

VERIFIED VERSION

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into budget estimates 2012–13

Melbourne — 15 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

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Witnesses

Mr P Hall, Minister responsible for the teaching profession,

Mr T. Bugden, Executive Director, Human Resources,

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

Mr J. Miles, Deputy Secretary, Infrastructure and Finance Services Group, and

Mr R. Bolt, Secretary, Department of Education and Early Childhood Development.

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

The CHAIR — We now welcome from the Department of Education and Early Childhood Development Dr Jim Watterston, deputy secretary, school education group, and Tony Bugden, executive director, human resources. I call on the minister to give a brief presentation of no more than 5 minutes on the more complex financial and performance information relating to the budget estimates for the teaching profession portfolio.

Overheads shown.

Mr HALL — Thank you, Chair. Given that my responsibilities only apply to the teaching profession within education — a very important area — I thought I would very quickly do two or three slides, which are in the presentation pack and which are on the screen now. These are more of a statistical nature to give the committee an overview of some of the profile of the teaching workforce. That first slide sets out the number of students that we have in primary, in secondary and in P to 12 schools, special schools and others in Victoria; the number of schools; and also the number of teaching staff in government schools. You can see that we have around 41 000 effective full-time teachers in Victorian government schools. In total in teachers there are about 63 000 by the time you include Catholic and non-government schools in Victoria.

Turning to the second slide, I particularly wanted to include this because there is an issue that sometimes arises about how many contracted positions we have as teachers in Victorian schools. I wanted to bring to the committee's attention the number of fixed-term teachers and also compare that to the number of teachers on leave, because predominantly the use of fixed-term or contracted positions is to replace people who are on leave. That snapshot there is at 30 June 2011. There were nearly 7000 full-time effective fixed-term positions and at the same time about 5500 teachers on leave. In any one year the number of teachers on leave exceeds 11 000 — that is, paid leave or unpaid leave, people taking long service leave, family leave and the like — so 70 per cent of those fixed-term positions are used to cover some form of leave.

On to the next slide, which is Victorian teacher salaries. I put that in there because that compares New South Wales and WA with Victoria's position. If you look at the stages of the timing of EBAs, particularly comparing Victoria and New South Wales, you can see that they play leapfrog, virtually, each time an EBA comes into position. Victoria and New South Wales have been comparable over that period of time, but WA just in the last two years has jumped well ahead, and that is not only in terms of payments for those engaged in teaching but more generally in professional areas, because of the resources boom and the impact on WA. You can see the red-circled part was where Victorian teaching salaries jumped above New South Wales just for that glimpse of time there when the last EBA was negotiated. That is by way of background to trends in teachers salaries.

The next slide just talks about some of the investments specifically in the teaching workforce areas over this budget and the last budget: \$6 million in language teaching scholarships that has been funded in this budget; a continuation of that announced previously on maths and science specialists and science graduates; and an ongoing role for professional development initiatives right across the teaching profession. As I said, that is some basic statistical information for your consideration.

The CHAIR — Thank you, Minister. The remaining time available until 11.15 is open for questions on the teaching profession portfolio. 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, and in your response could you also indicate how you intend to monitor the portfolio's effectiveness in maximising improvements in these areas.

Mr HALL — Thank you, Chair. Repeated studies have shown that the most important factor contributing to learning outcomes is the quality of the person who stands at the front of the classroom and provides the instruction. In terms of our efforts in government, our focus has been on performance in a development culture in our schools, trying to assist teachers in what they do and how they do it. In that regard that is what we say in terms of promoting productivity and efficiency. How you do that is to provide, first of all, opportunity for people to engage in the teaching profession, so enhancing pathways into this career. There are a number of initiatives which Victoria has pursued, many of those adopted and extended those that were put in place by the previous government. Career Change and Teach for Australia, for example, are some of those particular programs where we are enhancing the gateway into that profession; also in terms of promoting recognition of those teaching abilities of people, seeking to explore ways of rewarding quality within the profession and performance within the profession.

Members would be aware of the performance pay trials that, again, were started under the previous government, but we have extended them. It is ongoing work looking at ways in which we can encourage excellence within the teaching profession. I note the federal government has also embarked upon some initiatives which parallel that, although perhaps not in the form that Victoria would see as being the most beneficial, but paralleling their sentiment that we should be looking to reward our very best teachers.

In terms of teacher qualifications, ensuring we have people who are needed to teach in specific curriculum areas. The language initiatives in this budget and maths and science specialists and science scholarships continue — but funding was announced for those in the previous budget — are all initiatives whereby we are encouraging people to train and practise in areas where there is curriculum need. If we pull all of those together, that is what we seek to achieve — that is, to further develop that performance and development culture within the teaching workforce. I am encouraged by the engagement I have had with Victorian teachers and the professional attitude they approach that with. I see our efforts now are helping them along that path.

The CHAIR — Thank you. Briefly in addition, Minister, can you advise the committee on what you consider to be the likely impact on the education sector stakeholders in respect to these portfolio initiatives?

Mr HALL — Thank you, Chair. As I said in my previous answer, the biggest influence on learning outcomes is the quality of the person who stands in front of the classroom, and so the more we can do to assist teachers in terms of the way in which they practise their profession, the more we can do to encourage those into the profession who have the abilities that are needed, the more we can do to address areas of curriculum shortage, which will all lead to a more productive outcome for learning in our schools. Teachers are the guides who steer the lives of many young children, and we need to undertake activities and measures that ensure that we give teachers the best opportunities to undertake their profession in an unencumbered way but exercising the responsibility that we would expect from those in charge of young people.

Mr PAKULA — Minister, I am interested in the graph that you showed about Victorian teacher salaries and the way you are now characterising it as we have sort of leapfrogged New South Wales and sometimes we are the highest and sometimes we are not. I recall very clearly before the election the then opposition leader, the now Premier, just baldly stating that Victorian teachers were the worst paid in Australia and that he would make them the best paid in Australia at every grade level. My question in relation to the budget is simple: does the appropriation for your department contemplate making teachers the highest paid in Australia? Is the money there to make them the highest paid in Australia at each grade level, and is that what is going to happen?

Mr HALL — The rollover provisions of the previous EBA, which expired on 31 December 2011, provided for a 2.75 per cent salary increase on those rollover provisions, so that has been honoured and that is funded within the current budget. As the member would know, currently we are engaged in an EBA process with the Australian Education Union and with the Australian Principals Federation, and the outcomes of those negotiations are not yet known. There is a desire and a position put forward by the Victorian government that would see both salary increases across the board within the 2.5 per cent government wages guidelines plus productivity. Those productivity proposals advanced in the management log would be a significantly enhanced salary structure in Victoria and would make the very best teachers that we have the very best paid in Australia.

Mr PAKULA — I am interested in what you say about the ‘very best’ teachers, because, as I said, your commitment was ‘the best paid in Australia’ at every classification rate. Minister, in the now well-publicised dialogue about the TAFE system and your correspondence, it is understood now that you went through some anguish and contemplated resignation. I would put it to you that the commitment that the opposition, as it then was — the now government — made to Victorian teachers was as solemn and as clear a promise as could be made. If you do not deliver on your commitment to make Victorian teachers at every grade the highest paid in the nation, will you take full responsibility for that decision?

Mr HALL — I accept all of my responsibilities as a minister of the Crown and as a member of government, and I have often cited the fact that my intention is to negotiate with teachers and ensure that all teachers are well rewarded for their efforts. Yes, I am on the record as saying that we would seek to achieve that the best-performing teachers in Victoria are the highest paid in Australia.

Mr PAKULA — That is not what you said; you said ‘all teachers’.

Mr O'BRIEN — You said you would have myki in by Christmas. Will you resign over that? Where is your integrity? That never came in by Christmas 2010 when you were the minister. Where is your apology at least? Yes, you laugh at it!

Members interjecting.

The CHAIR — Thank you for your assistance, Mr O'Brien and Ms Hennessy. We will just call the minister to continue his response.

Mr HALL — I would encourage the AEU to come back to the table and continue the negotiations we have, because there is no doubt that there is an absolute will and determination from the government's point of view to enter into constructive dialogue with teachers. They deserve appropriate recognition for their skills, and the management proposal put on the table by the government would reward them for those skills appropriately.

Mr MORRIS — I guess continuing the theme of teacher remuneration, I am wondering if you can provide the committee with an update on the status of performance pay trials which are currently being undertaken in a number of Victorian schools.

Mr HALL — Thank you — through you, Chair, to Mr Morris — for that question. The issue about performance pay for teachers: as I said, a trial was initiated by the previous government, which took two forms — one in which there was a school-based reward payment available and the other for an individual teacher-based arrangement whereby, using the criteria developed by the previous government, there was an assessment as to how performance was to be measured and indeed whether it was school based. Those measurements looked at school outcomes in terms of individual teachers. It looked at the outcomes for those particular classes and those students that teachers were engaged in. Using the criteria for assessment as employed by the previous government, there have been around 30 schools or so involved in those trials. Mr Bugden will correct me if I am wrong about the number of teachers involved in those. Thirty-four — 19 primary and 13 secondary. Those trials continue, and a second cohort has started the two-year period in 2011, so by March next year they will have completed that trial period.

I also want to add that there have been, as I said in my opening remarks, sentiments expressed by the federal government that they believe this is also appropriate in their budget before the one just recently handed down, twelve months ago. They announced a Rewards for Great Teachers program whereby there would be a distribution of payments to high-performing teachers. It is a bit disappointing that that election commitment has been watered down somewhat and we now find that in just recent developments the government is prepared to spend — the federal government, this is — \$60 million to set up a system of accreditation across Australia for the distribution of \$40 million in the first instance in reward payments. What that means for Victoria — —

Members interjecting.

Mr HALL — The offer on the table for Victoria is that we would receive \$15 million to establish a framework — an accreditation system. Teachers would then apply to be either a highly accomplished or a lead teacher at a cost of around \$1400 for those teachers to apply for accreditation with the hope of achieving a once-off 10 000 or 7500 bonus payment. Because in the first year there would be a distribution of about \$10 million to Victoria, it would mean that 2 per cent of Victoria's 63 000 teachers — that is, teachers in public and private schools — would be eligible for those reward payments. I find it a little bit galling that we have been given 15 million to establish a system to distribute 10 in the first year, when we, I think more effectively, could spread \$25 million across a greater range of teachers within the Victorian system than the 2 per cent proposed under this system. Nevertheless, I am not going to be looking a gift horse in the mouth. We will probably be part of that system, but it is a great shame that more teachers could not be rewarded under this scheme for their performance.

Mr Bugden just corrects me. In the first cohort of schools involved in performance pay there were 34 schools involved; in the second cohort, which involved the teacher trials, there were 11. So just summarising and clarifying that: under the school rewards program there are 34 schools involved; under the individual teacher trials program there are 11 schools involved.

Mr SCOTT — Minister, I would like to ask you a question regarding the impact on the budget of the EBA process, which you have got a responsibility for. Obviously if teachers take industrial action, they do not receive

payment from the state. That is my understanding. Is there therefore a financial benefit to the budget when teachers go on strike?

Mr HALL — We do not pay teachers for going on strike, so the answer to that is that we save on salaries, but every effort is made by the department to ensure that tuition is provided for those students whose teacher has chosen to take an industrial action. That in itself may well incur costs in the employment of casual relief teachers or others to take the place of those. Whether there is a net cost benefit or not is not a prime consideration at all. We are not seeking to make money, nor have we budgeted to make money, by the fact that teachers go on strike.

Mr SCOTT — If there is a net benefit to the budget, will that be ploughed back into consolidated revenue or stay within the department for use for teachers pay?

Mr HALL — Do I have to answer a hypothetical question like that? It has not been part of our direct considerations. I do not know what past practice — —

Ms HENNESSY — Make a claim for it, Minister.

Mr HALL — I am not sure if we have knowledge of past practices. Do I ask the secretary whether there is any knowledge of that?

Mr BOLT — I am not sure that there is history here, but certainly savings — the ups and downs of particular line items in our budget — are for the department to manage.

Mr ANGUS — Minister, could you please provide to the committee some information on any programs that are currently being delivered or explored which aim to attract gifted individuals to the teaching profession in Victoria?

Mr HALL — Thank you, through you, Chair, to Mr Angus for his question. There are a number of teacher attraction programs, as I indicated in my opening remarks. I think what we need to do is to encourage the very best, well-qualified and well suited to teaching people to enter the profession, and in that regard there are a number of avenues and pathways which we have explored and promoted. None the least is the traditional pathway, and that is through a university education. Various teacher training programs are accredited with the Victorian Registration and Qualifications Authority. There is always the need to be out there promoting engaging in education and teaching to people through the most common recruitment method, and that is by teaching graduates.

But there are also a large number of students who might enter a higher education program without a preconceived idea that they might end up teaching. Consequently there are a number of avenues by which we seek to attract undergraduates into postgraduate qualifications to become teachers. Some of those are areas like Teach for Australia, which is one that has been universally adopted by the Australian government and is now being extended in Victoria in partnership with the Australian government. We have now seen over 103 teachers through the various Teach for Australia intakes. There have been three intakes to date. We have seen some of the very, very brightest people, and well qualified in terms of academic abilities, enter into teaching. It is interesting, as I know from talking to the people who run that program, that it is not uncommon that they have something like 500 to 600 people who apply for entry into that program's limited number of places, which has been very positive.

We also have other programs like the scholarship program for science graduates and the language teaching scholarship program, where we look to encourage those who have completed an undergraduate degree to pick up a scholarship for teacher training in that particular area. There are career change programs, which again enable people who have been practising a profession to change career course and give them some assistance to come in and use their skills and experience and apply those to educating people in our classrooms. There have been a number of avenues like that that we continue to pursue in terms of encouraging people to practise the noble art of teaching.

Ms HENNESSY — Minister, I note the number of teachers on short-term contracts, and I note that in January of last year you said that 18 per cent as a proportion was far too high a degree of your workforce to

have on a short-term contract. I was just wondering if you could point to any funding or measures in the budget to address that?

Mr HALL — Ms Hennessy is right. I can recall expressing surprise that that figure was around 17 or 18 per cent at that particular time I looked at it, and I made a commitment to look to see if there were ways in which that figure could be reduced, because I acknowledge the fact that casual employment does not provide the security that many would hope for. That is why I certainly had a look into the reasons why these short-term contract positions were undertaken. As I have pointed out in the slide there, the number of people is compared with those on leave, particularly when you look at leave for the whole term of the year — that was a snapshot we had up there, but I made reference to the fact that there are more than 11 000 applications for leave in any one year.

In terms of the balance of things and whether that is an appropriate number in comparison with other professional sectors, and given the need of schools to have some flexibility in terms of changes in enrolment numbers, which is the other predominant reason why the use of fixed-term positions applies in schools, then the balance is one that — while we would seek to encourage it to be reduced — practically and in terms of its appropriateness is probably in balance. When you look at the level, given the number of leave applications and also the fact of variable employment, then it is probably an appropriate balance that we have at the moment. I have delivered on my commitment to investigate whether we could reduce it, but given the needs, I am not sure that there is a need.

Ms HENNESSY — Just by way of follow-up, Minister, and it follows on, I suppose, and is linked to casual teachers or teachers on short-term contracts and the performance pay model. I am interested to try to better understand the average length of time it takes a casual teacher to attain permanent status, because it is my understanding that most teachers are employed on a short-term contract, at least for the first teaching year, the concern being that an 80 per cent progression target would mean, under your performance pay model, that about 20 per cent of new teachers would not have any chance of getting a permanent job for two years or longer. I was just wondering if you could talk us through that.

Mr HALL — The employment function, as we know, is undertaken at a local level, and consequently it is the principal of a school who makes those employment decisions. If a first-year-out teacher is employed on a permanent basis, there is a probationary period, so it is not uncommon for that principle to apply in any profession. It is also quite common that those teachers be employed initially for a fixed-term period — so it might be for a year or something like that. So they might be employed in that category of employment where there is some fluidity in terms of enrolment numbers, and so consequently they are employed for a year. But ultimately that decision about when they become permanent staff will rest with the principal of the school. Does that answer your question?

Ms HENNESSY — It was almost about the progression target contained within the performance payment. What are the implications for, particularly, first-year teachers on short-term contracts or on fixed-term contracts?

Mr HALL — Thank you for that. So progression targets is really one about that performance and development culture that I spoke about before — and that is, people should be rewarded; if they are good at the job they should be rewarded, and their promotion should be accelerated. Just because you have only been teaching for a short period of time, if you are an outstanding teacher, then I think there should be opportunity for accelerated progression through the various scales. So that opportunity exists. But, equally, when you have a progression rate currently of 99.8 per cent in the teaching service, one would think, ‘Well, that’s regarded as automatic rather than being one that is deserved on merit’. So when talking about an 80 per cent progression rate; that is simply a guideline, and we are saying that we need to ensure that progression is linked to the performance that you undertake. So in that regard I would think that that particular model would probably enhance, in many cases — a person who has been in a school for a short time and demonstrated ability, it would probably theirs.

Ms HENNESSY — Seeking permanent status?

Mr HALL — Yes, it would probably enhance theirs. I know that some schools, just from their teaching rounds, see a young person that they think has got some really good, strong abilities to teach. They are snaffled

up the next time an opportunity comes to put them in permanency. So having an opportunity to practise and demonstrate your abilities I think will enhance the ability for young people to get permanent positions.

Mr O'BRIEN — Minister, I refer to your presentation where you noted the number of teachers in the teaching service. I also refer to budget information paper 2, the Victorian families statement, which on page 8 has a section in relation to teaching in schools, where it says:

The government is changing the way government schools are being run to strengthen the ability of principals, teachers and school communities to make decisions about how their schools work.

I ask, given the growth in Victoria's population and the need to retain the best teachers in the system, can you, Minister, provide information on what the government is doing to ensure a culture of greater care and caution is instilled in government schoolteachers in Victoria, and I ask you particularly in regard to online activities and the use of social media.

Mr HALL — Through you, Chair, thank you, Mr O'Brien, for that question. Importantly the technologies for delivery of education and technologies to enhance what teachers do has changed significantly over the years, and now we see that matters of online activity can be a significant teaching tool. But it also provides some risk opportunities as well, so teachers need to be well aware that the use of material of this nature is undertaken in a very responsible way and reflective of the risks associated with it. There have been a few cases, which I do not need to mention in this forum, whereby inappropriate use of social media has led to some concern by parents. Consequently one of these measures that the government has undertaken is to launch a social media guide for all employees. The social media guidelines is a very instructive piece of work, freely accessible now on the department's website for people who wish to explore that. It provides a framework and some guidelines about the appropriate use of social media for teachers, and it is very illustrative. It provides some practical examples, so it gives a very down-to-earth approach and very practical approach to guiding teachers in the appropriate use of social media. So we are by no means discouraging the use of it but more particularly making sure that responsible use of it is undertaken.

There have also been a number of other initiatives. The eSmart cyber safety program has been rolled out in schools. That is a \$10 million program, and that is on the issue of students and the impact of their use of social media on other students, and particularly cyberbullying has been an issue of concern. In terms of providing some address to that and some guidance and some protection for others, they are some of the programs which the government have got involved with. This is an important area that I think we need to take a proactive stance on. Because of the potential that social media provides as a learning tool, an education tool, that should not be ignored, but equally the risks of using it need to be pointed out, and we have done that both from the use of teachers, but also for students as well, through the eSmart cyberbullying initiatives.

Mr PAKULA — Minister, I just want to ask you about VET in Schools. Under the old community service obligation regime, TAFEs subsidised large numbers of VET in Schools students, and that community service obligation regime has been impacted by recent decisions of the government. By way of example, Central Gippsland, Goulburn Ovens and South West TAFE, to name a few, have literally thousands of VET in Schools enrolments. I am just wondering how the budget is going to allow for the government to recruit or train more vocational teachers to handle the demand on schools in an environment where TAFE is no longer able to fund those programs?

Mr HALL — Schools are provided with funding to deliver curricula and VET in Schools; there is a funding component for that applied to schools that run such programs. So it is the schools themselves who pay for the VET in Schools program. Many VET in Schools program schools will have their own qualified staff to deliver those programs, but you are right, frequently they are contracted to other providers to deliver the programs on their behalf. The school will enter into a commercial arrangement with a TAFE institute, for example, for the delivery of those particular programs, and they will continue to do so.

Mr PAKULA — Just so I am clear, Minister, is the evidence you are giving to the committee that the ability of the system to recruit and train vocational teachers to handle the demand on schools ought to be entirely unimpacted by the budget?

Mr HALL — There has been no change in funding for VET in Schools programs. There is no change in the rate that we pay schools for the delivery of their VET in Schools program. So in terms of budget decisions,

whatever has happened in the skills budget should not impact on that arrangement, because the school will contract for the delivery of those VET in Schools programs and pay for it out of their school's budget.

The CHAIR — Minister, in your presentation in response to a number of questions you have talked about educational outcomes being substantially dependent upon the quality of the teacher in front of the class, basically, and there is obviously a serious role in terms of ensuring that we have the best quality teachers. Could you outline for the committee the role of the Victorian Institute of Teaching and any changes to the institute that are currently being explored by the government?

Mr HALL — Thank you, Chair. The Victorian Institute of Teaching has been around since 2003, if my memory is correct, and it now provides a registration avenue for teachers who are qualified in Victoria. There are nearly 116 000 persons who have registered and qualified to teach in Victorian schools. That will include the 63 000 currently practising members. They are the full-time positions; some of those are part time, so therefore there are more than that who are currently practising. Then by the time you add casual relief teachers and others who choose to just keep their qualifications relevant, that is where you get somewhere close to 116 000 teachers registered with the Victorian Institute of Teaching.

Established in 2003, it is basically a body which undertakes the important roles of ensuring that programs for pre-service education of teachers are accredited and meet the standards. It also undertakes functions like criminal history checks for all of those who seek registration. It also plays an important role in ensuring that the qualifications of teachers remain current, by requiring a level of professional development activity and practice in any one year to ensure that skills are maintained.

There have been some changes to the Victorian Institute of Teaching over the years. One of those was the legislative change which brought about a new composition of the council; it reduced the number of people on council. That came into effect during the course of this year. Probably one of the important changes that has also occurred was bringing the registration date to 30 September each year, rather than 31 December. There was some significant complaint that a renewal time of 31 December, in the middle of a school holiday period, was very inconvenient. People who went away and failed to register were then threatened to have their registration withdrawn because they had not paid on time. It seemed to me to be an unnecessary inconvenience for many, so the renewal of registration date was changed to 30 September.

There has also been a change in the chair of the council. That took place late last year. The chair is familiar with the need to improve customer relations — VIT with the teaching force. Indeed some of the management changes that have been introduced as a result of that I think have been very effective in terms of improving the customer relationship of the Victorian Institute of Teaching with its many members.

I think the Victorian Institute of Teaching now has a positive future and indeed is serving well teachers in Victoria with the statutory functions required of it. So with the change of composition and with new blood there, I am very pleased with the way it is operating.

Mr SCOTT — Minister, in one of your earlier answers you made reference to the best performing category of teachers, and it seemed to be a modified version of the earlier commitments about teachers pay. I would just like to know what proportion of teachers will be in this best performing category for the highest remuneration. Will it be 5 per cent or 10 per cent; just give us an outline of what proportion will be in that category?

Mr HALL — It depends a bit on where we end up with negotiating, but in terms of a management position, we have put on the table, through the EBA negotiations — and I have freedom to speak a little bit more significantly of them now, given that some of the provisions with the AEU withdrawing from the table allow me to speak a little bit more freely about those — the proposition advanced in the management log there, the answer to your question is: 70 per cent of teachers was proposed.

The CHAIR — Thank you, Minister. That concludes this hearing on the portfolios of higher education and skills and responsibility for the teaching profession. I thank the minister and all departmental officers for their attendance today. I do not believe there were any questions taken on notice, and therefore we conclude the hearing.

Committee adjourned.