

# VERIFIED VERSION

## PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

### Inquiry into 2015–16 Financial and Performance Outcomes

Melbourne — 16 February 2017

#### Members

Mr Danny Pearson — Chair

Ms Sue Pennicuik

Mr David Morris — Deputy Chair

Ms Harriet Shing

Mr Steve Dimopoulos

Mr Tim Smith

Mr Danny O'Brien

Ms Vicki Ward

#### Witnesses

Ms Gill Callister, Secretary,

Ms Jenny Atta, Deputy Secretary, Infrastructure and Finance Services Group,

Ms Katy Haire, Deputy Secretary, Early Childhood and School Education Group,

Mr Craig Robertson, Deputy Secretary, Higher Education and Skills Group, and

Mr Chris Keating, Chief Executive Officer, Victorian School Building Authority, Department of Education and Training.

**The CHAIR** — I declare open the public hearings for the Public Accounts and Estimates Committee inquiry into the 2015–16 financial and performance outcomes. All mobile telephones should now be turned to silent. I would like to welcome Ms Gill Callister, secretary of the Department of Education and Training; Ms Jenny Atta, Deputy Secretary, Infrastructure and Finance Services Group; Ms Katy Haire, Deputy Secretary, Early Childhood and School Education Group; Mr Craig Robertson, Deputy Secretary, Higher Education and Skills Group; and Mr Chris Keating, Chief Executive Officer, Victorian School Building Authority. Also in the gallery are Ms Katherine Whetton, Acting Deputy Secretary, Strategy and Performance Group; Mr John Firth, Chief Executive Officer, Victorian Curriculum and Assessment Authority; and Ms Lynn Glover, Chief Executive Officer, Victorian Registration and Qualifications Authority. Any witness who is called from the gallery during this hearing must clearly state their name, position and relevant department for the record.

All evidence is taken by this committee under the provisions of the Parliamentary Committees Act, attracts parliamentary privilege and is protected from judicial review. Any comments made outside the hearing, including on social media, are not afforded such privilege. The committee does not require witnesses to be sworn, but questions must be answered fully, accurately and truthfully. Witnesses found to be giving false or misleading evidence may be in contempt of Parliament and subject to penalty.

All evidence given today is being recorded by Hansard. You will be provided with proof versions of the transcript for verification as soon as available. Verified transcripts, any PowerPoint presentations and handouts will be placed on the committee's website as soon as possible.

Witness advisers may approach the table during the hearing to provide information to the witnesses if requested, by leave of myself. However, written communication to witnesses can only be provided via officers of the PAEC secretariat. Members of the public gallery cannot participate in the committee's proceedings in any way.

I will now give the witness the opportunity to make a very brief opening statement of no more than 10 minutes. This will be followed by questions from the committee.

### **Visual presentation.**

**Ms CALLISTER** — Thank you, Chair. Thank you for the opportunity to attend the committee today. I have come with the deputy secretaries as witnesses, as you introduced. I have a brief presentation that shares some of the highlights of the department's 2015–16 performance as well as some of the challenges that we continue to have in driving our work to implement the education state.

Moving to our mission, the Department of Education and Training provides vital services that impact on every Victorian. We are responsible for delivering and regulating statewide learning and development services across the early childhood, school education, training and TAFE sectors, and we engage daily with hundreds of thousands of children, students and families across our portfolio.

The Victorian government's commitment to building Victoria as the education state recognises that education is the fundamental building block for success in life. It delivers great public value in both the social fabric in our communities and our economic future.

In October 2015 the department launched its statement of strategic intent to support delivery of the education state agenda and to help focus our efforts on building a world-leading system which fosters both equity and excellence. Our vision for Victorians is that together we give every Victorian the best learning and development experience, making our state a smarter, fairer and more prosperous state.

Moving to our budget overview, in 2015–16 the department spent \$12.2 billion across seven output groups, and you can see the breakdown on that slide.

Our focus is on equity and excellence in all sectors. We have the building blocks of a strong and equitable education and training system, and we are focused on policy and direction setting, equity investment in schools, infrastructure, ensuring quality and providing more local and regional support. This focus will lead to improvements in excellence, innovation and economic growth in Victoria more broadly. In this way the education state is a vision for economic prosperity for Victoria through investing in its human capital.

Moving to our sectors, this is the slide focusing on our challenges in early childhood development. You can see that the challenges here are to build on an already strong system to make it better. In highlights in early

childhood, early childhood development is at the heart of the vision for the education state. We understand the evidence only continues to get stronger and that investing in high-quality education and development services for very young children produces stronger results in education.

Moving to school education and the challenges we face, the chart on the screen is Victoria's projected school-age population growth, and it illustrates the enormity of our challenge in continuing to meet rapidly growing population demand for our services. From 2010 to 2016 inclusive the number of children entering the school system increased by over 68 000, with more than 16 000 students in 2016 alone. From 2016 to 2021 we are expecting an additional 90 000 students in Victoria.

Of course population growth is far from homogenous in trend and composition across the state. Some local populations are very rapidly growing while others are in decline. Some rapidly growing populations have large numbers of students whose first language is not English, and other growing populations have different forms of need and sometimes disadvantage. So to achieve equity and excellence at a whole-of-system level our approaches have to be differentiated and, importantly, place based.

Going on, currently Victoria has a good school system and we achieve strong performance results, but our challenge is to lift outcomes for all students. The national assessment program — literacy and numeracy, known as NAPLAN; the program for international student assessment, known as PISA; and trends in international mathematics and science study, which is TIMSS, all these results show that Victoria is a leading jurisdiction, but our NAPLAN performance has plateaued. Our mean NAPLAN results in 2016 were similar to our 2008 levels. Our improvements have been concentrated in the primary school years of 3 and 5.

Our 2015 PISA results show Victoria's achievement at high proficiency levels remains above the OECD average and we are performing better than most other jurisdictions, but there is some small decline and there is a plateauing. To become the education state and achieve that promise of both excellence and equity we need to lift outcomes for all students. This includes increasing the number of high-performing students, because we know this can lift the performance of all students, but it also means shifting outcomes for students from disadvantaged backgrounds. For example, our Aboriginal students' NAPLAN results are consistently below those of our non-Aboriginal students.

Moving to highlights, we are clearly making progress. In September 2015 the education state in schools reform agenda was announced, and implementation of this ambitious agenda has well and truly commenced. In 2015–16 we set 10 new statewide targets for improved student outcomes; provided equity funding of \$566 million over four years, better targeted to support students in need — a 70 per cent increase; and established learning places, employing an additional 150 specialist education staff to support schools.

On this slide you can see some of the key highlights from that year. Moving to the next slide, this slide shows that in 2015–16 we started delivering \$730 million in new school infrastructure, and the slide shows the breakdown of some of those key projects relating to new schools, significant upgrades and maintenance.

In higher education and training, in terms of the challenges in that sector, training activity in 2015–16 continued to be lower than previous years. In this year the department focused on identifying poor training providers, terminating contracts and assessing poor-quality training practices. Our preliminary estimates show that this action accounted for approximately 43 per cent of the total decline in enrolments. Rapid growth of VET FEE-HELP and continuing growth in the higher education sector have also contributed to the changes in demand. We do have a high-quality and increasingly sustainable TAFE sector, and we have worked hard in 2015–16 to establish this.

In terms of highlights in 2015–16 in the higher education and training sector, we implemented a number of key reforms that will drive ongoing improvements in the sector's quality and sustainability. I particularly want to highlight strengthening quality assurance through 1200 reviews and audit activities that led to 18 terminated VET funding contracts and \$41.4 million identified for recovery. We appointed Victoria's first skills commissioner, who has already consulted with 200 employer and industry representatives, and we also released *Skills and Jobs in the Education State*, following the Mackenzie VET funding review. We contracted 26 Reconnect providers to help around 2300 disengaged young people train and find employment, and all this in a sector that in the first half of 2016 had the highest per capita number of students enrolled in government-subsidised courses of any state in Australia.

Moving to the next slide, the integrity reform program could not be more critical to the department, and we have made some very significant changes to the way that we work in the wake of the IBAC Operation Ord and Operation Dunham investigations. Our integrity reform program comprises four streams of work: good governance and policy; ethical leadership; smart systems and controls; and staff support and development. All of these are underpinned by our departmental values, which are consistent with the Victorian public sector values. Slide 15 summarises our integrity reform progress.

We have achieved a lot in 2015–16; however, I just want to note that this has been a great deal of additional effort for the department, and we will continue this work to build our practices, our policies and our procedures and most importantly our culture. Finally, Chair, we have made progress in 2015–16. We recognise there is still a way to go in achieving our strategic intent of giving every Victorian the best learning and development experience. This year our focus is to turn policy into performance and delivery for outcomes.

**The CHAIR** — Thank you, Secretary. I might lead off, if I may. I understand the *Victorian Training Market Report* for the half-year of 2016 showed that there was a continued decline in government-subsidised course enrolment numbers. Can you outline to the committee some of the drivers behind that decline in those enrolments?

**Ms CALLISTER** — Yes. I will ask Mr Robertson to address that question.

**Mr ROBERTSON** — Thank you. You are right: the training market report did indicate a drop in subsidised course enrolment numbers. This decline is a continuation of the effects of policy changes that were implemented in 2013 and 2014, which included a tightening of eligibility rules for subsidised training, a reduction in access to foundation courses subsidy rates, removal of a particular vocational preparation course and the establishment of what we called a foundation skills approved provider list, because there was evidence of excess use of that. The other decline, as was indicated in the presentation, was some external factors such as the growth of VET FEE-HELP and growth of higher education.

**The CHAIR** — From your perspective, or from the department's perspective — I am looking at 2015–16 — do you feel that what is currently there now broadly gets that balance right between meeting industry needs but also providing quality courses and outcomes for those who enrolled in those courses?

**Mr ROBERTSON** — As the secretary indicated, during 2015 a review of VET funding was conducted by Bruce Mackenzie and Neil Coulson. The outcome of that was a policy called Skills First, which we consider as part of the design as a rebalancing of the system. Essentially what that does is increase subsidy rates to align more with the costs of quality training so that providers can start delivering quality training. There was also an undertaking for some targeted funding sources so that we could make sure that training was delivered in all areas around Victoria — that was called the Regional and Specialist Training Fund — as well as there being supplementary funding identified for TAFEs in recognition of the costs they have in servicing the community around Victoria. From that design is more of an assurance that we can increase training numbers in the right areas to support industry.

You also asked how were we meeting industry demand. The appointment of the Victorian skills commissioner implemented an approach where the department and the commissioner are engaging on an ongoing basis with industry representatives to get a real sense of what is the demand for training, and under Skills First we seek to align training to those demands. We still need to note, though, that it is operating against the headwinds of a demand-driven higher education system.

**Ms CALLISTER** — I might just add to that, Chair, that I could not emphasise enough the importance of the focus on quality that the department has had over the last 18 months or so — the attention to contracts where we do not believe the quality of training is going to lead to employment and where people are utilising the system not necessarily in the interests of students. The focus on contract management, on a quality blitz and on the cancellation of a number of contracts and the recouping of some of the dollars has made, I think, a big difference to our confidence in the system going forward, and that work is ongoing.

**Mr MORRIS** — Welcome, Secretary. Can I ask you a little bit about Parkville College?

**Ms CALLISTER** — Yes.

**Mr MORRIS** — It may not be widely known, but of course your department is responsible for the management of Parkville College at Parkville and Malmsbury. I think it is fair to say that not only recently but certainly during the 2015–16 reporting season there have been some difficult times. Can you indicate to the committee how many lost schooling hours have occurred as a result of the riots and the other serious incidents at both Parkville and Malmsbury?

**Ms WARD** — On a point of order, Chair, I assume that this is going to be for the 2015–16 year?

**The CHAIR** — I think Mr Morris indicated it was for the reporting period, so that is 2015–16.

**Mr MORRIS** — The subsequent period would be good as well, but if we can get 2015–16 that is fine.

**The CHAIR** — We can do that next year, Mr Morris.

**Mr MORRIS** — When it is no longer relevant to the community.

**Ms CALLISTER** — Mr Morris, we endeavour to provide education at Parkville College as a normal school day according to the Victorian curriculum. While there may be some interruptions to that at some point, our focus is on providing education for a normal school day for all of the eligible kids who are young people in Parkville College.

**Mr MORRIS** — Is it your testimony that no schooling hours have been lost?

**Ms CALLISTER** — Do you mean by individual student?

**Mr MORRIS** — The total.

**Ms CALLISTER** — I am not quite clear, I am sorry, on the question. We offer the education. This school operates every day and it operates in now three settings. But back in 2015–16 it was operating at Parkville and Malmsbury. It offers a range of curriculum and it is aimed at every eligible young person in custody. As far as I am aware, and I can take it on notice, I do not believe we measure by every individual student the number of hours lost, as you say, knowing that some young people will not be in school on a particular day because they would be going to court. They would have court appearances that might take most of the day by the time they are transported there. The numbers of course fluctuate every day because there is quite a lot of movement in and out of the centre.

**Mr MORRIS** — Accepting all that, is it possible to obtain, perhaps on a month by month basis for the 2015–16 year, the number of operating hours provided each month?

**Ms CALLISTER** — I believe it would be, yes.

**Mr MORRIS** — If we can have that on notice, I would appreciate it. Supplementary to that and in the context of that, could we also have an indication of the dates where classes at both then locations were disrupted due to codes being called for 2015–16 and which campus that occurred at?

**Ms CALLISTER** — I do not know if we have that sort of information, but I am happy to go and follow it up for you.

**Mr MORRIS** — Can you indicate to the committee how many, if any, education staff at Parkville College made WorkCover claims in 2015–16, and if any are still active, how many are still active?

**Ms CALLISTER** — I do not have that data here.

**Mr MORRIS** — Can you provide it on notice?

**Ms CALLISTER** — Yes.

**Mr MORRIS** — Thank you. I would appreciate it. Also in that context, how many work days were lost to education staff, and also in that context, can you advise how many, if any, education staff were assaulted by young clients at both campuses during 2015–16 — on notice, again?

**Ms CALLISTER** — Yes, I can take that on notice.

**Mr MORRIS** — Thank you.

**Ms CALLISTER** — I would only add that the Parkville education staff are actually very highly trained and very good at engaging with the particular challenges of the young people in the college. They have a great deal of passion and dedication, but they also have a great deal of skill.

**Mr MORRIS** — Yes. We are just keen to know the impact the disruptions are having on them and their operations.

**Ms WARD** — Welcome, everyone. An area that I would like to explore is education state funding. In budget paper 3, page 47, it is outlined how the government is investing \$1.4 billion in education state funding to acquit Victoria's obligations under the Gonski agreement. Could you talk to us about how the Gonski funding is working in terms of state and federal investment and how investment in equity funding better supports the needs of vulnerable students?

**Ms CALLISTER** — I might ask Ms Atta to respond.

**Ms WARD** — Thank you.

**Ms ATTA** — Certainly. Just checking the question: you were interested in the education state funding in budget paper 3.

**Ms WARD** — Page 47, yes. So there is \$1.4 billion in education state funding, and part of that is being used to acquit, I understand, Victoria's obligations under the Gonski agreement.

**Ms ATTA** — That is correct.

**Ms WARD** — I am interested in how that is being used, but firstly, how it is working underneath the federal contribution as well as the state contribution, and then also how it is contributing towards supporting the needs of vulnerable students, the purposes of it.

**Ms ATTA** — Sure. I might just start by noting that in 2013 the heads of agreement was signed between the Victorian and commonwealth governments for what is known as the Gonski agreement, which set out to provide an additional \$12.2 billion in education reforms for Victorian schools between 2014 and 2019. Under the agreement the state was to invest an additional \$5.4 billion over six years from 2013 baselines.

As part of the 2015–16 budget the state government reaffirmed that commitment to the state contribution. Since 2014 and through that budget for the 2016 and 2017 school years full funding allocations were made. Budget paper 3, page 47, outlines investment of \$1.4 billion towards that end to acquit Victoria's obligations for those years under the Gonski agreement. That funding was calculated after and on top of government election commitments that were also funded in the 2015–16 budget.

The first tranche of initiatives from that \$1.4 billion was announced in September 2015 and provided \$747 million over four years for a range of initiatives focused on both excellence and equity objectives in every government school and classroom. The majority of that funding, which goes particularly to your point around addressing students in need or disadvantage, was \$566 million targeted to help those students most in need and to break that cycle of disadvantage. The investment boosts need-based funding to Victorian schools by more than 70 per cent, so on top of what was already delivered to address needs there was 70 per cent additional.

The remaining approximately \$180 million out of that first tranche goes towards initiatives that provide additional support to teachers and principals and towards keeping the most at-risk kids engaged in education. We had funding directed to support all government school teachers in delivering the new curriculum. There was \$82 million over four years to provide around 150 more specialist education staff across regions to work closely with schools and principals to lift outcomes. There was funding for training for around 200 additional primary maths and science specialists working particularly across our most disadvantaged schools as well as funding to double principal training numbers and increase training for aspiring principals. It is a really important initiative when we look at growth in school population, the age of the principal workforce and the need to bring on that next tranche of principals.

On the question of disadvantage and re-engagement in the education system, there was importantly funding to establish and operate new Lookout Education Support Centres, which are very much targeted to support the around 6000 school-aged kids in out-of-home care in Victoria. There was also funding of more than \$8 million over two years of a pilot program to help re-engage Victorian students who drop out of school and training each year.

Of that \$1.4 million, the 2016–17 budget then announced a further allocation of \$645 million aimed at the next tranche of initiatives to again further those objectives around excellence and equity in our schools. That also included funding for a big lift in maintenance funding across schools, a big lift in IT technical support funding to begin implementing actions arising out of the students with disabilities review, as well as funding to support NAPLAN online.

**Ms WARD** — I understand in — —

**The CHAIR** — Briefly, Ms Ward.

**Ms WARD** — Sorry. I can take it on notice. In 2015 it appeared that there was an \$850 million funding deficit in terms of the ongoing Gonski funding. Does the money that you have just mentioned for the funding in 2015–16 and then into 2016–17 reconcile that?

**Ms ATTA** — The funding that I have outlined has enabled the state to fully acquit its contribution for 2015–2017.

**Ms WARD** — And that was not the case before?

**Ms ATTA** — No, there had to be additional funding that was provided to ensure that across 2015, 2016 and 2017 we were able to be in a position to fully acquit.

**Ms WARD** — Thank you.

**Mr T. SMITH** — Welcome, Secretary. The department has advertised four new positions — one manager and three senior project officers — to lead the development and delivery of the Safe Schools program. With the compulsory statewide rollout of this program, could you explain whether the wages of the persons filling those four positions will come out of the \$1.1 million allocated for the program in the 2015–16 budget?

**Ms CALLISTER** — Thank you, Mr Smith. I will refer that to Ms Haire.

**Ms HAIRE** — Thank you, Mr Smith. In 2015–16 the budget allocated \$1.04 million over four years to the Safe Schools program. In addition during that year \$300 000 was reprioritised by the department following a federal government review. There is also ongoing funding that has come from the department's base allocation, which has been used for Safe Schools over the years and includes \$120 000 from the Department of Health and Human Services. So during the 2015–16 year a total amount of \$460 000 was allocated to Safe Schools, which comprises \$240 000 from the 2015–16 budget allocation you are referring to, \$100 000 from the Department of Education and Training's base funding and \$120 000 from the Department of Health and Human Services. So that is the 2015–16 budget allocation. The total amount spent was \$440 000 in that year.

**Mr T. SMITH** — Okay. So these new positions will cost, what, \$900 000, give or take?

**Ms HAIRE** — I have not got that figure with me for the current financial year.

**Mr T. SMITH** — So what I am saying is we had a budget allotment in 2015–16. Is this new money?

**Ms HAIRE** — No, there is no additional money appropriated for the Safe Schools program in 2016–17. Any additional money that is required to run the program will come from the base allocation, and in 2015–16 the department made an additional \$100 000 from our health and wellbeing output, which was part of the output up on the slide that the secretary referred to earlier. So we have a budget allocation for health and wellbeing programs in addition to the appropriation through the 2015–16 budget for the specific Safe Schools program.

**Mr T. SMITH** — But the budget allocation as of 2015–16 has not changed. Is it still \$1.1 million or is it greater than that?

**Ms HAIRE** — So the specific allocation to the Safe Schools program made in 2015–16 is \$1.04 million; however, there has historically been additional funding from the department’s base funding for health and wellbeing and there has also been funding from the Department of Health and Human Services as part of the youth suicide prevention program.

**Mr T. SMITH** — You said that was in the order of, what, \$100 000?

**Ms HAIRE** — From the Department of Health and Human Services?

**Mr T. SMITH** — Yes.

**Ms HAIRE** — It is 120 — —

**Ms WARD** — A point of order, Chair. Can I just have some clarity on whether we are still talking about the 2015–16 period?

**The CHAIR** — We are.

**Mr T. SMITH** — We are talking about it. We are talking about the 2015–16 period. Can you stop interrupting; please, Chair.

**Ms HAIRE** — In 2015–16 the Department of Health and Human Services provided \$120 000 to the Department of Education and Training under the Healthy Equal Youth project funding output.

**Mr T. SMITH** — Thank you very much. So in terms of these new positions, is Roz Ward going to be eligible for consideration for any of these advertised positions?

**The CHAIR** — That is outside the scope of our terms of reference, is it not, Mr Smith, if it is relating to — —

**Mr T. SMITH** — Well, we are talking about a budget allotment from 2015–16.

**Ms CALLISTER** — We cannot advertise positions with exclusions against particular people. We obviously have to advertise positions, Mr Smith, so that people go through a transparent, open employment process and meet the eligibility criteria for the program.

**Mr T. SMITH** — Thank you very much for your answer. So why then is the government distancing itself from Roz Ward?

**Ms CALLISTER** — I am sorry, I do not understand the question.

**Mr T. SMITH** — Well, I understand that Roz Ward was heavily involved in this program towards the end of 2015–16, and now she is not.

**Ms CALLISTER** — I think Ms Ward has been part of the La Trobe University team that has worked on the development of the Safe Schools program. As the department moves to take full responsibility for the program after discussions with La Trobe University, we have advertised positions to supplement the people that we already have in health and wellbeing who work on that, and we will appoint a group of people who will take the program forward and will build off the work that has already been achieved to date.

**Mr T. SMITH** — Why did that change? What did it go from you outsourcing this at La Trobe to bringing it into the department?

**Ms WARD** — On a point of order, we are talking about a current period now.

**The CHAIR** — We are. I think some of the answers that have been provided today go beyond the 2015–16 year. I will allow Mr Smith to continue his line of questioning, but I just think it is important, and I would remind members and I remind witnesses, we are talking about the 2015–16 year. That is why we are here. The terms of reference are for the 2015–16 year in question. Of course that will sometimes stray into the current financial year, but I would encourage people to make sure their questions and answers relate to the period in question.

**Ms CALLISTER** — So I will just respond to Mr Smith. This program began in 2010, and it has continued to evolve and grow. It has obviously been breaking some new ground. Over 60 per cent of our Victorian government secondary schools have signed up as members of the Safe Schools Coalition, and this continues to grow. We understand there is strong support for the program. It is not unusual as something moves from early development to become far more mainstream across our system for the department now to say, ‘We want to build on the work that was done and expand that to all government secondary schools by the end of 2018’. I think by bringing it under the department’s direct management means that we can look at how the program is used across the whole system, we can ensure that it supports the needs of all students where it is required to and we can build on what started as something relatively small and new.

**Mr T. SMITH** — Okay, but why did it move?

**The CHAIR** — Last question.

**Ms CALLISTER** — I think I answered that. I am sorry, I did try and answer that, Mr Smith. It moved because we think, now with the department taking responsibility for the program as it becomes far more mainstream, that we will have a better sense of how we will build it into our work going forward and make sure that it meets the needs of all students across the system. It is not an unusual thing for the department to do.

**Mr DIMOPOULOS** — Secretary, I just want to bring you to your slide and the annual report references to the work you have done with integrity. You talked about integrity reform milestones — and just some background that you obviously are fully aware of. In the VAGO report tabled in October 2015 the Auditor-General’s office noted:

As the recipient of 29.5 per cent of the state’s budget, it is essential that the Department —

your department —

plans effectively and strategically in order to perform its roles and achieve its outcomes, and ultimately achieve value for money.

One of the outcomes was:

Longstanding governance weaknesses have resulted in systemic failures across the organisation — evidenced from an effectiveness, efficiency and economy perspective in the results of the 27 VAGO audits over five years.

There is a whole bunch of other stuff. You know that it was an outrageous breach of trust of the taxpayer in terms of the stuff that went on. You obviously have come in, and you have helped clean the place out, to use a colloquial term. When you were giving us your report on the 2015–16 financial year in relation to the integrity reforms I got a sense that the kind of reforms that the department has now undertaken will set it apart from a lot of other organisations, I think. Sometimes you have to go to the depths to come out at the top.

I want some clarification of a couple of the points that are of interest to me. On page 15 of your slide ‘Integrity reform milestones’, under ‘Systems’ you have got four tick points that refer to funding: ‘Acquittal of student resource package’, ‘Corporate procurement model’, ‘School procurement model’ and ‘Funding governance’. I am trying to get a sense of the systemic reforms. Obviously a lot of the integrity issues were about misuse of taxpayer money by employees of the department. Can you give me a bit more of a sense of the detail of these reforms for those four specifically?

**Ms CALLISTER** — Just to be clear, Mr Dimopoulos, you mean the four under the ‘Systems’ heading?

**Mr DIMOPOULOS** — Yes.

**Ms CALLISTER** — Or in the four boxes?

**Mr DIMOPOULOS** — No, sorry. The four under the ‘Systems’ column. I know what ‘Cessation of “banker school” model’ is, because we all found out through the *Age* newspaper, but what do the others mean?

**Ms CALLISTER** — We are probably all in complete agreement that the issues uncovered in the two IBAC investigations are pretty appalling. They go to culture as well as accountability processes and procedures. I think even in the Dunham report IBAC point to in financial circles the relatively well understood notion of three lines of defence and make the point that all three lines of defence in the ultranet project all completely failed.

I do just want to make one point of clarification that my predecessor in education, who was there for a number of years, did start to identify a number of these things and —

**Mr DIMOPOULOS** — That is right.

**Ms CALLISTER** — in the case of the ultranet project made the referral to IBAC.

**Mr DIMOPOULOS** — That is generous of you not to claim total responsibility for the clean-up.

**Ms CALLISTER** — It is accurate that some of that work had already begun. But I think what my predecessor would also agree with is that, once we actually had the hearings, nobody had really understood the extent of some of the criminal behaviour, poor culture and actual failure of a number of procedures and processes. What we were faced with once we had the actual hearings was understanding the extent of work in front of us. The other thing that I think you referred to in your question that became evident was that the Victorian Auditor-General also had a number of concerns, and that in, I think, the 2015–16 year — —

**Ms ATTA** — It was 2014–15.

**Ms CALLISTER** — Sorry. In 2014–15 we did not have a signed opinion by the Auditor-General, and we received what they referred to as a disclaimer of opinion. That related to our accountability for school budgets and to the clarity of our asset register.

An enormous amount of work that is in the description of those items under ‘Systems’, apart from cessation of banker schools, which was more straightforward, has been about how we change the way in which we audit and account for school cash and budgets. I will ask Ms Atta to describe that in a little bit more detail in a minute. We have gone through a very lengthy and extensive process with our audit and risk committee, with the Auditor-General’s office and some huge changes to our own processes to audit and account for school bank balances in a different way. We also had a full and complete independent revaluation of every school asset by the valuer-general last year.

Those changes, which were extensive and very intensive for the department, did ultimately result in the signing off of our accounts last year, which we were extremely pleased about. But that has been with an enormous amount of work. Obviously a lot of that is about our internal systems and processes, but we have also been focusing on how we make sure that all the business managers in schools have proper financial training. We have increased the amount of training for that and governance training for school councils as well as a huge amount of training for principals. We can go out and audit, but obviously what we want to find when we do our audits and data analytics is that things are good, and to do that we have to make sure that we have got the financial competence and accountability in our business managers, our principals and — —

**Mr DIMOPOULOS** — Volunteers, parents.

**Ms CALLISTER** — Yes.

**Mr DIMOPOULOS** — Just quickly — —

**The CHAIR** — Your last question.

**Mr DIMOPOULOS** — Ms Atta, could you give me a brief actual example of corporate procurement and school procurement — what it was before that helped create the vacuum for the trouble? At a very plain English level, can you give me an example of what is fixed?

**Ms ATTA** — Sure. If we take school procurement, the purchasing of goods and services at the school level had operated very much at the autonomous school level. There were some guidelines around purchasing but inadequate scrutiny across what was happening across the school system and risk assessment in terms of larger value procurement versus much smaller everyday purchasing. The reform program will and is establishing a specialist school procurement unit within the education department that will set up clear policy, guidance and systems for schools to operate within as well as taking responsibility at the central level for some elements of purchasing where there can be better value for money outcomes based on scale or where there is more expertise within the department to manage particular types of procurement.

We are also moving towards a set of data and systems that will allow us to have an analytical capability to better scrutinise and understand where there are outlier purchases where there are anomalies.

**Mr T. SMITH** — Returning to Safe Schools, you said before I think that 60 per cent of secondary schools have taken up the program? Is that correct?

**Ms HAIRE** — Yes, that is right, Mr Smith, as at the end of December last year.

**Mr T. SMITH** — How many government schools therefore raised objections to delivering the program in the 2015–16 period?

**Ms HAIRE** — I do not have any data on government schools raising an objection in the 2015–16 year.

**Mr T. SMITH** — Not one school?

**Ms HAIRE** — I do not have any data on that; I am sorry.

**Mr T. SMITH** — Will you take this on notice, please?

**Ms HAIRE** — Sure.

**Mr T. SMITH** — What is your department's, I suppose, response to school communities and parents who have expressly stated that they do not want their children to participate in this program?

**Ms HAIRE** — We have not had any in the 2015–16 year that I am aware of, but I can certainly look into that and let you know, if appropriate, what the response is.

**Mr T. SMITH** — Your response?

**Ms HAIRE** — The department's response.

**Mr T. SMITH** — That would be greatly appreciated. I suppose as a follow-on from that question — you are saying that you did not receive any complaints, which I find very hard to believe, but anyway — would you allow children to withdraw from the program if the parents had a legitimate objection?

**Ms WARD** — That would be within the 2015–16 period — children wanting to be withdrawn who have not been withdrawn?

**Ms CALLISTER** — I suppose it depends on how you classify a complaint. So we know in this area that we are dealing with a continuum of people's understanding of the sorts of issues that Safe Schools is about. It is essentially an anti-bullying program for young people in schools —

**Mr T. SMITH** — A lot of people disagree with you about that.

**Ms CALLISTER** — and it is up to schools to implement it to a greater or lesser degree how they wish. So there is no prescription about a certain number of classes or certain resources or a certain way of doing it. In some schools it is purely a statement to their students that, 'This is meant to be a safe and inclusive place for students that we know may have periods where they are extremely vulnerable and sometimes at personal risk'. So it is about being able to say, 'We're safe. We're inclusive. We're all students'.

For some schools that means that they incorporate some of those messages into a range of their programs, and for other schools it may be that where they have got young people that are more particularly in this category, they may do further work. It depends as well, I think we have seen, on the student communities, because in some schools we see student communities who want to participate and be very strong on these issues.

Where parents express concern, where parents are worried and where parents have maybe an idea about what the program might be about that is misunderstood, what I think principals try and do is what they do with parents with any program where parents express concern. We know in schools parents have all sorts of views and we take them into account in how we work with them and their children.

So I think what principals try and do is educate their community, their families, to understand what the program might be about. I think they genuinely want to utilise it in ways that will suit their community. That will be very, very different, and I do not think anybody is forced to participate in things that they find terribly uncomfortable, but we do have a whole range of things where principals work with their communities to help build understanding about things that might be new.

**Mr T. SMITH** — You have just said that you do not force people to do things that they may feel totally uncomfortable about, yet this program is compulsory, so how does that work?

**Ms HAIRE** — Mr Smith, I think, as the secretary has just outlined, one of the misunderstandings that is in the public domain is that Safe Schools is an element of the teaching or the lessons, and in fact that is not the case. Safe Schools is, as the secretary has said, in some cases a pledge. It is a policy about keeping all children safe and in particular children and young people who may be vulnerable. The distinction becomes important because it is not an element of the curriculum, it is not an element of the teaching program — —

**Mr T. SMITH** — So you are denying that it is compulsory?

**Ms CALLISTER** — No. I do not know about compulsory, Mr Smith. I think — —

**Mr T. SMITH** — With respect, Secretary, that is the language that is coming out of the government, so can you clarify this for us?

**Ms CALLISTER** — I think what we want is for every secondary school to have signed up to Safe Schools so that every secondary school has an approach to some of the most vulnerable young people, whom we know can be at quite significant risk, of understanding that a lot of these young people will be in their communities and they need to feel safe. How they implement that, what they do about that, is very, very variable and relating to the local community.

**Mr T. SMITH** — If I move into the specifics of ‘All of us’ in the Safe Schools curriculum, it says that the person is a heterosexist if they do not use the right pronoun, name and identity label or are guilty of misgendering by using language that does not match how the person describes their own gender, identity or body. What I am trying to get at is with these sorts of loaded terms how does that help improve student performance in the basis of our education system — English, maths and science — and lift the standards that we all know, through your own presentation, surely need to be improved?

**Ms HAIRE** — Mr Smith, as I outlined earlier, the Safe Schools program is a policy approach for schools to adopt in order to keep all children safe, particularly children and young people who are vulnerable and particularly children and young people who may be subject to bullying because of being gay, lesbian, trans or intersex. The materials that you are referring to are not curriculum materials; they are materials that are produced by the Safe Schools program to support schools, should they choose to use those materials, in implementing those policies for keeping all their children safe, as the secretary outlined.

Some of the many things that schools do in implementing the Safe Schools policy, for example, are ensuring that their communication and their school events are inclusive and welcome diversity. There is, however, no prescription as to how that might be done. The goal and the intent is to ensure that no children or young people are subject to bullying, which, as we all know, has had some tragic consequences.

**Ms PENNICUIK** — Welcome, Secretary, and everyone else for coming along, the staff who are at the table and those in the gallery. We always appreciate you coming to answer our questions. I just want to ask some questions about training, but I wondered if I could just follow up very briefly on the issues that Mr Dimopoulos was raising.

**The CHAIR** — Sure.

**Ms PENNICUIK** — Thank you for your presentation outlining the integrity reform. Secretary, as you would understand, I have of course raised this I think every time we have met. I have raised these issues that are particularly about Operation Ord and, just more recently, about the ultranet. I just want to ask — —

**Ms CALLISTER** — Ms Atta.

**Ms PENNICUIK** — Ms Atta — none of us can read those labels from this distance, so I apologise for that. Just briefly, I was always concerned about the level of autonomy given to schools, and that was raised in Operation Ord — that there was basically, let us say, inadequate oversight of that. Just at the end there you were mentioning something that was going to come into place in terms of more oversight of the procurement in schools. I just wondered if you could tell me exactly what that is going to look like in terms of how schools go about procuring larger scale procurements, or smaller scale — the department oversight — because to me that is the crux of it.

**Ms CALLISTER** — Yes. I will get Ms Atta to answer, but as you say, this is quite a big change. It is part, I guess, of us seeing public education as a system with some differences down at the school level but some more consistent approaches to a number of key things, including procurement. So this is quite a big change after more than a decade of more devolved financial decision-making. So I will ask Ms Atta to respond more specifically.

**Ms ATTA** — Thanks, and it is a really important reform for the department, which we start rolling out later this term. So we will have a specialist school procurement unit within the department. The bulk of the purchasing will still take place at the school level, but we have a policy framework and guidance and training sitting across that, particularly to support business managers across our schools, who can carry out a lot of that purchasing.

The key differences are that the specialist unit will do a lot of the sourcing work and the pricing. Schools will effectively, for common purchasing requirements, move toward a catalogue-type system, where we will have established prices and suppliers, and they will more efficiently be able to use that guidance and that information to source the goods. So that will reduce some burden on schools in terms of going out, seeking three quotes, sourcing the pricing for each purchasing activity. But importantly for more significant areas of purchasing, particularly where there is higher cost and/or higher risk around quality, the department will progressively be looking to be able, either on an area or a regional basis or a statewide basis, to manage that purchasing for schools.

The other really important part of this will be a much greater capability for the department to look at system-wide data, as I said earlier, to be able to have a better understanding of purchasing happening across the school system and to identify where there might be any anomalies, any outliers, any areas of investigation for us or indeed any areas where we need to provide greater support to schools.

So there will be much greater central oversight. There will be some management of a higher value or higher risk procurement at the centre but much greater support at schools, where the bulk of the purchasing will continue to take place.

**Ms PENNICUIK** — Yes, but as you say, with greater oversight by the department, so I am very pleased to hear that after pursuing this issue for quite a while, and it is really good to see it outlined in your presentation.

**Ms CALLISTER** — Thank you.

**Ms PENNICUIK** — I will keep watching that space. Chair, if I could just go on to the questions that I had, which were regarding the refocusing of vocational education and training in Victoria and particularly the responses to the general questionnaire, section A, on pages 2 and 3 in particular. One question is: could you tell me, if you are looking at page 3, what is the actual technical difference between ‘number of government-subsidised course enrolments’ and the one just two under that, ‘number of students enrolled in government-subsidised courses’?

**Ms CALLISTER** — I will ask Mr Robertson to answer that.

**Mr ROBERTSON** — In technical terms, the first one is the person coming in and enrolling, the second one is a student who is enrolled and/or continuing.

**Ms PENNICUIK** — Is there an overlap there?

**Mr ROBERTSON** — There would be.

**Ms PENNICUIK** — And what is the overlap? Is the overlap the difference?

**Mr ROBERTSON** — Sorry, I explained them the wrong way round. So if I go to the second one, ‘number of students enrolled in government-subsidised courses’ is a subset of the number of government-subsidised course enrolments. One is the number of students enrolled in government-subsidised courses — the process of enrolling — and the number in subsidised courses is the enrolments plus the continuing students.

**Ms PENNICUIK** — So the top one is the overall?

**Mr ROBERTSON** — It is the broader number.

**Ms PENNICUIK** — And number 3 is a subset of number 1?

**Mr ROBERTSON** — A subset, yes.

**Ms CALLISTER** — The top is an aggregate stock.

**Ms PENNICUIK** — Got it. With those figures there does the department have a breakdown of both of those figures in terms of enrolled in public TAFEs and enrolled in private training organisations?

**Mr ROBERTSON** — Yes, we can. We may need to take that on notice or I will be getting that information during the course of the session.

**Ms PENNICUIK** — Thank you. Also with the measure of government-subsidised student contact hours of training, which I think is on page 2, 181 million hours was expected but 154 million hours was the outcome. It is sort of a very large figure that does not mean a lot in an aggregate, so are you also able to break that down or provide figures as to the breakdown between public TAFE and private training organisations?

Also — I ask this question in particular because this is the other area I am sure, Secretary and deputy secretaries, that I do pursue in these committees — you just mentioned over the last 18 months you have been cracking down on quality. One of the issues is contact hours in terms of quality, and I would really appreciate some sort of breakdown in terms of contact hours across the RTOs and the public TAFEs for particular key courses, such as apprenticeships, where the contact hours are very important to the quality of the training. It is good to see that you are cracking down over the last 18 months, because we certainly had six years of not much cracking down on quality and rotting of the system. So, could I trouble you for those?

**Mr ROBERTSON** — Perhaps if I could — —

**The CHAIR** — Briefly.

**Ms PENNICUIK** — Thanks, Chair.

**Mr ROBERTSON** — Perhaps if I could just give an explanation of why we measure things in hours. One of the key ways that we do that is a lot of VET courses vary in length of time, primarily because they are trying to meet industry need. One qualification at the same qualification level can often be a different effort required, so there is an hour measure that is used. So that is sort of the base unit of measurement and we assign a number of hours, what we call nominal hours or delivery hours, against a qualification, and we have indicated to all training providers that we will be looking very closely at that in terms of the delivery that they provide. To give you a bit of a sense though in terms of how Victoria is going: on average in 2015 Victoria was top of the pile in terms of number of hours delivered. We had 390 hours per student compared to say, for example, New South Wales at 240 hours per student on average.

**Mr DIMOPOULOS** — Secretary, I just want to ask you a couple of questions, and just by way of introduction — not that I am an expert, but to assist the committee — I just want to say that obviously we all know that the Safe Schools program was the child of the Liberal Party under the Baillieu government.

**Mr T. SMITH** — That is not correct.

**Mr DIMOPOULOS** — It was announced in 2010.

**Mr MORRIS** — It was a program of the same name, but it was a different program.

**Ms WARD** — I am not quite sure that is accurate, Mr Morris.

**Mr DIMOPOULOS** — It is interesting how you go about criticism.

**Mr MORRIS** — Let us get some accuracy if you are going to go back outside the period.

**The CHAIR** — Order!

**Mr DIMOPOULOS** — It is introduction, Mr Morris. It is an introduction to my question to the secretary.

**Ms WARD** — It is preamble, Mr Morris. It is preamble to a question. You have already been reprimanded for interrupting people while they are asking their question, Mr Morris.

**Mr DIMOPOULOS** — Secretary, in setting the context for my question to you — —

**The CHAIR** — Order!

**Mr MORRIS** — Stop telling lies, and I will stop interrupting you.

**Mr DIMOPOULOS** — In setting the context for my question to you, Secretary, I am reading from a media release by the Premier of Victoria on Monday, 6 June 2011:

A program that helps schools challenge homophobia and support diversity will be expanded by the Victorian coalition government as part of its commitment to safe and caring schools.

Education minister Martin Dixon said Safe Schools Coalition Victoria helped schools explore the impact of homophobia on young people, how homophobia can be challenged in schools and classrooms and what support same-sex attracted and gender questioning students need.

Safe Schools Coalition Victoria a partnership between the Department of Education ... La Trobe University, Rainbow Network Victoria and the Foundation for Young Australians is almost 12 months old but has no ongoing provision for funding.

**Mr MORRIS** — Come on, Chair, we have been lectured about keeping within the period.

**Mr T. SMITH** — That is 2011, Chair, so what is going on in 2015–16?

**Mr MORRIS** — Give us a break!

**The CHAIR** — Order! The member is entitled to have a preamble which will form the basis of his question.

**Mr MORRIS** — He is not entitled to entirely misrepresent the truth.

**Mr DIMOPOULOS** — I am concluding my preamble, Chair and Mr Morris.

**Mr MORRIS** — He is not entitled to entirely misrepresent the truth. It may be standard operating procedure for the Labor Party, but I am not going to sit here and listen to it.

**Mr DIMOPOULOS** — I am reading from a Premier of Victoria's press release. There is nothing untruthful about that.

**Mr MORRIS** — Yes, and if you knew anything about the program you are trying to misrepresent, you would know that Safe Schools now and Safe Schools then are two entirely different programs. You are trying to simply misrepresent our position. We are not going to have it, Chair. We are simply not going to have it!

**The CHAIR** — Order! Mr Dimopoulos, your question.

**Mr DIMOPOULOS** — Who would have thought reading from a press release would be so provocative. Nonetheless, Secretary, you and I both know you cannot catch gay. You either are or you are not, so there is no association between teaching people how to be respectful and them being converted to being gay.

Having said that, you gave some answers in relation to Mr Smith's questions about that line I think that Mr Smith read out. My understanding — and I may be wrong about that line that he read out — was that that is just one of a number of resources available to teachers in schools, that the teachers in schools may want to use as they like. For example, and I do not know this for a fact so I am asking for confirmation or otherwise, the teacher may want to just inform him or herself before they have a conversation with an individual student in a

counselling session or in a classroom one on one to help that student with questions they are asking. Can you give us some granulated examples of how that resource would be used in that way, because I doubt that that line would be read out necessarily to a class of 30 kids in a session?

**Mr MORRIS** — In 2015–16.

**The CHAIR** — We realise it is in 2015–16, Mr Morris.

**Mr DIMOPOULOS** — In 2015–16.

**Ms CALLISTER** — Yes. I will ask Katy.

**Ms HAIRE** — Thank you, Mr Dimopoulos. As I said in my earlier response, Safe Schools is not an element of the curriculum. It is a policy that secondary schools are asked to comply with in order to ensure that all students, particularly those students who are vulnerable and in particular those students who are vulnerable because of being LGBTI, have a safe environment. The Safe Schools Coalition has over the years developed a range of resources to support schools to create a safe environment. Those resources range from pamphlets that might be used to support students who are vulnerable, who are discovering their sexual identity and who need some additional information. It is also information for teachers, to assist them to support individual students. So that is one set of the kinds of resources that are developed, which are publicly available, as you probably know, on the Safe Schools website, which is now housed on the Department of Education and Training website.

There is also a range of things to assist schools to implement policies across their school to ensure that they are not accidentally or inadvertently excluding students or exacerbating the vulnerability that certain students might feel. That ranges from advice or suggestions about how a school formal might be organised, how invitations to school events might be addressed — it ranges across a whole lot of communication and community engagement as well as support for individual students. So it is a range of resources to support the implementation of that policy approach, which is to ensure that students are safe.

**Mr DIMOPOULOS** — Ms Haire, from what you have said, in the 2015–16 financial year it would not be unreasonable to assume that in fact probably in no circumstances not even one school in Victoria used every single part of those resources to a class of 30 students as a group. I mean, it is optional. It was not mandatory, was it? The only mandatory element, from what I understand from your evidence and from the secretary's evidence, is to have an approach and a policy approach but that is then worked out with the school community.

**Ms HAIRE** — That is correct, Mr Dimopoulos, and the element for secondary schools is to undertake the pledge — it is called the Safe Schools pledge — to ensure that the secondary school is safe and inclusive for all students and in particular those students who are vulnerable due to being LGBTI and to take appropriate steps, appropriate to the students and the community, to ensure that there is not bullying or harassment of any student and in particular those particularly vulnerable students.

**Mr DIMOPOULOS** — So the department —

**The CHAIR** — Last question.

**Mr DIMOPOULOS** — is just as unlikely to reach out and interfere with the individual direction of a school community to say, 'Use Safe Schools' or, 'Do not use Safe Schools'. They will decide how they use Safe Schools. They just have to have an approach.

**Ms HAIRE** — That is right.

**Mr DIMOPOULOS** — You will not mandate what that is. I mean, that is one way or the other. That was more of a comment, Ms Haire. The question I want to ask you finally — very genuinely, I suppose, some of the rumour-mongering, some of the really irresponsible commentary coming from people like Mr Smith and others, gets people upset unnecessarily — is: Safe Schools does not interfere with maths, English, geography, does it?

**Ms HAIRE** — No.

**Mr DIMOPOULOS** — Can you please explain in the 2015–16 financial year how those parts of the curriculum were delivered and were they delivered in a sub-optimal fashion because of Safe Schools?

**Ms HAIRE** — As I said earlier, Safe Schools is not an element of the Victorian curriculum and so it is not a component of the requirements for Victorian schools in the —

**Mr DIMOPOULOS** — Teaching.

**Ms HAIRE** — teaching. It is a policy. If I can perhaps give you the names of some of the resources, they will perhaps help to illustrate. Some of the resources produced by Safe Schools which are now on our website include a ‘Guide to kickstarting your safe school’. That is a guide for principals or senior teachers in how they might implement the policy. Another one is a ‘Guide to hosting inclusive school formals’. It is a series of suggestions to assist the school leadership, or in some cases of course the student body who may be organising the formal, to ensure that there is not inadvertent exclusion or harassment. That is the type of resource that there is. I think that part of the confusion perhaps in the public domain is between that idea of a policy in the school —

**Mr DIMOPOULOS** — And the teaching.

**Ms HAIRE** — and the curriculum.

**Mr DIMOPOULOS** — And the curriculum. So it is not part of the curriculum.

**Ms HAIRE** — It is not part of the curriculum.

**Mr DIMOPOULOS** — So maths and English will be okay. They will survive.

**Ms HAIRE** — Maths and English are part of the curriculum.

**Mr DIMOPOULOS** — From the gays. They will be okay. Gays will not affect them. Thank you very much for your evidence.

**Mr T. SMITH** — You are suggesting that this Safe Schools program is not a curriculum, yet it is a different category of learning tool, shall we say.

**Ms CALLISTER** — It is a bit like all the resources we have, Mr Smith, around anti-bullying. Because one of the things we know is that if children are bullied at school, if they feel unsafe at school, if they feel scared at school, they do not learn. It does inhibit learning. You cannot take a child who thinks that in the playground they are going to be isolated for any reason — possibly harmed, teased — and you cannot put that child in a maths or English class and say, ‘Oh, I’m in maths and English; I’m going to learn and deal with the fear’. So we know that — —

**Mr T. SMITH** — Do you have a breakdown of complaints of children being bullied in secondary school by cause?

**Ms HAIRE** — By course?

**Ms CALLISTER** — Cause.

**Ms HAIRE** — By cause. I would have to take that on notice whether we have that. But we know we have had a number of anti-bullying programs — —

**Mr T. SMITH** — I know you know, but I want to know what — —

**Mr MORRIS** — The evidence.

**Mr T. SMITH** — What is the evidence?

**Ms HAIRE** — For bullying?

**Mr T. SMITH** — Show me the itemised evidence of who is being bullied for what.

**Ms HAIRE** — We have had a lot of evidence about bullying in schools, and there have been a number of initiatives that pre-date us right here, right now, about anti-bullying measures. I think various governments

across both sides of politics have tried to address bullying in schools, because we know the harm it does to adults and we know that it affects people's learning. There is a lot of evidence — —

**Mr T. SMITH** — I am not disputing the harm that bullying does — at all.

**Ms CALLISTER** — Okay.

**Mr T. SMITH** — People are saying 'we know'. I am asking an informed question with regard to, 'Okay, show me what the evidence is' — I am interested.

**Ms HAIRE** — The evidence on bullying and its impacts?

**Mr T. SMITH** — Yes, and the causes of that bullying.

**Ms CALLISTER** — Okay. I am sure we can take that on notice and bring you some material.

**Mr T. SMITH** — Thank you very much. Just going back to what I was asking the deputy secretary: is this curriculum or whatever you want to call it taught in class time?

**Ms CALLISTER** — So 'curriculum' refers to the required elements of the learning program in Victorian schools.

**Mr T. SMITH** — All right. Let us use a different term. I do not want to get into semantic arguments around descriptions. Is Safe Schools — whatever you want to call it — taught, is it considered, is it learned, is it discussed in class time?

**Ms PENNICUIK** — On a point of order, Chair, I think the secretary and the deputy secretary have already answered that question about four times.

**Mr DIMOPOULOS** — Yes, at least.

**Ms PENNICUIK** — We all have other questions we want to ask.

**Mr MORRIS** — Sorry, no member of the committee gets to determine what questions other members ask as long as it is within scope.

**The CHAIR** — I will let Mr Smith continue with his line of questioning for the moment. I think the deputy secretary has broadly answered Mr Smith's question, but Mr Smith, please feel free to continue.

**Mr T. SMITH** — My question stands as put.

**The CHAIR** — Can you re-state it please?

**Mr T. SMITH** — In 2015–16 was the Safe Schools policy discussed by students and teachers in a classroom, and were resources provided accordingly?

**Ms WARD** — On a point of order, Chair, can I just seek some clarification. Do you mean as a class unit or do you mean as individuals?

**Mr T. SMITH** — I think this is a really simple question.

**Mr MORRIS** — If the secretary or the deputy secretary do not understand the question, they can ask.

**Ms WARD** — A classroom is a physical space.

**Mr MORRIS** — Yes, and if they do not understand the question, they will ask. They do not need you to interpret for them.

**The CHAIR** — Order! Look, we can keep the argy-bargy going across the table and deprive the secretary and the deputy secretary of any opportunity to respond to Mr Smith's question. The clock is ticking; I am mindful of time. If the secretary or the deputy secretary wishes to seek clarification in relation an aspect or an element of Mr Smith's question, they can do so. Otherwise I am happy for the question to be answered.

**Ms HAIRE** — As the secretary said earlier, the way the Safe Schools pledge is implemented differs from school to school. At some schools it manifests itself in having a particular bulletin board where information is available for students. In other schools it manifests itself in the way the school formal is organised or in the way communication happens to parents. It is possible that some of the issues that relate to bullying of LGBTI students would have been discussed in a classroom where such bullying had occurred. In fact if a school was signed up to the Safe Schools pledge, it would not be at all surprising that a discussion about bullying may have taken place in a classroom.

**Mr T. SMITH** — Okay, thank you. If we could move on to Respectful Relationships, have you had any feedback with regard to parents in the community being concerned about the resilience, rights and respectful relations learning materials, particularly for prep students?

**Ms HAIRE** — So on the Respectful Relationships program, there was no appropriation funding for Respectful Relationships in the 2015–16 financial year. However, it was introduced into the Victorian curriculum as part of the changes to the Victorian curriculum which took place in 2015 under the health and physical education learning area and the personal and social capabilities stream. So in relation to the year in question, the curriculum came into force in this year.

The Royal Commission into Family Violence, which brought down its report in March 2016, recommended the expansion of respectful relationships education in Victorian schools. That was based on some research which was carried out — that commenced in 2009 — by VicHealth. Then a pilot of respectful relationships education in 19 schools, which was sponsored by the office for women’s policy in DPC, took place in 2014.

The curriculum materials that you are referring to, Mr Smith, I believe are the materials that were released in 2016 under the rights, resilience and respectful relationships suite of material. That was released in October of 2016.

I would have to come back to you on whether there have been any complaints from prep students, and we would be happy to take that on notice.

**Mr DIMOPOULOS** — And that would be in the next session next year because it is the next financial year.

**The CHAIR** — Last question, Mr Smith.

**Mr T. SMITH** — Are you aware that lesson plans recommend reading and discussion of picture books for children of kinder age like *I am Jazz* about a transgender child and which goes on to explain that one’s gender is about who you know you are deep inside. How do I say this? Is it not more appropriate for parents to be having these discussions with prep kids about transgender issues than teachers in schools?

**Ms HAIRE** — I am not familiar with the resource you are referring to. Are you able to give me a little bit more information on it?

**Mr T. SMITH** — ‘Welcoming Schools — a project for the Human Rights Campaign’ at [welcomingschools.org](http://welcomingschools.org). It is designed for kinder to grade 6 children — *I am Jazz*.

**The CHAIR** — Yes, but is it a school resource?

**Mr T. SMITH** — I believe so.

**Ms WARD** — So it is on the Victorian school curriculum?

**Ms CALLISTER** — I do not know what ‘Welcoming Schools’ is.

**Mr D. O’BRIEN** — The question, I guess, is a principled stance.

**Mr T. SMITH** — A principled stance with regard to — —

**Ms WARD** — Are you just making this up on the run?

**Mr DIMOPOULOS** — Chair, I may as well just pick some document in Bangladesh and ask the secretary for her opinion on some document in Bangladesh. It has no relevance to her portfolio.

**The CHAIR** — Order! Mr Dimopoulos!

**Ms HAIRE** — In relation to the teaching of Respectful Relationships to prep students in the Victorian curriculum, the main focus of that in the Victorian curriculum, under the health and physical education learning area and the personal and social capabilities area, is about dealing with conflict, treating each other with respect, non-sexist norms in the classroom. That is the main focus of the Respectful Relationships in the early years.

**Mr MORRIS** — Chair, perhaps during the break, which is obviously not far away, can we get clarification about whether the item that Mr Smith has referred to is in fact in the curriculum or not? I have advice that it is part of the curriculum but that may not be accurate, so let us find out one way or another.

**The CHAIR** — Mr Smith, can you just state what the book is called so the witnesses can make a note of it?

**Ms CALLISTER** — I am not aware of what that is, but we will seek some advice about it.

**The CHAIR** — So it is *I am Jazz*?

**Mr T. SMITH** — Yes.

**The CHAIR** — And where are you quoting that from, Mr Smith?

**Mr T. SMITH** — It is in the curriculum — [welcomingschools.org](http://welcomingschools.org).

**The CHAIR** — [Welcomingschools.org](http://Welcomingschools.org) — *I am Jazz*. Great. It might be my summer reading. I will ask a question. Secretary, when you came before the committee last year I spoke with you about the very large African-Australian community that resides in the state district of Essendon. Many of them are trying to find opportunities for work experience, internships or positions in government. I was wondering if you could advise the committee or inform the committee what progress you may have made in the last 12 months in relation to diversity, inclusion and working with the African-Australian community.

**Ms CALLISTER** — Thank you, Chair. In 2015–16 we did have a range of diversity and inclusion activities that covered a whole range of ethnic and cultural groups, including of course our Aboriginal community, and we have built the notion of inclusion into all of our programs and into how we develop our workforce. I know you have asked me about the African community, but I do just want to point out that we have quite a strong Koori education workforce of about 110 Koori education support officers and gradually some Koori teachers and in fact principals.

In terms of ethnic and cultural diversity in our workplace and our workforce, we are committed to improving diversity for all of a whole range of cultural and ethnic groups and indeed a range of groups that may be excluded. We participate in the youth employment scheme, the YES scheme, which provides opportunities for about 90 young people aged 15 to 24 who face barriers to employment. Our recruitment and selection policies make it clear that we are looking to provide fair and equitable access. We currently have a number of examples of diversity in our teaching and support worker workforce in a number of schools across Melbourne. Our Noble Park English Language School is particularly responsive to the needs of its students and has certainly employed teaching and support staff from relevant African backgrounds, particularly the Sudanese community.

You may have just seen our current TAFE campaign, which is featuring a young woman called Françoise Zaninka, who arrived in Australia as a refugee from Africa in 2010 and then completed a diploma of early childhood education and care at the Gordon. Her qualification has led to full-time employment at a childcare and kindergarten centre, which is a wonderful example of diversity starting to come into our early childhood sector, our schools sector and we also think into our TAFE sector. There are a number of people from African and Middle Eastern and other cultural backgrounds studying in our TAFE and VET sector. Françoise is an example of that diversity of our education system and our early childhood care and education workforce, and the fact that she has been able to learn English and utilise our training system to now come into our workforce in education is a really fantastic thing.

We positively promote diversity under our standalone cultural and linguistic policy for our workplaces, and perhaps most importantly we have a new 2016–18 cultural diversity plan that we are about to implement in the department. One of the key things that we will be doing is improving our data collection so that we can report more accurately on the cultural diversity of our workforces across our teaching and corporate and regional

support staff. We do aim to monitor this to consider what are some of the more proactive actions that we can take regarding diversity. We also have some work as part of that soon-to-be established or launched work improving the cultural competency and intercultural capability of our staff across all of our workforces through cultural training and understanding, particularly in places where we know we need to keep up with the changing and diverse needs of our population.

So there is some work well underway and some good anecdotal examples and a plan that, I hope, next year when you ask me that question, will have some data to report.

**The CHAIR** — That would be helpful and useful, because one of the challenges that I think many African-Australian young people have is that they just do not have the links and contacts that Anglo-Australians do. The reality is that, if you live in public housing, probably 95 per cent of your neighbours have got a government transfer payment as their principal form of income. You might be smart and you might be working hard, but you just do not have the ability to connect outside of your community, and no matter how hard you work, when you then try to apply for a position, you do not have that opportunity because you have not had the work experience that, say, someone who is from a different cultural background or who lives in a different part of Melbourne has. So I think that would be good.

One thing that I would be keen for you to take on notice as well, Secretary — and I am happy to discuss this perhaps next year — is that I think, particularly with some of the African-Australian males when they are in secondary school, some of the evidence that I have picked up in my electorate is that grades start to fall away in those middle high school years, the achievement gap grows larger and so they tend to fall through the cracks. I would be really interested in whether the department has got any thoughts about how to engage more with African-Australian males in that 14 to 18-year-old range. Take it on notice —

**Ms CALLISTER** — I will.

**The CHAIR** — and I am sure we can revisit it next year, Secretary. On that note, we will break for 10 minutes, and then we will resume.

We will resume. Secretary, I think you have got some answers to questions on notice.

**Ms CALLISTER** — Thank you, Chair, I do. I have an answer to Mr Morris's question about assaults on staff at Parkville College in 2015–16, and Ms Haire has some information for Mr Smith about bullying data.

To answer the first question, there were no WorkCover claims from Parkville College staff relating to student assaults in 2015–16, and there were no Edusafe reports, which is the report that might then generate a WorkCover claim.

**Mr MORRIS** — So were there no reports that might initiate WorkCover claim?

**Ms CALLISTER** — Not about client-to-staff assaults in 2015–16.

**Mr MORRIS** — Does that mean there were no assaults on staff?

**Ms CALLISTER** — That is correct, because there were no Edusafe reports recorded and then no WorkCover claims in that year.

**Mr MORRIS** — Thank you. I appreciate it.

**Ms HAIRE** — In relation to the request for some data on the incidence of bullying of LGBTI young people, a national survey published in 2010 which surveyed young people aged 14 to 21 from across Australia found that 61 per cent of young people reported verbal abuse because of homophobia; 18 per cent of young people reported physical abuse because of homophobia; 69 per cent reported other forms of homophobia, including exclusion and rumours; and 80 per cent of the respondents reported that the abuse described above occurred at school.

**Mr T. SMITH** — Chair, if I might respond, that was not the question I asked in the slightest.

**The CHAIR** — You have asked a series of questions around the levels of — —

**Mr T. SMITH** — I asked for a breakdown by cause of bullying in Victorian schools, not a report from 2010, and not a national report, by any stretch.

**Ms CALLISTER** — Perhaps we can say that we have at least in part answered Mr Smith's question because we have given — —

**Mr T. SMITH** — No, Secretary, you have not answered my question in the slightest.

**Ms CALLISTER** — I understood you asked for data about LGBTI bullying in schools by cause or type, so that gives you a more granulated piece of information than we had previously. There will be broader information about bullying, and then the third component was evidence.

**Mr T. SMITH** — Secretary, I asked for a breakdown of bullying in schools in Victoria by different causes, not just — —

**Ms WARD** — You then went on to ask more questions, Mr Smith.

**Mr T. SMITH** — I know exactly what I asked, Ms Ward. I do not need your assistance.

**The CHAIR** — Mr Smith, I would make a couple of observations. One is that you have asked a series of questions around this area. In one you specifically asked for data to be provided to you to indicate the causes of bullying. The secretary has provided what I would regard as a prompt response to some of those questions. You are certainly entitled to make the point about asking for additional information about causes. Obviously the secretariat will go back through the transcript to make sure that every offer for a question to be taken on notice will be provided to the witnesses to provide a response. I suppose what I am trying to say to you is that you did ask for data, and data has been provided. We will ensure that the answers to questions on notice address the questions which were raised.

**Mr MORRIS** — Chair, can I just make the point — and we discussed this offline — that this is a very good example of two different interpretations or recollections of the words of the question where a matter has been taken on notice. In fact because the excitement was too much for me earlier I was actually reading through the transcript from the DHHS hearings, and there was a question asked by another member resulting in a contested matter between Ms Peake and me about whether the word 'inducement' had been used or whether there had been any reference to it. The secretary maintained steadfastly that that was the case through the transcript, and I maintained that it was not. According to the transcript I am right and she is wrong.

I am not saying, 'Aren't I terrific? I got it right, and she didn't', because I think in the context of the question it was entirely reasonable that she would have thought we were asking about inducements, so I am not being in any way critical, but the matter was to be taken on notice, and the transcript stands for itself.

The point I want to make in this case is that the question is on the transcript, and while the information is useful I do not think it in any way provides a response to the question that was actually asked. If there is no data available, and that is the answer, then that is fine. If there is, then we would like it. But I think it is important that we go to the transcript rather than seeking to interpret questions on notice in the run of the meeting.

**The CHAIR** — That is fair enough. The secretariat will comb through the transcripts and will make sure that we have got those questions provided to the witnesses to provide a response.

**Mr MORRIS** — As no doubt will members who asked the questions.

**The CHAIR** — Indeed. I suppose the point I was just trying to make was that Mr Smith asked a series of questions, and I specifically recalled that one of the questions Mr Smith asked was, 'What data do you have on bullying?'. I suppose the department has come back quickly and promptly to be responsive to Mr Smith's question. As the Chair of this committee I want to acknowledge the fact that I think it is helpful and useful when witnesses come back and promptly provide information. Now, I take Mr Smith's point that he feels that his question has not been answered. Again I will reiterate the point that we will go through the transcripts and we will identify that, but I think it is important to acknowledge and to recognise the fact that the witnesses have sought to answer your question. Now — —

**Members interjecting.**

**The CHAIR** — Okay, we can keep going around this if you like — —

**Members interjecting.**

**The CHAIR** — Order! My point was merely to say, Mr Smith, that you asked a series of questions, and I felt that the department had been responsive in trying to provide you with data to one of your questions. Again, we can go back through the transcript, and we will identify these questions which have been offered to be taken on notice. Now, the opposition has the call.

**Mr D. O'BRIEN** — Secretary, can I just talk early childhood education for a moment. The department's annual report 2015–16, page 6, lists the participation rate for Victorian kindergarten children as 98.1 per cent. Can I just get a clarification how that figure comes up? Is that enrolments, is it presentations, is it headcount, daily, annually?

**Ms CALLISTER** — Yes, sure. I will ask Ms Haire to respond.

**Ms HAIRE** — So in 2015 Victoria had a record number of kindergarten enrolments and a record participation rate. The number of children enrolled in a funded kindergarten in 2015 was 74 149 children, and as you pointed out that was a rate of 98.2 per cent.

**Mr D. O'BRIEN** — So that is actually just enrolment?

**Ms HAIRE** — That is enrolment, yes.

**Mr D. O'BRIEN** — Is there a variation when it comes to attendance?

**Ms HAIRE** — So the way the data is collected is that it is collected on a particular day, when — —

**Mr D. O'BRIEN** — of the year.

**Ms HAIRE** — A particular day of the year to collect the enrolment data.

**Mr D. O'BRIEN** — Right, okay. So there is no data then on actual attendance throughout the year.

**Ms HAIRE** — No, we do not have attendance data. What I can say is that the overall kindergarten participation rate has been trending upwards for the past 10 years, with some fluctuations over that time. For the past four years the rate has been consistently higher than 95 per cent: in 2013 it was 98.2 per cent; 96.4 in 2014; and 98.1 in 2015.

**Mr D. O'BRIEN** — Can I get on notice, please, unless you have got it there, the participation rates for kindergartens by LGA across the state?

**Ms HAIRE** — I do not have that information with me.

**Mr D. O'BRIEN** — We are not going to be able to read them all out now anyway.

**Ms HAIRE** — Yes, that would probably take the rest of the year there.

**Mr D. O'BRIEN** — Is it divvied up by LGA, or is — —

**Ms HAIRE** — I am not sure if we have it by LGA or whether it comes from the services. I would need to check that for you. We will find what form it comes in.

**Ms CALLISTER** — Mr O'Brien, kindergarten programs are provided across a whole range of different services — some by local government, some by not-for-profit providers, some by just local parent committees and some in long day care, so it is quite mixed how it is provided. The participation rates have been calculated that way for a very long time. We know that at a local level there is often more attention around attendance or rates where there are particular concerns or particular projects likely to increase the rate of attendance — for example, in the Aboriginal community in some LGAs.

**Mr D. O'BRIEN** — And of course that is what we are interested in seeing — whether there are any areas of concern geographically — so what you could provide would be useful.

Can I just go on to the child-to-educator ratios, which I think we discussed last year as well. Under the questionnaire provided by the department on page 5, there is a reference to a Treasurer's advance of \$9.6 million to assist with kindergartens to meet the new costs of educator-to-child ratios. Can you provide a breakdown of how that \$9.6 million was allocated, as in how many kindergartens received funds from the additional \$9.6 million?

**Ms HAIRE** — Sorry, can I clarify the question, Mr O'Brien? Are you asking for a breakdown of how the funds were distributed across the services?

**Mr D. O'BRIEN** — Yes.

**Ms HAIRE** — I do not have that with me at the moment, but I can tell you in the broad that the purpose of that funding was to support kindergartens. As the secretary has outlined, there are a range of different settings and types of kindergartens. Some already met the ratios and some already had educators and trained teachers in place, but there was support provided to assist different settings to meet the ratio for the commencement date.

**Mr D. O'BRIEN** — Yes, we know that there was previously an additional \$83.7 million provided through the budget to assist with the ratio, so I guess I am just trying to get a sense of whether the department underestimated the additional need, or was it because of growth in numbers as to why there was an additional \$9.6 million allocated? So if you are able to provide any more detail on that on notice, I am happy, unless you can enlighten me further.

**Ms HAIRE** — I will come back to you on the way the funding was distributed, and I am not sure if I got the rest of the question.

**Mr D. O'BRIEN** — That is the bulk of it.

**Ms HAIRE** — Okay, certainly.

**Mr D. O'BRIEN** — I guess I was making the point that there was additional funding allocated and that there was also a Treasurer's advance of nearly \$10 million, so what happened? What was the need for that?

Could you also advise what the total cost of implementing the new ratios was and how much of that was commonwealth funding? As I have just outlined, I guess there is \$93 million or \$94 million additional with both the budget allocation and then a Treasurer's advance. Was there any further money, and how much of that was state and how much of that was commonwealth?

**Ms HAIRE** — I could come back to you with that breakdown.

**Mr D. O'BRIEN** — Okay, thank you. And have you got any data on how many kindergartens actually failed to meet the new ratios or are still trying to meet the new ratios?

**Ms HAIRE** — There is capacity in the policy for some kindergartens to apply for a waiver in certain circumstances. I do not have with me the data on that. However, in recognition of the fact that in certain areas, such as in some rural parts of Victoria, the availability of trained staff would make it more difficult for the services to meet the ratios, there was the capacity for a waiver for a certain period of time.

**Mr D. O'BRIEN** — But do you know how many waivers were granted in that respect?

**Ms HAIRE** — For the year in question, we could come back to you with that.

**Mr D. O'BRIEN** — Is that ongoing? Can they get a waiver forever, or do they eventually have to comply?

**Ms HAIRE** — We work with the services to support them to meet the quality and safety requirements. There are some services which have applied for a waiver in more than one year, so I could provide you with that.

**Mr D. O'BRIEN** — Sorry. What was that last one?

**Ms HAIRE** — Some services have applied for a waiver for more than the initial year.

**Ms WARD** — I want to talk about capital growth. In your presentation — and we have heard many times throughout our hearings that population growth is booming in Victoria — you referred to over 60 000 new students, I think, between 2010 and now, and you talked about growth of up to 90 000 kids over the next five or so years. In budget paper 3, page 52, there is a conversation around the capital measures addressing population growth. There is \$150.8 million allocated to land acquisition and new school construction. How many schools then, or new school stages, is the department delivering from that budget?

**Ms CALLISTER** — Thank you, Ms Ward. I will ask Mr Keating to respond.

**Mr KEATING** — From that budget there was \$111 million specifically for new schools — that was for 10 new schools; there was \$40 million for land — that was four new sites; and then on top of that there was \$35 million for 120 relocatable buildings, so that gets you to that number.

**Ms WARD** — Thank you. Are those schools completed, are they underway?

**Mr KEATING** — Of the new schools?

**Ms WARD** — Yes.

**Mr KEATING** — Nine of them are open or under construction, keeping in mind that some of these take a while. So included in there was something for the Footscray learning precinct, but for the planning for that, so that planning is still underway.

**Mr MORRIS** — We are of course talking about 30 June 2016, aren't we, and not anything that might be happening now?

**Ms WARD** — Sorry? I was asking what was happening with the money that was allocated in the 2015–16 budget.

**Mr MORRIS** — No. It is not wide ranging. It is about 2015–16, so you do not get to talk about what has happened in February this year or September last year.

**The CHAIR** — I think I have made it pretty clear from the outset that the questions and the answers are to be confined primarily or overwhelmingly to the 2015–16 financial year in question, unless of course the witness strays outside of that, as happened earlier, and then we can discuss that further.

**Ms WARD** — As has happened numerous times.

**The CHAIR** — Anyhow, I think it was understood that Ms Ward was referring to 2015–16. If you want, for the rest of the day we can make sure that, all of us, we make sure that we say to each other, 'Are you sure you're referring to 2015–16?'. Ms Ward, to continue.

**Ms WARD** — With those measures that were put in in the 2015–16 budget, you talked about 120 relocatables being provided for in that budget. Is that correct?

**Mr KEATING** — That is right.

**Ms WARD** — So how many students would that accommodate?

**Mr KEATING** — Each relocatable building provides accommodation for 50 students, so increasingly we are providing double storey and triple storey, but generally a two-classroom building is provided.

**Ms WARD** — Were doubles provided for in that budget?

**Mr KEATING** — There were a couple provided in the 2015–16 budget, but in aggregate terms that \$35 million would provide accommodation for about 6000 students.

**Ms WARD** — Does that whole \$150 million mean that we are keeping pace with population growth?

**Mr KEATING** — If you look at all the projects that were funded in the 2015–16 budget, they provide space for about 17 000 students. In Victoria in 2015–16 we had an increase of about 17 000 students in all sectors, around about 13 000 in government schools.

**Ms WARD** — How do you calculate the population growth? How does that factor into your equations when you are working through what is needed?

**Mr KEATING** — We use a range of sources. The key one is the Victorian future dataset, which is managed by the state government in terms of the department of planning. That takes all of the development that is happening across the state, factors the density of that development into account, looks at birthrates and provides whole-of-state population projections. We then work at a local level with individual networks of schools to understand what the capacities of those schools are, where the shortfalls will be and make sure there is enough land set aside for future growth.

**Ms WARD** — So that is a methodology that is included within the inner city as well as the growing suburbs and regional Victoria?

**Mr KEATING** — The growth areas of Melbourne have had a very long-established planning framework, particularly set up under the Growth Areas Authority and more recently the Victorian Planning Authority. For every new community there is a precinct structure plan which looks at where all the housing will go, where public open space will go and where the schools will go. The land is set aside in a very structured and orderly way.

As the growth in inner Melbourne has emerged, there certainly has not been that flexibility to have large parcels of land set aside in preparation for schools. Our approach is quite different. We know there are areas where we need schools, so we need to work with developers, we need to look at private landholdings to actually acquire land and develop schools in a much different way than we have before.

**Ms WARD** — Were any new schools built in the 2015–16 period?

**Mr KEATING** — In the 2015–16 period there were 10 schools funded.

**Ms WARD** — Were there any schools built?

**Mr KEATING** — In the 2015–16 period we had some schools open at the start of 2015 but we did not have any schools open at the start of 2016.

**Ms WARD** — Were any schools opened in 2016?

**Mr KEATING** — No new schools were opened at the start of — —

**Ms WARD** — Why was that?

**Mr KEATING** — There was a large project funded in the 2014–15 budget — the schools PPP. So there were 12 schools funded in that budget. Those schools progressively opened in 2017 and 2018.

**Mr DIMOPOULOS** — The time line is 18 months, is that right? I have heard the minister say that.

**Mr KEATING** — For a traditional school in a growth area suburb where the land is set aside, where all the precinct structure planning is done, we would traditionally have an announcement in the May state budget and have it open 18 months later. But for a school in an established area, like South Melbourne, Prahran or Richmond, it is a much longer lead time, because there is much greater complexity.

**Mr DIMOPOULOS** — You need to fund it a year and a half to two years before the rest to get some schools opening.

Further to Ms Ward's comment about population growth, when you are building a new school, how much do you build in for future growth in that school? It is a vexed issue, because you could really build it in for the next 20 years. I have people in my community saying, 'Why are you only building two new classrooms when in 20 years we'll need six more classrooms?'. The issue is you could fund everything for 20 years in advance and

you would have no money to do anything, whether it be public transport or schools. Where do you draw the line in terms of building in future capacity growth?

**Mr KEATING** — So when we are planning networks of schools we are trying to plan for the long term. We know that communities will peak at very high numbers, particularly in growth areas where there are lots of young families, but 20, 30, 40 years later they will have a lower number. So we allow for a plus or minus 20 per cent student population, and that is really what relocatable buildings are there for; they are to provide flexibility as populations ebb and flow — to provide those flexible resources. There are certainly parts of the state, particularly the growth areas of Melbourne, where we are well above that 20 per cent at the moment.

**Mr T. SMITH** — Just a point of clarification briefly, Chair, before we move to Mr Morris. This is the *Resilience, Rights & Respectful Relationships* curriculum, Secretary. I refer to page 49 — ‘Web links for further reading and activities’, which is the Welcoming Schools document that I was quoting from previously.

**Ms HAIRE** — Mr Smith, I believe that the reference on page 49 to [welcomingschools.org](http://welcomingschools.org), which I understand is a US website, is listed on that page as a further resource for teachers. It is not part of the specified curriculum, and it is not a compulsory or required part of the respectful relationships curriculum.

**Mr T. SMITH** — If it is not in the curriculum, Deputy Secretary, why is it in your document?

**Ms HAIRE** — It is listed as a further resource for teachers should they wish to look at it.

**Ms CALLISTER** — Along with other things.

**Ms HAIRE** — I believe there are a range of other things on that page.

**Mr T. SMITH** — There is. You said before that it is not in the curriculum. It is clearly auxiliary to the curriculum, would you concede?

**Ms HAIRE** — It is a further resource for teachers to look at should they wish to.

**Ms CALLISTER** — It is entirely optional, Mr Smith. Teachers could google it anyway if they chose to.

**Mr MORRIS** — It is promoted in a state government document that is part of this program.

**Ms CALLISTER** — I do not think I would agree, with respect, Mr Morris, that it is part of the program.

**Mr MORRIS** — It is part of the document is my point.

**Ms CALLISTER** — It is referred to in the document —

**Mr MORRIS** — Absolutely.

**Ms CALLISTER** — as another optional resource. It is not part of the respectful relationships curriculum in the way that the rest of those documents are provided. I think it is quite a different thing, and it is entirely up to teacher judgement how they inform themselves about other resources and whether they would use them. There is nothing that indicates that a teacher would be required to read it, would be required to use it or would be required to see it as part of the respectful relationships curriculum.

**Mr MORRIS** — But nevertheless it is presented as a resource that could well be used.

**Ms CALLISTER** — It is presented as another optional resource for teachers to inform themselves.

**Mr T. SMITH** — And the students, because it is about five-year-olds — that is the resources, not for students but for teaching five-year-olds.

**Ms CALLISTER** — It is an optional thing to read. But we trust our teachers, Mr Smith. They use good judgement when they work with — —

**Mr DIMOPOULOS** — Thank you. At last.

**Ms CALLISTER** — They are professional people who use their judgement in terms of how they work with their classes every single day. They could access any number of resource on the internet. We are attempting — —

**Mr T. SMITH** — But not in a state government document, Secretary. You can sort of say that it is not part of the curriculum. I can say that it is because it is in the document.

**Ms CALLISTER** — If it is a reference in a document to another optional thing, there is no requirement to read it or use it. We do not tell teachers what to teach in their classrooms every single day. We do not. We have a curriculum and then teachers use the resources available to teach the curriculum.

**Mr MORRIS** — And this is a resource that is available.

**Mr T. SMITH** — I think it is a very simple situation. It is in a curriculum guide. Apparently it is not part of the curriculum — —

**Ms WARD** — No, Mr Smith. You do not understand how it works.

**The CHAIR** — Order! Is there a question?

**Mr MORRIS** — I think the point, Chair, is that we were told in no uncertain terms that this was not part of the curriculum. We have now established that it is in a government document. It is clearly part of the resources for the curriculum.

**Mr DIMOPOULOS** — On a point of order, Chair, unless I am mishearing, I think the secretary said that Safe Schools is not part of the curriculum. Mr Smith is now referring to the respectful relationships resources.

**Mr MORRIS** — There are a lot of semantics here.

**Ms CALLISTER** — Can I just say, through you, Chair — —

**The CHAIR** — Yes.

**Ms CALLISTER** — What I believe we said was that the website Mr Smith referred to we were not aware of. We said that we had to look into it, that we would look into it. We looked into it over the break and found the same reference that Mr Smith has found. So I do not believe we said it was not part of the curriculum and now we are saying it is; I believe, with respect, that we are saying that is an optional other resource that can be looked at as part of the documentation that is available for respectful relationships, and I just reiterate that we trust our teachers to make good judgements.

**Mr D. O'BRIEN** — If I move on to some training questions, Secretary, and I think you alluded to it before and unfortunately I was not in the room at the time — it is about the dramatic drop in the actual number of students enrolled in training, which has dropped 45 per cent since 2014. One of the reasons provided by the government for this decline, on page 185 of budget paper 3, is the removal of substandard training providers, which again I think Ms Pennicuik asked about before. Can you tell us exactly how many fewer students are enrolled in training as a result of the implementation of the review of quality assurance?

**Ms CALLISTER** — I will refer that to Mr Robertson.

**Mr ROBERTSON** — So we are talking about the results of the quality blitz. If I can just give you some context for that, we undertook 62 investigations, we had contracts terminated for 18 registered training organisations and we have identified overall in addition to some other activity we have done with other contracted providers \$41.4 million for recovery. You are asking for the actual number of students that we would think that would be?

**Mr D. O'BRIEN** — Yes, how many students that impacted.

**Mr ROBERTSON** — If you give me a moment, I need to get that figure for you, but we know what it is.

**Mr D. O'BRIEN** — Okay. If you could do that, I will move on to another issue briefly.

**Mr ROBERTSON** — Yes.

**Mr D. O'BRIEN** — Secretary, the Federation Training annual report for 2015, I believe, has still not been tabled. Can you explain why and when it will be?

**Mr ROBERTSON** — The background to that: Federation Training is the result of the amalgamation of two existing TAFEs. At that particular point in time for the 2014 annual report VAGO was having trouble reconciling the accounts between those two institutions and bringing them together. That work has now been done, so 2014 has been tabled and VAGO is now in there finalising 2015, and I can give you an expected date for that to be tabled.

**Mr D. O'BRIEN** — Yes, please. Sorry, did you say you can give me a date?

**Mr ROBERTSON** — Well, it is certainly on track to be tabled soon; I just need to get it for you.

**Ms CALLISTER** — It is tabled by the minister, so we can give an approximate date.

**Mr D. O'BRIEN** — While you are looking for that —

**The CHAIR** — Last question.

**Mr D. O'BRIEN** — if the secretary could answer this. There has been significant local concern about Federation Training. Indeed Mr Robertson referred to the merger, and I recently received a response from the minister saying that had the merger of Fed Training and Fed Uni gone ahead, there would have been courses lost, jobs cut and campuses closed. We have had 62 staff laid off just before Christmas, and we have had courses removed from my own campus at Fulham. I understand this has been a bit of a revolving door with some of the senior staff. Could you tell me how many CFOs or finance managers have been through Federation Training in the last two years?

**The CHAIR** — Briefly.

**Mr ROBERTSON** — I would certainly need to take that on notice, but by way of the actions that have been occurring with Fed Training, the changes in staffing were simply around — so there were a couple of executive officers who have moved on, and that was a reflection of the changes in the priorities for training for Fed Training. There has been some media coverage about some other staff. They were fixed-term staff who had come to the end of their fixed-term contract, and some of those were not renewed, and there were also casual staff, who were told, as is appropriate for casual staff, 'Wait until the beginning of the training year and we will let you know what the enrolments are in that case'.

**Mr D. O'BRIEN** — Given those earlier ones that left, there was a government moratorium on staff redundancies at TAFE. Has that now lifted?

**Mr ROBERTSON** — No. The arrangement for staffing in TAFEs was on a case-by-case basis, and in this instance — —

**Mr D. O'BRIEN** — The government said there would be no job losses in TAFE.

**The CHAIR** — Order! Ms Pennicuik.

**Ms PENNICUIK** — Secretary and Mr Robertson, if I could just follow on from the subject that has been raised by Mr O'Brien, which goes to your presentation at 'Higher education and training — 2015–16 highlights' and where you mentioned investigations and the 18 RTOs that have been closed down. The slide with the title I just mentioned says \$41.4 million was identified for recovery, and I have worked that out as about 0.02 per cent of the training budget of \$1.2 billion. The question I really want to ask about that is: have you recovered all of that \$41.4 million that has been identified for recovery? Also, just in terms of the question asked by Mr O'Brien and the number of students that were caught up in the closure of those 18, have those students all finished their training elsewhere? Because one would assume that some of them did not finish their training; in fact, I know that there is another RTO that is going through the receivership process right now and students are caught up in that. So how many of the students were retrained, and what was the cost of that retraining?

**Mr ROBERTSON** — If I could approach the figure for the \$41.4 million, the thing to think through in terms of how training providers are funded is they are essentially funded as training occurs, so for some of those providers that we had closed down or had asked to reduce their training, there was no overpayment. The \$41.4 million figure primarily relates to training that had occurred and we had paid for and we thought was poor quality. So in fact the amount of money that might have come out of funding poor-quality training could be larger than that, because we asked those providers to either slow down or we would terminate their contract.

Then you were indicating: what happens to those students? Students who are enrolled have progressive assessment. So when a training provider closes down — and this can occur on occasion — there is an obligation on the training provider and the national regulator to be able to make sure that every student is given a testamur, and with that testamur they are then able to go on to another training provider. When a provider does close down, we have a set process — a hotline; we write to the students and let them know what their options are once a training provider chooses to close.

**Ms PENNICUIK** — And are there options to have their training fulfilled at another institution at no further cost to themselves?

**Mr ROBERTSON** — So there are two elements that occur there. One is, if they come with their testamur, the receiving training organisation — and primarily this is TAFEs — will look at their testamur and look at what else, what other units, they need to do to complete their qualification. And they would be able to enrol, and that is part of the letter that we send to the student, at no cost, or they get subsidies from the government for that enrolment. The second aspect of that is we make sure that we follow them up so that they can get in and be enrolled.

**Ms CALLISTER** — The department has a very active student engagement process when an RTO is folding or closing, and we work pretty effectively with the rest of the providers, including TAFEs, to make sure we have got places to move students to relatively quickly, and because we have got quite good data, as a rule we are able to reach out. We have quite a good outreach approach to students who might be left stranded, as you say.

**Mr ROBERTSON** — The other element is that we have given some exemption policies to TAFE, so if a student does come and they are worried that the quality of their training is not up to the standard, they can come and talk to a TAFE through a skills and jobs centre to ask for their skills to be assessed, and if they then need further training, they can engage in that training.

**Ms PENNICUIK** — Thank you for that — and just a reminder about how much of the \$41.4 million was actually recovered, as opposed to identified for recovery.

**Mr ROBERTSON** — Yes, I will need to take that on notice.

**Ms PENNICUIK** — Chair, I just want to ask a question about resourcing schools to raise performance. I think in the pre-election budget update for the 2015–16 year, that was \$60 million-odd. The questionnaire, in the actual outcome explanation, says:

Outcomes for school students across measures of achievement and wellbeing were relatively stable in 2015–16. While outcomes for disadvantaged students are poorer than for their more advantaged peers, they remained relatively stable between 2014 and 2015.

Over this period there have been some improvements, but no consistent pattern of improvements in achievement outcomes for disadvantaged students.

I was just wondering if you could make some comments about the expenditure there of \$60 million and how you are measuring whether there are any improvements in that very important area?

**Ms ATTA** — This was funding announced in the pre-election budget update in 2014. It was additional funding to government and non-government schools. In terms of the outcome or effectiveness of that funding, as identified in the questionnaire, we were essentially saying that for the 2014–15 year student outcomes have been stable or, as the Secretary mentioned in her presentation, have plateaued in Victoria.

The new reforms, the Education State reforms, are very much focused on lifting student outcomes. So there are performance measures in budget paper 3 for a range of different student outcomes across primary and secondary schools, which is one measure that we are tracking. Also the government has now set some fairly

ambitious targets for school improvements, and they are very much a focus for the new reform method across schools to really start to see a change in that trajectory to get some lift in student outcomes.

As mentioned earlier Victoria is a high-performing jurisdiction internationally in general terms and certainly is a leading jurisdiction in Australia, but in terms of the highest performing international jurisdictions, there is a gap. The reforms underway and the investment in school improvement at the moment is really designed to start to close that gap and see a lift in outcomes in Victoria.

**Ms PENNICUIK** — But those measures also show there is a gap between the more advantaged students and the less advantaged students in Australia and within the states. Just in terms of the difference in the funding from the 2014–15 year of \$8 million and the 2015–16 year of around \$60 million, I am very interested to see what that greater investment is achieving.

**Ms ATTA** — It was the funding announced in the 2015–16 year that provided that big injection and lift in needs-based funding targeted to disadvantaged students and schools with significant numbers of disadvantaged students, as well as the catch-up loading for students entering secondary school already identified as struggling on NAPLAN results at year 5 level, where there is funding specifically targeted to those students for schools to access. So resourcing the schools to raise performance funding was very important in terms of lifting school budgets, but the next tranche of funding targeted a significant amount of the additional funding under the state's contribution to Gonski to particularly address disadvantaged students and assist schools to work with that cohort to really drive improvements, and that funding rolled out for the first time in the 2016 school year. So that equity funding across schools is a key plank of the reforms and something we are tracking really closely in terms of ensuring it is used on evidence-based improvement strategies and starting to track those results.

**Ms PENNICUIK** — Finally, you mentioned it was to government and non-government schools. Do you have a breakdown of that allocation?

**Ms ATTA** — The equity funding was targeted to government schools, but in terms of needs-based funding, if we could take that on notice in terms of how that breaks down.

**The CHAIR** — I would like to come back to early childhood education, Secretary. I have got quite a strong interest in this policy area because of the fact that studies have shown that if a child starts primary school significantly behind their peer cohort — what is called the achievement gap — it is very hard for that gap to close over the course of time. So we know that 40 000 children are lost to the school system nationwide, and so proportionally we think that might be around about, say, 10 000 a year of kids just dropping out, not doing training, not working; they are just lost to the system. I think if you step your way back through that, a lot of it comes down to the fact that there is that achievement gap at the outset that kids have trouble trying to close. Again, coming back to 2015–16, can you outline to the committee what actions the department undertook to try to provide a quality education in those preschool years for younger clients?

**Ms CALLISTER** — Thank you, Chair. I will ask Ms Haire to provide some of the detail, but you are absolutely right that the more we understand the evidence about investment in early childhood and the more we now are able to measure the children who start school with vulnerabilities on one or two developmental domains, we start to see that vulnerability reflected in NAPLAN results by grade 3. So the idea that we used to have, that you start school and you catch up, which was the old idea of maturation — that children just sort of mature developmentally and they will catch up when they hit school — is not actually right.

We need more children to be ready for school, to be ready to learn. Which really means they need to have good language capability and they need to have good cognitive capability for a five or six-year-old. We know that we have big gaps or a very big variability in children across our community in terms of that ability. We measure that through the AEDC, which is the national data collection every three years, and then we measure it with parent report questionnaires. For every prep child their parents receive a questionnaire, SEHQ. Sorry about all the acronyms.

We have gone from being able to understand the broad evidence of early childhood to now understanding the actual ways to measure what we need kids to be much more capable of by the time they are starting school. That goes to the quality of our early childhood system. We have a good-quality early childhood system in Victoria with our maternal and child health system and our early parenting support. Our playgroups and some of the other services we offer are very good about early health and development and support to parents. Where we

need to focus our efforts more is the building of language capability and children spending time in good-quality settings that build their ability. This is probably one of the most important things we can do to build our long-term educational improvement outcomes in Victoria, so over the next two decades, and our broad human capital.

Having given you my passionate views about early childhood, I will pass to Ms Haire.

**Ms HAIRE** — Just further to the secretary's point about the evidence, the department has been working with the University of Melbourne on longitudinal research on the impact of quality early childhood education. The evidence from that research confirms your point, Chair, that if children start school behind and if children are disadvantaged in those early years of school, they fall further behind. The research also confirms that a quality early childhood education can make a significant difference.

One of the most important ways in which the department has sought to provide a quality early childhood education for Victorian children is through the release of the Victorian Early Years Learning and Development Framework. It goes further than providing just a learning framework for children attending kindergarten or preschool; it is actually a framework from birth up to the age of eight. The framework for development as well as learning is intended for our maternal and child health workforce, for other early childhood educators and for kindergarten teachers.

Some of the elements of that are the recognition of the importance of the period between birth and three as being absolutely critical for health, wellbeing and long-term success, and that is where our maternal and child health service is our key engagement with children and families.

**The CHAIR** — Coming to 2015–16, what work was done for those first thousand days of a child's life? What work was done, particularly, I think, if we are looking at this from a social equity point of view? I mean, the reality is that if you live in a comfortable family environment, if you have got stable employment, if there is money in the account, chances are — all things being equal — children growing up in that environment are likely to fulfil their potential. I am just curious to know, in terms of the period in question, what work was undertaken by the department to specifically look at those children from disadvantaged backgrounds in the first thousand days of life.

**Ms HAIRE** — Certainly. The learning and development framework has specific guidance and support to educators from zero to eight, for working with children who are vulnerable, whether it is through disability, indigeneity et cetera. We also have a range of programs to ensure that children in disadvantaged groups have access to kindergarten. There is also an enrolment policy which gives priority access to children from disadvantaged backgrounds to all kindergartens.

In addition to that, we have a range of programs to ensure and to try to improve the participation of Aboriginal children in kindergarten. We have subsidised kindergarten for three-year-old and four-year-old Aboriginal children, and in addition we launched last year a new Aboriginal education policy called Marrung. I am happy to say that while the participation of Aboriginal children is still not as high as the general population and hence still not reaching an acceptable level, in the period that we are talking about the gap between Aboriginal children's participation and all children's participation was reduced from 25.5 per cent to 5.7 percentage points.

**The CHAIR** — When you say participation, are you referring to enrolment or attendance?

**Ms HAIRE** — I am referring to the same question with Mr O'Brien. It is enrolment. We also have support for children with disabilities in kindergarten. Going back to those very early years, the zero to three, in addition to the universal MCH — maternal and child health — program, for 10 per cent of families who are experiencing vulnerability, we have an additional 17 hours of service for those families. So when a maternal and child health nurse identifies that a child is vulnerable or suffering from disadvantaged, they are able to provide additional maternal and child health support in those crucial zero to three years. So we have a set of opportunities in the zero to three-year-old range, and then we also have a range of programs to ensure that children who would otherwise be disadvantaged have access to kindergarten, and all of that is underpinned by the learning and development framework.

**The CHAIR** — Excellent. Thank you for your comprehensive response, Ms Haire,

**Mr D. O'BRIEN** — Just quickly back on training, did you manage to find a date for the tabling of the Federation Training report?

**Mr ROBERTSON** — We are advised that we expect the audited statements to be finished in the first quarter of 2017, and the report will be tabled as soon as possible after that by the minister.

**Mr D. O'BRIEN** — Okay. In the debate I asked a question as to whether it was accurate that there had been seven different CFOs at Federation Training in the last two years. Can you confirm that?

**Mr ROBERTSON** — I would not be able to confirm that number. There have been some changes. But the important thing to bear in mind is the CFO who is presently there did the major reconciliation to be able to make sure the 2014 audit statements were signed off, which then gave the sound basis for the 2015 annual report.

**Mr D. O'BRIEN** — Thank you. Moving on, page 3 of the questionnaire shows the total output costs of the initiative refocusing vocational education in Victoria for the period in question was underspent by \$450 million. Was that returned into consolidated revenue, Secretary?

**Mr ROBERTSON** — A number of decisions were made in relation to that funding. It is fair to say that training activity declined, as has been reported. Then the government chose to reinvest that in a number of initiatives, such as some investments back into TAFE and then some other investments in workforce development.

**Mr D. O'BRIEN** — Just into TAFE or into the VET sector altogether?

**Mr ROBERTSON** — There were some investments into TAFEs, but they also went to the VET sector altogether.

**Mr D. O'BRIEN** — Could I then get a breakdown on notice of how that was reallocated?

**Mr ROBERTSON** — Yes, I can do that.

**Mr D. O'BRIEN** — Was any other returned to consolidated revenue?

**Mr ROBERTSON** — No.

**Mr D. O'BRIEN** — So it was all reinvested?

**Mr ROBERTSON** — Yes.

**Mr D. O'BRIEN** — A breakdown on notice would be great if I could, and including if any of it was rolled forward into future years as well.

Can I just go onto another issue, which, Secretary, you spoke about before — that is, in relation to Operation Dunham and Operation Ord. Are there any departmental employees who are named in either of those reports still currently working in the department?

**Ms CALLISTER** — There is no-one against whom there was any adverse finding employed by the department, no.

**Mr D. O'BRIEN** — Okay. So they have all moved on one way or the other?

**Ms CALLISTER** — Yes, one way or the other, mostly one way.

**Mr D. O'BRIEN** — Do you want to describe the one way that they have moved on? I assume you mean that they were asked to move on. In that case, could you tell me how many and what the circumstances were?

**Ms CALLISTER** — Well, I might be able to get that quickly: the number of people against whom there has been an adverse finding in both Ord and Dunham, who have left the department. Yes, I will try and get that.

**Mr D. O'BRIEN** — Perhaps on notice, and I would be interested too whether there were any payments in payouts of contracts or anything like that with respect to those people as well.

**Ms CALLISTER** — I think I can confidently say that has not occurred.

**Mr D. O'BRIEN** — So no payments. Okay, thank you.

**Ms CALLISTER** — No. In the case of principals, we have to follow a set of legislative procedures. So there were several principals in relation to Operation Ord, where there were adverse findings, where we proceeded against them. That does not involve a payment; it is just a process that has to be gone through. But in the case of others that come to mind, no, there was no payment as such.

**Mr D. O'BRIEN** — Sure. Are you able to now reveal to the committee the total cost blowout of the ultranet system? I am sorry, again, if you may have referred to this before.

**Ms CALLISTER** — Well, I think we rely on the number that is in the Operation Dunham report. So from memory — okay, we will just get it up — IBAC talk about an amount over \$200 million.

**Mr D. O'BRIEN** — Two hundred and forty million dollars.

**Ms CALLISTER** — Yes, \$240 million.

**Mr D. O'BRIEN** — Is there any further update on that figure since those reports?

**Ms CALLISTER** — No. I think we accept that it is entirely possible it was up to \$240 million.

**Mr D. O'BRIEN** — Okay. What procedures and things have you now put in place to ensure that this sort of thing does not happen again in each case, particularly with respect to procurement?

**Ms CALLISTER** — Sorry? In respect to what?

**Mr D. O'BRIEN** — With respect to procurement, but all the issues more generally raised.

**Ms CALLISTER** — So I talked about some of these things before and the amount of work that we have done with VAGO in relation to procurement. One of the core things is establishing a strong three lines of defence model in the department, and we have done a lot of work to ensure that the three lines of defence model will actually work and not fail, as was shown in Operation Dunham. We have a range of new procurement actions underway, which I will ask Ms Atta to just detail for you. I think that it would be very difficult for that to occur now. I think one of the things to remember is that it was also a significant failure of culture in the department, and I think that the department's governance model and work on culture would make that very difficult for that to happen.

**Mr D. O'BRIEN** — Can I just ask on that, are you now satisfied that there is no-one still within the department undertaking any of the activities that were referred to, illegal or criminal?

**Ms CALLISTER** — As satisfied as I can possibly be, yes. And I certainly feel that the work that has occurred in our finance area, where there is more accountability for how we actually manage payments and oversee the school budgets and finances, much more confident that we have processes in place that would alert us quickly if somebody was trying to get around those. Do you want to say something about procurement, Jenny?

**Mr D. O'BRIEN** — Just briefly, if you could.

**Ms ATTA** — Yes, just a couple of things then. Culture and governance were two really important contributors to the environment at the time. There has been an overhaul of governance right across the department, and in particular the establishment of the new probity and procurement committee that has been operating over the last 12 to 18 months — at least the last 12 months, I think — providing a much greater level of oversight and scrutiny of all major activity across the department.

We also in 2017 will be rolling out a new corporate procurement network. This will involve a new policy framework, guidance, training for all staff and revamping of our systems in terms of requirements for staff to

track through that procurement process and to have the necessary approvals in place and the oversight of those. In terms of compliance with the necessary requirements, we are looking as well at our auditing activity around major procurement activity, particularly high-risk and high-value procurement in the department.

**Mr D. O'BRIEN** — Just continuing — one last one, Chair, if I could — on procurement, but it relates to consultancies. In 2015–16 there was a 105 per cent increase in consultancies on the previous year. Can you explain why the department has refused access to copies of the final signed contracts of those consultancies through FOI?

**Ms CALLISTER** — I am sorry, what was the last bit of that question?

**Mr D. O'BRIEN** — Can you explain why the department is refusing access to those consultancies through an FOI process? There were 114 consultancies in the year. It increased, as I said, by 105 per cent on a previous year, so I would welcome an explanation as to why that would have been, but also why they are not being released.

**Ms CALLISTER** — I guess the important thing is that, while we do endeavour to minimise expenditure on things like consultants and contractors, 2015–16 was not a business-as-usual year for the department of education. There was a combination of the IBAC investigations and what they were uncovering, there was the VAGO work that I have talked about plus a major new reform program and the investment of very large amounts of money by the government in schools and in the VET sector. So we had a major program of work on many fronts, and much of it was best done with some independence and fresh eyes and some particular expertise. So while it is obvious that the amounts went up in that year, it was quite a deliberate decision to assist with the major reform program or have independent expertise, as we were implementing some pretty major changes as a result of IBAC. That combination of work has been very considerable for the department, and it has been important to have the fresh eyes.

In terms of consultancies not being released, I would have to check all the different reasons, but obviously some will be part of cabinet submissions, so they will be cabinet in confidence, some may be commercial in confidence and some may have private individual information in them, depending on what they are, so there are many different reasons that something may not be released under FOI.

**Mr D. O'BRIEN** — But given the increased focus by Dunham and Ord, would it not be in the department's interest to be a lot more transparent with these? Sure, if there are personal things, they can be redacted, but will you commit to release what you can?

**Ms CALLISTER** — I always commit to release whatever is appropriate and reasonable to release according to the FOI legislation, absolutely.

**Mr DIMOPOULOS** — Secretary, I want to just ask you about the flagship program for tech schools that this government made an election commitment about. I wanted to check specifically. In the 2015–16 financial year there was a budget allocation of \$8 million on BP3, page 53. I know a bit about the tech school program because there is one in the electorate that I represent, which is fantastic — or one is being established there. I want to get a sense of the program as a whole, though, starting with: has the program been fully funded in that year? Can you give me a sense of the 10? I know there was the Monash one. What stage of development are they up to in terms of reference groups established?

**Ms CALLISTER** — Thank you, Mr Dimopoulos. I will ask Ms Haire to give you the details, but just to set the scene, when the TIMSS and PISA results and the NAPLAN results came out last year there was a lot of discussion about Victoria's and indeed Australia's performance on STEM in particular and the fact that compared to other jurisdictions around the world we have issues in terms of our comfort with STEM. There are some cultural issues about our level of comfort with science, technology and maths. There is a STEM strategy, and I think the tech schools are one of the key anchors to try to build more capability and visibility of the STEM strategy and to build more comfort and access amongst our student population —

**Mr DIMOPOULOS** — More excitement really.

**Ms CALLISTER** — more excitement and more ability, basically, in our STEM capability in Victoria, which is really going to be important in terms of our long-term competitiveness and prosperity. And these, I think, are a really important anchor in how we do that.

**Ms HAIRE** — Mr Dimopoulos, as you have pointed out, in the 2015–16 budget there was \$8 million appropriated for tech school infrastructure and a further \$4 million appropriated for the Knox Innovation, Opportunity and Sustainability Centre, which is known as KIOSC. However, in the following year's budget the remainder of that project was funded. That was \$92 million in infrastructure and \$24 million in output costs, which is to operate the tech schools. That includes an ongoing allocation of funding to operate the tech schools in an ongoing way. The funding was kickstarted in 2015–16 and is now fully funded in the following year's budget. I think you asked — —

**Mr DIMOPOULOS** — Just briefly, if you could describe the governance arrangements, so the committee, principal appointments and a stocktake of the 10 — where that is at.

**Ms HAIRE** — Sure. Each tech school is hosted by either a TAFE or a university, and it has been the result of a great deal of community consultation and engagement about who the provider is, and I can take you through the 10 or not, if you would like.

**Mr DIMOPOULOS** — No, just more about — so all sites have been selected, is that right? Mine has.

**Ms HAIRE** — All 10 sites have been selected, and for every one of the 10 tech schools there is a committee of governance.

**Mr DIMOPOULOS** — And they have all been established, have they?

**Ms HAIRE** — All the committees have been established, and they provide advice and support to the host — the TAFE or the university that is hosting. As an example of who sits on the committees, it is responsive to local needs, but in the case of the Bendigo committee, which is where I am from, it is the education department area director; a representative of the university; the principals from the local schools, both government and non-government schools; a representative from Regional Development Victoria; a representative from Bendigo Health; and representatives from industry and from local government. So it reflects a broad range of the community interest. Those committees then support the development of the learning program.

**Mr DIMOPOULOS** — Recently in the Monash one the principal was appointed. Have the principals been appointed for all 10?

**Ms HAIRE** — We are calling them directors to distinguish them a little bit from a mainstream school. The directors have been appointed to seven of the 10 schools, and we are expecting the remaining three to be appointed very shortly.

Moving on to the infrastructure, which my colleague can go into in a great deal more detail if you would like, architects have been appointed for all of them. You may be aware that for Yarra Ranges Tech School, which is the first tech school to open, the construction is complete and the school is currently undertaking professional development for the feeder schools that will be participating in it. First of all working with the teachers, and then in second term after the Easter holidays the Yarra Ranges Tech School will commence welcoming students from the surrounding schools.

**Mr DIMOPOULOS** — Before I get the wind-up, just quickly to wrap up, my understanding is that each of the 10 have a different focus.

**Ms HAIRE** — That is right.

**Mr DIMOPOULOS** — And the Monash one has a specific focus because it is effectively in the middle of a huge med-tech and biomedical sector, but have all of those been worked out, all the directions of each one?

**Ms HAIRE** — Yes, that is right. Each tech school, through the local engagement, has identified different areas of industry focus that they are interested in, and we could provide that to you.

**Mr DIMOPOULOS** — That would be great.

**Ms HAIRE** — They are quite different, depending on the local industry and the engagement of the community.

**Mr DIMOPOULOS** — Schools' needs.

**Ms HAIRE** — Yes, that is correct.

**Mr DIMOPOULOS** — I would like that list. That would be great, thank you.

**Ms HAIRE** — Sure.

**The CHAIR** — I think Mr Smith has got a point of order he would like to raise.

**Mr T. SMITH** — If I could just go back to the question that I raised before the break, I just want to be very clear so there is no confusion about what I was asking for. I am seeking from your department a breakdown of the different causes of bullying as of June 2016 for reasons relating to sexual preference, race, sex, physical appearance, disability or weight, faith or any other cause of bullying. Just so I am very, very clear.

**The CHAIR** — And the period of concern, Mr Smith, is as of —

**Mr T. SMITH** — As of June 2016.

**The CHAIR** — June 2016 for the previous financial year or just for that month?

**Mr T. SMITH** — As of that financial year, thank you — 2015–16.

**The CHAIR** — So the data for the 2015–16 financial year?

**Mr T. SMITH** — Yes.

**The CHAIR** — All right — —

**Mr D. O'BRIEN** — Four minutes left?

**The CHAIR** — By my clock it is three. Okay, Mr O'Brien, you have got 180 seconds. Knock yourself out, big boy.

**Mr D. O'BRIEN** — Asbestos, Secretary. Do you stand by the government's commitment to remove asbestos from every government school in the next three years?

**Ms CALLISTER** — I will refer that to Mr Keating.

**The CHAIR** — As it refers to the 2015–16 financial year?

**Mr D. O'BRIEN** — It was funded in the 2015–16 financial year budget.

**Mr KEATING** — We have made significant inroads into delivering that commitment. We have done a complete audit of every school in the state. In doing that audit we have assessed every single bit of asbestos in every single school and identified the level of risk it presents. We have already removed all the high-risk asbestos, and as we move through — and I will tailor this to the 3 minutes — the capital works program, so the actual modernisation projects, we are removing all asbestos as part of those buildings zones. Every time we come to a school we do it as part of the capital works project, so with the investment in the modernisation program we are making really big inroads into that commitment.

**Mr D. O'BRIEN** — We heard last year from the minister that soils in surrounding areas of the schools are not being tested for asbestos. Has anything changed on that? How can we be guaranteed that we will go into a school and say it is asbestos free and then not find asbestos later in the grounds?

**Mr KEATING** — As part of any capital works project we have qualified hygienists doing inspections. Often when you demolish a building you will find that old building rubble was buried beneath the school, so often you do not know about that until you actually take the buildings away. When there has been rubble buried

under ovals and under grounds it is really almost impossible to detect. What we do is, in any building site, make sure that it is completely free of asbestos.

**Mr D. O'BRIEN** — Sorry, just a clarification on the first question. Will we meet the objective for 2020 of removing asbestos from every school? Is that still the intention?

**Mr KEATING** — We have received funding so far and we are well on schedule to do asbestos removal to meet the commitment.

**Mr D. O'BRIEN** — To meet that commitment. Have you got enough funding at the moment based on what it is costing so far with what you have done?

**Mr KEATING** — The funding would need to be provided as part of the broader capital works program, so the funding that is part of the budget to date specifically for asbestos does target things, but it needs to be part of an ongoing large investment in modernisation of our schools.

**Mr D. O'BRIEN** — It will still be separate funding or it will still be additional funding to the usual capital program presumably.

**Mr KEATING** — It would need to be additional funding as part of a broader state budget process.

**Mr D. O'BRIEN** — So it will need to be in budgets going forward as well.

**Mr KEATING** — It would need to be additional funding as part of any modernisation project or program to remove all the asbestos.

**Mr D. O'BRIEN** — Sorry, just to clarify, you said you are on track to address it.

**Mr KEATING** — We are on track.

**Ms CALLISTER** — We are on track.

**Mr D. O'BRIEN** — Okay, thank you.

**The CHAIR** — I would like to thank the witnesses for their attendance. By my reckoning I think we have got 13 questions on notice. The committee will follow up on any questions taken on notice in writing, and a written response will be provided within 10 business days of that request. All recording equipment must now be turned off.

**Committee adjourned.**