

**STANDING COMMITTEE ON  
ESTIMATES AND FINANCIAL OPERATIONS**

**2011–2012 AGENCY ANNUAL REPORT HEARINGS**

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
MONDAY, 22 OCTOBER 2012**

**SESSION TWO  
DEPARTMENT OF EDUCATION**

**Members**

**Hon Giz Watson (Chair)  
Hon Philip Gardiner (Deputy Chair)  
Hon Liz Behjat  
Hon Ken Travers  
Hon Ljiljanna Ravlich**

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**Hearing commenced at 2.45 pm**

**O'NEILL, MS SHARYN**

**Director General, sworn and examined:**

**HEALY, MS JUANITA**

**Executive Director, Statewide Services, sworn and examined:**

**DODSON, MR ALAN**

**Director, Evaluation and Accountability, sworn and examined:**

**HALE, MR LINDSAY,**

**Acting Deputy Director General, Schools, sworn and examined:**

**LEAF, MR JOHN**

**Deputy Director General, Finance and Administration, sworn and examined:**

**FISCHER, MR JOHN**

**Executive Director, Infrastructure, sworn and examined:**

**GILLAM, MR CLIFFORD**

**Executive Director, Workforce, sworn and examined:**

**ROACH, MR BRETT**

**Deputy Chief Finance Officer, sworn and examined:**

**The CHAIR:** On behalf of the committee, I would like to welcome you to this afternoon's hearing.

[Witnesses took the oath or affirmation.]

**The CHAIR:** You have all signed a document entitled "Information for Witnesses"; have you read and understood this document?

**The Witnesses:** Yes.

**The CHAIR:** These proceedings are being recorded by Hansard, and a transcript of your evidence will be provided to you. To assist the committee and Hansard, if you could please quote the full title of any document you might refer to during the course of the hearing, and please be aware of the microphones; we will just try to move backwards and forwards if we need to have the other witnesses at the front.

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 until such as time as the transcript of your public evidence is finalised, it should not be made public. This prohibition does not, however, prevent you from discussing your public evidence generally once you leave the hearing.

Before we move to questions, I would just like to acknowledge the Speaker from the Cook Islands Parliament, who has joined us this afternoon—welcome. I hope we have a good hearing!

Members, do you have questions you would like to ask?

**Ms O'Neill:** Chair, are we able to make a statement to start with?

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**The CHAIR:** Fine; if it is brief.

**Ms O'Neill:** Okay; I will keep it brief. Thanks for the opportunity to talk to you about our annual report.

I just wanted to make mention of a couple of things. The format is a little different from the previous year's report. We responded to some feedback, seeking to make it a bit more accessible to a broader audience; also, we wanted to align it to the new "Strategic Plan for WA Public Schools 2012–2015". Notwithstanding the changed format, the report fully complies with the legislative requirement.

[2.50 pm]

I want to point out that there are a couple of minor errors and omissions, and we have—as is the process—prepared an addendum to be provided to the President of the Legislative Council and the Speaker of the Legislative Assembly in the next few days. Included in the addendum, which will be of interest to you, are two particular things—there are some minor issues I will not go into. One is Aboriginal attendance data; the omission of this data was an oversight; however, I would like to point out that the department has been completely transparent with respect to this data. It was provided on a question without notice last Thursday to Hon Sue Ellery; it was also put on the previous Minister for Education's website in February, and, more recently, to the Public Accounts Committee. So that will be provided. We can talk about that data at the appropriate time.

The second is the children whose whereabouts are unknown. Initially a decision was taken not to include this figure because of its volatility day by day, but given the public interest, the department has decided to provide that as an addendum, and it will be in future annual reports. Obviously, we can talk to that issue.

Finally, despite the challenging budget settings, the department has delivered two budget surpluses for the past two years. Our cost of services for 2011–12 is \$3.92 billion. It came in \$17.5 million, or 0.4 per cent, less than budgeted. There are a couple of reasons for that, which of course during the hearing we can be clear about, if you would like. I commend the Department of Education's annual report to the committee. It contains highlights, which I am sure you would have seen, starting "at a glance" on page 2, and also outlines our challenges and significant issues we face on pages 9 and 10. We would be happy to elaborate on anything in the annual report.

**The CHAIR:** Great. Thanks very much.

**Hon KEN TRAVERS:** I note that on page 103 your leave liability for non-current long service leave has gone from \$129 million to \$142 million—in fact in the previous year it was \$85 million. Even last year it was a nine per cent jump. Can you tell us why it is climbing at that rate?

**Ms O'Neill:** If I could ask Mr Leaf to make a comment about that.

**Mr Leaf:** I believe one of the most significant contributions to that increase in leave liability is an actuarial review of leave provisions that takes place each financial year. The key to the net present value of the future leave entitlement increasing is due to changes in bond rates. The lower the bond rates, the higher the net present value of future leave liabilities. That is a fairly, if you like, academic argument. Should the bond rates increase—in other words if world interest rates start to increase—then at present value, future liabilities will reduce and you could see a reverse of that.

**Hon KEN TRAVERS:** But that is out of the 10-year bond rate?

**Mr Leaf:** I am not sure; I can find out for you and let you know. I am not sure if that is the 10-year bond rate. It is done by PricewaterhouseCoopers. They may have regard to a number of different bond rates and they could even use their own risk methodology to —

**Hon KEN TRAVERS:** Do you separately record how many actual hours, weeks or days of long service leave and other leave that staff in the department have owing?

**Mr Leaf:** We have detailed records in our human resource information management system of every day's leave entitlement that every employee has, both for long service leave and annual leave.

**Hon KEN TRAVERS:** Has that been increasing?

**Mr Leaf:** It will fluctuate, minister. I can get you precise details of what has happened year by year, but typically leave tends to increase sometimes with the demographic of the workforce. An ageing workforce can tend to accumulate a little bit of leave, but I can get you that precise detail.

**Hon KEN TRAVERS:** Do you know whether or not the actual number of days of leave has been increasing? As I understand it, Treasurer's instructions are to maintain your leave; keep your leave, or in fact to try to reduce your leave liabilities —

**Ms O'Neill:** But obviously we are now doing the analysis around the Treasurer's instructions that came out recently so that we can inform ourselves particularly of the questions that you are asking and so that we can then plan our strategy to be able to comply with that.

**Hon KEN TRAVERS:** I understand the new one, but there has also been ongoing instruction for agencies to try to contain their leave liabilities and stop them increasing. When I look at the figures, I am told that that is because of a calculation on net present value. I am trying to work out whether you as the CEO and your senior financial people actually know whether there is an increase in the number of actual days as well as the total figures; whether that is something that tests your mind on a regular and ongoing basis, whether that it is at the top of your head, or whether it is something you need to take on notice.

**Mr Leaf:** On page 103 in note 32 are the figures that you have raised in particular. If you look at the annual leave liability, which went from \$173 million to \$191 million, that is not nearly as big an increase as you will see in the long service leave provision below that. The explanation for that long service leave provision, minister, is primarily the result of the actuarial review. Most of the increase in the annual leave entitlement I would probably put down to the actual increase in EBAs where, every year, if you have leave outstanding and there is a 3.5 per cent increase in the leave liability, there will be a corresponding increase of 3.5 per cent to both long service leave and annual leave entitlements.

**Hon KEN TRAVERS:** I am intrigued that you say that the annual leave, at the top there under "Current", has not gone up by as much. That calculates out to about a 10 per cent jump.

**Mr Leaf:** I have just been corrected in calling you all ministers; I apologise for that.

**Hon KEN TRAVERS:** It will happen soon enough! That is why I did not correct you because I knew it would happen soon enough!

**Mr Leaf:** You are probably enjoying my mistake!

**Hon KEN TRAVERS:** I normally put "in-waiting" but at the moment it is okay.

**Mr Leaf:** Honourable member, if I can take that on notice. I undertake to get back to you with the actual quantitative increase in the days' entitlement of teachers, public servants and education assistants. The growth in the actual —

**Hon KEN TRAVERS:** I am happy to have it taken on notice, but I thought in light of the number of instructions that have been given now over many years, it would be something that the senior management of the department would be constantly monitoring and across, and have strategies in place to deal with and be able to tell me the actual numbers. I understand the issues of the net present value, but I would have thought the other side of it, if I was the minister, one way you would explain it to me is, "We're keeping the number of days down; it's an actuarial calculation that is allowing this figure to rise, not our inability to manage staff taking leave." I would have thought that that is something that would be on your mind on an ongoing basis. That is what I am trying to test here—whether you have at the forefront of the financial management of your

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organisation the number of hours and days that people have owing to them and whether that is increasing or decreasing.

[3.00 pm]

**Ms O'Neill:** I think Mr Leaf is saying that we do not have the actual number of days here with us.

**Hon KEN TRAVERS:** Can you tell me whether the number of days is increasing or decreasing?

**Ms O'Neill:** Taking into account all the other factors Mr Leaf has outlined, there would be a growth.

**Hon KEN TRAVERS:** In the number of days that have been taken?

**Ms O'Neill:** That is represented, I guess, by the figures that show a growth. Mr Leaf has tried to say that in terms of specific growth, he is not prepared to guess at that but we would need to bring that figure back. It is on the minds of the corporate executive. It is different to managing leave liabilities with school-based staff. The annual leave is pretty set; it is long service leave that we have been reflecting on. With the latest information from the Treasurer, our strategy may need to change.

[*Supplementary Information No B1.*]

**Hon KEN TRAVERS:** You think it is going up but you do not have the specific figures. How do you then manage it, not only dealing with the actuarial, and I do not see interest rates going up in the next six months so you will not be saved by that change? If anything, they are more likely to go down than up, particularly when you look at the 10-year bond rate, which I suspect will not change much at all in the next eight months. How do you achieve that figure, without having an impact on your front-line services, basically reducing the number of teaching staff in schools by forcing people to take leave and not replacing them?

**Ms O'Neill:** That is the challenge that I think I said earlier we are working through now and we will be in discussions with the minister about. Obviously, we will have to take into account industrial constraints and there are some, particularly around teachers. We will need to protect the front-line services, as has been made clear. Having teachers go on long service leave and not being replaced is not something that we are pursuing. In our central and regional offices, we will have to give consideration to strategies there; for example, we could give consideration to the number that we have. Because we are a public office, we are open between Christmas and new year and early into the new year. We will review the numbers of staff that we need to have there to see if that can make some difference and support our leave liability because we have central office and regional office people with leave liabilities who need to be considered. In certain circumstances we can consider cashing in leave balances. We will look at all of those strategies that do not affect front-line services. As I said, we are in discussions with the minister about some of those possibilities but we have not landed on a particular strategy that we can report to you.

**Hon KEN TRAVERS:** I understand how you can manage it in the central office and your regional offices but I would have thought they are a fairly small percentage of your total workforce. The vast majority of your workforce is teachers in schools. I cannot think of how you can manage leave liability without having an impact on the number of teachers you have delivering courses in schools. Can you give me one example of a strategy you could employ, other than cashing out, as you mentioned?

**Ms O'Neill:** We do not only have teachers in schools; we have other staff. We would need to consider what contribution they make and if there are any staff who are not involved in delivering in front of classrooms day by day or if there are segments of the workforce, for example, when year 11 and 12 leave at the end of the year or other examples. This is speculation because we are putting our best creative minds to it now. It is a challenge. We have different capacities, as other agencies do, given that 96 per cent of our total staff are in schools, to achieve the leave liability levels that we have been set. I cannot give you anything else other than the amalgam of ideas that we have had so

far but we are in discussions with the minister and we will take advice from other agencies about any other creative opportunities we have.

**Hon KEN TRAVERS:** What is your FTE cap as a result of the decision on 30 September?

**Ms O'Neill:** Our FTE cap is the same as it was. We have not had a reduction in our FTE cap.

**Hon KEN TRAVERS:** As a result of the most recent decision, there is no change to your FTE levels at all?

**Ms O'Neill:** Our FTE levels have been held at the level that they were. Our FTE ceiling has not been lowered. It remains at 34 065 for the 2012–13 year, which is a bit higher than 2011–12 because we have had growth.

**Hon KEN TRAVERS:** At 30 September you were employing 34 065 FTEs, or have you been given a special dispensation compared with other agencies?

**Ms O'Neill:** At 13 September our levels were 35 494, which is 1 429 over the ceiling. Our ceiling was not lowered. It is the same as it was. In fact, we are over the ceiling. The challenge for us would be to come back to our stated ceiling of 34 065.

**Hon KEN TRAVERS:** At 30 September, you are above your FTE level. What is the cause of that 1 429 being above the ceiling?

**Ms O'Neill:** It is a bit like leave liability. FTE ceilings are challenging in education because we have seasonal factors and fluctuation can be greater or less than 1 429 on any given day. That is difficult for us because our ceiling is calculated as an annual average of FTE requirements over the financial year. Coming towards the end of term, some fixed-term projects stop. Depending on what day you pick to report the FTE ceiling, there are fluctuations. I am saying that on 13 September we were 1 429 over that ceiling. The major contributing factor for that has been a growth in enrolments because enrolments drive the FTE. I can point to the enrolments in the annual report. It is on page 122. Looking at table A1, the second column on the left, “Public schools”, this table is taken at semester one, when we had 267 266 students. That is an increase over the previous year of 7 326 students, which is a 2.8 per cent increase. Just for your information, if we were to update this table based on our second semester census, we would have 9 281 additional students, which is an increase of 3.6 per cent. We are seeing remarkable growth into the public school system. If you look at the next column, there is growth in the private schools. There is growth in both, in fact. Our understanding is that this largely arises from overseas migration. There is obviously some interstate. We have had some change in market share but overall we understand that there is a fair number from interstate migration. The growth has been considerable and the growth drives FTE increases.

**Hon KEN TRAVERS:** What that says to me is that you are going to struggle to meet your FTE levels because of that growth; you will need to have an increase in your FTE levels for this financial year to be able to maintain staffing in schools at the level commensurate with the number of enrolments that you have.

**Ms O'Neill:** Now that we have that August census, that is a discussion that we will be having with the minister and Treasury. At this stage the FTE ceiling is set. As I said, it fluctuates all over the place. It is not just teachers, but inclusive of all of our staff.

**Hon KEN TRAVERS:** You have two to three per cent enrolment growth but your FTE level is up just over one per cent. How do you manage the staffing in your schools without that increase?

[3.10 pm]

**Ms O'Neill:** In every class, as you would probably remember, even if you have three children turn up at Dryandra Primary School, every time a child turns up does not necessarily tick over to another teacher because there is capacity in the classrooms. So, it is very hard to have that kind of direct correlation. The growth is in the metropolitan area and outer suburbs, and in some other areas,

particularly Mandurah, Bunbury, Busselton and Kalgoorlie. A fair bit of it is also in kindergarten and preprimary, so where there is additional space, of course, the additional kids go straight in.

**Hon KEN TRAVERS:** I would have thought that there is still a point, where you get the tipping, that you need the next teacher.

**Ms O'Neill:** It will be challenging.

**Hon KEN TRAVERS:** I do not go into too many classrooms that are not close to being full.

**Ms O'Neill:** In fact, that is not the case.

**Hon KEN TRAVERS:** In metropolitan Perth, though.

**Ms O'Neill:** Even so, there are very few classrooms that are at the maximum class size. Sometimes that is by design of the school. They now have greater flexibility over their budgets and they may choose to design it in that particular way.

**Hon KEN TRAVERS:** You provided the committee with a letter about how you intend to achieve your one per cent efficiency dividend for 2012–13 on what you achieved in the 2011–12 financial year. One of the items listed in that is the reduction in central office staff, but you also note that that was made back in June 2011. Should that not already have been incorporated into the features of this annual report? You are saying you are reducing it by 100 staff, which is an \$8 million to \$10 million per annum savings in costs; is that not already factored into what is in this annual report?

**Ms O'Neill:** I think the issue there is that we did not realise immediately—I think we said the total cost of that was \$9 million or \$10 million—because we had to get people out there with redeployment; there were people being relocated. So, some of the follow-on savings, I would say, will be in the next financial year.

**Hon KEN TRAVERS:** But would they not have already been factored into your ongoing budget calculations and you cannot now count them again as the one per cent efficiency dividend?

**Mr Leaf:** We are not trying to double-count, in response to the question from the committee. We just wanted to make sure that it was understood that we had taken some actions already. The 100 FTE reduction in central office was one of the most significant steps we took, as was the change in teacher relief rates. We were essentially pointing out that they comprised two of the more significant savings that we had made, and those savings do occur over several financial years. They do not actually manifest themselves in savings all in the year that you made them. So, we were basically just trying to be as informative as possible, and then we went on to say, “And these additional measures will be taken in response to the most recent announcement of the 1.5 per cent goods and services procurement savings”.

**Hon KEN TRAVERS:** I accept the savings may be flowing over the forward estimates, but surely once that decision was taken in June 2011 those savings would have then been calculated to your budget come midyear review in December 2011, would they not? Should they have not been incorporated? Again, if not at the midyear review, when the 2012–13 budget was being calculated, they would have been into the 2012–13 budget.

**Mr Leaf:** The way that the government sets its efficiency dividend savings is such that if they impose one per cent, or in our case a \$30 million approximate reduction, in one year, that same amount of money, that same percentage, flows into the following year and the following year. So, when we are actually explaining that we have taken steps to achieve a saving, that flows through into every year of the forward estimates.

**Hon KEN TRAVERS:** I understand that, which is why I thought a decision taken back in June 2011 would have already flowed in to your forward estimates, so to then be calculating it as how

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you will now achieve your savings in this financial year is not possible. You are starting to count the same savings twice.

**Mr Leaf:** I simply do not agree with that. I think it is just a question of how you want to look at forward estimates. My view would be that if you strike a productivity improvement or an efficiency dividend saving in a particular year that saving flows through into every year of the forward estimates. I do not think it is banking twice essentially to say that this is an initiative and it applies every year from now on.

**Ms O'Neill:** That being said, to build on that, that strategy is one that would be front and centre, again, in trying to achieve any savings that we might have. It might not be the same quantum, but we will again review central and regional office. As it turns out, we are below the salary FTE or the FTE ceiling that was notionally established at central office, but in trying to protect front-line services and any services to students, we will, again, consider central office and regional office staff as part of that.

**Hon KEN TRAVERS:** You mentioned the salary—I assume you are talking about the school salary pool rates. I am just trying to work out how that works out to be a saving. Can you explain that to me?

**Ms O'Neill:** Let me just go back to the beginning of that. With the school salary pool there is an amount set for teacher relief cost that teachers are paid. So, for teacher relief there is an amount struck, and every time you cash in it uses the cost for teacher relief. As the EBA sets the cost higher for teachers, the teacher relief rate increases as well. In the past there was some subsidy provided to that, which we were then unable to continue to provide.

**Hon KEN TRAVERS:** So you are saying that central office is now charging schools more when they employ relief teachers, and that is fundamentally what is happening?

**Ms O'Neill:** I am saying that schools now pay the true cost of employing a relief teacher—superannuation increased, the cost of the teacher increased and you cannot employ a relief teacher and only pay them half of what the cost of a teacher is.

**Hon KEN TRAVERS:** So, where do the schools then find the money to pay the higher rate from?

**Mr Leaf:** I would suggest that this is a genuine productivity improvement that arises through a user-pays strategy, and schools will make their own decisions about when to employ a relief teacher if they are better informed about exactly the amount of money that a relief teacher costs. Previously, for some considerable time, that had been subsidised through a global salaries budget and we were looking at this long before the efficiency dividend came in. We would have made this change anyway, because it does not send a good message to schools that are doing the best they can to manage within their budgets; it helps them to understand the full cost of the decisions they make. If we suggest to a school that the cost of employing relief teachers is 15 per cent less than it really is, we are not sending them a sound message as to how to run their school budgets the most effectively.

**Ms O'Neill:** Further to that, there is what we call SSPRA, the supplementary funding, that is now untied and goes to schools. Over the last two years, my understanding is that we have provided additional funding to schools for this purpose. They cash it in. They put it into the school salary pool. They decide. They do not have to use it for staffing; in fact, they can use it for any purpose. Alongside that are all the national partnerships that have come in to place that are actually teacher relief days, at the cost of the commonwealth funding, at the full cost amount. So, they can use any funding available to them if they choose. I should say this is not teacher leave for sick leave or something that is driven from the industrial agreement; this is where schools, out of their own funding, decide to put in place a program that requires teacher relief.

**Hon KEN TRAVERS:** What sort of circumstances does that occur in if it is not for sick leave?

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**Ms O'Neill:** If they decided to put in place in a junior primary school a particular literacy program where they want to employ someone new for two and a half days a week to come to work with five children who have a speech problem or something in particular that they want to do out of their flexible budget.

**Hon KEN TRAVERS:** Is that not then just a reduction in the money that is available to schools to run those specialist literacy programs for children in need?

[3.20 pm]

**Ms O'Neill:** We do not consider it a reduction. They make a choice. They do not have to use the money in that way. They are given a flexible budget. They make choices how to use it.

**Hon KEN TRAVERS:** If the increase in the cost of teachers has gone up the amount you charge them for a teacher to come in and provide those programs, which I would not have thought was relief—I would have thought that is about providing specialist programs—if you then increase the cost of that by 15 per cent, you have really reduced their budget by 15 per cent. What they can actually buy with that budget is reduced by 15 per cent.

**Ms O'Neill:** If I go back to the first part, it is teacher relief. Every time they bring in a teacher who is not already on staff, they have to pay teacher relief. It is the two things at once. Yes, it is a program but if they want to use a teacher, it is teacher relief. Secondly, it is true to say that if they choose to use it all for teacher relief—they do not have to—it would buy fewer days than it bought previously, except to say that the majority of schools have a greater amount of funding available to them, particularly through national partnerships. Certainly that is what schools do with their funding.

**Hon KEN TRAVERS:** Could that explain why the Mount Magnet Primary School, for instance, has cancelled their National Partnership Agreement on Low Socio-Economic Status School Communities. As I understand it, the Mount Magnet school was running programs under the National Partnership Agreement on Low Socio-Economic Status School Communities and they have now cancelled that.

**Ms O'Neill:** A school cannot cancel a national partnership. It is between the state and commonwealth.

**Hon KEN TRAVERS:** You just said these are mainly delivered under national partnerships.

**Ms O'Neill:** Sorry, let me go back. What I said was schools—I used SPRA and I meant national partnerships—have more money available through their own funding, their school grant, national partnerships and, indeed, any other sort of funding. They can choose to use that for teacher relief or whatever purposes they want. People cannot cancel a national partnership. They can choose to use the national partnership to put in place a particular program and Mount Magnet, I am sure, has done that as part of the low SES school.

**Hon KEN TRAVERS:** The school out at Mount Magnet may believe that the national partnership is cancelled because the school has made changes as a result of the fact that they do not have as much money to spend on it.

**Ms O'Neill:** I cannot comment on the beliefs of the people of Mount Magnet. What we know is that schools have national partnership funding. I think it is highly unlikely that they would cancel a program that they have due to different teacher relief rate. Let me say this: the teacher relief rate increases every year. This is nothing new. It increases every year to reflect costs. It increased last year and it increased this year. So I think it is highly unlikely that Mount Magnet has cancelled a program because last year they could get 10 days and this year they could get nine. I think that is highly unlikely, and I could be advised otherwise, but I just cannot imagine that is the case.

**Hon KEN TRAVERS:** It has to have some impact on the services they have delivered if you increased the cost of providing those services.

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**Ms O'Neill:** I think I have already said on a direct comparison basis three years ago they may have been able to buy out of the same money 20 teacher relief days and this year they might be able to buy 19. That is a possible outcome of the strategy or the change, but that is no different to what has happened previously. It has always been the case in terms of differential between state funding and commonwealth funding, because previous to state funding the commonwealth-funded teacher relief, or the days for that, were always charged at more or at least full cost recovery. So, this is not unusual for schools. They understand the change that has been made. It has been made staged and they are not unaccustomed to it and I have not had any feedback to say that any program has been cancelled and, as I said, I would be very surprised because I would have been able to support Mount Magnet to find another way to achieve that program rather than have one or two less teacher relief days.

**Hon KEN TRAVERS:** It has to have some impact though. If you increase the cost of delivering the programs, it has got to have an impact on what can be delivered.

**Ms O'Neill:** I think I have said three times that —

**Hon KEN TRAVERS:** You keep giving the same answer and you will not accept. I do not agree with you. I cannot see how—you have given me a lot of answer, but you still do not get to the point. If you increase the cost of delivering the service, that has got to have some impact on the amount of service that you can provide.

**Ms O'Neill:** I will say it again differently. If once upon a time you could buy 20 days and now you can buy 19 days, there is an impact. I think I have said that. So the impact is that if a school chose to pursue exactly the same strategy in light of the change and they spent it all on buying teacher relief days, they could buy a few less teacher relief days even though they could buy that out of other money. I am not disagreeing with you. Yes, there is an impact if schools made no change to the way they operate.

**Hon KEN TRAVERS:** What was the actual percentage increase in the rate that you charged schools at for those relief teachers?

**Mr Leaf:** We staged that implementation and it was a nine per cent increase.

**Hon KEN TRAVERS:** Over?

**Mr Leaf:** Over two years.

**Hon KEN TRAVERS:** So 4.5 a year?

**Mr Leaf:** The first phase of the implementation was nine per cent and that covered the superannuation. Then we have compared our recovery rates with commonwealth recovery rates as well and that full rate is an increase of 18 per cent. Might I add that if you take the alternative view and you look at how does a department understand the cost of additional programs it runs or the cost of relief when that takes place in a school and we actually underreport that by 18 per cent because we are cross-subsidising those particular programs, that is a less effective way to manage a business with \$4 billion in its budget. It is much more important that we know and schools know just precisely what the costs of our programs that we run are so we do not undervalue or underestimate what they are.

**Hon KEN TRAVERS:** I do not disagree with you on making the full cost recovery. It is about whether or not you then provide additional resources to schools for that or whether you basically then lead to—and in those examples—I mean, if you take the 20 days, it is not a case of 20 days or 19 days. It is actually 20 days or 16.4 days if you have taken off 18 per cent. It is a significant cut to what they can deliver in the programs. I do not have a problem with the accounting treatment of it, but if you do not then top up the schools with additional money, it has got to end up in a reduction of their ability to deliver programs under those partnerships.

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**Ms O'Neill:** I probably should have added, Chair, in that discussion that where we require schools to use teacher relief, that was fully funded to the schools in the rate. Where they are compelled to use teacher relief, they are fully funded. Where there is a choice to use teacher relief, the situation is as we have described.

**Hon KEN TRAVERS:** In terms of trying to achieve the savings that you have to, is one of the options of not renewing fixed-term contracts as they expire for support staff within schools?

**Ms O'Neill:** That will be something we consider. We had the original one per cent and that is something that we have just talked about now and since then we have had 1.5 per cent procurement dividend put in place. In light of the leave liability, the new 1.5 per cent, we are currently going back and reviewing our total approach to that. The question about renewal of fixed-term positions—what has been made abundantly clear is that we will not make any approach that will impact on front-line services. So, teachers facing classrooms do not fall into that category. With respect to central office and regional office reviewing fixed-term contracts, there it is possible that our strategy will include not renewing some of those fix term contracts when we look at programs and projects that might be coming to an end or we consider we might not need to pursue.

**Hon KEN TRAVERS:** You mentioned teachers. Do you also include education assistants in that same category as being front-line?

**Ms O'Neill:** Yes they provide direct services for students.

**Hon KEN TRAVERS:** They will all get their contracts renewed if there is still a requirement for that position?

**Ms O'Neill:** We have no plan in place to amend or not renew fixed-term contracts of any staff who provide direct services to students.

**Hon KEN TRAVERS:** What about cleaning and gardening, for instance? Do you see those as part of the front-line of delivering—if you do not have good cleaners and gardeners in your schools —

**Ms O'Neill:** We are required to have clean schools and we are required to have safe learning environments, including the gardens. So, as I have said, we do not have any plan to not renew fixed-term contracts with respect to budget. But, of course, if there was a decision taken for another reason that that service or that contract was no longer needed—for example, student numbers in that school dropped or something; you know, the normal process—we would deal with that in the normal way.

[3.30 pm]

**Hon KEN TRAVERS:** Do you know how many fixed-term contracts you have within the Department of Education?

**Ms O'Neill:** Of teachers?

**Hon KEN TRAVERS:** By category.

**Ms O'Neill:** Let me check if we have that available.

**Hon KEN TRAVERS:** Let us start with the global figure first and then work into the different categories.

**Ms O'Neill:** I will just check whether we have those figures. We do not have the overall number of fixed-term contracts with us today.

**Hon KEN TRAVERS:** If we can have that taken on notice and have it broken up into the different categories of teachers, education assistants, cleaners, gardeners and whether they are in schools or at a central office.

**Ms O'Neill:** At a particular point in time, obviously.

**Hon KEN TRAVERS:** How often do you monitor that?

**Ms O'Neill:** Quarterly.

**Hon KEN TRAVERS:** The most recent report you have produced on it would be fine.

[*Supplementary Information No B2.*]

**Hon KEN TRAVERS:** You mentioned in the list that interstate and intrastate travel will be cut back to essential only. What do you consider is essential? For instance, is it professional development? You have your expert review group assessments. Do you consider those essential or is that travel that could be cut?

**Ms O'Neill:** With respect to travel, the corporate executive met on Friday to discuss a range of issues, including this one. I will make a couple of comments and then go back directly to that answer. We have not communicated to staff yet around travel, and we will do that in the next couple of days. With respect to essential travel, we will be very clear, and we have been very clear, that any travel that involves servicing students is essential, including a psychologist or speech therapist or visiting teachers. That is essential, clearly, and any travel that sits around students, like WACE exams or student camps, will all go ahead. I have asked for any new travel that is to be booked to be done at the discretion or approval of the deputy director generals or myself. We will review any existing travel to consider whether or not it is essential, which now brings me to exactly what you were asking for. What do I deem as essential? Have we got particular agreements that need to be maintained, such as industrial agreements or other sorts of agreements, like the graduate teacher program, which is something we have committed to industrially? Essential travel is travel that has been planned for already and would cause great disruption to schools if we did not proceed with it. For example, we have scaled back our expert review group travel but there is one matter that involves some angst in the community that is awaiting a report, and so I think it is essential for the good order and community of the school for that to be done. Travel is essential for some professional learning, as I said, where we have agreements in place or people are part-way through a course. We have just approved some travel that is required for the conclusion of a course. Where it is not essential is when it could be undertaken at another time—is it essential to do it in term 4 of 2012?—or where it could be done by another means such as a teleconference or telepresence. Our organisation is much better placed to do that now than it has been before. They are some of the considerations we would put in place around our view of travel and how we might want to act more efficiently in that regard.

**Hon KEN TRAVERS:** Is the expert review group assessment now done by videoconferencing rather than physical visits to the area?

**Ms O'Neill:** As I said, for term 4 we have deferred some of those reviews, except for one that I can think of where the community is awaiting, and is quite anxious about, a report. In order for that school to move forward on a couple of key issues, I deemed that it was appropriate for that one to go ahead.

**Hon KEN TRAVERS:** You say term 4 but why would it not also include terms 1 and 2 next year?

**Ms O'Neill:** Because that is a judgement we will make at the end of term 4 about our progress. I think it is also appropriate that we consider the impact that it is having on our work. I think that after a term is a good time for us to review that and consider our forward strategy from there.

**Hon KEN TRAVERS:** I am happy to have taken on notice a list of those schools that have had their expert review group assessments deferred in term 4 for 2013.

**Ms O'Neill:** Yes, we can provide that. Most of them are follow-ups rather than new reviews, so if there are no new reviews that have been deferred —

**Hon KEN TRAVERS:** And the follow-ups.

**Ms O'Neill:** There are six-monthly follow-ups.

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**Hon KEN TRAVERS:** So any activity where travel has been deferred.

[*Supplementary Information No B3.*]

**Hon KEN TRAVERS:** With respect to the Mount Magnet District High School, can you take on notice whether or not there have been any changes to the way in which the National Partnership Agreement on Low Socio-Economic Status School Communities program has been delivered at Mount Magnet and provide us with feedback on that?

**Ms O'Neill:** As a supplementary?

**Hon KEN TRAVERS:** Yes.

**Ms O'Neill:** Can I clarify that because at the time you connected that to the teacher relief change. Do you want to know whether that program has changed or whether that program has changed as a result of the decision?

**Hon KEN TRAVERS:** Has the funding changed or have there been any changes to the program delivery full stop?

**Ms O'Neill:** I can answer the bit about funding. No national partnership funding money has been withdrawn from Mount Magnet.

**Hon KEN TRAVERS:** Have there been any changes to the way that program is delivered; and, if so, what is the reason for that change?

[*Supplementary Information No B4.*]

**Hon KEN TRAVERS:** Has the WA Primary Principals' Association mentoring initiative designed to mentor and support inexperienced principals been postponed as a result of the savings?

**Ms O'Neill:** I would not know; that is the primary principals —

**Hon KEN TRAVERS:** Do you not fund it?

**Ms O'Neill:** Not that I am aware of.

**Hon KEN TRAVERS:** If it has been postponed, does it have anything to do with the funding from the department?

**Ms O'Neill:** Sorry, what was the title again?

**Hon KEN TRAVERS:** The mentoring initiative designed to mentor and support inexperienced principals.

**Ms O'Neill:** If it is WAPPA's initiative, I cannot make any comment.

**Hon KEN TRAVERS:** I think it may be a program that you use them to deliver.

**Ms O'Neill:** We do not fund their mentoring program.

**Mr Hale:** We sometimes work with them on particular programs but it is not my understanding that we purchase a mentoring service from WAPPA. I am happy to confirm that.

**The CHAIR:** Would you like to take it on notice just to confirm it?

**Hon KEN TRAVERS:** Yes.

**The CHAIR:** That is supplementary information B5.

**Ms O'Neill:** Sorry, can I just clarify what that question is because it is a question to WAPPA rather than us.

**Hon KEN TRAVERS:** I am asking whether or not you as a department are involved in assisting them to deliver that program.

**Ms O'Neill:** We are telling you that we are not.

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**Hon KEN TRAVERS:** Alright.

**The CHAIR:** No supplementary information.

**Hon KEN TRAVERS:** My final question is about what I think you referred to as the 1.5 per cent procurement dividend, or something to that effect. How much are you required to achieve?

**Ms O'Neill:** We are required to achieve \$5.9 million.

**Hon KEN TRAVERS:** Do you also have a figure of global savings that you are required to achieve this year, going back to the original budget from last year? On top of the efficiency dividend there was a whole set of global savings that were to be achieved, such as procurement savings and the like.

**Mr Leaf:** Could you please clarify? When you say “global savings” —

**Hon KEN TRAVERS:** Sitting alongside the budget on top of the one per cent efficiency dividend that you were required to get there was a range of other savings that I think other agencies referred to as “global savings” but they were around procurement, travel and consultancies —

**Mr Leaf:** There was a one per cent and then a two per cent saving in the budget papers.

**Hon KEN TRAVERS:** There was a one per cent efficiency dividend —

**Mr Leaf:** That was for education and then the 1.5 procurement savings came on top.

**Hon KEN TRAVERS:** But also at the time of the original budget, on top of the one per cent efficiency dividend there was a group of global savings across the government where they would find these savings across the government and they allocated that out subsequently to individual agencies. Do you know what that figure is? They were around procurement and the like.

**Mr Leaf:** It must be so small that it does not appear in the budget.

**Ms O'Neill:** It refers to advertising and marketing, I think.

**Hon KEN TRAVERS:** That was one of the subsets of it, yes.

[3.40 pm]

**Mr Leaf:** I cannot provide that number to you at the moment, but I can tell you that the efficiency dividend in 2012–13 was one per cent. Other agencies got two per cent; we got one per cent. That was worth \$30.3 million, and then in the 2013–14 year, because that rose to two per cent for Education, that is \$61.9 million.

**Hon KEN TRAVERS:** If you can tell us, if you have been given a figure by Treasury, I am happy to have that as supplementary information.

**Mr Leaf:** We can provide that as supplementary information. It is very small.

[*Supplementary Information No B5.*]

**Hon PHILIP GARDINER:** Let me go back to one question that Hon Ken Travers raised; it is back on page 103. It is to do with the provisions for long service leave. It is a mystery to me, when I see the table at the bottom of page 103, which I know is not going to have a big impact in terms of efficiency dividends and all that kind of thing, but would you mind quickly reconciling that bottom table? It relates to the “Long service leave” line item at the top of the page, which increases from \$350 million to \$385 million. But I cannot see how those numbers in the note at the bottom of page 103 relate to either that or the non-current long service leave. If you cannot help me quickly, that is okay; I will take it as a supplementary question.

**Mr Leaf:** I believe that there are two numbers that need to be looked at to add to that table at the bottom. In the current component of long service leave in 2011–12, there is \$385 722 000, and in the non-current component for long service leave, just a bit further down the page, there is a figure of \$142 092 000. I cannot do the math that quickly in my head, but I think those two numbers add

up to the \$527 814 000 in 2011–21 in note (b) at the bottom of the page. There are two components and they have been expressed differently—to be honest, as compliance requirements—to describe these as entitlements where there are conditional and unconditional rights to defer settlement, and that gets a little bit technical. If you wanted more information, I would probably have to get back to you.

**Hon PHILIP GARDINER:** The technical part I was most interested in is that I would have thought that the net present value impact of the lower bond rate would have been higher for the more than 12 months after the end of the reporting period than for the short term. I would have thought that if the fall in the bond rate was going to have an impact, it would be in the longer term, but the longer term has actually had a decrease from \$407 million in 2010–11 to \$388 million.

**Mr Leaf:** I am just seeking assistance from the back row.

**Hon PHILIP GARDINER:** I would have thought it would have had a bigger impact upon the longer term than the shorter term. In fact, the shorter term has increased more. It is just really a reconciliation of that in relation to how the bond rate affects it in which I was interested.

**Mr Leaf:** I think you have got into a level of sophisticated analysis in subnote (b) that we might need to get back to you on. I shall endeavour to investigate it, because I simply cannot answer on the spur of the moment.

*[Supplementary Information No B6.]*

**Hon LJILJANNA RAVLICH:** Director General, we are hearing a lot today about the pressure on schools due to the need to find savings. I refer to page 109 of your annual report. We have an increase in the number of senior officers from 23 in 2010–11 to 24 in 2011–12, with total remuneration increasing from \$3.956 million in 2010–11 to \$4.952 million in 2011–12, representing a \$1 million increase in the salaries budget over that period of time or probably around 25 per cent increase in the total. Can you explain how that is, firstly; and, secondly, why you are not capable of doing more with less as you are expecting schools to do?

**Ms O'Neill:** Perhaps if I start at the end first, I think we have over the past years been quite capable of doing more with less. We have balanced the budget in two years under pretty difficult budget circumstances. That is to the general point being made. To the specific point being made around the salaries, I will ask Mr Leaf to start some discussion around that.

**Mr Leaf:** I am going to ask Brett Roach, Deputy CFO, to take you through some of the detail. This note in the financial statements is quite a complex note to put together, because it includes people for part years in financial year terms. When we changed from the district structure to a regional structure, there were a number of changes and a lot of asterisks there in both years where we are covering different parts of the year for different officers. I will ask Mr Roach to go through the details, because we have done considerable analysis and this is all audited.

**Mr Roach:** At first glance you get the impression that there has been a significant increase in remuneration of senior officers, but that is —

**Hon LJILJANNA RAVLICH:** Are you saying there has not been?

**Mr Roach:** No. The main reason is because the regional executive directors were not previously part of the corporate executive. They became part of the corporate executive from 1 January 2011, so you only see half of their costs in the 2011 financial year, whereas you see the full amount of their costs in the 2011–12. Of the 23 officers in the 2010–11 financial year, 15 were part-time, so you only see part of their costs, whereas in 2011–12 only eight of them were part-time. So they were always on the payroll, but they did not start counting as senior officers until part way through the first financial year.

**Hon LJILJANNA RAVLICH:** But they were included in 2010–11?

**Mr Roach:** Yes, but only as a part cost.

**Hon LJILJANNA RAVLICH:** Now they are fully costed in 2011–12?

**Mr Roach:** That is right.

**Hon LJILJANNA RAVLICH:** In terms of the officers that you referred to, what salary range would they be in?

**Mr Roach:** Most of them are regional executive directors. So if you look at 2011–12, their total remuneration including remuneration, cars, things like that, would be plus or minus \$200 000.

**Hon LJILJANNA RAVLICH:** We have a salary ranges band here that goes from \$70 000, which I am assuming would be for the part-time or those that only had —

**Mr Roach:** Part year.

**Hon LJILJANNA RAVLICH:** Part-year salaries. It ranges right through to \$490 000. These are substantial increases. Given that schools are being asked to find savings, I am just wondering how it comes about that we have significant increases in salaries for senior officers.

**Mr Roach:** They show as increases in this table, but by way of the total expenditure budget for the department, they are not real increases.

**Hon LJILJANNA RAVLICH:** There are significant increases because we have people, for example, who have gone from a band of \$230 000 to \$240 000, and from a band of \$290 000 to \$300 000, so there is a trend that follows through. There have been some very significant increases, I am sure you would have to agree, if you have got that table in front of you.

[3.50 pm]

**Mr Roach:** Yes. It is hard to map from one year to the next if you do not have the names and positions in front of you. But by way of real actual base salary increases, for the three highest paid positions in the department—director general and deputy director generals—there was no pay increase in 2011–12. The senior officers' tribunal, I think it is called, decided not to award a pay rise. For positions like the regional executive directors, I believe their pay rates move in line with just the stock-standard teacher. I think that was about a 3.75 per cent pay rise. Some of the other positions, like public servants, might have had a four per cent pay rise. That is about the extent of the pay rises that you see here.

**Hon LJILJANNA RAVLICH:** I am asking you, director general, do you not see that an irony here, in that while you are asking everybody else within the system, particularly schools, to make cuts, and staff in schools, and some critical staff, are going to see cuts to their jobs, at the same time you have a department that is growing its wages bill at the top end?

**Ms O'Neill:** In response to that, we are not seeing critical staff lose jobs. I think we have already said that that is not the case—that front-line services will be maintained.

**Hon LJILJANNA RAVLICH:** But you know no-one believes that.

**Ms O'Neill:** I cannot account for what people believe. I can only account for the truth, and that is the case. In relation to senior officers, I do not control the wages outcome of, for example, the people under SAT. It is obvious that they are in the top end of that scale. Partly, the change in salary groupings there relates to the OAG directing all government agencies to include leave accruals when reporting remuneration for senior officers in their annual reports. That is now reflected in their total remuneration, which also includes superannuation and movement in leave balances, FBT et cetera, and that causes some of the movement between salary ranges as expressed in the annual report. That is a determination not of mine but of the OAG. Again, I do not control public sector wage increases and what public servants are paid. That being said, there was also an increase that teachers enjoyed. It is terrific that we maintain teachers around the top of the salary scale across Australia. I am delighted that teachers got a wage increase. I am also delighted when senior officers



and other officers get the pay increases that are awarded to them. However, that is not done by me but by external control. So, in saying that, I will go back to the beginning, where I said even though there has been wages growth, we have had to manage that efficiently in our total salary budget. There is no suggestion here or anywhere else, or any evidence to suggest, that wages have been increased at the cost of someone else losing their position. That would just be based on no facts at all.

**Hon KEN TRAVERS:** Are you saying that the previous district directors were not included in this list of remuneration of senior officers?

**Ms O'Neill:** They were not previously in the corporate executive, but I will just check that.

**Hon KEN TRAVERS:** This is not just for the corporate executive, though; this is anyone in the SES.

**Ms O'Neill:** They are included in the 2011–12 and 2010–11 figures that you have in front of you.

**Hon LJILJANNA RAVLICH:** That is what we were referring to when we were advised that they were not.

**Mr Leaf:** To clarify, when they were district directors and not regional executive directors, they were not disclosed in this note, which is why for the 2010–11 year there is only a part-year effect as to when the regional executive directors became members of the corporate executive.

**Hon KEN TRAVERS:** But why were the district directors not included, because they would have been at the level of senior officers, who should have been included in the list? I am at a loss as to why they would not have been included.

**Mr Leaf:** At the time that we had been producing this annual report, the definition of “senior officer” in previous years did not include district directors. For better or worse, they were not deemed to be senior officers of the department, probably because they were seen as being closer to schools. We do not include level 5 principals in here either, but they are senior leaders and senior officers as well.

**Hon KEN TRAVERS:** At what level were the district directors?

**Ms O'Neill:** I will ask Mr Roach to come back and assist us with this, because there is some relationship with a Treasurer’s Instruction.

**Mr Roach:** That particular note in the financial statements does link back to a Treasurer’s Instruction, and I believe it is all based on including officers at tier 1, 2 and 3 in the organisation. So the director general is clearly tier 1; I believe that the two deputy DGs are tier 2; and then the people who report directly to those people are included. So I think the district directors —

**Ms O'Neill:** So tier 4 at the time was directors of schools and district directors. I would have been tier 1, deputies tier 2, executive directors tier 3, and directors of schools and district directors tier 4. Now they count as tier 3.

**Hon KEN TRAVERS:** All right.

**Hon PHILIP GARDINER:** I refer to page 2 and the incentive package for principals willing to take up posts at selected low-socioeconomic school communities. When was that introduced?

**Ms O'Neill:** Just in the last few months. We have only just begun recruiting.

**Hon PHILIP GARDINER:** So I presume that we have no outcomes as a result of this incentive at this stage?

**Ms O'Neill:** Except that we have been able to recruit in a couple of places to difficult-to-staff areas. The whole point of that program was to attract more than normal experience and expertise in those areas. So, to that extent, we have been able to do that I think in at least two locations.

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**Hon PHILIP GARDINER:** Fair enough. I guess the only question I can ask is what benchmark levels are you establishing so that you can assess what the improvement might be as a result of these new people coming into those positions?

**Ms O'Neill:** As part of the national agreement, key performance indicators have to be developed in those specific locations, and we are going through that work right now. As you can imagine, it is quite interesting and new work to be able to express it in tight performance indicators. So we are doing the background research work into that right now.

**Hon LIZ BEHJAT:** I refer to page 2 again, the first dot point, where we see that for the first time in 30 years there has been an increase in the public school market share in 2011. To what do you attribute that increase?

**Ms O'Neill:** There are a couple of things, really. It would be folly to not think that the GFC might play a part in that, where some people in the community are struggling with the private school fees. So that would be, I think, a factor. There is an enormous number of young children coming into the system where parents have obviously made a choice. Both systems are growing. But the growth in our system is remarkable. So we have a lot of children coming in to K and P, but we also have quite a few students coming back into the secondary area. Anecdotally, we have done some background work and talked to some parents in IP schools who believe that their view of those schools has changed and that has strengthened their confidence in public schooling, and we are delighted about that. Also, we have quite a bit of interest, and growing interest, in our specialist programs, particularly our gifted and talented programs. If you look at some of the enrolments in some of those places, we have people, for example, for Perth Modern, and for other specialist programs, who have come from across the system—the systems, actually—to enrol in those schools. So there is a range of factors. Parents are making choices on the basis of information available to them.

[4.00 pm]

**Hon LIZ BEHJAT:** Anecdotally, you are saying that some of it might be down to independent public schools. If you see an increase again in the next year would it then be the intention of the department to perhaps get more than anecdotal evidence and survey parents directly to see whether IPS was a decision?

**Ms O'Neill:** We have an evaluation of that due in April, I think, next year, although it was not necessarily a key question to look at market share but certainly to investigate the impact on the school and the staff and students and total community. It is an interesting one. We do exit surveys, but obviously that is too late because that is when people leave and tell us a range of information about what they like and would prefer to happen in our schools. We have not contemplated yet whether we would do specific work with parents or would survey parents about the choices they make. I am not saying that we would not; we just have not yet decided whether we would pursue that. This government, in agreement with the federal government, is looking at surveying parents as part of some new work they are going to do, so it will be interesting to see how those surveys run and the feedback we get around satisfaction surveys. It is quite interesting that one of the tables in the back here is about satisfaction. We are pretty happy to see students have a high level of satisfaction. In fact, in some cases, our Aboriginal students have a higher level of satisfaction than our non-Aboriginal students. Surveying parents is something we will look into as an option with the commonwealth government into the future. We are exploring that now. That might be a valid question we would ask.

**Hon LIZ BEHJAT:** It will be interesting see.

**Hon LJILJANNA RAVLICH:** Director general, I refer you to page 16 of the annual report that deals with some of your challenges and is about ensuring that all students attend school regularly. You made some comments in your opening statement about primary and secondary school attendance and Indigenous attendance. You referred to a question asked by Hon Sue Ellery. I guess

from my point of view it is probably the latest information on record because it was received by the Parliament only a few days ago. I will read out the question so we get a sense of what is going on. The first question reads —

What is the average attendance rate for primary school Aboriginal students and for primary school non-Aboriginal students?

The answer was —

Aboriginal primary, 81.62 per cent; non-Aboriginal primary, 93.69 per cent.

If you look at that in a different way it means that for Aboriginal students in primary school 18.36 per cent do not attend school regularly. My first question is: how much is this in number terms?

**Ms O'Neill:** Yes, we do; we are just trying to find it.

**Mr Dodson:** Is it the number of students that it involves.

**Hon LJILJANNA RAVLICH:** Yes. What does that 18.36 per cent of Aboriginal primary school students who do not attend school regularly represent in numbers?

**Ms O'Neill:** I am sorry; I misled you, we do not have that breakdown.

**Hon LJILJANNA RAVLICH:** If you do not have that, do you have any information in terms of how many Aboriginal primary school kids do not attend school regularly? You have come to an estimates hearing and you do not have that information.

**Mr Dodson:** In terms of “regularly”, we certainly have some information about that. We have categories of attendance. We know that we have a regular category attendance of 90 per cent or more.

**Hon LJILJANNA RAVLICH:** No; we are going to confuse the issue.

**Mr Dodson:** The number of students who do not have that regular attendance counted as 90 per cent attendance or more. In the severe category there are 3 395 students.

**Hon LJILJANNA RAVLICH:** That is, 3 395 severe?

**Mr Dodson:** Yes.

**Hon LJILJANNA RAVLICH:** Is that primary?

**Mr Dodson:** No, that is total.

**Hon LJILJANNA RAVLICH:** What about the not severe. That is not the total.

**Mr Dodson:** I will do some quick calculations for you.

**Hon LIZ BEHJAT:** Does table A7 not show the actual number of Aboriginal students?

**Mr Dodson:** Apologies. Here we go: I do not have them for Aboriginal students.

**Hon LJILJANNA RAVLICH:** Can you take that on notice? In response to that question asked by Hon Sue Ellery, we want to know how much the 18.36 per cent of primary school Aboriginal students who do not attend school regularly equates to in numbers, and for non-Aboriginal primary school 93.69 per cent attend regularly, which means that 6.31 per cent do not attend regularly. Can we have a number for that? Also, the second question was —

What is the average attendance rate for secondary school Aboriginal students and for secondary school non-Aboriginal students?

The answer was that 67.14 per cent attended regularly, which means that 32.86 per cent do not attend regularly.

**Mr Dodson:** That is not true.

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**Hon LJILJANNA RAVLICH:** Hang on; that is the answer.

**Mr Dodson:** That is the attendance rate. That rate is different from the number of kids attending regularly. The actual question was about the attendance rate.

**Hon LJILJANNA RAVLICH:** What is the attendance rate then?

**Mr Dodson:** The figures you read out are the attendance rates.

**Hon LJILJANNA RAVLICH:** According to the attendance rate, 32.86 per cent attended. I am asking what rate that represents in numbers of students.

**Mr Dodson:** That is the number of kids who are not there on a particular day.

**Hon LJILJANNA RAVLICH:** Can you provide that information on notice? And can you provide it on notice for non-Aboriginal students for the rate who attend regularly, which is 88.97 per cent? We want to know how many students that represents in terms of the 11.03 per cent who do not come to school regularly.

**Ms O'Neill:** Just to clarify, on the Ellery question, rather than the percentages, you want the actual number of students represented.

**Hon LJILJANNA RAVLICH:** Absolutely, thank you.

*[Supplementary Information No B7.]*

**Hon LJILJANNA RAVLICH:** What is the difference?

**Hon KEN TRAVERS:** What is the difference between the attendance rate and the number of students who attend?

**Mr Dodson:** The attendance rate is determined on the basis of the total number of available days, and is usually done on a half-day basis. The numerator is the total number of days actually attended by students. It is a calculation on that basis. Based on what you find for each individual student in terms of their attendance, you can then look at how many students are attending regularly by using categories of attendance and asking, "How many students are attending more than 90 per cent of the time?"

**Hon LJILJANNA RAVLICH:** How many students do not attend 90 per cent of the time?

**Mr Dodson:** That is a category-related one. In terms of the overall figures for that, for students in years 1 to 12, in the regular attendance category, it is 71.8 per cent in 2011.

**Hon KEN TRAVERS:** Is this for all students?

**Mr Dodson:** For all students, years 1 to 12; 71.8 per cent of the students are regular attenders. That equates to 149 820 students.

[4.10 pm]

**Hon LJILJANNA RAVLICH:** How many, sorry?

**Mr Dodson:** It is 149 820 students.

**Hon LJILJANNA RAVLICH:** What about the 21.9 per cent that are not regular attenders; that is what I am really after, in numbers?

**Mr Dodson:** Absolutely. Basically we have categories here which indicate the —

**Hon LJILJANNA RAVLICH:** Can I have the number for the 22 per cent who do not attend regularly? Can you give me that number, please?

**Mr Dodson:** Sure. It is 58 981.

**Hon LJILJANNA RAVLICH:** It is 58 000

**Mr Dodson:** It is 58 981 students who have less than 90 per cent attendance.

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**Hon LJILJANNA RAVLICH:** Less than 10 per cent attendance.

**Ms O'Neill:** Less than 90 per cent.

**Hon LJILJANNA RAVLICH:** Less than 90 per cent. And do you have a table which shows those with less than 80 per cent, those with less than 70 per cent and so on? I wonder whether you can present that to the committee and we can have a look at it.

**Ms O'Neill:** We can table that. It is a copy of what was given to the Public Accounts Committee last week, I think.

**Hon LJILJANNA RAVLICH:** Okay, if you could provide that to the committee, thank you very much.

**The CHAIR:** I assume that is a public document.

**Ms O'Neill:** If I can just clarify. Alan, is that now a public document?

**Mr Dodson:** Only through the Public Accounts Committee, that particular table.

**The CHAIR:** But you provided that to that committee. I guess the question is: is there any reason why that information cannot be made public?

**Ms O'Neill:** It was not given with a caveat to the Public Accounts Committee, so I think we can provide it on the same basis.

**The CHAIR:** Thank you.

**Hon LJILJANNA RAVLICH:** Based on your work, can I just ask you how many students are on WA streets when they should be at school on any given day on average?

**Ms O'Neill:** On any given day, I am not saying they are on the streets—they are your words—but they are absent from school; it could be anything like 18 938. For the most part those absences are explained, and we have had an increase in explained absences. But on any one day it could be in the order—and it is theoretical obviously—but it could be in that order out of the 267 000 students that we have.

**Hon LJILJANNA RAVLICH:** We recently had the police commissioner here, and he advised the Standing Committee on Estimates and Financial Operations that in nine days in fact the police themselves rounded up some 146 truants. That in itself seems to be fairly low in terms of the number of students that are potentially out there. I am just wondering whether you have met with the police commissioner and do you meet regularly with the police commissioner to try to do something about this problem of getting some of the children off the streets and back into classrooms?

**Ms O'Neill:** The strategy that the commissioner outlined to you is a joint strategy, so that was developed and implemented between both departments. You used the word “truancy”. Of course, when children are picked up, many of them may be truant and others may not be technically truant. Nonetheless, I do not think it is a small number; I think it is a large and alarming number that the police would pick up any number of students. But we are working with them. It is a good partnership. We met with the commissioner, as I said, in its development and its implementation. We think thus far it has been rolled out pretty well, and we would like there to be fewer students in fact picked up.

**Hon LJILJANNA RAVLICH:** Can I just ask you why this responsibility has fallen onto the police, given that the police really should be out there probably devoting their own resources to perhaps other areas of policing rather than picking up truant kids? And should this not fairly and squarely fall within your own department’s area of responsibility, and why does it not?

**Ms O'Neill:** I do not think it is entirely correct to say the responsibility has fallen to police. It is a joint strategy. We do it together. They have under their legislation and powers the capacity to pick

up children; we do not, in the same way that they do. They can apprehend them and move them from one place to another. The commissioner quite rightly points out that he has that authority already. So I think quite the converse: we have combined our relative powers and authorities to come together and put in place a good strategy. It is not the police's strategy; it is a joint strategy; it is administered jointly. In fact, I think we have good support from local government, businesses and others, and so I think it would be misleading to suggest that the responsibility has fallen to the police. They find the children, and they are only one group that find children, but they do find children on the street. We have a very streamlined process whereby they call staff that we have in regional offices, because they have to work out where they come from. They usually do not come from the area they are found in. They then contact the school and there is a liaison with the school. So I think it is misleading to suggest that the police are doing the heavy lifting here. It is a joint strategy, it is part of an overall strategy and we think it is working quite well up until now. But obviously we will make adjustments as we go.

**Hon LJILJANNA RAVLICH:** Can I just ask you another thing? In terms of chronic non-attendance, how many attendance panels did you establish in 2011–12 to deal with chronic truants?

**Ms O'Neill:** Six panels in 2011.

**Hon LJILJANNA RAVLICH:** Do you not think that is a bit light on, given the gravity of this problem?

**Ms O'Neill:** It is one strategy—we discussed this before—that we have available to us. I might just confirm whether it is more than the year before, but certainly we have more prosecutions pending than we have had previously. But to be able to get to an attendance panel, you have to demonstrate a range of activities that have been put into place. It is true to say there could be more attendance panels except at the last moment students and their families get on board and do the right thing, so the idea of an attendance panel falls away and we go back into the same process. So I do not think it is for lack of work in the attendance area.

**Hon LJILJANNA RAVLICH:** Are you saying they are failing, director general?

**Ms O'Neill:** No, I am certainly not saying they are failing; I am saying we use them when we get to that point and we need it. What we know, though, is you have actually got to have a parent who is willing to come in and be part of the panel to have a panel. In some instances it is very hard, (a), to find the parent, and then, (b), to get them to participate in a panel. But when we get to that point, they can be effective. But the simple fact is to be able to get to the point of a panel, you have got to be able to demonstrate work along the way and revise that work and continue to work with students, and there are also highly transient students. So, I do not think there is any suggestion that the strategy cannot work, but any research and any work would show that the best work done with students is on a day-to-day basis, with their parents and in support with other agencies.

**Hon LJILJANNA RAVLICH:** How many prosecutions did you have in 2010–11?

**Ms O'Neill:** Yes, we have got that. It was zero in 2011, and I think we have three pending—sorry, two pending at the moment. So they may have started in that financial year, but to get to this point we have two pending.

**Hon LJILJANNA RAVLICH:** How did you get to those three, because given once again the gravity of the problem, one would expect that you would perhaps have had more than one in 2011 and certainly more than three in 2012. So, how are you making the decision in relation to prosecutions?

[4.20 pm]

**Ms O'Neill:** The decisions are not made by me in the first instance; they come through a process—the process I have already described—so that is the complexity of the problem. I think the fact that we have two pending now points to the fact that we have been—and we have been!—very obvious

with our principals around attendance and around an attendance strategy, to say, “You must put everything in place to get to an attendance panel, and, if necessary, to get to a prosecution. We had a very public one a couple of years ago. But to suggest that it is straightforward to take people to prosecution or in fact that the \$500 or the small amount of fine that gets applied therein makes a jot of difference is contestable. But that is the structure we have; they are the figures we have at hand; and right now, in fact, we are writing to schools to reconfirm the processes we have in place that lead, through attendance panels, to prosecutions. We have two pending now, but we had none in that previous financial year.

**Hon LJILJANNA RAVLICH:** Which schools are involved?

**Ms O’Neill:** In the prosecutions?

**Hon LJILJANNA RAVLICH:** Yes, which?

**Ms O’Neill:** I do not think we have the names of the schools here right now.

**Hon LJILJANNA RAVLICH:** You do not have? Are they metropolitan schools or regional schools?

**Ms O’Neill:** I do not have the information.

**Hon LJILJANNA RAVLICH:** You have no idea? You have three prosecutions; you have hardly had a prosecution for years, and now you do not know where those three prosecutions —

**Ms O’Neill:** I do not have the information with me about those schools, and we would have to work out whether naming those schools in fact would—if they were small schools—make the person obvious in any case. But the question is: have I got it here today? I do not have the names of the schools with me today.

**Hon LJILJANNA RAVLICH:** Can you provide the information?

**Ms O’Neill:** We would be happy to provide it if it is appropriate to do so. If there is a confidentiality issue, we will make the note.

**The CHAIR:** Perhaps you could provide that to us, and indicate that to the committee and we will take that into consideration.

*[Supplementary Information No B8.]*

**Hon KEN TRAVERS:** In your 2010-11 annual report you actually included a table for both the school discipline advisory panel and the school attendance advisory panel. Is there a reason why a similar table has not been included in this year’s annual report?

**Ms O’Neill:** That is part of our overview of the annual report and some decisions were made about which information we believe could continue to be involved. It is not something we have had enormous public interest in; obviously, we get questions here, but we are not asked questions about it outside of this room, so a decision was taken that we would report school discipline advisory panel information as we were asked. As I understand it, for 2011 we had 54 recommendations and 46 were accepted; 44 were in the metro and 10 were in rural and remote. We are very happy to provide the information, but a judgement was made about the utility of that in the annual report.

**Hon KEN TRAVERS:** Will it be possible to have it in future years?

**Ms O’Neill:** We will give some thought to that.

**Hon KEN TRAVERS:** If you could take that on board. Those figures you just quoted, were they for the attendance advisory or the discipline?

**Ms O’Neill:** They were for the school discipline advisory panel.

**Hon KEN TRAVERS:** What was the number in total?

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**Ms O'Neill:** It was 54 recommendations, and 46 were accepted; there were zero disability advisory panels.

**Hon KEN TRAVERS:** Right.

**The CHAIR:** I am looking at this paper you have tabled that shows figures from 2008 through to 2011 in terms of attendance; it seems to me, just looking across those, that there is not a great deal difference. I am just wondering what strategies the department has to get the ideal outcome of 100 per cent.

**Ms O'Neill:** Is this the attendance page you are referring to?

**The CHAIR:** Yes.

**Ms O'Neill:** This one we tabled?

**The CHAIR:** Yes, the one you tabled. What are the strategies to try to improve that?

**Ms O'Neill:** Look, I think we have been on the public record—in fact, the minister, I think on 3 February, talked about it, and I would talk about it publicly too—as saying we have an enormous number of strategies in place, but this issue continues to be one that this and other states find difficult. Obviously kids need to be in school to be able to learn, but this is a joint responsibility; the department and our schools' responsibility is to encourage children to be there, and when they are there it is inclusive, it is appropriate, and it meets their needs et cetera. I think we also want to make the point that the responsibility for attendance lies with parents and caregivers. Now, we have strategies that go from A to Z, including driving around and picking up students, going into their homes, and getting them out of bed in some instances. They come to school; we drive them to school; we feed them; we give them showers; we give them clean clothes; we wash their clothes so that they are ready for the end of day; we give them breakfast; we give them lunch; we give them after-school care; and we give them food after school. I can describe any number of those in between. I think, in fact, that the department does an enormous job in terms of school attendance. When you consider, in raising of the leaving age, that we introduced quite a number of students, who in fact were anticipated to go into apprenticeships, training, and employment, to stay with us in schools, and I would congratulate our schools for the job we do here.

**The CHAIR:** Can I just be clear: it was not a criticism. Actually, it was —

**Ms O'Neill:** No, no. That being said, it is incredibly frustrating because the data is hard to shift. We have been out —

**The CHAIR:** So if you could pick two things that would make a difference, what would they be?

**Ms O'Neill:** Parents getting the kids to come would be a great thing, and we are very happy and we work with parents to understand —

**The CHAIR:** But this is that motivation or capacity of the parents; what is the —

**Ms O'Neill:** I think a range of things, Chair. For example, communication; making sure all parents understand it is compulsory. By and large, parents understand, but we have preprimary next year that will be compulsory, so we have been out ensuring that parents understand that that is compulsory. In some instances with students—particularly in some of our remote communities but not only there—really, the responsibility to get themselves to school falls to them. We have to support and encourage those families and those parents. So there is some apathy. But there is also apathy in metropolitan Western Australia, where some parents might seem to think it is okay for a student to miss school here and there. So I am not targeting any particular group, but what I am saying here is that attendance is primarily the responsibility of parents and families. Some families have trouble with that, so we have been producing booklets, resources and information multilingually; we have AIEOs that go into the home and support, and we are providing PPP parenting programs; so there is a plethora of initiatives in place there.



**The CHAIR:** What sort of information and research is there that would inform the strategies to get more kids to attend? Because there is one theory I was reading about recently—I digress briefly—that, for example, if the bulk of your employment opportunities are in relatively lower intellectual requirements, such as more manual skills and those kinds of things, that that lowers the expectation right through the community, so that families do not think it is that important to get a particular qualification if they are just going to go and drive a Haulpak.

**Ms O'Neill:** That is true. So you have the generational impact of school experience, and there is a bit of research around that that indicates that if they have not had a good experience in school, or if in fact they were not required to go to school and understand the value of regular attendance, then you see that replicated when those people become parents themselves.

**The CHAIR:** Yes, but in terms of shifting to more of a community that you can get very good money for working in areas that do not require a particularly high educational level.

**Ms O'Neill:** Yes, certainly.

**The CHAIR:** So then the aspirations of the whole community drop and people think it is not worth —

**Ms O'Neill:** Certainly that view is expressed; you hear young people talk about that and you hear it from parents who might say, “I didn’t stay at school, I didn’t go to school much; I am a high-income earner who actually has very few professional qualifications.” So that demographic—sometimes, but not always—replicates that kind of understanding or misunderstanding about the importance of attending school. One of the things we have had good feedback on is the incentive programs we provide not only for students, but also for parents. We incentivise attendance so that they can get discounts at the canteen, school uniforms—a range of those sorts of programs. So some of it is educative around attendance, and some of it goes to hearts and minds—about their experience at school—and some of it goes to capacity. But in those instances we have good support staff like Aboriginal workers, and we have engagement with DCP, so that people understand their responsibilities. We have been on the public record about some of the difficulty—it is at the minor end, so I would not want to overplay that because it got a bit sensational—around FIFO workers and children being absent from school for holidays. But let us put that in context: that is at the minor end.

[4.30 pm]

There is a range of factors that impact on student attendance. My responsibility is ensuring that schools are welcoming places, that people want to be there, and that when the kids get there, they are welcomed, the courses are appropriate, their needs are met and they are free from bias and all the things that would cause them not to be there. That being said, schools have become much more than that. Our remote communities all have a car. All of them, almost on a daily basis, drive around and pick kids up. We have four Aboriginal schools where we fund a bus. They go and pick the students up. We have agreements now with Foodbank; I think over \$2 million for a Foodbank breakfast program in many of our low SES schools. We are going to have child and parent centres that are targeted at vulnerable communities for exactly this purpose and that are trying to get into the zero to four area. We have just announced early learning grants where schools, under 94 SEI, can apply for \$10 000 in each subsequent year to put in place programs that support zero to four so that families with young children can become engaged in a positive way with schools earlier. I put my hand on my heart and say that there is an enormous amount of work in this area, but that being said, all of the questions are entirely appropriate because the attendance data does not seem to shift much. It has its tolerances up and down. Every year—we could go back 10 years; Alan has been involved at least 10 years—we would see minor variations, but we need to be conscious that they are sometimes not even statistically significant. Even if one, two or 20 people are missing out on school that is significant to us.

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**Hon LIZ BEHJAT:** I know you have Aboriginal and non-Aboriginal attendance data. Is there any data kept on students from non-English speaking backgrounds as to whether there is a difference between that and English-speaking backgrounds?

**Ms O'Neill:** I will check with Alan.

**Mr Dodson:** Not on a systemic level. Obviously individual schools that are on the front-line for all of this understand their communities and their individual students. They would be more aware in their particular environment about those particular students who have EALD backgrounds. We do not accumulate on that basis.

**Hon LIZ BEHJAT:** Given the increase in our migrant population—we know how smart these kids become very, very quickly; they become very proficient in English, but the parents do not. It is not difficult for the kids to pull the wool over the parents' eyes and say, "I actually don't have to go to school."

**Ms O'Neill:** You do not have to be a non-English speaker to do that! It is a good point that you make. We do not collect it systemically. As our demographic changes, it might be something we want to give thought to in the future. It is entirely dependent on how people identify their background in their enrolment as well.

**Hon LIZ BEHJAT:** I know anecdotally from my own experience as a parent, with the brochures you have been putting out about not taking kids out of school during term time, people just were not aware; they thought they could do that. They bring it up with me, "Is this right what they're saying?" I say, "Yes, that's exactly right." They say, "We didn't know." Obviously those programs are having some cut through. Did you say you do those in multiple languages?

**Ms O'Neill:** Yes, we do.

**The CHAIR:** The other factor of course is bullying, or fear of bullying. Is a statistic kept on that to work out what impact —

**Ms O'Neill:** We do not have statistics on fear of bullying. What we would end up with is critical incidents perhaps that are listed as bullying by type. Schools would have their own information about students who they would deem at risk because they fear, or are—both—bullied. But we do not have systemic data of people who feel like they are being bullied unless there is a particular incident that is drawn to our attention.

**The CHAIR:** Is it a significant factor?

**Ms O'Neill:** Bullying is significant to the extent that we have all seen in the community and in general discussions, particularly with respect to cyber bullying, the capacity now for people to bully in a much less identifiable way. The focus of this department is on trying to teach children the appropriate use, for example, of social media, because the media is not going to go away. The use of it needs to be much more sophisticated and much more in keeping with the values of the community. I would always say bullying is a concern. Is it a growing concern? I think the reporting of bullying is more obvious now, particularly more apparent in the media because of the social media—cyber bullying stories that we have.

**Hon PHILIP GARDINER:** I think the questions are terrific. I can understand the exasperation when you cannot move the key performance indicators. Have you done anything, in the sense of trying to get the equivalent measures from other countries and other different cultures?

**Ms O'Neill:** We look at information from other states, but I do not recall that we have background information from other countries because their legislation is quite different. That does not mean we could not. The contexts are quite different. I do not recall that we have background on attendance from other countries.

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**Hon PHILIP GARDINER:** It is a cultural issue. If you cannot move it, it is a deep cultural issue. If you start from a different culture, let us take African countries—I know it is hard get the same benchmarks because there are different parts playing into it—whether you get to tackle them when it is already too late. It has to be different; whether we need to have the revolution that we have talked about but cannot quite trigger it happening, then making this an integrated package. If you cannot get it in the very beginning maybe, it is no good picking on one part. Everything has to reinforce each other.

**Ms O'Neill:** One of the areas we have learnt from other countries that relates to this, which is worthy of mention, is the work done in Canada, particularly the sharing of works through the AEDI about community profiles. Stuart Shanker recently came out from Canada, through the Commissioner for Children and Young People. He spoke about his work and the relationship of that to our child and parent centres. He particularly, as an expert, spoke about child self-regulation. That was his theme. He talked about, as has Professor Mustard and others previously, the importance of engagement of zero to four. We are one of the few states to have kindergartens on school sites. There is new work around child and parent centres, albeit there are only 10. These early learning grants are about, as you say, getting contact with young kids at a much earlier age, and their parents. Two, three and four-year-olds do not have control over whether they go to school or not. It is in the hands of parents at that age. There is work with the students but there is that really important educative role that we play with parents. In some of those \$10 000 grants, schools will use that for parenting programs. We already run parenting programs with the health department in schools to try to capture them, and to run play groups, which I think is really important. People talk about the connection of play groups as a more informal setting which is less threatening for some parents to start their association with school and learning. We have some schools now, because the legislation is changing, spending some time with children younger than four, running early learning groups in schools. I think that is fantastic. Our program where we have Aboriginal kindergartens—I think we have 28 or so Aboriginal kindergartens—we have three-year-olds on school sites in designated kindergartens, only for Aboriginal children, to get in early with the children but with their parents, which is so important, and the broader community.

**Hon PHILIP GARDINER:** I think it is Canadian research, and maybe others, that says by the time a child is two, 80 per cent is done.

**Ms O'Neill:** That is right.

**Hon PHILIP GARDINER:** It is beyond your reach in a way at the current time.

**Ms O'Neill:** Indeed.

**Hon PHILIP GARDINER:** It will be interesting to see how the incentives for those 28 703 people are going to try to tackle that. I will come to another part: if there is a culture that needs to be changed in our public schools, the principal has to try to do it. He or she has to try to bring the other teachers along or change that culture to make the difference. What human resource capabilities do you have and where do you apply them? From which part of the department do you apply it?

[4.40 pm]

**Ms O'Neill:** Leadership development is obviously important in all schools not only in leading the general program but also leading the change programs in the schools. We have invested in this more over the past few years than we have before—in fact, I will ask Lindsay Hale to make some further comments about this—particularly in respect of our independent public schools. That is a change program, and leading a different culture through those schools is absolutely critical, but it is in any school. We have made some investments. Just last year we introduced a new masters of public school leadership, which goes to the very heart of what you are talking about. There is enormous capacity in our system that we need to harness for the leadership of change. That is one example. We have set up an institute of public school leadership, particularly around professional learning for

teachers and leaders, because teachers are leaders as well in their own role. I might ask Mr Hale to talk about that a bit further.

**Mr Hale:** I will be happy to expand a little on that. I was the original managing director of our institute. In fact, it is still my substantive position while I am acting in these other roles. The institute goes to potential development for all staff in the organisation. That includes school support staff, teachers and school leaders of all types, and it also goes to other staff across the department. In terms of leadership, the institute has been developing a continuum of support. It targets some of the programs it makes available in terms of the developmental stage the person is at, bearing in mind that we have principals from level 3 to 6, so from very small primary schools right through to very large complex primary and secondary schools at level 6. We look at the kind of leadership position we are talking about, particularly the principalship positions that lead to that, and we also look to degrees of complexity as people move through their career. To respond to that, we have developed a new program, as the director general mentioned. At the top end is the contract we have with the University of Western Australia to provide programs at the master's level—postgraduate qualifications. We step out opportunities to lead people to that. With the master's program, we also attempt to target people early in their careers. While we are dealing with that whole continuum, we want to target early career potential leaders so we strengthen our leadership potential into the future.

I will just mention some other aspects of that leadership program. We have also been innovative in the sorts of programs we are running. I will give you one example. We operate a program called Licence to Leadership. That brings a group of people together who are aspirants to various leadership levels, including business managers and registrars as well as educational leaders. It brings them together, in part, to do a project over a period of time, where they are engaged in running a hypothetical school and faced with real problems drawn from real experience which they are invited to engage with both as individuals but also as the collective. While we are not replicating a true school experience, we are giving people an idea of the real problems and challenges of all kinds they are likely to confront. We are talking about the real educational challenges and the sorts of things we mentioned earlier. We know that things like attendance, values, discipline, pastoral care, academic achievement and relationships are all contingent upon each other. You cannot just push one button and hope to improve the school. You have to be able to move forward on all of them. That is the really complex level we deal with, all the way through to what are fairly mundane operational management issues, but they are the things that you need as a foundation in order to run a good school. I might just add in closing, unless there are further questions on it, that all of that is now aligned to the Australian standard in relation to the principalship.

**Hon PHILIP GARDINER:** How many participants are going through that institute?

**Mr Hale:** In the master's program, 50 were selected last year and commenced this year and we are just in the process of finalising the selection of the next 50 participants to join them. Our intention at this stage is to add 50 participants per year—this is a master's program so it does stretch out into the future—at least over the next five years with the option to consider doing that for the next 10 years.

**Ms O'Neill:** Licence to Leadership had 104 participants last year. It is a different program.

**Mr Hale:** We are also offering a raft of other programs at very high levels of engagement. We also offer discrete leadership programs. For example, one that we would be offering at the moment—I do not have the numbers off the top of my head—would be in relation to leadership and curriculum, real grassroots school leadership issues.

**Ms O'Neill:** We had 4 034 participants in Leading Australian Curriculum programs. We have specific courses for Aboriginal education and a plethora of other things.

**Hon PHILIP GARDINER:** I have one final question which relates to regional areas, especially regional towns, because history shows that often primary schools are in different places to

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secondary schools, and people talk about the advantage of bringing those together. I think it has been done in Merredin and I think it is also integrated with the TAFE colleges there as well, which is good. When you are making that assessment, how do you evaluate the advantage that you can bring in terms of the integration with the sharing of overheads and so on? Does it ever stack up economically when you consider relocating the primary or secondary school to the one location?

**Ms O'Neill:** It is different in every single circumstance. It depends on whether you are vacating sites.

**Hon PHILIP GARDINER:** And also taking into account the externalities and also the detail. If you leaving one site, you can sell it off and so on. It is the whole economic analysis. How do you do it?

**Ms O'Neill:** It is done on a case-by-case basis. You have the land values, whether you can share existing resources that are in the schools, the networking, the cost of broadband, and the cost of staff and whether there are efficiencies in the staff or not. You have to work through every single level. You also have to take into consideration that sometimes when you are bringing two groups together, there are redeployees and you have to maintain the cost until the people are redeployed. It is not a simple exercise. Sometimes you have to forecast what some of those costs and savings will be to determine whether it is economically viable. In making such a decision, the first consideration is whether it is educationally appropriate and, secondly, whether it is economically viable to do that. That is why every case is different; it is because of the particular circumstances of the building, the staff and the goods that are already in the school.

**Hon PHILIP GARDINER:** Do you have any cases—I do not care where it is—where you have done the analysis, using sufficiently large benefits to justify it? Do you have any examples of that that you can supply to us?

**Ms O'Neill:** Where we have done case studies?

**Hon PHILIP GARDINER:** Just one case of where you have done the analysis of that relocation to integrate a secondary and a primary school together.

**Ms O'Neill:** I do not think we have the overall analysis in one place. It is done through various means. There are various components of that that are driving it. We do not have a rule of thumb approach that says K–12 is right for every single application.

**Hon PHILIP GARDINER:** I accept that.

**Ms O'Neill:** The only place that we have actually completed that—I could be told otherwise—is in Merredin. I do not think we have one single plan that would show the cost-benefit analysis over the total. If we did, my understanding is that that would be cabinet-in-confidence because in a couple of those locations, the consideration of planning for the future was part of an approach to cabinet.

**Hon PHILIP GARDINER:** Now you have told me it is Merredin, I cannot ask you for the example because you have disclosed it. No names, but I just want to see how you go about it. I suspect similar situations could exist for a number of regional areas, be it Narrogin, certainly Moora and maybe there would be a number of others around. I suppose it would have gone through Geraldton.

**Ms O'Neill:** All that I think we could put together is perhaps some of the areas that we need to calculate.

**Hon PHILIP GARDINER:** I want to see some hard analysis of the case, if you like.

**Ms O'Neill:** The case that we have is subject to cabinet-in-confidence.

[4.50 pm]

**The CHAIR:** I indicate that we started 15 minutes late, so I was intending to run over a bit.

**Ms O'Neill:** Chair, what is the time for closure?

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**The CHAIR:** We are due at five o'clock, but we might just go over a bit for 10 minutes or so.

**Ms O'Neill:** I was not sure whether it was for five o'clock or 5.30 pm.

**The CHAIR:** I think it was scheduled to finish at five o'clock.

**Hon LIZ BEHJAT:** If you want us to finish at 5.30 pm, we can!

**Ms O'Neill:** We are in your hands, Chair!

**Hon LJILJANNA RAVLICH:** I refer to page 48, "Disclosures and legal compliance". I just want to pick up on table 17 that deals with misconduct allegations for 2009–10 to 2011–12 and I am particularly interested in the distinction between central management and local government management with central oversight. Can you just explain what that is practically?

**Ms O'Neill:** Practically, all of the allegations come into our standards and integrity group in central office. An assessment is made of whether they are appropriately dealt with centrally or locally, and whenever they are managed locally, there is some central guidance given to that. For example, child protection matters are dealt with centrally. For example, you can see there in "child protection" that if it was an allegation of inappropriate touching, it would be dealt with centrally. If the child protection issue is something about bullying, it might be dealt with at the local level.

**Hon LJILJANNA RAVLICH:** If we look at child protection matters that are centrally managed, in 2010–11 there were 141 and in 2011–12 there were 145. In 2010–11, by way of supplementary information from the department, I managed to get a breakdown of what they were. Of those 141, two were for child pornography, 79 were for inappropriate behaviour, four were for inappropriate relationships, 47 were for physical assault—I assume that is physical assault of students, is that correct, Director General?

**Ms O'Neill:** That is correct.

**Hon LJILJANNA RAVLICH:** And nine were for sexual harassment of students. In terms of these particular cases, could you advise the committee what happens with them?

**Ms O'Neill:** Do you mean the outcome of the case?

**Hon LJILJANNA RAVLICH:** Yes, the outcomes of those.

**Ms O'Neill:** I think you talked then about the 2010–11 data.

**Hon LJILJANNA RAVLICH:** Yes, I did, and you have got the 2011–12.

**Ms O'Neill:** The 2011–12 data goes something like: child pornography, three—as opposed to two; inappropriate behaviour 69 —

**Hon LJILJANNA RAVLICH:** What might that involve?

**Ms O'Neill:** Inappropriate behaviour? Using inappropriate language could be an example of inappropriate behaviour.

**Hon LJILJANNA RAVLICH:** Is that a child protection issue and is that reported to the police—using inappropriate language?

**Ms O'Neill:** That would be more "Inappropriate relationships", the next one. Any matters that are allegations of misconduct, regardless of category, are immediately reported to the police and the CCC.

**Hon LJILJANNA RAVLICH:** So, they are pretty serious.

**Ms O'Neill:** We do not always make a judgement about the serious nature, we report them as we are required to do. So, I think I said 69 for inappropriate behaviour; inappropriate relationships, 10; physical contact, 56; sexual harassment, seven; which gives the total of 145 that you have in the annual report. In relation to the three child pornography allegations that I have just referred to, one

led to the termination of the employee as a result of the negative notice received during our investigation. Two were not sustained following our investigations undertaken jointly with police.

**Hon LJILJANNA RAVLICH:** Might inappropriate behaviour be touching the student inappropriately also, apart from just speaking to them?

**Ms O'Neill:** Yes, it could be. Or, that might be under the category of physical contact.

**Hon LJILJANNA RAVLICH:** Have you got outcomes for what has happened in those cases?

**Ms O'Neill:** I have talked about the three child pornography ones. Across the others I have this information: four other employees were terminated in 2011–12 as a result of receiving a negative or interim negative notice. These four were subject to allegations in the categories of physical contact, inappropriate behaviour, inappropriate relationships and also a contractual breach. Two casual employees also received a negative or interim negative notice, because as soon as we get these allegations will also immediately go to working with children. They have had their employment records to be marked as “Not offered future employment”, because they were fixed-term contracts and they left. As at 18 October 2012, in relation, for example, to any child protection matter, out of the 145, 99 have been resolved and 46 are still under investigation. Out of the 99 resolved, 64 allegations were sustained, 34 were not sustained and the outcomes applied—I will not talk specifically about each case, obviously—are those available under the Public Sector Management Act. They range from reprimand, fine, warning letter, improvement action and termination, because they are the outcomes available to us.

**Hon LJILJANNA RAVLICH:** In terms of sexual harassment of students, I would imagine that that is by a teacher towards a child or a student?

**Ms O'Neill:** Because it is under the child protection area, it would have been towards student.

**Hon LJILJANNA RAVLICH:** Do you have the outcome of the seven cases for 2011–12?

**Ms O'Neill:** No, I did not bring that level of detail—case by case.

**Hon LJILJANNA RAVLICH:** Could you provide that level of detail of all of those cases under the child protection banner?

*[Supplementary Information No B9.]*

**Hon LJILJANNA RAVLICH:** On top of that, there were another 120 under central management that were non-child protection. Then over and above that there were 276 cases of local management with central oversight and 229 of them were under child protection. Can you explain the difference between the two child protection cases—one is centrally managed and one locally managed with central oversight. Really, you have got here under “Child protection” 141 plus 239.

**Ms O'Neill:** As I said before, child protection in this case might be where a parent has complained that another child gave them a clip behind the ear or punched them or something of that sort, so a decision is made that that can be managed within the province of the school. It is not reportable to the CCC or to the police, for example.

**Hon LJILJANNA RAVLICH:** All in all there were 541 misconduct allegations in 2011–12 compared to 528 in 2010–11, so we have seen an increase in misconduct allegations in the WA education department.

**Ms O'Neill:** That is right. It is fair to say though, and it needs to be read in the context, you can have a misconduct matter that has multiple allegations inside it that are minor variations on the same allegation. Nonetheless, that is the data; there were 541 allegations received this year. I would also add that we have been rolling out, as we were required to do, the accountable and ethical decision making professional learning and mandatory reporting, so did not think it is a surprise that we see an increase in reporting.

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**Hon LJILJANNA RAVLICH:** Can you just advise me, Director General, does the department still have a complaints management unit?

**Ms O'Neill:** No.

**Hon LJILJANNA RAVLICH:** What happened to the complaints management unit in the department?

**Ms O'Neill:** Many years ago the 12 people in the complaints management unit were replaced with the Standards and Integrity Directorate.

**Hon LJILJANNA RAVLICH:** Does that have exactly the same function as the complaints management unit?

**Ms O'Neill:** It covers the same functions, but it has additional functions.

**Hon LJILJANNA RAVLICH:** Could you provide for the committee the number of complaints that were received by your agency and the format that those complaints are recorded?

[5.00 pm]

**Ms O'Neill:** I cannot give you the complaints that have been given school by school. You are asking for complaints that are registered centrally?

**Hon LJILJANNA RAVLICH:** By the central office, yes.

**Ms O'Neill:** Yes.

**Hon LJILJANNA RAVLICH:** And the way that you codify those complaints.

**Ms O'Neill:** Yes.

[*Supplementary Information No B10.*]

**Hon LJILJANNA RAVLICH:** Just another question which relates to page 27 under the heading of “Deliver strategic infrastructure ...” It is just a simple question about schools in bushfire-prone areas and I would like to know whether all schools in bushfire-prone areas have had their air conditioners fitted with ember guards; and, if not, which schools are still yet to have them fitted?

**Ms O'Neill:** The agreement was that the ember guards would be fitted by the end of this year and we are on track to deliver that.

**Hon LJILJANNA RAVLICH:** When is the end of this year? End of school year, end of calendar year?

**Ms O'Neill:** The end of the calendar year. I am being advised they will be ready for the start of the school year.

**Hon LJILJANNA RAVLICH:** Would you agree that it is probably not minimising risk as much as it could, given that it is likely to get pretty hot from now until the end of the year.

**Ms O'Neill:** It is only and has ever only been represented as one part of the risk mitigation strategy. There are other things that the department is doing in its comprehensive risk plan around minimising fire risk to schools.

**Hon KEN TRAVERS:** On page 117 you mention that you provided 22 950 hours of tuition under the Aboriginal Tutorial Assistance Scheme across 25 weeks. Looking at your annual report from last year, there were 82 000 hours across 33 weeks. Can you explain what is the reason for the fall?

**Ms O'Neill:** In 2010 it was the first year that ATAS was given, in terms of its administration, to us. DEEWR used to administer this before. It was not our role to implement that work. The money that was then forwarded to us from DEEWR was based on a particular student number population and that student population has grown and there were a number of children who were missing out on that opportunity. Since it has come into our administration, we have expanded the criteria so that—in 2011, there were 2 528 students who were able to undertake that and, for example, this year we



had 4 527 students. So, fairly simply put, since it has come under our administration, we have moved to expand the criteria so that more students can access the program. In fact we have put in just short of an additional \$2 million to be able to expand that work. In doing that, we have had to move from a 33-week period to a 25-week period. Schools were advised of this and are working within that arrangement. The short answer is that we have moved to have more children be able to access the tutoring than previously, and in order to do that we have had to make the adjustment. It is also offered to schools and not all students take it up. It is not compulsory.

**Hon KEN TRAVERS:** I still do not understand why last year you got 82 000 hours of tuition allocated to secondary students across 48 schools and this year you only got 22 950 hours of tuition across 51 schools. I accept that you have gone up by three schools, but why is there such a dramatic drop in the hours of tuition if you have expanded the program and put more money into it?

**Ms O'Neill:** It is for primary and secondary. I am advised the reason for that is that there are more students across the total of primary and secondary who are accessing the ATAS funding.

**Hon KEN TRAVERS:** Why would that lead to a reduction in the number of hours of tuition? Should that not increase it? You are delivering only 25 per cent of the hours of tuition this year than you have delivered the year before. Page 70 of your annual report last year refers to approximately 82 000 hours of tuition allocated to senior secondary students and here you talk about 22 000 hours to senior secondary students.

**Ms O'Neill:** I might need to get some clarification out of this session on the number of hours, but our clear understanding is that it went from 33 weeks to 25 weeks. So there is a reduction in the number of hours in there in any case. It is spread across more students, but of course if there are more students, you would expect the hours to go up, which is the point that you are making and I would need to have some more information about the difference between the 33 weeks and the 25 weeks and the impact that has had on the number of hours.

**Hon KEN TRAVERS:** And the amount of money allocated. If you could take all of that as —

**Ms O'Neill:** The amount in 2011 was \$8.8 million and we know in 2012 it is \$10.6 million. So there is more money, which is why I want to get some confirmation, if I could, about those figures.

**Hon KEN TRAVERS:** If you could explain that to us, that would be good.

*[Supplementary Information No B11.]*

**Ms O'Neill:** In broad terms around ATAS the overall funding bucket has increased, not decreased. The number of students accessing it has increased, not decreased, but the concern is around the number of hours and how they were allocated and we could clarify that for you.

**Hon KEN TRAVERS:** Moving to page 20, it talks there about teacher development schools. What extra funding assistance do these schools get under the implementation of the Australian curriculum—third paragraph.

**Ms Healy:** At the beginning of this year we introduced 62 teacher development schools from kindergarten to year 12. They were based on a selection process —

**Hon KEN TRAVERS:** Sorry to interrupt. In terms of the time, I am interested in what extra funding assistance they get and what extra staffing do they still get. I know we are going to run out of time.

**Ms Healy:** At the beginning of this year we allocated \$1.8 million specifically to teacher development schools.

**Hon KEN TRAVERS:** Globally?

**Ms Healy:** Yes. Global amount \$1.8 million to the 62 teacher development schools. Each get a share of that \$1.8 million and within that they may use it in terms of FTE.

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**Hon KEN TRAVERS:** So that would not be a huge amount to each school though.

**Ms O'Neill:** In addition to that, schools were funded individually and in networks for the Australian curriculum. So, it is not in isolation.

**Hon KEN TRAVERS:** So where teachers work on the national curriculum, are they relieved from their classroom duties to do that work then?

**Ms O'Neill:** Are you talking about in the teacher development centres?

**Hon KEN TRAVERS:** Just generally, either in the teacher development centres or in schools they are working on the national curriculum.

**Ms O'Neill:** Last year and this year there is an additional school development day just for the Australian curriculum. There is professional learning. Some will be done in summer schools in the holidays. Professional learning will be in schools, as it always is, during school time, and in that case there would be teacher relief provided for them and we are also providing online learning objects for people through our portal.

**Hon KEN TRAVERS:** Is any monitoring going on to make sure that the workload is not affecting their normal, those teachers engaged in that work —

**Ms O'Neill:** The teacher development schools?

**Hon KEN TRAVERS:** Yes.

**Ms O'Neill:** The principal would monitor that. It is part of the arrangement we have with them that it needs to supplement and complement the work that they do and have no negative impact on each individual school.

**Hon KEN TRAVERS:** If they require extra funding, how do they —

**Ms O'Neill:** They would approach Juanita and that issue has not been raised with us yet. I should say, because schools who want to use the teacher development centre would also use their own funds. So it does not all fall to the teacher development centre.

[5.10 pm]

**Hon KEN TRAVERS:** On page 39 it refers at the beginning to the attracting outstanding principals trial, which commenced in 2012–13 and it mentions two schools that were part of the trial.

**Ms O'Neill:** Sorry, what are we looking at?

**Hon KEN TRAVERS:** At the very top of page 39. I was wondering if you could tell me how many actual principals have signed on to take up that program.

**Ms O'Neill:** Principals do not sign on to take it up. This is where we advertise—we talked about this earlier—in specific locations. We did that recently in the Ngaanyatjarra lands and also in Meekatharra where we are running the trial. We advertised for outstanding experts and principals to go into those locations where ordinarily we would not get them, and we have been able to attract two outstanding people to go into those places.

**Hon KEN TRAVERS:** Over what period do you expect to attract 30 principals under that program?

**Ms O'Neill:** The original plan was out to 2014.

**Hon KEN TRAVERS:** Do you expect to add a set number to the program each year?

**Ms O'Neill:** The plan laid out for 10 per annum, depending on the vacancies in the schools and where we needed them to go.

**Hon KEN TRAVERS:** Does that include 10 by the end of 2012 for the start of the 2012–13 year?

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**Mr Gillam:** For the financial year—that is the way the 10 were calculated—but we are behind that target because we have not had the applications for the number of schools.

**Hon KEN TRAVERS:** Why are you behind?

**Ms O’Neill:** It depends when the vacancies become available and how long the process takes. In one case we were not able to conclude the process straightaway. We got an insufficient field and we went back out and re-recruited because we were not happy with the calibre. This is really about outstanding people. We were unhappy in one case that the group that was being assessed was not of the calibre we required so we concluded that process and re-advertised.

**Hon KEN TRAVERS:** How will you measure the success of that program? What are the criteria?

**Mr Gillam:** It is a feature of the program that the contract entered into is a three-year contract for the outstanding principal who is appointed. Over that three-year period a performance agreement is signed between the school, the principal and the department, of course, as the employer. That performance agreement sets targets against the benchmarks that are established in the school, which have identified as low SES with improvements to be made. They are then, if you like, tabulated in a performance agreement and each year there is an assessment against the progress made in terms of the milestones set in the performance agreement.

**Hon KEN TRAVERS:** Can we take as supplementary information what those targets are in a standard agreement?

**Mr Gillam:** Certainly we can provide a copy of the agreement.

[*Supplementary Information No B12.*]

**Hon KEN TRAVERS:** Is the sole measure whether the principals are achieving those targets?

**Mr Gillam:** It is general performance, but the key in terms of the generation of the schools reward is that there are two components to the outstanding principals trial: firstly, there is the justification each year for the payment of the increment above the ordinary salary for performance against the performance agreement; and, secondly, when that is met, it also triggers a school reward payment, which is distributed for the professional development of staff, additional equipment to boost the improvement effort in that school.

**Hon KEN TRAVERS:** Right. As I understand it, it is a trial. How will you measure the success of the trial? Will there be a formal evaluation period, and will that be made public?

**Ms O’Neill:** It is part of the national partnership, and formal evaluations are attached to that.

**Hon KEN TRAVERS:** How much longer do we have?

**The CHAIR:** I was going to suggest that we finish very soon. I will give you one more.

**Hon KEN TRAVERS:** If I only get one more question, I believe the former Minister for Training wrote to the previous Minister for Education asking for the department to hand over the AIUS site in Joondalup, which is predominantly used by the West Coast Institute of Training. I was wondering whether you have responded to the letter of the former Minister for Training and where we are up to in terms of transferring that asset.

**Ms O’Neill:** We are not up to anywhere with transferring the asset. The former Minister for Training I think did write in fact to the former Minister for Education.

**Hon KEN TRAVERS:** I believe the former Minister for Training was a strong supporter of handing that asset across to west coast.

**Ms O’Neill:** It is the Department of Education’s asset. There are no plans to transfer it. It is used by a range of people, including the West Coast Institute of Training.

**Hon KEN TRAVERS:** Can you tell us how much you have spent on the maintenance of that building over the last two or three years?

**Ms O'Neill:** Seriously, now?

**Hon KEN TRAVERS:** Not necessarily now but I am happy for you to take it on notice.

*[Supplementary Information No B13.]*

**Ms O'Neill:** There is some cost of maintenance to some of the people that are leasing it but we can give you our portion—what we spend on maintenance.

**Hon KEN TRAVERS:** And whether or not the maintenance program on the overall complex is up to date or whether it is falling behind because of the ownership structures involved out there.

**Ms O'Neill:** We can talk about the part that is in our control.

**Hon KEN TRAVERS:** It is your asset, is it not?

**Ms O'Neill:** We can talk about the part that is in our control, which is the asset.

**Hon KEN TRAVERS:** That sounds like the former Minister for Training's argument for handing it over almost.

**Ms O'Neill:** I cannot comment on that.

**The CHAIR:** We have had a good crack at it this afternoon and will need to stop there. The committee will forward any additional questions it has to you via the minister in writing in the next couple of days together with the transcript of evidence, which includes questions that have been taken on notice. Responses to these questions will be requested within 10 working days of receipt of the questions. Should you be unable to meet the due date, please advise the committee in writing as soon as possible before the due date. The advice is to include specific reasons as to why the due date cannot be met. Members, if you do have any unasked questions, please submit them to the committee clerk at the close of this hearing. On behalf of the committee, thank you very much for your attendance this afternoon.

**Hearing concluded at 5.17 pm**

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