The CHAIR: Welcome everyone and thank you for coming in. Before I begin I must administer the oath or affirmation and I apologise for Hon Giz Watson who is unable to be here today. She gives her apologies; she is not well.

[Witnesses took the oath or affirmation.]

The CHAIR: You have signed a document entitled “Information for Witnesses”. Have you read and understood the document?

The Witnesses: Yes.

The CHAIR: These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you refer to during the course of this hearing for the record. Please be aware of the microphones and try to talk into them, and ensure that you do not cover them with papers or make noise near them. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today’s proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that the uncorrected transcript should not be published or disclosed. This prohibition does not, however, prevent you from discussing your
public evidence generally once you leave the hearing. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the annual reports on behalf of the people of Western Australia. The committee values that assistance. Members, it will greatly assist Hansard if, when referring to the annual report, you give the page number in preface to your questions.

Hon LJILJANNA RAVLICH: Director General, I refer you to page 88 of your 2009–10 annual report, which deals with significant issues impacting on the department. When I look at those issues and then I go back to the 2007–08 annual report, the significant issues and trends back then were literacy and numeracy standards, behaviour standards, standards in senior years, staffing, schools, standards of staff conduct and so on and so forth. I do not find reference to any of those significant issues that were issues in 2007–08 in your current set of significant issues impacting on the department. So, is this an indication that we have resolved matters relating to literacy and numeracy standards, behaviour standards, standards in senior schools and so on and so forth, and why the change?

[1.00 pm]

Ms O'Neill: In response to your question, there is, in our view, a degree of continuity of the issues. For example, you made mention of literacy and numeracy. While the priority or significant area is not entitled “literacy and numeracy development”, the very first significant issue of standards of student achievement goes to the very heart, for example, of the question of literacy and numeracy. In that whole section on the standard of student achievement, it certainly goes to the explicit teaching of literacy and numeracy, NAPLAN and all those sorts of issues, which revolve around literacy and numeracy itself. While the title is not specifically “literacy and numeracy”, because we are looking at a broader range of student achievement, it certainly encapsulates that particular issue.

On page 90 is closing the performance gap between Aboriginal and non-Aboriginal students. The main area of issues in the performance gap is the one in literacy and numeracy. Again, that would be replicated through the reform in early childhood development where the first development of students with us during early childhood is around literacy and numeracy. On page 91, we refer to managing the impact of complex social issues. You are quite right: it would be ridiculous to suggest that behaviour was a problem last year and not this year. In that section on “significant issues” is a recognition of behaviour as being one of those issues but also the more broad social issues that we are dealing with. This section picks up on the focus on better behaviour, stronger pastoral care, for example, and issues of attendance. From our perspective, whilst we might have used different language, and there are some different emphases in those areas, we do not believe that in one year we have got these significant issues and in the next year they have changed; we see quite a degree of continuity in those.

Hon LJILJANNA RAVLICH: Just on the question of literacy and numeracy testing, would you have Western Australia’s test results in literacy and numeracy by comparison with the other states and territories for the last three years and, if so, can you provide those to the committee?

Ms O’Neill: We do have on page 26 in this—I think they start on page 26, at least—our achievement in literacy. It gives you two years, being the two years of the NAPLAN testing. I think there are about 10 tables or so which go through the various NAPLAN scores and will show the relative improvements. As the department —

Hon LJILJANNA RAVLICH: Sorry, I would want the information that the commonwealth has given you or the department in terms of where Western Australia lines up in relation to every other state and territory.

Ms O’Neill: Comparatively?

Hon LJILJANNA RAVLICH: Yes.

Ms O’Neill: We can provide that. That is freely available.
Hon LJILJANNA RAVLICH: For the last three financial years.

[Supplementary Information No B1.]

The CHAIR: That is supplementary information about the Western Australian NAPLAN performance versus other states.

Hon LJILJANNA RAVLICH: Can I quickly go to the question of the autonomy of public schools? How many public schools do we currently have out of a total of how many?

Ms O’Neill: Currently out of 776 in total, we have 98 independent public schools.

Hon LJILJANNA RAVLICH: What does that actually mean?

Ms O’Neill: In terms of?

Hon LJILJANNA RAVLICH: Do these independent schools not report to the department anymore?

Ms O’Neill: What it means is that they still remain very much part of the public school system. They are inside the public school system and they are governed by the legislation that governs all of our schools. In broad terms, the policy—I will come back to that issue perhaps in a moment. Of the 98 schools, 34 started during 2010 and the new 64 will start next year. What they can do is participate in a range of flexibilities offered to them. They have the capacity to fully select their own staff; they do not have to take redeployees across the system and they are provided with support to do that selection. They can create their own staffing profile, whereas historically the department determined the nature of that profile—how many of this and how many of that and how many deputies et cetera. They can create their own staffing profile, they can select against that staffing profile, and they do not have to—but they choose to—take redeployees. That is the workforce part of it. They have what we refer to as the maximum flexibility of a one-line budget, which we have not been able to provide schools with before. They have a school board, but under current legislation its composition is much as you would remember school councils being, but we will have a look at that in the future. The school boards are involved in the selection of school principals. They have the capacity to, out of our policy framework, take some of those policies and customise them more to suit their own school’s needs, as long as it is compliant —

Hon LJILJANNA RAVLICH: But they have always had that. Schools have had that potential anyway.

Ms O’Neill: To a certain extent, but this is to a much greater extent. In broad terms, that is what they are able to do. They have greater flexibility over their staffing, financial arrangements and curriculum, to the extent that some may pursue, for example, to offer international baccalaureates and the like.

Hon LJILJANNA RAVLICH: My understanding is that they always could do that if they were in a position to be able to afford to. So really, the independent public schools are all about schools that now have the potential to hire and fire their own staff really, and they are not forced to take on redeployees or be subject to the department’s staffing restrictions or whatever?

Ms O’Neill: If I can just qualify that, some people use the term “hire and fire”. They can select, but they are still employed by the employing authority. It is not how many people would understand independent schools whereby they are employed by that individual school. Teachers in IPS schools are still employed by the employing authority, which is the department, so the school and the community can select. In terms of firing, our schools are still governed by the Public Sector Management Act, so there is a process to go through for substandard performance and misconduct. What they do have now that they did not have before is the opportunity to fully select. They are able to establish their own staffing profile, which they have not been able to before, so that they can appoint people and they do not have to take the referred teachers we give them.
Hon LJILJANNA RAVLICH: You keep saying that. With all due respect, director general, all I am hearing is that there is nothing new for these so-called “independent schools” apart from their ability to hire and fire. At the end of the day, they are still accountable to the central agency and they still have to comply with the legislative requirements of the education act and so on and so forth. Can you explain why schools that want to be able to become public independent schools have to go through a process by which they can prove their capacity or ability or criteria so that they can become an independent school when at the end of it the only thing they get out of it is their ability to hire and fire staff?

[1.10 pm]

Ms O’Neill: We would disagree with your suggestion that it is the same as what they can do now. Obviously, if it was the same as what they can do now they would not want to put their hand up to do that. At the moment, for most schools, we have, as you would recall, a highly centralised staffing approach. Take a school like Dalwallinu. We will tell Dalwallinu the staffing profile that the school can have, and we will appoint to them a teacher, without reference to that school themselves. So they have no input into the staffing process. That is the first thing. The second thing that I think is important is that the schools are able to move between, in their one-line budget, the flexibility they have with staff and with the financial resources of the school, which until now they have not been able to do. What I did not say, in also being clear about the distinctions with those schools, is that through their delivery and performance agreement with the director general, signed also by the school board chair, they will be subject to independent review in three years’ time—so that is another important distinction—whereas at the moment all of our schools have been subject to ongoing annual school review and have a very directive line relationship with the local district director. So there are a number of differences. Schools have put up their hand and we have had a very strong interest in being independent public schools, because for the schools themselves, first, it is a choice; and, secondly, they see a value in being involved.

If I can give you an example, I was recently at Roseworth Primary School. That school, I guess as testimony to the strength of the program, had 100 applications for a position that they would normally have no applications for. When I talked to the people at that school about why there is this level of interest, it is because the school and their staff feel that they have been given greater authority in decision making over the running of that school to meet the needs of those particular students. So why do people put their hand up? They put their hand up and exercise their choice to come into this program because they see the benefits that can accrue from having greater flexibility over the decision making around finances, around staff and around developing a school profile that specifically meet the needs of the students at the school.

Hon LJILJANNA RAVLICH: Okay. In relation to what happens at these independent schools, one of the problems, I guess, for the Parliament and the government generally is that there is a notion that because these schools are independent schools, they do not need to report. For example, when questions are asked in relation to how many prohibition orders have been issued against parents or against other people on school grounds, right across the system, the agency is not in a position to provide the Parliament or the relevant minister with that information.

Ms O’Neill: That is not correct. In the delivery and performance agreement with these schools—I have met with them individually—because they are part of the system, and they are stewards of the public purse and resources, obviously, they also have a responsibility to join with other schools in reporting the information that we require. So we lay out in their delivery and performance agreement an expectation that they are subject to audit and they are subject to the data collections that all other schools are subject to; and they are willing participants in that. So in terms of accountability, any suggestion that they are less accountable or are going to be reporting less is in fact incorrect.
Hon LJILJANNA RAVLICH: Could you advise the committee of how many prohibition orders were issued in the metropolitan area in 2009–10?

Ms O’Neill: We do not have that information at hand, but we can provide it.

Hon LJILJANNA RAVLICH: Could you provide that on a school-by-school basis?

Mr Axworthy: Not all kinds of prohibition orders are necessarily set by the schools themselves. You can have certain prohibition orders, as it were, preventing children from coming into contact with each other, or with other adults, which are taken out by parents. So if we are talking specifically about the prohibition orders from schools, we can certainly provide that information by school.

Hon LJILJANNA RAVLICH: Yes, by school. I am also really interested in finding out the categories of prohibition orders, whether it is children prohibited from entering the school grounds, or whatever. So could you give me the categories of who the prohibition orders apply to, and could you also give me the data in relation to the number of prohibition orders against parents in metropolitan schools for the years 2007, 2008, 2009 and 2010? We would not expect that there would be that many.

Ms O’Neill: As they are school-related, we will be able to provide that.

Hon LJILJANNA RAVLICH: Yes, as they are school-related.

The CHAIR: Supplementary information will be provided on the number of prohibition orders against parents from 2008 to the current financial year, where it is school-related; and the other question was prohibition orders by category and by school for the students.

[Supplementary Information No B2.]

Ms O’Neill: If I can just clarify, schools have only about a week and a half left to go. So just as a general comment, any questions that require us to go to schools to get further information, if we could be cognisant that that may be a little difficult if we cannot get it in the next few days or so.

Hon LJILJANNA RAVLICH: Well, certainly the first part of it, which is just the prohibition orders for metropolitan schools.

Ms O’Neill: We will do our best.

The CHAIR: Sure, and if there is a difficulty, we will have to take a further response at the commencement of the new school year.

Hon LJILJANNA RAVLICH: Can we also get information in relation to what those prohibition orders were issued for?

Ms O’Neill: Yes, as much as is available.

Hon LJILJANNA RAVLICH: I understand, from a response that I have received from the department to a question that I have asked about prohibition orders, that the department alleges that they are not responsible for issuing prohibition orders, and the legal section of the department alleges that they are not responsible for issuing prohibition orders. If the department and the legal section of the department are not responsible for issuing these prohibition orders, who is?

Mr Axworthy: If I may, there are a number of new orders that have come into the courts, whereby parents can take out particular restraint orders against other parties, against children —

Hon LJILJANNA RAVLICH: No. I am talking about principals against parents.

Mr Axworthy: For principals against parents, we will be able to provide that information.

Hon LJILJANNA RAVLICH: Well, I have to say to you, with all due respect, I have asked a question in relation to that, and I have been advised that these are not prepared by the legal section of the department. I would find it incredibly difficult to believe that if a parent has been ordered off
the school grounds by a principal and been prohibited from entering, and the parent is not
dangerous as such, why the department cannot provide information in relation to that.

Ms O’Neill: I will need to get some further advice on why that particular response was given,
Chair. I cannot answer that now.

The CHAIR: Supplementary information will be provided concerning the reason why the
department’s legal section has declined to give that information.

Ms O’Neill: There may be specific contextual issues that I need to have a look at.

Hon LJILJANNA RAVLICH: At the end of the day, I need some reassurance, and the committee
needs reassurance, that the department is ultimately responsible for what happens on school
grounds.

Ms O’Neill: I am happy to explore that further. There may be a specific issue that I am not across.

[Supplementary Information No B3]

[1.20 pm]

Hon LJILJANNA RAVLICH: I refer to page 15 of the annual report, which is about professional
standards and conduct. The professional standards and conduct division ensures the highest
professional standards and conduct. Do you still have a complaints management unit within your
agency?

Ms O’Neill: We do not have something called the complaints management unit; we have something
called standards and integrity, which is a directorate rather than a unit, that carries out the
misconduct investigations. So it undertakes a similar role but is called something different. That is
part of this professional standards and conduct area.

Hon LJILJANNA RAVLICH: How many complaints of alleged misconduct did they deal with in
2009–10?

Ms O’Neill: On page 169—I think it starts on 168, there are about four pages that go to this issue.
So if we are asking about misconduct, there are various levels, obviously, of complaint. As you
would be aware, we have complaints of different orders, I guess, including right up to misconduct.
I am just having a look at the tables that would best describe it. Table 56 goes to the issue of
misconduct, and they are the levels of complaints that get dealt with by this area.

Hon LJILJANNA RAVLICH: If I have a look at that table, in 2007–08, 343 misconduct matters
were received; in 2008–09, there were 305; and in 2009–10, there are 501. If we have a look at the
number resolved, in 2007–08, there were 202; in 2008–09, there were 281; and in 2009–10 there
were 412. If we have a look at the totals down the bottom of the page, I suppose, in terms of
percentages they would reflect the same sort of picture. Why has there been such an increase in the
number of matters received?

Ms O’Neill: I think since the time that we have, I guess, had a particular light shone on this area,
we have done a number of things. There was a report and there were suggestions or findings in the
report that the culture of the department did not welcome, for example, complaints and allegations.
We have been very proactive in speaking with not only our own employees but people in the
community about the need for people to report complaints and allegations of misconduct. We have
been quite proactive in seeking as a means of continuous improvement, but also as a means of
dealing with any misconduct, getting out into schools and into the community and being quite
public and deliberate about the need under public interest disclosure, under our relationship and
responsibilities with the CCC et cetera to have matters of misconduct brought forward. That would
be the first thing that I would say.

So, number one, there has been an increased emphasis on how we manage misconduct and,
number two, we have proactive prevention and corruption and misconduct programs that we have
run for not only ourselves but also as a leading agency for the Public Sector Commission in this area. In fact, nationally we have been recognised as—the term that was used—having a Rolls Royce–approach in terms of the rigour with which we now deal with misconduct.

The third area that I would point to is that we have refined our processes. Part of the report that came in in late 2006 – early 2007 talked to the fact that our processes were actually poorly developed and poorly executed. I think the level of resolution of these matters points to an enormous improvement, which has been publicly acknowledged, in the way we deal with misconduct. So there certainly is no apology for the increased numbers in misconduct reported, because one of the criticisms of that report was that given 35,000 employees, we were under-reporting misconduct. So this result we think is—while it is disconcerting because we would all like to have no misconduct allegations—not only fairly reflective of the size of the workforce but also very reflective of the enormous amount of positive work that we have done in this area.

**Hon LJILJANNA RAVLICH:** How many cases of sexual misconduct were there in 2009–10?

**Ms O’Neill:** Do you mean a teacher against a student?

**Hon LJILJANNA RAVLICH:** Against students—teacher against student.

**Ms O’Neill:** We have on page 170, but it might be captured under “Inappropriate behaviour”. We have “Physical assault”, “Inappropriate behaviour”, “Fraud/theft” and “Other categories”. At note (b) “Inappropriate behaviour” would include sexualised contact with students.

**Hon LJILJANNA RAVLICH:** My understanding is that there were 105 cases of teachers and staff accused of inappropriate conduct that could be sexually motivated in 2009–10. Would that ring true?

**Ms O’Neill:** This table for 2009–10 lists a number of allegations received. We have 81 that we are managing centrally and 70 that we are managing locally, so about 150, of which some will be cases that may have an element of sexualised behaviour.

**Hon LJILJANNA RAVLICH:** I wonder whether you could provide the committee with an absolute figure on the number of cases of alleged sexual misconduct that were identified or reported and what the outcomes of the investigation for each of those cases was.

[Supplementary Information No B4.]

**Hon LJILJANNA RAVLICH:** I am assuming that given the nature of the seriousness of those allegations, you would have been required to have reported those to the CCC in all cases.

**Ms O’Neill:** We have mandatory reporting of different levels automatically to the police and the CCC through the mandatory reporting processes that are set down in legislation. So what we can do is provide you with the number of cases where—often, as you know, some allegations have multiple parts—it is primarily an allegation of inappropriate sexual contact and the resolution for those that have been resolved. Remember that many of these cases immediately once they are in the hands of the police are over a period of time. So whilst there might have been an allegation in one year, it is very often not resolved in that year once it becomes a matter for the CCC and the police. The comparison between allegations received in one year and resolution just may require us to provide a bit of extra information.

**Hon LJILJANNA RAVLICH:** That is all right; if you want to provide extra information, I will take it. What has happened to the 100 staff who have had sexual misconduct allegations against them? Where are they?

**Ms O’Neill:** Very many different things, I suspect. Some will be suspended without pay, if they —

**Hon LJILJANNA RAVLICH:** Do you know how many?

**Ms O’Neill:** Not at hand, no. We can give you a piece of information about how many are suspended without pay. It depends individually on the case. Some will be suspended. Some cases
would have been resolved and a sanction may have been—I am sorry, the suspension without pay
information is available in table 59. It depends whether the cases are resolved or not; some are still
underway, some are in the hands of the police. If there was a finding of misconduct, there are
penalties that apply. Those penalties can range from, obviously, dismissal or, depending on the
allegation, a range of other sanctions. So where that 100 are would entirely depend on each
individual case.

[Supplementary Information No B5.]

The CHAIR: That is the outcomes of those teachers who have alleged misconduct from sexual
behaviour and where they have ended up, where they have progressed —

Hon LJILJANNA RAVLICH: What is their status?
Ms O’Neill: You need to understand the status and if it has been resolved, what was the sanction.

The CHAIR: Yes, thank you.

[1.30 pm]

Hon LJILJANNA RAVLICH: Yes, that is fine. So for each of the 100 or so cases, the allegation
where it is in the process, what the status of the relevant teacher is, or, if it is not a teacher, what the
relevant status is. Now, I understand that on top of all that —

The CHAIR: Sorry, member. Are you right?
Ms O’Neill: Yes.

[Supplementary Information No B6.]

Hon LJILJANNA RAVLICH: I understand that there are a number of other people within this
basket, if you like, of misconduct and I think that there are teachers or school-based staff who have
been accused of possessing child pornography. Are you aware of any cases where staff have been
accused of possessing child pornography?

Ms O’Neill: Yes.

Hon LJILJANNA RAVLICH: How many?

Ms O’Neill: That is a level of detail that I do not have at hand, but certainly not huge numbers in
our system, but we have had a number of allegations that we have investigated or are investigating
around possession of child pornography. What I should say about that is that is a matter for the
police and the CCC first and sometimes, very often, they will continue their investigation and
sometimes it is referred back to us. But of course the department has a different burden of proof and
we have a different set of processes that run either after or alongside the police investigation. What I
should say in the first instance is that any allegation of sexual misconduct, including obviously child
pornography, we apply section 240 under the act and remove them from contact with students.
Student safety is prime in all of the work that we do in this area.

Hon LJILJANNA RAVLICH: Can you provide information on the number of school-based staff,
be they teachers are otherwise, who were accused of possessing child pornography?

Ms O’Neill: We can, allegations of possession?

The CHAIR: Allegations of possessing child pornography.

Ms O’Neill: Sorry, Chair, can I also just clarify here that very often these are—they are always
police matters in the first instance. While they are teachers, the allegations are not always to us first
and so I just want to point out that there may be matters that the police are handling. Obviously we
have very close relationships and children are not put at risk, but I do not want to cut across any
matters that the police have. What we are able to provide is the number of cases of allegations of
child pornography that we are advised of and informed of and working through.
Hon LJILJANNA RAVLICH: With all due respect, Director General, they make up a part of the information that you have provided through to the Parliament, so you are obviously aware of them or they would not be calculated in your figures and —

Ms O’Neill: That is why I have agreed to give it. I am just saying that we are not the police and there may be matters outside our control.

Hon LJILJANNA RAVLICH: We understand that. We have just had the police in. We know you are not the police because we have just had them.

Ms O’Neill: Very good.

Hon KEN TRAVERS: Because you are not wearing a uniform.

The CHAIR: You will not include those matters that surface through the avenues of the police that you may not even know about; that is what you are trying to be clear about?

Ms O’Neill: Yes, that is all. It is just a caution.

Hon LJILJANNA RAVLICH: Can I just ask, in the last financial year, how many staff were suspended without pay or indeed sacked as a result of matters relating to sexual misconduct?

Ms O’Neill: As I said, we only have the broad figures in the annual report, page 170, about suspensions without pay.

Hon LJILJANNA RAVLICH: What page sorry?

Ms O’Neill: Page 170. There is a table about suspension without pay. You are asking the question about suspended without pay due to sexual misconduct; that is a piece of information we can provide. Your second question was about how many people were sacked as a result of sexual misconduct; that is a piece of information we can provide.

[Supplementary information B7.]

Hon LJILJANNA RAVLICH: I am wondering whether it is possible to also provide that same information for 2008–09 and for 2009–10?

Ms O’Neill: Yes, we are happy to do that. Our processes, as I mentioned, I guess, in my previous comments—new processes have been introduced and strengthened. I am sure that we are able to provide that, but we will have much better records, obviously, in the last few years.

The CHAIR: The direct trend might be corrupted a little bit because of the different emphases given.

Ms O’Neill: Where that is an issue, we will make a note for you.

The CHAIR: Thank you.

Hon KEN TRAVERS: I am happy to ask a question. I will just get the page number for us. If we go to page 61 of the annual report, there is a comment that there was a 1061 eligible students from years K to 3 who got intensive intervention programs at the four metropolitan language development centres. I guess my first question is are there any regional language development centres or are there only the four in the metropolitan area?

Mr Axworthy: Purely done on the number of students who are needy of language development.

Ms O’Neill: So the outreach service that is provided —

Hon KEN TRAVERS: Children in the regions do not need LDCs?
Ms O’Neill: I do not think that is what Mr Axworthy said. We have four language development centres in Perth. They provide outreach services to students. Regardless of location, I guess, the level of servicing is what is important and those outreach are provided to the students who meet the criteria.

Hon KEN TRAVERS: I guess one of the things I am interested in is are there any waiting lists for students to attend those language development centres?

Mr Axworthy: We try to avoid waiting lists. There are certainly issues regarding waiting lists for children to receive speech pathology services, which are largely run through health services rather than from Education’s point of view. We have focused our language development centres on the very early years. We try to take in children in K, P and 1, because we find that we can have the greatest impact on those children and run them, if you like, through the service as quickly as we can. It would be misleading to say there is no such thing as a child who is waiting to get in to a language development centre, but we do not run a formal waiting-list process. There are children who would need to wait a little while before a space was available before a child exited and another child came through.

Hon KEN TRAVERS: If you have got children who are waiting for the services, but you do not run a waiting list, how do you determine which child will be the next one in?

Mr Axworthy: Sorry. I guess what I am saying is that we do not place a child on a waiting list and walk away and leave them on a waiting list. What we are doing is processing children so that we can know who is the next one to come in to the centres. It is an ongoing process.

Hon KEN TRAVERS: So you would be able to tell us how long a child is having to wait to get access to those centres?

Mr Axworthy: We could provide information on that.

Ms O’Neill: I think also though we need to remember that the LDCs are one way of providing—a very good way—that support. We have other teams of teachers who provide specialised support in addition to that. It is not as if a child is languishing waiting for LDC service and not being provided with any other support. Our statewide specialist services, for example, provide similar kinds of support to those children who are in need and, in fact, we provide funding to schools for a range of supplementary causes including speech and language development. It is not as if language development centres are the only mechanism we have to support them, but they are a very good one.

Hon KEN TRAVERS: Can we get that as supplementary information in terms of the number of students who are waiting and how long they are having to wait till they get access?

[Supplementary information B8.]

Hon KEN TRAVERS: Do you have any idea of how many staff are located at each of the four language development centres and how they are broken up in terms of the qualifications or the skills?

[1.40 pm]

Ms O’Neill: I think we might want to provide you with that level of detail about the FTEs in the language development centres. I do not think that is something we have at hand.

The CHAIR: That information will be included in supplementary information B8—the level of FTEs in the language development centres.

Hon KEN TRAVERS: I am keen on what the levels were at 30 June 2010—the end of the financial year. Are you also able to provide us with information about whether any changes have either occurred or are going to occur in staffing numbers at each of those language development centres?
centres? Do you have a plan for next year or the year after? Have you taken any decisions to change the number of staff?

Ms O’Neill: I am not aware of any decision that has been taken. By and large, those places are staffed in accordance with the number of students in attendance. Because they are usually at a maximum, I am not aware of any planned changes to the FTE levels. If there were such a planned change, we could inform you in that answer.

Hon KEN TRAVERS: Would people around the table here today know if it was about to occur? Is it the sort of thing that you would expect to know? Would the decision be made at a different level of the department?

Ms O’Neill: Any normal school—LDCs are not normal schools—is staffed on a per capita basis. We would not know in a general fluctuation school by school but there has not been a policy decision, for example, to staff language development centres in a different way. As I said, we will answer that question.

Hon KEN TRAVERS: I turn to note 15, which is on page 119. It relates to contribution charges and fees. I am assuming that that picks up all the school fees that are collected by schools. Is that correct?

Ms O’Neill: Yes.

Hon KEN TRAVERS: I imagine it must be quite hard to account for these on a financial year basis because I assume they are collected throughout a calendar year.

Ms O’Neill: There are different mechanisms for collection of fees. Because of their financial position, some parents choose to contribute fortnightly or monthly. There are varying arrangements.

Hon KEN TRAVERS: I would have thought it would be useful to get them for the financial year 2009–10 but also for the calendar year of 2010. As you mentioned earlier, the schools are about to finish for the year so most of the fees would have been collected for the year.

Mr Leaf: Note 15 basically discloses the fees that have been charged. It does not necessarily reflect the fees that have been collected from parents. We answer questions on notice quite regularly around the level of collection that has been achieved. Only recently we provided the most up-to-date information we had around school-by-school collection rates. I can follow that up and we can get an update for you.

Hon KEN TRAVERS: I will go through what I was after. Depending on what date it was provided, could you provide more up-to-date information? I was interested in the percentage of fees collected at each school, both district and senior high, and the actual dollar amount collected at each school.

Ms O’Neill: We answered this question about eight weeks ago. We would not be in a position to go back to schools now for the end of the year. That would be difficult to do. If we were to go back to schools about their 2010 final collection position, we would not be in a position to do that until early next year.

Hon KEN TRAVERS: Do the staff stay on after the end of the actual school year?

Mr Leaf: We require principals to certify the data that comes in because whilst we can get information from registrars and business managers—we take into account the accountability of the data and the quality endorsement of the information—it is critical that a principal has an opportunity to see collection rates when they are being revealed. This data is also provided to the public through media queries. I would regard it as being an absolute necessity that a principal had an opportunity to review and endorse that information.

Ms O’Neill: We are very happy to provide it; it is just the timing.
Hon KEN TRAVERS: I would have thought you would have a system in place in which that information would be automatically reported to you by principals at the end of each calendar year. Is that not the case?

Mr Leaf: Schools do not close off their financial year until December. This annual report is at close of business 30 June and Sharyn and I signed it several weeks after that date because it takes some time to close off an accounting system, reconcile all the accounts and ensure that all the appropriate checks and approvals have been gone through. We have absolutely no problem providing the information. If we do provide the information, I personally expect that every principal has an opportunity to comment on it. I personally look for what I see as being significant variations, comparing one period with another, and want to refer questions back sometimes if I think that some of the data looks like it might need some further scrutiny.

The CHAIR: We will need that information on a best endeavours basis by the end of this year.

Hon KEN TRAVERS: Can we get the results of when you last collected it? If it is reported at the end of the calendar year, can we get a copy of that sent to us as a committee sometime after? If it is reported in early January, can you get it to us after it has been reported to you?

Ms O’Neill: As soon as it is signed off, we are happy to make it available.

The CHAIR: That is the level of fees charged and received.

[Supplementary Information No B9.]

Hon KEN TRAVERS: Have any schools requested or had top-ups because of low fee collection rates this current year?

Ms O’Neill: No, we have had no such requests.

Hon KEN TRAVERS: Are children denied courses or excursions because of non-payment of fees?

Ms O’Neill: No. There are a number of high cost options in which students—they are normally year 11 and 12 higher cost courses—may be asked to revise some of their options for the next year if their parents find it difficult to pay. I have not been aware of those cases. All of the schools that I am familiar with—I am familiar with most of them—go to extraordinary lengths to ensure that students are not disadvantaged on the basis of their parents’ difficulty to pay for those courses. We offer a full range of ways that parents are able to meet those needs. We document ahead of time the costs of all the various courses for parents so they know ahead of time the amounts of money available to them, remembering that parents have other means of assistance, particularly if they are on health care cards. I am not aware of cases in which students are prevented from going on excursions. In fact, there are programs that help students do just that. For example, there is the priority country area program. Schools, with best endeavour, ensure that those students who are less financially able do not miss out. There are a handful of high cost options in which the counselling to parents would want to ensure that they are able to meet that financial commitment.

Hon KEN TRAVERS: Do schools ever use debt collection services?

Ms O’Neill: Yes, it is open to them to do so. It always has been. A number of schools pursue those services.

Hon KEN TRAVERS: Can we get a list of the schools that have used those services in the 2009–10 financial year and the 2010 calendar year?

Ms O’Neill: We would have to go to schools individually to do that. We do not have a central collection of debt collection activity.

Hon KEN TRAVERS: In a sense, the independent public school system does not change that at all. They already have that independence. In what circumstances would they use a debt collection service?
Ms O’Neill: When they have gone to every other extent to work with the parents to make payments, so it is a last resort option. Do you want to add something?

Mr Leaf: It is actually used largely as a tool to achieve a better collection rate, and it is an important tool that is made use of. As Sharyn has explained, there are a number of courses that are quite expensive to run, and it is the department’s desire to provide as much range as possible for students to study. If schools fall below a certain level of collection rate for operating some of those courses, they simply would not be able to continue. So whilst resorting to a debt collection agency might seem somewhat harsh, nevertheless it is done with the specific purpose of trying to ensure that the schools can provide as broad a range as possible. Fees are an essential part of year 11 and year 12 courses for some subjects for, actually, the continuation of the education in those subjects.

Ms O’Neill: Perhaps if I could clarify, though, around those high-cost options.

Hon KEN TRAVERS: But do we know that it is only for high-cost options that they are using the debt collection services, or are they using them just for ordinary year 11 and year 12 school fees?

Ms O’Neill: They can use those services—that has been a longstanding practice—should they need to. Our understanding is that it is not a practice that is widespread, but nonetheless it is available to schools when they have exhausted every other means of working with the parents and assisting the parents to have those payments met. Students are not to be disadvantaged. What schools do is offer a range of courses where students can achieve the same outcomes. They might be able to do it through a higher-cost option—for example, some sort of outdoor ed course that has abseiling, and quite expensive options—but students could achieve the same outcomes under the agreed curriculum, doing it through a different context that is not as expensive. So it is not that students who perhaps have less means are not able, then, to pursue, under the curriculum, the same range of outcomes. We think it is very important that schools offer some choices so that they can achieve the outcomes described, albeit through different contexts. A high-cost option is just one example of that, but at the end of the day, if schools, having exhausted all of the other means available to them, are not able to collect from families, they will make a judgement. Not all schools use it, but it is a tool that is available to them.

Hon KEN TRAVERS: Is there actually a formal policy of the department for schools to follow as to when they can and cannot use debt collection services?

Ms O’Neill: I understand there are guidelines established for their use.

Hon KEN TRAVERS: If we could get that taken on notice.

[Supplementary Information No B10.]

The CHAIR: B10 is the guidelines for the use of debt collection services.

Hon KEN TRAVERS: I have just one or two other areas on this same point. You said that you can change the type of activity and still meet the curriculum, but are you suggesting that at one school you may be meeting the curriculum by two different methods? So half of the students will be going abseiling because their parents can afford it, and the other half of the student body will be doing some other activity, such as climbing a wall in the gymnasium because that meets their activity curriculum.

Ms O’Neill: No, that is not what I am suggesting. There has always been a range of contexts through which you can achieve outcomes, and that is not tied to the financial capacity of a school. You can learn, for example—do not use phys ed perhaps—social studies, and there are outcomes that you can learn about working alongside other people that you can go out into the workplace and learn, but you can equally learn them at school. All I am saying is that the curriculum, and the application of it, is going to vary between schools, as it should, because there are contextual differences in schools. For example, PCAP funding goes to lower socioeconomic country schools,
and they choose to pursue some of the learning through an annual camp. You do not have to do it through an annual camp; that is the choice they have made.

**Hon KEN TRAVERS:** I understand that, and I can understand that you can set it, but are you telling us that students are getting different opportunities, either within a school or between schools in terms of the way in which they learn, depending upon their parents’ capacity to pay fees?

**Ms O’Neill:** No, that is not what I am saying either.

**Hon KEN TRAVERS:** Explain to me what you are saying.

**Ms O’Neill:** Perhaps I will be very clear then. Schools offer a range of curriculum choices. In that range some more will cost more, some will cost less. There are families that get, even through individual schools, financial assistance to undertake some of those courses. What I am not suggesting is, depending on your parents’ financial position, you will be able to do better courses that someone else. But it is true to say, in a range of schools, that some courses cost more than others, but students are not prevented from accessing the outcomes that are required of them under various courses because of their financial position.

**Hon KEN TRAVERS:** How do they achieve those outcomes if they cannot afford to pay it? If a school is offering—you used the example of abseiling and let us stick with that—abseiling as part of its outdoor education course to meet the curriculum criteria and a student cannot afford to pay for the cost of that abseiling, how does that student then get access to that curriculum if that is how that school delivers the program?

**Ms O’Neill:** What I am saying is, in most schools they would offer it through a range of means, and one might be the abseiling course. You mentioned going out to Bayswater and climbing the walls; there is a range of ways that you can do it.

**Hon KEN TRAVERS:** Who chooses whether or not the student goes for the abseiling model or the climbing the wall model?

**Ms O’Neill:** Well, the family would choose because they choose the courses that they enrol in.

**Hon KEN TRAVERS:** So that means that at the one school you may have some students achieving the curriculum by going abseiling, and other students achieving it by going rock climbing up a rock climbing wall?

**Ms O’Neill:** They might within a school, but what schools do—they are very public in this and we require them to do it—is talk to the parents about if their student wants to participate in a course that they think is financially challenging for them. We require schools to have a conversation with the parents and talk to them about how we can assist them to do that, so that the financial factor is not a determinant of enrolment.

**Hon KEN TRAVERS:** How does it not become a determining factor?

**Ms O’Neill:** Sometimes the schools discount students from lower socioeconomic areas into courses and fund them or assist them with funds to do those courses if that is a course that they are choosing to do. Many of our schools do that.

**Hon KEN TRAVERS:** Is there a particular fund for schools to do that —

**Ms O’Neill:** Low socioeconomic schools are funded through a range of factors, including staffing. We have weightings in the staffing for Aboriginality and for distance, and under the commonwealth right now we have a low SES national partnership. There is recognition of, if you are in the country there is higher cost, and if you are in low socioeconomic areas the weightings allow for additional assistance to students and families. It is built into their —

**Hon KEN TRAVERS:** What about where you have a school where you have students from a low socioeconomic background, but the overall population of the school is high socioeconomic background?
Ms O’Neill: Then you would work with the individual families. If you are a healthcare card holder, there is assistance with uniforms, for example. There is a range of means by which we can help.

Hon KEN TRAVERS: But a lot of people fall out of healthcare card range.

Ms O’Neill: Of course; and we would expect schools to work with individual families, and they do.

Hon KEN TRAVERS: And if all else fails, they can send the debt collector in.

Ms O’Neill: If all else fails and they choose to, they could do that. If all schools were doing that, of course our collection rate may appear differently. Obviously they are not; they are making judgements about individuals and individual circumstances, and schools do this very well. They are very mindful that students are not disadvantaged; the public school system is predicated on an all-comers basis, and all students are given the advantages and privileges of education.

Hon KEN TRAVERS: My last question in this area is, for instance, I would have thought that for the second half of this year—in fact the whole of last year and certainly next year—at a whole range of schools in the Wheatbelt families will be suffering severe economic circumstances because of the drought. What then occurs in terms of providing additional resources to those schools so that they can maintain the sort of courses that we are talking about, even though parents will be going through a period where the parents themselves will probably not be able to afford to pay the way that they may have last year or the year before?

Ms O’Neill: If any school found, as a result of the individual circumstances of families or indeed the broader area because of drought, that their collection rate was lower and somehow that school’s program was being affected, then we would work with that school to ensure that students are not disadvantaged.

[2.00 pm]

Hon KEN TRAVERS: That sounds like it has got to be, sort of, the school coming to you, cap in hand; you do not have a process to identify those areas in advance and be proactive about saying, “Look we know there is going to be a problem in this area, let us sit down and provide additional and provide additional funding to —

Ms O’Neill: Well, how we can be proactive is by saying to schools, “If you find yourself in this circumstance, we are happy to work with you.” What we are not doing is pretending to know the individual circumstance of families and particular areas. The people on the ground are best able to advise us, because it is very different. There is no blanket about everyone suffering from the condition of drought, and so the feedback we are having from the field is that it is best for schools to tell us where this is having an impact and we will work individually with them.

Hon KEN TRAVERS: With all due respect, when we did the inquiry recently into the cessation of the year 11 and 12 supplementary funding, the feedback we got from the schools was that they were raising with you the impacts that that was going to have and nothing happened. Eventually it happened at, let us say, Lake Grace, but it took some considerable time for the department to respond.

Ms O’Neill: Well, with all due respect also, when those schools were raising they issues, they were not raising the issues, at that time, of the impact on local community due to drought and other difficult conditions. They were talking about very many other factors.

Hon KEN TRAVERS: I am talking about your ability as an agency to respond proactively, not about specific circumstances. They were raising concerns about what was happening to them and it took a few months as an agency, and you are saying, “Well, we will talk to them.” But does not give me great comfort, if there is a problem of the start of next year, that will be dealt with at the start of next year, it will be at the end of next year.

Ms O’Neill: We have just appointed new regional executive directors that are on our corporate executive. I have just spent a week and a half briefing them, and they are very clear, particularly in
those areas that have been affected by drought, that we have asked them to advise us of operational issues on the ground. Should they come to us and have that discussion, then we will respond immediately. We have responded with respect to district high schools and the minister in particular after getting some specific feedback as she travelled around, as was suggested by the committee at the time about the very specific issues being confronted in those rural communities. So I think our capacity to respond is demonstrated there and quite rightly, as you point out, you would not want to be responding in July, halfway through the year, when the impact is being felt now. I hope that you are assured and I am certainly assured our regional executive directors are going to be giving us that advice.

The CHAIR: Can I just have one question on that issue?

Hon LJILJANNA RAVLICH: Yeah, sure.

The CHAIR: I was just wondering whether we can provide a list of schools for the department to inquire as to the particular items for which fees are charged and how many students may not have been able to take up activities as a result of being unable to meet any of the payments for those particular items?

Ms O’Neill: So your question is? I am just not sure what you are asking me.

The CHAIR: The particular schools and to inquire which items have a fee charged for them. The item might be excursions —

Ms O’Neill: Chair, would you be asking us to give you a list of schools?

The CHAIR: No I will give you a list just now, and I can list them off here and it is just a random page of schools from a table I have got. I am just having a look it looks like it covers the range which could give us a fairly good picture: Gingin, Gnowangerup, Halls Creek, Jerramungup, Kambalda, Kojonup, Kulin, Kalumburu, Lake Grace, Leonora, Morowa and Mt Magnet. They are all district high schools, I did not appreciate that they were all district high schools at the time I opened the page. But that nonetheless should give us an interesting—and if it can be by each year from, I guess grade—what is it, infants? How do we call it these days?

Ms O’Neill: K.

The CHAIR: Yes.

Ms O’Neill: So is your question, in those schools have any students missed out on something as a result of not being able to pay? We are just not sure.

The CHAIR: I am interested in the items. I mean I do not know what fees are charged frankly, I am just interested in the items for which the school charges a fee to parents for a particular item.

Ms O’Neill: Chair, how it works is if you are in primary you are charged a voluntary fee, I am just looking at my colleagues; $60 and $235 in secondary. That is your fee that you are charged.

The CHAIR: That is a fee for the year is it?

Ms O’Neill: For as many schools as you have listed there will be that many variations again, because it is not standard.

The CHAIR: The beginning and also what they have charged and all the range. I was actually thinking of each one individually really.

Ms O’Neill: But they cannot charge more than that, it is a maximum limit.
The CHAIR: I beg your pardon?

Ms O’Neill: It is a maximum limit. The cannot charge more than $60 or $235. It is a maximum.

The CHAIR: That is the maximum. Okay, well in those I would just like to know whether there are students who cannot pay for those.

Ms O’Neill: So your first you would like is—

Mr Leaf: I think it is going to be extraordinarily difficult to answer. Let us say that some primary school students are invited to take part in a cricket tournament and there is a fee associated with that. We actually keep track of the children that pay the fee and go; we do not keep track of the students who do not pay the fee and do not go because we would not know whether they did not go because they could not afford to go or because they did not go because they did not like cricket or they did not go because they were ill or on holiday. We simply could not provide that information in the way that you have actually asked the question.

Ms O’Neill: We would not have the reason, unless the school was, for example, let us say Gingin and a family who could not pay the $235 second secondary fee had come to the school and said, “I am unable to pay this because of financial difficulty.” We would not know and the school might not necessarily keep a record of the reason why.

Hon KEN TRAVERS: It is mainly years 11 and 12 where they pay—

The CHAIR: No, no. I want to go from the primary. Okay so just clarify a little bit. Okay if it is a voluntary one, then I would just like to know—it would be an item, cricket and what the fee was to do that. Okay, forget about anyone missing out on the voluntary ones. If it was an excursion for a class, that is when I would have thought everyone would have been—

Ms O’Neill: Again the parents would have a choice about that.

The CHAIR: They do have a choice; that is right.

Ms O’Neill: So the most, not obvious, but the one that is able to be captured perhaps, is the payment of the voluntary fee, the $60 or the $235, but again that would require a number of things: to go to the individual schools; they would have had to kept a record as to why. Was it financial? Was it that they were going to be away? So that is the reason why.

The CHAIR: Maybe the missing out is going to be the hard part to do. What I would like to know is the amount per year for the different items for the fees that are charged. Just how much it is for a primary school parent to pay if they are going to participate in everything.

Mr Leaf: Those fees charged by schools are set individually on the basis that—let us take a kayaking course for example. A cost schedule is built up for the hire of the kayaks anything that is associated with goods and services, but excludes the cost of the teacher time to do it, that is not part of this charge.

Ms O’Neill: I just wonder whether it be helpful for the chair if we could provide to you a sample—what the school does is give to the parent the outline of the total cost as they see it for the year of the $60 of a packet of tissues and an apron or something. We go to the schools and say, “Show us what it is that you give to parents about the costs—

[2.10 pm]

The CHAIR: Yes, as long as that includes things like cricket or kayaking.

Ms O’Neill: Some of those things come up during the year.

The CHAIR: Yes, I know some of them do. That is why I am trying to capture those as well. A parent who did not have any income, if they had a very talented child, an all-rounder, what income would they need to give that child the opportunities? That is the basic thing I want to know. I have no idea what that might be. I do not know whether it is $400 or $90.
Ms O’Neill: I wonder, Chair, if we could go to a number of these schools and ask them to reconstruct for the year, from their records, what a year 3 student family might have been asked to pay. On the basis of that, you could make a judgement, if that is what you are after, and we could follow up with you.

The CHAIR: Let us start with that.

[Supplementary Information No B11.]

Hon KEN TRAVERS: The abolition of the It Pays to Learn allowance as part of the three per cent efficiency dividends, have you monitored whether or not—I think it was $200 or $400 for senior secondary students —

Ms O’Neill: Yes.

Hon KEN TRAVERS: Have you monitored what impact that has had on the ability of students to participate in their courses of choice or on the fees that are paid to the schools?

Ms O’Neill: We have not formally monitored that. Schools have not come back and told us there has been a change. As we look at Curriculum Council enrolments et cetera, there does not appear to have been a change in the patterns of enrolment in courses as a result, but we do not have a formal report that would indicate that.

Hon KEN TRAVERS: Even though you took the decision, you put no formal monitoring mechanism in place to ensure it is not having an adverse impact on students’ educational opportunities or outcomes?

Ms O’Neill: As Mr Leaf has just said, only in the broad way that I have just described to you. That monitoring would happen on a school-by-school basis in any case. The $400 was for students going to TAFE, I think. The $200—I will just look for clarification—went to the parents themselves. We were never able, right from the inception of that $200, to directly demonstrate that parents were spending it at school in any case. It is a difficult one to monitor the impact of its withdrawal when there was no certainty as to whether parents were spending $200 on school activity. There was no demonstration required by those parents that they were spending it on education in the first place.

Mr Leaf: What we would actually expect is that with some 770 schools not all of them are affected by the It Pays to Learn allowance, but we do encourage schools to provide feedback when something might have an impact or is likely to have an impact. We make sure that principals at schools are aware that if they are observing hardship for students because of one of those decisions in the It Pays to Learn allowance or the secondary assistance scheme, we have said we would welcome feedback and we are ready to talk about how we can deal with those on a school-by-school basis. Once again, whilst it has been said already, we have not had schools come back to us in this past 12 months to seek that assistance.

We also have some 60 or so finance consultants–analysts who support all schools, and have contact regularly—at least three or four times a year—with every registrar–business manager, constantly monitoring bank accounts, always looking to pick up areas where there might be hardship. We have not had feedback from those consulting finance staff to say, “This school looks like it’s going to strike some difficulties because of this particular decision.”

Hon KEN TRAVERS: What feedback have you had from schools?

Ms O’Neill: About what?

Hon KEN TRAVERS: About anything.

Ms O’Neill: Plenty—we have plenty of feedback from schools.

Hon KEN TRAVERS: What sorts of issues do you get feedback from them on, on a regular basis? I have to say that my experience of talking to them is that I suspect on these matters you will not get
feedback because they do not believe Silver City, as they refer to it, is responsive to it when they raise it. That is why I am asking what issues do they give you feedback on.

Ms O’Neill: Many issues we have feedback on.

Hon KEN TRAVERS: Give us some examples.

Ms O’Neill: Policies—they would prefer to see policy change that allows them to do X, Y or Z. They would all like to select their staff. There are a range of issues that we have feedback on consistently. Certainly, from our perspective, it would be unfair to suggest that we were not responsive to the needs or the suggestions of schools. We respond all the time. Does that mean that schools always get the answer that they want? No, of course they do not. They never have under any corporate executive. But to suggest that because we have not, despite numerous offers to schools—we are talking about senior professional people; our principals are professional people—when they have an issue to raise, please do not misunderstand, they raise it and they raise it very directly. Some of them raise it in ways that we perhaps wish they would not. Our principals are not backward in coming forward. Our school communities are not backward in coming forward. When they have been given an offer of assistance in other areas, schools would pick that up. From our perspective, to suggest that we do not get feedback from schools nor do we listen to it, is not right.

Hon KEN TRAVERS: You might find that is the perception, though. Whether that is right or wrong, I am saying that is the perception.

Ms O’Neill: Across 776 schools there are a range of perceptions. Of course, we have to listen to all of that advice.

Mr Leaf: If we were to basically say where do we get the majority of feedback from schools, it is around helping them to fix particular issues. They are often not related to the delivery of education. We fund probably adequately through the resource allocation that goes out of the school grants, and we fund the staff allocation through the FTE allocation to schools. We believe that generally speaking those funds, based on evidence, appear to be adequate to deliver the educational outcomes for the students in their schools. The majority of feedback we get is around fencing, security and air conditioning. They are about the issues of infrastructure at the school. We would deal with those sensitively, promptly and make sure that wherever it is within our capacity to do so, schools are not finding themselves in a situation where they are being restricted in something that affects the students’ welfare through an infrastructure issue. My general belief, in answer to the question of are we getting feedback from our principals and our teachers, is yes, we certainly are. Judging by the feedback, the issue is not around funding the schools for the delivery of educational outcomes; the main feedback comes from those issues I just described.

The CHAIR: It is just after 2.15. We will have an eight-minute break. We will reconvene at 2.25 pm.

Proceedings suspended from 2.17 to 2.25 pm

Hon LJILJANNA RAVLICH: I refer to page 62 of the annual report, “Suspensions and exclusions”, and the second paragraph there, which states —

In 2009, there were 27 374 suspensions involving 12 529 students. The average period of suspension was 2.2 days. …The most common reason for student suspension was physical assault or intimidation of other students.

Do schools report on a regular basis their suspension figures?

Mr Axworthy: Yes, suspensions are recorded.

Hon LJILJANNA RAVLICH: Yes, but how do you gather the data—on a monthly basis or —

Mr Axworthy: As they happen.
Hon LJILJANNA RAVLICH: So it is ongoing. If we ask for the number of suspensions currently across the state, would you be able to provide that information?

Mr Axworthy: Yes.

Hon LJILJANNA RAVLICH: Okay. I am just wondering whether you could provide the trend data for the past three financial years —

Mr Axworthy: We can do that.

Hon LJILJANNA RAVLICH: —for the number of suspensions.

Ms O’Neill: Sorry; we can provide it in calendar years.

Hon LJILJANNA RAVLICH: You do calendar years?

Mr Axworthy: Sorry; is that a problem if it is on a calendar year basis? We can certainly provide the past two years, but as long as —

Hon LJILJANNA RAVLICH: No, not really. That is all right. We can work with that.

[Supplementary Information No B12.]

The CHAIR: Just say that again. It is the suspensions —

Hon LJILJANNA RAVLICH: It is the total number of suspensions across the state for the 2007–08, 2008–09 and 2009–10 years. If you want to do that on a calendar-year basis, that is fine. We want the number of suspensions and the number of students that that involves.

Mr Axworthy: Yes.

Hon LJILJANNA RAVLICH: Could we also, further, get a breakdown on each of the districts?

Mr Axworthy: Yes, we can do that.

Hon LJILJANNA RAVLICH: Okay; you can provide the district breakdown. Is it possible to get a lower level of breakdown from that on a school-by-school basis in each of the districts?

Ms O’Neill: It would not be something that we would have at hand.

Hon LJILJANNA RAVLICH: All right. The thing that does concern me is that the most common reason for student suspension, which was physical assault or intimidation of other students, seems to be something that is on the rise, and I wonder whether you can in fact identify the number of those suspensions that were for physical assault, intimidation of other students or assaults on teachers.

Ms O’Neill: Yes, I think we are able to do that. I think we have answered a couple of similar questions during the year, so I am sure that we can report that category.

Mr Axworthy: Yes, that is a category that is recorded.

Hon LJILJANNA RAVLICH: When you capture this data, what are the categories by which it is identified. It might just be easier, given that you collect the data in these categories in any event, that you can provide it broken down by the categories.

Mr Axworthy: We can provide it to you broken down by the categories.

Hon LJILJANNA RAVLICH: Would you know offhand how many assaults on teachers occurred in 2009–10, or so far this calendar year?

Ms O’Neill: Not offhand, no.

Hon LJILJANNA RAVLICH: But you can provide that information?

Ms O’Neill: We always come back to this issue: it depends how that suspension is recorded and described. I think we have answered the question to the best of our ability previously, so we will provide you what we are able to.
The CHAIR: That is the number of assaults on teachers for the last year.

Ms O’Neill: Are you talking about a physical assault?

Hon LJILJANNA RAVLICH: I am talking about a physical assault, and I am talking about from primary right through to year 12.

Ms O’Neill: Yes.

Hon LJILJANNA RAVLICH: Whilst we are at it, can I also get the number of preprimary or grade 1 students who have been suspended or excluded from the system over the past three financial years, and the reasons for that?

Ms O’Neill: Yes.

The CHAIR: That is the number of students who have been excluded —

Hon LJILJANNA RAVLICH: This is preprimary or grade 1.

The CHAIR: — in preprimary or grade 1 who have been excluded from the system.

Hon LJILJANNA RAVLICH: Or suspended. It does happen.

Mr Axworthy: Yes. The numbers are very small, but it does happen.

The CHAIR: I am just wondering, in the same area, whether you could make a calculation of the economic cost of the suspension and exclusion and class dysfunction that occurs as a result of a student who comes into the system already dysfunctional. Now, it is going to be an estimate, but I suspect that it is going to be a very big number of dollars. It would be very interesting if you could make an assessment of that, because that could give us an idea of how much investment we need to make into stopping the dysfunction at an earlier age. I think the director general knows from where I am coming. But it would be very interesting to have an assessment. I have made an assessment just at one school, which was something like $1 million, I think it was, taking into account the progressive shortcoming of the education productivity as a result of the dysfunction in the class. So it has to have a number of assumptions in it, but it would be a very interesting number.

[2.32 pm]

Ms O’Neill: It is not something that we have, obviously, at hand, nor something that we could do on the back of an envelope. I guess what we could try to do is sketch out, based on some assumptions, what that might be. We would be very nervous about that, and it is not something that we would ever want to pursue further publicly because, from our perspective, the assumptions would be so broad and tenuous. It is something that we would be extremely cautious about. We could have look at the kinds of assumptions that are made when a student who is exhibiting fairly dysfunctional behaviours comes into the school, and the impact that that has on a school.

The CHAIR: On him, on the others in the class, and then you have to assess, in a sense, whether that compromises the progress that the rest of the class is making.

Ms O’Neill: It is very difficult to put a dollar value on that. In the first instance, we could try to describe the impact; to attribute a dollar value would be very difficult for us to do without a lot of research and assistance, I suspect.

The CHAIR: At the end of the day, I understand the difficulty of the dollar value, but it comes back into either not having employment straightaway, or having a lesser job for lesser salary.

Ms O’Neill: There is some work around; it is not our research, but national longitudinal studies into young people who do not attain to a certain level, and the economic impact for them personally and for the broader community. Those studies exist, but that is not necessarily directly related to poor
behaviour. At the other end, there are studies such as those carried out by Professor Mustard that show the impact on students in the early years, and the economic investment in the early years that is required in order to ameliorate the sorts of things you are talking about during the year. There are pieces of research that exist at either end that we could perhaps also make available to the committee that ascribe, in broad terms, an economic value —

The CHAIR: Even a range, just to get an idea. It may be in consultation with the minister and so on, but let us see what might be generated.

Ms O’Neill: In the first instance, could we keep the question relatively broad, so that we can bring back to you some of those assumptions in the first go? As I said, we want to be very cautious because of the tenuous nature of that information.

The CHAIR: I understand.

[Supplementary Information No B15.]

Hon LJILJANNA RAVLICH: I want to touch on the issue about the work of the expert review group that has examined underperforming schools. I think it was set up some time last year —

Ms O’Neill: A couple of years ago.

Hon LJILJANNA RAVLICH: A couple of years ago, okay. It has looked at 20-odd underperforming schools.

Ms O’Neill: Around that in each year, plus a handful of exemplary schools as well, each year.

Hon LJILJANNA RAVLICH: Okay. Can you identify which schools this group looked at in 2009–10?

Ms O’Neill: We can; I do not have that information with me, but we can provide you with a list.

Hon LJILJANNA RAVLICH: Okay. Can you provide, for those 19 or 20 schools, the attendance records?

Ms O’Neill: We could; it is not necessarily part of the expert review group report, but we could certainly provide the 2010 attendance results.

[Supplementary Information No B16.]

Hon LJILJANNA RAVLICH: I understand that there is some correlation between attendance. Gilmore College, which I understand was one of those schools, had an attendance rate of 41 per cent, and Governor Stirling Senior High School had an attendance rate of 53 per cent. Surely you, as the Director General of the Department of Education, would have to be concerned that a metropolitan school such as Governor Stirling has only half its students attending school. It is illegal in this state for a child not to attend school. What are you, as the director general, doing about that non-attendance?

Ms O’Neill: Of course, member, we are very concerned about schools at which attendance rates are low. You asked a question in relation to the expert review group; some of those schools have issues of attendance that are raised through the expert review group. Other expert review group reports do not go to the matter of attendance because it is not an issue for a particular school; I was responding to the expert review part. We have serious concerns about schools that have poor performance in terms of attendance, and this year the minister launched a new attendance strategy to go to the heart of attendance problems. That is the Better Attendance, Brighter Future program that is referred to on page 62, where we started. There are a range of strategies linked to that program to try to get to the heart of improvement of attendance. In fact, we nominated or identified a range of schools as focus schools—what we call AIM or attendance improvement measure schools—that are funded and have attendance target requirements, and so —
Hon LJILJANNA RAVLICH: Sorry; can I just interrupt? You are saying that you have identified a number of schools that obviously have very low levels of attendance to focus some of this work on. Can you give us an indication of which schools, or some of them at least?

Ms O’Neill: We would be guessing off the top of our heads, but we have a list —

Hon LJILJANNA RAVLICH: Hang on, let me get this right: you are the director general of the department, but so far you have not known the answer to virtually every question I have asked you. You told me that this is a major strategy and a major decision by your minister. I have not asked you for all 19 of these schools, but just some of them—two or three—and you have told me that you do not know. I cannot get my head around that. Can somebody else help you? Can you phone a friend?

Ms O’Neill: You have asked a question, and I —

Hon LJILJANNA RAVLICH: You really are wasting my time if you do not —

Ms O’Neill: Sorry, Chair; I was asked a question. If you would like me to answer, I am happy to.

The CHAIR: Please, yes, answer, director general.

Ms O’Neill: The member has made a range of statements there, the first of which was about our inability to answer the questions. With all due respect, the annual report covers every aspect of the department’s operation and I think we have made best endeavours to answer you questions. Where you have asked very specific questions that go to matters of operational detail, we have offered to provide that information. I think that is a fair and reasonable response; that is the first thing I would say.

[2.40 pm]

Hon LJILJANNA RAVLICH: I do not, I have to say. I think it is very poor.

The CHAIR: Okay. Director General?

Ms O’Neill: Secondly, then, with respect to attendance, there are not 19 schools; there are 40 schools. Most of those schools come from low SES backgrounds, and you have named Gilmore, for example, as one of those. We have schools in the Kimberley that, you know, are low SES schools, including schools such as Kununurra and the like. There are 40 schools. And then we have a range of also focus schools which we are dealing with under the national partnership. Balgo would be another school. So, there are a range, and there are 40 schools that we are dealing with and we are happy to provide that list to you. Typically they will be schools in low SES areas that you would be familiar with—Cecil Andrews and schools in the Canning and Swan area—that have got issues of attendance. So, the strategy focuses on 40 schools. But in addition to that, and if you look at the data it is not only schools that have an overall poor attendance record, there are schools that have individual students who similarly—one or two students out of a whole school—have a problem with attendance and need further support. So, the strategy goes broader than just the 40 aim schools that I have talked about. Also the strategy looks at mutual obligation because there is also an obligation on parents and the broader community with respect to attendance. So, the strategy, as I say, goes broader and involves an annual student attendance audit which provides audit information on individual students who are at risk. So, the strategy has a systemic approach, it has a school by school approach and it has an individual approach as well.

Hon LJILJANNA RAVLICH: All right, so you will provide to the committee the names of the 40 schools, their attendance record, and in fact if you could provide the attendance record for the last three financial years, or three calendar years as it applies to you because that will be some sort of a trend indicator in terms of what is happening to attendance records. But I must say I would be very, very concerned, given that we have major schools with average attendances of 41, 42 and 50 per cent, which means that apart from anything else there is an excess of resource and capacity which is
funded by the taxpayer that is not being utilised, but over and above that it is a lost opportunity for every child who does not get to school on any particular day.

The CHAIR: The supplementary question there is B17 and I think the question has been fairly enunciated by Hon Ljiljanna Ravlich.

[Supplementary Information No B17.]

Hon LJILJANNA RAVLICH: Can I just ask you about this annual student attendance audit? Does this happen just once annually; or how does this work?

Mr Axworthy: The audit goes for the whole of semester 1 because this a long enough period so that you do not pick up spurious results as a result of just a child being sick for a week. Other states go for a particular week and they audit it in a week. We take records for the whole of the first semester and then work out average attendance rates for students broken down by, obviously, the year of schooling.

Hon LJILJANNA RAVLICH: Okay. Why have you chosen just to do it for one semester rather than right through the year?

Mr Axworthy: Schools record their attendance on a daily basis, twice daily in fact. So, at the school level there are huge amounts of information on individual children and it is recorded not only that they are missing but whether their parents have given information about sickness or illness or other reasons for them missing. The audit itself is used just for systemic information, and taking half a year’s worth of information is sufficient for us to be able then to move on this in the second semester rather than waiting for a whole year to go by before we moved on it; and that is the reason.

Hon LJILJANNA RAVLICH: Okay. Can I just quickly move to another issue, and that is weapons in schools? How many weapons or reportings have occurred in relation to students bringing weapons to school during the last year?

Ms O’Neill: I think the most recent parliamentary question we answered on this was that it was less than 20; I think it was 18 or thereabouts—weapons as prescribed by the Criminal Code.

Hon LJILJANNA RAVLICH: What checks are done at a school level in relation to ascertaining whether or not students have weapons on them?

Ms O’Neill: Before any searches of lockers or students, or questions asked, there needs to be most likely, usually, an allegation or a suspicion; and on that basis either they are evident, in which case action is taken; or if there needs to be a search undertaken, that is a police matter that the school has to refer to police.

Hon LJILJANNA RAVLICH: Okay; and how many referrals have been made to the police in that respect?

Ms O’Neill: In every case where there is a suspicion of a weapon, because it is a weapon for the purposes of the Criminal Code, the police are called.

The CHAIR: I refer to page 10, summary of performance in table 7. In table 7 there the first item is participation rate, proportion of persons aged 15 to 17 years at some point of education. The actual is 91.5 per cent, I presume that is.

Mr Axworthy: Yes.

The CHAIR: That still means that there are eight and a half students in every 100 falling off the edge. That is a number which worries me. Is that a number which worries you? It must worry you, but I mean are you considering measures to actually raise that number to a higher level?

Mr Harris: That is not actually what it means.

The CHAIR: Okay; please let me know.
Mr Harris: The difficulty is the way that age is measured by the ABS resident population’s age as at 30 June. And that is the way this measure is constructed, so that we count the kids who are in schools and TAFE and other things as at age 15 to 17 as at 30 June. It is actually three years’ worth of kids: half the year in year 10, all of years 11 and 12 and then half the year of kids who have probably left school.

The CHAIR: So, it is meaningless.

Mr Harris: No, it is a very good basis for comparison from year to year. And when the half cohort exits the system in a few years’ time, the ages will line up neatly. But for the moment it is an issue, but it is a comparative measure.

The CHAIR: Trend basis only.

Mr Harris: Yes.

The CHAIR: But not an absolute number basis.

Mr Harris: Yes, but it does relate to the small group of kids who actually are expected to have left school, which is one sixth of the group in question.

The CHAIR: Okay. Can we not have that changed so that it is a calendar year, to measure it with the school years in the same way that a lot of your other data is?

Mr Harris: The reason it was done that way originally was that it was the way that the ABS population data was available. These relate to the audited performance indicators, and the auditors have quite strict requirements on what counts as a performance indicator and what does not count. One of the things they do not like is any kind of averaging from the financial year into a calendar year or vice versa. So, we have had to negotiate these indicators with the Auditor General’s auditors over the years and in this particular case it is the ABS population which dictates how it is done.

The CHAIR: Okay. Could I then suggest perhaps that you have a note at the bottom of that table to explain it?

Mr Harris: It is explained in the text in the performance indicators.

The CHAIR: Okay. I am sorry, I did not get that far. Let me go to the next one then: apparent retention rate, and maybe this is the same issue, is it? It would seem to me that the proportion of year 8 cohort studying in year 12 is only 66 per cent; it seems to me to be a surprisingly low number.

Mr Axworthy: No. Sorry!

The CHAIR: This table has obviously confused me!

Mr Axworthy: This is being retained in school to year 12, not including those students who are now studying in training or recognised “other” training providers or who may be in employment or in part-time employment and part-time training or doing a host of other things. Under the terms of the raised school leaving age, it was not just that the children had to stay at school; they had to stay at school or be involved in meaningful employment, training or education, some of which may be in the school building as such. The retention rate here is those that are retained basically in the box of the school. However, it does not reflect those who are actually engaged in continuing education, training or meaningful employment.

The CHAIR: Okay. I see that I had a difficulty with the numbers. The target was 66 per cent and the actual is 66. Is that target pretty much like full employment? Is that as much as you would like to have, ideally, or are there some which have been lost to the system?

Mr Axworthy: In answer to your question, we track every student from year 10 onwards. We track every student as a result of the raised school leaving age. Participation coordinators track every
student and ensure that every student, if they are not in school, have a notice of arrangement. Over the course of tracking those students, of course, some will move interstate and some will move from a government school to a non-government school, so the tracking is a difficult task. At the end of the day, you asked whether this represents 100 per cent of the kids. No, there is a small number of students whom the participation coordinators continue to chase up, but whom we just do not find, if you like. The number, however, is very, very small in comparison with the total. It is just a very small number that our participation coordinators continue to chase. Some of these children—on page 66, I think, is a reference to that. Does that give any numbers, John?

Mr Harris: Yes.

Mr Axworthy: We actually end up with 95.2 per cent who are actively participating in education, training and/or employment, which has risen from 87 per cent in 2006.

Hon KEN TRAVERS: What page is that on?

Mr Axworthy: Page 66.

Hon KEN TRAVERS: Of the annual report?

Mr Axworthy: Yes.

The CHAIR: When did the year 12 requirement come in?


The CHAIR: That 87 per cent would have included a number of children who —

Ms O’Neill: In 2006 it went to the end of the year in which the leaving age turned 16, and in 2008 the leaving age turned to 17. The change was made over two years ago.

The CHAIR: Okay. So it is 95.2, which is 4.8 students roughly who —

Mr Axworthy: Who we are having trouble tracking, some of whom may have moved interstate.

The CHAIR: One of the reasons why I am interested in that number is when we were doing work on the district high schools—I know that in Corrigin, there were four students who were not included in the number of students at the school, suggesting that there were zero and zero year 11s and 12s. In actual fact there were four but they were outside the walls of the school and were in the community. We always felt that was a risk because doing SIDE or whatever at home is a very difficult thing to achieve.

Hon KEN TRAVERS: Are you saying that 95.2 per cent is the number of students who are actually physically attending an education, training or employment program, or they could be not attending but are subject to a participation program?

Mr Axworthy: No, the 95.2 are those who are actively engaged with and participating in education, training, employment or a combination thereof.

The CHAIR: The term “employment” in that sentence there is someone who might be totally outside the school walls working at a job of which you are aware —

Ms O’Neill: An apprentice or someone who is in full-time employment and they are entirely outside of the school and are not doing any school-based work at all.

The CHAIR: But you know where they are?

Ms O’Neill: Yes.

Mr Axworthy: We know where they are and we regard it as meaningful employment, as opposed to working for two hours a week or having a seasonal job. This is with a genuine prospect of sustainability.

Ms O’Neill: Chair, we have an individual tracking system, and we do it on behalf of all schools—government and non-government.
The CHAIR: Is that an SES—to be excused from the walls of the school, or the yards of the school, to be employed, as a farmer? Could I justify that my children need to come home and work on the farm?

Ms O’Neill: You would have to demonstrate that they were engaged in meaningful employment, and there are some standards that are attached to that. The participation coordinator would have to sign and approve what is called a “notice of arrangement”, and that is that that child is participating in an activity that meets all the standards that are required under the legislation. There is actually a formal sign off. When they drop out of that employment, they have to re-engage in one of the programs. There are a number of kids on notices of arrangements who are in employment or in apprenticeships et cetera.

The CHAIR: Of that 95.2, roughly how many would be on a notice of arrangement?

Mr Axworthy: There are 14 170 on a notice of arrangement.

The CHAIR: Thank you very much. What would that be as a percentage, roughly?

Mr Axworthy: It is two years of data across a cohort of about 35 000 a year. As a percentage, it is about —

The CHAIR: Is it 17 per cent?

Ms O’Neill: It is out of about 65 000 because it is government and non-government.

The CHAIR: That is roughly 18 per cent, is it not? If it is somewhere between 15 and 18 per cent, it is a reasonable proportion in that notice of arrangement category.

Mr Axworthy: Yes, but as I said, the notice of arrangements are for any child who is not attending school full time. Some of them will be in school for four days a week, and one day a week they are doing a training program with a recognised training provider outside; they would have a notice of arrangement.

Ms O’Neill: I am wondering whether the diagram on page 67 helps. That shows you the proportion of students in the various notices of arrangements.

The CHAIR: Okay. That is for 17-year-olds. Would most of the district high school students who, under the participation programs, are working in partnership with the communities and district high schools, be in the non-74 per cent categories?

Ms O’Neill: They are all school students and would be in the 74 per cent category.

The CHAIR: Okay. So quite a few notices of arrangements are still being given out?

Ms O’Neill: And notices of arrangements are —

Under the legislation, it is entirely appropriate to have students in employment and training, and schools and apprenticeships. So being under a notice of arrangement is a positive, because you are in a good pathway. The students we are worried about are the ones who are not in any of those pathways.

[3.00 pm]

The CHAIR: Which, again, is the 8.5 per cent, if I was able to use that number?

Mr Axworthy: It is 4.8 per cent of 16 and 17-year-olds, and seven per cent of 17-year-olds.

Ms O’Neill: I asked for a figure today, and the figure was about 2 800 or 2 900 students who we are individually pursuing. They are a difficult group to work with. They are hard to find. Many of them are not living at home. They are quite mobile. So they are the group who we need to keep finding options for, and keep engaging. But they are a group that very often have multiple issues that need support—social; family; and some drug and other issues. So it is really quite a broad strategy to get those students engaged. Also, some are mothers.
The CHAIR: Broad, and costly, I can imagine.

Ms O’Neill: Indeed.

The CHAIR: Just at the bottom of that same table on page 10, for primary education, the cost per student full-time equivalent is rising, but the cost for the secondary full-time equivalent is falling?

Ms O’Neill: Yes. We have the half-cohort effect also going through the secondary level.

The CHAIR: Okay. Thank you.

Hon KEN TRAVERS: Just to finish off on those issues about participation, your proposal to reduce your participation program by 50 per cent, was that fully implemented during the time of the figures that we are talking about, or was that still in the process of occurring—that reduction in the participation program?

Ms O’Neill: During the period of this annual report, do you mean?

Hon KEN TRAVERS: Well, you are talking about semester 2, 2009. I am not sure when that would have been, because I do not know when in semester 2, 2009, you took the 95.2. What I am asking is: had you reduced the participation program when you calculated those figures for participation?

Ms O’Neill: That is a reflection of the final output for 2009.

Hon KEN TRAVERS: So that is when you would have still had your full component of participation? Your participation program was operating at full capacity, prior to it being cut by 50 per cent?

Ms O’Neill: No. It was done in stages, and we had already commenced that reduction.

Hon KEN TRAVERS: Right. But in the financial year 2009–10, how much did you save from reductions in the participation program?

Ms O’Neill: This is the table that we provided I think last time we were together. So the figures have not changed from that.

Hon KEN TRAVERS: That is why I ask, because, according to that, you were intending to save $4.5 million through the 50 per cent cut in the participation program, and in the 2009–10 financial year, you were expecting then, by that stage, to achieve only $2.5 million. That suggests to me that in semester 2, 2009, you would have still had the full participation program in operation.

Ms O’Neill: We had some reduction in participation coordinators in 2009, and then the full reduction followed from that. So we had started the reduction in the participation coordinators towards the end of 2009.

Hon KEN TRAVERS: So we do not yet know what the impacts of that reduction in participation coordinators has been?

Ms O’Neill: On the results, no.

Mr Axworthy: Our current participation rate is pretty much exactly the same this year as it was last year, so around 95.2. I am saying “around”. It may come out at 95.21 or it may come out at 95 point whatever.

Ms O’Neill: So your question about will we see a result, I guess the finalisation of that happened in 2010, so for the 2010 results, you could ask that question again at that point. But to date we have not seen any impact on the overall participation, nor the retention rate.

Mr Axworthy: We will be monitoring that very carefully.

Hon KEN TRAVERS: I turn now to page 144. Under the heading “Savings measures and adjustments”, there is an item shown as “Shortfall in 3% Efficiency Dividend for 2009–10”, and an amount of $51.918 million. That would suggest to me that you made savings of $41.724 million.
Based on the estimated $93.642 million saving that you are required to make, can you provide us with a list of what you actually did to make those savings of $41 million; and have you yet identified where you will make the savings of $51.918 million in the out years, and, on top of that, where you will make the savings of the additional $17 million that has been cashflowed into the forward estimates?

**Hon LJIILJANNA RAVLICH**: Good question!

**Mr Leaf**: I know we spent some time discussing the future reporting of any initiatives in the context of the efficiency dividend last time we were here in September. At that time, I recall making the point that this will now be taken care of through the usual process of putting forward budget estimates, with descriptions of expenditure in various categories, and delivering a balanced budget in each financial year. So we indeed will not be required to track efficiency dividend any longer into future years. It is now just part of the setting for each year’s budget total expenditure and appropriation.

**Hon KEN TRAVERS**: I bet you health are wishing they had hung out for longer!

**Mr Leaf**: I cannot comment on that!

**Hon KEN TRAVERS**: So you are saying that you are basically not now required to meet your efficiency dividend?

**Mr Leaf**: No, no, no. I did not say that. I said we are required to meet our out turn in terms of balancing the budget, in the appropriation and the net cost of service.

**Hon KEN TRAVERS**: Okay. So, based on this year’s performance, you are going to need to find in the order of $68 million in savings for next year. For 2010–11, you will need to find an additional $51 million in savings, and in the following years, you will need to find that $51 million, plus an additional $17 million, to meet your budget. How are you going to do that?

**Mr Leaf**: The answer is essentially that every agency within government every year goes through a process of monitoring and tracking its budget. At this particular point in time of the year, four to five months have elapsed, and we have done a degree of reporting against how we are travelling, and we include that information in our dialogue with the minister and with the Department of Treasury and Finance, and there is a process of midyear review, and a process through the bilaterals, that take place between now and the budget being delivered in May, and all of the discussions around delivering on not just this year’s budget but future years’ budgets to deliver the requirements of government policy are all part of that process. So at the moment we are not engaged in any significant discussion around an item that no longer exists in the budget estimates called an efficiency dividend.

[3.10 pm]

**Hon KEN TRAVERS**: If that is the case, can you tell us how you are tracking this year in terms of your expenditure? Are you on budget?

**Mr Leaf**: As things stand at this particular point in time, I believe that that information is with the Department of Treasury and Finance, a midyear review statement is about to be delivered—I am not
sure exactly of the dates—and I actually do not believe that I have the authority to talk about discussions that have been held.

**Hon KEN TRAVERS:** I am not asking about what money you are going to get in your midyear review; I am asking whether you are currently —

**Mr Leaf:** I do not even know what that is.

**Hon KEN TRAVERS:** No, I am asking how you are currently tracking in terms of meeting your budget for this financial year. Are you on track? Are you behind? Are you over or under budget for where you expect to be based on the budget that was allocated last year?

**Ms O’Neill:** The budget, as it has been in previous years, is going to be a challenge for us. It has been, as I said, in previous years, and we will be doing all the things that we can to ensure that we deliver the budget as we are required to do. But as John has said, we do not feel that we are in a position to specifically comment on our budget position.

**Hon KEN TRAVERS:** Why not?

**Ms O’Neill:** Because we are in discussions with the minister about it right now.

**Hon KEN TRAVERS:** But with all due respect, there are two processes that go on. There is a process of the executive—I am not asking you to tell us what is going on in the executive—but there is a process of the Parliament and your budget is actually approved by the Parliament. This is a committee of the Parliament that is vested with maintaining and monitoring the expenditure of money by agencies. I have every right, as much right as a minister of the Crown, to ask you, if you are spending public money, how you are going on spending that public money. That is what I am asking. I am not asking you to divulge what you have told the executive; I am asking you to tell the Parliament whether you are on track, are you running over budget or are you running under budget. It is not unreasonable. The way that you present your budgets to the Parliament is one thing, but that does not mean that we as a parliamentary committee cannot also ask you to explain whether or not you are meeting the targets that were laid out in previous budgets that were approved by the Parliament. That is what I am asking you and that is what I want an answer to.

**Ms O’Neill:** And what we have said is our budget is challenging and —

**Hon KEN TRAVERS:** By how much?

**Ms O’Neill:** To date only a number of months have gone past, so it is difficult to forecast the overall out-turn, but we are tracking as we would expect to in a challenging budget.

**Hon KEN TRAVERS:** What does that mean? How much are you over budget at this point in the financial year?

**The CHAIR:** As Chairman, I believe that Hon Ken Travers’s position is correct but maybe it can be asked another way. To close-off of October, are you over budget or under budget and by how much? That I think is a parliamentary question.

**Mr Leaf:** I am happy to, I guess, give some background in terms of the question being asked. We have a $4 billion thereabouts budget in terms of capital and recurrent expenditure. The question began with a figure of around $50 million. In a budget that size, where we do not know what our enrolments will be in the new financial year and we do not know how we are tracking on a number of expenditures at this point in time that may have just commenced in the year—there are several gateways of providing funds to schools—I would not like at this particular point in time of the year to give a financial out-turn where I am talking about a variation at the margin of one or two per cent of the budget. It is not fine enough at this point in the year, with just four or five months’ financial information available, to make a prediction. If this was in May, April or even March, when I had six to eight months of financial information available and had a real understanding of where the overs and unders were actually tracking, whether they are in employment benefits, goods and services, utilities charges or in maintenance of school infrastructure, then I would feel confident in providing
an answer to the question. At this particular point in time, we are not in a position, I believe, to try to inform the committee now, particularly while we are still engaged in having those discussions with the Department of Treasury and Finance.

The CHAIR: Even as of October 2010?

Mr Leaf: In October 2010, well, we are in December 2010 now —

The CHAIR: I know but from an accounting point of view I would not have expected you to have closed off your books for November by December 2010. For October I would expect the books to be closed, the accounts to be closed off, reconciled—if you like, in the traditional term—by now. My question is simply as of 2010 —

Mr Leaf: The 2009–10 year, I think the question is really to the current financial year, not the —

Hon KEN TRAVERS: No, it is related to this financial year because what is highlighted in your annual report is that you did not make it in the last financial year, so I am trying to find out whether since the end of the last financial year you have taken any corrective measures to get you back on track in terms of your financial management and meeting your budget. I might add that as I understand it, if you look at that page 144 that I mentioned, it highlights that you do get added in additional money for things like growth in student numbers. So I accept that when you get your enrolment figures in the new year, the government and yourselves will discuss how much additional money you get to meet those additional enrolment figures if they are over what was budgeted for in terms of growth in enrolment.

Mr Leaf: And even that is in negotiation and we cannot guarantee that we will be fully funded for the student growth that we actually believe has occurred, as is all of the budget issues. Everyone would know that the government basically negotiates with all of its agencies and I cannot say how much of what we might put forward through our bilateral submission will be funded 100 per cent or 50 per cent or not at all. The outcome of that then leads me and my deputy CFO to advise Sharyn, “This is the new budget context we have to balance within this year, next year and for the foreseeable future.” This note that you are looking at in the financial statements was only able to be compiled following the bilateral process that concluded in May last year, so we did not know the outcome at this particular point in time when this note was prepared. We had not locked away funding for increasing student numbers, we had not been funded for impacts on smaller secondary schools, English as a second language. So what comes out of this process will be part of the answer to how will we balance this year’s budget, because it is a dynamic process.

Hon KEN TRAVERS: So you can tell us now in the 2009–10 financial year what savings you did make under the three per cent efficiency dividend? Because that was certainly applying in that year.

Mr Leaf: That was the discussion we had in September.

Hon KEN TRAVERS: You gave us draft figures of what you expected, what I am asking is: what did you actually achieve?

Mr Leaf: I basically go back to say that we are not spending an exhaustive amount of time trying to track historical documents. The document we provided last time we did explain was an internal document that at the time it was prepared was based on estimates. We are now managing the budget based on trying to keep a track on FTE in detail and the growth in FTE at teachers, ed assistants, public servants, and managing the budget at the fine level of detail of where the expenditure is incurred, not trying to attempt to track efficiency dividend savings line by line—that is no longer.

Hon KEN TRAVERS: And that is fine. You are saying you cannot tell us what happened in the last year, so I am saying, “Okay, tell us how you are tracking for this financial year in terms of tracking it” and you are saying that you will not tell us that either.
Mr Leaf: That is not entirely true. We can say what happened last financial year and that is the annual report that we are talking about today. In the last financial year we balanced the budget and came in with a small surplus.

Hon KEN TRAVERS: And that says to me, based on your annual report, that for this financial year based on the budget that was allocated for this financial year you have expenditure planned that will be $51 million more than you have currently budgeted for.

Mr Leaf: I did not say that. What we have is a budget for expenditure based on paying the people we employ —

Hon KEN TRAVERS: And based on previous history, you will run $51 million over unless you find savings in this financial year.

Mr Leaf: As I described before, I can understand the correlation of the information that you are drawing, but my point is that the budget is dynamic. We have a budget that we start off with at the beginning of the financial year —

[3.20 pm]

Hon KEN TRAVERS: But all things being equal, you are going to be $51 million over budget this financial year compared with last year.

Mr Leaf: My director general is saying to me that that is one of the challenges that we are managing, but I am not managing it in the context of trying to deliberately find at the moment an updated analysis of the data be provided to you before—

My task is to ensure that we do not exceed the budget in each of the categories listed in the income expenditure statement. We are controlling the budget like any normal business would, by controlling variations in those expenditure items.

Hon KEN TRAVERS: What are you doing to control the budget then? Are you cutting back on things? You know, there must be things that you are doing.

Mr Leaf: Yes.

Hon KEN TRAVERS: So what are you cutting back on?

Hon LJILJANNA RAVLICH: That is really what he has been asking for the last 20 minutes.

Hon KEN TRAVERS: What are you cutting back on to achieve the savings to meet your budget?

Mr Leaf: Well, beginning of this financial year, we have sat down with the Director General chairing a meeting to look at every individual person employed permanently, on contract or acting in higher capacity or secondment arrangement within the central office. We have a record of every contract for an employment where it expires and there is a process in place that when that contract expires, if it is to be renewed, if it relates to a project, we want to understand how that project will contribute to the future benefit of students in the education system. That is the first test. If it does not benefit students, why would we do it?

We are looking at every IT contract and we spend significant funds there every year—up to $110 million, $120 million. We are looking at ways to vary that if we can achieve that without in the short term, again, impacting on student outcomes.

We are looking at every aspect of our business to see where there is capacity to make savings. We are looking at our maintenance program in the context of just having completed the school pride work, to see whether in this particular financial year there is an opportunity to defer some work. That is not particularly sound in terms of the long-term sustainability of the infrastructure itself and we are having discussions around a maintenance program that is actually geared towards a more rigorous condition-monitoring report into the future.
Whilst we are looking at short-term savings, every time we look at one of those, I need to know that I am not cutting off spending now at the risk of having to spend more in the next three to five years. It is of little value to me, trying to run the department’s budget, to concentrate on trying to really identify short-term savings to deliver, if you like, a budget where I am sacrificing long-term sustainability.

We are doing an immense amount of really detailed work around the core business, but it must be always understood that that cannot affect student outcomes; it cannot impact on schools directly. They are my marching orders from my director general and my minister; I am not to put any saving in place that a school will actually notice a significant impact on students’ long-term —

Hon LJILJANNA RAVLICH: Well, the district highs noticed it when you cut the funding to them so that seems to be a bit of a—you know.

Hon KEN TRAVERS: If that is the case, can you give us a list then up till whatever date that you last recorded it, of the contracts of employment that have ended as a result of the work that you are doing; the IT contracts that have not been continued as a result of the work that you are doing; and any maintenance work that you have deferred as a result of the work that you have just told us about?

Mr Leaf: Well, yes. Can I give you an example of one that we are looking at right now, and then say why it is difficult to provide the information because it is so dynamic. We have licensing opportunities whereby we can licence a certain number of users on a system and that will cost us X amount of dollars. If it is a growth area of our business and it is benefitting students, we want to expand that number of licences. We look for ways to go to the market to say, “If we increase our licence numbers, what opportunities are available for us to pay an amount upfront, rather than an annual fee, to secure all those licences now with an annual maintenance fee?” Then we embark on a net present–value analysis to say, “Over five years does this represent a saving in its entirety?” Then I say to my deputy CFO, “Have I got the cash available right now to be able to make that long-term, net present value discounted–cash flow saving in the context of having the funds in the bank to pay upfront to achieve a longer-term outcome?”

With due respect, which we say often in this room, for me to provide that information, I would not do any other work for the next six months but try to actually give you a statement, a dynamic point in time, of where we are at with all of those individual negotiations. We can come back to you and say how many staff employed on short-term contracts we have not renewed. That is relatively straightforward to do but some of the other initiatives are difficult —

The CHAIR: I think that satisfies one part of the question. I am still unclear, John, about why it is that you cannot tell the committee as of October 2010, whether the budget is over or under?

Mr Leaf: I think there was an offer earlier on to have discussions—what would you call it?—“in confidence”.

The CHAIR: Yes. Would you like to do that?

Mr Leaf: I would like to talk just to try to explain in more detail why I am reluctant to explain that. I have attempted up till now to try to get that message across, and I do not think it is actually happening.

The CHAIR: Thank you very much. Supplementary information B18 was contracts terminated.

[Supplementary information B18.]

[The committee took evidence in private session]

[3.44 pm]

The CHAIR: I think we have already gone reasonably well over. Are there any other burning questions that you would like to ask?
Hon LJILJANNA RAVLICH: Can I just ask about year 7s transitioning into secondary schools and where that is at?

Ms O’Neill: My understanding is that there is no policy decision made yet on that issue.

Hon LJILJANNA RAVLICH: Do you anticipate a policy decision in the near future?

Ms O’Neill: That is up to the minister and government, but a time line has not been given to me on that issue.

The CHAIR: The committee will forward any additional questions it has to you via the minister in writing in the next couple of days, together with a transcript of evidence, which includes the questions you have taken on notice. If members have any unasked questions, I ask them to submit these to the committee clerk at the close of this hearing. Responses to the questions will be requested within 10 working days of receipt of the questions. There is a fair bit here, so it may be an occasion when you might need longer. If you do need longer, you need to advise the committee in writing as soon as possible before the due date.

Ms O’Neill: Chair, we may around some of those very direct school questions.

The CHAIR: Yes. The advice is to include the specific reasons as to why the due date cannot be met. Thank you very much for your time and for the perseverance in trying to work through this, and we are learning. Thank you very much.

Hearing concluded at 3.46 pm