

Division 63: Education Services, \$178 528 000 -

Ms Guise, Chairman.

Hon Alan Carpenter, Minister for Education; Sport and Recreation; Indigenous Affairs.

Mr P. Albert, Acting Chief Executive Officer, Department of Education Services and the Chief Executive Officer, Curriculum Council.

Ms E. Iaschi, Manager, Finances, Department of Education Services.

Mr B. Parkin, Director of Non-Government Education.

The CHAIRMAN: The question is that in respect to division 63, appropriation be recommended.

Mrs EDWARDES: Minister, can I refer you to page 1100. You have under the "Decisions Taken Since the State Election", the third dot point down, "Australian Universities Quality Agency" and money for that. Can the minister tell us who this agency is and what that money is for?

Mr CARPENTER: For the sake of absolute clarity here, I think Mr Albert should answer that because I would not want to give the wrong recollection of what that initiative was.

Mr ALBERT: This initiative arises from a decision by ministers for education, the body known as MCEETYA. That is the Ministerial Council. It came out of a study that was initiated by that council and the recommendation that in order to secure quality, I guess, within Australian universities and to establish criteria for that so on that an agency be established to assist DETYA in its analysis of submissions from the universities, plus with the promotion of the quality of our university education, overseas as well. Each State agreed to put in a proportion of the costs for that and the Western Australian proportion was calculated at \$50 000.

Mrs EDWARDES: So it is going into fund under MCEETYA and DETYA and they are the ones that are going to be expending it and you will monitor it through MCEETYA.

Mr ALBERT: Yes, Western Australia has a representative on that at the moment and that is Professor Alan Robson.

Ms SUE WALKER: Minister, why was the Claremont education precinct cancelled and what was the Claremont education precinct?

Mr CARPENTER: In relation to that there was a proposal. This is related to Edith Cowan University and consolidation of its campuses. They have various campus sites around the metropolitan area, I think five or four, and they want to consolidate up at Joondalup so they wanted to exit both Churchlands Campus and Claremont. As part of the exit scheme, if you like, we have noticed from the previous division somewhere in education there is a proposal which we have agreed to with the university for them to be given freehold of Churchlands and they can then with community consultation divest themselves of that asset and use the money to consolidate at Joondalup.

The proposal, as I remember it, with the previous Government also incorporated the Claremont site. I think this is right. Mr Albert might be able to clarify my memory about this. It was something which they had progressed with the previous minister. They were going to be given freehold of that Claremont site and as part of the exchange there was going to be some housing development on that site. Anyway, to cut a long story short, we decided that that particular arm of the consolidation of their facilities would not go ahead. I had a look at that site down there and did not think it was appropriate for housing development. It is a historic precinct. You do not put houses on it. That is what that is about. So that arm of the Edith Cowan consolidation of assets program or consolidation of campuses we stopped.

Ms WALKER: What would that be used for now? Is there anything in the budget relating to what that campus will now be used for?

Mr CARPENTER: It will be used as an education facility. There are other users there now. There are various education-related organisations and groups, but what I did not want to see was an out-of-context development on that site. It is no skin of our nose in some senses. Obviously it is not an area that is going to be politically sensitive to us, but I thought the right thing to do was to allow that precinct to maintain its integrity.

Mrs EDWARDES: Can I refer the minister to page 1100 in the first instance under again "Decisions Taken Since the State Election"? I am dealing with the second line, "Flow on to non-government schools from increased expenditure in government schools in 2003-04, 2004-05," and then you have further down "Per capita funding grants" where you actually have some savings, and if I can refer you to page 1113 where you actually have under the grants to charitable and other public bodies some funding such as like for Parkerville Children's Home, Meerilinga Young Children's Foundation, the Minerals and Petroleum Education Research Institute and

the Fremantle Children's Literature Centre where those moneys have not been expended on. It looks like those funds have stopped but that is not enough to add up to the per capita funding grants which obviously had been saved as well. Does it relate to the non-government schools or am I linking them all incorrectly?

[7.20 pm]

Mr CARPENTER: As you may know, in relation to the non-government schools and increased expenditure in government schools there is a ratio called the average recurrent costs of government schooling and the general agreement in Western Australia is that for recurrent costs in government schooling an equivalent amount of 25 per cent will be provided by the state government to the non-government sector. In actual fact that figure is now more like 27.3 per cent or something so there has been a growth in that. Is that per capita grant from the Commonwealth?

Mr ALBERT: It is a State per capita grant but that is just savings. We budget for anticipated growth and we also make an estimate of what the AGSRC, which is the index that the minister was referring to, might be and by agreement with Treasury we purposely overbudget because if there is excessive growth, then the money has to be found from somewhere and it is better that there is a bit of a safety margin in the budget. What has happened is because they are plotted against four years, because we did not actually have that growth last financial year, those forward estimates are now adjusted by the amount that is not required. So that is that. The other bit, which is the \$1.8 million and the \$2.2 million, is the estimates necessary to maintain the 25 per cent commitment.

Mrs EDWARDES: There is nothing, though, for the non-government schools this year and next year so have they got their commitment already?

Mr CARPENTER: Yes.

Mrs EDWARDES: You have clawed back some where you overbudgeted.

Mr ALBERT: Yes.

Mrs EDWARDES: The other ones then on 1113, are you no longer going to be funding Parkerville or has it been transferred to another agency?

Mr ALBERT: Transferred to the education department.

Mrs EDWARDES: So it was back earlier this afternoon.

Mr ALBERT: Yes.

Mrs EDWARDES: All of those?

Mr ALBERT: Yes.

Mr CARPENTER: As part of the Machinery of Government Review the Department of Education Services is being in effect broken up and some of the functions will go into the education department and there will be an administrative arrangement with the Curriculum Council. The Department of Education Services will effectively cease to exist. Obviously the functions will continue. The forward provision there is because those functions will be administered under the education department.

Mrs EDWARDES: Thank you.

Mr AINSWORTH: Thank you, Madam Chair. Minister, page 1103, first dot point under "Major Initiatives" which talks about collaborative issues between universities. I am not quite sure if this is the right spot again, Minister, but you would be aware of the issue that I raised with you previously about the mining courses in the WA School of Mines through Curtin University and those being provided by the University of Western Australia where there is some argument about duplication in courses. Is this an area where there is some role or some ability for either yourself as minister or for people from education services to intervene to ensure that there is no duplication which would actually reduce rather than improve the education offerings at that tertiary level?

Mr CARPENTER: We cannot intervene but we can lobby. There have been some approaches from the local members out there and other people in the area to try to have this matter resolved so that it does not have a detrimental impact on Kalgoorlie but we just do not have the capacity to lay down the law and intervene in the operations of universities.

Mrs EDWARDES: Thanks, Madam Chair. Can I refer the minister again back to 1113, again under "Details of the Administered Transactions Expenses"? Under the grants to charitable and other public bodies you have a catch-all, "All other grants", which has been substantially increased - substantially increased, given the fact that everything else has gone across to the education department. Can you give me a breakdown of where those grants are going to go, what are those grants and what is the eligibility for those grants?

Mr CARPENTER: I am informed it is in relation to the transfer of psychology services but perhaps I can get some more detailed expertise to bear on it. Mr Parkin?

Mr PARKIN: Thank you. It is a reflection of adjustments in the way the grants have appeared in the past. I can list these now or given that there are perhaps a dozen different grants, do you want to have them provided to you later?

Mrs EDWARDES: Provided by way of supplementation, and with the criteria and have they been funded before and if so, where?

Mr PARKIN: They have been funded in the past. There are specific amounts - for example, the grants for special education or the Australian Music Examination Board; some of those that you referred to earlier, non-government school psychology service and other miscellaneous grants that are all rolled into that particular item and including the superannuation of higher education institutions, which is a fairly large swag of funds that the State pays to the Commonwealth Government. That list is available.

Mrs EDWARDES: Please, Minister, that would be great.

Mr CARPENTER: So we will provide that supplementary information.

Mrs EDWARDES: Can I refer the minister to page 1100 under "major policy decisions"? Two issues there, if I may. The parity and wages policy: it would appear from this that Education Services have an excellent workplace agreement because money is actually going to be taken off them. Could you tell me exactly how that line item is going to be implemented, to whom is it going to be implemented and the timing of it? Are all the workplace agreements expiring at the same time?

Mr CARPENTER: I had better defer that one to Elda Iaschi who is the manager of finance.

Ms IASCHI: In the parity and wages policy, we are just above the parity line which means that because we are above the parity line we are going to achieve savings because we are going to stand still until a few other departments catch up with us. In doing that we save the salary moneys. We have an increase coming soon and that will stop us then until other - it is like a parity line. Everybody is supposed to reach this parity line the Government introduced. There is a benchmark.

Mrs EDWARDES: You are above the benchmark.

Ms IASCHI: We are just above the benchmark.

Mrs EDWARDES: There is an increase coming.

Ms IASCHI: We have money in our budget to increase salaries for every year but we are not going to increase salaries until other departments catch up in 2002. We are basically going to save that amount of money that we would have spent and that is reflected in the forward years.

Mrs EDWARDES: How are you standing still and saving money?

Ms IASCHI: Because we are not going to get a salary increase.

Mrs EDWARDES: But you have the money in there and you give it back.

Ms IASCHI: Yes, we give it back.

Mr ALBERT: The money was already budgeted in the forward estimates. We had that amount in the forward estimates -

Mrs EDWARDES: In the previous years.

Mr ALBERT: - which we will not now need because we will not be paying the salary increases that was expected.

Mrs EDWARDES: Where it was a three plus three, etc, which was expected, and you had to fund half of it yourself and half of it through Treasury, now you are not going to do that. You are going to stand still until others catch up. When do your workplace agreements expire?

Ms IASCHI: The end of this year.

Mrs EDWARDES: So why are you still saving money in the forward years?

Ms IASCHI: Because next year where we would expect to get another increase we will not be getting that increase.

Mrs EDWARDES: And the year after that?

Ms IASCHI: Then it will be a smaller increase.

Mrs EDWARDES: And the year after that?

Ms IASCHI: It flows through.

Mrs EDWARDES: They are going to be really happy chappies.

Mr CARPENTER: I understand the point you are making but there are a couple of issues. Salary growths were accommodated in forward estimates so it is not a continual grinding down. The parity and wages policy saving is \$12 000 in 2001-02, then \$15 000.

Mrs EDWARDES: But you are only talking about nine FTEs essentially, are you?

Mr CARPENTER: In the forward years, though, I think the saving there is identified from what was previously allocated in the forward estimates and what is not going to be expended. But your point is made.

[7.30 pm]

Mrs EDWARDES: Thank you.

Dr WOOLLARD: Minister, is the education department involved in discussions with the Commonwealth in relation to nursing education and, if so, is there any likelihood that these programs will contain an increase in the clinical training component, in future, or what is the subject of these discussions at the moment?

The CHAIRMAN: Can you just refer me to the point?

Dr WOOLLARD: Page 1099, the issues contained in dot point 1.

Mr CARPENTER: "The growth and development of higher education in Western Australia -"

Dr WOOLLARD: "Involves working with five Western Australian universities to achieve their strategic objectives."

Mr CARPENTER: Yes. I had better not make a wrong assertion here, but there is obviously negotiation going on with the Commonwealth. Whether or not it is at the level of detail the member is talking about in relation to nursing, I am unsure. The universities are more autonomous and perhaps I can refer this question to Mr Albert. He might know more about it.

Mr ALBERT: The universities are autonomous and do work directly with the Commonwealth on these issues, but what we have done is, we are actually working with the universities and with the health department ensuring that a submission is made to that review that is currently under way about nursing and health workers and so on. But the minister is correct. The universities tend to work independently. We only have a small office, just two or three people involved, who try to ensure that the Commonwealth is not getting five different messages, that at least there is a kind of State view that goes forward to the Commonwealth. We try to get them to agree on the issues that should be raised.

Dr WOOLLARD: Is it possible to have some indication of the education department's position?

Mr CARPENTER: This is actually the Department of Education Services, but I must say I do not have a position to put in relation to this. It is not something that I have ever addressed as an issue, so I do not have a position to put on this particular issue that you are talking about, but I am open to suggestions, lobbying.

Mrs EDWARDES: Can I again refer the minister back to page 1100 and the second line from the bottom, "Priority and Assurance Dividend". It is quite a considerable savings for such a small agency. The minister mentioned earlier about some FTEs with some of the functions being transferred across to the education department. Is that where the minister will make some savings in FTEs that are not also being transferred across and therefore then is it just money that is being transferred across? What other programs or services are actually going to be cut in order to meet those savings?

Mr CARPENTER: The member is right. It was quite a considerable effort to reach these savings that we were required to make. As far as I am aware, there are no services being cut. There is an administrative saving obviously because of the amalgamation of the departments. Mr Albert would probably be best placed to explain to you how we arrived at those figures, because it was not easy, and what the implication is.

Mr ALBERT: We went through a thorough process and it was a difficult process. Bronte Parkin has the details of the savings in his folder which we could provide to you or read them out. You have not got them. Essentially they were to do with a reduction in the research, a saving of FTEs, entering into arrangements with the Curriculum Council concerning corporate services. There were corporate services undertaken by Department of Education Services which could be easily accommodated by the Curriculum Council and thereby help the department save some money. We no longer print an annual report and we reviewed all of the printing of our publications over the year and made reductions with the idea of utilising the electronic publishing much more than the print media.

Mrs EDWARDES: Minister, if the figure for the FTEs is not readily available, can the minister provide that by way of supplementation?

Mr CARPENTER: Yes.

Mrs EDWARDES: The question in terms of reduction in research - what sort of research? I am sorry. I do not have an understanding of the research you might have been carrying out, and where is that likely to be picked up into the future?

Mr ALBERT: The department used to have an allocation which was uncommitted. It was really designed to deal with issues that would arise during the year. An example of that in the previous financial years was the Esperance project where the department got TAFE, Curtin University and the school together and the community which led to the establishment of a facility down there, so that money is being used for those sorts of projects. Because it was uncommitted, because the Machinery of Government had recommended the disbandment of the department, we felt that that money could be offered up at this time.

[7.40 pm]

The CHAIRMAN: Minister, can I just confirm in terms of the supplementary information -

Mr CARPENTER: Do we have to do it by supplementary or do we have it available -

Mr ALBERT: I must be careful how I answer this because initially we had a senior executive service position, but that was offered up as a part of the machinery of government, so that is not connected.

Mrs EDWARDES: Is that that management initiated saving?

Mr ALBERT: Yes, that is right. That is the management initiated savings and then it is 2.5 FTE savings.

Ms IASCHI: The ones that we have transferred from our control budget to our admin. We have two separate budgets. We had to find some savings in those grants before we transferred them, so it is a bit messy because the savings are here and I had to leave the savings there and shift the rest over to the admin.

Mrs EDWARDES: So not the same amount has been transferred across to the education department for this -

Ms IASCHI: No, to our administered budget. We have two budgets.

Mr ALBERT: With the grants, there was an administrative component and we negotiated the transfer of the grant to the education department and by agreement with the education department it was not necessary to transfer that administrative component and so we offered that up as part of this process.

Mr CARPENTER: But I think the member basically wants to know how many FTEs -

Mrs EDWARDES: 2.5.

Mr CARPENTER: That is the saving.

The CHAIRMAN: So there is no supplementary information required. That has been answered, member, to your satisfaction. We just need to know for recording purposes, so you can get rid of that one.

Ms RADISICH: Minister, in respect to page 1103 dot point 1, I was hoping you could please expand on what is meant by "competitive neutrality" and how that relates to West Australian levels.

Mr CARPENTER: That is a good question. Paul Albert has briefed me thoroughly on this but he does know -

Mr ALBERT: This is to do with Commonwealth legislation. There are some real issues in relation to the public universities. Their argument is that in fact there is a bit of a conflict. On the one hand, they are supposed to be working collaboratively together so that there is no duplication and so on. On the other hand, the requirements are that they should be competitive. There is a range of issues which are currently being explored. There is a working party with the universities and with State Treasury, with a view to putting propositions to both governments.

Ms RADISICH: About what exactly?

Mr ALBERT: About the difficulties that the universities have working within the national competition policy framework, the public universities. On the one hand the Commonwealth is asking them not to duplicate. On the other hand the framework is saying it should be open competition which is a bit of a problem. The preferred position is that they should be a bit more collaborate so it does not lead to the sorts of problems that are currently being encountered in, for example, Kalgoorlie.

Mrs EDWARDES: Page 1103, Minister, output 1 and output 2 are identified there. I wonder if you could provide by way of supplementation the general expenditure that is contained within each of those.

Mr CARPENTER: A breakdown of them?

Mrs EDWARDES: A breakdown please.

Mr CARPENTER: Yes, that can be provided. That is output 1 and output 2 as outlined in the output and appropriation summary, and a breakdown of what those component parts are?

Mrs EDWARDES: Thank you.

The CHAIRMAN: Thank you, Minister. The question is that in respect of division 63, appropriation be recommended. That is carried. Thank you very much.

Sitting suspended from 7.43 until 8.01 pm

The CHAIRMAN (Mrs Hodson-Thomas): Good evening, members. We are dealing with divisions 64, 65, 66 and 67. How the Committee decides to handle that will be entirely in your hands but before doing that, I will read the Chairman's statement.

This Estimates Committee will be reported by contractors to the Hansard office. The daily proof *Hansard* will be published at 8.30 pm tomorrow. Members should not raise questions about matters of general concern which do not have an item of expenditure in the consolidated fund. The Estimates Committee's consideration of the estimates will be restricted to discussion of those items for which a vote of money is proposed. We are dealing with estimates of expenditure and that should be the prime focus of this committee. While there is scope for members to examine many matters, questions need to be clearly related to matters of expenditure. For example, members are free to pursue performance indicators which are included in the *Budget Statements* while there remains a clear link between the questions and the estimates.

It will assist in the Committee's examination if questions and answers are kept brief, without unnecessarily omitting material information. It is the intention of the Chairman to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

The minister may agree to provide supplementary information to the Committee rather than asking that the question be put on notice for the next sitting week. For the purpose of following up the provision of this information, I ask the minister to clearly indicate to the Committee which supplementary information he agrees to provide. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee Clerk by 12 October 2001 so members may see it before the report and third reading stages. If the supplementary information cannot be provided within that time frame, written advice is required of the day by which the information will be made available. Details in relation to supplementary information have been provided to both members and advisers and, accordingly, I ask the minister to cooperate with those requirements.

I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office. Only supplementary information which the minister agrees to provide will be sought by 12 October 2001. It will also greatly assist Hansard staff if, when referring to the program statements, volumes or the consolidated fund estimates, members give the page number, item, program and amount in the preface to their question.