

# VERIFIED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into budget estimates 2012–13

Melbourne — 11 May 2012

#### Members

Mr N. Angus

Mr P. Davis

Ms J. Hennessy

Mr D. Morris

Mr D. O'Brien

Mr M. Pakula

Mr R. Scott

Chair: Mr P. Davis

Deputy Chair: Mr M. Pakula

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr M. Dixon, Minister for Education,

Mr R. Bolt, Secretary,

Dr J. Watterston, Deputy Secretary, School Education Group,

Mr C. Wardlaw, Deputy Secretary, Strategy and Review Group, and

Mr J. Miles, Deputy Secretary, Infrastructure and Finance Services Group, Department of Education and Early Childhood Development

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

**The CHAIR** — I declare open the Public Accounts and Estimates Committee hearing on the 2012–13 budget estimates for the portfolio of education.

On behalf of the committee I welcome the Honourable Martin Dixon, MP, Minister for Education, and from the Department of Education and Early Childhood Development Mr Richard Bolt, secretary; Dr Jim Watterston, deputy secretary, school education group; Mr Chris Wardlaw, deputy secretary, strategy and review group; and Mr Jim Miles, deputy secretary, infrastructure and finance services group. Members of Parliament, departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings I remind members of the public gallery that they cannot participate in any way in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff, can approach the table during the hearing to provide information to the minister by leave of myself as Chairman. Written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council committee room, and no more than two TV cameras are allowed at any one time in the allocated spaces. I remind TV camera operators to remain focused only on the persons speaking and that panning of the public gallery, committee members and witnesses is strictly prohibited.

As previously advised to witnesses here today, I am pleased to announce that these hearings are being webcast live on the Parliament's website.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. This committee has determined that there is no need for evidence to be sworn; however, witnesses are reminded that all questions must be answered in full and with accuracy and truthfulness. Any persons found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcripts to be verified and returned within two working days of the hearing. Unverified transcripts and PowerPoint presentations will be placed on the committee's website immediately following receipt, to be replaced by verified transcripts within five days of receipt.

Following a presentation by the minister, committee members will ask questions relating to the inquiry. Generally the procedure followed will be that relating to questions in the Legislative Assembly.

I ask that all mobile telephones be turned off.

I now call on 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 education portfolio.

#### **Overheads shown.**

**Mr DIXON** — Thank you, Chair, and members of the committee. I just thought I would start with the first slide, the economic context of the state, which I think you will be most familiar with. We have a number of economic challenges with the high Australian dollar, weakened global and national economic conditions and a substantial reduction in GST and other revenue for Victoria. While we shape up well compared to other countries you can see that our growth is in decline from the graph there, so obviously responsible and disciplined financial management is very vital and our economic reform strategy will ensure that we navigate these challenges and make the most of the opportunities for the future through the budget. That budget in all portfolios, including mine, is investing in the services and infrastructure that our community needs.

In the context of student performance in national assessments such as NAPLAN Victorian students are performing across all year levels, and consistently so, above the Australian average, and along with New South Wales and the ACT we are consistently the highest performing jurisdiction. When you look at assessment programs from overseas, such as PISA in the graph there, you see that Victoria consistently achieves above the OECD average. But we have some concerns. Our performance has flatlined, and other jurisdictions against which we compete are improving. Fewer Victorian students are performing at higher levels, and there are gaps in performance, especially in low socioeconomic groups and in rural and regional students as well. We need to boost that student performance and we need to be more responsive to the needs of our families, local businesses

and communities. Moving our education system from a good to a great system is a very important part of what we are doing.

In terms of the government agenda in education, it is a learning for life agenda. In our families statement, which was part of this year's budget, we committed to providing families and educators with the resources and support they need to ensure that students reach their potential at every stage of development. So what we are doing is building stronger foundations for all children in their early years, investing in their health, learning and wellbeing, and also improving and encouraging smooth transitions to school. We are supporting schools by increasing their capacity to respond to local circumstances, and we are supporting students by equipping them with the skills that they need to succeed in an increasingly competitive and globalised world. We are supporting young people to move into further education and work by providing better pathways, particularly in regional Victoria, and by refocusing our training sector towards the skill needs of the future.

Late last year I gave a lecture at Melbourne Uni entitled 'Victoria's learning community', which was my vision for the future of education here in Victoria. I stated that the right reforms are very, very important; they are the ones we need to make and they are the ones that make a difference. We understand the benefits of principals having the freedom and the support to make their own decisions, we understand the important role that parents and families play in supporting excellence in our own schools and we understand also the importance of that school's relationship to the community and the community's relationship to school.

So we have three basic, non-negotiable principles that we abide all our decision making by. The first is local decision making, freeing schools to make the decisions and pursue the goals that are in the best interests of their students. The second is community ownership, connecting schools with the guidance, strengths and resources of the community, and the learning community that I talk about is about encouraging parents, community groups, businesses and other education providers to all work together for the sake of the young people. And the third is engagement through choice, and that is providing families with a high-quality and diverse range of schooling options from which they can choose.

I also talked about the two basic reform areas of where we are going. The first is professional trust, and our reform proposals are based on trust in our school leaders and also the professionals in our school. We believe in their professionalism, and we need to acknowledge that they know what is best for the local community in which they serve. And there is also the concept of default autonomy. We want to increase the autonomy that our schools already have; they are more autonomous than in any other state or territory, but we want to see that progressively implemented and improved. The department will take on a more supportive role as the autonomy of individual schools actually improves. Rather than earning autonomy they have the autonomy, but we want to move it further along.

There are five main areas of reform that I spoke about. Our goal is student outcomes, and that is to do with curriculum reform, assessment, the teaching workforce and accountability. The foundation is order and inclusion in our schools. We need to have an orderly environment, we need to provide alternative settings for students and we need to support students with disabilities, for example. The driver in our system is school innovation. That is about the culture of the school, an innovative culture and also change based on evidence and the ability to learn from mistakes and to take risks.

The facilitator in all of this is the school partnerships, and whether they be school to school, school to department, school and parent, school and local businesses, school and the community, schools and other systems, they are all partners in education. The context we are all operating in is a far more internationalised environment where languages and global consciousness are very important. We like to be talking about comparing ourselves to Finland not Queensland and Singapore not Sydney.

In terms of this year's budget we really intend to protect the most vulnerable children and families in our society. We also want to provide a sustainable school system that promotes improved student learning, obviously, through targeted and coherent reform and also to refocus Victoria's vocational education and training system towards trade occupations and areas where there are needs and where there are shortages.

The funding that supports the reform agenda: last year we invested \$970 million in outcome initiatives, and this year builds on that with a further \$235 million in output and asset funding. The funding will be to improve student learning through effective local decision making, supporting vulnerable students and providing quality

school infrastructure. In terms of improved student learning, some of the major points in the budget are \$7 million for languages education, which will include \$6 million in scholarships for 20 existing teachers, 45 undergraduate teachers and 5 aspiring teachers per year to undertake languages education; \$1 million to help schools set up a languages program if they do not already have one; and also \$4 million to fund the strengthening student support services initiative, which is part of our response to the Protecting Victoria's Vulnerable Children Inquiry. There is \$1 million for the refurbishment of three science laboratories in regional secondary schools and additional funding for maintenance to address the worst cases that will be identified in our audit.

In terms of support for students with disabilities, this budget is building on our massive commitment last year both in asset initiatives and outputs with \$14.9 million of additional funding for the students with disabilities transport program, which will go to over 7500 students. There is also \$8.3 million of additional funding for the program for students with disabilities. That builds on the \$150 million of new funding that we invested over four years in last year's budget as well. On the capital side there is \$4 million for the next stage of the proposed P-12 autistic-specific school in the western suburbs and over \$5 million for the special school at Wodonga, Belvoir Special School.

In terms of capital, this budget builds on the maintenance and capital funding that was allocated last year and will see a further \$86 million to fulfil our election commitments. This year, along with what we spent last year on a couple of other projects we have increased the scope of, we have spent \$177 million of our election commitments, which leaves over the next two years \$101 million worth of capital funding initiatives and projects to fulfil our election commitments.

Also in other areas of school infrastructure we are investing a further \$114 million in a lot of our other high-priority projects. That includes land acquisitions and a new school in Melbourne's growth corridor, Doreen South Primary School — that is a \$10 million commitment in the growing northern suburbs of Melbourne. There is also more than \$20 million to purchase land in our growth areas as well as money for new portable classrooms. Some of our high-priority projects include Galvin Park college. I was out there the other day, and they are receiving \$14 million to upgrade their very run-down facilities. There is \$15 million which will finish the Boronia K-12 regeneration, \$10 million up at the Wodonga Senior Secondary College for their regeneration and, as I said earlier, over \$9 million for portable classrooms, which help us respond to emergencies but also help us respond to changing needs in different areas as populations grow and change.

I am also very proud of \$81 million of capital works in regional Victoria. We have major projects in Ballarat, Geelong, Bendigo, Ouyen, Wodonga and down in Bairnsdale as well. We are also committing \$20 million for a flexible fund which will respond to the maintenance audit of our schools that is being carried on at the moment. That \$20 million on top of the other extra money that we put into maintenance will address what we see as the high-priority needs that the audit will throw up when it reports back to us. We dare say there will be a fairly high demand for that as well. Overall there is a \$200 million asset program in this year's budget, certainly delivered against a backdrop of very trying financial circumstances, as was pointed out in the earlier slides.

In summary, we have already completed our output election commitments. We are well on the way; in fact we are ahead of schedule in terms of delivering on our capital commitments as well. We are also implementing a reform agenda parallel to all of this to improve student learning through some targeted reforms and more effective local decision making through our school autonomy and giving more power to our principals and our communities to respond to the needs of their students.

**The CHAIR** — Thank you, Minister. The remaining time available, which is just under 2 hours and 20 minutes, will be allocated for questions on the education portfolio, and I ask: given the key growth and efficiency initiatives announced in the budget, can you please outline for the committee the likely impact of the budget on enhancing service delivery, promoting productivity and achieving efficiency gains within your portfolio? In responding, could you also indicate how you intend to monitor the portfolio's effectiveness in maximising improvements in these areas?

**Mr DIXON** — Thank you, Chair, for that very broad question, and I have got a comprehensive answer to go with it. We are really looking to improve outcomes for students, and that is very, very important to us. We are about enhancing effective local decision making and also providing better clarity and support for all of our

schools, especially for schools that perhaps may not be attaining a considerable level of performance. So along with the budget initiatives, there is a significant reform effort that is running at the same time.

Overall this budget delivers an almost 3 per cent increase in funding for schools, and I think in the circumstances that is very, very welcome. That will go into front-line services and programs. But, as I said in my slides, it is particularly aimed at improving educational outcomes for students with disabilities, special needs students and those at risk and facing barriers to their education. Our initiatives are aimed at the programs and the students that we think need it the most, and overall \$27 million of our initiatives will support those students.

Funding has also been provided for growth for a lot of these services as well, too, and also to allow the resources that we do operate and we do have to come closer to schools, to networks and to clusters of schools, because they can react better, with their local knowledge, and they know their local needs better than we do in the centre. We are actually moving away from a centralised model to a far more local, cooperative model to address student needs and a whole range of initiatives and projects that schools undertake and also whole-of-government initiatives as well, too. We are doing that for our students as well — special needs students. We are also doing it for our principal networks as another good example of that, where the principal networks will be for and by the principals. Rather than being a management arm of the government, the networks will be reformed from third term this year to enable the principals to use the networks in a way that best helps what they need and what their school needs.

We are also, as I said earlier, delivering on our election commitments for languages education. I am a great fan of languages education, and I think in many ways it is needed. It obviously gives a child skills that are very attractive to help with Victoria's economic development. It also helps students with their initial languages as well, too, and it also helps our students understand the world and understand the community in which they live in as well, so it provides that very wide range of general education and also specific education advantages to our students.

We are already looking at a range of models for how to deliver languages education, so it is not just one teacher in front of one class. We have got a whole range of projects out there looking at innovative ways of doing that. We are also looking at how the money that we fund centrally and our commitments centrally — how they can better be delivered in a whole range of ways from the centre to the schools. I will talk about more of those later. Obviously program efficiencies and improvements in our portfolio are also being identified to strengthen delivery as well. From next year the School Start bonus will be discontinued as a discrete funding line, but it is going to be merged with the education maintenance allowance, so these EMA payments that are going to be made will be increased to the parents who actually receive them. There is also additional funding to the low SES schools as well, too, where the resources are basically needed the most.

We are also delivering on a number of efficiencies within the department to meet the government targets, so we will of course be targeting back-office and our corporate expenditure. We have already had massive reductions in that — for example, especially in the area of consultancies and contractors. Those will obviously be delivered by the department and overseen by the department of treasury. Also the department is looking at a whole range of effective models in key areas, including school accountability and how we can do that better as well, too. We need to have better data for our schools, we need to have better data for the department and we need to explore and we are exploring options for a more effective accountability and improved models to actually promote stronger lateral connections between schools as well, too. So I am really committed to exploring what I think would be the most effective models that draw on the expertise of our teachers and of our educational leaders within their community.

**The CHAIR** — Minister, thank you for your very comprehensive response. Can I ask you very briefly to advise the committee what you consider to be the likely impact on your education stakeholders in relation to the initiatives that you have touched on in your presentation?

**Mr DIXON** — For example, a very obvious one is our \$200 million capital commitment and those infrastructure projects — they affect directly teachers and students and communities in which that money is going to be spent. I listed a range of those projects, and those communities will very much benefit educationally from those. Obviously the \$200 million worth of projects then has a flow-on effect to builders and contractors right throughout those local areas. There was \$80 million worth of projects in regional Victoria as well, too, so I think that would be very welcomed by our stakeholders there. Obviously our vulnerable students — more than

\$27 million through the disabilities funding, the transport funding and the student services funding. That will be noticed not only by the students — our whole goal is about the students — but also by their families and the other teachers and professionals who work with them. I think the whole school community would certainly notice that as well, too.

Also, as I said, in terms of many of our students that have received languages education, more of them will be receiving that. The long-run effect of that is not only, as I said, that their academic performance will improve but it actually builds the capacity of these students to go out into a globalised world and interact with a globalised world, and that will be great for the Victorian economy in the long run as well, too, on a number of levels.

Overall what people — our stakeholders, those on the ground, those working every day for the students, those working in the schools — will notice is that more and more resources are coming their way and more and more opportunities are coming their way, and they will certainly have the opportunity to use the expertise that they have and the experience that they have to directly work with students they have got in their care and respond to the needs of their local community, because they know it best. I think that would be the overall major aim of what we aim to be doing through this budget and through our other reform work as well.

**Mr PAKULA** — Minister, you would be aware that page 116 of budget paper 3 details the overall reduction in the EMA. I am assuming you are also aware of the comments of the principal of the Alkira Secondary College in Cranbourne North, Ian McKenzie, who in a letter asked some of his local MPs whether they were aware that as a result of the cutback in the EMA announced in the recent Victorian budget six of the local secondary schools will lose up to \$400 000 in funding. The schools part, at least, of the EMA enables schools to provide breakfast clubs for kids who cannot eat breakfast at home, and books, computers, excursions and other activities. The Premier indicated the other day that some of the personal EMA payments are going up, so it is not immediately apparent from page 116 how much the schools component is going down. Can you detail for the committee the total funding removed from the schools component of the EMA?

**Mr DIXON** — The School Start bonus will be discontinued as a discrete line of funding, and that funding will be merged in with the EMA funding program. What we will see from that change is that every single child who receives their education maintenance allowance this year will receive a higher education maintenance allowance next year. If they are in primary school, they will move from 117.50 to 150. If they are in years 1 to 6 or if they are in prep, they will go from 117.50 to \$200. If they are in secondary school, it will go from 235 up to 250. If they are in year 7, it will go from 235 up to \$300. Again, every child who receives an education maintenance allowance this year will receive a greater education maintenance allowance next year — every single child.

In terms of the school funding, \$62.1 million over four years will be extra money to the high SES schools. Already all schools attract a basic SRP. There is needs equity on top of that, and that ranges — there is a whole range of factors. It is allocated to schools already, but on top of that again we will be adding an extra \$62.1 million of those changes. That money will be going to our high-needs schools, so schools in a high-needs area. It is educating a whole range of high-needs students. A large number of those schools will actually receive a greater amount of money, as well as the students themselves — each one of them — attracting more money.

**Mr PAKULA** — I am very glad for the opportunity for a follow-up. Minister, I did not ask you just to tell me the good bits. For starters, you have very conveniently overlooked the fact that if you are going into prep or going into year 7 and you currently get the School Start bonus, the total that you will get as a parent is much lower, because you are taking away the School Start bonus component and rolling it in. What I asked you in regard to the schools component of the EMA is how much in total is that being reduced by?

**Mr DIXON** — Just on the School Start bonus, when we came to government we actually found that was a lapsing program. There was absolutely — —

**Ms HENNESSY** — For God's sake. That was not a lapsing program.

**Mr ANGUS** — Of course it was.

**Mr DIXON** — There was no money — —

**Ms HENNESSY** — There was ongoing funding committed.

**Mr ANGUS** — No, it was not.

**Ms HENNESSY** — You step up and take responsibility — —

**Mr ANGUS** — Cut it out! Just listen to the minister's answer before you go ranting on like that.

**Mr DIXON** — There was no money.

**Members interjecting.**

**The CHAIR** — Ms Hennessy, this is inappropriate, as you know.

**Mr PAKULA** — It was an inappropriate answer.

**Mr ANGUS** — It was an inappropriate comment from the member.

**The CHAIR** — Let us all cool down here. We have got another 2 hours to go.

**Mr PAKULA** — It is going to be a long 2 hours if it is going to go on like this.

**The CHAIR** — It may be, but if members ask questions, they must expect the minister to give an answer in his own terms. If you want to write the answer for him, go ahead, but he is unlikely to read it. Let the minister answer the question.

**Mr PAKULA** — I just want the answer to the question I asked.

**The CHAIR** — He will answer the question in his own words.

**Mr PAKULA** — Whether it relates to the question or not is pretty immaterial, is it, Chair?

**Mr DIXON** — I think it is an important fact that needs to be noted that the School Start bonus was a lapsing program. We went right through the books last year — in the forward estimates — to see whether there was any money set aside, and there was not. It was a lapsing program.

**Ms HENNESSY** — You cut it.

**Mr DIXON** — The previous government obviously intended to cut it.

**Members interjecting.**

**Mr DIXON** — In last year's budget we decided to —

**Mr PAKULA** — Means-test it?

**Mr DIXON** — make it only available only to those parents or students who attracted the education maintenance allowance, and we are reflecting that need in those students by increased payments for those students who attract an EMA. If they are in prep or year 7 — when they start primary school and when they start secondary school — they will attract more money than the other students who attract the EMA in those two primary and secondary settings. We recognise that there are extra expenses there. We recognise there are high needs with those students, and our funding is going there accordingly. Not only to the students but, as I said, they are going to the school as well — \$62.1 million over four years to our most needy schools, extra.

**Mr MORRIS** — Minister, since the election the department has been required to become more efficient while undergoing important change — I think budget paper 2, page 31, refers to that — and certainly requires more efficient and effective public services. Can you describe to the committee the nature of the changes that have been occurring in the department, what progress has been made and the outcomes that you hope to achieve from them?

**Mr DIXON** — Two quite substantial changes have been made within the education space over the last few years — before we came to government and since. One has been the addition of early childhood and children to

the department, and at the other end of the spectrum there has been the addition of the skills portfolio and associated work coming across from, I think, DIIRD to the Department of Education and Early Childhood Development. We found that in varying degrees of success, coherence and integration. To a certain degree they have been basically operating as separate entities and separate organisations within the department. The whole goal of the restructure that commenced last year is for the whole department to be seen as one department, and we call it One DEECD. What we are talking about and looking at there is the concept of a learning for life agenda. We are a department that is supporting education from 0 right through to adulthood, and that should be seamless and not separate silos. For example, our investments, policies and planning, those key areas, will go right across early childhood, through education and into training as well. Then there are the obvious links between those three areas.

Early childhood development and the services we offer to children and families is critical to students and the outcomes we want from them at school. Obviously that flows on to their post-formal qualifications and training pathways. It is obvious that schools rely on what is coming from early childhood, and we have got a very important part to play in providing a pathway and the knowledge, skills and experiences that are required in further education and training. Obviously at the skills end they reap the benefits of the other two areas and the work that we have done as one department so that they go out and undertake further training and careers that will build the Victorian economy. It has been a good opportunity to restructure the department and to bring this One DEECD concept to bear in the actual organisation of the department.

The nine regions have basically been exclusively school-based, and there was even less integration out in the regions compared to what is happening in the central office. We also noticed our strategic development and policy review functions were not having a common impact across all areas of the department. There were two areas of concern. We felt that there needed to be a much greater emphasis and focus on planning and oversight on the ground within our regional offices, because they are addressing all three of those areas and, as I said, they are closer to the ground. We have also seen that the more centralised intervention we had on school improvement was not really working, and all the research shows and the jurisdictions that are leading the way indicate the real change in school improvement has to come from the schools themselves. That has implications for how the department is organised as well.

We have separated the school education policy area away from the regional support functions of the department. We have also expanded the responsibilities of the office of regional support. That includes that whole range of planning and oversight of that on the groundwork that is happening right through the three areas. We will now have a much clearer approach and a more important role in the department now for strategic policy and review. Those two functions now sit in quite separate areas of the department. What we are going to have in the end is a far more coherent vision for all stages of education right across life. By themselves they do not change everything — they are not a silver bullet — but they will certainly help with communication, they will help with coherence, they will help with linkages and they will make the department far more efficient in delivering the services and in supporting preschools, child care, schools and a range of training institutions.

The overall philosophy change that we constantly talk about is the department is changing from a management agency to a support agency. If we are allowing our local communities and our deliverers of education on the ground to make the most of their resources and expertise and meet the needs of their community, they need to be supported rather than managed. In the case of schools we are trusting our schools to do that.

Also we have just about completed the head office restructure and we are doing the in-depth work on the regions as we speak as to what they might look like, how they would be structured and their relationship with the central office. The department have been fantastic in terms of their willingness to engage in that. They understand the concept behind that, and they want to be a service organisation and understand the need for the restructure and where it is going.

We have got some brand-new senior figures. Obviously we have got Richard Bolt here on my left as the new department secretary, and Jim is new as well. I will not say that the other two are old, but they are good, familiar faces.

**The CHAIR** — Experienced.

**Mr DIXON** — Experienced; that is the word I am looking for. Thank you. We have brought in some great new people as well, with a great new structure that I think is going to make a real difference in the services that we provide. They will be better services for the students we are educating. That is the bottom line. But we will be more efficient in how we do it too. I think both of those are very worthwhile aims, and we are a long way down the track to delivering those.

**Mr SCOTT** — Minister, I would like to return to the issue of the EMA payment and the abolition of the School Start bonus program. I note in your earlier answer you described the School Start bonus as being merged into the EMA program. Then we had, frankly, sophistry where you then outlined the EMA program without taking account of what the School Start bonus was. So I would like to deal with that particular issue where the parent component of the EMA has increased from \$117.50 to 200 for preps, and then I think it reverts back to 150. Previously a parent, prior to your changes, who received the EMA and the School Start bonus would receive a bonus of \$300, then \$117.50, making a total of \$417.50. Now they will get \$200; that is a cut of \$217.50 for a low-income family — since, as you noted, it was targeted to low-income families. Previously a parent of a year 7 student would receive a School Start bonus of \$300, plus the EMA of \$235. Now they will get \$300. That is a cut of \$235 for a low-income family. Can you confirm that these increases in the component do not cover the loss of the School Start bonus for these children?

**Mr DIXON** — What we have got to understand here is that every single child that is receiving an EMA this year will receive more next year. That is across every single level of their EMA payment. The fact that they are receiving an EMA reflects the fact that their parents are on a fixed or very, very low income, often a pension of some sort.

**Mr PAKULA** — Don't you think you owe these people some honesty?

**Members interjecting.**

**The CHAIR** — Mr Pakula! That is entirely inappropriate. Mr O'Brien — thank you; I know why you are responding, but please do not. Thank you.

**Mr DIXON** — The bottom line is that we have these people — parents and families and students — in our schools that certainly deserve support. They are going to receive increased support — —

**Mr PAKULA** — Proof of your losses — —

**Mr DIXON** — The schools they actually go into, especially those high-need schools, are actually going to have increased funding on top of the equity funding that remains. It is like a double bonus for those sorts of schools, reflecting the important work they do with those students.

**Members interjecting.**

**Mr DIXON** — It is important that the schools can provide those sorts of services to those families that are high in need.

**The CHAIR** — Excuse me, Minister, can I just ask members — they may not be interested in the minister's response, but I am. Just calm down. We have a couple of hours; there is plenty of time for you to make your point. Minister, please proceed.

**Mr DIXON** — As I said, those students who attract the EMA — those needy students from needy families — will have increased payments, and I think that is a symbol. In times of economic hardship we have said that these families deserve a helping hand. We have reflected the issues in extra expenses in prep and also in year 7 with the extra payments there that I pointed out earlier, and, as I said, their schools that they go to — a lot of our current schools that have high numbers of students on EMA — will be able to provide, on top of that, even better services than what they already provide now.

**Mr SCOTT** — I do have a follow-up. Minister, when other ministers have appeared before this committee, and I can think of Louise Asher for one, who have cut programs, they have actually had the honour and courage and honesty to actually admit the programs they have cut and the impacts that that has. Again, I would reiterate that you have failed to respond to my central point and again engage in the sophistry of pretending that the EMA and the School Start bonus should not be treated as one item when you in fact referred to them as being

merged. Can you again, hopefully, have the courage to respond to the issue that disadvantaged year 7 students and disadvantaged preps, who previously received the EMA and the School Start bonus, will actually be worse off?

**Mr DIXON** — As I have said I think a few times already, the School Start bonus is no longer a discrete item of budgetary output; it is no longer there. It has been merged with the EMA. The consequence of that is that our needy students — every single one of them that received an EMA this year — will receive more funding this year, and many of the schools they go to will receive, on top of their equity payments, extra funding to meet the needs of those students. I could not be clearer than that.

**Mr ANGUS** — Minister, I refer to budget paper 3, page 20, in relation to the asset initiatives ‘New school construction, land acquisition and school upgrades’ and so on that are listed there and the \$200 million that you referred to in your presentation as well as contained in the budget documents there, and I note that will be put in place despite the difficult budget circumstances and conditions that you also mentioned. Can you advise the committee what you expect will be the outcome of this investment and what impact it will have in schools?

**Mr DIXON** — As I said, the capital works — the \$200 million — has, I think, been well spread to meet a number of needs right across the state and right across school education in Victoria. I pointed out, and I think I singled out, regional Victoria, with \$80 million worth of capital works to regional Victoria. One of the most interesting examples is the Ouyen P–12. Under the previous government the primary and secondary were merged. The schools were on either side of the Calder Highway, but unfortunately they were led to believe, as many schools were, that when they merged they would receive capital works to facilitate that — sometimes it was used as a carrot. Unfortunately for Ouyen they only received half of the funding, so only half the work was done. With our commitment in Ouyen, the school will be all on one site and that merge will be completed. I know that will be very welcome up there.

Wodonga Senior Secondary College: there has been a major regeneration there over a number of years, and \$10 million will see the final stages of that come to fruition at the senior secondary school. Also up at Wodonga is the special school which has basically operated out of portable classrooms since its inception. It will actually have its first permanent building as well. There is a major redevelopment and regeneration going on down in Geelong, at Corio, so we will be funding the next stage of that. In Bendigo — a great story at Golden Square Primary School. It is a great school, and they have worked very hard. They get great results and they do great work there, and I know they are very thankful for what they are about to receive down there.

A huge project in Ballarat: the Phoenix P–12 College, which is a massive project. It is not just a school; it is about community resources and other departments being on the school site to regenerate a whole neighbourhood and a whole section of Ballarat. So there is a major investment in that as well. Down in Gippsland: Mirboo North and Bairnsdale Secondary College — and I will be down the next week — and when you look around Melbourne the Boronia P–12 merge there. When they decided to go down that track they were expecting, as I said, like many other schools, that they would actually receive the new building in one go, but that was not to be. We are really pleased, and that is a \$15 million investment to finish the project.

Out in the west, the west has not had a P–12 autism-specific school, so we will start delivering on that. There was \$4 million in last year’s budget because they will be co-locating with the Laverton P–12, and there is a further \$4 million towards what I think is a very important project. I was out at Galvin Park last week, where the school had been totally neglected for so long that it was literally falling down and the students and staff could not even stay in the classrooms. We had to spend over \$1 million in emergency accommodation and emergency repairs there. We just could not allow that to continue to go on, so we are basically going to rebuild the school at a cost of \$14 million as well.

The land acquisition is a very important part of it. We have got to plan for the future, and in the last budget of the previous government only \$8 million was commissioned for land purchases. Everyone knows that with the growth that is around Melbourne you cannot do much with \$8 million. We have actually now committed about \$50 million since we have come into government on land purchases, and this year we have allocated money for land purchases at Cranbourne, Connewarre and Epping North, and also in the growth areas up in the north there with a new primary school for Doreen.

As you said, there are very difficult economic circumstances. We are spending our money wisely on a range of issues and fulfilling our election commitments: high-priority regenerations and rebuilds that were needed; Galvin Park had that massive maintenance issue — basically the school needs rebuilding; land purchases; and portable classrooms. I think, considering the circumstances, we have covered and are spending our money very wisely.

**Ms HENNESSY** — Minister, if I could take you to budget paper 3, page 3, I am just looking at the output initiative of ‘Strengthening student support services’. The budget papers have it at 8.2 million over four years. Can you just confirm that that is correct?

**Mr DIXON** — Now that I have it in front of me, can you ask that again?

**Ms HENNESSY** — Can you just confirm that \$8.2 million is correct?

**Mr DIXON** — In which line?

**Ms HENNESSY** — ‘Strengthening student support services’.

**Mr DIXON** — The 2012–13 figure of \$4 million and — what are you looking at?

**Ms HENNESSY** — From 2014–2015 — 4.2 million.

**Mr DIXON** — That 4.2 in 2014–15 actually belongs to the line underneath it.

**Ms HENNESSY** — Right.

**Mr DIXON** — That is part of the funding for sustaining enhanced maternal and child-care services.

**Ms HENNESSY** — So what you are saying is it is not 8.2 over four years — it is 4 million.

**Mr DIXON** — That is correct, yes.

**Ms HENNESSY** — Boy, I do not want to ask any more questions, given that we have just cut \$4 million out of their budget by way of typographical error! Even at \$4 million, Minister, that is a massive cut compared to the \$33 million over four years that was previously provided. With that \$4 million can you give us a guarantee that student support officers like speech pathologists, psychologists and social workers — that children will be able to access those kinds of services within the clinically recommended time frames?

**Mr DIXON** — I think you will find that that amount of money there — the misprint there in that budget paper — is a misprint and that in all other documentation around the budget we have referred to the correct figure and we have been talking about the correct figure, which is \$4 million.

**Ms HENNESSY** — Can I say, hopefully: are there any misprints around EMAs or School Start bonuses?

**Mr ANGUS** — Cut it out! Imagine how much EMA we could pay with 2 million bucks a day for the desal for 27 years. Plenty of EMA there!

### **Members interjecting.**

**The CHAIR** — This is not a race to the end. If there are interruptions, I am going to expect that the minister will pause, and then he can answer when he has clear air.

**Mr DIXON** — Quite a large aspect of the ‘Strengthening student support services’ funding stream was actually another lapsing program we have inherited. What we have done is that we have added and supplemented that with \$4 million of funding, and that funding is also part of our response to the vulnerable children inquiry and some of the practical work we are doing about that.

We are also at the same time, as far as student services are concerned, changing and reforming that, and that is something we went to the election with. We said that it was basically running out of regional offices and there was a very long and involved process that involved a lot of red tape and quite a removal of those very important

services from the schools, so there was a breakdown in relationships between individual student support officers and individual students and families and schools.

We felt a far better way of doing that, a far more effective way of doing that and a far more timely way of delivering those services was to actually shift the tens of millions of dollars in the regional offices that actually provided that service out to the schools — into the clusters — so that clusters of schools will be working together, pooling their resources and operating that service. They will be able to operate that service in a far more efficient way because they have a relationship with those student support officers and those officers will know the students, they will know the families, they will know the issues. They will not have to start all over again when they come out. The amount of time taken for that paperwork will no longer be needed. The amount of travel time — and it took up huge amounts of time, travelling from regional offices out to schools — will no longer have to occur; that will be cut down quite substantially.

The bottom line is that through our reforms in this area schools are actually going to receive a better service than they did before. They are going to receive better services from psychologists, from speech therapists, from visiting schoolteachers and from the social workers that make up our student support services officers. That was something we were quite up-front with before the election, and the reason we went to the election with that proposal was the fact that so many principals came to us and said that the old system was too centralised, was not working and was not delivering the services to the students. That is what it is all about: the best service you can provide for those very vulnerable children. If you can provide a better service to them and their families and the schools, then the kids are better off, and that is what these changes will actually enable to happen.

**Ms HENNESSY** — Perhaps just by way of taking it on notice, given that we have identified a typographical error in the budget papers, I have kind of made the assumption that there was going to be \$8.2 million available. The minister has said, effectively, that there is a different funding and financing model that is being decentralised to clusters, I think was the description he gave. I just want to be able to understand what allocation has been made around student services effectively, if that could be provided.

**The CHAIR** — So what you are seeking is an explanation about how the alternative service delivery would operate?

**Ms HENNESSY** — Yes, and the figures, absolutely, because it is not apparent to me on the face of the record. But my supplementary question remains, Minister: can you guarantee that students who need to access those services will be able to do so within the clinically recommended time frames, given that on the face of this budget, the one in front of me, there has been an 88 per cent cut to student support services?

**Mr DIXON** — Just by way of clarification on the member's first comments and questions, we will get the actual figure, but it is in the region of tens of millions of dollars actually that are provided for student services; and those tens of millions of dollars, rather than being held in and administered and managed through the regions will actually go out to the clusters and be far more effectively spent there. That leads to the actual supplementary question, which is what the schools will notice and what the parents and teachers and students will notice is that under this new system, which starts next term, they will actually be receiving a better service. They will be receiving a more timely service; they will be receiving a service from support officers, with whom they will develop quite a great relationship; and therefore a close relationship means that parents, teachers and kids do not have to start all over again every time someone new comes into the system.

I think it is great also for the student support officers themselves, because they will have that point of contact and build up relationships with the schools which they are going to service, and part of this is there will be funding also for the administration of the student support officers. In fact we had a meeting just last week, a briefing, for the interim principal organisers that will be overseeing these clusters. They will be supported with the administration of this new service as well. The professional development of these student support officers is very important as well, because we do not want them to feel isolated and that their needs not being met professionally. That has been taken into account in the reorganisation as well. So we actually see not only the immediate change in a better service for the schools but you will see a long-term improvement too, as the professional development of these student support officers moves on as well.

**Mr O'BRIEN** — I would like to take you to budget paper 3, pages 19 and 20 under 'Asset initiatives', and ask you: how will the \$200 million of capital expenditure be rolled out and overseen in Victoria? I note from

your presentation that, including the money that was allocated last year, it results in a total investment in education in the first two budgets of \$1.2 billion, and that includes in my region also the purchase of land for not one but two schools in Torquay, which the previous government failed to do over 11 years. So I ask you as a further part of that: what steps are you taking to improve this process?

**Mr DIXON** — That is an important question because what we have seen in the management of capital projects has been patchy. Probably the best — in some ways I suppose it is the worst — illustration of that management is with the rollout of the BER projects. What we are seeing now as the projects are finally coming to an end is a range of issues regarding the management. I mean, part of that was the commonwealth and what they were demanding, such a massive rollout over such a short space, which basically was not going to happen and in the end did not happen. So the stimulus effects of that clearly were not met either, because it was not something that was going to happen in 6 months; it has taken a few years to actually roll out.

What we saw was that school communities were totally left out and school principals were totally left out of the planning and management of their project. They had little say in it, because the project managers in the middle seemed to be the ones that were calling the shots, and they often changed midstream. If things were changed and mistakes were made, all the money was used up, and every time something else went wrong the school had less and less money to actually use for their project. In fact we have ended up seeing schools whose projects are still going, but they could not even move into the building because there had been a lack of planning regarding the actual connections to fire services and basic aspects like that. There was no money left over for landscaping, which was meant to be a part of it; there was no money left over for the rejuvenation of playgrounds. So because so many of these were just out-of-the-box models and everyone had to choose, the only spot they could go on was the nearest block of flat land. That was usually the school oval or the basketball court, and again there was no money left over for the rejuvenation and restoration of that.

A lot of the buildings replaced old buildings, and there was no money left over for the demolition of those buildings. So many schools have been left with empty buildings and no-one in them. They are well and truly over entitlement, and no-one wants them; that is why they replaced them in the first place. What we are seeing is something that just did not work for schools. I think we have learnt a lot from that, and we do need to manage our capital works far better.

What we have done, when we came to government there were 14 projects that had not actually started, so we said to those school communities, 'We will give you three options' for the construction or the start of these buildings. The three options were that they ran the whole project and managed the whole project themselves; the second option was that they would work with the department, with the expertise they might have needed from the department, and it would be a partnership model; or they could let the department wholly and solely run the project, and they would just move into the building whenever it was finished. Surprisingly, no-one took the final option, and all the other schools took a combination of the first two options.

Because of the success of that and the way that was embraced, for any schools now that receive capital funding, they will now follow that model. It gives them the say over their project. Schools have welcomed that. Some of them have got the expertise within their own parent community or the broader community to do a lot of that work, and therefore they will get a better outcome for the money they have got. They will have a say over the project; it will be a project that they want. They will have an opportunity to build up relationships with the architect or project manager, whoever that might be. In the end, schools will get a project that is more timely, more efficiently built, better value for money and it will be more relevant to the educational needs of those schools. That is a major change we are making there, too.

One of the other issues we learnt from the BER projects, too, is that if you are having these sorts of buildings, they have got to be maintained and you have got to have the services for it. Schools are left holding the baby there as well, so we had to come in, help and provide extra funding for the ongoing utility costs and maintenance costs of those buildings as well. We also provided a \$5 million grant to restore the playgrounds that many schools have lost because of the project.

In the long term we have got to do a lot of work in our planning and management of capital works. We have got to be working ahead all the time; we have got to look at where the growth areas are; we have got to buy the land there. We have to work with school communities so that they get a school in a timely way and they get the sort of school that they certainly want. As well, too, the other planning and management issue with capital works is

the fact that under the Victorian schools plan that the former government had, it kept schools busy for a few years and they were able to work out as a community what it was they wanted and what their new building might look like. They worked through a number of processes. They worked up to a stage where they were ready to go to master planning. A lot of them went into master planning and then even went right through the design documentation right up to tender documents.

I have inherited 200-plus schools that are at that stage. They are either master planned or ready to go out to tender. All of them were expecting, under the previous Victorian schools plan, that there would be the bucket of gold at the end of the rainbow. After all their hard work, that was not the case. We need a better way of managing this; we are working on that. We are looking at a range of options on how to do this better so schools have some sort of certainty as to what they would expect and when they would expect it.

We have also found schools, too, that were supposedly modernised. They might have received \$300 000 in 2004, and under the previous government some of those schools had been ticked off as modernised. Some of those schools have had actually had more maintenance spent on them than the actual capital works that they received eight years ago, so they are supposedly finished. The whole Victorian schools plan turned out actually to be quite a farce. We really do need to start again as to the capital needs of our schools and manage them and plan them better.

**Mr PAKULA** — Speaking of farces, I am actually angry at myself — —

### **Members interjecting.**

**Mr PAKULA** — Are you right? I am angry at myself, Minister; I should have actually read your questionnaire before I asked you my first question, because on page 16 it actually outlines, honestly, the School Start bonus. You are going to save \$12.6 million in one financial year alone, and it describes the program as ceasing. The education maintenance allowance: it says that you are going to save \$6.5 million in one financial year alone, and it talks about removing the current school portion. So there is no talk in your questionnaire answer about how everyone is getting more. But if you look at the savings target for 2012–13 combined, it adds up to \$228.4 million for 2012–13. Now I see where \$19.1 million of the cuts are — that is, the School Start bonus and the EMA — but it is not clear where you are going to find the other \$209 million in savings for the 2012–13 financial year alone. I am wondering if you could detail where that \$209 million is going to come from.

**Mr DIXON** — Our savings across the department are coming from a range of back-office changes. We are cutting down on the consultancies and contractors we are using. We are cutting down on expenditure on advertising. We are cutting down on expenditure on entertainment and overseas travel. In all of those areas we have made a real difference. They are the sorts of areas where we have made our savings, and as we have said all the way along, these are difficult circumstances that we have inherited — the massive cuts in GST revenue from the Labor government in Canberra, the black holes, the lapsing programs that we have found, the IT blow-outs — and I have got one of those, called the ultranet. It is minor compared to some of the others, but it is the whole range of money that we could have spent. We had to find these savings. All along we said that we would not be affecting front-line services to our students, and we have done that.

**Mr PAKULA** — Thanks, Minister, for that answer, but can I ask you to turn to pages 10 and 11 of the answer to your questionnaire? It shows that between 2011–12 and 13 the department spending on ‘Operating supplies and consumables’ is going up, ‘Purchase of services’ is going up, ‘Maintenance’ is going up, ‘Other’ is barely down, ‘Entertainment expenses’ are unchanged, ‘Overseas travel’ is unchanged, ‘Legal expenses’ are unchanged, ‘Consultants’ are unchanged, ‘Contractors’ are unchanged and ‘Grants to non-government organisations’ are up. Tell us where you are really getting the savings from.

**Mr O’BRIEN** — What about compared to your government?

**Mr PAKULA** — Tell us what you are really getting the savings from.

**Mr O’BRIEN** — How about your advertising and spin?

**Mr DIXON** — The reality is that when you compare overseas travel and consultancies, and when you look at entertainment and advertising — —

## **Members interjecting.**

**Mr MORRIS** — On a point of order, Chairman, on Wednesday morning I took a point of order and drew your attention to the application of the standing orders, and, in particular, the requirement that members remain silent while another member is speaking except in specific, defined circumstances. Those specific, defined circumstances have not changed in two days. The constant barrage when the minister is seeking to answer a question is totally contrary to the rules that govern the operation of these committees. I ask you to ensure that members do not attempt to shout the minister down.

**The CHAIR** — Thank you, Mr Morris. As I indicated earlier in the week, I am reluctant to literally enforce the standing orders of the Legislative Assembly because, if we did so, it would proscribe a level of scrutiny by the committee, and by that I mean that follow-up questions would not be allowed and questions would have to be responded to in a time-limited way. That would be unfortunate. Indeed it may be that some questions would be ruled out of order, because we do stretch the boundaries, but we do so in an earnest endeavour to give a high level of transparency to the accountability process. I note your point of order, and I will take it under consideration, but I am not going to rule on it now.

I will remind members of the committee that there is a certain dignity required in these proceedings, regardless of the partisan views around the table on the policy decisions made by government and that it is a poor reflection on the members of the committee if ministers cannot be heard when they are responding to questions that are reasonably put to them to respond to. As I recall, the Deputy Chair put a question to which the minister responded, and the Deputy has put a follow-up question which the minister is presently responding to. I think it would behove us all to now give the minister an opportunity to complete his response, and then, if required, there can be further questions directed to the minister on the same subject.

**Mr DIXON** — I will make a couple more points, and the secretary will answer and give some more specific detail as well. On the sorts of trends that we have seen, when we look at departmental expenditure on hospitality and entertainment expenses between 03–04 to the last budget, 09–10, we saw an increase of 300 per cent under the previous government. Spending on external consultants went up by 200 per cent between 06–07 and 09–10. Those sorts of massive increases are just not going to happen to us. Probably the most obscene one was the \$1.4 million that was spent in one day for the Big Day Out for principals — \$1.4 million in one day for the then minister to come out of the ultranet bus to launch the ultranet, which duly crashed. You are just not going to see that sort of extravagance under this government. They are some of the specific ways in which we are changing things, and I will ask the secretary to give some further information to the member.

**Mr BOLT** — We are particularly focused on two areas at the moment in which savings are being sought. One is in our total staff complement of back-office staff, so the FTE figure. We are doing some detailed planning at the moment about which we have not made final decisions but about which announcements to our staff will be made reasonably soon as to where and in what way we will be taking those savings. They are not represented in these figures here.

The other one would be in the area of operating supplies and consumables, particularly as an example. It is a large bucket of money, and we will be working through the opportunities for savings there. On the other areas mentioned in the 2012–13 line under question 3.3, they are provisional figures, and while some of them are relatively small and meaningful savings will be quite difficult to find, we will nevertheless be reviewing all of those in the budgetary circumstances we face. They are not the final numbers that we will be spending to.

**The CHAIR** — Thank you, Mr Bolt. Any further on that minister?

**Mr DIXON** — No.

**The CHAIR** — In regard to the issue which is relevant to the further development of new school construction, land acquisition and school upgrades — and I am referring to BP 3, page 20 — obviously there is a future planning process required in regard to population growth and additional capacity in schools into the future. Can you, Minister, advise the committee how you are preparing for the anticipated growth in demand?

**Mr DIXON** — Thank you, Chair, for your question. I think we all know that planning for future population growth is very, very important. We all know the growth issues that are surrounding Melbourne in particular and some areas of country Victoria. Some work was done by the previous government which identified the need for

20 new schools to be developed in growth areas. As well as population growth in our outer suburbs, there is also some population growth in some of our inner and middle suburbs. All of that has to be planned for, and the inner and middle suburbs are probably harder to anticipate and to plan coherently.

We know for sure in the growth areas in the west, north and south-east that we will be needing more schools out there. We have so far committed to five new schools in those growth areas around Melbourne, and we committed \$2 million in planning money for a sixth one. I will give some of the details on that. Torquay is an incredibly growing area, as Mr O'Brien would know. We have just completed the purchase of a site for a brand-new stand-alone secondary college down there. While we have been negotiating for that block of land, the planning has been going on. The school has actually already started on the site with the primary school. The planning for that work and the design has been happening in parallel, so they will be ready to start soon. We also announced land in Torquay for another primary school, so that gives you an idea of the growth down there.

Down in the south-east in Officer we have the new special school that has been well and truly planned. All the planning work has been done, the land is obviously ours, the work to get the services and the roads is happening, and we are at an advanced stage of planning with the community. We have been working with the community and parents down there for a long while over this, so a lot of that work has been happening in parallel. I think that has been a highlight of how we have operated; we do this parallel planning. We are not doing it step by step, so when the ducks are lined up we can hit the go-button and get our schools constructed fairly quickly. Out in the west we are investing in two new schools in Tarneit and also in Point Cook, and as I mentioned earlier the P-12 autistic school at Laverton will certainly serve the needs in those growth areas as well. We have announced a new primary school up in the north in Doreen.

Down in the south-east it is interesting, too. Everybody knows about the growth in the south-east, but under the previous government there was only one government secondary school down there, and consequently, because the planning was not done in that area, more than 50 per cent of students were actually going to non-government schools because the previous government had not supplied that and had not planned for it, and it was not providing choice for parents. We have committed to building another secondary school down there, and that will be built at Officer. The land has already been acquired, and \$2 million for the planning of that school is in this year's budget as well.

One of the other things we are looking at — and I think it has been agreed that although some PPP projects have not worked and have not been good value for money for taxpayers, PPPs in the educational setting have worked well. We have seen some innovative design, and we have seen some good outcomes. Some of the schools have been operating for a few years now, so they are fully maintained and furnished by the company or consortia that built them. They are a good model that everybody seems to be a great fan of, and they obviously work well. You have got to have a large group of projects to go together to make it financially viable and attractive to consortia to bid for, but what we have got to be able to do if we are going down that track, and we are looking to do that, is to have the land in place so that you can actually build the schools on something. It is one thing to say you are going to do it, but if you are going out then to get the land, you are just slowing the process down. That is why we have spent \$50 million so far on purchasing land, because we need to have that bank of land available in case we go down that path.

I think that is a good example of where we are going and what we are doing. We have bought land, and the land that we have bought has been purchased in Melton, Epping, Doreen, Cranbourne, Officer, Torquay and Connemara. They are the sorts of areas that we are looking at. If you are wondering where Connemara is, it is down near Armstrong Creek. If you do not know where that is, it is sort of out the back of Geelong — between Geelong and Torquay, basically. That is another massive growth area out there as well. They are the sorts of key areas that we are looking at, and as well as that we have a number of feasibility studies in the inner and middle suburbs in Melbourne.

**The CHAIR** — Thank you, Minister. I even know where Lake Connemara is.

**Mr DIXON** — I think it is named after it. I do not think the lake is there — anyway, yes!

**Mr SCOTT** — Minister, I refer you to budget paper 3. In fact the better figure is from the questionnaire, and it relates again to the savings figure, which I think was 228.4 million this year to be saved, and your statement in Parliament that there has not been one Reading Recovery teacher cut. Is it correct that in the northern and

western metropolitan regions there have been the abolition or sackings — whatever way you want to put it — of reading recovery tutors, significantly impacting on schools' Reading Recovery programs?

**Mr DIXON** — With Reading Recovery, you have Reading Recovery teachers and you have Reading Recovery tutors. We have not sacked either, and we will not be sacking either. Every primary school, as part of their SRP, receives some funding, which they can choose — it is up to them as part of the autonomy that they have got — to use to provide a Reading Recovery program for students in grade 1 at their school. Also as part of that SRP Reading Recovery component, there is money that can be a contribution towards Reading Recovery tutors. The role of the Reading Recovery tutor is to work with, manage and monitor the performance of the Reading Recovery teachers but also to train the other teachers who wish to become Reading Recovery teachers. So the demand is often patchy in terms of the training, but there is always the monitoring of the current teachers. As I said, the funding is there for that as part of the SRP.

What we see, too, is schools sometimes actually working across systems. There is a lot of Reading Recovery; it is a major project, especially in Catholic schools as well. I know I introduced it back in the mid-80s, so it has been around a long while. There is a lot of good work going on across the sectors and resources being joined together, and it is not unusual for tutors to work across the sectors as well. So there is a fair bit of flexibility in the provision of the money for the tutors but also how they work.

In the specifics that the member mentioned, there were just two Reading Recovery tutors that were on fixed-term contracts to bolster the number — there must have been an influx perhaps of people that wanted to be trained as Reading Recovery teachers. I do not know the reason why, but a couple of extra were taken on for a fixed term. Their fixed-term contract came up — two years, I think it was — and those Reading Recovery tutors went back to schools. So there is no sacking of Reading Recovery teachers, and there is no sacking of Reading Recovery tutors. The money in fact for that actually grows with the SRP and is part of the 3 per cent growth that we have in the education budget this year.

**Mr SCOTT** — I note your answer, which — and I use the term advisedly — appears a bit Orwellian, but this would be news to the school communities of Mill Park Heights Primary School, who were referred to in a newspaper article for the Whittlesea *Leader* from 6 March this year, where a spokesperson for your department, while confirming the loss of their tutor, did make a similar statement about school resource packages being able to be used. I do note the response of the principal, Deborah Patterson, who said:

It would cost close to \$100 000 (a year) for one tutor; where are we going to get that kind of money from?

Can you explain how reading recovery tutors can possibly be funded by individual schools without impinging on existing educational programs?

**Mr DIXON** — In fact the principal of that school is a regular correspondent of mine; in fact I received a very positive email from her today, so I will pass on your regards. As I said, the funding for the provision for reading recovery tutors actually comes out of the SRP package, so obviously there is not enough money in one school to provide a tutor because every school does not need a tutor. So it is part of the total amount of money that a school has and the total amount of money the school has at its discretion, and the way the funding works for government schools is that principals can decide to use less or more. As I said, the school might decide they do not want to have Reading Recovery at their school, so that frees up that amount of money for them to spend on something else that is a priority of theirs.

Just like a school might say 'We think Reading Recovery is the best thing since sliced bread and we would like to have more than we would normally have in a school of our size' and they might put more of their own resources into it, they have the flexibility within their budget to do that. As far as the tutors are concerned, schools either through a network or their own cluster of schools, whatever might be informally arranged, decide when and where they would like tutors. If they want tutors in the first place, they just adjust their funding accordingly and use their money according to their priorities. There are a number of ways, as I said, sometimes even across sectors, that the funding for Reading Recovery tutors is provided.

**Mr MORRIS** — Minister, budget paper 3, pages 19 to 20, includes a table detailing the asset initiatives for DEECD, but what I am interested in is: in managing the asset base, what steps is the government taking to improve maintenance in Victorian schools?

**Mr DIXON** — Any good financial management of any asset base understands the importance of maintenance. It is just good common sense and good economic planning to provide for the maintenance of your asset base. This department, especially the schools part of this department, has a massive asset base, so maintenance is a very important part of it. By their very nature schools are high wear and tear, so once again it is very important that we have a strong commitment to maintenance. What we have actually seen is a fall-off of investing in maintenance, which is just basically poor economics.

If you look back to 2000–2001 the Victorian government then was spending \$75 million on maintenance. Then if you look at 2009–2010, that figure had actually dropped to \$59 million, so not only have you got more schools, you have schools that are nine years older and therefore needing more maintenance, and what you have seen is actually a reduction in maintenance funding of about 20 per cent. That is just not sustainable, and that is the sort of system we have come into.

We undertook to conduct a maintenance audit. A rolling audit was happening anyway, but we decided we needed a snapshot of the maintenance needs of all of our government schools. The partial audit late last year had identified \$150 million worth of maintenance requirements, and that was extrapolated out in light of the outcome of the whole audit being about \$300 million worth of maintenance that was required to be done on our schools. As I mentioned earlier, in the BER projects there was not even an allowance for the maintenance of those. Again, some of the earlier buildings have probably been up for four years now and they are starting to show some signs of wear and tear, so we have had to kick in extra money for the running costs of the BER buildings — \$37 million — just to bolster up the capacity of schools to maintain and to keep the lights on in their BER buildings.

We went to the election promising to spend more money on maintenance, and we committed \$100 million over four years as an increase in maintenance funding. That brought the maintenance up to \$87.5 million a year. That is the baseline funding. That is the maintenance money that actually goes out in the SRP to schools based on their student enrolments and the buildings they have got. That was a 48 per cent increase in funding from the last year of the previous government and the first year of our government, and that is ongoing. The 87.5, the base, is ongoing.

In a very difficult financial situation we understand the importance of it and we have had to invest a lot of money into maintenance. When you look at the lack of maintenance over the years and what it can cause, Galvin Park is an example of that. The school was so bad — it was so poorly maintained for so many years — that we have had to basically rebuild it. In the meantime, just to keep the place habitable and keep the kids and the teachers there, let alone the portable classrooms we had to bring in because some of the rooms were unfit for purpose or for anyone to be in, we spent over \$1 million just on that school. So we have got to keep money aside as well for those major projects that come up.

In this year's budget we have also identified an additional \$20 million, because we know when the audit is completed that a range of major maintenance issues and priority issues will come up that need to be addressed fairly immediately. We are allocating \$20 million in this year's budget to be able to pay for those sorts of costs that we know we are going to incur.

So on top of the normal \$87.5 million in maintenance that, as I said, is a 48 per cent increase on the year before, there will be a further \$20 million spent on maintenance this year, so that will bring the total to about \$107.5 million. It is not flashing lights and shiny sort of work, it is just the nuts and bolts stuff that we have just got to do. It is the hard stuff. You do not get a media release out of it, you do not get a hard hat or a shiny vest out of it, you do not get a glossy brochure out of it, but in the end you have just got to keep our schools safe for kids and safe workplaces for teachers as well, and that is the sort of work we are doing.

**Ms HENNESSY** — Minister, in relation to budget paper 4, page 15, which lists capital projects, I wanted to ask you a question about keeping up with growth. You would be aware of an article that appeared in the *Herald Sun* where it had obtained a government report under freedom of information legislation that showed that over 70 000 new primary-aged students will be in the system by 2020 — and it is quite frightening to think that is only nine years away. The same report also indicated that the government would need to build seven new schools this year if it were to keep up with that projected growth. So I was a little concerned to see also in that capital list the money allocated for the portables program. I am concerned that we are setting up a system whereby you are using portables to support that growth rather than constructing new schools.

Given that this budget only contains new funds for the construction of one new school, how is it that you sincerely can tell us that you are keeping up with the pace of growth for new schools?

**Mr O'BRIEN** — Where was your concern for the last 11 years.

**Mr PAKULA** — All interjections are disorderly.

**Mr O'BRIEN** — They are.

**The CHAIR** — Thank you.

**Mr DIXON** — I thank the member for her question. We are coming off a very low base. We are coming off the last budget of the last government that spent \$8 million on land purchases. That is hardly planning for future growth. As I pointed out in my earlier answer, you had areas like Torquay, massive growth areas, where the previous government just kept on adding another year and another year and another year onto the existing primary school. It was just totally unsustainable.

Down in the south-east, there had not been a government secondary school in that growth area. Everyone has known about the south-east being a growth area for a long while, where there was only one existing government secondary school, which I think was probably 20–25 years old. So there had been no investment in that growth area. We are the ones that have stepped into it, and we are building a special school there and also a new secondary school in that area. As well, when I go back to Torquay we are looking at the growth there with the purchase of land for both the secondary school and also another primary school that will be needed.

Once again, as I mentioned earlier, we have spent \$50 million in our first two budgets on land acquisition because, as I said, whether we go down the PPP path or through our own budget capital works, we have got to build the schools to take into account those growth areas, and in advance you have got to be able to buy the land. Also the member referred to some figures that came from the FOI via the *Herald Sun*. What those figures did not explain was the fact that growth in population does not just occur in the outer suburbs and the growth suburbs of Melbourne. It occurs in the inner suburban areas, and it also occurs in the middle suburban areas. In a lot of those areas we have an amazing amount of capacity in existing schools to absorb a lot of growth. So the 70 000 students are not all going to be in the north or the west or the outer south-eastern suburbs; they are going to be right throughout Melbourne. Also there are regional areas in country Victoria where there is growth as well and where there is capacity in existing buildings as well.

In terms of portable classrooms, you have always got to have a bank of portable classrooms for a whole range of reasons, whether it be a school fire — for example, at the Olympic Village Primary School, which is part of the Charles La Trobe College, there was a fire recently. Although the school was over entitlement, a couple of rooms that were burnt down were actually used not only by the school but by the community. We felt that that was a special case, so they are receiving one of our portables so that they can carry on with the great programs they have, not only in the school but for the community.

Then we have got areas that are experiencing short-term growth or recent growth. For example, in the South Melbourne area and Port Melbourne, around there, there is quite a lot of growth there. Our money that we have been spending on portable classrooms, a lot of that has gone into double-storey portable classrooms. A lot of these inner suburban schools are landlocked. To absorb the growth they do not mind having a couple of portables, but if you keep spreading them you lose the playground, so those double-storey portable classrooms have been very, very popular, and they are very practical and useful.

So we need a stock of those sorts of classrooms, because populations come and go, they change and we build for a core for establishing a secondary school. We are looking at a long-term, settled population of about 1100, so obviously as an area grows you need to expand it. You do not build for the 2000 that might be there for five years and then it comes back; you build for the core. Our demographics show that 1100 students is an ongoing, sustainable, good size for a secondary school. I think it is about 450 for primary schools. So we need that portable stock. A lot of our portable stock is growing old. Once again, like any school building there is a lot of wear and tear, and we have got to improve our stock. I must say the latest modelling in relocatable classrooms is very, very good — great acoustics, great teaching spaces. They actually allow for modern teaching and learning to occur, so I think it is important that we still have that stock of portable classrooms there.

**Ms HENNESSY** — Minister, again there is new money for the construction of one new school in this year's state budget. Exactly when will you fund the schools that you promised before the election, because there are still 22 schools that are waiting for money that was promised in 2010?

**Mr DIXON** — I think there are two questions there. One is about our election capital commitments, and the other is about new schools.

**Ms HENNESSY** — It is about the date — where in the budget forecast will that happen?

**Mr DIXON** — We undertook, I think it was, about \$250 million worth of capital commitments in our election budget, and two or three of those projects we have actually increased the scope of. When we came to power and had more information and had access to resources, we have actually increased the size of some of those projects. So even though it was a \$250 million commitment, I think it is about \$277 million worth of capital works that we are committing to. This term of government goes for four years, and we said that we would deliver those commitments in our term of government. So far we have committed in the first two budgets about \$166 million of those capital commitments, so any basic mathematics shows you we are more than halfway there, and we need to deliver on \$101 million worth of projects over the next two budgets. Because they were election commitments, they will be delivered.

In terms of, once again I say, the growth areas of Melbourne we are buying up the land that is required. We have got quite a few blocks of land there that have not got a school on them, but they are there for the future growth, and that will come out of future budgets. But also — as I talked about before — we are attracted to the idea of PPPs. We think they are successful in the education enterprise, and we are doing a fair bit of work in that area at the moment. Schools and communities in growth areas and a lot of the councils in the growth areas are very keen to talk to us about that. One of the things that we would like to see in our growth areas is the opportunity not just to have a stand-alone school but to have a number of community resources as part of that as well. That is why it is good to talk to local government, because we can provide a number of early childhood, children's and family services on the one site, which I think is a good use of resources and a good thing for those emerging communities.

**Mr ANGUS** — Minister, I refer you to budget paper 3, page 117, and I note that, aside from the population growth, there seems to be significant growth in the number of students with a disability in Victoria, as noted under the heading of 'Support for students with disabilities'. Can you please advise the committee what the government is doing to support these children amid growing demand for services?

**Mr DIXON** — Mr Angus is correct in terms of meeting the growth needs of the number of students with disability. It is not just rising in terms of the numbers reflecting population growth but also as students are assessed we are finding more students, so we have actually got a growth rate in students with a disability higher than the actual population growth. That is a double growth burden that we have to be aware of and we need to fund.

We have got some excellent programs in Victoria, and I think we are renowned for what we are doing for students with a disability in Victoria. Our specialist schools are quite unique — the range that we offer in the specialist schools right throughout the state — and I think the work we do in our mainstream schools for students with a disability is very strong as well.

One of our principles is choice — parent choice, and that goes for all parents. No matter what their child's abilities or interests are, all parents need to have a good choice of education provision for their children. That is one of the tenets we believe in for all students and, as I said, especially students with a disability.

The way we fund those is, once again, mainstream schools — all schools — receive a student resource package, the SRP, and there is a lot of flexibility within that for schools to make the decisions about the sorts of programs and organisation that they want to provide to best meet the needs of their children. You might go into a school that has a large number of students with a disability, because it is an expertise they have grown over the years and they have got some great programs and parents make the choice to send their children there, or it might just be an accident of fate and there are a lot of children with disabilities in that area. They might be students who have not qualified for the program for students with a disability, so schools need a flexibility just at the base level as well.

Then you have got students with higher needs who are in mainstream schools and do attract funding, and that is over six levels. There are six levels of funding, and children are assessed according to those. There are about 21 000 students in this category, and we spend about \$550 million — more than that — a year on the program for students with disability.

Then you have got the specialist schools that we provide as well. There are special schools, specialist schools and autism-specific schools, so there is a whole range that we do provide. Once again, I talked about the provision of the P–12 autism school in the west that has never been there, so that has been very welcome out there.

Not only have you got the funding programs and the settings in mainstream and special schools but there is also the question: what do we teach and how do we teach students with disabilities? We launched the ABLES program — and congratulations to the previous government, which started the work on it. We have continued that, finished that and launched the program. Basically it is about looking for a child's ability, not their disability. A range of assessment tools are available to teachers. These are not just children who are on the program for students with disabilities, whether in mainstream or special schools; it is for students who may be struggling in a mainstream classroom as well. These children are assessed as to what they know and what they can learn from there on, and then an individual learning plan is based around that knowledge and monitored. It can be done quite easily within a mainstream classroom environment as well.

Because it is so practical in nature and it is a positive approach to students — it is about what they are able to do — we can better use and teachers and schools can better target the money that they have got. Whether it is part of their SRP or whether it is students attracting disability funding themselves, they can design programs that are even more effective and build on what the children have got. It is like a subset of the VELS in that school curriculum, so it brings them up to that first level. I think teachers and schools are far more accountable as well to the parents and to the children themselves, and that can be tracked quite well. It also enables the teachers to know exactly what the child needs. As I said, there is a range of resources online that are available that a teacher and a family even can access very easily to help that child and build on what they have got.

We are doing a range of things within autism as well. We have some satellite units. We have got five of those around the state. We have also got autism inclusion support programs — we have six of those — and we are doing a lot of work on transition from primary to secondary, especially for students with autism. We also have more announcements coming up in the future about better ways of working with our students with disability. It is a key area of mine. My fellow ministers have appointed me the disability champion minister, so my job is to look at things in a national sense and to represent the interests of students with a disability with the other ministers throughout Australia. I am really proud of the work that has been done for a long while in Victoria, and especially the new and exciting work that we are launching into here in Victoria into the future.

**Mr PAKULA** — Minister, I want to make reference to the capital program, budget paper 4, in a general sense. You spoke before about parental choice, and you spoke earlier about the desire not to have parents having to fork out private school fees only because there is no acceptable public school option in their area. One good example where there is actually an excellent public school option at a secondary level has been Albert Park Secondary College, but as you would be aware the boundary for that school continues to shrink. Can you confirm that there are something like 50 students in grades 5 and 6 at South Yarra primary who want to go to Albert Park secondary and who previously could have gone to Albert Park secondary but cannot now go to Albert Park secondary because of the continuing reduction in that school's boundaries?

**Mr DIXON** — I thank the Deputy Chair for his question. The rebuilt Albert Park Secondary College is a good example of a school giving choice to parents — whether they want to choose between a government or non-government school or whether they just want to choose the best school for their child's needs and interests. What we have is a growth area of Melbourne. As I said earlier, they do not necessarily live in the outer suburbs. Albert Park and that area of inner Melbourne is a growth area. There are a lot more young families moving in there. They do not all live in houses; they live in apartments and are well serviced by public transport and there are a lot of amenities around, so it is quite attractive for families. So not only does Albert Park Secondary College have its location and a brand-new building but a great education is going on in that school. It offers a unique educational environment but also a unique education program, so it is very popular. Once again, it was a bit of an unknown as to how popular it would be. The demographics changed quite considerably within a few

years, and it was never really known as to how popular it would be, where the students would come from and how great the demand would be. As it has turned out, it is very popular.

With any school anywhere in Victoria we always have to give preference to locals, because you can only physically fit so many children on a school site — not only in the building but just physically on the site. It has been the case for years that a number of schools either have to have a ceiling or an enrolment cap put on them or boundaries are put in place, in consultation with the local community, from which children can only attend that school as their neighbourhood school.

Even though there is a component of it at Albert Park, there is a sort of advanced program — the SEAL program that they offer — so that students from outside the area can come to that, but I think it is only about a dozen or 10 at year 7 level. But that school is primarily the local school for that local area, so it has got a boundary. The boundary has had to be adjusted, and that is being monitored at the moment. We are working with the community on that, because there are some short-term needs. The member talked about some students from grades 5 and 6, particularly at South Yarra Primary School. We are aware of that, and we are working with the school and the communities on that.

But it also indicates some of the other planning work that we are doing. As I said, it is not just in the outer suburbs. We have got a major demographic study and school provision study that is looking at the area from North Melbourne, down through Docklands and Fishermans Bend right down to South Melbourne, because there are no schools in that area. We are looking at a major study there as to what some of the options would be in terms of providing government school education in those areas and what the capacity is of other schools.

It is funny, but sometimes you have got schools that are quite close to each other. One is the flavour of the month and everyone wants to go to it and you have to put a boundary around it, and yet there is a perfectly good school that may have had an issue a few years ago and it is well under capacity. We have got to balance all of that, and we have got to balance how students are going to get to that school. A lot of parents choose a school because it might not be near where they live but it is near where they work and it is a convenient school. We have got to balance all that up. And then you have got siblings coming along; do you treat them any differently?

There is a whole range of issues. It is very complex, and as I said we are doing a lot of work at the moment, particularly in that area. In this year's budget we have also just announced \$200 000 for a feasibility study for secondary school provision in the Prahran area, so that study will be beginning soon as well. We have got our finger on the pulse, and we have got to look at innovative ways of providing education if it is needed in those areas.

**Mr PAKULA** — Minister, I am hoping that you can assure the committee and the local community that if the boundaries for Albert Park Secondary College need to be further adjusted, they will not be adjusted in such a way as to exclude children from vulnerable Office of Housing families in that local area.

**Mr DIXON** — As I said, it is often inevitable for some schools that they do have boundaries, for the reasons that I pointed out. Albert Park is one of those for positive reasons. The boundaries that are put in place are not centrally administered. They are something on which the regional offices work together with the local primary schools, the feeder schools; they work together with the schools themselves; they work together with the local council and a whole range of community groups. Obviously if there are special circumstances — as in the circumstance that the member talks about — all of those considerations are put into place and we look at all the children who live in that area. It does not matter where they live or what their parents do, they are all equal and they are all considered as locals. The boundary is the boundary according to where people live, not who they are.

**Mr O'BRIEN** — Following on from Mr Angus I would like to pick up in relation to page 117 of budget paper 3 under the heading 'Support for students with disabilities'. I note your answers, and I would like to commend you as well as Mr Finn in relation to the autism school at Laverton. He has had a long personal interest in that. I also know that Mr Bull and members from all parties in Parliament have a special interest in this area. I was just wondering if you could outline another program, which relates to issues of students with disabilities getting to school. What steps are you taking to support those children with a disability who need support to get to school?

**Mr DIXON** — I thank the member for his question. The provision of school transport is a big issue for all communities, all students and all families in Victoria. Some children are driven to school, and a number of students rely on public transport to get to school. Others rely on Department of Transport-managed school buses and especially in regional and rural areas other parents rely on a conveyance allowance to help support them to get their children to school by whatever means are available and applicable to that local area.

Special school students are no exception to that at all. We have got about 7800 students who access the transport to special schools. There is the growth in numbers that I talked about in students with a disability, so there is the need for transport to special schools to rise in a commensurate way. It is actually quite complex to work on this because you have a major variation in the needs of these students and a major range of geographical locations where these children live. To work out an adequate and a sustainable transport program to get those young people to school is something that requires a lot of hard work and a lot of thought, and it certainly requires funding. I will just add, too, that obviously not all children who go to special schools require that transport. It is an option there for all parents if they are within the transport district around that special school.

In last year's budget we invested \$50 million in providing specialised transport for students with a disability. In this year's budget we have added a further growth component of \$14.9 million to increase the capacity for students to meet those growing needs. As I said, because it is such an important service we have got to make sure it is sustainable and we have to make sure that the maximum benefit flows down to the children. We have done a major piece of work in that area, and we have come up with a far more rigorous model of contracts for the bus providers, with some really innovative technology to work out what is the best way of getting a child to school taking into account their special needs and designing a route that will meet all the needs of the children and get them to that school.

That can be quite complex. Some students cope quite well on a long bus trip, others do not. Some live in courts that it is hard to get a bus into. There are all sorts of arrangements that are very complex. We now have a model that makes the best available use of all the data that we have about the children and their particular needs — whether they need a chaperone on the bus and a whole range of issues like that — and we have been doing that work. That is at no cost; it is the work the department does. That is the sort of support work we should be doing. As well as that — parallel to that — we need to fund the growth and hence we have put in that extra \$14 million this year.

It is one of those things we assess continually. We always monitor it to make sure we are providing the best possible service to those students within the budget constraints we have. The needs of the students can change very quickly. They can move house, and all sorts of arrangements crop up midyear. Even family arrangements can change when a parent can no longer transport their child or they can only get them halfway there to a pick-up point. All these things change all the time, and all of that has got to be fed into the system. We try to be as responsive as possible within the constraints we have. But it is a very important area, and once again, we have funded it for the growth in that area.

**Mr SCOTT** — Minister, I refer you to the questionnaire, which has the outline of the expenditure savings or cuts, as we describe it, required from the department of a bit over \$228 million, and also to your response to question 4.3, where it was indicated that media and marketing positions increased in expenditure from 2009–10 to 10–11, and also to the advertisement that appeared on 14 April 2012 for an executive director for communications for the department. Can you explain why it is deemed a priority to advertise for a \$300 000-a-year spin doctor and why this position is not subject to the recruitment freeze across the rest of the department?

**Members interjecting.**

**Mr SCOTT** — Do you want me to repeat that over the interjections? I am quite happy to.

**Mr PAKULA** — I am waiting for Mr Morris's point of order.

**Mr SCOTT** — I am happy to repeat the last part of the question for the minister's benefit.

**The CHAIR** — Can I just have a little bit of decorum? I did not rule on the earlier point of order for the very reason that members would be extremely frustrated if interjections were dealt with in the way they probably ought to be. I will ask Mr Scott to rephrase his question.

**Mr SCOTT** — You got the early part of the question, I take it, Minister?

**Mr DIXON** — I did. The second part I missed.

**Mr SCOTT** — I will just get to the actual question. Minister, can I ask you to explain why it is deemed a priority to advertise for a \$300 000-year-spin doctor and why is this position not subject to the recruitment freeze that the rest of the department is subject to for back office staff?

**Mr DIXON** — I thank the member for his question. The position that the member is referring to is a position that was actually implemented under the previous government. It is not an invention of ours; it is not a new position. It is a position that has always existed —

**Mr PAKULA** — That was last month.

**Mr DIXON** — and the person within that position is no longer in that position, so that vacancy was advertised, and at the same salary as the previous incumbent. Heaven forbid, if the secretary should leave us, we would have to advertise his job. That is just the way you have to work — —

**The CHAIR** — Irreplaceable.

**Mr DIXON** — I know that; I said ‘Heaven forbid’. It is a position that was put in place, as I said, under the previous restructure under the previous government. It was vacant, so we advertised it, and as I said, we are certainly cutting down on the amount of money being spent on advertising and entertainment. Under this government it is a lot less than the previous government. We are making those sorts of changes that need to be made.

**Mr SCOTT** — Obviously you could have chosen not to fill it, but can you rule out repeating the Simon Troeth example from the Department of Justice where a member of the Premier’s media unit got the job?

**Mr DIXON** — I do not actually do the interviews for that; that is a job for the secretary and senior positions like that. The secretary’s job is to employ the staff; I am busy enough doing the work I want to do out there with schools and visiting schools and doing the work that a minister should be doing. That is where I spend my time. I do not pore over the job ads, I do not go through CVs and I certainly do not select staff, let alone interview them, so I will be no part of that process at all.

**The CHAIR** — I actually want to go back to an issue which we did canvass earlier in relation to the issue particularly of student support officers and support being provided in a devolved sense, which is touched on in page 27 of BP 2 in regard to improving school autonomy, accountability and teacher quality but also dealing with disadvantage. The commentary on page 27 talks about empowering our principals to determine priorities locally and devolving funding through the student support officers and so on. You have actually touched on that in earlier responses, but I just wanted to deal with the transitional arrangements to local cluster-based models, which may in fact impact on the local management. There are potential risks in terms of increased administrative burdens on schools. Minister, how do you propose to manage the risk in transition to local management of the resources?

**Mr DIXON** — We are looking at two major initiatives that were part of our election commitments. We have been doing a lot of work on this. We have been talking to our stakeholders and working with everybody that will be affected by these sorts of changes, because they are a major change. Both those changes — whether it be the principal networks or the student support officers and the management of them — will actually come into effect in term 3 this year.

As far as the student support officers are concerned, what is happening is that they were administered regionally and we are allowing the tens of millions of dollars that it cost for that to actually be taken out to clusters of schools, where there is a nominal principal in charge of a cluster. They will pool their money together. We did look at giving the money to individual schools and saying ‘Off you go’, but you might have a school with only 13 students, and obviously it is not going to be able to provide any service at all. Then you have large schools

with 2000 or 1500 students in them that receive probably more money than they actually need. So it is important.

We are looking at a cluster arrangement, and our schools seem to be very comfortable with that. What will happen is that they will work together. They will have the amount of money that they have got to provide the best possible service employing the current student support services officers. They will look at the needs they have got in their local area. They will look at the expertise they have got already in their schools, and they will come up with a model that best suits the needs of the students that these people are going to serve in the first place. Also it will be a far more effective use of the skills of the student support officers as well. We think this is going to be a far better arrangement; it is going to cut down the red tape and it is going to mean more time in the schools for these officers. As I said earlier, they will build up relationships with the schools, with the teachers, with the parents and with the children they are serving, and that can only mean a better service for the students who are so vitally affected by that.

The other component to it is our change to the principal networks. The principal networks were there basically as agents of change for improved teaching and learning and improved capacity of the school leaders and also the staff. By and large they have met a lot of the needs for principals and for schools. When you look at the results, you say, 'We were doing great things, but we weren't seeing a shift in the actual outcomes of our students'. We need to move into the next phase. The capacity of our teachers and the capacity of principals have certainly improved over the last 10 years, but we have got the autonomy we introduced in the 1990s. If you look at all the international research you see that with those other jurisdictions on the slide, the ones that are moving ahead of us, the agents of change and the real differences they make are coming from the local area, from the local school and from the local community.

What we are saying, now that we have the capacity and we have the structure, is that our principal networks in some cases — not all cases — were turning into just management arms of the department. It is just another layer of bureaucracy. We want those networks to be there for the principals and to be by the principals. It has been a one-size-fits-all model, basically, where they were all based geographically — 'You are a principal in this area; that is the network you go to'. Sometimes it worked, and sometimes it did not work. We are saying to principals, 'You form the networks that you think are going to meet your needs'. They may all start off in their geographic ones, but a network might spring up. I know principals are already talking about this network of principals who are principals of senior secondary schools. There may only be one in a network; they are on their own, and they really have no-one else to talk to. So there will be a formalised network about that. Or it might be a network of principals for single-sex schools. These will grow and evolve, and they will be used in the way the principals want them so they can enhance their own learning and development but also meet the needs of their school as well.

They will also be supported in this. The administrative side of that will be supported by funding as well, and also there will be senior positions within each region. These senior positions will be there to support the networks in the growth and in whatever area they need. They will identify their priorities. They are not management, top-down priorities; the priorities of schools are going to come up from below. So there will be senior people within the regional offices who will work with these networks. Also sometimes it is not just an open go-for-your-life arrangement; there will still be schools that will need monitoring. There will be schools that need support. There will be principals who need monitoring and support, and these senior people within the regions will do that sort of work as well. We think that is the best arrangement; in fact international research shows that if the change is coming from the bottom, that is where you make a real difference.

I think in terms of our special students and most vulnerable students with the SSSO devolution and also with our networks as well, for our principals who really are the key people in our schools and our system this will only enhance the work that they do.

**Ms HENNESSY** — Minister, could I just ask you a couple of questions about construction money versus planning money? I note that in last year's budget Apollo Bay P-12 got planning money, and it was hoping to get the \$7 million construction money promised before the election in this budget, but there was not construction money in this budget. I note when we go to budget paper 4, page 15, it shows money allocated for planning for new and existing schools, such as Eastwood primary, Kooweerup, Montmorency, Mount Erin, Mountain Gate, Officer secondary and Rosebud Primary School. I just really wanted to seek your assurance and

guarantee, Minister, that the planning money will be backed up with construction money in the 2013–2014 budget.

**Mr DIXON** — It is interesting, we have about 220 schools out there that received planning money from the previous government and did not get any capital funding, and they are all waiting and expecting it at the moment. As I say, that has been one of the issues with the current system that has been in place, which will no longer exist and which we will be changing. I think it is not fair to say to schools, ‘You’re going to have the planning, but you’re never going to actually be funded for the construction of your school’.

With some schools that were election commitments — the capital component or capital projects were election commitments — as I said, we are more than halfway down the track there. We are ahead of schedule in providing those facilities, and every one of our capital works in our election commitments will actually be delivered in this term of government. Some of the schools that you mentioned there in your list are those schools, and even though they may have only received planning money so far, they will be moving on to construction as well. With some schools that are not in that list of those that have received planning money, obviously when we look at the priorities we will look at those priorities, and we would like to give those schools some sort of certainty. That is what I am saying we are moving towards: giving schools a system where, if a school has done the work, they know within a reasonable time that they are actually going to get the funding to complete the project that they are doing.

There have also been some issues raised similar to that, and you may even be alluding to it — without putting words into your mouth — regarding the breakdown of the funding within the forward estimates of the asset initiatives in the budget papers where, for example, a project might be having \$1 million spent on it in this year and then it is \$9 million for the following year. Some members have mischievously said, ‘Well, the school may never get that money’, and that we are going to spend a million dollars, we are going to pack up and the builders are going to take their fences and go away, with a project that is just a quarter of the way through.

What I can say and confirm is that any school where construction actually starts, that construction will continue on. We cashflow that within the department’s resources, just like we inherited a range of projects ourselves that were cashflowed in a similar sort of way — they were in the previous government’s budget and the money was spread out over a few years. Schools back then were worried that they were not going to receive their full amount, and they had to wait each single year for an allocation, and they would have to stop the project and start again, and stop and start. But the reality is and the practice is that once a construction project actually starts it continues, and as I said, we actually have cashflowed that through the resources of the department, and that is our normal process.

**Ms HENNESSY** — Just quickly, Minister, I accept and understand that what you are arguing is around getting construction money if you are an election commitment, but if you were a school that was not an election commitment and you got planning money in this year’s budget, is it your evidence that unless you were an election commitment you may not get construction money allocated in next year’s budget?

**Mr DIXON** — I thank the member for her question. The election commitment schools, if they received planning money, did not necessarily get construction money the next year, so one does not necessarily follow. But as long as it falls within this term of government, any school that was promised capital money as an election commitment within the first term of government will receive that. Schools that received planning money that were not election commitments will be part of our priority list, but I do not want the situation where we have had schools that have been waiting for years — they have completed the planning right up to the stage where they have actually been ready to go out to tender but they are still waiting. They have been waiting for years, because they were promised that the money would actually arrive and they were given dates when they would get that money, and it never arrived. That is just untenable, and we are not going to do that.

We are going to give a better sense of certainty to those schools. I cannot say which year they will get it, but we will certainly let them know and we will have a system that reflects obviously the budgetary constraints of the day but also gives the schools an opportunity to have some sort of certainty as to when they might receive the rest of their funding. But I just do not want a situation where we have got hundreds of schools lined up, planned, but with no money to actually construct them, which is what I have found myself in.

**Mr MORRIS** — I will resist the temptation to follow on from that last question. Minister, a key feature of this budget has been the desire of the government to give effect to recommendations of the Cummins inquiry. I am just wondering how education has been influenced by those recommendations and what the impacts are.

**Mr DIXON** — I thank the member for his question. One of the important outcomes of the Cummins inquiry has been the importance, as has been pointed out, of a whole-of-government approach to these young people. These vulnerable young people in Victoria are the responsibility of everyone — of the whole community and all relevant facets of the Victorian government — and obviously education is a key component of that. So it is not just a responsibility of the Minister for Community Services and it is not just my responsibility or that of the Minister for Health; it is a combined responsibility, because all our areas overlap and touch on the lives of these young people at various stages and also their families.

One of our many commitments that came out of the \$336 million that was announced in the initial response to the Cummins report was \$4 million that will enable that new student support officer structure to actually transition from the previous way it was working to the new way it will be working. If there is one thing these young people need, it is some certainty, security and consistency in their life. When they go to school they know that the welfare officer or psychologist — whoever was working with them — will be the same person and they can build up a relationship with that person. Also the teacher, if that child is in a mainstream school, builds up a relationship with that special services person as well. That change in direction and organisation of the SSSOs is very important. As I said, the \$4 million from that that is in our budget will go a long way to addressing those transitional arrangements.

We have also committed a lot of money to increasing the number of primary welfare officers in our schools. Last year a further 56 schools had the services of a primary welfare officer. We intend over the course of this government to put on another 150 primary welfare officers. Most of them are part-time — the average is about 0.5 each — so that means another 300 schools will have the services of primary welfare officers, which will mean that about 800 of the 1100 primary schools in this first term will have the services of a primary welfare officer. They have been allocated according to the higher need schools. The higher the needs of the school, the higher on the list it has been for a primary welfare officer.

Many of these students go to those schools, but they do not all go to those sorts of schools — they go to a whole range of schools, depending if they are living out of home or if they are living with another family, for example, and they need that support from that family. The primary welfare officer would have a key role in the support of that young person and also their family.

There are a range of other education projects and programs that are running not necessarily in school education but also in early childhood, such as the enhanced maternal and child health service, early childhood education for three-year olds and those at-risk students, supported playgroups and programs to engage vulnerable families from which those children come. That is happening within our department too. But also as part of our response — that is, the government's response — to the Cummins inquiry we looked at a number of future reform actions in areas that we need to be working on. Again a lot of those will actually impact on service delivery in schools as well.

Things such as building effective and connected services speak for themselves. There is enhancing education and building capacity; making a child-friendly legal system; providing safe, stable and supportive out-of-home care; and introducing accountability and transparency. Many of those will impact on what we do, how we operate in our schools and how we and the department support schools and students as well.

Some of the other things that we will be doing in the future include actually implementing an education support guarantee for these children, which means a personalised one-on-one service for those students; building up the capacity of our principals; and also adopting a new approach, because it is so important that these young people are at school so they stay engaged with their peers socially and academically, so there will be work done in that area as well. I am getting the wind-up, so if you want to talk to me about further aspects of that, I am happy to fulfil it for you later.

**The CHAIR** — My apologies, Minister, but you are such an enthusiast for your portfolio and so knowledgeable that sometimes we have to move on.

**Mr PAKULA** — Back to the school's capital program, I just want to understand what the position of the department is when you come across asbestos during renovations of schools. If you have got an overall capital envelope for a project and you find asbestos during the renovation, does the department fund the removal of that asbestos separately or does the cost of the removal come out of the envelope for that project, thereby obviously putting under pressure the actual objective of the capital project?

**Mr DIXON** — I thank the member for his question. The most important thing when we are dealing with asbestos is the safety of our children in our schools and the safety of the teachers and the staff who work at our schools. That is paramount; that is the thing we address immediately, and that is a non-negotiable. That is ahead of any project we might be doing around or any other aspect of the project. That is something that is very important to us.

Every school that has asbestos — and a lot of the older schools do in some shape or form — has to have a management plan and somebody within the school has responsibility for the management of that to oversee the asbestos management plan and to do quarterly inspections and ensure the safety of students, teachers and anyone else using the school property. That is a requirement of all schools.

In terms of the capital projects or rebuilding projects, there was a good example recently where in last year's budget — as part of our record spend on autism and special schools — Rosamond Special School in Footscray received, I think, \$10 million or \$9.5 million to rebuild their school on a site of another school that had been closed down. In fact I remember the principal was just overjoyed. She said, 'I never thought a coalition government would deliver for the western suburbs like you have'. She was overjoyed.

The planning work for that school had been commenced and it was well down the track — in fact, the builders were moving onto the site and the contract had been let — and asbestos was found on that site. Obviously, as I said, the safety of our students and the safety of the teachers is paramount, so that contamination work is being done and that work has been quoted. I am pleased to say that within the total envelope and the total parameters of the project not only will the school have a safe site, they will also have a school that will be of the same capacity and the same parameters that were set out in the original tender. They will get the school that they wanted, and they will get it on safe ground.

**Mr PAKULA** — Could I just clarify?

**The CHAIR** — You are stretching the friendship. Be brief.

**Mr PAKULA** — You are saying in that instance the removal came from within the envelope, so that is the standard? That is the norm? It will be taken from within the envelope?

**Mr DIXON** — Any capital project has a contingency fund within it, and that contingency fund is used for those sorts of things. Whether it is a new building, a renovation, a rebuild on another site, the removal of asbestos if there is contaminated land or whatever it might need, is part of that project. Boy, do I wish we had that contingency fund in the BER projects, because we have schools that have been left with all sorts of messes and not enough money.

**Mr PAKULA** — Lots of great new buildings, too.

**The CHAIR** — Thank you for your assistance, Deputy Chair.

Thank you very much, Minister, and to the officers of the department for their engagement in the budget estimates for the education portfolio. There have been a couple of matters which we will follow up in writing with you, and we would look forward to a response within 21 days. This concludes the hearing.

**Committee adjourned.**