

Estimates Committee C

Report No. 1, 8 October 1996

Department of Training and Industrial Relations

Department of Education

ESTIMATES COMMITTEE C

REPORT TO THE LEGISLATIVE ASSEMBLY OF QUEENSLAND

8 October 1996

ESTIMATES COMMITTEE C

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CHAIRMAN'S FOREWORD

This is the third year that Parliamentary Estimates Committees have formed an important part of the review process of Government.

As such, the estimates process is still evolving with this year seeing the implementation of recommendations made by the Select Committee on Procedural Review in a recent report titled *Review of the Estimates Committee Process*.

I am pleased to have been part of this new approach to the process and believe that the provisions for Committees to put Questions on Notice to the relevant Ministers prior to the public hearing and the ability of Committee members to directly question departmental officers, have enhanced the process. However, the Committee recommends that the Standing Orders Committee review the rules relating to the answering of questions in order to clarify the Ministers' role in assisting departmental officers answers.

Estimates Committee C accepted the responsibility of examining the estimates for the Departments of Training and Industrial Relations and Education. These departments expend a significant proportion of the State Budget.

Invitations were extended to all Members of the Legislative Assembly to ask questions at the hearing and several Members availed themselves of this opportunity.

I would like to thank all those involved with Estimates Committee C, particularly the members of the Committee, the research staff, Hansard, the attendants and the catering staff for their valuable contributions to the success of the process.

I commend the Report to the Parliament.

Hon Vince Lester MLA

Chairman

REPORT TO THE LEGISLATIVE ASSEMBLY

Introduction

1. The Votes and Proceedings dated 3 September 1996 listed the Sessional Orders adopted by the Legislative Assembly on that date and established seven Estimates Committees including Estimates Committee C, to consider the proposed expenditures stated in *Appropriation Bill No. 2 1996* and *Appropriation (Parliament) Bill No. 2 1996*. Each Committee is charged with the responsibility of examining and reporting by no later than 8 October 1996 the proposed expenditures for the organisational units assigned to it.
2. Estimates Committee C was appointed to examine the proposed expenditure for the organisational units within the portfolios of the Minister for Training and Industrial Relations and the Minister for Education.
3. The Committee first met on Wednesday 11 September 1996 in accordance with the Sessional Orders of the Legislative Assembly. The Chairman, Hon Vince Lester MLA and Deputy Chairman, Mr Steve Bredhauer were duly elected.
4. Questions on Notice were submitted to each Minister prior to the hearing in accordance with Sessional Order 20 that allows for the Committee to submit up to 20 Questions on Notice to Ministers which should be answered at least 24 hours before the public hearing.
5. The Committee conducted a public hearing on 19 September 1996 to receive evidence from the Minister for Training and Industrial Relations, the Honourable Santo Santoro MLA and the Minister for Education the Honourable Bob Quinn MLA and officers of the agencies concerned. Additional information and answers to Questions on Notice asked before and during the public hearing are presented separately in an additional volume of information.
6. The Committee draws the attention of the Legislative Assembly to the following matters which arose during consideration of the proposed expenditures.

DEPARTMENT OF TRAINING AND INDUSTRIAL RELATIONS

7. The *Appropriation Bill 1996* shows the proposed 1996-97 expenditure for the Department of Training and Industrial Relations to be \$625,319,000 from the Consolidated Fund and \$903,242,000 from the Trust and Special Funds for a total of \$1,528,561,000. This represents an increase of 19.5 per cent on the 1995-96 Estimated Budget of \$1,278,970,000.

New Initiatives

Workers' Compensation

8. In accordance with the recommendations of the *Inquiry into Workers' Compensation and Related Matters in Queensland*, by Commissioner Kennedy, a number of significant changes to the provision of Workers' Compensation are planned to be introduced in 1996-97, including the establishment of a new, fully independent statutory authority, development of a new experience-based rating system to apply from 1997-98, restriction to common law access for workers with mild injuries and increases in statutory lump sum benefits and the duration of weekly benefits.
9. The Government's support for the full package of measures proposed by Commissioner Kennedy will ensure that Queensland will have an efficient, streamlined Workers' Compensation system with adequate reserves, competitive premiums and benefits for injured workers which compare favourably with other States.
10. To assist in addressing the Workers' Compensation Fund's actuarially assessed deficiency, a special Consolidated Fund grant of \$35.0 million per year for three years, will be paid to the Fund.

Workplace Health and Safety

11. As part of the \$25.3 million Workplace Health and Safety program, the following initiatives will be implemented:
12. \$1.23 million over three years to continue the employment of Workplace Health and Safety inspectors to improve compliance with construction industry project notification requirements; and
13. \$0.45 million over two years to implement a pilot program using partnerships to promote industry self-management of Workplace Health and Safety issues through the development of industry codes of practice, self audit tools for targeted industries and accreditation of private Workplace Health and Safety service providers.

Workplace Health and Safety

14. The Committee referred to the Budget which appropriated some \$25.3 million to Workplace Health and Safety and asked the Minister why the Ministerial Program Statement (MPS) did

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- not address the serious problems identified in this area by the Kennedy Report, except to say that a review would be undertaken in 1996. The Minister replied that he was surprised by the comments made by Commissioner Kennedy and the recommendation that the Division of Workplace Health and Safety was in need of a serious overhaul. He said that the terms of reference for a review had been worked out, a committee that was both expert and representative had been appointed and an independent consultant was in the process of being employed.
15. When questioned about Inspection and Advisory Services and the fact that there had been 127 prosecutions of which 58 were serious breaches of the Act, the Minister said that it was not the intention of the Government to adversely affect the Inspectorate within the Division of Workplace Health and Safety, even though there was a slight decrease in funds of about \$600,000.
 16. The Committee also asked the Minister about Commissioner Kennedy's comment on there being a culture within the Division of Workplace Health and Safety that needed to be changed to a more open and professional one. The Minister replied, that there was some reluctance from divisional officers to directly express comments about Workplace Health and Safety. The Director-General gave a guarantee to the Committee (as the Chair of the Steering Committee) that the review would be a fulsome inquiry conducted by an external consultant and that there would be ample opportunity to involve the staff in the process.
 17. When asked whether the Minister saw a problem in the fact that there were only 58 prosecutions in the State for major accidents, he replied that the number of employers responsible for most of the injuries was small because the employers had large work forces and were responsible for multiple injuries within those workplaces.
 18. The Committee asked the Minister about the reduction in plant and equipment in grants and subsidies (especially subsidies to the Workplace Health and Safety Officer and Representative Training). The Minister replied that in relation to plant and equipment in 1995-96 there was a one-off expenditure on technology to establish mobile office facilities for the Division's field staff. He added that in terms of grants and subsidies, the estimates show a reduction in funding that is accounted for in the cessation of training subsidies for Workplace Health and Safety Officers and Representatives.
 19. The Committee asked why the Division of Workplace Health and Safety's budget had been reduced and whether this was related to the Workers' Compensation Fund. The Minister said there had been no reduction in permanent staff to the Division and no reduction in service delivery particularly in the Inspectorate. He continued that the Budget bottom line was down for a number of reasons including the fact that the 1995-96 Budget included: one-off expenditure for technology; and the introduction of the new *Workplace Health and Safety Act* in July 1995 had resulted in extra work to develop new standards under the Act. In addition, the Department was not continuing with an initiative to investigate options for externalising serious bodily
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injury, and this represented a saving of \$100,000. Also, there was a substantial reduction in 1995-96 subsidies and grants.

Workers' Compensation

20. Matters related to Workers' Compensation were of particular interest to the Committee. The Committee referred to a note in the MPS which estimated that management expenses for Workers' Compensation would increase by nearly five per cent over the next 12 months. They asked how this could be allowed given the problems with the fund. The Minister said that close attention was paid by management of the Board to the management expenses and the cost and benefits of expenditure were carefully analysed. Some of the increase would be staff numbers in compliance activities. Further expenditure related to the upgrading of the Board's computer system. He added that the Board's management expenses as a percentage of declared wages were 0.21 per cent in 1995-96, where as in other jurisdictions they ranged from 0.3 per cent to 0.45 per cent.
21. The Committee sought justification for a major focus on compliance and fraud within Workers' Compensation. The Minister said Workers' Compensation fraud, including employer non-compliance, had been estimated to cost Workers' Compensation Schemes Australia-wide \$620 million annually. He said that over the past few years the Board had introduced a number of strategies to prevent fraudulent activity, (including non-compliance) and to identify, retain and recover associated costs. He continued that the Loss Investigation Unit had saved the fund an estimated \$4.5 million in claims cost, which is outside the \$0.4 million in fines and costs paid. In 1995-96 the total estimated savings, including fines and costs were \$2.7 million compared with only \$0.9 million of unit expenditures. In fact, for every dollar it cost in 1995-96 the Government brought in an extra six dollars.
22. A departmental officer was referred to page six of the MPS by the Committee where it States that there was an unfunded liability at the start of the 1995-96 financial year of \$114.25 million. The Committee asked what the 1995-96 figure was at 30 June 1996, before the unfunded liability applied. The officer replied that one of the most important figures had been an increase in provisions for outstanding claims liabilities of \$406 million. The unfunded liability that will exist with that figure being added into the accounts is predicted to be \$312.5 million. This was based on the central estimate of the outstanding claims position. The total assets at 30 June 1996 were \$1.25 billion. The total liabilities at 30 June were \$1.56 billion. So the liability was \$312.5 million.
23. The Committee also asked the Minister to comment on the performance of the initiative made in 1 July 1995 to move to a premium based system administered by the Workers' Compensation Board. The Minister replied that while statutory claim numbers and costs for the year ending 30 June 1996 reduced over the previous year, common law claim numbers to 30 June 1996 had increased significantly. The State Actuary has been asked to make recommendations as to the premium rates for 1996-97.

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24. When asked whether the Minister saw that he had a moral responsibility to cover employees adequately under the *Workers' Compensation Act*, he said yes, but the Government had the responsibility to have a Workers' Compensation system that would survive beyond this year and the next few years.

TAFE

25. The Committee asked the Minister why he had now reintroduced the 1991 decision made by the previous Government to have TAFE fees contribute 10 per cent to the cost of a student contact hour. The Minister replied that TAFE fees had increased beyond the CPI because the type of training that was being delivered by TAFE in Queensland today had become more complex. He said courses were longer and there was a strong bias toward more complicated and more expensive technology. He added that a safety net applied where a student could demonstrate a genuine hardship case, with the possibility of a 100 per cent exemption from tuition and student service fees. Also, all the money collected from the increase in fees would be ploughed back into the TAFE system to create extra places.
26. The Minister was asked how much revenue TAFE would receive from the extension of user choice and competitive funding and how these initiatives would impact on TAFE Queensland. He indicated that \$18.336 million which had previously been allocated to TAFE Queensland for training apprentices, had now been transferred to Training and Employment Queensland to support user choice funding for registered providers. The Minister said he believed that TAFE Queensland would be able to attract the vast majority of the competitive funds within the competitive bucket. He continued that he had a great amount of confidence that the new open training market would allow TAFE Queensland and employers to interact in a way that would lead to the delivery of a more in-tune training output.
27. The Committee noted that there did not appear to be any budget provision for the Remote Area Incentives Scheme for teachers in TAFE. The Minister said the Remote Area Incentives Scheme had been decentralised to various departments and that each department was in the process of working out its own specific schemes to attract skilled workforces to remote locations.
28. When questioned about what funding had been provided for pre-employment courses for women in Queensland wishing to enter TAFE, the Minister replied that funding for women's programs was part of the State training profile. He said within the Budget \$210,000 was tied specifically to programs for women. He added that participation of females in TAFE had increased from about 34 per cent in 1993 to 48 per cent in 1995 and currently a number of initiatives were being implemented to increase participation by women in Vocational Education and Training. The Committee then asked a departmental officer how much had been allocated to support services for women in TAFE this year. The officer replied that no actual allocation had been determined at this stage.

Work and Family

29. When asked about the Government's initiatives in the area of striking a balance between work and family lives for employees, the Minister said the Budget provided \$75,000 for a Work and Family Advice Service for employers and employees that would be particularly targeted to small and medium sized businesses. The Government had also provided \$60,000 for the Queensland Working Women's Service.

Voluntary Early Retirements (VERs)

30. The Committee sought information about how the proposed curtailment of certain employment programs affected departmental staff and what processes were in place to manage the resulting staff dislocations. The Minister said the decision to discontinue with some of the employment programs was not taken lightly but that the Government wanted to change the focus onto training. He said 152 positions were involved resulting in 125 people being affected. He expected that 40 of these would take up VER options, 60 would be redeployed internally and 25 would achieve sector-wide redeployment.

Vocational and Educational Training

31. The Committee referred the Minister to page 77 of Budget Paper No. 2, that shows in the total of \$521.4 million allocated by the Government to Vocation Education and Training there was an increase of six per cent which amounts to \$31 million. They asked the Minister to advise the Committee of the source of the \$31 million increase. In reply, he said that provision for State growth funding for a full year of \$6.171 million had been allocated by the previous Government and that has been carried over. In addition, \$4.3 million was part of the new State initiative growth funds over a full year, another \$6.673 million is from the retention of revenue from additional TAFE fees and \$13.002 million was from Commonwealth growth funding provisions.

Capital Works Program

32. The Minister was asked why TAFE had under expended its Fixed Capital Budget by more than \$16 million and what the impact of these delays were on the building and construction industry. The Minister said that he always instructed his departmental officers to proceed with capital works programs as quickly as possible. He outlined several instances of carryovers on projects that were due to be completed and undertook to provide more specific information in writing. The Committee also referred to page 22 of the MPS that showed expenditure on plant and equipment increased from a budget of \$15.5 million to more than \$24 million and asked who authorised the diversion of funds, where the funds came from and how the bulk of the funds were expended. A departmental officer drew the Committees attention to two lines, Fixed Capital Expenditure and Plant and Equipment. He asked the Committee to note that one was under spent and the other overspent. He said the under expenditure in Fixed Capital Equipment related to the Commonwealth infrastructure grant being classified as Plant and Equipment in

terms of the 1995-96 budget and then being moved in terms of where the expenditure was recorded. He said that in relation to the purchase of computers the plant and equipment related to about \$3 million being expended on personal computers and the upgrade of personal computers across the year. In addition, \$0.6 million had been spent on upgrading telecommunication facilities.

Industrial Workplace Legislation

33. The Minister was asked about the \$1.175 million initiative for the implementation of new industrial workplace relations legislation, in terms of the plans contained in the initiative to ensure that business and workers were informed of the changes to the industrial relations legislation. The Minister responded that there would have to be a fairly comprehensive communication strategy developed to ensure the promotion of changes to the legislation, and that the \$100,000 dollar initiative had been provided for. Part of this funding would be spent on promotion and the provision of information necessary for employers and employees to be aware of new opportunities available. The Committee further inquired as to a timetable for the proposed industrial relations legislation and all that follows. The Minister indicated that the Government needed to wait until the Senate was clear on its intent in terms of the amendments to Peter Reith's legislation. He added that he hoped the legislation would be introduced into the Parliament in November.

Industrial Commission

34. When questioned about the effects of a reduction in staff for the Industrial Commission in 1996-97, a departmental officer said the Department did not take a direct involvement in the activities of the Commission and the support that goes to it. As far as he was aware the initiatives that were coming into place would not reduce services to any extent as they were mainly administrative efficiencies.

Union Membership

35. The Committee asked the Minister to outline the proposed initiatives to ensure freedom of choice for union membership. The Minister drew the Committees attention to the Budget documents where \$1.75 million had been allocated to the administration and implementation of the new industrial relations system. This allocation provided for the enforcement of new freedom of association legislation.

Long-term Unemployed

36. The Committee was concerned about the loss of programs for the long-term unemployed and asked the Minister how new training places would assist the long-term unemployed when they were not targeted to them, but were available to all comers. The Minister refuted that he had abolished all employment programs. He said there were very real opportunities for long-term unemployed and disadvantaged individuals within the Department's employment program. He

also reminded Members that funds had been made available on a competitive basis and via various tendering methods that would include specifications which targeted long-term unemployed and disadvantaged people. When asked if he could supply details to the Committee of the Commonwealth programs that were available to assist community organisation and the long-term unemployed in 1995-96, the Minister said \$1.5 billion had been allocated to this whole area of policy with particular emphasis being applied to case management. He further stated that as a result of the Queensland Government's cooperation with the Federal Government, obligations would be met.

Public Sector Traineeship Program

37. The Committee asked the Minister why he had axed the Public Sector Traineeship Program and whether there was now any inducement for departments to employ disadvantaged young people in the public sector. Even with the availability of subsidies, the Minister replied that the Traineeship Program had varying success across departments. He said that with the Commonwealth Government's additional subsidies to employ long-term unemployed job seekers as trainees, there was no longer a necessity to offer a similar subsidy at a State level. The Minister also said the Department was participating in the Modern Apprenticeship and Traineeship System (MAATS), and that this would improve choice and flexibility for employers in organising mutually suitable working and training arrangements for new entry level workers.

Trade Recognition

38. The Committee asked the Minister to explain why the Budget Papers indicated a reduced number of applications for recognition of work or training and the impact that would have on revenue gained in fees from this area. The Minister said that from 1 January 1997 applicants for trade recognition would pay an application fee of \$250 and if the services of an industry assessor are required a further \$100 would apply. In addition, if a trade test was still needed to decide an application, the cost of that test would be no more than \$250 but would be paid by the applicant. The Minister anticipated that 900 applications for trade recognition would be made in 1996-97 resulting in increased revenue of \$60,000 making a total of \$136,475.

Public Sector Consultancy Sub-Program

39. The Committee asked the Minister how the provision of \$1.691 million to the Public Sector Consultancy Sub-Program would benefit the people of Queensland. The Minister said that this was an important part of the new Government's Budget because one of the fundamental barriers to achieving public sector productivity had been the impediments that have existed in the formal industrial relations arrangements. He said over the next 12 months the Department would put into place the operating framework to allow for a much more dynamic and flexible public service. He added that the Department had already started developing an industrial framework that would allow future workplace bargaining to be devolved as far as it was required, to ensure that the real need of structural reform and performance were addressed.

DEPARTMENT OF EDUCATION

40. The *Appropriation Bill 1996* shows the proposed 1996-97 expenditure for the Department is to be \$2,776,911,000 from the Consolidated Fund and \$344,878,000 from the Trust and Special Funds, for a total of \$3,121,789,000. This represents an increase of 9.3 per cent on the 1995-96 Estimated Budget of \$2,855,386,000.

Key Priorities

41. *Literacy and numeracy.* An allocation of \$5.4 million is provided for the Reading Recovery Program in 1996-97 to support children identified in the Year 2 Diagnostic Net as having literacy difficulties. An amount of \$34 million is provided to support the continued implementation of curriculum reforms primarily aimed at enhancing the literacy and numeracy skills of students.
42. *Students with disabilities.* Funding of \$12.1 million is provided to meet the educational needs of students with disabilities through continuing the staffing enhancements commenced in 1996 and further increasing staffing for 1997 and enhancing transport assistance.
43. *Behaviour management.* An amount of \$6.9 million is allocated to address the issue of behaviour management in schools. These funds will be used to recruit a variety of appropriate behaviour management support staff, including guidance officers, in schools. In addition, a range of alternative programs for students at risk of suspension or exclusion will be provided, including innovative models in rural areas, inter-agency team models, and professional development.
44. *Non-Contact Time.* An initial amount of \$8.7 million is allocated to meet the costs in 1996-97 of guaranteeing the first hour of non-contact time for primary, special and preschool teachers and to commence implementation of a second hour of non-contact time for these teachers.
45. *Remote Area Incentives Scheme.* An additional \$2.3 million is provided to enhance the existing Remote Area Incentives Scheme from the start of the 1997 school year.
46. *Teacher Resourcing.* An amount of \$9.2 million is allocated to meet the part-year cost of 425 additional teachers required for enrolment growth and new facilities in 1997.
47. *Technology.* Funding of \$31.4 million is allocated to support technology initiatives, including \$7.2 million for the School Technology Infrastructure Program, \$2 million for the Global Classroom initiative to allow schools to commence access to online information services such as Internet and \$22.2 million to continue implementation of the Schools Information Management System.

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48. *Curriculum.* \$11.5 million is allocated for the establishment and operation of the Queensland School Curriculum Council which will be responsible for developing all syllabuses for Years 1-10.
49. *School infrastructure.* As part of a \$289 million capital program for 1996-97, the following new facilities will open in 1997 to meet the needs of a growing student population: nine new preschool centres; six new primary schools; and two new secondary schools. Special education units will be provided at the new Morayfield West, Sippy Downs, The Willows and Edens Landing primary schools. Planning is to be undertaken for eight new primary schools (including relocations at Mt Cotton and Beechmont) and four new high schools to open in 1998. The capital program includes an allocation of \$69.6 million, including carryover commitments from 1995-96, to continue a range of capital enhancements in schools under the Building Better Schools Program. These include improved facilities to support curriculum developments, students with disabilities and vocational education. An amount of \$13.7 million, including carryover commitments, is also provided to continue a program to address the backlog of minor works and maintenance in schools.
50. *Higher Education.* An amount of \$28.5 million over three years is allocated to support the growth in Queensland tertiary places including the acquisition of land for an Ipswich University campus and university capital infrastructure. In addition, \$3.2 million is provided in the 1996-97 Budget for capital works at the Sunshine Coast University College. Eight million dollars is also provided towards the relocation of the Queensland College of Art.
51. *Non-State School Sector Support.* Total funding for non-State schools in 1996-97 is \$205.5 million, including \$17.95 million for community kindergartens and \$20 million for the non-State capital assistance program. This represents a 14.1 per cent increase over the 1995-96 budget. Funds of \$2 million are provided in 1996-97 as part of an \$8 million scheme for air-conditioning of non-State schools. An additional \$1 million is provided to assist with the continued implementation of curriculum reforms, bringing total non-State curriculum funding to over \$5 million. A special allocation of \$1 million is provided to ensure a coordinated approach to support for students with disabilities across State and non-State schools.
52. *Other Initiatives.* \$0.39 million to support mobile Life Education Centres. \$0.51 million to provide education services to additional young people sentenced to detention as a result of changes to the *Juvenile Justice Act 1992*. \$0.47 million to support the education of gifted and talented students.

New Initiative

53. *Air Conditioning.* Funding of \$65 million over three years is allocated to provide air-conditioning to existing North Queensland schools (north of latitude 20° south). This funding will be provided on a 2:1 grant basis with school Parents and Citizens Associations. New schools and buildings in the targeted area also will be provided with air-conditioning facilities.

Budget

54. The Committee asked the Minister what the Education Department share of the proposed \$500 million savings in the Foreword Estimates announced by the Treasurer was, the areas that were targeted for savings, the implications for staffing by program area and what savings were identified in the earlier round of efficiencies demanded by Treasury. The Minister said the savings were in the order of \$53 million and a break down was along the following lines: Occupational Stress Management, \$600,000; School Uniform Allowance, \$29,330,000; NALSAS, \$4,048,000; Behaviour Management/School Discipline, \$3,134,000; Supporting People With Disabilities, \$14,800,000; Flying Start; \$5,064,000; Exporting Queensland Campaign, \$15,000; Say No to Drugs, \$300,000; and Cultural Heritage Renewal, \$529,000. He added that with an increase of \$266 million, the money had simply been redirected into other initiatives and it was not a cut it was a reduction of funding within the Budget itself.
55. The Committee was confused about the actual Education Budget percentage increase, as a number of different sources contained different figures. The Minister replied that both the quoted figures were correct and the 8.9 per cent increase related to the Consolidated Fund and the 9.3 per cent related to the combined Consolidated Fund and Trust and Special Funds.

School Cleaners

56. A departmental officer was asked by the Committee, on what basis was the figure of 900 fewer cleaners to be employed in 1996-97 determined and what provision had been made in the Budget for Voluntary Early Retirements (VERs). The officer replied that the agreement between the Premier and the Miscellaneous Workers Union accepted there could be VERs so that the cleaners could meet the targets in the Enterprise Bargaining Agreement. The expected number of VERs would be 900 and the money for these was within the Budget. As the cleaners left, savings would accrue and that would offset the amount of money to be paid for VERs for the 1996-97 year. When further questioned about anticipated savings in the school cleaners' budget for 1996 he said the savings would not be very great at all. In addition, when asked about contingencies in the event that the target was not met within the next financial year, he said the agreement states a trial of contract cleaning can take place and the outcome of that would determine the type of cleaning to take place within schools.
57. When asked why non-labour operating costs in primary education were \$29 million more than predicted, a departmental officer said that the apparent over expenditure related to the charging of school cleaners. He said that the budget for school cleaners was under the Salaries and Wages line at the beginning of the school year. However, due to the transfer of that function to the former Department of Administrative Services in 1995, the cost became a non-labour cost because the equivalent of their wages was paid to that Department.

Outsourcing

58. The Committee asked the Minister what other services or section of the Department, other than School Cleaners had been identified for potential outsourcing for the next financial year, either to generate revenue or reduce costs. The Minister answered “none”.

Guidance Officers and Counsellors

59. The Committee was asked how the Government reconciled this year’s budget allocation for behaviour management of \$6.9 million with the \$11.4 million provided in last years Budget and how the Government planned to provide the extra guidance officers that were part of a pre-election promise. The Minister replied that the Department had a budget of \$2.5 million for behaviour management initiatives and this financial year that would jump to \$6.8 million. As a result of this funding there would be a range of additional resources. He said regions were asked what sort of staff they would like to help with behaviour management problems and they indicated they would prefer a mix of staff including Guidance Officers, Family, Social and Youth Workers.
60. The Minister added that there would be 70 full-time equivalent teacher numbers in the initiative and 38 of these would be additional Guidance Officers.
61. A Departmental officer added that Guidance Officers were in short supply, were often reluctant to move outside the metropolitan area or away from the East coast and as fast as they were trained other systems employed them because the Department was the only system in the State that trained them.

Year 2 Net and Year 6 Test

62. The Minister indicated that he would be retaining the Year 2 Net and the Year 6 Test. The Committee drew the Ministers attention to page 37 of the MPS where reference was made to a proposal to rewrite the Year 2 Net guidelines and to develop Year 6 Test intervention guidelines. The Committee inquired as to why the task shouldn’t be done by the Queensland Curriculum Council (QCC). A departmental officer said the intervention guidelines were being developed for the Department by the Department of Education Studies Directorate and they could be shared with the non-government sector.
63. When asked about the effectiveness of the Year 2 Diagnostic Net in relation to identifying children who need additional support, the Minister replied that it was most successful in identifying students who were at risk early on. He continued that the next step after identification was to ensure the resources that were needed to provide remedial programs were put in place. Funding for the intervention procedures that follow the identification of problems would be \$5.3 million which is an increase on the \$3.1 million allocated last year. He added that teachers believed the Net was successful in helping them identify students with problems and to report to parents on their students’ developmental processes.

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64. When asked whether the Assessment of Performance Program complemented the Year 2 Net and the Year 6 Test, the Minister replied that it did and that its focus in the coming year would be on year 7.

Aboriginal and Torres Strait Islander Education

65. The Committee was interested in the fact that the spending on Aboriginal and Islander Education was increasing and inquired as to where the money was going and whether the results showed the spending was well directed. In reply, a departmental officer said that the additional funds for Aboriginal and Islander Education were going to giving permanency to employees including Community Education Councillors, who had been temporaries within the Department for over 20 years. In addition, a large number of Aboriginal Teacher Aides who were also temporaries had now gained permanency. Further, the Department had a program called the Aboriginal and Islander Tertiary Aspirations Program which provided support to Aboriginal students who showed ability within secondary schools and that had now been extended into primary schools. As well the Department was increasing the number of Aboriginal and Torres Strait Islander teachers.

Air-conditioning

66. The Committee referred to the \$65 million allocated for air-conditioning over three to four years for schools north of the 20° South latitude. They asked why the 20° South latitude was chosen and whether there was any proposal to air-condition schools in other parts of the State. The Minister replied that as the Government could not afford air-conditioning in all schools in Queensland the money was best spent where the conditions were most extreme. The Department was also conducting a pilot program to explore options other than air-conditioning which may provide a cheaper alternative. When asked whether the two dollars for one dollar basis for funding would result in some communities having difficulty raising their share, the Minister replied that some schools had already put aside a sum of money and that the Department would help smaller schools where the cost of air-conditioning was disproportionate to their ability to raise funds. The Minister said the details of this funding had not yet been finalised.
67. A departmental officer added that an allocation for increased operating costs associated with air-conditioning plants would be provided.

Special Education

68. Information was sought by the Committee on whether the extra 95 teachers employed in special education would mean that more children would be sent to special schools. The Minister replied that no new special schools would be opened in 1997, but there would be some enrolment growth for children with special needs. The additional teachers would be used wherever the enrolment growth occurs.

Statewide Network for Information and Management Systems (SIMS)

69. The Committee mentioned that amounts in various documents allocated for the SIMS program seemed to vary and they asked the Minister how much was being spent on SIMS. A departmental officer said the amount for SIMS would be \$22.207 million, that there was a budget of \$17.4 million for the continued supply of computers in the Year 6-Year 7 project, plus an additional \$7.2 million for computer infrastructure and \$2 million for a global classroom project. The Minister explained that the Department had batched the figures in different ways to put a different emphasis on them and in hindsight it might have been better just to use one set of figures for 'cross program technology support initiatives'.

Computers in Schools Program

70. The Committee asked the Minister about what appeared to be a 35 per cent cut in the amount allocated to its Computers in Schools Program. A departmental officer said that the Program was almost complete. She said the total figure for Computers in Schools for the 1996-97 budget was \$11.875 million. This would be used to upgrade and replace old computers in secondary schools to implement the Computers in Schools initiative; to commence some work on connecting schools to the departmental network; and to increase the number of systems' technicians to support school computer networks.

Instrumental Music Program

71. The Minister was asked to advise the Committee on the Budget allocation for the Instrumental Music Program. He replied that it had been increased by \$1 million through the Commonwealth Bank's agency fee which provided banking services to schools. He added that about 700 musical instruments had been bought with this and the Budget for the program itself this year would cost \$14.225 million and have a staffing equivalent of about 249 specialists. Therefore, the increase in the program was in the order of \$2.7 million.

Queensland Schools' Curriculum Office (QSCO)

72. The amount of money allocated by the previous Government and the present Government to the establishment of the QSCO was of interest to the Committee. A departmental officer when questioned by the Committee on the matter said the split-up of the allocation of \$1,537,000 for the fit out for QSCO was as follows; \$575,000 for the fit-out of the building including offices' partitions workstations and electrical and telecommunications; the cost of equipment including photocopiers, computers and printers, was \$125,000, the lease cost of the space would be \$240,000 and there was a figure of about \$597,000 which related to the operating costs of QSCO (which is shown in a line of Plant and Equipment and should have been shown as a non labour operating cost) giving a total of \$1,537,000.
73. The Minister advised that for this year only, there would be 45 additional staff.

School Closures

74. A Member of the Legislative Assembly asked the Minister about his plans to close three schools at Acacia Ridge. He wished to know why a two year moratorium commitment given by the previous Government was not being continued with; how much the Department would save by this move; and what support would be provided to parents for fares to access alternative schools. The Member was advised by the Minister that a community consultation process had commenced, but that schools in the Acacia Ridge area had been identified as being low in terms of enrolments. He added that he was not aware of the moratorium given by the previous Minister, but was aware the Member had written to him about it. He continued that savings had not yet been quantified because the Department was only in the initial stages of the process.

State Security Surveillance Network

75. The Minister was asked by a Member of the Legislative Assembly that given the outstanding success in preventing vandalism, fire damage and theft at schools connected to the State Security Surveillance Network in the Archerfield and the surrounding electorate, why he was proposing to transfer the responsibility for the cost of this system from the Education Department to school communities which were unable to bear the burden in lower income areas. A departmental officer said there were presently 103 schools in the Brisbane area that cost approximately \$1 million for the State Government Protective Services (SGPS) to respond to and that this would not be changed. In other areas across the State such as Mt Isa, if there was a break-in or any other alarm then the SGPS contacted the Police who responded. This operates across the State with the exception of a group of 50 schools which were not in high risk areas.

School Watch

76. The Committee noted that school fires still seemed to be a problem in Australia generally and they asked the Minister how the Department determined whether a replacement building for one destroyed by fire was provided and what steps were being taken to reduce the incidence of

arson. About \$1.9 million was spent in replacing schools damaged by fire last year, the Minister said. This was made up of eight primary schools and four high schools. He added that the cost of repairing damage by fire ranges from about \$40,000 to \$0.5 million. The Department put aside a sum of money each year on a contingency basis as there was no way of planning for fire. There were also programs such as School Watch and the Security Upgrade Program.

77. The Minister indicated that the Department planned to increase funding for School Watch from \$471,000 to \$582,000.

Distance Education

78. The Committee asked the Minister why there was an increase to capital outlays in the Distance Education Program from a mere \$103,000 in 1995-96 to \$1.959 million in 1996-97 with very little change in staffing numbers. The Committee was told that there was a need to replace air-conditioning in the building occupied by the Brisbane School of Distance Education that cost about half a million dollars. In addition, funds in the order of \$800,000 related to open learning infrastructure, an initiative known as Connecting Teachers and the third aspect of the increase related to the provision of fibre-optic cabling at the Mt Isa School of Distance Education.

Overpayments

79. The Committee drew the Ministers attention to previous Auditor-General reports that mentioned problems in the Department with overpayments. The Minister said, that as at 30 June 1996, the outstanding balance for overpayments was \$887,000. That was mainly due to delays resulting from problems caused by introducing the leave module of the Government's HRM System and some delays in processing extended leave applications. Also some employees had claimed hardship and were requesting extensions to the repayment of overpayments, a departmental officer said. Another departmental officer said that a whole series of processes have been put in place to prevent overpayments and that a major audit of the whole HR area within central office had been carried out.

Disability

80. The Committee pursued the issue of the proposed identified savings in Disability Services of \$14 million and asked the Minister how the savings would be achieved. The Minister said that this year students with disabilities would be funded to the tune of \$19.74 million and this in fact was an increase in funding. The Department had replaced a \$14 million program with a \$19 million one. He added that in 1996-97 the Students with Disabilities Initiative would provide an additional 69 teachers, 22 therapists, four nurses and 226 teacher aide hours.
81. Reference was made by the Committee to an election promise made by the Minister to review the 16 kilometre allowance for free taxi travel for students with disabilities. The Minister said that as more students would be attending local schools there would be a need to increase the taxi

transport component. In addition, the limit had been increased from 16 kilometres to 25 kilometres. About \$750,000 was additional for transport for 1996-97, he said.

GAPS (Grants and Allowances Payments System)

82. On being asked about the GAPS project the Minister said it was another module of SIMS and was being developed for the finance directorate to be used for the payment of grants and allowances for State and non-State schools, for parents and organisations and would be implemented during 1997. The budget for the design and development of GAPS was \$614,000. GAPS would support financial planning and improve efficiency in the payments of grants to schools and allowances to parents.
83. The Minister was asked to provide the Committee with the actual and budget allocation for school grants for 1995-96 and the budget for 1996-97. The Minister replied that last financial year the school grant totalled \$61 million and this financial year it was estimated to be \$68.9 million.

Principals

84. When asked about the number of vacant principal positions throughout the State, the Minister said there were 126, of which 69 were in bands 5,9,10 and 11.

Capital Works

85. Capital Works was an issue of interest to the Committee and they asked the Minister to explain why the Primary and Secondary Education Fixed Capital Expenditure was under spent. A departmental officer replied that the actual budget appropriation for the Capital Works Program was about \$176 million and only about \$152 million was spent. He explained that the main area of under expenditure was in the Building Better Schools Program (about \$25 million), as part of last year was taken up with planning so the program could be put in place. He assured the Committee that there would be an accelerated program in 1996-97 and that \$44 million will have been spent on primary classroom upgrades.

Shaping the Future

86. When asked about the allocation in this year's budget for Shaping the Future reforms, a departmental officer said that no specific funds had been allocated to Shaping the Future, instead the funds had been integrated into the mainstream budget.

Centre for Leadership Excellence for Principals

87. The Committee asked the Minister whether the Centre for Leadership Excellence for Principals was still in existence and if so, what the objectives of the Centre were. The Minister assured the Committee the Centre had not been abolished and that this year its budget had more than doubled to \$2.172 million. He said the facility was used for the professional development of

school principals and others who aspire to be school principals. This year the centre would concentrate on a cohesive program for training principals and senior public servants. The Centre would offer a range of professional courses and assume some of the coordination for accrual accounting training.

Teacher Prospects

88. The Committee was interested to know how many teachers were currently seeking employment with the Department and what opportunities there were for the future. The Minister said that prospects were terrific and that 934 additional teachers would be put on next year. He added that about 6,000 teachers were currently seeking employment, 2,500 of these being new graduates. If teachers were prepared to move anywhere in the State, he said he could virtually guarantee them a job at the beginning of the next school year.

Remote Area Incentives Scheme

89. Changes to the Remote Area Incentives Scheme were of interest to the Committee. The Minister said that the Department had cashed up the benefits instead of having a mixture of leave and other entitlements. The Department had also put in a component for Fringe Benefit Tax and other liabilities which was now linked into the Teacher Transfer Scheme and would substantially improve the benefits payable to teachers in rural and remote areas. It would now apply from the Great Divide-West and would be a simpler and more flexible scheme.
90. The Committee advised the Minister that there had been concern raised by teachers in remote areas about the potential disadvantage they would suffer under the new scheme, especially if they were put into a higher tax bracket. The cash incentives could mean they were unable to access such things as family allowance supplements. The Minister said the Department had invited the Queensland Teachers Union to talk to them about it. He stressed that the two non-negotiables were the amount of funding, and that teachers in an existing Remote Area Incentives Scheme would not be disadvantaged.

Language Other Than English (LOTE)

91. The Committee noted there would be an increase in primary teachers of 544 while the number of LOTE teachers was frozen at 512. They asked whether the freeze indicated the Department's abandonment of bringing LOTE education to the lower grades of primary school. A departmental officer said they were waiting the outcome of some reviews, one of which was the National Asian Language and Studies in Australian Schools strategy. Advice has also been sought from the QCC as to the nature of the core curriculum and the role of LOTE.

Mackay North High School

92. A Member of the Legislative Assembly asked the Minister about the need for new accommodation to replace demountable buildings at Mackay North High School. A

departmental officer said that an evaluation of the accommodation needs of the school in meeting its 1997 enrolment was currently being undertaken. If this showed that a minimum requirement would exist according to the Department's standards and entitlements, action would be taken to provide that accommodation. He added that demountable buildings were being replaced with modular classrooms on a continuing basis across the State and that the Mackay North High School demountables were being considered as part of the accommodation evaluation being undertaken for the school.

School Transport

93. The Committee inquired as to why the school transport budget had been transferred back to the Department of Transport and that the MPS for Transport had indicated that the budget had been cut by \$470,000. They asked the Minister whether the Education Department had policy responsibility for school transport matters and whether all students entitled to transport assistance would retain their entitlements on an equitable basis. The Minister replied that the school transport program had been transferred back to the Department of Transport and told the Committee that last year \$96.7 million had been budgeted and this year \$98.47 million had been budgeted. He added that there was no change in the policy.

Gender Equity

94. The Minister said that \$656,000 last year and \$758,000 this year would comprise the Equity Sub-program. He said the Sub-program looked at issues of Aboriginal and Torres Strait Islanders, women, people with non English speaking background and people with disabilities.

Sunsmart

95. The Committee sought information about what had happened to the Sunsmart Program which was allocated \$2.9 million in the last Budget. The Minister advised that it had been rolled over into school grant and the Sunsmart Program would not continue as such. He said the additional \$6.50 per student in primary schools and \$1.10 per student in secondary schools would be added into the school grant. That would enable schools to decide what they wanted to spend that money on in the Sunsmart Program. He added that there would be an expectation for schools to spend the money to ensure that students are protected from the sun.

Non-State Schools

96. The Committee asked the Minister how much of the non State school system budget was allocated to kindergartens and how much to the Living Away From Home Allowance Scheme. The Minister said that \$18.1 million had been allocated to the Creche and Kindergarten Association and \$4.4 million had been allocated to the Living Away From Home Allowance and the Student Hostel Support Scheme.

Environment

97. The Committee asked the Minister how much of the Budget was for Environment Education Centres and whether the Department would be conducting any energy or waste management initiatives in the coming financial year. A departmental officer replied that \$507,000 was allocated to Environmental Education Centres and that some recycling programs would be undertaken. These included the SCRAP Program which is about recycling paper and cardboard.

RECOMMENDATION

98. The Committee recommends that the proposed expenditures, Stated in the *Appropriation Bill (No.2) 1996* for the organisational units within the portfolios referred to Estimates Committee C for examination, be agreed to by the Legislative Assembly without amendment.

ACKNOWLEDGMENTS

99. The Committee takes this opportunity to express its appreciation for the level of cooperation assisted to it by the various Ministers and departmental staff. The Committee also wishes to acknowledge the efforts of Hansard and the Committee Secretariat staff, Ms Louise Hepworth Research Director, Ms Andrea Musch, Research Officer and Ms Maureen Barnes for their support and assistance during the Estimates process.

Hon Vince Lester MLA
Chairman



ESTIMATES COMMITTEE C—RESERVATIONS



MINUTES OF PROCEEDINGS