is in terms of revenue foregone, subsidies, concessions in the budget and in the forward estimates. Could you advise the committee of any specific subsidies, concessions, revenue foregone within your portfolio and whether there are any changes to these in this year's budget?

Ms PIKE — In fact there some items in all of those categories that do occur within education. In terms of subsidies, the education maintenance allowance is a payment made to low-income families to assist them with the cost of educating their children. In 2008 the EMA payments are \$215 for primary school students and \$430 for secondary school students. This payment is indexed to make sure that it keeps pace with education costs.

The eligibility criteria for the EMA is that the person must be a parent or guardian of a primary or secondary student up to the age of 16, be the eligible beneficiary of a Centrelink pension, allowance or benefit within our own State Concessions Act, or be a Veterans Affairs pensioner or a foster parent and must submit the application to the school by the due date.

The second area is the School Start bonus, which was introduced in 2006 and provides \$300 in a one-off payment for parents when their students are starting prep or year 7 in both government and non-government schools. That is a bonus to help parents purchase essential items like books, school uniforms et cetera. There is often an additional cost at that particular time, at a transition time, and it is important that students have a good opportunity to be fully equipped to have the best possible start in schools. That is a very important bonus.

The department also oversees the kindergarten fee subsidy, which ensures that all children attend a kindergarten program which is longer than the free 10 hours per week — sorry, it ensures that any remaining fees are provided for low-income families. This is obviously an initiative that is there to promote participation.

The CHAIR — Some of the fees anyway, not all of them.

Ms PIKE — Yes, that is right. Eligibility for this fee concession is based on parents and children having a health-care card, a pensioner concession card, a Veterans Affairs gold card and an applicable visa. The kindergarten fee subsidy fees policy provides operational guidelines for services where fees are charged above or below the kindergarten fee subsidy.

The next area is the conveyancing allowance. Members will be aware that in some regional and outer metropolitan locations, eligible students are unable to access free school buses, and these students may receive a conveyancing allowance to assist with their travel costs. It helps cover the costs resulting from transport gaps in our system. We do have a pretty comprehensive system, and there is public transport available, but sometimes there are some gaps. The allowance can be applied to the use of public transport, private cars, private buses and taxis. It is available for an eligible student at government and non-government schools to attend a school located in all non-metropolitan regions and certain postcodes in those fringe areas with limited public transport. Eligibility is based on strict criteria. Students must attend the nearest school, and students must live at least 4.8 kilometres from that school. These rules ensure that it is well targeted, particularly at those in remote areas or who have a disability or who are in most need of transport assistance. In 2006–07 approximately 46 500 students received payments totalling \$26.9 million for this particular subsidy, so it is a fairly big program, and it does support a large number of our students.

We also have special school bus services for young people with special needs who are going to special development schools. Again, the department contracts 326 special school bus services, which carry approximately 6400 students with disabilities each day to school across the state, and the budget for that particular program is around \$38 million, so it is a big investment if you look at those things added together. Finally, Chair, you asked about revenue forgone?

The CHAIR — Yes.

Ms PIKE — The only area where the department does not collect revenue to which it is entitled is in respect of rental costs to its statutory bodies that occupy space within the department's buildings. The notional rent provided is recorded as a service, and the buildings are occupied free of charge. At a total of \$1.9 million for last year — in other words, 1.9 if they were rented on a commercial basis, and we are talking about the VCAA, which is the curriculum assessment authority, et cetera, the VRQA and other bodies. That \$1.9 million represents less than 0.03 per cent of the department's total expenditure for the year.

In addition to all of this, non-government schools can access a range of resources and opportunities available to government schools, which include a range of tax concessions or exemptions, including land tax, payroll tax and fringe benefits tax exemptions. They are the subsidies, concessions and revenue foregone matters within the education portfolio.

The CHAIR — Thank you, Minister. Are we still getting full cost recovery from overseas students?

Ms PIKE — I certainly understand that we are getting full cost recovery from overseas students. It is a very big program. In fact education is the largest export in Victoria. We had the huge number of 1699 international students recruited to government schools in 2007. That is an increase of 23 per cent. It is a big program. My understanding is that it is a full cost recovery program.

Mr WELLS — Minister, the teachers' EBA was signed on the day before the budget — so the figures would not have been included in the budget — to make Victorian teachers the highest paid in the country. What is the cost of that EBA for this financial year and in the forward estimates moving forward?

Ms PIKE — The Treasurer has certainly dealt with the matter of the EBA and the funding of that matter. Regarding the specific elements of that — —

Mr WELLS — No, just the cost; what is the cost?

Ms PIKE — I think we need to be very clear. Government's wages policy is 3.25 per cent. That has been now passed on to the teachers. Any additional wage increase, as the one that has been agreed upon, is to be funded by service improvements. This particular EBA of course has provided a number of service improvements; certainly the changes to the pupil-free day arrangements and the additional six days of teaching time.

Mr WELLS — Minister, it is a straightforward question. I just needed the cost of the EBA.

Ms PIKE — What the Treasurer has said when he dealt with the question of the financial impacts of the EBA is that the cost was in order of \$2 billion and that matter is fully funded in the budget.

Mr WELLS — So, is it \$2 billion? How much of it is relevant to this year and then can we talk about the forward estimates?

Ms PIKE — The EBA has not been ratified.

Mr WELLS — No, we are just worrying about the costs.

Ms PIKE — There is no payment until the ratification of the — —

Mr WELLS — No, but what is the cost, please?

Ms PIKE — There is no payment until the ratification of the EBA. The Treasurer has said on the public record that the cost of the EBA is in the order of \$2 billion. He has dealt with that question. The matter of the financial impacts are a matter for him, and he has given assurance that those matters are fully covered in the forward budget position.

Mr WELLS — No, let us not overcomplicate the issue. The Treasurer did not answer the question when we put it to him. Actually who signed off on the EBA? Was it you as minister?

Ms PIKE — The EBA — there has been a public announcement. The matter has to be of course ratified, and there is a fairly extensive industrial process that needs to be gone through before that matter is concluded. That is the normal circumstance with all enterprise bargaining agreements. It has to be ratified by the membership, and that process is under way at the moment. The final documentation then has to be lodged within the Industrial Relations Commission. It is an agreement as such that has of course got very significant improvements that the government has been able to — —

Mr WELLS — Minister, we just need — —

The CHAIR — You have asked your question. The minister is answering.

Mr WELLS — And we are not getting anywhere. We just need to know — —

The CHAIR — We have an answer.

Mr WELLS — Who actually negotiated this? Did you sign off the EBA? We just want to know what the costs are.

Mr PAKULA — Did you not get the bit about where the workers have to vote on it? Did you not understand that bit?

Mr WELLS — This is about forward estimates. Are you telling me, and the Public Accounts and Estimates Committee, that we do not even get an answer about — —

The CHAIR — Mr Wells, you have already — —

Mr WELLS — What sort of committee is this?

The CHAIR — It is a very good committee. We would like you to desist from interrupting and bullying. I would like to move on to the next. The minister has answered the question. I move on to the next one — Ms Munt.

Mr WELLS — Hang on, what was the answer?

The CHAIR — She has given an answer. She gave an answer twice.

Mr PAKULA — I heard the answer \$2 billion.

Mr WELLS — It was around \$2 billion.

Mr PAKULA — It has got to be voted on.

Mr WELLS — It was around \$2 billion. It has not even been agreed to.

The CHAIR — Thank you for your performance. Let us move on to the next one.

Mr WELLS — What a ridiculous situation! We do not even know what the cost of the EBA is. What a disgrace! Open and transparent?

Mr PAKULA — Grandstanding idiot.

Mr WELLS — Did you get the answer?

Mr PAKULA — Yes, I did. Clean your ears out.

The CHAIR — Mr Pakula, we have had enough, thank you.

Ms MUNT — Yesterday in my electorate, in Dingley Village in fact, there was a forum on the new blueprint for education. Local kindergartens attended, child-care centres, primary and secondary schools. I notice here on page 302, under education and early childhood development output initiatives, there is a line item for school reform resourcing, and it ranges from 15.3 million in 2008–09 through to 18.7 million in 2011–12. I wonder if you could please expand for me what that resourcing will entail for all of those organisations, for the education community.

Ms PIKE — Thank you very much for the question. It is true that this budget includes \$71.4 million for a school reform package. That funding is the beginning of the rollout of a number of initiatives that will emerge from the very substantial process around the Blueprint for Early Childhood Development and School Reform. We have released discussion papers, and members have copies of these discussion papers before them. We are now in the middle of a very broad consultation process. The forum that you referred to that occurred yesterday is one of four that is being held both in regional and urban Victoria. We have also had a major summit, and we have had a number of round tables with special interest groups.

All the feedback that will now come from those consultations will help in the development of the final blueprint. What the blueprint is really about is making sure that we can do everything that we possibly can to build upon the success of the 2003 blueprint so that our young people have the skills and capabilities and the support in their development so that they can fulfil their greatest potential and contribute to the economic, social and cultural wellbeing of our community.

By international standards our students are performing very well, but we need to consistently improve the way our schools are performing. What we do know is that there are some areas where young people are progressing very significantly, but there still remain some areas where we need to continue to improve the educational experience for those young people. We also know that young people in certain socioeconomic areas need some additional support and resourcing and some very intentional teaching and learning strategies so that they can be given the best possible chance.

This blueprint which this funding begins to support is a very comprehensive reform agenda which really says that we believe our system is important; we need to underpin, strengthen and reform our system; we need to work with the workforce in a way that drives improvement, professionalism and greater leadership capacity; and we need to engage the community and parents much more effectively so that we have a greater number of partners in the educational enterprise. The \$71.4 million school reform package really includes elements for all of those three dimensions. As the final report for the blueprint is completed, I think we will have a significant framework to move forward with in terms of implementing cultural change within our school system, driving further excellence and of course pointing to the most effective additional financial investments in the system.

Mr RICH-PHILLIPS — Minister, I would like to take you back to the EBA issue. Can you tell the committee, firstly, who in government was responsible for negotiating the EBA — was it you as education minister, the Premier or the Treasurer; will there be an impact on the budget in the current financial year, 07–08; and, moving forward to the new year, will schools be funded for anything in excess of 3.25, which is government policy — will they be funded for any additional cost beyond the 3.25?

Ms PIKE — I will just take note of that: one is who negotiated this year's budget effect?

Mr RICH-PHILLIPS — Yes.

Ms PIKE — And then how it will flow through the schools' bottom line?

Mr RICH-PHILLIPS — Yes; will the schools get more than the 3.25.

Ms PIKE — In terms of negotiating all enterprise bargaining agreements across government, each of the specific departments has staff who are qualified and responsible for the ongoing relationships with unions and the negotiating of those particular agreements. In the case of our department we have an industrial relations unit whose responsibility it is to negotiate the agreement. These are people with a high degree of expertise in industrial relations. In our case, they have been doing these negotiations for years and years. They understand all relevant legislation, et cetera. They meet on a regular basis with the unions throughout the process of the negotiations.

The process of course is that there is a government position and then the union will put in an ambit claim, and that really forms the basis of negotiations. Those staff of course are accountable to the secretary through the line arrangements within the department. From a government perspective the economic review committee (ERC) has an industrial relations subcommittee, which of course is the government mechanism for receiving information and making major policy decisions about the shape and negotiations of enterprise bargaining agreements, and of course all decisions are signed off finally through ERC, through relevant cabinet subcommittees, upon advice from the department. So in terms of who negotiates — —

Mr RICH-PHILLIPS — It came back to the ERC after departmental negotiations?

Ms PIKE — Yes, that is always the process: these things come back to relevant subcommittees.

The CHAIR — Can we go to the estimates and the impact on the budget?

Ms PIKE — That is the process. It is the same process that has been undertaken by governments for ever and ever, so it is nothing particularly unique or new. You would anticipate that government sets the broad policy framework and makes the determinations about government wages policy and about issues like productivity and service improvement offsets — the kind of framework we sit within for all industrial relations negotiation; and then of course the department, through its good offices, negotiates within that framework. That is a tried and true method of negotiation. I might say that in my time as a government minister over eight years now I have had the opportunity to negotiate many, many enterprise bargaining agreements, and this has been a process that has worked

extremely effectively. I think Victoria is well known as a state that has had a very robust industrial relations negotiating system and that has achieved very responsible and appropriate outcomes.

In terms of payment for some elements of this budget in this particular enterprise bargaining agreement, this matter is yet to be ratified. That will determine the final outcome of the enterprise bargaining agreement. But I can indicate to the committee that the government has offered a one-off payment as a sign-up bonus to the union, and that component would be paid for out of this year's budget, and other matters, of course, will be in the forward estimates — sorry, next year's budget.

Mr RICH-PHILLIPS — Which one is it?

Ms PIKE — I think we will clarify that, sorry. We are just going to clarify that.

Mr ROSEWARNE — All the payments associated with the EBA will be made once the agreement has been certified. Our expectation is that will not occur until it has been ratified by the union and then taken to a ballot with the employees. Our expectation is that would not occur before July or August, which means any payments associated with the EBA will occur in the 08–09 financial year. We are currently in discussions with the Auditor-General about the treatment of any expenses or accrual of expenses associated with the EBA, which is something we have done once the in-principle agreement was reached with the union last week.

The CHAIR — Okay, so this means there is still some more work to do.

Ms PIKE — So that reflects my comments about that. Now in terms of, 'Will it be passed on?'; yes, of course. I mean, once the agreement is ratified, then the appropriate resourcing to meet the cost of the EBA will be passed on to schools.

Mr RICH-PHILLIPS — And that will be the full cost of the EBA, not just the three and a quarter?

Ms PIKE — Yes.

Mr SCOTT — Minister, I, like Ms Munt, would also like to refer you to budget paper 3, page 302, and the output initiative headed 'School reform resourcing to support the forthcoming blueprint', and the question I would like to ask is: could you please advise what the government is doing, particularly under this budget, to work towards system reform in our schools?

Ms PIKE — Thank you very much. I identified that in the blueprint we had the framework of system development of reform of school and community, parent and community partnerships and workforce reform, and we certainly want to make sure that we have a culture of excellence that delivers results in all schools for all students. The blueprint discussion paper reflects this philosophy by embedding, I guess, three principles. We want to ensure that every child makes good progress. You know, every child starts at a different point and every circumstance is unique, and every context that people are within is unique. But what is not acceptable is where children do not make progress, because every child, I believe, has the inherent capacity to make that progress. The other thing is improving transitions to and from school, because they are really critical, and establishing clear expectations and providing greater support for all schools.

We want to make sure that teachers have a very clear idea of where their students are up to, and that they also have the skills and tools in hand to help their students to progress. So what we have here in this budget is some funding that will really transform the role of support staff at our regional level to work much more intentionally with schools to make sure that they have the leadership in place and that the teachers are very clear about their expectations about best practice teaching methodology, about appropriate curriculum content, and they have all of those elements to have high expectations and high-quality teaching and learning.

The budget in the \$71.4 million school reform package provides for funding for school improvement leaders who will take the place of senior education officers, and there will be more of these leaders. They will work within networks of schools and develop strategic plans for each of those networks and then be able to identify specific interventions that will really be targeted to lift the performance of the teachers and subsequently, of course, the students within those schools.

The other element is a change in the way that we are managing the SSSO staff; they are the allied health support staff. We are providing coordinator positions in every region, and we are giving far greater accountability to the

regions so that the disbursement of those staff and the utilisation of those staff will be consistent with the strategic plans for reform that are being developed with all of the networks. This is really a package about undergirding the system, about recognising that in some circumstances we do need to intervene more intentionally in providing greater levels of professional development and opportunities for higher performing teachers and principals to go into those places with a shared agenda around continuous improvement. So it is all really identified in the discussions, and the shape and form of it, of course, will be informed by the dialogue, but it is a very significant package about how we can continue to reform our schools and make sure that they are really driving best practice and helping their children to progress wherever their children may be.

Dr SYKES — Minister, I refer to the question on the EBA. I refer you to a statement of intention on how the public system could forge stronger relationships with Catholic schools in Victoria, as recently described in an article in the *Age* of 21 April at page 3, and I ask: if it is the government's intention to seek closer ties with Catholic schools, have you ruled out providing funding for pay rises for Catholic schoolteachers as well as their independent system counterparts to equal those that the government has now offered to the teachers in the public system, and if you have ruled out funding, why?

The CHAIR — Dr Sykes, you need to relate it to the estimates, so your question is: why do the estimates not contain funding for Catholic teachers? Is that your question?

Mr RICH-PHILLIPS — That was it.

Dr SYKES — Yes.

The CHAIR — I mean, we are dealing with the estimates not in terms of other policies which are outside the estimates process.

Dr SYKES — Nicely summarised, thanks, Chair.

The CHAIR — So the question is: why do the forward estimates not contain funding for Catholic schoolteachers?

Ms PIKE — Obviously I need to give a bit of background to this question. People will be aware that non-government schools educate around 35.5 per cent of all Victorian school students, and 61.6 per cent of those students attend the Catholic school system. Since 1999 the recurrent and targeted funding provided to non-government schools by the Victorian state government has risen almost 63 per cent, so the increase has been \$154 million. Around \$399 million of funding from the Victorian budget is provided not just for recurrent funding but for specific purpose grants and capital funding to the non-government system of which the Catholic system is a significant part. I have also indicated in response to an earlier question that taxation benefits are also provided to non-government schools — land tax, payroll tax and fringe benefits tax — so the resources are significant.

But of course the commonwealth is the primary funder of non-government schools. It provides \$1.4 billion including GST to Victorian non-government schools through its funding model, which allocates funding on the basis of the relative socioeconomic status of the school community. We are not the major funder; we are the secondary funder, if you like, to the non-government school system, and that funding has increased enormously over the last few years. The comments that were made around partnership with the Catholic school system were genuine comments, and they are indicated in the enterprise — sorry, I looked at Kim and nearly said enterprise bargaining agreement then.

Mr PAKULA — You saw the whites of his eyes.

Ms PIKE — It must be something about your face, Kim.

Mr PAKULA — He looks like a union heavy.

Ms PIKE — They are identified in the blueprint. There are many opportunities for partnership. Some of the developments that are happening in the growth corridors include possible partnerships around capital — for example, the sharing of ovals and joint-use facilities et cetera. Really what I wanted to indicate, and I have raised in conversation with Catholic education, is that I think there are many more opportunities for us to collaborate, because in many cases, particularly in some of the lower socioeconomic communities, the Catholic school system is dealing with and supporting some of the families that the government school system is supporting. There is an

opportunity for, I think, real partnership and collaboration to help our children in terms of getting more shared support.

As you correctly identified, Catholic teachers salaries are linked to the Victorian government school teachers EBA whereas the other independent schools salaries are not. The negotiation of the EBA will obviously be a matter for the Catholic schools, including the service improvement agenda. Certainly it is not the intention that the government will provide specific additional funding for the EBA, but of course we are always in conversation with the non-government school system about our overall funding and partnership arrangements with them.

Dr SYKES — Can I just explore a little bit further, Chair; I was very quiet and let the minister go through — —

The CHAIR — We try to avoid supplementaries.

Dr SYKES — Yes, but I just want to clarify, and I did not interrupt the minister — —

The CHAIR — If you clarify it simply.

Dr SYKES — The first thing is I acknowledge the moves towards cooperative interaction. Certainly that is occurring at Myrtleford and Benalla and at other locations in our area, and that is very good. But in relation to the funding of Catholic and non-government schools you indicated that there have been increases during the term of this government, but it is my understanding that that was off a very low base, and the funding per student to Catholic and independent schools, unless it has changed substantially in the last 12 months, Victoria is the lowest funder of students in Catholic and non-government schools.

Ms PIKE — I thank you very much for reminding us about what a low base it was off. In fact — —

Dr SYKES — With a massive budget surplus you have not fixed it.

Ms PIKE — That is a bit of a misunderstanding. We are talking about recurrent funding here, not one of budget surpluses. I think that is a misunderstanding of how the budget works. The reality is that we inherited a very, very low base and this government has, in fact, made substantial moves to increase the amount of funding to non-government schools. Over time we will continue to work with non-government schools in terms of shared programs and their own financial arrangements, but it was very, very low, and we kicked in — —

Dr SYKES — But you have had eight years in government, Minister.

Ms PIKE — There were seven before that where nothing happened, so — —

Dr SYKES — But you have had eight years to fix the issue. It is time we — —

The CHAIR — We will move on. Everyone has made their statement. This is really a time for questions, it is not an opportunity to make statements. You can do that in the house.

Mr NOONAN — I want to go to the workforce reform issue. You covered it somewhat in your PowerPoint presentation, in fact there was a slide there. In relation to the budget, page 302 of budget paper 3 relates to school reform resourcing to support the forthcoming blueprint. I note on page 5 there are some dot points in terms of the overview. Could you advise what the government is doing, particularly under this budget, to support and improve the workforce in our schools?

Ms PIKE — Thank you very much. You have correctly identified that workforce reform is an issue that we have got some specific initiatives in this budget to develop and sustain, but also the blueprint indicates that we need to do some more work when it comes to our workforce.

The recent McKinsey report, which has really been universally acclaimed, talks about the characteristics of top performing education systems and analyses education systems right around the world. With all the initiatives that people have taken over years and years and years, what that report really identifies is that workforce quality is at the core of success of every high-performing education system. The best systems get the right people to become teachers, so have incentives to get good high-performing students in with high results, develop these people into

effective instructors and put in place systems to ensure that every child succeeds, so intensive monitoring and then strategic intervention for every child to make sure they are progressing.

We recognise that we need to continue to attract and retain the best people, and we have to continue to make people accountable for their professional practice. This is a change. When I was a teacher many years ago — and I do not know if there are any other teachers around the table — teaching was a much more individualistic enterprise where as a secondary school teacher you went into your classroom, you shut the door and there you were with this group of kids, and in those days there were 40 of them.

The CHAIR — Is that all?

Ms PIKE — There were 40 or 45 in some of my classes I can remember, which of course is not the case now, but I will not digress. Education is now a much more accountable exercise, and anyone who goes into our schools these days will see much more open interaction between teachers, much more shared learning experiences, team teaching and planning and preparation and execution that is much more accountable. These are some of the initiatives that are really highlighted in the blueprint, and they are also initiatives that go to the heart of what we want to achieve with our teaching workforce.

We want to further develop school leaders by focusing on leadership through development and accreditation of principals and school leaders. If we want high-performing teachers to go into underperforming schools and we are going to give them more money, we want to make sure that they are accredited, that they have very clear understanding of how to improve teaching and learning within their school and are prepared to sign up to accountability measures for that. We consistently have high-quality teaching and learning through providing an instructional model that ensures excellence, because we know what works. What the challenge is in a sense is to get everyone to embrace those instructional models.

Skilling teachers in the use of technology — all of that has changed dramatically. You cannot just assume that a teacher who was trained 20, 30 years ago is adept at using technology, and yet it is absolutely fundamental in terms of instruction and also sharing of professional development. There is, as I said, a lot in this space. We also have identified the development of a program called ‘Teach First’, which is a program that exists in the UK, and in America it is called ‘Teach for America’. It is a program which encourages high-performing graduates from other fields to enter teaching and to in a sense give something in a very intentional way to our education system, particularly in poor performing schools, as a way again of boosting the expertise and enriching the professional groupings within our schools.

This budget identifies funding particularly for the workforce area, some \$7.6 million for the ‘Teach First’ program and intensive teacher training internships et cetera, but of course the blueprint I think sets in place a framework. I might come back to the EBA just in a final comment in that one of the very critical things within the EBA is setting in place very strict criteria about people’s willingness to participate in the school improvement agenda if they are to progress in some of those higher teaching categories. People will not just automatically progress under the new EBA. When they reach that expert teacher level they will have to sign up to mentoring, they will have to sign up to shared professional development, classroom management development, curriculum development, all of those things, and that will be part of that framework.

Mr BARBER — Minister, I would just like to get a bit more information about the equity funding within the resource package. My understanding is that 60 per cent of schools used to get equity funding, which is very equitable that everybody gets something but I think it was the work of Professor Richard Teese that recommended increasing and ramping up that amount to about 15 or 20 per cent of schools most in need. Are you able to tell me within the whole resource package what percentage of that funding is equity based; how many dollars is that; and what percentage of schools currently qualify?

Ms PIKE — Sorry, I will just get that. It is the percentage of the package — —

Mr BARBER — Percentage of the package that is equity based; how many dollars — —

Ms PIKE — The overall package?

Mr BARBER — Yes, that is right; the total.

Ms PIKE — The number of schools?

Mr BARBER — Yes, and the actual dollar amount that is equity based as well as the percentage.

The CHAIR — How ever one defines equity based, of course.

Ms PIKE — Thank you for talking about the equity funding because it is obviously a very critical component of our education budget, and it is provided to schools so that they can offer specialist services and they can acknowledge that there are some disadvantaged young people within their midst.

The direction of the blueprint again recognises that we do need to provide additional support into lower socioeconomic areas and areas of underperformance. I guess I am indicating to you that this is a matter of quite high priority for me, and I want to make sure that whatever funds we are putting in are being used appropriately and effectively and are maximising the benefit to those schools which really do need them. Specifically regarding your question, I might ask Jeff Rosewarne to comment. My understanding is that we are talking about, at the moment, about 50 per cent of our schools, but some of those other details we probably do not have here with us today. Jeff might like to add some more to my comments.

Mr ROSEWARNE — Just a couple of comments, Minister. The equity funding is delivered by two means to schools. Some of it is contained within the student resource package — the specific formula that Richard Teese reviewed. But there is also a range of other programs and initiatives that deliver equity funding directly into schools, not via the SRP. We have not got the specifics with us here, but I am sure through the minister we can provide that. The basis of Richard Teese's work around equity funding was that there should be an increase in the amount of equity funding going to schools, and over the last three to four years the government has delivered on an increase. The other component of Richard's work was that there should be decrease in the number of schools receiving equity funding. When the SRP got introduced, those two components happened. There was a specific increase in funding but a reduction in the number of schools. At one point there were probably in excess of 70 per cent of our schools being deemed disadvantaged. Richard's work and analysis and evidence said the number should come down to somewhere between 20 to 30 per cent.

Mr BARBER — Is there a dollar increase in this budget?

Mr ROSEWARNE — Not in this particular budget. In previous budgets — —

Mr BARBER — But you said there have been three increases.

Mr ROSEWARNE — There has been an increase over the last three years, since the SRP was introduced. In previous budgets there were specific initiatives, which we could bring back to the committee.

Mr PAKULA — I am also on budget paper 3, page 302. There is a line item there 'Schools maintenance'. You also covered it in your slide presentation. In regard to that I would just like you to outline for the committee what the government is doing in this budget to invest in schools maintenance specifically.

Ms PIKE — Obviously school maintenance is very, very important. The government does provide funding each year for regular maintenance within schools. That allocation is \$42 million for regular maintenance, and a further \$20 million on top of that was made available to schools to finance priority maintenance work. That was in 07–08, so that is not in these budget papers — that was in the 07–08.

The CHAIR — It actually is in the budget papers.

Ms PIKE — It is identified there, is it?

The CHAIR — You will find it on page 302.

Ms PIKE — I beg your pardon. That is the \$20 million of the 07–08.

The CHAIR — I pointed this out to the member for Nepean.

Ms PIKE — Yes, you do not want me to miss out on something that is important. Thank you very much, Chair, for your assistance.

On top of that this government has made a commitment to rebuild or modernise every single school in Victoria up until the year 2016–17. In this term of office there is \$1.9 billion, and I have talked about the money that is specifically in this budget for that initiative. I think it is fair to say that we are improving the overall stock, which had really been underinvested in for many, many years. We are improving the overall stock. As these redevelopments flow through, there is a significant improvement in the fabric of these schools. We continue to embed maintenance funding, which is absolutely essential, and obviously some of the funding may have come out of the maintenance budget previously — in fact people are getting extra because they are getting brand-new buildings and facilities.

The maintenance planning is supported by regular audits that are done of each school. They provide schools with professional advice about how they might actually plan their maintenance more effectively. I would have to say that I think schools are also looking at partnership arrangements. We provide advice about ways in which they can deal with procurement in a more appropriate and effective way, so that they can make their dollar go further, quite frankly.

The other thing that I think is important is to talk about the public-private partnership schools that will be put in place. They have been announced, they are all out to tender and work will commence shortly. One of the elements of the PPPs is the inbuilt long-term maintenance payment that will provide, I think, a lot of relief for principals and teachers in those schools because that will be part of the contractual arrangements that the private sector signs up to. It will be built into their forward payments schedule that they, in a sense, maintain the facility up to the standard that it was built at. I think that is an initiative that will see further development in the maintenance area within the education arena. As those kinds of arrangements are put in place — call centres and those kinds of things — I think you will see possible application more broadly across the system, even for the non-PPP schools, to assist in rationalising maintenance, if you like, and making it more effective.

Mr DALLA-RIVA — Just a supplementary, and maybe you could take it on notice. There was discussion about the EBA with my colleagues here. When the EBA is signed can you provide the committee with the cost into the forward estimates, so we at least have an idea what it is going to be in the forward estimates moving forward?

Ms PIKE — The Treasurer has dealt with this matter. Obviously the department is provided with the appropriate supplementation when all these matters are resolved, but this is a matter for the Treasurer.

The CHAIR — The Treasurer has promised us further information, and we will be looking for that.

Mr WELLS — No, he didn't.

The CHAIR — He did.

Mr WELLS — He just said that it would be in the education department's reports as of 30 June.

The CHAIR — No, the Treasurer said that he would provide us with some further information.

Mr DALLA-RIVA — Related to that. That was my supp.

The CHAIR — We don't really have supplementaries, so can you get on with your question.

Mr DALLA-RIVA — Thank you, Chair, for your advice.

You announced in last year's budget that 131 schools would be upgraded or modernised, and I notice in the current budget there is a further notation in the overview on page 18. It says here that this budget delivers funding for a further 128 schools. I am just curious, given that in table 4.3 on page 284 in the service delivery budget paper under 'Modernisation, regeneration, replacement schools and other projects' there was \$186.5 million provided in this current financial year with 326.8 into the next financial year. I am curious about how many schools you anticipate will get started. I know there are 128, but in a particular financial year, if you have allocated 128, what lag time do you anticipate? In other words, 131 from the previous year — how many were started? At the end of that financial year how much carries over into the next financial year? And in the forward estimates 128 are nominated for 2008–09; what do you anticipate in terms of commencement, as opposed to processed before it gets commenced, because there is a lag as I understand in the project development stage?

Ms PIKE — I guess the short answer to your question is 'It depends'. It depends on the individual circumstance of the school. Some projects are very large and complex, and they take a longer time to roll out. They may require decanting of students; they may require some kind of staging; they may in fact hit rock, or hit rain.

Dr SYKES — Not likely!

Ms PIKE — There may be unforeseen circumstances. What this process is really about is when a school is identified in the budget, that is a clear signal to that school that their money is in the bank, if you like. They can absolutely proceed with their development. Most of the schools will be at a ready-to-go stage of their development, particularly, for example, those big modernisations where you are talking about your \$5 million to \$10 million modernisations. They will be all ready to go; they will be able to put out to tender. They would have had all the architectural work done et cetera, they will be able to put out to tender, and off you go. But the project itself may take 1, 2, 3 years depending on the size and scope of the particular project. What we reflect here is the cash flow, in a sense, in the budget papers. The bottom line for schools and what schools know is that when their school is announced in the budget, that is the green light for them to absolutely go ahead and start purchasing, if you like. But what I can say to you is that out of those 131 schools, 125 schools have been announced. They know they've got the money; the schools know, there has been a public announcement of those — —

Mr DALLA-RIVA — That is for the financial year — 131.

Ms PIKE — Yes. So they know they have got their money. It has been announced somewhere publicly, locally or in a statewide release. Six of the schools are under what we call the Better Schools Today component. The Better Schools Today program is a larger number of schools; they will be notified about when they come to the top of the list and they proceed.

Mr DALLA-RIVA — They will run into this financial year, that remaining number?

Ms PIKE — They are very small numbers. No, they were funded last year.

Mr ROSEWARNE — They were in this year's budget.

Ms PIKE — 'This year', I meant, yes.

Mr ROSEWARNE — What the minister is saying is that there are six projects in Better Schools Today that are still to be announced.

Mr DALLA-RIVA — Which will bring it up to the 131?

Ms PIKE — Yes.

Mr ROSEWARNE — Correct.

Mr DALLA-RIVA — And you will go through the same process into the forward estimates?

Ms PIKE — Same process.

Mr DALLA-RIVA — So 128 — you have identified probably 120 or whatever — —

Ms PIKE — Yes.

Mr DALLA-RIVA — And the remaining number will be for that — —

Ms PIKE — Because there is a cluster of projects that are in that smaller cohort.

Mr DALLA-RIVA — Yes, and they are publicly announced and everyone knows which schools?

Ms PIKE — Everyone knows. I am very confident about the numbers here. We are counting very carefully because we have made a commitment, and we intend to meet that commitment. Jeff may want to add a bit more to that.

Mr ROSEWARNE — Minister, just to help the member, on page 306 of budget paper 3 there is the actual cash flow of the capital program announced in the 08–09 budget. Whilst all the projects will be announced and commenced, that gives you a very good indication of the actual cash flows associated with those projects. And as the minister indicated, the majority of those projects will be completed in two years; some will actually take three years to complete. But that gives you a good understanding of the cash flow. All 28 will certainly be announced in this next 12-month period.

Mr DALLA-RIVA — One hundred and twenty-eight.

Mr ROSEWARNE — One hundred and twenty-eight, sorry.

Ms PIKE — One hundred and twenty-eight.

Mr DALLA-RIVA — Thanks.

The CHAIR — Some schools take a lot of it. It is like the John Monash Science School; it takes a couple of years to build.

Ms PIKE — Yes, they take longer.

The CHAIR — Thank you, Minister. Mr Pakula asked you about maintenance. I would like to follow up on that one. On the same page Mr Rosewarne mentioned, page 306, there is funding for relocatable classrooms which in many schools in my area are seen as a way of getting rid of the old portables, on which we did a lot of maintenance, and putting new ones in. And of course the new modified ones are very good. Can you tell us a bit more about what you are intending on the maintenance rollout, because quite a lot of schools are interested in what is becoming available and what type of relocatables there are?

Ms PIKE — Sure. Relocatable classrooms are a very critical part of the facilities management within the education system because they provide temporary accommodation within schools whose enrolments may be fluctuating or who get a sudden rush of students and there is a lag between building the permanent facilities. They also are facilities that have been damaged, so if there is a fire or storm or something like that, or, as I have identified, during the construction process you need to have relocatable classrooms. Relocatables are transferred around schools during school holidays, because schools have an ideal allocation on the basis of their student population. We have to make sure that we are using these resources wisely and sending them to the most appropriate place to meet the short-term and peak-growth facilities entitlements. So the government has committed to a classroom replacement program, and that has seen the replacement of the older-style portables with new relocatables.

It is a very interesting story, because the contract for the new relocatables was won by a Bendigo company. In fact they have what I call nicely ‘the relocatable graveyard’ that some of you may have seen. If you are travelling up the Calder Freeway there is an area that has been set aside where people can go and purchase old relocatables, and the company is actually selling the old relocatables. A total of \$26 million has been provided in this budget. This will add to the 600 relocatable classrooms that have already been delivered to schools between 2005 and 2007. It is a really important program. I would encourage you to have a look at the buildings — the BRB modulars that are being built by Bendigo Relocatable Buildings builders — because they are very attractive buildings

The CHAIR — We would like to have more of them.

Ms PIKE — They really are serving our schools very well.

Dr SYKES — How many have we got located at the moment? You said 600?

Ms PIKE — The 600 is the new ones. There are still some existing older ones, because not all were ancient. I would have to take that question on notice.

Dr SYKES — Can I have a question on notice that explores that a bit further?

The CHAIR — Fine. I think somebody mentioned portables with asbestos in them. I thought we had replaced all of them. Is that correct? Have you done a replacement process on them?

Ms PIKE — Yes.

Mr ROSEWARNE — They are part of the replacement process that occurred with the 600.

Mr RICH-PHILLIPS — Minister, I would like to ask you about the ultranet project. The budget papers note the \$60.5 million allocation for it. Can you tell the committee why there has been a delay in announcing the tenderer for ultranet; when will you make that announcement; will the project be delivered entirely within the \$60.5 million that has been allocated; and how much of the \$21 million that was set aside for the current financial year has been expended on that project?

Ms PIKE — As we know, the ultranet is an online learning environment that will integrate teaching and learning, school administration and other dimensions. It will be accessible to a wide range of users, including students, parents, teachers, school administrators and people within the education system. It is a very comprehensive IT solution. In terms of the actual rollout of the program, the request for tender was released in August 2007, and those tenders are currently being evaluated.

There are a number of aspects that people are looking at: privacy and the compatibility with broader legislation like the Information Privacy Act and the Health Records Act. There are a number of security safeguards that are being discussed and being developed, and of course it has been all worked through within the probity framework that ensures the government's probity requirements are being met, and there is very strict compliance with those particular probity requirements. Those tenders are currently being evaluated. We anticipate that an announcement will be made in the second half of this year. It is correct that the project is a little behind schedule. That is because the department, with concurrence from my office, has made a conscious decision to invest additional time in the selection of the vendor and to make sure that the evaluation is as thorough and as comprehensive as it can be.

Mr RICH-PHILLIPS — Have problems been encountered in assessing the tenders?

Ms PIKE — That is a matter that the department has been working through. It is a big and complex project, and it is important that we invest adequate time in working that through with the tenders. This is a characteristic of a number of these complex IT solutions.

Ms MUNT — It is a world first, too, I think, so it is breaking new ground — a fantastic program.

Mr WELLS — A world first, like myki.

Ms PIKE — Yes. It is a relationship — —

Ms MUNT — Ultranet for schools.

Mr WELLS — But it is not even up and running.

The CHAIR — Can we have less commentary and more answer.

Ms PIKE — In answer to your last question, it is not anticipated at this stage that there will be additional budget requirements.

Mr RICH-PHILLIPS — And the \$21 million allocated for 07–08, how much of that has been spent to date?

Ms PIKE — I will ask Mr Rosewarne to help me with that.

Mr ROSEWARNE — It is anticipated that by 30 June the majority of that 21.5 will not have been spent on the basis, as the minister said, that there has been a delay and a contract will not be signed this quarter. It is estimated that somewhere between 2 to 3 million of the 21.5 would be expended this year, with the balance being carried over into the next financial year as part of the aggregate 60 million.

The CHAIR — Thank you. I am sure we will look at it in the outcomes report, as we do when there are any exceptions of 10 per cent or more for projects which are over \$10 million. You will find it recorded in one of the chapters of the outcomes report.

Ms MUNT — I would like to follow up on that topic a little bit. In the last term of government I was on the parliamentary committee for education, and one of our briefs was to investigate IT and technology in our schools. I think we actually came up with a recommendation for the ultranet after going to many schools and spending a lot of time talking to schools about what would be good for them. What became apparent to us was the importance of having quality computer infrastructure in our schools so that we can keep up with the world in our learning and our education. Is there anything that you can advise me and the rest of the committee of regarding what is being done now to ensure that we have quality computer infrastructure in our schools?

Ms PIKE — Thank you very much. Obviously computer infrastructure is really critical in our schools, and students having access to that has been a very high priority for the government. In fact the 2007 census of computers in schools showed results that were the very best to date. The performance target for the computer to student ratio in Victorian government schools is 1:5 or better for 95 per cent of schools statewide, and the 2007 census revealed that 92.3 per cent of primary and 89.7 per cent of secondary had achieved that target. That really has been a marked improvement. The statewide average curriculum computer to student ratio was 1:3.5. Obviously we continue to collect these census results, but we are certainly doing well in accessibility. That has also been further enhanced by the connection of government schools to the VicSmart broadband network. Some 99.3 per cent of all schools are on 4 megabytes-per-second scalable fibre, and of the 11 remaining sites, 10 are going to be upgraded from 2 to 4 by the end of 2008. There is one school that is a bit of a problem, but that is not of our making; it is because of the owner of the land.

The CHAIR — It is one of Bill's, is it?

Ms PIKE — We can talk about that another time. What we have done here in Victoria is make sure that we are at the forefront in this area and that we have the architecture in place to build upon. If you add that on to the ICT grants, we have committed an additional \$28 million over four years in ICT grants to schools. We also have the notebooks for teachers and principals program which is making sure they are connected as well.

That really leads me to the next part of this story, which of course is the National Secondary School Computer Fund that has been announced by the commonwealth, and last night's budget delivered on the first tranche of that program. Round 1 will deliver \$100 million nationally by 30 June this year, and I think the whole total of it was in last night's budget. We will have to get details on the remaining components, but a large amount of the remaining initiative was in last night's budget that the commonwealth delivered. I am advised that it did provide \$1.2 billion over five years, so I was correct; it was in last night's budget

We are working closely in partnership with the commonwealth to make sure that this rollout of additional computer resources is done in a collaborative way that maximises the investment that we have already put in and builds on the substantial architecture that we have provided for the system, because Victoria is a long way ahead of other states. We want to make sure that Victorian kids get a fair deal out of this \$1.2 billion, and we are working with the commonwealth to ensure that happens. So it is a very exciting time. If you add to that the electronic whiteboards and the kinds of innovations that those sorts of projects have built, it is a very exciting time in ICT within our school system.

Mr DALLA-RIVA — Minister, I note in the service delivery budget paper that page 284 — and I have touched on this earlier — deals with the upgrade and modernisation of schools. Since 1999 to 2006 as part of the Victorian schools plan there was a series of 400 schools that were upgraded, I understand. I am seeking answers to a question in two parts. In terms of the forward estimates in the determination of a school's funding, if, for example, a school has received a sum of money in that particular period between 1999 and 2006, are those schools still eligible for moneys out of the forward estimates or are they are excluded leading into the forward estimates because they have already received funds under the Victorian schools plan for those previous years?

Ms PIKE — The answer is the same as I gave to the other one; it depends. Clearly if a school, under the Victorian Schools Plan, had a major upgrade and all stages completed and it is a very significant upgrade, then you would not be prioritising them as part of the ongoing work. There may be some cases where there is a requirement for additional work that may fit in the Better Schools Today category, but by and large where schools have received major upgrades or where they are brand new schools, you would not be providing them with extra upgrades. There may be some circumstances in some where there is a requirement to do another stage or to complete that school, but by and large we are taking a sensible, prudent approach. We are dealing with many years of underinvestment in our school system, so we are having a very appropriate response to that underinvestment. Clearly from 1999 to

2006 we put a lot of capital in. We are accelerating that capital investment now with the 1.9 billion and then of course following the next election there will be some additional funding.

What we do is a 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. There are six stages to that: project identification, educational rationale — it is not just about building new buildings; schools have to have a very clearly articulated educational rationale; they have to talk about partnerships with other schools in their vicinity; they have to be clear about the kind of teaching methodology that they want to sustain and support within their capital project — feasibility study, prioritisation and approval, implementation and evaluation. That process helps us to identify the priority of projects that we intend to fund and also to fund those projects which will deliver long-term benefits and improve student outcomes. We offer a lot of support for schools as they go through this Building Futures program. We brief principals, we give them written feedback, we assess them very rigorously, we work with them on employment of architects, et cetera. So it is a pretty comprehensive program all over.

Mr SCOTT — Minister, I refer you to one handout in your presentation this morning which refers to the educational strategy for Koori students, and to budget paper 3, page 292, and the item ‘Improving outcomes for indigenous children in early childhood and at school’. Could you advise the committee what the government is doing, particularly in this budget, to improve outcomes for indigenous students?

Ms PIKE — Thank you very much. I have provided members of the committee with a copy of our strategy, *Wannik — Learning Together — Journey to Our Future*. This particular strategy has been developed after some very significant consultancy work that was done by Professor Peter Buckskin from South Australia who had a very close look at our existing Koori workforce and how it was facilitating the educational attainments of Koori young people and supporting them; and also Dr Chris Sarra from Queensland, who did an evaluation of our existing stand-alone provision for Aboriginal young people. Also, David McCrae did a piece around what works best, and we had a huge amount of consultation. The reason we did this is that we ourselves were dissatisfied with the performance of Koori students and we believe very strongly that we need to redouble and triple our efforts and bend over backwards in this state to do everything we possibly can to improve the educational outcomes for Koori young people.

We have indicated in this budget that we are prepared and want to invest more substantially in this area, but we are also working very closely with schools to bring about a genuine cultural change in those schools. We want our schools to have high expectations of the performance of Koori young people and to work with individual development plans so that those students’ performance can be monitored and all the additional support can be put in place so that those students can actually progress. We want our schools to engage more effectively with the Aboriginal communities that the young people are drawn from so that parents can be better partners with the schools and the students in kids’ educational performance. We want our schools to actually take responsibility for having a culturally appropriate curriculum for the whole school so that Koori students know that their culture is valued and respected within the school community.

These are a very comprehensive range of strategies. Some go to additional resources, which we have identified in the budget, but some go to a lot of professional development support that is going to happen in our schools to make sure our schools do take responsibility and accountability for the performance of students, do have the appropriate level of support services in place, do engage the Koori community more appropriately, and of course do work within a statewide framework.

The initiatives in this budget, particularly the \$30.8 million to underpin the Wannik strategy, will see an expansion and redesign of the Koori support workforce. These are people who have been working often as Koori liaison officers or Koori educators, but we want to now give this workforce the opportunity to have professional development, to have qualifications, to access further development for qualifications, and to be accountable to the regions for the way that they are distributed amongst the schools. Other aspects of the money will support literacy and numeracy programs, professional development for teachers, and other initiatives that are identified in Wannik. I certainly commend it to the committee because it is a very serious statement that embeds explicit accountability for our system. When you couple that with initiatives from the commonwealth around meeting high targets for improved performance for our young Koori people, people will understand this is a very intentional program and process to show a much greater level of commitment to our Koori young people in this state.

Dr SYKES — My question relates to whether there is anything in the budget allocation this year for interest payments on loans taken out by school councils or school cooperatives. I note that in your earlier commentary you made mention of the substantial amount of money going into the upgrading of 128 schools, but there are still school groups out there that seek to invest with local funds. You have situations where school co-ops are formed, they borrow money and they contribute to the cost of upgrading. It is my understanding that the interest subsidy that the government has traditionally paid may no longer be being paid. By way of background, historically the school co-ops used to be able to borrow 100 per cent of the project costs and a couple of years ago that was reduced to 70 per cent. Can you provide guidance on what the budget situation is?

Ms PIKE — Sure. I will make a broader introductory comment and then ask Mr Rosewarne if he can give us some more detailed information that you are requiring. It is true that that program has been in place for schools. In fact I am aware of a school in my own electorate that is seeking to form such a cooperative arrangement. I might say that the \$1.9 billion in this budget for capital investment and the ongoing commitment post-2010 to upgrade, modernise, rebuild, refurbish and all those things for our government schools means that schools are getting substantial capital investment that they have not had over previous years except, of course, for the 400 that received upgrades in the previous eight years. I think that there is a lot of support in terms of capital for schools, and that means that some of these arrangements are not necessarily being utilised to the same extent that they may have in the past.

Mr ROSEWARNE — If I can just add that in budget paper 4 at page 100 under ‘Operating statement’ and ‘Expenses’ there is a line called ‘Finance costs’, and I believe that is the interest subsidy line in terms of where the expenses are recorded. Whilst I will follow up the detail for the member, I am not aware that the program has actually been ceased, and previously it has been undersubscribed. We have had difficulty getting schools and cooperatives to actually take up what the government has offered by way of support. That number there clearly indicates that the program is continuing, and I think the reduction is more about the fact that it has been undersubscribed, but we can certainly follow that up.

Ms PIKE — We are happy to provide more details.

The CHAIR — That would be good. Also, we asked about subsidies before and it was not one of the ones mentioned, so you can give us some further details on that particular aspect of the subsidy.

Dr SYKES — Can you clarify, firstly, whether the program remains in place with the two-thirds interest subsidy, and secondly, this other issue of the reduction in how much percentage of the project costs can be borrowed by the school, which I understand is reduced from 100 per cent to 70 per cent? If so, can you provide some rationale for that?

Mr ROSEWARNE — Yes, we will follow that up.

The CHAIR — You might need to discuss it with the Department of Treasury and Finance in preparing your additional response.

Mr NOONAN — Minister, I want to go to the issue of the regeneration projects, and specifically you outlined in your PowerPoint presentation 101.1 million for these projects over the estimates period. I wonder whether you could advise how these projects form part of the Victorian schools plan, and specifically I should declare a bit of an interest in projects such as Broadmeadows, Altona and Altona North in my question.

Ms PIKE — The regeneration projects are a very important part of our plan to renew, reform and reinvigorate public education in this state and our work in that area. They are a planned response from groups of schools but also broader service providers, local government et cetera, to really look at ways that education can be enhanced in a local community. Whilst they centre in some ways around buildings, the buildings are not necessarily even the most important part of the program; it is about improving student outcomes, it is about addressing disadvantage, and it is about working with the provision of education in that local community to really make it shine. The new buildings, of course, help facilitate that, but it is also a program around really changing expectations and outcomes for young people. We are very committed to adopting that approach and working with school communities to provide better learning outcomes that meet more modern teaching requirements and therefore help kids improve.

There are a number of regeneration projects under way, and they have been funded previously and are funded in this budget. There is a lot of interest in regeneration, particularly in some of our disadvantaged areas, and it really is something that communities are embracing. They provide, as I said, a broader and more relevant teaching and learning model; often expanded curriculum options, because two or three schools are coming together; better school design and organisational arrangements; better utilisation of facilities, because you are consolidating and you are expanding access to facilities; and of course this partnership approach, which I just think is so important. There are a lot of opportunities for local government to get on board to talk about developing shared use facilities and for other organisations and business to be partners and show interest in the education of young people in their area, and of course the now enhanced and broadened department gives us even further opportunities to add on with early childhood services et cetera.

There are 25 schools in this \$101.1 million budget allocation that are going to benefit from regeneration, and they are in Colac, Sunshine, Dandenong, Broadmeadows and Bendigo. The Altona Bayside regeneration encompasses the Altona North campus of Bayside Secondary College, Altona Gate Primary School, Altona West Primary School and Altona Secondary College, and it consists of these projects: the merger of the Altona Gate Primary School and Bayside Secondary College onto the Altona North campus, and, on the Bayside Altona North campus site, the forming of a new P-9 school. Stage 1 was announced in last year's budget and is under construction, and this is stage 2. It is a big program, but what it is really designed to do is to expand opportunities for young people in the area; to provide a broader curriculum, better teaching and a design more appropriately linked to new teaching, methodology and curriculum offerings; and to provide a chance, I think, for those communities to really make a statement about how important their education is and about reinvigorating public education in some of those communities.

Mr BARBER — Minister, this is an oldie but a goodie, and I am sure you have an answer in your folder there. How much money is going into Victorian public schools as a result of voluntary contributions and locally raised funds?

Ms PIKE — As people will be aware, schools do have an opportunity to garner voluntary contributions from their local community, but that of course is within very strict criteria and is identified in our policy framework. There are ways in which schools can request payments from parents and guardians for students for essential educational items such as stationery, textbooks and school uniforms which people are required to provide or pay the school to provide. Optional extras are offered on a user pays basis, which are things like school magazines, extracurricular activities and also voluntary financial contributions where they can be invited to donate to the school et cetera. The policy is very clear that beyond these areas, and with absolute clarity, the school must provide the educational requirements for its students. The other requirement is that students are not to be treated differentially, are never to be denied access to standard curriculum programs, or refused instruction on the basis of payments not being made for those items that I have identified. Schools also must not coerce or harass parents to obtain payments.

To make sure this is standard behaviour, because I am conscious of complaints that come forward from time to time about this matter, an audit of 100 schools commenced in 2008 to ensure that schools are complying with the new policy. Schools have been chosen to cover a representative sample, and information gained from that audit will be used to further refine the advice to schools to make sure they are complying with the new policy requirements.

The voluntary contributions are there. Schools also of course undertake fundraising activities, and that is an essential part of the fabric of our school community interface. I am sure many members around here have been to terrific fetes and partnerships. That partnership between the public and the school community is about building stronger communities and engaging parents effectively within the school process. Those matters are of course understood and under way. Schools keep their own bank accounts. There is a matter within the papers, which I am sure you were referring to, which is around the movement in that bottom line. Schools have raised more money this year but in fact have expended less of those resources. Mr Rosewarne might like to add some more detail.

Mr ROSEWARNE — Minister, could I refer the member to budget paper 4, which is the operating statement of the department — sorry I have just lost the page — on page 100 — —

Dr SYKES — Don't lose the plot!

Mr ROSEWARNE — No, I will not lose the plot. There is a commentary on page 99 which the minister just referred to which indicates that the operating surplus projected for 08–09 is \$125 million, and the primary reason for that is anticipated third-party revenue in excess of local expenses at the school sector. The point there is that there is an increase in the revenues that schools have raised projected for 08–09.

In terms of the financial accounts the difficulty with that is that the revenue from other parties and from other income in the income line for the 06–07 year includes the previous Office of Training and Tertiary Education, OTTE, which was the subject of a machinery-of-government change on 1 January 2007, so for six months of the year its third party revenues are in that figure and then in the subsequent years — —

The CHAIR — That is note (a).

Mr ROSEWARNE — That is note (a), and in the subsequent years it simply reflects the schools and the departmental revenue. The other side of that equation: the expenses that are referred to in the commentary is the supply and services line, and schools are expending less than they are generating in terms of locally raised funds.

Ms PIKE — The answer to the question is that schools keep individual bank accounts. They do not in any sense compile all that kind of movement other than what is made available here.

Mr BARBER — Is it literally that your department does not know how much schools have fundraised by auditing those accounts or by any other means? You have no data on that?

Mr ROSEWARNE — Schools run an administrative system that keeps their financial records. Those records are aggregated up to produce the departmental numbers, but the chartered accounts that determines how schools code that information can be from voluntary contributions, or it can be from fundraising. Within particular line items within the school-based chartered accounts you are unable to identify the exact amount from voluntary contributions as opposed to the total collected from third-party revenues

Ms PIKE — It is total data. That is how come we know the movement.

Mr BARBER — But you do not know the quantum.

The CHAIR — They know how much is from third parties because it is a one line item on third parties. That is what you are saying to us?

Mr ROSEWARNE — Yes.

The CHAIR — Do you want further clarification of the point?

Mr WELLS — Just a point of clarification. Minister, it is your policy that students cannot be excluded from the standard curriculum. Is it your policy that they can be excluded from extracurricular activities?

Ms PIKE — Where there are optional extras then potentially if there is an add-on, extracurricular activity — I will give you an example — if there is some sort of sports program that comes in after school where parents are asked to contribute, et cetera, that would fall into that category. I would have to say that by and large schools work very closely with their local communities. They know the socioeconomic profile of their students and if there is an extracurricular activity that goes beyond the curriculum in most cases they would make some kind of arrangements. Some of the other things are things like overseas trips. Some schools will make an arrangement for an overseas trip. It is not compulsory of course; it is an optional thing that the school is offering and parents have to contribute to that cost because schools are not funded to provide overseas trips for students.

Mr WELLS — No, but we are talking about the voluntary component and extracurricular — —

Ms PIKE — That is a voluntary component. That is exactly the kind of program that I am talking about where parents can be asked to pay and if a parent chooses not to pay then the child does not go on the overseas trip. That is the voluntary kind of program. That is not standard curriculum. Where it is standard curriculum the school must provide it, irrespective of the parents' capacity to pay, because it is part of our free public education program.

The CHAIR — We have started up a local charity in fact to help fund needy children for extracurricular activities.

Ms PIKE — That is right. And that was my point: that a lot of schools will have those kinds of arrangements in place or will make allowances for small numbers of students in their midst who are poor.

Mr PAKULA — Minister, I want to ask you about the mathematics and science education strategy. It is also a line item on page 302 of budget paper 3. Could you just give the committee some more details about that strategy?

Ms PIKE — The parliamentary inquiry into the promotion of maths and science was conducted in 2006 and it indicated to us directions that were consistent also with our own research and analysis in that maths and science education is obviously very important and that we need to ensure that young people leave school with the capacity to study further maths and science and be employed in those areas. This will not just happen by accident. We actually have to have a number of key strategies in place to promote the teaching and learning of maths and science. Our strategy is around improving the quality of teaching in maths and science, developing broader curriculum options and assessment actions, supporting particular targeted cohorts of students who have an emerging interest in this area but need extra support, improving facilities and equipment, enhancing pathways and developing better partnerships with industry, business and research.

In 2006 we committed an extra \$76 million to this area through scholarships, capital funding to upgrade classrooms and facilities, and the building of three additional maths and science specialist centres — the John Monash science school being an example of that specialist centre. Capital funding is in this budget for the John Monash science school and that is going to be a fantastic facility in partnership with Monash University, giving people access to shared teaching across the tertiary and secondary campus and use of physical resources, et cetera. It is going to be co-located at the Clayton campus of Monash University, and it really will lead innovative teaching in science.

This budget also builds on that maths and science initiative with an extra \$2.8 million to enable schools to receive grants and to help students access specialist service centres, and have targeted maths and science programs and business and industry projects. We certainly have had a lot of interest from business and we are drawing together now a round table of people in this area. We have a particular ministerial advisory committee to report on this area because we know how important it is to continue to promote maths and science education and to work hard to achieve good results in this area.

Mr RICH-PHILLIPS — Minister, you touched earlier on the issue of the commonwealth's computers program. I would like to ask you about the implications of that for the Victorian budget, firstly, from a point of view of how it is going to work. Is there going to be a special purpose payment to the state and then the state is responsible for the acquisition of the units? Who is going to be responsible for maintenance? Who is actually going to own the units? What are the implications for the Victorian budget?

Ms PIKE — I think I outlined before that Victoria has come a long way in the provision of computers and in access to the architecture to maximise the use of those computers. We already have a lot of good systems and structures in place so that we can add the commonwealth's initiative to our particular existing program. It is exciting that the commonwealth has in fact identified that it will provide \$1 billion to its digital revolution commitment and that will be rolled out over the next four years.

From our perspective we are working closely, in collaboration, with the commonwealth about how that is to be rolled out, including the very matters that you raised — matters of ownership of the hardware, the issues of ongoing maintenance et cetera. I am very confident because of our not inconsequential investment in this area already and the ongoing money that is built into school budgets, that we will be able to manage this very effectively.

I think this is about adding value to our system. It is a good news story. It is a lot of extra money and resources for our kids, to give them access to high-quality IT resources. I am confident that the particular arrangements which go to the detail of the rollout can be negotiated between the commonwealth and the states. If we are talking about additional resources, remember that we already provide additional resources. We already have money embedded in our budgets. Whenever you enter these negotiations you are obviously cognisant of your existing expenditure and how that aligns with the additional commonwealth dollars. I am very confident that we will be able to achieve a good result here, building on what is a pretty significant program already.

The secretary of our department, Professor Peter Dawkins, is the deputy chair of the COAG productivity committee, which is the broad group that is really looking at all of these initiatives that are being rolled out to

support education, employment, early childhood development and all of those areas, so he will be able to add some further detail.

Prof. DAWKINS — The commonwealth government has confirmed that each state and territory will get its fair share over the course of the whole program, commensurate with the number of students it has. In the first tranche we got a relatively small amount because we provide for our students in a way that is better than the average across the other jurisdictions. The first tranche was given mainly to those schools which have very few computers.

Ms PIKE — It was 14.7 in the first tranche to purchase 14 700 computers.

Prof. DAWKINS — The much bigger issue is what is going to happen in the longer run. In terms of any costs of implementing this beyond the cost of the actual hardware, that is something that the commonwealth has undertaken will be negotiated as part of the negotiation of the quadrennial funding agreement — the special purpose payment that is being negotiated in the remainder of this year.

Mr RICH-PHILLIPS — You have said ‘a specific purpose payment’ — will it be up to the department to purchase the hardware or will you be allocating those funds to individual schools to undertake those purchases?

Prof. DAWKINS — Jeff Rosewarne oversees the process. There is a tender board, but Jeff could give you a few more details.

Ms PIKE — That is right. We are looking at maximising procurement opportunities, and they will differ in different contexts.

Mr ROSEWARNE — In terms of the hardware to be purchased, the department has a number of statewide panels of recommended suppliers in terms of desktop computers, notebook computers and other associated equipment, and schools are required to purchase off that panel arrangement. The expectation and the agreement with the commonwealth is that that panel arrangement will stand for the commonwealth moneys. I am not sure at this point I can answer whether the moneys will go direct to the schools or actually come to the department to do a bulk purchase on behalf of the schools, with the commonwealth having decided which schools will be eligible for the money. I think that is still part of the negotiations that are going on with the commonwealth.

Mr RICH-PHILLIPS — Is the specification of the hardware fixed? You mentioned 14 700 units of hardware — will that be one standard notebook or desktop, whatever it is?

Mr ROSEWARNE — That is an average cost. The provision of the panel arrangements at the moment is desktop and notebook computer prices are reducing all the time. We now have panel arrangements whereby the actual standard hardware desktop can be purchased for between \$700 to \$900, but in doing that there are always associated costs with connecting it to the network at the local level. The 14 700 is an average cost of \$1000 per unit. The actual price for the PC itself is actually below that.

Mr RICH-PHILLIPS — With respect to the negotiations that Professor Dawkins referred to, pending the conclusion of those negotiations has there been an appropriation included in this budget to allow for recognition of the ongoing setup and maintenance costs for these units?

Ms PIKE — No. There are contingency funds for COAG initiatives but no specific provision here. As I said, there is a lot of IT-related resource potentially embedded in the funds within schools. I am confident that we can negotiate an appropriate agreement with the commonwealth about how we roll this project out together.

The CHAIR — Thank you, Minister. You provided us with this Refugee Students in Government Schools publication. I notice you have a program for that, the refugee support strategy. I was at one of my neighbourhood houses last night, and it had a small grant, I think it might have been from the VMC, to do a transitions and community pathways program at a local high school with CALD community students, many of them from refugee communities. It was actually very good, so I will write to you, Minister, and —

Ms PIKE — Commend me.

The CHAIR — I will give you some information on that one, because it seemed to be a very good pilot project and the school wants to do it again next year. Can you tell us a bit more about what this program is

intending? Clearly we want to support those who need support in our community, and obviously as they come from refugee situations, they are the ones who need it.

Ms PIKE — Strengthening the outcomes for our refugee students is a very high priority for this government because when refugee young people come to our community they often have very significant needs. They have often come from very challenging circumstances. For example, many of the young African people, particularly the boys, may have missed large chunks of their schooling because of the war zones that they lived within. We have welcomed these people to our community, and it is incumbent on us to do everything we can to help them achieve well educationally and move on to further pathways for employment, preferably further education and employment. A number of schools have excellent programs for refugee young people and work very hard to provide the services they need.

We wanted to, in a sense, bring it all together and to indicate, firstly, our priority for this area and, secondly, what we think is best practice in terms of delivery of services. The *Strengthening Outcomes* document was produced in partnership with a number of schools and organisations that provide refugee services. It indicates the importance of whole-of-government responses, of proper evaluation, and people taking full responsibility for services for young refugee people. When I launched this I was able to talk about the funding that went with it — some \$4.5 million, I think, at the time — but then in the budget I was pleased to be able to announce an additional \$6.5 million of funding that the state government is picking up in two key areas. For the first time the government will provide funding to coordinate homework programs for refugee students, which are run by volunteers at schools, libraries and community centres right across the state. These programs, and I have had the chance to see a number of them — —

The CHAIR — We have got one of them in our area.

Ms PIKE — They are just fantastic. The volunteers make a great contribution, and they benefit students not just by focusing on the education but of course they act as a point of socialisation, of English language development and of connecting and enhancing social cohesion.

The second aspect of the initiative, the 6.5 million, is funding for the school support program, which provides professional development for teachers, counselling support in schools for students, and it assists schools to access a range of specialist agencies and resources and encourages educational partnerships.

People will be familiar with Foundation House, previously The Foundation for Survivors of Torture and Trauma. They worked with the Centre for Multicultural Youth Issues and have prepared this very comprehensive program. It is important that teachers get professional development. If you have no experience of working with a refugee family, it is important that you understand culturally appropriate behaviour on behalf of the teachers and the school and that you understand some of the unique circumstances that are faced by these young people — how they learn, how they learn effectively and how you can have partnerships. It is a very important part of our work. The consequences, if we do not do this kind of thing effectively, are broadly felt across the whole community. I think education is playing a very important part in these programs.

Mr WELLS — You were glowing in your answer to Mr Pakula about your efforts in maths and science. I refer to page 24 of budget paper 3 which states, ‘Victorian students continue to improve their educational outcomes’. How can this be reconciled with the latest OECD PISA results that show Victoria as having the worst results of all mainland states for 15-year-olds in maths, reading and science?

Ms PIKE — Professor Dawkins will talk about this particularly. I think it is important when you are evaluating the performance of our students that you have a range of indicators that reflect that performance. Of course the PISA is but one of those particular performance indicators. There are others, and certainly the national testing which is currently under way within our schools — I think it is numeracy tomorrow; they did language and other things yesterday and today — will again, I think, give us robust data in this area.

The performance for students in those PISA results was better than the OECD average in reading, maths and science; similar to the national average in reading and mathematics; but below the national average in science. We recognise that we are benchmarking well, but we want to be more than at the average; we want to be above the average, and we believe that a number of our initiatives and the focus we are putting in this area will help us in that regard. But there are other tests and other measurements, and I think we need to be cognisant of them as well.

Professor Dawkins might like to add some more information about these particular tests and our results.

Prof. DAWKINS — With respect to the PISA study, I think the point the minister made about it being one of a number of studies of performance in maths and science is important, but the other point is that given the small sample sizes, the difference between Victoria and most of the other jurisdictions is insignificant statistically, so we cannot say we are below most of the other states. I think the ACT always stands out as being at the top because of its high socioeconomic status students. Victoria's performance is very similar to most of the other states. Nonetheless we do take a close look at the results in the PISA study, as we do with all the others.

Ms PIKE — And TIMSS; we are talking of TIMSS as well.

Prof. DAWKINS — And in the maths area, in the national assessment we do emerge as at or above the national average. Of course we have got the new national tests taking place at the moment, and we will look forward with interest to how we perform in those. But of course the reason why we are keen to develop this maths and science strategy is to get further improvement.

Mr WELLS — Just as a quick follow-up, you have stated about the sample size being small, but the last lot of results in 2002–03 were exactly the same. They showed that Victoria had the lowest level achieved in maths, science and reading, so we are talking about a period of four, five or six years where we have been the lowest, so you just cannot blame the sample size, because it is consistent.

Ms PIKE — But as Professor Dawkins indicated, because the sample size is low and these things occur within a band, the results are dealt with, enunciated and distributed within a band, and within that band the statistical significance is so narrow that you cannot actually say that someone is below or above. So, for example, what we know is that, in reading, above Victoria are New South Wales, Western Australia and the ACT. But similar to Victoria — or within the cluster, the same statistically relevant cluster — are Queensland, South Australia, Tasmania and the Australian average, and below us is the Northern Territory. I think we need to be clear about how we are evaluating — —

Mr WELLS — Could you give the results on science while you have that sheet in front of you?

Ms PIKE — Yes. Similar to Victoria are Queensland and Tasmania.

Mr WELLS — And below?

Ms PIKE — Below is the Northern Territory. Because these things are reported in bands, you need to look at who you are consistent with, or who you are being measured against or similar to, in your band.

Ms MUNT — I would like to talk a little bit about public-private partnerships and the program that is about to be run out. Interestingly in my electorate I have two schools — Kingswood primary and Kingston Heath primary — that were actually A. V. Jennings-built schools in the 1970s — open-plan A. V. Jennings. There were a couple of difficulties with those schools. They have flat roofs and it is a bit hard for the rain to get away when it rains, which causes some maintenance problems, so I was wondering how this public-private partnership will be rolled out under this scheme — if you could give us some details?

Ms PIKE — This budget does provide \$171.3 million to deliver 11 new schools under the Partnerships Victoria procurement model. The Premier announced this in December of 2007 and the contracts will be finalised towards the end of this year, and the first five schools will open in January 2010 and the final six schools in January 2011, so we currently have these schools out to tender and consortia are developing their response. There has been a lot of, and there will be further, community engagement about the shape of the project. In the first instance, because they are in new and emerging communities, leading principals, expert departmental staff, architects, school region representatives are providing the best advice that they possibly can. The school planning committees will be developed, and they will represent the needs of the local community — and of course parents and residents, local councils and principals from nearby schools have been widely consulted. What will happen under this Partnerships Victoria program is that the private sector will design, finance, construct and maintain and provide facilities management to these schools for 25 years. The government retains full ownership of the 11 schools and of course all educational services within the schools are fully provided by the government.

One of the things that it is very important to note about the Partnerships Victoria process is that traditionally in other sectors it has really been very effective in the development of innovation. Because the private sector has been asked to have full responsibility for the whole lifetime of the project within the educational framework that we require, they develop very innovative responses to how they will satisfy that requirement within the budget that is allocated. That has meant some really good ideas have emerged, and that has application across the whole traditional procurement sector.

The other thing that is really important — and I hinted at this before — is the maintenance and facilities-management component of the 25-year contract. It does mean — and I have experienced this through observing in other jurisdictions — that principals will no longer have responsibility for maintenance. It is a big part of their role at this point in time in traditional schools, and these schools will be able to have access to the facilities maintenance programs that are put in place by the private sector, and the payment structure will see evaluation of the performance of that facilities management, which means that if it is not being done appropriately, then the payment structure will be adjusted accordingly. This has proved to be a very good tension that is put on the private sector for the provision of that, and it really does release principals and school leaders from a sometimes onerous task.

The other part with facilities management is things like what we call portage. For example, if you have got a big school with a big gym and you need it for a school assembly, then part of the contract would see the setting up and pulling down of the chairs and things like that. Some of these functions are currently performed by the schools themselves. We have got Taylors Hills primary school, Derrimut primary school, Point Cook North P-9, Cranbourne North East primary school, Casey Central secondary college, Mernda central primary school, Craigieburn West primary school, Lyndhurst primary school, Cranbourne East P-12 school, Kororoit Creek primary school and Truganina South primary school are all in that list of 11 schools.

The CHAIR — Thank you, Minister. I note that in budget paper 4 on page 93 there is an extensive section on the PPP project with regard to loan council allocations.

Ms PIKE — It is a new initiative for education, but I have to say that my experience in previous portfolios has been very instructive and helpful here, and I think we are going through a very good process within the department.

Mr DALLA-RIVA — Minister, the service delivery budget paper on page 432 relates to discontinued performance measures under your department. There was a big issue for a number of years about class sizes under your government, and I note the quantity on both the early years and the middle years — ‘Average years 3–6 class size’ and ‘Years 7–10 English class sizes less than 26 students’. Both those performance measures have been discontinued. Why would you not have undertaken that process into the future?

Ms PIKE — Thank you very much for identifying that average primary school classes for each year level have decreased every year since 1999 and the largest decreases have been in the early years of prep to year 2, which is really important and is where the foundations for literacy and numeracy are established, in those very, very early years. For example, in a prep to year 2 class in 2008 you will see an average of 20.6 students compared to 24.3 in 1999, which is a decrease of 3.7 students. This certainly meets the government target of an average of 21 in these years, and that has not come at the expense of other classes in primary schools, let me hasten to add, because there has been in fact a reduction over the years in years 3 to 6 as well. We have said that the average primary class size is the lowest since government records have been kept.

In this year’s budget the average years 3 to 6 class size is not being considered as a measure because we have, I think, made it very clear that our priority of course is in the prep to year 2 area, and we certainly believe there are other more relevant indicators of educational performance in those years than class sizes. We also, I might say, because we have reduced them so much, are very confident about the stability of those class size numbers.

Class size is one way of measuring educational attainment, but there are other more robust measures, and in fact 10 new and additional measures have been created for the department this year: the number of certificate enrolments in accredited vocational programs in schools; the number of school providers offering VCAL; the number of school students enrolled in VCAL; the number of school students participating in accredited vocational programs; the number of school students satisfactorily completing at least one VCAL; the number of school-based apprentices and trainees; the number of units of accredited vocational schools as a proportion of total VCE

enrolments; percentage of VCAL certificates satisfactorily completed; percentage of school leavers completing an intermediate or senior VCAL certificate in school progressing to further education — that is actually a very good figure — and percentage of school leavers completing VCE VET certificate programs in a school progressing to further education, training or work.

Mr DALLA-RIVA — Can I just refer back to what my initial question was: why is it that those quantity measures have been discontinued? I note that footnote (d), which relates to both, says ‘This measure is no longer relevant because the indicator is not a measure of education performance’. I thought this government used to use it as a measure of education performance. I draw your attention then to page 68 of the same budget paper 3, where on quantity the average P-2 class size — in other words, the other class sizes — you still maintain that performance measure into the forward estimates, and at footnote (e) the reason being that it ‘shows that schools have continued to reduce class sizes’. So I am confused as to why on one level you say it is not a measure anymore, yet in one area — in fact the majority of the school years — in P-2 you maintain it as an important performance measure, when you yourself, in your own budget paper, say it is not a measure of education performance. So what is it?

Mr WELLS — It seems to be inconsistent.

Ms PIKE — It is not inconsistent.

Mr DALLA-RIVA — It is.

Ms PIKE — The government has always had a policy regarding class sizes in P-2. We have worked very hard to bring those class sizes down, and we have been extremely successful in that task, and we have brought those class sizes down. We have always been very clear that class size is a significant input measure in the early years, and that is where the focus of our attention has been in the work to reduce class sizes. As a further measure we of course have also brought down class sizes in the other years, because that has been an outcome of all of the additional investment that we have put in in all of our work to catch up on the deficit and reduction of funding and the diminishing of the system that occurred before 1999. We have certainly indicated — —

Mr WELLS — So why did you not leave them in?

Ms PIKE — We do not think that this is an input measure that is particularly helpful in terms of — —

Mr WELLS — It could create bad publicity.

Ms PIKE — In the output of the school — in other words, the school’s overall performance.

Mr DALLA-RIVA — Just for the record, Minister, the measure of education performance is no longer tied to class size; that is my understanding of this.

Ms PIKE — No, that is not we have indicated at all.

Mr DALLA-RIVA — So the footnote is wrong?

Ms PIKE — The evidence is very clear that in the early years, where the government made its specific commitments — and I can even pull out for you the pledge card that was provided — —

Mr WELLS — Do not pull it out; it might be embarrassing. It might be very embarrassing to pull out that pledge card; very embarrassing.

The CHAIR — Okay, thank you.

Ms PIKE — I would be very happy to table that around class sizes.

Mr WELLS — Only that one; we will ignore the others!

Ms PIKE — Which have, of course, been well and truly met. That has been our policy. We do not have a policy on minimum class sizes in those other cases. We never have had a policy on minimum class sizes, but of course they have come down anyway as a result of the absolutely enormous investment that this government has put into education because it had so much hard work to do after the way that the public education system was starved of funds, denigrated, diminished and virtually destroyed under the previous government.

Mr WELLS — We are not going to be open and accountable when it comes to class sizes!

Mr SCOTT — I would like to ask a question of the minister regarding selective entry schools. I refer you to page 306 of budget paper 3 and the table headed 'Asset initiatives'. It makes reference to select-entry schools. Could you please advise how the government plans to deliver these schools?

Ms PIKE — Thank you very much. It is true that this budget does allocate \$19 million to build the first stage of Victoria's two new select-entry schools. These schools will be years 9–12 schools built at Berwick, firstly, adjacent to Monash University, and at Wyndham Vale in Melbourne's west. These two sites, as people will be aware, are in two of Melbourne's largest growth corridors. These schools will provide greater choice and expand opportunities for highly able students from all backgrounds, ensuring a more equitable spread of students from a range of areas. Both of these schools will partner with a major university — in the case of Berwick, with Monash; and in the case of Wyndham Vale, with the University of Melbourne — so we can really add a lot of value in things like leadership and professional development, curriculum excellence et cetera.

People will be aware that we have two existing select-entry schools in Victoria: Melbourne High School and MacRobertson Girls High School. These cater for around 2300 students. There are around 2500 applications for 560 places each year, and those applications do tend to come from a very narrow band of LGAs. But we believe that there is a lot of interest in this opportunity for students from a broader geographic spread, and these two new select-entry schools will provide opportunity for us to give places to a much larger group of young people.

The schools will take up an initial enrolment of up to 200 students at each year level. They will be selected through a comprehensive examination process that will include the existing schools, so those students in year 8 will be able to sit that test and will be offered, potentially, places in the new schools and the two existing schools. I think this is really a good news story. If you look at Wyndham Vale and you look at where it is located on the train line from Geelong, on the train line from Williamstown, Altona, Footscray, Sunshine and even those areas — —

Dr SYKES — On the bus line from Wodonga to Wang, because there are no trains!

Ms PIKE — We did not close train lines, but that is another issue.

The CHAIR — We are on education.

Ms PIKE — We are on education.

The CHAIR — We want to get a few more questions.

Ms PIKE — There is, I think, a great opportunity. If you look at Berwick and you think of those southern and emerging suburbs, right down to Pakenham and places like that that are on the railway line, what we are talking about is really giving much broader access to this education for everyone. The other thing of course is that we have built into the selection criteria some strict measures to make sure that all of these students do not come just from the one school. There is a cap on the number who can come from any individual school. The other thing, of course, we have built in is an equity criterion. Out of the 15 per cent of students who are to be at the discretion of the school principal, 10 per cent must meet a demonstrable equity criterion, because the whole purpose of this initiative is to really try and broaden the opportunities to help give broader options within public education and of course to raise the confidence that there is in our public education system in this state.

Dr SYKES — Back to school maintenance, Minister. How will the \$40 million annual maintenance budget plus the \$26 million extra allocated this financial year, as in the budget paper, address the budget backlog? In other words, what proportion of the budget backlog will be addressed by this \$66 million coming in? I raise it because I acknowledge the investment in school upgrades and the capital works, but we have schools such as Mansfield and Myrtleford, particularly Mansfield, where there is upgrading going on; that is fine, and Myrtleford is probably set for an upgrade in a few years time, but capital upgrade does not preclude the need for annual maintenance work to keep the roof over their heads while the upgrades occur. What is the proportion?

Ms PIKE — The proportion is that \$29 million is right in the base of funding that is allocated to the individual schools. It is in their student resource package. They get that money every year, and it is their responsibility to work with the department to identify the best utilisation of that funding. We also provide the

balance for urgent works that exceed school's available funding. That is managed centrally by the department. Things will emerge from time to time — a roof might break or something like that.

The CHAIR — Water pipe.

Ms PIKE — Water pipes break and roofs get holes in them, so that is for those. Then, as I said, a further 20 per cent of supplementary maintenance funding was provided on 13 February. This government is providing certainty of maintenance funding. It has the capacity to deal with urgent works, and it is providing fairly consistent extra top-up maintenance funding — and that has been a feature of other budgets as well — so that we can help schools address this significant issue. Remember, with the Better Schools Today program as part of the Building Futures program, a lot of areas like toilet blocks and some of these things that have been neglected in the past are being dealt with. A lot of the catch-up is happening through the Building Futures and Better Schools Today programs — the broad program and these specific programs — and we are providing catch-up funding for school maintenance as we move along.

Dr SYKES — The specific answer to my question I was looking for was: what is the current maintenance backlog? We know \$66 million is going in and we know that you alluded to others? What is the current maintenance backlog?

Ms PIKE — In 2006, 250 was identified as the number, so we are obviously working towards meeting that through the broad capital program and also the ongoing maintenance supplementation.

Dr SYKES — Is there no update since 2006? That is 18 months on.

Ms PIKE — No, I do not believe so.

Mr ROSEWARNE — Minister, if I could add that the system is a school-based system in terms of prioritising the maintenance works that need to be done at the school. There is an ongoing process of the school principal being accountable for continuing to update that as the maintenance funds are expended. Also, as every capital project impacts on a school, that has an associated impact in the main — not in every case but in the main — and it also has an update on the maintenance requirements. That is a rolling process that schools undertake continually throughout. What we do is go in and do an audit of that database and that system once every five years — 2006 was the last formal audit of that program.

The CHAIR — We will try to get in a couple more questions before we finish.

Mr NOONAN — Minister, I wanted to ask you about technical wings and equipment in secondary schools, which is dealt with in budget paper 3, page 284. There is a line item 'Modernise 30 tech wings at secondary colleges and renew equipment at all secondary schools'. My question goes to whether you can advise how the government is progressing this initiative, including in this particular budget.

Ms PIKE — The rollout of tech wings is a priority of the government, and we have been working hard to continue that program. The commonwealth's announcement of \$2.5 billion in the trades training centres will, I think, be a great partnership program for us with them in really enhancing this capability within our schools and these additional resources and facilities. We have seen such an interest in VCAL and VET programs and a real growth in the take-up of those programs. They really are meeting the needs of a number of our students. It is having those facilities to match the growing demand for those programs.

In the 2007–08 budget we committed \$50 million for tech wings. This included 35 for 30 government schools, and 15 for equipment to upgrade existing schools and to have new facilities et cetera. The rollout commenced in 2007 at Euroa Secondary College, East Doncaster Secondary College, Beechworth Secondary College, Oberon secondary college, the Eaglehawk site of the Bendigo education plan and the Dimboola Road site in the Broadmeadows regeneration project. Schools already delivering VET in schools will also receive funding of between 20 000 and 100 000 for that equipment. It is a major expansion program. It is going very well. I think it has been a very important initiative. As I said, I am really looking forward to the partnership that we are developing. We have already got the process under way. The money is being announced, and the tech wing initiative of the commonwealth will really add to this and add to our capacity to roll out these programs. I have had the opportunity to see a lot of these programs under way, and they really are making a huge difference to our young people in our schools.

Just to give you an indication, the Victorian certificate of applied learning enrolments have grown from 4196 students in 2003 to 11 762 in 2007, an increase of 280 per cent. There is further money in this budget as well for providing additional money to the schools where they are purchasing services from TAFE colleges.

Mr WELLS — It is an outstanding program.

Ms PIKE — It is a great program.

The CHAIR — And we probably need to look at funding similar programs with TAFE.

Ms PIKE — Thank you.

The CHAIR — We only have time for one very quick question, Mr Barber, before we wrap up.

Mr BARBER — Thank you, Chair, just a quick one. The Victorian student register or student number, you have working on that since 2005. I gather there is 5.1 million in this budget period we are in now. Can you please tell me what is going to be the total implementation cost of that project over all those years, the past and future? What proportion of that cost is the cost to schools and education providers in actually implementing it in their operations? What is likely to be the ongoing cost of running that system?

Ms PIKE — We were obviously very pleased to pass the legislation to implement the Victorian student number, which will be a very useful tool for those engaged in the education of our young people to make sure that they get the full range of services to which they are entitled and that their education is coordinated and linked up in the best possible way. As you have correctly identified, we had funding of \$5.1 million in this year's budget — sorry, in the 2006–07 state budget — to implement the Victorian student number, and the process now will be under way for rolling that out. Regarding the specific financial allocations, I will have to take that question on notice and get back to you.

The CHAIR — Terrific. I should also note, Minister, before we finish that Dr Sykes would like you to take a question on notice on what is the current situation on the proposed replacement of Tawonga Primary School portables with permanent buildings — it is one of the first six schools.

Mr BARBER — Did he not ask that last year?

The CHAIR — I thought he might have. Did you ask it last year?

Dr SYKES — Nothing has happened.

Ms PIKE — Was that Tawonga?

Dr SYKES — Yes.

Ms PIKE — I thought you said Wodonga.

The CHAIR — That concludes the estimates hearing for the portfolio of education. I thank the minister and departmental officers for their attendance. There are a number of things to follow up, and there may be some other questions forwarded to you at a later date. I thank you for the response to the questionnaire; there may be a couple of things to add to that, and we would like the response within 30 days. Thank you very much.

Witnesses withdrew.