

**PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

**Inquiry into budget estimates 2009–10**

Melbourne — 13 May 2009

Members

Mr R. Dalla-Riva  
Ms J. Huppert  
Ms J. Munt  
Mr W. Noonan  
Ms S. Pennicuik

Mr G. Rich-Phillips  
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Mr B. Stensholt  
Dr W. Sykes  
Mr K. Wells

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

Staff

Executive Officer: Ms V. Cheong

Witnesses

Ms B. Pike, Minister for Education,

Professor P. Dawkins, Secretary,

Mr D. Fraser, Deputy Secretary, Office for Government School Education,

Mr J. Miles, Acting Executive Director, Office for Resources and Infrastructure, and

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

**The CHAIR** — I declare open the Public Accounts and Estimates Committee hearing on the 2009–10 budget estimates for the portfolio of education. On behalf of the committee, I welcome the Honourable Bronwyn Pike, MP, Minister for Education and 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 that they cannot participate in the committee’s proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or her chief of staff can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council committee room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. There is no need for evidence to be sworn. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days of this hearing. In accordance with past practice, the transcripts and PowerPoint presentations will then be placed on the committee’s website.

Following a presentation by the minister, committee members will ask questions related to the budget estimates. They need to be related to the budget estimates; otherwise I will rule the questions out of order. So, Minister if you get some nice questions about how wonderfully you have done in the past, I will rule the questions out of order and move on to the next one.

**Mr WELLS** — That would be a first.

**The CHAIR** — 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 15 minutes — if you could do it more quickly, that would be helpful — on the more complex financial and performance information that relates to the budget estimates for the portfolio of education.

#### **Overheads shown.**

**Ms PIKE** — Thank you very much, Chair, and good morning to members of the committee. Last year, the Premier and I, with the Minister for Children and Early Childhood Development, launched our *Blueprint for Education and Early Childhood Development*. That blueprint sets out the vision for Victorian education and early childhood development over the next five years and of course renews our commitment to education as our no. 1 priority. All of the initiatives that are embedded in this year’s budget build on the work that has happened before and are all in a sense articulating those things that are embedded in our blueprint.

The creation of our new department has really provided us with an opportunity to focus on services from children from 0 to 18 years of age. It has also enabled the opportunities for some fresh thinking about the way that education is delivered for our young people in our community.

The slide you have before you talks about the three strands that we think are absolutely critical to helping our young people to thrive, learn and grow. They are: continuing to develop partnerships with parents and the broader community, engaging everyone in the educational enterprise; making sure that we develop and grow our system and reform it; and that we of course have the right workforce in place, that we offer the right professional development and leadership development to our workforce so that they can meet the challenges. Our key priorities continue to be addressing school underperformance, making sure that we strive for excellence but we bridge the gap between schools that are performing well and schools that have challenges, and improving access and quality in early childhood.

We are building on a long commitment in this area — nearly \$8 billion has been invested in education since 1999. That has seen the growth in teacher numbers by 8600 — the lowest class sizes in a decade; more students now completing year 12 than ever before; and, of course, the development of a world-class curriculum within our schools.

The NAPLAN data from last year demonstrates that we are doing very well, when we compare ourselves to the rest of Australia, in key areas of literacy and numeracy. We are at or above the national average on all those indicators. In fact, it is only one that we are not above, and that is year 9 spelling. We know, however — as we speak today our kids are sitting the NAPLAN tests that began yesterday — that we need to continue to do more work in this space.

The next slide really shows our progress towards achieving our goals in terms of year 12 completion. The following slide tells us also that parents believe that our schools are improving. They believe that about key areas like safety and teacher effectiveness over the last 12 months. Staff themselves also say that school is improving in a range of key areas.

Nevertheless, as I have said, we ourselves recognise that we need to continue to invest in education, we need to continue to improve what we are doing and particularly to help the system to be more accountable at both a broader level and right down to the school level. We are certainly, through planning and review processes, making sure that we do have the appropriate accountabilities at each level of the system and that we are investing strategically to boost people's capacity and performance at each level. Of course we have a huge range of resources, many that have been identified within the blueprint and that are helping in this task.

The slide that you see there talks about a recent product that we have launched for assistance within schools. This is a very sophisticated new instructional model which really goes right down into the classroom level with tools to assist teachers in the very best practice of teaching and learning. This is just one example of the kinds of resources that are being rolled out into the system.

Our work on improving school leadership has been internationally acclaimed. I think it is important that the committee understands this. I have three documents to present to you today. The Australian Council for Educational Research has been recently commissioned by the Queensland government to identify mechanisms to improve literacy and numeracy in science learning in Queensland. They have drawn heavily on Victoria's expertise and experience, and it is well documented in this report, Chair. In the United States, the National Governors Association has now developed work which benchmarks best practice systems around the world in their improvement strategy and has drawn upon Victoria as the model for leadership development. I understand that the secretary provided you with a copy of the OECD report on leadership.

**The CHAIR** — We have one copy each, in fact.

**Ms PIKE** — Again, we can provide plenty of copies of this material. All of this of course demonstrates that not only are we achieving excellence in these areas but this is now internationally recognised. In fact, I am the only Australian education minister to have been invited to present at an international symposium for ministers to be held in Singapore later this year — because of the strength of our work on school leadership.

The development of our institute of educational leadership which is under way in North Melbourne — the building is under way and it will be open next year — is yet another example of how we are really focusing on this area, because we know that it is such a critical factor for school improvement.

Last year in the budget the regional network leaders were funded. They have now been appointed and they are working very intensively with their networks of around 20 schools on a very strategic school improvement strategy. Their tasks are identified there for you.

This budget builds on all of that work with, of course, a very substantial increase to our asset program — part of the \$1.9 billion that we announced in the 2006 election campaign and are now delivering throughout our system, and of course additional output initiatives to continue our school improvement strategy. On the Victorian schools plan, people will be aware that we are rolling this out over this period of government: down payment on our commitment to rebuild, modernise and renovate every single school in the state, with a further 113 schools funded in this budget.

We are now up to 375. Our target was 500 so we are well on track for delivering that. Of course when you couple that funding now with the huge boost in capital funding for schools that the commonwealth has provided — which we have been negotiating with them and we are very delighted to be in partnership with them to roll out — you will see in a sense an absolutely dramatic change in the physical fabric of our schools right around the state over the next few years.

I just want to give you a bit of an example of some of the contemporary design templates for schools — I know you cannot see the detail there. We are providing templates for our schools and a number of schools are picking up these design templates that are helping schools to create very innovative and new spaces so that they can engage in contemporary 21st century learning. Of course the spaces are also available for community use. They are safer for kids, they have environmentally sustainable features and they are very exciting. That is an example of a science centre that schools can build. So that is the capital.

Regarding the recurrent initiatives, we are continuing to utilise teaching and learning coaches in our system, and IT specialists are developing the IT capacity of our schools, preparing people for the rollout of the Ultranet next year. We have programs to improve numeracy and literacy, to bridge the gap in the performance of Aboriginal young people and to improve teacher quality. This year we are also providing additional funding to meet the demand for vocational programs within our schools and are continuing our commitment, which we made at the election, for our computer program — replacing and renovating our computer technology.

On top of that, of course, our teachers received a huge boost in their wages and the funding for that is being rolled out: \$1.17 billion over the next few years.

We have also been able to negotiate very significant additional funding into education through national partnerships with the federal government. The partnership to improve student outcomes in lower socioeconomic communities sees matched funding between the state and the commonwealth. The partnership for improving teacher quality has embedded in that partnership money to initially start the program and then reward payments. Our additional funding will see us well placed to receive those reward payments, in literacy and numeracy.

Chair, I just wanted to conclude by talking a little bit about our efforts in the bushfire crisis. I was able to visit not just school communities that were burnt down in the bushfires but also school communities that have taken up the responsibility of supporting children who themselves lost either family members or their homes or were in some other way affected by the bushfires. Our student support service officers have been very engaged with kids in schools, providing a lot of support. Our bushfire case managers have been on the ground. We also have a centre that is based in Bentleigh, an emergency coordination centre for the department, that was very active during the period of the bushfires and of course was absolutely critical in the decision making about the closure of schools in the two or three weeks that followed the bushfires, when we had those very difficult days.

As we know, the Victorian Bushfire Reconstruction and Recovery Authority has been established. We are working very closely with that task force. We have people on the ground working with the community to help them identify what we are going to be doing for Strathewen, Marysville and Kinglake, where we need to replace schools. You will see there on the picture that we were very quick on the ground with replacement portables, making sure that kids had facilities.

In conclusion, Chair, this budget does build on the government's achievements over the last 10 years — \$8 billion of additional funding going into education absolutely to ensure that we continue to provide support for children so that no child is left behind; that we create a culture of high expectations for every single child in our school system; and that we strive for greater excellence. People talk about an education revolution. I am very confident that in fact we are really revolutionising our education system. It is not just us who are saying that. A number of national and international voices are attesting to the fact that we are on the right track and we are doing some pretty terrific things in education here in Victoria.

**The CHAIR** — Thank you very much, Minister. I might start off as I have with other ministers with a question about federal grants. As you know, they are a very important part of this budget. What federal grants, both output and asset, did your portfolio, department and agencies receive in the budget, can the department provide the committee the list and description of these grants and what accountability mechanisms do you have in respect of these particular grants?

**Ms PIKE** — I will start with the outputs area. Since the election of the Rudd government and the development of the COAG process to streamline the arrangements between the commonwealth and the state, our state has been very actively engaged in negotiating national partnerships for education. In fact, Professor Dawkins, as the head of our department, was selected by the commonwealth government to be the deputy chair, with Minister Gillard being the chair, of the working group which actually developed these

partnerships for the whole of Australia. So it was a very strong affirmation of our capacity here in Victoria to design these partnerships and then deliver them.

There were three main partnerships that were negotiated and delivered, which are reflected in this budget. The first is a national partnership for low socioeconomic status schools. That is a partnership that will deliver \$275 million over seven years to schools here in Victoria. Our task and that of Darrell Fraser's team is working on the implementation plan, and we are dovetailing that implementation plan into our own school improvement strategies so that we target those schools with a whole range of initiatives that will really help to lift performance and improve those schools. We have to present that plan to the commonwealth in September this year.

Similarly, the national partnership on literacy and numeracy will give us \$28.6 million over two years.

I should also have said that with the low SES schools we needed to demonstrate matching funding, and of course our equity funding and a range of our other blueprint initiatives made that a task that was quite achievable.

So there are facilitation and reward payments in the literacy and numeracy partnership — and we are certainly positioning Victoria to be able to attract those reward payments — as there are in the national partnership on improving teacher quality. We have already, for example, announced with Minister Gillard the Teach for Australia program, which is one in a suite of initiatives. We are developing projects around performance pay et cetera as part of that other partnership.

The other thing, of course, is The National Education Agreement. That agreement saw increases in funding for Victoria this year. So we also have the general overall education agreement, and I will provide details of the level of funding for that.

**The CHAIR** — Thank you.

**Ms PIKE** — Regarding capital, there are three main programs, and then they build on two other programs as well. The first is the Primary Schools for the 21st Century, and that is \$2.0199 billion over three years to undertake major infrastructure works in government primary schools — sorry, billion — over that period of time. That money is part of the commonwealth's economic stimulus package. We have to have our final plans for all of those schools submitted by July of this year, so it is a very tight time frame, and of course this comes on top of our own program, which I outlined in the presentation, of \$1.9 billion. So our department is working with schools to maximise the benefit of the two programs, which do coincide, to really have an absolutely major piece of work undertaken right across our primary sector. Of course we also have funding from the commonwealth for the non-government sector in this program as well, and that is also being rolled out directly to Catholic schools and other non-government schools.

There will be \$140.6 million coming to Victoria for science and language centres for our secondary schools in the government system, and this is an application-based program. So schools will be submitting their designs et cetera for the commonwealth to peruse, but of course that comes via the state, and there is a particular focus on schools in low socioeconomic communities.

The other program, of which 40 per cent has already been rolled out with a further 60 per cent to be rolled out very soon, is the National School Pride program, which sees an increase to all schools in maintenance funding. It is a one-off boost in maintenance, and again we have been working with our schools around the way that will be targeted.

There are two other programs from the commonwealth which are joining with our programs. There will be \$146.4 million in trade training centres. That program continues to be rolled out. One of the great benefits of the trade training centre funding is that schools are collaborating in regions and forming clusters of government and non-government schools working together for those trade training centres. The last program is the nearly \$500 million of funding through the secondary school computer program, and again we are working with the commonwealth in rolling out those funds for children in years 9, 10, 11 and 12 in our schools to increase their access. That, of course, builds on our leadership position in computer provision for our schools. So, Chair, they are the commonwealth programs that you will see reflected in the budget papers this year.

**The CHAIR** — Thank you, Minister. If you can just take on notice to provide us details of the accountability mechanisms — —

**Ms PIKE** — I just might comment quickly on them. We are engaging in bilateral negotiations at the moment. We have to report, in fact, to the coordinator-general in the Department of Prime Minister and Cabinet federally because these programs all form part of the overall economic stimulus package, and then we have to provide departmental reporting progress reports. In fact the school building programs have monthly progress reports that we have to provide to the commonwealth. We have got very tight deliverables in terms of time frames, and obviously we do have to identify any potential risks et cetera, and then also we have to provide quite detailed implementation plans, as I said, by September, for the national partnership agreements. But we will provide the documentation for those.

**The CHAIR** — The committee would appreciate that.

**Mr WELLS** — I refer to budget paper 3, page 26, which mentions the government's further \$402 million investment in education and lists the details. Can you talk to us about the types of programs to be funded under the Victorian schools plan? I notice here that it pays for land purchases, new schools in growth areas, new relocatable classrooms and new schools in other areas such as select-entry schools. If you are spending \$402 million on those sorts of purchases, how does this reconcile with the Victorian schools plan's aim to rebuild or modernise every Victorian school?

**Ms PIKE** — Thank you. The Victorian schools plan has always had as its objective to provide the capital that is required to create modern teaching spaces, 21st century learning spaces and learning environments in our schools right around the state. What we have said is that every single one of the schools in the government system will receive capital funding up to 2016 under this government — no school will be left behind. As I said, we committed in this term that we would fund 500 schools as part of that overall program. Clearly when we are developing a capital program it is a very complex and big capital program. There are 1600 schools. The demographics within our community change. We need to make space available to build new schools, and in some places schools will merge with other schools where there are no students in those populations.

**Dr SYKES** — Is merge the same as close, Minister?

**Mr WELLS** — That is a closure.

**The CHAIR** — The minister, without assistance.

**Ms PIKE** — There is always an opportunity and a need to purchase land, and we have never, ever said that we would not be engaged in the purchase of land so that we could build new schools. The communities where those new schools are built are absolutely delighted with the brand-new school facilities that they receive. That has always been part of the Victorian schools plan — that we build new schools. I think the committee would agree that you cannot build a new school in the air or in the water; you have to purchase some land to build that new school on, and the actual purchase of land is part of the capital program. I generally understand that land purchase is part of the capital program. The other thing that we have always said is that our infrastructure for schools will not just provide the actual school buildings but will provide replacement chairs, tables, equipment and other capital that is required for those schools.

You mentioned school relocatables, and I am glad you did, because when you are renovating and rebuilding 1600 schools, you actually do have to have a pool of relocatable classrooms for making sure that you can have temporary facilities to decant students into while their brand-new, state-of-the-art 21st century learning spaces are being created, and so the relocatable program is very much a part of the government's Victorian schools plan. It is a very comprehensive plan, and when you think about the levels of investment that we have now in our school infrastructure compared to the levels of investment that there were in previous times, it really is genuinely a revolution.

Every school will be rebuilt, renovated and modernised, and new schools will be built. In some places schools are being demolished and brand-new facilities, from the ground up in those communities, are being built, and we have had to purchase land for some of those new schools because we have not always built them on the same site. I think that the record investment is just bearing fruit everywhere, and I am surprised that anybody would be negative about it, quite frankly, because schools are absolutely delighted to be receiving this.

**Mr WELLS** — Who is being negative about it?

**Ms PIKE** — Some people are.

**Mr WELLS** — Would you like to name them now? Can I just clarify the point? I am not sure where you are coming from in regards to who is being negative about it. I think we have got a right to ask the question about the expenditure of the \$402 million. I think it is a legitimate question.

**Ms PIKE** — Absolutely.

**Mr WELLS** — I am not sure why you are being so sensitive about it.

**Ms PIKE** — It is a very legitimate question.

**Mr WELLS** — Thank you.

**Ms PIKE** — And I am very proud to be able to detail the record investment.

**Mr WELLS** — Can I just clarify that? After you have shut down all those other schools, all current schools will be modernised or rebuilt, and that will be completed by 2016; is that still the government's plan?

**Ms PIKE** — The government's plan was detailed in the 2006 election campaign.

**Mr WELLS** — So it will be completed by 2016?

**Ms PIKE** — That is the commitment.

**Mr WELLS** — Right.

**Ms MUNT** — Minister, you briefly touched on the blueprint for education in your opening presentation. I refer you to page 68 of budget paper 3 under the heading 'Major policy decisions and directions' where you list the Blueprint for Education and Early Childhood Development as one of those major policy decisions and directions. Could you please explain to me what is involved in the blueprint for education and how it is being implemented?

**Ms PIKE** — Thank you very much. The Blueprint for Education and Early Childhood Development was developed over a period of months with very extensive consultation with people within our school communities, with parent groups and with people who work at an academic level in education, and of course it was underpinned by the enormous experience and expertise that we have within our own department.

It is a very robust document and it has a very large number of strategies that we are well on the way to implementing. It is an ambitious but I think very achievable five-year reform agenda. It does build on previous work. We released a blueprint for government schools in 2003. This blueprint is for all schools. We also had plans to improve early childhood development, which we released in 2007. So this brings this together and adds a further chapter to the story. It reflects a new approach, and that is an integrated development and education framework from 0 to 18, and of course our new department enables that to happen.

The document outlines three main areas from which fall out a number of quite specific strategies. The first one is around developing our system, reforming our system, ensuring that children have access to high-quality schools and early childhood services wherever they live around the state. We know that that is something we have to keep working on. We know that education is a dynamic environment that changes all the time, that there are new resources, new tools, new understandings that we bring to bear to this activity, and we do need to continue to reform our schools. We know that sometimes over time schools meet new challenges, and we have to provide the energy and the resources to those schools to be able to meet those challenges — the professional development, the leadership development, the tools like E<sup>5</sup> and other things that will enhance and improve their practice within those schools.

Our regional network leaders, now given additional resources in this budget — \$71.4 million in the last budget — are now being trained and are on the ground working with their schools, improving the quality of their practice, developing their strategic plans, engaging in intensive diagnosis of the schools. That has been

supported by our regional directors, working under the direction of Darrell Fraser. It is a very active and engaging piece of work.

The next area is the partnership with parents and communities. I think what we are really trying to do and have been trying to do is to open the doors of the classrooms, open the walls of the school to much greater engagement between the community and the schools. It is no longer the school just sort of sitting out there in a paddock with ovals all around it, with ‘Trespassers will be prosecuted’ signs up around the edge. It is about: what can the community bring to the school, how can the partnerships with parents be developed more, so that everybody really sees education as their priority, not just teachers and principals? There are a lot of strategies under that particular area.

Finally, reforming our workforce, making sure that we do have skilled and committed staff, that we are training our teachers to be teachers for the 21st century, that we are giving them professional development, that we are utilising our workforce in a way that meets demand in rural areas, in hard-to-fill staffing areas, in areas of special needs, with refugees, with Aboriginal kids, with kids in low SES communities — shaping and creating a workforce that will meet those demands.

There has been a lot of work that has already been undertaken. We have got some great highlights of progress made to date. We are working on and implementing the school accountability and improvement framework, as I described. We have developed the Teach First model. We are now working in partnership agreements with the MAV and other bodies. We have released the children’s services regulations. We have had public consultations around the national framework for early learning. So there is a range of activities and developments, and over the course of this year more of these will be rolled out into the community.

**Ms MUNT** — Is this enormous rebuilding program integrating with that?

**Ms PIKE** — Absolutely.

**Mr WELLS** — A multi-choice question.

**Ms MUNT** — It is a clarification.

**Ms PIKE** — It is important to align the capital program with the school improvement strategy so that the kinds of ways in which teachers are being developed to teach and learn, engaging students, elaborating on that work — all of those things that are in the E<sup>5</sup> — have the kind of spaces that enable that in the most creative and appropriate way, and of course technology as a huge enabler in all of this and the spaces to enable all of that technology.

**The CHAIR** — Thank you, Minister, for that clarification.

**Mr RICH-PHILLIPS** — Minister, I would like to ask you about the general efficiencies that the department is required to find as a consequence of this budget — \$164 million over four years. Now, there is some information in the response from the department that the committee has received, taking the budget year — —

**The CHAIR** — On page 19.

**Mr RICH-PHILLIPS** — On page 19, indicating that as a consequence of the election platform, LFS, you are required to find \$17.9 million. Last year’s budget requires you to find \$25 million in general efficiencies and this year’s budget requires you to find a further \$9.5 million in general efficiencies. Can you outline, please, where those general efficiency savings will come from, and what categories, what types of savings, and will they be found within the department or will the schools be required to find them?

**Ms PIKE** — Thank you very much for the question. I guess during the 10 years that I have been a minister, making sure that government departments continue to evaluate their work to make sure that they are functioning in the most efficient and effective way, looking to see whether things of the past should continue into the future has been very much part of government’s responsibility.

Efficiency savings and productivity improvements are essential for good government — and I am sure that you would concur with that. It is important that within our department we continue to get the most for the taxpayer



dollar, that people utilise new technologies and that people are evaluating their work. Certainly in our department, the Department of Education and Early Childhood Development, we are confident that the general efficiencies that we are asking people to find can be dealt with within a department of this size and scope. We are a huge department.

We have a high expenditure level because of the breadth of our responsibilities in the education system. We are confident that we will be able to make efficiency savings within the department, buying smarter, buying less — those kinds of things — shared services, and obviously looking at things like our car fleets and those things. They all need to come under scrutiny. We are confident that we will be able to meet those kinds of efficiencies within the department.

What we have said regarding schools and what is very clear when it comes to schools is that this budget provides a huge boost to funding for our schools, a massive increase in funding. Schools will see a big increase in their bottom line. When it comes to actually finding these departmental efficiencies, they will be at the departmental and regional level and they will not be within our schools.

**Mr RICH-PHILLIPS** — Just to clarify, you mentioned buying smarter, buying less, shared services — —

**Ms MUNT** — Is this a point of clarification?

**Mr WELLS** — Yes.

**Ms MUNT** — That is different.

**The CHAIR** — Can we have one at a time, please? Thank you very much.

**Mr RICH-PHILLIPS** — You mentioned fleet management savings.

**Ms PIKE** — Yes. They are all whole-of-government savings that we are participating in.

**Mr RICH-PHILLIPS** — All of those are identified as savings under LFS. You have already committed to saving \$17.9 million from those things, but you still need to find a further \$34.5 million this year, presumably from other savings. What I am seeking is: what are the other savings that will give you the extra \$34 million you need?

**Ms PIKE** — I think we will just continue to make sure that our department is functioning as efficiently as we can. We will be working with people in the various areas of the department to help them to achieve those savings. But what we have said quite clearly is that there is a massive increase in funding for schools and that these efficiencies will be found at a departmental level and will not be found within schools.

**Mr RICH-PHILLIPS** — You do not have specific areas that you are targeting?

**Ms PIKE** — No, other than general efficiencies. It is a big department. It is an \$8 billion department. We are confident that we can meet the government's targets in terms of productivity and in terms of general efficiencies, and we will continue to drive those efficiencies within the department.

Let us offset that against the growth. So on the one hand you are finding efficiencies within the department, but at the same time this is the way that government is actually also able to target extra growth. Of course, every time a new program is developed, like our big capital program, there are additional resources that come into the department. These things are not linear; they are dealt with on an annual basis and I think they are quite appropriate.

**Mr NOONAN** — Minister, in your presentation you provided a couple of slides on the response to the Victorian bushfire crisis. I note that on page 12 of budget paper 3 under the heading 'Rebuilding communities' there is '\$4.8 million to support schools, kindergartens and students affected by the bushfires'. I wonder whether you can outline in greater detail the steps being taken ongoing? I think we would all be aware that a number of schools were lost during the bushfires. What will the response be as part of this budget in terms of the provision of facilities in those bushfire areas going forward?

**Ms PIKE** — Thank you. Obviously as a department we were a very active participant in the response to the bushfires. We worked with other government departments to generally monitor the wellbeing of children and families in the three relief centres of Kinglake, Yea and Alexandra — and in other centres, obviously in Gippsland and other parts of the state. We also mobilised our own workforce, the student support services workforce, and these resources were in place right away when children returned to school as early as Monday, 9 February. Of course, we also provided support for staff who had losses in the bushfires. We helped to support them with accommodation and other things that they required.

We established a departmental bushfire recovery coordination group, and Tony Cook was our key person within the department in all this area. He participated in the whole-of-government work as well, but there was a daily meeting and monitoring. Obviously there was a need to communicate and to provide advice to the media et cetera, and all that was done.

Many of our regional staff and principals were themselves personally affected by the bushfires and yet they were in constant contact with the families — ringing families on a daily basis et cetera. Their response has just been absolutely magnificent, and when I have met with these people it has just been really amazing what they have been through and what some of the children have been through. There was a daily teleconference between the department's central office and the emergency management unit and the regions et cetera. We also had to provide a lot of very clear information to people. In the case of the schools that had burnt down we had to provide information about where alternatives were for their children to go to school.

Then all that negotiating, finding the spaces for the host school, all of those things happened. At the same time there was this huge and overwhelming offer of assistance. Schools in Whittlesea, for example, had their school halls packed to the rafters with things that people had provided, and in many ways it had quite a big impact on those schools because they were recovery centres as well as needing to continue the work that they were doing.

**The CHAIR** — Minister, you might want to try to relate it to the estimates and going forward.

**Ms PIKE** — Yes, certainly. Regarding the budget papers, we did expend funds, which are identified in the budget papers, on a number of these tasks and now we are well under way in the planning process for the rebuilding of the three schools in Strathewen, Middle Kinglake and Marysville. I guess what is different about the rebuilding of these schools as distinct from another school in a non-critical incident situation where, say, a school was burnt down but the houses around it were not burnt down, is that this is all part of the broader community consultation. The communities are being given the opportunity to see what services might be co-located with these schools as they are rebuilt. Our department has been working with the Bushfire Reconstruction and Recovery Authority at these community meetings so that we can get the schools rebuilt quickly, which is what they want, but at the same time provide maximum opportunity for community input into the kinds of schools that we will be rebuilding.

In the meantime we have provided relocatables on the existing Middle Kinglake site, and schools are up and away there. The Marysville students have gone to Taggerty and are continuing school there. So plans are well under way, and there is funding in the budget to rebuild the schools.

**Dr SYKES** — Minister, I am interested in the issue of regional disadvantage, in particular rural Victorian disadvantage. My understanding is that the government aims to achieve a 90 per cent year 12 retention rate, lifting it up from the current state average of about an 85 per cent year 12 retention rate. However, it is my understanding also that the year 12 retention rate for country young people is less than 70 per cent. So my question to you is: what specific country-related strategies do you have in place to lift the year 12 retention rate for country students and overcome this serious disadvantage?

**Ms PIKE** — Thank you very much for that question. It is absolutely a challenge, and the government is committed to trying to boost that retention rate for country young people. In fact we have invested in a number of programs to keep young people at school longer, and some of those have specific targets within country Victoria. Certainly the boosting of support for students in the middle years, which are often the years when kids do become disengaged from school, has been very important. I was in Wangaratta recently and heard about their middle years program: taking kids out of the traditional kind of school environment and placing them within a community-based program in the main street of Wangaratta. That is a very exciting and innovative

program. Other schools in country areas are really thinking seriously about these middle years programs, and I have had the opportunity to hear about a number of those.

We are also expanding the vocationally oriented programs, such as VCAL and VET et cetera. We are particularly supportive of and keen to get trade training centre clusters up in rural areas. Wodonga and a number of others have been funded. We have established the Youth Transition Support Initiative, which is a program around targeting kids who have disengaged from and have left school, and it is working to re-engage them. We continue to support our LLENs, and a number of them are in country Victoria. Last year we rolled out a lot of extra funding for Koori education, and this year there is extra funding in the budget, in that \$38 million of new funding.

Regeneration projects have also been a very critical part of our strategy — creating better teaching spaces but also regenerating the whole concept of education, of learning and teaching practice in country Victoria. The Bendigo education plan is well under way. The Colac regeneration and Kyabram, Leongatha, Wangaratta — and Wodonga, just recently announced — are all areas with new facilities, new visions and new teaching methodology et cetera.

The other area that I do want to talk about is technology, and I wondered whether Mr Fraser might talk a bit about some of our projects in country Victoria using technology, which I think are very exciting.

**Mr FRASER** — Thank you, Minister. We are in the process of actually developing our rural education policy for our department for the minister to consider. We have had some success in linking schools in rural Victoria through videoconferencing facilities and sharing the expertise of staff in larger metropolitan schools or larger provincial schools with small rural, remote locations. That is fundamentally one of the business propositions around the ultranet, to create this virtual classroom so it will not matter whether a child is in Kaniva with just one student doing physics in year 12 without the appropriate teaching support as they will be supported to join the classrooms of Balwyn High School, where there might be six physics classes with six teachers and very rich digital resources to support that educational program.

We have a distance education centre, which has been providing support for children who cannot get the subjects within their current school, but that has been reviewed and that is going to be the centrepiece of the provision of curriculum right across Victoria, no matter what the location.

An example is Bendigo Senior Secondary College which has been commissioned to build three studies in years 11 and 12, which will be available to the whole state. This will include interactive teaching and the digital resources that children can access and be able to join wikis and blogs and discussion forums at Bendigo Senior. There is a whole range of strategies used to connect these children who are at risk of leaving school because of lack of subject offering. That is part of our strategy, to keep them engaged.

You cannot divorce it from the fact that a lot of young people leave school because they do not feel connected to school. A lot of our work has been around building teacher capacity to connect more effectively with young people. We have programs like Youth Guarantee in the Grampians, where collective responsibility is shared by all schools and all principals for every child who attends those schools, so not one child can drop out and disappear between the cracks. They have to have a pathway into either training or be connected back into another school.

Ballarat Learning Exchange is a very fine example of young people very disconnected from education who have been picked up and reconnected into an educational program. There are young mothers — single mothers, for example — some of whom have now reconnected into the secondary schools and completed their education, some of whom are now starting post-school qualifications. The strategy is multifaceted, but we recognise we have a significant issue in rural Victoria, and the regional directors in rural Victoria are working very hard to try and keep those children connected. Part of the strategy is to connect them digitally to larger institutions with broader, deeper, richer curriculum offerings.

**Dr SYKES** — To help me understand, could we have that graph back up? There was a figure that showed, I think, a flat line for the Victorian year 12 retention rates. It was flatlining at about 85 per cent over the last decade or thereabouts?

**Ms PIKE** — No, it has been going up.

**The CHAIR** — It has been going up.

**Dr SYKES** — Let us have a look.

**Ms PIKE** — It is on no. 6, and it shows an increase. There is the Australian increase, and then since 1999 it is nearly at 90 per cent here in Victoria.

**Dr SYKES** — So it has gone up from about 83 to 89 in that period?

**Ms PIKE** — It has gone from 81.8 in 1999 to 88.7 in 2008, and the national average is 84.2. So not only has it been going up, but we are still well above the national average.

**Dr SYKES** — My question then is: what is the corresponding graph for rural students?

**Ms PIKE** — Okay. So rural students have increased as well, from 66.8 to 69.1.

**Dr SYKES** — If we go here, on this graph, they have gone from here up to there, so that is a fairly big gap>

**Ms PIKE** — I will just ask Professor Dawkins to give some further clarity on those.

**Prof. DAWKINS** — The figures that the minister was just referring to was the years 7 to 12 retention rates and statewide retention rates. This is a different calculation from the one on the slide there. The statewide retention rates have increased from 77.1 to 80.3 in the government sector.

**Dr SYKES** — It is not as good as it looks there.

**Ms PIKE** — I think we need to clarify that.

**Prof. DAWKINS** — This figure here, which is the nationally agreed way of measuring year 12 completion, is the percentage of 20-to-24 year-olds who have completed year 12 or equivalent at that point in time. The figures that the minister just referred to enable a comparison between statewide and rural and relate to 7-to-12 retention rates. That is the proportion of those people who are in year 7 five years previously and still in year 12.

**Ms PIKE** — We need to get the comparable figures here.

**Prof. DAWKINS** — This, Minister, may not be available for regional and rural because it is a national ABS survey where getting disaggregations are not that easy, but we will investigate whether it is a comparable figure here. In terms of the 7–12 retention rates, the statewide retention rates have increased from 77.1 to 80.3, and the rural from 66.8 to 69.1.

**Ms PIKE** — So there has been improvement.

**Dr SYKES** — There is still a significant gap.

**Ms PIKE** — We know that.

**Dr SYKES** — What is your strategy? You have indicated some of the programs you have got in place.

**Ms PIKE** — Yes, that is exactly right.

**Dr SYKES** — What is your target performance that we could measure? How quickly do you intend to close the gap?

**The CHAIR** — Quickly, Minister; we have been on this one a fair while.

**Dr SYKES** — It is critical. It is one thing to have strategies, but you generally need to be able to measure your performance.

**The CHAIR** — The question is understood.

**Ms PIKE** — Our goal, our aim, is to narrow the gap. We do not have a specific target, but we would be measuring ourselves against the improvement. I have outlined a whole range of strategies.

**Dr SYKES** — I understand the strategies, but I am disappointed there is not actually a specific target, because if you do not know where you are aiming for, it is hard to hit the target.

**Ms PIKE** — The target is the overall target.

**Dr SYKES** — But if your states are to hit — —

**Ms PIKE** — I am saying there is not a differential target between rural and metropolitan. The target is the target, the overall target. I might add that at the recent COAG in fact, in our work that we are now signing onto in the new national partnership, which is around school retention, we in fact have set a national target of 90 per cent. Victoria is nearly there.

**Dr SYKES** — But not rural Victorians?

**Ms PIKE** — I said the target is for all children.

**Dr SYKES** — With respect, Minister, that line is made up of unders and overs.

**Ms PIKE** — Yes.

**Dr SYKES** — But country Victorian kids are well under and there are a lot of other kids that are well over. It is fantastic for those, but we need to close the gap, and to close the gap you need targets.

**Ms PIKE** — Yes, and we are working to do that. I think we are quite clear that we are measuring the improvement.

**The CHAIR** — Okay. Minister, Dr Sykes may wish to take this up further later on, but if you can provide any information in terms of the policy background, that would be obviously helpful to the committee.

**Ms HUPPERT** — Minister, I refer you to it budget paper 3, page 68, which talks about the aims of *Growing Victoria Together*, and it lists a number of key measures of achievement. Could you outline for the committee what has been done to achieve those aims during the budget estimates period?

**Ms PIKE** — Four Growing Victoria Together measures are reported by the department, with three relating to education and youth transitions. The first one is that the proportion of Victorian primary school students achieving the national minimum standard for reading, writing and numeracy will be at or above the national average. I think we all know that Victoria's students performed very well in the first national test, the NAPLAN test, that was conducted this time last year.

The 2008 test showed that for years 3 and 5, the mean scores achieved by Victorian students are above the Australian average in all domains — that is, reading, writing, spelling, grammar, punctuation and numeracy — and no state or territory outperformed Victoria in years 3 and 5 in reading and numeracy. We are very pleased with the performance of Victorian students in these tests.

These tests are very important, because they measure, obviously, performance. We are engaging in the tests right now. Schools are actively participating in the test. The results will enable us to have a look at our progress. Also from other tests that were conducted prior to the NAPLAN test, our students performed at or above the national average in years 3, 5 and 7 in literacy and numeracy.

The next measure in Growing Victoria Together is the 90 per cent year 12 target that we talked about before. As Professor Dawkins said, this measure is calculated by the ABS, and we are certainly pleased at our progress. Certainly we are significantly higher than other jurisdictions.

**Mr WELLS** — The OECD figures show completely different results, though.

**Ms PIKE** — We are talking about the Growing Victoria Together targets.

**Mr WELLS** — Yes, I know. The OECD assessments for the other states — —

**Ms PIKE** — I am very happy to talk about those in a moment.

**The CHAIR** — Mr Wells will have an opportunity to ask questions.

**Ms PIKE** — We are talking about year 12 completion right now. In fact we are similar to the ACT, and of course the ACT is always generally the highest jurisdiction, because of its population profile — it is all those public servants up there, basically.

**Dr SYKES** — And there are not many country people up there to pull down the average, Minister.

**Ms PIKE** — The other measure is that the number of early school leavers who are unemployed after six months will decline. The results of the department's annual On Track survey, which actually looks at destinations of young people, are used to report against this measure, and we can certainly see improvement in the number of early school leavers who were in work et cetera.

In those areas which are the key indicators in Growing Victoria Together, I think we are making very solid progress. We obviously have a number of plans, which I have already outlined before, and a number of programs under way to continue to make progress against those measures.

**Ms PENNICUIK** — Just following on from that, if you look at budget paper 3, page 75, which sets out outputs and deliverables regarding the NAPLAN testing, for example, the targets are sort of in the 90s, except for those relating to indigenous students, which are in the 60s and 70s. You and I have had some conversations, through adjournment matters and questions on notice, regarding the closure of the Koori schools. I do not want to rehash the debate about that here, except to say we might disagree as to the outcomes and benchmarks used to make that decision.

Given that that decision has been made, what measures are there in the budget to assist the children coming from those schools into the mainstream; and why are the targets here so different between indigenous and non-indigenous students?

**Ms PIKE** — I think we would all agree that the performance of indigenous students in our education system being much lower than the performance of the non-indigenous population is something of an enormous challenge for our community; but, quite frankly, it is totally unacceptable.

That is why one of the first initiatives I undertook when I became education minister was a major strategy aimed at lifting the performance of Aboriginal students in our school system, creating a culture of high expectation for Aboriginal students, ensuring that principals were very intentional about their work with Aboriginal students, and were doing everything they could to engage students and lift their performance.

The Wannik strategy, which we released and funded in last year's budget, is well under way. Recently I had a conference with principals with 10 or more Koori kids in their schools, which was a showcase of a range of the programs and activities that they are very engaged in. I must say I am very pleased to see the enthusiasm and the commitment within the system to try to really address this issue.

There is additional funding also in this budget for bridging the gap. We have announced \$38 million of funding that is linked to achieving the outcomes that have been set by COAG, and halving the gap for indigenous students in reading, writing and numeracy is one of those outcomes. When we have our negotiations through the bilaterals with the commonwealth, that \$38 million will be divided between literacy, numeracy, the teacher quality and the halving-the-gap target.

There has never been a greater boost to indigenous education, quite frankly, in the history of this state than there has been in the last two years. That reflects I think all of our determination to do a lot better with our Aboriginal young people than we currently are doing.

The four new Koori Pathways schools have begun operation on their existing sites. The schools asked to be individual schools, so they are continuing to function, but we have asked them to focus on the secondary provision. They will be working to re-engage those children in the mainstream school. That decision came from advice from Koori educators themselves and from, quite frankly, the parents of the 9000 Koori kids who are in our education system in Victoria and who voted with their feet and said they wanted mainstream education.

The Pathways schools still provide a service for overall about 120 Koori young people. We have appointed 15 new literacy coaches for Koori young people. We are providing 27 additional workers to work specifically

as Koori education officers, and we are completing redesigning the Koori education workforce and paying Koori educators more money and providing them with qualifications and accountability.

We have got three extra youth transition workers in Darebin, Morwell and Shepparton. I have just announced 24 scholarships of \$5000 for high-performing Koori kids to enable them to continue their education, and those young people have received those scholarships. We have scholarships for career change for indigenous people who want to become teachers, and we are rolling the funding out for that.

We have got additional reading recovery programs. We have got a professional development program called Dare to Lead and What Works. We are providing funding for schools and teachers to engage in those professional development programs. Every school has been provided with an Aboriginal flag, and I expect every single school to have a Welcome to Country and to embed indigenous education into their curriculum as part of their normal work, and we are providing the resources for them to do that.

The gap is still there. The target is a realistic target. It is not an acceptable situation, but we are doing a lot to try to turn this around. It is a complex issue. I certainly do not have all the answers, but we are having a very determined go to try to do something.

**Ms PENNICUIK** — Minister, just as follow-up, do you have a dedicated monitoring and evaluation program as to how that is going to be working?

**Ms PIKE** — Yes, as part of Wannik we do. We have a lot of evaluation because we do want to see what works and what does not work. We know we have to do some piloting and experimenting, but we are evaluating this very carefully.

**The CHAIR** — I am sure it is part of the E<sup>5</sup> program.

**Mr SCOTT** — Minister, I refer you to budget paper 3 page 67 where there is an item referring to technological literacy amongst students. Could you please advise what the government is doing to improve technological literacy amongst students in Victoria?

**Ms PIKE** — Thank you very much. As Mr Fraser has outlined, there is a huge amount of work in the technology space within our department, and I would have to say we are incredibly fortunate in Victoria to have departmental officials who are so technology savvy and are really at the cutting edge of this work. Some of the things that are happening in Victoria are genuinely internationally recognised.

Just to give you one example: as part of the Broadmeadows regeneration project we have created an Ideaslab, and we have partnerships with all of the major telcos. We have Cisco, Intel and Microsoft as partners in that program, and the ideaslab, which has been established in Broadmeadows, is a centre for innovation and excellence in the utilisation of information, technology and pedagogy. It is a very exciting development, and it is one of only two or three around the world that these organisations have signed up to. It is a very exciting initiative.

The Premier and I have announced the rollout of 10 000 Netbooks to students in a pilot program. Students from over 340 schools are trialling mini-computers which they are able to take home; they essentially belong to them. We are evaluating that and looking at the impact of that on their teaching and learning. It is just one of the ways that we are investing in the schools to help our young people to become not just savvy with technology but to actually improve their access.

When you think about Yuille Primary School in Ballarat, one of the sites that is one of the most disadvantaged areas in Wendouree, with these little kids in years 5, 6 and 7 having access in this structured pilot program with their own little pod, their personal device, being able to take it home, having the world at their fingertips through the internet — it is an incredibly exciting program. It is really dramatically changing what we are doing in schools.

We also, of course, have committed to the high-speed broadband for all government schools under the \$89.3 million VicSmart program. Even though he is retired now, I was very pleased to be with Mr Sol Traheo down at Richmond Primary School launching that — the 10 megabytes of connectivity to our schools that are now available to really be able to access the internet.

We also have the \$19 million per annum Notebooks for Teachers program to make sure that teachers have access to these facilities, and also there is money in this budget to continue rolling out the extra computer resources within the schools.

I think you would have to say that Victoria is the incubation capital of Australia, maybe the world, when it comes to ideas and development of the utilisation of technology in education. We are certainly putting the resources behind that.

The last thing I will say about information technology is that the government has committed \$60 million to the development of the ultranet, which will provide the one place where teaching and learning functions can come together; a totally interactive IT space which will enable schools, communities, parents, students and teachers to all be in the one educational learning environment. We are well on track to delivering that next year and for everyone around the world, there is a huge amount of interest in the ultranet project. It really is a cutting edge initiative.

I could keep talking more about it — —

**Mr WELLS** — I know, we are trying to get a second question and we are really struggling at the moment.

**Ms PIKE** — But I am sure that you would want to hear about the secure remote access for schools. There are plenty more.

**Mr WELLS** — Send it to us in the mail!

**Ms PIKE** — It is very exciting and innovative and I am sure you would be delighted to know what kids are up in the schools in the IT space.

**The CHAIR** — Thank you for that, Minister, a very full reply.

**Mr DALLA-RIVA** — Minister, on your screen you had ‘Building the education revolution’. Could you show that slide so that we can see it, briefly; and while we are at it budget paper 3 page 310; and it is also referenced through the budget overview on pages 9 and 17, which I will not go to.

I am curious given the forward estimates: there seems to be a commitment by the state government in terms of funding for a range of these programs, yet when you break down where the state’s money is coming from, most of it, if not all, is coming from the federal government. I notice in the forward estimates, as I said on page 310, footnote (c) says in part:

... reflects funding provided by the commonwealth.

Footnote (d) says:

Funding is based on an estimate of the possible Victorian share ...

So we do not even know if that is going to be fully to that value or not.

**Ms PIKE** — Are you talking about capital or recurrent?

**Mr DALLA-RIVA** — Asset initiatives.

**The CHAIR** — This is asset initiatives.

**Ms PIKE** — Sorry, I missed the ‘asset’ word.

**Mr DALLA-RIVA** — I am curious, given that we have got an out-of-control federal government racking up huge amounts of debt — —.

**The CHAIR** — Perhaps you could ask your question without the commentary.

**Mr DALLA-RIVA** — Chair, I do not need the interjections from the Labor members.

The issues are, of course, that the federal government is out of control with its spend.



**The CHAIR** — I said: ask the question without the commentary.

**Mr DALLA-RIVA** — My understanding is that we are going to be heading into an estimated \$188 billion debt into the forward estimates which covers this period here. What contingency plans have you got in place when the federal government is unable to provide the amount of funding that is listed in the forward estimates, into the future?

**The CHAIR** — I think that probably should be asked in another Parliament rather than this one.

**Ms PIKE** — I am very happy to answer this question, and in fact I would not really like to be the local member who went around to their local primary school and said that the BER was a bad idea and that schools should not get the money.

**Mr WELLS** — What part of the question was that?

**Mr DALLA-RIVA** — Local member?

**The CHAIR** — You asked about the federal stuff, Mr Dalla-Riva.

**Ms PIKE** — I reject some of the underlying sentiments of the question, which seemed to indicate that the provision of capital funding into our education system is a bad choice or a bad decision, is something that should not happen, although I do note that it was the coalition members in the federal Parliament that actually voted against the Building Education Revolution.

**Mr RICH-PHILLIPS** — The entire package.

**Ms PIKE** — They actually made a choice themselves that schools did not deserve to have their facilities upgraded in a partnership between the commonwealth and the state.

**Mr RICH-PHILLIPS** — No, just that Rudd was being irresponsible. You obviously do not think he is irresponsible.

**Ms PIKE** — I actually think that the Victorian community and certainly the Victorian schools communities, both government and non-government, I should say, are absolutely delighted that what we have now is an environment where the commonwealth government is working in partnership with the state government, in a collaborative way to actually ensure that the benefits can be targeted to areas of substantial and great need.

As the education minister in this state, I must say I am absolutely delighted to be in a position where we have committed substantial resources, \$1.9 billion in this term, and now our partners in Canberra are providing additional resources from their funds to see that there can be so much change and development in our schools. I do not shy away from this in any way at all, I am absolutely delighted about it.

I think I read in the opposition's press release that the papers were littered — I think the word was 'littered' — with references to the commonwealth. In my understanding, litter is rubbish or garbage, so if you are saying that the provision of commonwealth funds to join with state funds is 'litter' or 'garbage' or 'rubbish', then I do not reckon you would get much of anyone putting their hand up in the local school, to say, 'No, I do not want this garbage money, I do not want this rubbish money'. I think schools are absolutely delighted with these resources, and I am not ashamed in any way — —

**Mr DALLA-RIVA** — You have not answered the question, Minister. All I have heard is offal, so far. You are talking about litter and garbage.

**Ms PIKE** — They are your words not mine. 'Litter' was in your press release, not mine.

**The CHAIR** — The minister, to complete the answer.

**Mr WELLS** — Or start answering the question.

**Mr DALLA-RIVA** — You have got no solution for what happens if there is no money provided, because — —

**The CHAIR** — The minister is answering the question, if you can just wait.

**Mr WELLS** — As of when?

**Ms PIKE** — I am going to ask Mr Miles to tell you. I am very confident that the money will be provided because in my presentation I made it very clear to you that the time frames for the roll out of this money were incredibly tight. In fact a large amount of this money is virtually being provided in the budget as is. Mr Miles can tell us the time frame for the roll out of this funding and I am absolutely confident, because of the shortness of the time frame, that it will be delivered. Some of it is already in school bank accounts now so unless people are going to come and take it back, I doubt that there is a risk.

**Mr MILES** — The funding is in the commonwealth budget. The government has a bilateral agreement with the commonwealth, and we see no risk in terms of this funding coming forward. It has been provided for and is being paid to Treasury progressively.

In terms of the science and language centres, that is a competitive program so there is \$1 billion nationally. Victoria on a population share might get \$250 million but in this case we have anticipated that there might be a little less because it is being distributed according to SES need. That is an estimate for the government schools, not government and non-government.

**Ms PIKE** — The capital in fact is being paid — the final payment will be next year.

**Mr DALLA-RIVA** — It is as certain as the 30 per cent health rebate. Thanks, Chair.

**The CHAIR** — We will have a 5-minute break now.

#### **Proceedings interrupted.**

**The CHAIR** — I want to follow up on the infrastructure side but more in terms of what is happening with regard to maintenance. You have mentioned to us already that the federal government is providing the National School Pride program, but I know also there are regular programs. Can you outline what the budget will do in terms of maintaining our schools?

**Ms PIKE** — A total of \$50.2 million has been allocated for school maintenance in 2008–09, and the government is committed to making sure that we not only deliver new facilities through the Victorian schools plan but we also reduce the maintenance needs — and that will help us to reduce the maintenance needs — but we also continue to maintain the facilities that we have. As I outlined before, the National School Pride program does provide a one-off injection of \$200 million into our schools as well, and I have to say that that is very welcome.

We undertake audits with professional advice and make that material available to schools so that they are better able to plan and implement maintenance programs. They receive money embedded in their annual allocation for maintenance, and then we do have a pool of funding that is available at a central level for specific issues that come up. But actually planning how to maintain a building using those funds over a period of time is a technical set of skills that we work very hard with schools to help them develop.

We also provide advice at a high level on procurement. In fact, we are currently undertaking a pilot with a cluster of schools to develop more central or group procurement models.

The other thing I have to say is that the public-private partnership schools that are being developed, the new schools in growth corridors, have an embedded long-term maintenance contract within them. Certainly in other jurisdictions where these have been implemented they are very welcomed by schools who would rather focus on teaching and learning than on running around changing light globes. I think the embedding of maintenance into those facilities is very welcome.

Clearly the rebuilding, renovating, modernising program has had an impact on maintenance because whilst a school may, for example, have previously undertaken an audit and identified a maintenance need, where that school has been demolished and completely rebuilt, it would be inaccurate to couch that as a maintenance requirement because clearly the maintenance schedule going forward on a brand-new building is different than for an older building.

**The CHAIR** — Minister, as a quick clarification on that: depreciation and amortisation is also related to maintenance insofar as it is a parallel sort of thing. Can you give us some notes on what the long-tail impact is going to be on depreciation and amortisation?

**Ms PIKE** — Sure. We work very closely with Treasury on all of that. Jim and his team will be happy to provide that.

**Mr WELLS** — Thank you, Minister. We might try to speed things up a little bit so I have just a quick question. You spoke about mergers in your introduction. How many schools has the government closed since 1999, and how many schools do you propose to close over the forward estimates period? What is the ideal school population size per school?

**Ms PIKE** — The government has not closed any schools since 1999.

**Mr WELLS** — Hang on. There have been no school closures?

**The CHAIR** — Can we have the minister answer?

**Ms PIKE** — The government does not take unilateral action to close schools.

**Mr WELLS** — You starve them of funds.

**Ms PIKE** — So the government has not closed any schools since 1999.

**Mr WELLS** — So there have been no school closures since 1999? Is that what you are saying?

**Ms PIKE** — I have said the government — —

**The CHAIR** — Mr Wells, that is the forty-third time you have interrupted. Can you let the minister answer?

**Ms PIKE** — Let me go right back to your question. You said how many schools has the government closed. That was your question.

**Mr WELLS** — No.

**Ms PIKE** — I think it was.

**Mr WELLS** — Let me ask the question exactly as I have written it, Minister. How many schools have been closed — —

**The CHAIR** — No, I recall — —

**Mr WELLS** — How many schools have been closed since 1999, and how many — — I did not say anything about the government.

**The CHAIR** — Yes, you did actually.

**Ms PIKE** — I think you did actually.

**Mr WELLS** — I know you Labor people want to stick together and are very sensitive about these sorts of issues. Let me ask you the question, Minister. How many schools have been closed since 1999, and how many are proposed to be closed over the forward estimates period?

**The CHAIR** — Thank you. Just before you begin — —

**Mr WELLS** — She does not need your protection, Chair. She can answer it herself. The minister can answer it.

**Ms PIKE** — The government has a very clear policy in this regard.

**The CHAIR** — Minister, just wait for a second. As the Chair, your comment actually is completely wrong, Mr Wells. You have reframed the question. The original question was, ‘How many schools has the government closed?’. I am happy to take the reframed question. The minister, to answer?

**Mr WELLS** — Thank you.

**Ms PIKE** — Thank you. Prior to 1999 around 300 schools were forcibly — —

**Mr WELLS** — No. Minister, since 1999 how many schools have been closed and — —

**Ms PIKE** — I am answering that question.

**Mr WELLS** — And how many do you propose to close over the forward estimates period? It is a straightforward question.

**The CHAIR** — It was but you did change the question.

**Mr WELLS** — Just give us two numbers.

**Ms PIKE** — It is important to clarify that the government relies on the advice of local school communities about the future provision within those schools. So the government has a very clear policy that it does not close schools unless schools in local communities make a decision themselves that they wish to merge or they wish to close. The reason that schools may choose to close are quite varied, but I will give you an example. A school near Wangaratta closed recently; the school had two students.

**The CHAIR** — Burramine.

**Ms PIKE** — Burramine. The school community themselves recognised that those two students were seriously disadvantaged, given that they were a few kilometres from other schools in Wangaratta. So they made the decision that those students would go to school in Wangaratta.

I concurred with the school community that that was a good decision that they made and so that school did close. I think it is important to be very clear about the government’s policy in this regard. If school communities decide that their school numbers have become very low because the population has changed, because parents are making their own informed choices about their children’s education, and they ask us if that is okay, we evaluate that and if we agree with them, then the school will close. Since 1999 that has occurred in 39 cases. I think 39 compared to 300 is just a bit more than one-tenth.

**Mr WELLS** — Over the forward estimates period, too, Minister?

**Ms PIKE** — Over the forward estimates period, for the committee’s benefit, I do not have any advice on any plans.

**Mr WELLS** — So there will be no plans for any school closures in the next four years?

**Ms PIKE** — The government does not have any specific plans unless the school communities themselves have come to us and asked for that to happen. I can provide the committee with advice on some of the regenerations that are outlined in our budget.

In the case of those regenerations — for example in the case of the Bendigo education plan, which does have some funding; it will be up to about \$90 million by the time we have funded and built completely brand-new schools for every kid year 7 to year 10 in Bendigo — by the end of that plan some schools will have closed because they are getting brand-new schools. I am happy to provide the information for you, as I am aware of it, where we have actually got a planned regeneration. I am very happy to give you that information.

**Mr WELLS** — So the answer is 39; just to clarify that point?

**Ms PIKE** — Since 1999, 39 schools have approached the government — —

**Mr WELLS** — Have been strangled of funds.

**Ms PIKE** — And have asked it to concur with their desire — —

**Mr RICH-PHILLIPS** — To have some funding.

**Ms PIKE** — To merge with another school.

I think it might be worth actually asking you to detail how a school of two children was strangled of funding. They did have a teacher, they did have a classroom.

**Mr WELLS** — What about Ferntree Gully Primary School?

**The CHAIR** — Thank you, Minister.

**Ms PIKE** — These are their decisions. These are their decisions and we work with them. And regenerations are fantastic.

**Mr WELLS** — The department never has approached a school to shut? Never?

**The CHAIR** — Mr Noonan, on a point of clarification?

**Mr NOONAN** — Minister, you referred to 300 — this is in relation to the closures — but you did not give a period for that.

**Ms PIKE** — Yes, the 300 schools that were closed — I do not have the exact number here; it is too large to remember — they were closed from the period 1991 to 1999, and they were forcibly closed. They were closed under instruction from the department.

**Mr RICH-PHILLIPS** — 1991 and 1992 was the Kirner government.

**Ms PIKE** — During the period of the Kennett government.

**Mr WELLS** — Strangled of funding like Ferntree Gully Primary School.

**The CHAIR** — Mr Wells, you are continually interrupting, and if you continue to do that, I will not give you the call, so I would ask you to temper your behaviour.

**Mr WELLS** — So, Chair, you apply the same rules to the Labor MPs as well?

**The CHAIR** — I apply the same rules to anybody — —

**Mr WELLS** — To the Labor MPs as well?

**The CHAIR** — If they behave in the same way.

**Mr WELLS** — Okay, as long as it is being fair to both sides.

**The CHAIR** — And I will be consistent.

**Ms MUNT** — Minister, shortly after the bushfires I travelled to the affected areas and I vividly recall seeing the destroyed Strathewen Primary School and it occurred to me at the time that as well as the terrible tragedy these children had gone through, they also had no primary school and a severe interruption to their schooling. Could you please detail for me the work that the department and the government are doing to reinstate the facilities for schoolchildren in the bushfire-affected areas.

**Ms PIKE** — Sure. What we needed to do initially was ensure the continuity of education for those children, so we provided alternative education options for them. In the case of the Middle Kinglake Primary School, they went initially to the Kinglake Primary School site — they had a portable there — while we quickly reinstated some portables on the burnt down sites that they had. In the case of the Strathewen children, they went to Wattle Glen Primary School, and they are still there. As I said, in the case of the Marysville students, they are at Taggerty, and I actually visited those students a couple of weeks ago.

We immediately asked one of our regional directors, the regional director from Grampians, to have a look at education provision across these three communities, to give advice to the communities about possible options for reinstating the schools, sites, numbers and all of those sorts of things. That advice has now been provided to the reconstruction authority, and there have been community committees established in each area; the community committees are giving advice to the reconstruction authority about what they want.

In the case of a number of these schools the opportunity exists now to collocate kindergarten and early childhood services with those schools. That requires a bit of negotiation. The other thing is the opportunity to have shared-use library facilities, sporting facilities et cetera. So with the resources that are going to be available for that we just want to make sure that the community gets the maximum opportunity to have input into these plans so that in the midst of that terrible circumstance, what we do rebuild has some lasting benefit to the community and takes into account all the possible partnerships that might develop. So that is what we are doing.

I did also detail earlier the kind of moral and social support that is being offered not just to the kids but to the teachers. And I have to say that I visited, for example, a school in Dixons Creek, just out of Yarra Glen, where a number of children had actually been caught in the fires, and schools have done a huge amount of work in helping children to engage in storytelling, in a therapeutic kind of way to use the education environment to help them deal with the situation.

I went to Eltham high, similarly, where they had a teacher who had been very traumatised and lost everything; people had lost friends. I must say the schools have just been magnificent in the way they have helped kids work through these issues.

**Mr RICH-PHILLIPS** — Minister, I would like to ask you about the funding — the \$2 billion for the Primary Schools for the 21st Century, the Building the Education Revolution funding. The budget papers show that as \$2 billion or \$19.9 million as the line item. Can you firstly explain whether all primary schools that seek a facility under that program will receive the facility that they are seeking, and secondly, whether any of that funding, that \$2 billion and \$19 million, will be retained by either the department or regions for overhead admin. project planning or whether all of those funds will be distributed to the schools to undertake those project works?

**Ms PIKE** — The commonwealth provided funding for the roll out of the program, and that was an allocated amount — I will ask Mr Miles to explain this in a minute — which was dedicated to the management of the program: the hiring of project managers, architects, all those things that are required to roll out a program.

That is a very clear amount. The rest of the money is to go to the schools. All schools that have requested funding under the program will be receiving funding. The department is working with them on their plans to make sure that they are feasible and realistic, that they do not pop the school miles over entitlement in terms of buildings, that they meet building codes, that they comply with the commonwealth's requirements et cetera. We are working with the schools to help them access these funds and develop appropriate spaces that are going to serve their needs within the commonwealth's guidelines. The commonwealth has quite strict guidelines about these spaces. For example, they have to be available for community use. If a school comes to us with a plan for a space that was not available for community use, we would have to go back to the school and help them redesign something.

**Mr RICH-PHILLIPS** — So the only constraint is the commonwealth guidelines. There is no overlay of departmental guidelines in addition that will constrain what a primary school can have?

**Ms PIKE** — I guess the only other consideration is that you work with a school to make sure that it does not build a facility that it will not be able to use or will not be able to maintain. That is where the guidance that comes from our department is absolutely essential. The commonwealth has made the decision in its guidelines that all of the proposals must be endorsed by the state government because that is what a genuine partnership is about. It does not run the schools. We do. We know the number of students in schools and the projected population increase, and so we are working with schools on realistic things that will help meet their needs. I would have to say it has been an incredible partnership with the schools and the school communities, which are absolutely delighted to be receiving these facilities. In terms of the administration, Mr Miles can tell us exactly what the arrangements with the commonwealth are.

**Mr MILES** — We receive an amount of funding for administration from the commonwealth which I would need to confirm, but from memory it is 1.5 per cent of the total program. That is within the funding that will be provided within the budget papers that you have seen. Separate from that there are project management costs: design, documentation, managing the tender and then actually managing the building works. Those costs, which are part of a project, are within the \$2 billion amount.

**Mr RICH-PHILLIPS** — And that will be incurred by each individual school for its individual project?

**Mr MILES** — Yes, but we will be managing that centrally because of the time frames for this program.

**Mr RICH-PHILLIPS** — How will that be costed? Some of that cost will be actual cost incurred; presumably some of it will also be departmental cost.

**Mr MILES** — Yes, and that is the administration fee.

**Ms PIKE** — We are being provided with the 1.5 per cent.

**Mr RICH-PHILLIPS** — So there will be no additional funds going to the department beyond that 1.5 per cent?

**Mr MILES** — That is right.

**Ms PIKE** — In fact I have to say that the commonwealth has been very generous in what it has built in to help states deliver this program, because it knows that the time frames are very short and it does not have any expertise on the ground in terms of delivering large-scale capital programs. It is reliant on the state to do this. The schools are working, and need to work, with the government as well to be able to do it because of the time frames just rolling out so quickly.

**The CHAIR** — If any clarification is needed, Mr Miles will be able to provide that.

**Mr NOONAN** — Minister, can I ask about the regeneration projects which are detailed in budget paper 3, page 26, with a \$92 million investment in those projects. I note that there are 11 projects outlined in this year's budget. Two of those are in the inner west, and one of those is in my electorate in terms of Bayside College. I just wonder whether you could explain to the committee the purpose and status of those regeneration projects.

**Ms PIKE** — When a community undertakes a regeneration project, initially all the key education providers in that community come together to say, 'What can we do in this community to implement an improved model of education and early childhood provision? What are the facilities we need? What are the staffing resources that we need? What will be the kind of 21st century teaching and learning model that will really help our kids?'. There is a lot of work that goes into the development of a regeneration plan. Not only do you have educational partners involved, but other partners like local government et cetera are invited to the table, because these regenerations provide an opportunity for education regeneration and also a community development impetus as well. We think that they provide very rich opportunities and they are very exciting.

I must say that many communities are now coming to the department and saying, 'This is what we want to do'. In fact the *MaroonDAH Leader* carried a story about MaroonDAH schools combining under a regeneration plan, and the principal of Ringwood Secondary College, Michael Phillips, said it was a 'once in a generation opportunity' for the coalition of those schools to develop 'world-class facilities'. They can really look at things like specialisation, the best kind of model for early years, middle years, later years et cetera. They are certainly incredibly positive, and I am sure other areas are as well.

They do also allow for much better utilisation of facilities. For example, instead of every school having the full suite of everything, there can be much more collaboration and cooperation. They are really there to help schools to be sustainable and viable in the long term. You also get a real opportunity for the leaders of the schools to work together to develop an overall staffing plan and to make sure that teachers can move between schools in a regenerated school community. The issue that we discussed before of provision of some of the higher order year 12 subjects in a rural area can actually be dealt with instead of every individual school having to do everything for everybody. They are an incredibly exciting model, and we expect 60 schools will benefit from regeneration in this budget.

They include the Altona bayside education precinct, the Bendigo education plan, continuing with the Broadmeadows education plan and the Heidelberg regeneration. We have schools that are so excited about the opportunity to have this huge investment in their community. There is a number of others on that list. For example, in the Altona bayside, which of course you will be familiar with, we have two campuses at Bayside College, Altona Secondary College, Altona Gate Primary School, Altona West Primary School, two prep to year 9 schools now going to be developed and a senior secondary college. They are terrific opportunities for communities, and people are incredibly positive about it. I have to say that these schools like Maroondah, which is an area in the outer east, have developed these plans and they have been coming and lobbying the department. They have generated these ideas themselves and they are very excited about them. I think it is a terrific initiative.

Can I finally say that I can provide to the committee an example of the partnerships with other organisations that occur as part of these. In Wendouree, there is a children's centre on site, there will be a community library in Altona North and partnerships with Kangan Batman TAFE in the Loddon Mallee area. If you look at Broadmeadows, you have the transit city, the Hume City Council, Arts Victoria, the Melbourne Symphony Orchestra; you have, as I said, Microsoft, Intel and Cisco; you have TAFE, you have kindergarten. You just have community renewal as part of this as well, which is very exciting.

**The CHAIR** — Thank you. Perhaps you could provide us, following up from the question from Mr Wells and the other question we had from Mr Noonan, details of the programs that you have on the regeneration projects.

**Dr SYKES** — I refer to budget paper 3, pages 74 and 75, in relation to the computer-to-student ratio. On page 74 the computer-to-student ratio has slipped from an actual of one to three in 2007-08, to a target of one to five in 2009-10. Similarly, on the bottom line of page 75, there has been a slippage in the computer-to-student ratio. Minister, you have already indicated that the state governments is investing \$7 million this year in the primary school computer program, and in relation to the secondary school program, it appears that the federal government has put in \$83.5 million in 2008-09 and is committing \$196 million in 2009-10. Given the significant investment of money, why has the computer-to-student ratio been dropped from 1:3 to 1:5?

**Ms PIKE** — As you have correctly identified, the 1:3 was the outcome, not the target. The target was 1:5 last year and remains the target this year. We have actually improved the student ratio, and that is a combination of additional IT grants et cetera, but we intend — —

**Dr SYKES** — Sorry, are you saying that 1:5 is better than 1:3?

**Ms PIKE** — No. We did better than our own target. Our outcome was better than our own target this year, so we did better. The target was one computer per five students; we achieved one computer per three.

**Mr RICH-PHILLIPS** — That was last year.

**Ms PIKE** — Last year, yes. That is what I am saying.

**Mr RICH-PHILLIPS** — This year it is higher.

**Ms PIKE** — No. What I am saying is even though we did better last year, we still have what has been the previous target because we want to evaluate the outcome of the additional investment at the end of this year and then we will consider re-evaluating our target in next year's budget.

**Dr SYKES** — So you have lowered your expectation from what you achieved to a lower — —

**Ms PIKE** — No. We have confidence that we will be able to do much better than the target, but we have not had a total comprehensive evaluation of the program because we are in the midst of a very significant change with the digital education revolution and with our IT strategies, so we decided we would not revise the target this year. I must say that I am confident that we will do a lot better than the target, but we need to do a pretty big and comprehensive piece of work. We have not done that yet. We will do that at the end of this financial year as we develop the target for the following year. I am confident that we will do better than the one to five. We did last year, as you have correctly noted. I am sure that we will this year as well, but until we sit down — we did better last year.



**Dr SYKES** — You did better in 2007-08, but your actual expected outcome this year is one to five.

**Ms PIKE** — Yes, the same as last year. Our expected outcome is the same as our expected outcome was last year. We have the same target. We have not changed the target.

**Dr SYKES** — It is not a moving target?

**Ms PIKE** — We have not changed the target.

**The CHAIR** — The target is the same. Perhaps if you could provide to the committee as soon as it becomes available what the outcome is for 2008-09?

**Ms PIKE** — Absolutely. We will revise the target, most probably in next year's budget, but we just want to evaluate what happens more comprehensively. We have not done that work so I guess we are being a bit cautious.

**Dr SYKES** — Just sticking with targets and given the substantial federal government input, I think there was a target of every student would have a computer, coming from the federal government; was that right?

**Ms PIKE** — In years 9 to 12, by 2011.

**Dr SYKES** — And at this stage the ratio is one computer to five?

**Ms PIKE** — That is over the whole system. So the target of one to one — the commonwealth's target was for senior secondary. This target is for the whole system.

**Dr SYKES** — So how are we progressing on achieving the commonwealth target of one to one?

**Ms PIKE** — We have had the first tranche of the rollout. Maybe Professor Dawkins can add more to that. We have had the first tranche and we are progressing well and therefore it would have been premature for us to revise our target given we have only just had the first tranche. We are rolling it out over this year and up to 2011, so we are going to be having a look at that and looking at what we might do next year. But we have got a cautious — —

**Dr SYKES** — What was the starting point when the commonwealth put the money in, what was the starting point in terms of — —

**Ms PIKE** — That is senior secondary. Just let us be absolutely clear: the commonwealth's program is not for every student.

**Dr SYKES** — No, it is for senior secondary. Yes, okay.

**Ms PIKE** — The commonwealth's program is only for senior secondary. Our target in the papers is for all students.

**Dr SYKES** — Okay. So for senior secondary, what was the starting point when the commonwealth came in to propose that target?

**Prof. DAWKINS** — We could provide you with those numbers. Victoria was better placed than most states in terms of the quality of its infrastructure. That is why it actually got a relatively low share of the first tranche, because it was in much better shape. But as the number of tranches go by so the amount of money will be increased. The amount in the second tranche has just been finalised so at the moment we are developing the plans for how we are going to implement that with the schools as we move the ratio down.

**Dr SYKES** — So the commonwealth money is going into new computers and not just into the replacement of old computers, and therefore not making progress on the computer-to-student ratio? I am just seeking clarification.

**The CHAIR** — I think we might take that one on notice. You have kept edging towards extra material.

**Dr SYKES** — I have appreciated the very pragmatic chairmanship today for both sides of the committee, and I am very pleased to have continued this far.

**Ms PIKE** — We are just so far ahead of the game that others are running to catch up with us, Chair. They are just running to emulate our rollout of these things.

**Ms MUNT** — Green with envy.

**Ms PIKE** — They are.

**Ms HUPPERT** — Minister, I want to return to the *Blueprint for Education and Early Childhood Development*, which is referred to on page 68 of budget paper 3. I noticed from your presentation that one of the key strategies underpinning this is workforce reform. I wonder if you can please tell the committee what is being done to support principals and aspiring leaders to improve the educational outcomes in Victoria?

**Ms PIKE** — In fact we have a very comprehensive program of leadership development in Victoria. As I indicated to you in my presentation, that program is now being emulated around the world and has been acknowledged in a number of significant international reports. Of course, the development of our institute of educational leadership, which will open next year, will provide yet another focal point for us to continue that work. Mr Fraser is overseeing this, and I might ask him to provide some more detail. I can, but I think he is the person.

**Mr FRASER** — Thank you. Currently there is a suite of 19 leadership development programs for aspirants as well as current principals. All those programs have been oversubscribed for the past three years. There is a great deal of interest in the quality of professional learning opportunities that we provide to leaders within our system. We also have a master of educational leadership. We graduated the fourth cohort about three weeks ago, and the minister presided at that graduation ceremony with Peter Dawkins. That took us to about 340 of our workforce who have been through that master of educational leadership program. It is provided by two of the universities; Monash University and Melbourne University, and we have just enrolled our sixth cohort. We provide coaches and mentors to experienced principals and beginning principals, so there is a whole suite of support that we put in place for principals.

I think tomorrow we are going to the market for the first 16 modules of our leadership curriculum for the Victorian Institute of Educational Leadership. We have briefed our university providers. There is an industry briefing on Friday to be very explicit about the nature of the support we believe our principals require to effectively lead schools within the Victorian government sector. I would argue that there is an extraordinary range of support for principals. The feedback we get through evaluations — and each of the programs we run are evaluated quite substantially — is very positive, and in fact they want more rather than less of it.

In addition, I think our high-performing principal program is probably the envy of many other jurisdictions. We provide scholarships of up to \$10 000 for our principals to engage with international jurisdictions. Many go to the Harvard Graduate School of Education to do courses on leadership, they engage with the National College of School Leadership in the United Kingdom, and they attend conferences around the world. We are finding that that investment is delivering manifold returns into our sector. It has re-energised them and provided them with different perspectives to actually tackle some of what we would argue are very complex issues in some of our school communities.

**The CHAIR** — Thank you very much for that.

**Ms PENNICUIK** — Minister, if I could draw your attention to pages 80 and 81 of budget paper 3, I notice that the resources for investing in services for students with a disability is increasing slightly this year but the output, or deliverable measure, of students funded under the disabilities program in government schools as a portion of the total school population remains at 3 per cent. You and I have had some conversations about this issue as well. What are the department's figures of the actual numbers of students with disabilities requiring services, as opposed to the actual target, and what plans are in place to cover that gap?

**Ms PIKE** — Chair, I might seek your advice. This question is in Minister Morand's portfolio, not my portfolio. I am happy to take it on notice and get a request, but it is not in my portfolio.

**The CHAIR** — That is probably the best idea, to take it on notice.

**Ms PIKE** — Or ask Minister Morand that question when she comes in.

**The CHAIR** — Yes. We might want to seek some further clarification as well. The question was in terms of students requiring it. There is a whole raft of arrangements in terms of people's eligibility and testing et cetera. You may never determine the number who might require things; it is a definitional issue. You wanted an exact number of students who actually receive disability support?

**Ms PENNICUIK** — Yes. Require them and receive them.

**The CHAIR** — I am sure that is quite easy to provide. It may be done on an annual basis rather than on a financial year basis because the school is run on an annual basis.

**Ms PENNICUIK** — It says 'financial' here. Anyway, Chair, with your indulgence could I ask another quick question, seeing I cannot ask that one?

**The CHAIR** — A really quick one, because otherwise I will be lynched by the rest of the committee.

**Ms PENNICUIK** — Minister, there has been a lot of talk about the rebuilding project, and you are talking about the stimulus package. I have been reading through the sustainability plans for school buildings. What is concerning me, and perhaps you can answer it, is that in terms of the rush towards having everything finalised in July, does that mean that there is going to be an issue? For example, we have had one parent come to us and say that they have looked at the template and there is nothing about water tanks, there is no plan to put a water tank on their school, which is in the western suburbs. So is there going to be a slippage of that in terms of your having to rush these projects through?

**Ms PIKE** — It is certainly my intention that the schools and these new facilities comply with the building quality standards that we have set. We certainly have a department's environmentally sustainable reference group that provides advice to the capital area to make sure that we continue to improve our environmental performance, and we also have annual awards that reward best practice in sustainability. Regarding this particular project, the actual design and delivery of these facilities must be to those standards. You particularly raised things like water tanks et cetera. They are generally additional things that schools will do in partnership with programs that they can apply for. That is how those opportunities — similarly with solar panels; there is a partnership program around solar panels — —

**The CHAIR** — The Solar in Schools program.

**Ms PIKE** — The Solar in Schools program. There are schools that will undertake specific initiatives around wind generation — and I have seen some of those — et cetera. Jim, you might like to add a little more to this.

**Mr MILES** — Specifically with regard to water tanks, schools were able to bid for those in the National School Pride or the maintenance and minor works part of the stimulus package, so a number of schools did; some did not, depending on need at the local school. Certainly in terms of the templates, ecologically sustainable design principles have been considered and incorporated in the templates. So we are providing for it in that sense. We already do in the standard building program. There are, as the minister said, a range of other programs which go to effectively green building principles.

**The CHAIR** — I notice in section 4 of our questionnaire you have provided responses in terms of conforming to section J of the Building Code of Australia and also the Partnerships Victoria's 5-star green star education pilot tool et cetera. So there is information you have given us there, and we may follow these things up at another time.

**Mr SCOTT** — Minister, I would like to take you to budget paper 3, page 16, which relates to expenditure on trade training centres. Could you please advise how this investment will be used to provide high-quality facilities in Victoria?

**Ms PIKE** — Certainly the trade training centres program is a very important element of the education revolution, and \$2.5 billion Australia-wide is being provided to develop trade training centres. Victorian schools can expect to receive an adequate proportion of that. That means that schools are beginning to plan and work

together for the rollout of trade training centres. We have already had round 1 and there were 19 successful projects, which was \$86 million across 75 schools. As I said previously, seven of these were cross-sectorial, so either incorporated a TAFE or non-government schools working with government schools, which is something that we very strongly encourage. Particularly in some of the rural areas where you have a range of provision, bringing it all together and offering trade training centres is really exciting.

Round 2 has been brought forward, and we have \$135 million in expressions of interest for round 2 and a further \$200 million following that. We think that they are a very critical part of our suite of activities to help us meet the 90 per cent target. I think we are very concerned that we do focus on rural and regional Victoria as well, that they are not just metropolitan things — just to reassure the member for Benalla. They are an incredibly exciting initiative. In fact they have also, in some instances, been partnered with regeneration programs, which adds to the suite of offerings that is available in those projects.

They seek to increase the uptake of VET programs and improve pathways into further education and employment, and obviously in tough economic times these sorts of offerings and options are really important. We want kids to stay at school and get their qualifications. We do not want kids leaving early; we want them equipped. So we are working together to roll these out, and I think it is very exciting.

**Mr DALLA-RIVA** — Minister, I refer you to budget paper 3, page 277, relating to the ultranet and a TEI of \$60.5 million. I note that, according to the budget, \$42 million will have been spent on this project by the end of June this year. The question relates to part of the forward estimates. There is still \$18.5 million remaining.

I am trying to ascertain in terms of the entire cost of the ultranet has the \$42 million been spent so far, as listed there on that program — on the project — and when do you expect the project to be fully operational? Will it be at the completion of the 2010–11 term? Are you anticipating additional costs on top of the proposed TEI \$60.5 million?

**Ms PIKE** — The answer to when it will be operational, we expect it to commence operation in 2010. In answer to the question: are we expecting to exceed the \$60.5 million. No. There has been a re-phasing, as indicated in the budget papers, which is due to some delay in the finalisation of the procurement process. We are very close to the procurement, but I think everybody is aware that we decided to go back out to the market last year because we were not satisfied with the offerings. We have now done that. We have confidence — and I certainly have confidence — that the department is well on track for the delivery of the program.

**Mr DALLA-RIVA** — So you spent \$42 million on the procurement process?

**The CHAIR** — What the \$42 million refers to is the money which has been allocated so far.

**Ms PIKE** — Yes, it is the allocation.

**The CHAIR** — The minister has been commenting on how much the allocation has been drawn down so far. There have been some delays.

**Ms PIKE** — If you are saying, have we spent \$42 million on procurement process, no.

**Mr DALLA-RIVA** — It is in a term deposit waiting to be used?

**Ms PIKE** — We have not spent \$42 million on the procurement process. It is on the project itself and we have re-phased it. Darrell can tell you more if you wish.

**Mr FRASER** — If I understand your question, to date we would have spent \$5 million in actually going through the process to reach a point where we will be making a decision over the next week around that procurement, but we have not actually let a contract. We have not actually expended money to build the application piece, but we have had project managers, business analysts, procurement advisers, probity advisers who have actually taken us through the tender process.

**Mr DALLA-RIVA** — So it is still on track?

**Ms PIKE** — It is on track.

**Mr DALLA-RIVA** — For 2010–11? You said ‘2010’.

**Mr FRASER** — It is 2010. Term 3 is the time we expect to be in every Victorian government school.

**Mr DALLA-RIVA** — Thank you.

**The CHAIR** — Thank you very much for that. Minister, there are quite a number of non-government schools in my electorate, and indeed right around the state, as you know. I am sure there are many other members, and as you know some members of Parliament advocate quite strongly for the non-government schools.

I refer to budget paper 3, page 27, and to investment in non-government schools. I was wondering what the government is doing in terms of funding and support provided to them. I know it is an issue which the government has been very supportive of, and I am wondering where we are at?

**Ms PIKE** — Let me say broadly that the commonwealth is the major funder of non-government schools, and non-government schools do overall receive a very high level of government funding, but the Victorian government does provide funding to non-government schools. That funding has basically doubled — or nearly doubled — since 1999.

We are currently in the final year of the current funding arrangements, and we are in the process of negotiating a future funding arrangement as we speak. Those negotiations are being undertaken between the department, the Catholic Education Office and representatives of the other independent schools.

Certainly the approach that the government has taken to date is to make sure that any Victorian taxpayer-funded funding that goes towards government schools, given that we are the minor party in the funding of non-government schools, is targeted to the aspirations of the community — that is, it is targeted towards striving for excellence, for bridging gaps that are brought about through inequity and inequality, and genuinely improving outcomes for all Victorian students, whether they are in a government or a non-government school.

In other words, we are negotiating with the parties in similar terms that we were negotiating last time — that is, we think it is important that funding from the state government does meet equity needs, for example, in the non-government system. Last time we introduced enrolment-based funding, which was the first time that had ever been introduced in Victoria. Prior to that there had been just an allocation but not enrolment-based funding.

We have also provided specific-purpose grants in the past to targeted programs, such as suicide prevention. We have had targeted capital grants to needy non-government schools. We also provide access to teacher professional development and curriculum planning materials and to government pricing for broadband access. We provide tax concessions in land tax, payroll tax and fringe benefits tax, transport concessions, conveyancing allowances and EMA.

There are a number of ways that non-government schools are supported by the state government. These current negotiations which we are engaged in at the moment will culminate towards the end of this year, when the government will announce a new agreement for the next period of time with the non-government schools.

**The CHAIR** — It would be good if you could provide us, on notice, with a comprehensive list of the state government’s support for non-government schools.

**Ms PIKE** — Yes, certainly. Some \$470 million will be contributed to non-government schools in Victoria in 2008-09. As I said, that is a doubling of the amount over the last 10 years if you include all contributions to non-government schools.

**Mr WELLS** — Minister, I refer to the additional \$635 million of recurrent expenditure over the four years granted to the states and territories for primary school funding by the federal government in late November 2008, and it equates to approximately \$30 million for Victorian primary schools this year. Where in the budget papers can I find reference to the \$30 million being passed on to the primary schools?

**Ms PIKE** — The government has recently negotiated the national education agreement, and we certainly welcome the recent increase that has been provided by the commonwealth government. In reality, however, what the commonwealth provides is a small proportion of what the state provides to our government school

system. It is a welcome amount of additional funding in the education agreement, and you have correctly identified an increase, and we are pleased to receive it.

In distributing the funds that we receive from all sources, commonwealth and state, through a lot of research and evidence-based work, in 2005 we developed a student resource package model. We allocate funding to the schools on the basis of the student resource package, which takes into account the cost of delivering education to the schools. It also takes into account the learning stages of young people and the resourcing that is required to meet those learning stages.

That student resource package was evaluated by the University of Melbourne in 2007, and we made some minor changes to that, because we do not provide the same amount of funding across all years, because it literally does take more money to educate some kids in varying years. We intend to continue that mechanism for funding schools, and the additional funding through the national education agreement is reflected in that student resource package allocation. So it is built into the overall allocation for our schools.

This budget sees an even greater injection of funding into government schools than the notional \$100 additional per primary student that makes up that \$38 million that you have identified. In fact, the additional funding per primary school student is about \$600 additional per primary student, and that is built into this budget this year.

Whilst the commonwealth used that amount to identify a particular area that their additional funding in the agreement would go to, we have exceeded that, but we still maintain the student resource package as the mechanism for distributing the funds across the system.

**Mr WELLS** — So, to confirm, there is no separate line item for the \$30 million to be passed on to the schools?

**Ms PIKE** — That is correct.

**Mr WELLS** — So it has been mixed in with everything else? Where is the assurance and how do we know — apart from the explanation that you gave that there has been an increase anyway — that the \$30 million has actually been passed on to the primary schools?

**Ms PIKE** — In fact all the commonwealth additional funding for education has been passed on to schools. What primary schools will see in their budget is not an additional \$100 per student; it is an additional \$588 per student this year. The Treasury papers will clearly indicate that the funding that was given to the state government under the national education agreement and the National Partnerships and Building The Education Revolution has actually been passed on to the schools.

**The CHAIR** — In my initial question I asked for some information on the accountability mechanisms.

**Ms PIKE** — Yes.

**The CHAIR** — So I assume that will be covered in that?

**Ms PIKE** — Yes.

**Ms MUNT** — In my previous life as a member of the parliamentary committee for education, we had a strong interest in the literacy and numeracy performance of Victorian students. Could you please update me on how that performance is looking now?

**Ms PIKE** — As I said, the NAPLAN — the national assessment program for literacy and numeracy — was implemented last year. Prior to that each state and territory undertook its own testing and evaluation, then that was moderated through some convoluted and sophisticated formula to try to get statewide comparisons. With the introduction of the national assessment plan and that first year of testing last year and now the second year of testing this week, we are able to evaluate our students' performance in literacy and numeracy.

I have to say that on the basis of last year's performance, Victoria is tracking very well; we are at or above the national average in every single domain. We have a lot to be proud of, nevertheless we recognise there is a tail of underperformance, that there are students who are not performing at the national benchmarks or are

performing below what we consider to be acceptable levels. We are therefore providing substantial additional support into the system to boost literacy and numeracy performance.

Apart from the funding of \$11.7 million last year for additional literacy and numeracy specialists, we also have the Koori specialists and the teaching and learning coaches. But on top of that, the work that I talked about before with the instructional model et cetera is really work that is to be embedded in our schools through the school improvement strategy to lift teacher performance in the work that they do with literacy and numeracy.

I think it is fair to say that, as I said, education is a dynamic and changing environment. Our students are changing, the ways that we need to teach them needs to be constantly re-evaluated and updated, and we need to continue to always redouble our efforts when it comes to the core tasks of literacy and numeracy. But you cannot just do things the way you have always done them; you cannot just build schools the way you have always built them; you cannot teach kids the way you have always taught them. On the basis of a lot of research, consultation with around 8000 teachers, we have developed this new instructional model which we are really embedding into the schools as an example of best practice so that we can continue to upgrade skills.

We have also put a number of our teachers and schools through intensive literacy and numeracy development programs themselves. We are utilising, for example, literacy and numeracy specialists. Di Snowball is working with schools in the west, for example. She worked for 15 years in New York on a major program that was developed in partnership with the board of schools there on lifting the performance of kids, many of whom were just basically illiterate. She is offering specialist support and introducing new techniques all the time for teachers. It is a really critical area, and there is always a lot more we can do. We are very determined to do that.

**Mr RICH-PHILLIPS** — Minister, I would like to ask you about the department's parliamentary appropriation. I note from the annual report that in previous years where schools have been closed and the land has been sold off, the Treasurer has allowed the department to retain the proceeds of the sales as annotated receipts under section 29 of the FMA. My question is: for the 2009–10 parliamentary appropriation, what estimate has been included for those section 29 annotated receipts with respect to land sales?

**Mr MILES** — It is approximately \$8 million.

**Mr RICH-PHILLIPS** — What does that relate to? Which properties does that relate to?

**Mr MILES** — Not to a specific site.

**Ms PIKE** — It does not relate to any.

**Mr MILES** — It is an estimate based on last year's.

**Ms PIKE** — It is an estimate. Basically, when there are sites like Boorhaman, where the community has decided it will not continue the school for the two children who were there, the department goes through a negotiation with the community — —

**Dr SYKES** — It must have been a very large property up there if it is \$8 million in the country.

**Ms PIKE** — There is a negotiation with the community, obviously an evaluation et cetera. There are other school sites. There is a process that we undertake with local government and others being involved for those. The \$8 million is a wrapped up figure.

**Mr RICH-PHILLIPS** — Do you have a figure for the forward estimates as well beyond the 2009–10 year?

**Mr MILES** — We would need to go and have a look at the program, but based on previous years we would not expect that estimate to change markedly.

**Mr RICH-PHILLIPS** — Will you take that on notice and come back to the committee?

**Mr MILES** — We are happy to do that through the minister.

**Mr RICH-PHILLIPS** — There is a program, and you do expect there will be closures and sales going forward?

**Mr MILES** — Only by projecting history.

**Ms PIKE** — We do not have any plans. In the same way that you set other targets and benchmarks, you look back at what has happened, and you anticipate it may continue.

**Mr RICH-PHILLIPS** — Is it \$8 million in this year's budget for sales?

**Ms PIKE** — That is an anticipated amount.

**The CHAIR** — If there is any other information to be provided to us in terms of the OPS, could you please provide that?

**Mr NOONAN** — Can I, Minister, ask you a question about teacher quality and development, which you referred to, but perhaps did not spend a lot of time focusing on. I note in budget paper 3, on page 27, there is an allocation for what you referred to, I think in your last answer to Ms Munt, the teacher and learning coaches. I just wonder whether you can explain how they will be utilised within the entire system and where their work will be focused in terms of ensuring the best possible support for the system?

**Ms PIKE** — Coaches provide in-classroom coaching of teachers in schools that have been identified as needing particular support. The NAPLAN data, for example, does provide us with some indication of where there are larger cohorts of students who are performing under expected levels et cetera. The regional network leaders who are now developing the strategic plans with all the schools in their network are also able to identify particular strategies that might really yield the most benefit for those schools. The teaching and learning coaches are part of the suite of additional support that we are able to offer schools to help lift student performance.

They are resourced by the material that is developed in the office of government schools, like E<sup>5</sup> and other work of course that has been done previously, so that they can embed that best practice teaching within the schools.

**Mr NOONAN** — Just by way of clarification, the concentration of effort in terms of lifting teacher quality is really about the regional network leaders and the 200 coaches. Are there other areas?

**Ms PIKE** — Absolutely. We have a whole range of other initiatives — refresher programs that we offer for teachers, a whole raft of professional learning opportunities, some of them in subject areas like mathematics, ESL, others in more generic areas, particularly in primary education. We are all very clear that the research shows that teacher quality is the strongest determinant for student performance. There are a number of ways jurisdictions can invest in education, but we are absolutely committed to this investment as the one that will yield the most fruit. In terms of specifically building on the teaching and learning coaches, Darrell may want to add any more to that?

**Mr FRASER** — One that is attracting a lot of attention is that over 3500 teachers have been able to apply for teacher professional leave, which enables them to take up to 10 weeks paid leave as part of a team to actually examine a problem of practice, either within their school or across their network, and maybe to travel to other schools to see what is working in relation to progress of children around literacy and numeracy, or some other disciplinary domain.

That is over 3500 teachers, and we are spending in excess of \$4.5 million per year doing that. It is having a significant impact on the capability of those teachers when they come back into their schools and on the programs they implemented.

There are so many opportunities for teachers in this system now that it would take some time to elaborate on all of them. If you go to the Hume region, for instance, just for principals there is a curriculum on literacy and numeracy that all principals must engage with. There are programs for teachers in each network in the Hume region on literacy instruction.

As the minister said, it is the quality of our workforce that is going to determine what children achieve so our major focus is on helping teachers to understand the latest research on human cognition, the latest research on implementation of interventions within schools. We would argue that perhaps we have not been as good as we could have been over the last years in putting this research in front of teachers and explicitly requiring them to engage in that research about how children progress, and the role a teacher plays in that progression.



It is what teachers know and can do that determines what children can learn. It is a truism to say that kids actually learn what they are taught, so what teachers actually do in the classroom on a day-to-day basis is a critical element of our strategy to actually improve the performance of every child in every government school in Victoria.

**Dr SYKES** — Minister, I have heard a number of programs mentioned today, but I am not sure I have heard much about the rural replacement program. Can you explain a little bit about what it is, and whether there have been any funding announcements or funding allocations under that program; if not, when might we expect them?

**Ms PIKE** — The rural replacement program was detailed in 2006 under the Victorian Schools Plan. It provides funding for virtually full replacement of small rural schools. To date a number of schools have been completely rebuilt under the Victorian Schools Plan, under the rural replacement program, and in this year's budget there is \$16 million in the rural replacement area. That equates to 37 schools that will be in that project. It is a very important part.

There is a strong need to completely replace these schools. Some schools are getting up to \$2 million, and for some schools it gives them permanent facilities for the very first time; schools that forever and a day have had non-permanent facilities will, under this program, get brand new facilities. That is what the rural replacement program is about.

**Dr SYKES** — Was that mentioned in the budget? I have just not picked up on it.

**The CHAIR** — Yes, page 312 of budget paper 3.

**Ms HUPPERT** — Minister, you talked a lot about the partnership between the state and the commonwealth governments in relation to infrastructure. Could you please let us know what the department is doing in terms of cooperative investment with other organisations in partner investments in schools?

**Ms PIKE** — Certainly. I will answer this in two ways. We are always keen to develop partnerships with other bodies in the community to contribute to, particularly, the building of shared-use facilities. There are a number of examples around the state where local government, for example, and other organisations have worked together to actually maximise those opportunities. So whether it is a shared-use library, whether it is sporting facilities et cetera, there are a lot of opportunities, and we are very keen to develop them and explore them.

Bodies do bring money to the table, which means that you get a better facility than the education department might necessarily or normally provide. There are some really good opportunities in the growth corridors for those kinds of developments.

On top of that, we have announced we are embarking on a public-private partnership for the development of 11 new government schools. These are schools that are being built in our growth corridors, largely. We have entered into a partnership with Axiom Education Victoria and it is designing, building, financing and maintaining those schools over the 25-year life of the agreement. It is an infrastructure project, bringing its expertise, innovation, creativity and management to the table, but it also creates some really unique opportunities.

As part of this program, YMCA is another partnership, and it is developing facilities which will be owned by the government. It has also been granted leases over the community centres, and it will run programs within those as well. Already we have also got early childhood facilities in a number of these projects as well.

We think this is an interesting start for our system and will be, obviously, evaluating and monitoring the progress very closely, but based on what we have seen in other parts of the world, we think that it is a very useful model. I might add though, to be very clear, that it is a capital development model, and the private sector will have no role in the running of programs within the schools.

**Ms HUPPERT** — Just to clarify: what you are doing is getting private investment, joint investment, into infrastructure so that the department can then finance it?

**Mr RICH-PHILLIPS** — What you are doing is what you opposed when you were in opposition?

**Ms PIKE** — That is right.

**The CHAIR** — Without the commentary, please.

**Ms PENNICUIK** — Minister, I just want to go back to a comment you made before about funding to non-government schools in response to a question from the Chair. I think you said that the budget was \$470 million, to non-government schools this year?

**Ms PIKE** — Yes, by the state government.

**Ms PENNICUIK** — And in your answer you said that part of the criteria was about addressing inequality or inequity. My question is: what criteria would be used for a non-government school to get funding for infrastructure above a government school — in terms of determining the priorities, for example rebuilding a library or some facility in a non-government school which is fairly well off, as opposed to rebuilding basic infrastructure in a disadvantaged government school.

**Ms PIKE** — Clearly the priority for the state government in the use of capital is for the system that we run — that is, the government school system. Nevertheless we are partners — a minor partner — with the commonwealth in providing some funding for non-government schools. We have allocated some smaller amounts of capital — but I guess they are substantial — to the non-government system, but on the criteria that is based on our priority to enhance equity. Last year we provided some \$53 million in grants to non-government schools for minor capital works, around \$30-odd million — —

**Mr MILES** — Thirty-five.

**Ms PIKE** — Some \$35 million of that was to the Catholic school system and the balance to other, non-government schools. We wrapped fairly strict criteria around the allocation of that funding and said that it had to basically be attached to needy, non-government schools. And there are non-government schools in the Catholic system and some in the other non-government system that do provide education services to quite needy communities, and they have been supported through that program. But obviously the lion's share of capital is provided for the government school system because that is our fundamental obligation, and we are the primary funder of that system.

**Ms PENNICUIK** — I know we are running out of time but maybe you could take that question on notice.

**The CHAIR** — We have run out of time, actually.

**Ms PIKE** — We are happy to take it — —

**Ms PENNICUIK** — On the priority.

**Ms PIKE** — Yes, I understand that, and I will get back to you about that.

**The CHAIR** — Back to the committee.

Thank you, Minister. That concludes consideration of the budget estimates portfolio on education. I thank the minister and departmental officers for their attendance today. Where questions were taken on notice the committee will follow up with you in writing at a later date, and the committee requests that a written response to those matters be provided within 30 days.

**Ms PIKE** — We have more copies of the blueprint.

**The CHAIR** — We were actually given copies last time.

**Ms PIKE** — No, because it was not completed last time. That was the discussion paper. I am sure it is essential reading for anyone who is interested in education.

**The CHAIR** — We are all interested in education. Thank you, Minister.

**Witnesses withdrew.**