

**ESTIMATES COMMITTEE F**

**REPORT TO THE LEGISLATIVE ASSEMBLY OF QUEENSLAND**

**8 July 1997**

## ESTIMATES COMMITTEE F

Chairman:	Hon Vince Lester MLA, Member for Keppel
Deputy Chairman:	Mr Stephen Bredhauer MLA, Member for Cook
Other Members:	Hon Paul Braddy MLA, Member for Kedron
	Mr John Hegarty MLA, Member for Redlands
	Mr Neil Roberts MLA, Member for Nudgee
	Mr Frank Tanti MLA, Member for Mundingburra
Staff:	Ms Louise Hepworth (Research Director)
	Ms Andrea Musch (Research Officer)
	Ms Cassandra Adams (Executive Assistant)



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## **CHAIRMAN'S FOREWORD**

This is the fourth year that the Parliamentary Estimates Committees have formed an important part of the review process of Government. Again, this year revisions were made to the Sessional Orders regarding the estimates process, highlighting the fact that the process is still relatively young and evolving.

It was particularly pleasing to work with this years Committee, and I thank them for their cooperation and for the spirit with which the Committee's responsibilities were carried out.

Estimates Committee F accepted the responsibility of examining the estimates for the Departments of Education and 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 one Member did so. I was also pleased to acknowledge the presence of several Government and Non-government Members in the legislative Council Chamber during the process.

I would like to thank all those involved with Estimates Committee F, 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

## **1. REPORT TO THE LEGISLATIVE ASSEMBLY**

### **1.1. INTRODUCTION**

The Votes and Proceedings dated 4 June 1997 listed the Sessional Orders adopted by the Legislative Assembly on that date and established seven Estimates Committees. Estimates Committee F was asked to consider the proposed expenditures stated in *Appropriation Bill 1997*.

Each Committee is charged with the responsibility of examining and reporting by no later than 8 July 1997 on the proposed expenditure for the organisational units assigned to it.

The organisational units allocated to Estimates Committee F are as follows:

- Minister for Education
- Minister for Training and Industrial Relations

The Chairman, Hon Vince Lester MLA was nominated by the Leader of Government Business as per the Sessional Orders and the Deputy Chairman, Mr Steve Bredhauer MLA was elected by the Committee at its first meeting on 5 June 1997.

A public hearing was held by the Committee on 18 June 1997 to receive evidence from the Minister for Education, the Honourable Bob Quinn MLA and the Minister for Training and Industrial Relations, Hon Santo Santoro MLA.

Questions on Notice were submitted to each relevant Minister prior to the hearing in accordance with Sessional Order 25 which allows the Committee to submit up to 20 Questions on Notice to each Minister, with responses to be received at least 24 hours prior to the hearing.

The committee will table additional information which has been received as a result of Questions on Notice before the hearing, as well as questions taken on notice during the hearing, in an additional volume.

The Committee draws the attention of the Legislative Assembly to the following matters which arose during consideration of the proposed expenditures.

## **2. DEPARTMENT OF EDUCATION**

The *Appropriation Bill 1997* shows the proposed 1997-98 expenditure of the Department is to be \$2,930,683,000 from the Consolidated Fund and \$364,757,000 from the Trust and Special Funds, for a total of \$3,295,440,000. This represents an increase of 5.6 per cent on the 1996-97 Estimated Budget of \$3,121,789,000.

### **2.1. KEY INITIATIVES**

- The Leading Schools program for school-based management, including increased school grants;
- Integration of learning technology into classrooms;
- State-wide network for information and management;
- The Reading Recovery Program to support students identified by the Year 2 Net as having literacy difficulties;
- Support for students with disabilities;
- Continued recruitment of appropriate behaviour management support staff;
- New and upgraded school facilities;
- Administrative assistance for primary schools;
- The Remote Area Incentives Scheme;
- The provision of air conditioning in schools north of latitude 20 degrees South;
- Resources for detention centers through the Juvenile Justice Program;
- Support for gifted and talented education;
- The phased introduction of the second hour of non-contact time;
- Assistance to non-State students; and
- Capital works for the tertiary sector;

### **2.2. TEACHER NUMBERS**

The Committee referred the Minister to the proceedings of Estimates Committee A on Tuesday 10 June 1997, where the Treasurer Hon Joan Sheldon said that an extra 1,022 teachers would be provided in the 1997-98 Budget and that the figure was drawn from the Department of Education's Ministerial Program Statement (MPS); and asked whether the Minister agreed that this number of extra teachers

would be provided. The Minister told the Committee that the 1,022 was made up of: 334 teachers for enrolment growth; 38 for new facilities; 412 for non-contact time; 20 for Language Other Than English (LOTE); 67 for student behaviour management; 60 for students with disabilities; and 91 for reading recovery.

He stated that these figures were correct in that they represented genuine or additional extra teachers devoted to school-based activities. He added that it was a mistake to view the 1,022 teacher numbers as gross additional to the total number of departmental staff, because 109 teacher positions from the general pool of teachers were used for initiatives that had now ceased. Therefore, there were 913 net additional teachers.

The Committee sought further clarification on whether the 1,022 teachers could be substantiated in the MPS, as the Committee could only calculate a net increase of 868. The Minister was asked who from his Department provided the figures on teacher numbers to Queensland Treasury and whether he would admit that there was a discrepancy between the MPS and other Budget documents. The Minister replied that the impending restructure of the Department had meant that staff in 45 school support centres would be transitioned into new positions within the Department, and that this represented the difference of 45 between the 913 and the 868. An officer of the Department further advised that Mr Mike Keily, Director of Finance, provided the figure of 1,022 to Queensland Treasury.

The Committee expressed concern that Mr Keily was overseas on a study tour on behalf of Mr Peach the Director General, and therefore not available for the estimates process. The Committee also asked for clarification of the figure 1,326 that was provided in Questions on Notice regarding Full Time Equivalents (FTEs) employed by the Department in 1997. The Minister explained that it represented the work force down load from HRMS on 9 May 1997 and that it was purely the number of teachers that was on at that time.

### **2.3. ADMINISTRATIVE ASSISTANCE ENHANCEMENT PROGRAM (AAEP)**

The Committee asked the Minister to provide more information about the MPS figure of \$19.12m being spent on administrative assistance to schools. In reply he said that the AAEP was initiated in 1990 to provide for an additional 168 registrar positions in schools and for funds to schools for the employment of casual administrative assistants. From January 1991, greater flexibility was given to schools to enhance their administrative performance, ie. to purchase office equipment, computers, additional help and so on. In the 1997-98 Budget, a further \$4m had been made available to primary schools for administrative support. This would address some of the anomalies in the allocated formula and would provide support to schools entering the Leading Schools Program, the Minister said.

### **2.4. SCHOOL SET-DOWN AREAS**

A member of the Committee asked the Minister whether the capital works program included set-down areas to improve safety around schools. The Minister responded that for the first time the Department was negotiating with local authorities, in the

areas where schools were to be built to try to incorporate a bus set-down area as part of the construction of the new school. The Government had taken the in-principle decision that it would assist local authorities to fund such areas on a 50/50 arrangement and the Department was currently in the process of confirming this with Councils.

The Minister was also asked about a set-down area at Edens Landing within the Gold Coast City Council (GCCC) area and the funding arrangement the Department had with the Council in relation to it. The Minister stated that after discussions with the Council about this on-going issue the GCCC would provide half the funding in accordance with the Department's policy, but they would provide their half over two financial years instead of one. When asked whether the same arrangement would apply to other local governments, the Minister did not reply.

## **2.5. AIR-CONDITIONING**

The Minister was referred to page three of the MPS where it states that \$18m is to be spent on air-conditioning on schools north of latitude 20, and to page 76 of Budget Paper No. 2 that states this is part of a \$65m program and asked by the Committee how much had been spent to date. The Minister said that to date, the 1997 round of nominations had resulted in more than 100 nominations from State schools. Thirty-five State schools have had their approval for subsidy granted and that had cost in excess of \$1m. Thirty-six projects have been approved as new works in State schools at full State cost that had an estimated value of \$4.8m. The amount of money allocated in 1997-98 is about \$20m, with \$2m going to non-Government schools.

## **2.6. DOWNSIZING**

When asked by the Committee about the number of people who would lose their jobs as a result of downsizing and the amount of money put aside for redundancies, the Minister replied that no one would lose their job. Following the restructure, he continued, everyone would have a job. He added that the transition process had already started and the State Public Services Federation had been consulted. In addition, provision had been made to accommodate people at their current classification level. As no one will lose their job, no money had been provided for redundancies.

## **2.7. SCHOOL COUNCILS**

The Committee inquired of the Minister when school councils would be introduced and how they would operate. The Minister in reply said that the current discussion paper was generating a deal of debate and after feed back had been finalised a reference group would be put in place to formally make recommendations to the Department. The reference group would be chaired by Mr Frank Crowther, a professor at the University of Southern Queensland. The Centre for Leadership Excellence would then be funded to support professional development and training

for those Leading Schools coming into the pilot program, and the funding for school councils would be included in that Budget allocation.

## **2.8. OVERSEAS TRAVEL**

The Minister advised the Committee that funding for overseas travel came from within departmental units and that no separate budget was maintained for overseas travel. A departmental officer stated that he undertook a trip to Silicon Valley funded by the Department in terms of travel costs and also mentioned a number of other trips by senior officers. When questioned further about the Silicon Valley trip, the departmental officer said that he had been involved in a three day conference and that accommodation costs for that conference were paid for by the technology company, Computer Curriculum Corporation. He asked the Committee to note that he had declared this to the Minister prior to the conference.

The Committee was concerned that there may have been a conflict of interest involved and sought information on the number of computers supplied by that company to Queensland State schools. The departmental officer advised that 18 schools had one of that company's products as part of a trial. He added that he would supply the Committee with details of the contractual arrangements made with that company as a Question on Notice.

## **2.9. CONSULTANTS**

The Committee inquired about a contract with Williams Pacific Consulting for \$150,000 in relation to the consultant's brief, actual contracted time, the absence of a report and whether a principal of that company attended or facilitated the Leading Schools conference at the Marriott on the Gold Coast. The Minister explained that Williams Pacific had been employed as a change agent by Education Queensland to help manage its progress over the next twelve months or so in relation to the Leading Schools Program. Dean Williams had been appointed to conduct 100 days of consulting and attended the conference part of the time. After further questioning by the Committee the Minister said the consultant was contracted for some 15 months which would probably be more than the 100 days he initially mentioned. As well, he said that the company had not been asked to provide a comprehensive report but that reports would be provided to him on weekly basis.

## **2.10. TEACHER SECONDMENTS**

The Committee asked the Minister if he was familiar with the case of a person who was being paid a full-time salary by his Department while on secondment to another organisation from which she was also drawing a salary. In reply, the Minister said that the teacher was being paid for by the Education Department but the organisation she currently worked for had promoted her and was compensating her for the extra duties she was performing.

## **2.11. CENTRES FOR LEADERSHIP EXCELLENCE AND TEACHING EXCELLENCE**

When asked about the achievements of the Centre for Leadership Excellence the Minister replied, that in 1996-97 the Centre published a document called the Professional Development and Training Agenda and developed a benchmark for leadership performance. This financial year the Centre would be monitoring the implementation of the Standards Framework for Professional Development and its capacity to enhance learning outcomes for students. As well, they would be coordinating training and professional development from central office and conducting further conferences for the Leading Schools pilot. The Budget this year had almost doubled, which was an indication of the importance placed on professional development for key leaders within the Department. The Centre for Teaching Excellence is an associate centre to the Centre for Leadership Excellence. It has a budget of \$1.8m and its aim was to help coordinate the development for provision of training and professional development for teachers. It was teacher focused rather than concentrating on principals and senior officers he said.

## **2.12. COMPUTERS IN SCHOOLS PROJECT**

The Committee asked the Minister to outline the funding allocated for the Computers in Schools Project and detail how this would be spent. The Minister replied that Computers in Schools would have a budget of about \$27.6m, an increase of \$18.4m from last year. He advised that this year funding would be provided to support the professional development of staff in schools; fund geographically isolated student projects; adaptive technology projects; and the development of a CD-ROM. The Connecting Teachers Program would provide funds for a further 300 teachers to be trained in the use of laptop computers, the Internet and the development of curriculum materials. Further, the Department had an agreement with Apple Computer for an Apple Classroom of Tomorrow (ACOT) centre at Springfield State School which will open at the beginning of 1998.

A departmental officer said that about 60 per cent of computers are Apples and 40 per cent are IBMs in primary schools, whereas in high schools it was the other way around. Therefore, this ratio did not give Apple an advantage.

## **2.13. LEADING SCHOOLS PROGRAM**

When asked whether the \$150m identified for the Leading Schools Program was misleading and where the \$26m not included in the Budget was to come from, the Minister replied that schools would now have control over \$100m which they previously did not have control over and that \$50m would be (new) money because it was not spent within schools at present. The Department would provide the \$50m to schools at the end of the three year phase. The Budget contains \$24m of the \$50m for the first phase and the funding for the remaining \$26m would be addressed in the next two budgets.

The Committee questioned the Minister about control that would be given to schools under the Leading Schools Program over minor capital works and maintenance in terms of supervision and conformity with building regulations and quality controls. A departmental officer advised that schools would manage minor works and operational monies themselves. Schools would still be subject to the *State Building*

*Services Act* and therefore would have to comply with building standards for construction of school sites. With regards to the monitoring process for maintenance for building activities in schools, it would be referenced to the School Property Development Plan. A major condition audit of schools would be carried out probably on a three year basis and a central register would be kept.

The Minister said the Leading Schools Program had an operating budget of \$672,000 in 1996-97 and there was provision for \$780,000 in 1997-98. When questioned about the basis used to determine whether educational outcomes had been improved by the Program, a departmental officer said the first task was to establish baseline data and from next year Leading Schools would produce an annual report that would report student achievements. The Minister advised that a tender had been called for a longitudinal study of Leading Schools and a three year evaluation of the program cost.

#### **2.14. RESTRUCTURE**

The Committee sought information about closing of support centres and regional offices in 1998. The Minister replied that while support centres would close at this time the 11 regional offices would in fact be 11 of the 36 districts. Therefore, they would undergo a name change and some of their functions would change and they would be downsized but they were not being closed down per se. He added that a set of transition plans were currently being worked through and that by August 1998 the transition itself should be completed.

The Committee was interested know what the cost of leasing and/or property acquisition was to establish the 36 new district offices. A departmental officer advised that he could not provide an answer to this at this stage as the Department was currently scoping this process. The Minister added that the Department had estimated the establishment of the new structure would result in savings of \$3.8m in 1997-98. The Committee however, was curious to know how a determination of how much they were going to save could be made, when the cost of establishing a new district office structure had not yet been determined.

#### **2.15. TEACHERS—ENTERPRISE BARGAINING**

When questioned about the current offer to teachers in the enterprise bargaining process and whether any cuts would need to be made in other areas of the Budget to accommodate the increase in salaries, the Minister replied that the current offer had been rejected in public statements by the Queensland Teachers' Union. He added that he hoped the issue would be resolved in the not too distant future.

#### **2.16. EQUITY SUBPROGRAM**

The Committee was advised by the Minister that the equity subprogram had a staff of eight this financial year and a budget of \$686,000 and was targeted at Aboriginal and Torres Strait Islanders, women, students from non-English speaking backgrounds and people with disabilities.

**2.17. FINANCIAL SERVICES SUBPROGRAM**

When asked about the cost of the financial services subprogram, its main purpose and its achievements, the Minister advised that the subprogram's goal was to enhance departmental outcomes through the sound management of its finances. He said that last year a range of strategies had been put in place including the commencement of stage one of the SAP R/3 project, a pilot of the SIMS finance model and the development of a grant and allowance payment system called GAPS. This year's Budget while slightly down from last year, had roughly the same staffing allocation.

**2.18. FREEDOM OF INFORMATION (FOI) REQUESTS**

The Minister provided information to the Committee about the number of FOI requests. He said there had been 173 applications for access to documents and the Department had provided full or partial access to 26,000 documents. He said that two people were allocated to the task on a full-time basis. He added that while applications were an ongoing administrative burden for the Department, it was bound to meet the resource requirements needed to provide the service.

**2.19. LIFE EDUCATION CENTRES**

A member of the Legislative Assembly asked the Minister about grant funding for the Life Education Centre Foundation Queensland Incorporated (LECFQI). The Minister said that \$410,000 would be provided to LECFQI. The Member then asked the Minister if he was aware that the LECFQI had imposed additional conditions on local committees before it passed on grant funds intended for local committees; and if he knew that LECFQI had established a sliding scale on which the Government grants would be passed on to local communities based on the distribution of work books that are sold by the foundation to local committees for a profit. The Minister replied that he was not aware of these issues but that he would take the concerns on board and investigate them and write to the Member detailing the results of the investigation.

**2.20. REFURBISHMENT OF CENTRAL OFFICE**

The Committee asked the Minister about whether there were any plans to refurbish his or the Director-General's office. A departmental officer replied that a set of schematic plans had been developed and these were considered but the expected costs were not reflected in the Budget because the Department does not own the building.

**2.21. GIFTED AND TALENTED**

The Minister told the Committee the Department was providing a little over \$1m for Gifted and Talented children. He said the aim of the project was to develop the potential of all students, particularly those who excelled. Four schools had been

identified for centres for whole-school implementation of Gifted and Talented Children (Queensland) Association (Gateway Schools).

## **2.22. THE HUMAN RESOURCE MANAGEMENT SYSTEM (HRMS)**

The Minister told the Committee that there had been a number of concerns regarding the HRMS system over several years. He advised the Committee that the Department was now moving to integrate all the other systems including payroll systems into a new system called IntegHR. A project team had been established to customise the system which was being purchased from Lend Lease. The Budget for this was \$5m.

## **2.23. SCHOOL INFORMATION MANAGEMENT SYSTEM (SIMS)**

The Committee asked the Minister how much of the SIMS Budget was underspent in 1996-97 and 1995-96 and why, and whether all Government schools were connected to SIMS. The Minister advised the Committee that all State schools were connected during the 1996-97 financial year, but it did not apply to the whole suite of programs that take up SIMS as these were across several financial years. He added that the Committee was right in that there had been an under-expenditure and that this was due to a strategic review by the State Government of its communication needs throughout the year. A sum of \$12,750,000 had been carried forward into this Budget. The Minister undertook to provide the previous years budget for SIMS on notice. A departmental officer said in answer to a question by the Committee that \$78.2m allocated to the School in the 2001 program was designed to focus on use of learning technology in classrooms and none of the sum was allocated to SIMS.

The Committee was concerned about the amount of money that had been spent on Formula which would be redundant and asked whether there would be a program that would compensate schools for outdated technology. A departmental officer replied that the hardware had no commercial value and that schools had been provided with funding to convert existing data. Also, an archiving process was in place to convert the rest of the data.

## **2.24. FUNDING FOR NON-GOVERNMENT SCHOOLS**

In relation to questions asked by the Committee regarding the amount of money provided to non-Government schools, the Minister said that about 27 per cent of total school enrolments in Queensland were from non-Government schools and this year almost \$200m had been provided for recurrent and capital assistance for non-Government schools.

## **2.25. LANGUAGE OTHER THAN ENGLISH (LOTE)**

The Minister indicated he would clarify the number of LOTE teachers as it was unclear as to whether it had risen or fallen. The Minister stated last year that the current level of LOTE teachers would be maintained and an additional 20 would

account for new enrolment growth, new schools etc. The Committee said the number of teachers had fallen from 512 to 495.

## **2.26. UNDERSPENDING OF CAPITAL WORKS**

The Committee referred the Minister to page four of the MPS that indicates that the Capital Works Budget in Education would be underspent by \$29m and other figures on other pages of the MPS which indicated an underspending of \$45m in total, and asked where was the money underspent and why. The Minister replied that on the latest assessment of expenditure, the Department would not underspend and would be on target or overspend the capital works program for the 1996-97 financial year. A departmental officer said that the \$29m reference related to the under achievement on the Department's sales program this year by about \$18m and the SIMS amount which would be carried forward into next year.

## **2.27. CORPORATE CARDS**

When questioned about the number and use of corporate cards within the Department, the Minister replied that 718 corporate cards were used by the Department with 1,799 transactions and an average amount spent of \$162. He added that there had been no reported cases of misuse because of the many checks and balances within the system. He said that a recent review of the Public Accounts Committee into State Government Credit Card usage had found the cards to be an efficient and economical way of purchasing.

## **2.28. BOARD OF SENIOR SECONDARY SCHOOL STUDIES**

The Committee questioned a representative of the Board of Senior Secondary School Studies about the proposed \$260,000 drop in budget allocation of the estimated actual for 1997-98 and asked how the Board hoped to deliver an increased level of service with less money. The representative said that it was not possible to actually increase the total amount of service and the Board would be required to focus on core business and make sure that a core service was provided to students.

## **2.29. THE REMOTE AREA INCENTIVE SCHEME (RAIS)**

The Minister said in reply to a question on the RAIS that the scheme had been significantly expanded and upgraded in the 1996-97 Budget and that the new scheme provided enhanced cash-compensation benefits, induction programs and additional emergent leave. He added that in 1995-96, the Budget for the Scheme was \$3.268m; in 1996-97 it was over \$5m; and this year it would be over \$8m.

## **2.30. SCHOOL CLOSURES**

The Committee asked the Minister about his reply to a Question on Notice regarding the schools that had been identified for closure/merger and/or discussions with the local community for closure/merger and asked why five of the schools (Laidley

North, Laidley Central, Blenheim, Mulgowie and Thornton State schools) were not listed in the answer to the Question on Notice provided to the Committee. The Minister replied that there had been no Ministerial approval for closure or amalgamation and the Department would be starting to talk to communities about it. He apologised if there had been an omission in the reply to the Question on Notice, but added that as a public meeting had been held, the issue was in the public domain.

### **2.31. JIMBOOMBA HIGH SCHOOL**

When the Minister was questioned about a proposed high school at Jimboomba a departmental officer said no announcement had been made to open a school in Jimboomba and the Minister confirmed no statements about a new Jimboomba High School had been issued.

### **3. DEPARTMENT OF TRAINING AND INDUSTRIAL RELATIONS**

The *Appropriation Bill 1997* shows the proposed 1997-98 expenditure of the Department is to be \$603,556,000 from the Consolidated Fund. The Workers' Compensation Trust Fund has been discontinued as it ceased to operate under the Workers' Compensation Program due to the establishment of WorkCover Queensland. Therefore this represents a decrease of 61 per cent on the 1996-97 Estimated Budget of \$1,528,561,000.

#### **3.1. NEW INITIATIVES**

- New industrial relations legislation in the private and public sectors, including new functions of Enterprise Commissioner and Employment Advocate;
- An expansion in State funded VET places, with priority to young people. Apprentices and trainees will have a greater choice in selecting a provider;
- Proposed new VET legislation and associated reforms to simplify and streamline the system;
- Greater technology in the delivery of VET to enhance teaching and learning;
- Training related initiatives including: additional pre-vocational education places; additional traineeship assistance to employers; workskills for youth initiative; and training to assist indigenous communities in water and waste management; and
- A program to enhance health and safety in Queensland's workplaces.

#### **3.2. CARROLL DELANEY ADVERTISING**

The Minister was asked by the Committee what the processes involved in the awarding of the contract to Carroll Delaney Advertising were. The Minister assured the Committee that all processes that were proper and due were followed in awarding contracts to Carroll Delaney Advertising. A departmental officer said the contract was awarded in accordance with the State Purchasing Policy and that Carroll Delaney Advertising was put on the departmental preferred supplier list in August 1996. He added that tenders were not sought because of circumstances involved relating to urgency. The Committee mentioned a further contract to Carroll Delaney Advertising for a market strategy for industrial relations reforms and was informed by the Minister that the amount was for less than \$10,000 and therefore did not appear in the engagements of consultants information.

A departmental officer also advised the Committee that at no stage had WorkCover involved Carroll Delaney Advertising in marketing exercises to do with the promotion of the new WorkCover legislation, but that a \$875 contract had been provided to them at the time the Kennedy report was being finalised.

### **3.3. STAFF CHANGES**

The Committee asked the Minister how successful he was in achieving his aim of using relocation, redeployment and VERs for those staff affected by the changes in focus of his Department. He replied that the Government was refocussing activities away from employment programs to vocational education and training. The Minister said that a total of 162 staff were affected by the decision and 63 accepted VER packages. Ninety were placed in permanent public service jobs and of the 162 staff only nine are currently registered for redeployment. The total cost of VERs to the Department was \$2,383,750.

### **3.4. EXPENDITURE OF THE FIXED CAPITAL WORKS BUDGET**

The Minister was asked to inform the Committee of the expected end of year position of capital works within TAFE under the first full year of the Coalition Government. The Minister assured the Committee that TAFE Queensland would expend its 1996-97 capital works Budget in total. He advised that to ensure the full expenditure for 1996-97 he had approved additional capital works for the institutes of Yeronga, Brisbane, Southbank, Wide Bay, Far North Queensland, Southern Queensland, Barrier Reef and Bremer.

### **3.5. EQUITY AND ACCESS**

The Committee asked the Minister about the initiative planned this year for disadvantaged and long-term unemployed. He advised the Department had made available \$6.2m to specifically target long-term unemployed people this year and an additional \$3.5m would go towards the Apprenticeship and Traineeship Access Program. There had also been a \$1.7m allocation for the delivery of training to indigenous Queenslanders and an amount of \$128,000 had been allocated to people within ethnic communities.

### **3.6. INDUSTRY BASED TRAINING IN THE RURAL SECTOR**

The Committee inquired of the Minister about the level and quality of industry-based training in the rural sector. The Minister replied that his Government recognised the increasing complexity of farming and what that means to farming communities. He advised that a Rural Industry Task Force had been established and that its role was to access the rural training infrastructure, develop mechanisms to enhance rural industry training and strengthen and broaden advisory mechanisms.

### **3.7. CRUISE SHIP FACILITY**

The Committee referred the Minister to the establishment of a cruise ship facility in Brisbane and the offer made by the State Government to the company selected to run the operation of \$2m in training funds. They asked about the tendering and contracting process and if the Commonwealth Government was aware that \$2m of taxpayers funds had been promised to a company with two directors who were discharged bankrupts and who did not own a cruise ship. The Minister advised the

Committee that TAFE had no involvement in the issue. He encouraged Members to take a more positive attitude towards the project. He also advised them that the \$2m had been provided by DEETYA to fund training for 340 trainees for the cruise ship operation and that DEETYA was a Federal Department.

### **3.8. QUEENSLAND WORKPLACE AGREEMENTS**

The Minister told the Committee that the number of Queensland workplace agreements that had been registered since the new legislation came into place was three. He added that more were being processed and that an Enterprise Commissioner would be appointed in the near future. He assured the Committee that many more workplace agreements would be looked at in the next 12 months.

### **3.9. NEW JOB CREATION**

The Committee was concerned that an estimated 45,000 new jobs forecast to occur in the 1996-97 year had not been fulfilled. The Minister said the facts were that in May an additional 1,300 positions were created within Queensland's labour market and while this did not seem to be very many the national situation should be considered. He asked to be put on the record as saying that Governments do not create jobs but that the private sector creates real long-term sustainable jobs.

### **3.10. AGRICULTURAL COLLEGES**

The Committee asked the Minister what the Government was doing to ensure that agricultural colleges were meeting the challenges of the changing training environment. The Minister replied that he inherited an agricultural college system where staff had not had a pay increase apart from the safety net increases of \$8, for six years. Therefore, the Department implemented an enterprise bargaining agreement which provided a wage increase for all college staff of 12 per cent over two years. Colleges had also been accommodated in the capital development plan for 1997-98 and therefore have access to capital development grants in the Vocational Education and Training Budget. A dedicated departmental liaison officer had been appointed and additional marketing and promotional strategies were being developed; \$11.4m had been allocated to colleges for tuition; and \$1m to fund necessary minor works.

### **3.11. WORKPLACE HEALTH AND SAFETY PROGRAM**

The Committee questioned the Minister about the Workplace Health and Safety Program services and initiatives provided to rural communities. The Minister said there were a number of specialist rural advisers that promoted health and safety through Farmshare talks, industry forums, farm visits, field days, school visits and other activities. There were also 19 offices in rural areas that offered a full range of services as well and \$50,000 had been made available to support the rural womens' pesticide awareness program.

The Committee further inquired about the status of the report prepared by Dr Leivesley particularly in the context of the purchaser/provider arrangements recommended by the Commission of Audit. The Minister said that as he had determined to implement the Kennedy recommendations relating to the workers' compensation system the Department appointed Dr Sally Leivesley to review the Division of Workplace Health and Safety, Dr Leivesley delivered her report to the Chairman of the bipartisan reference group in late February 1997. The reference group had now completed its consideration of the Leivesley report and the reference group's recommendations would be forwarded to him. When further asked about the purchaser/provider arrangement recommended under the Commission of Audit, the Minister replied that his Department had announced an intention to realign its functions to provide better quality services and improve accountability concurrently with the delivery of Dr Leivesley's proposal. The proposed realignment in accordance with the purchaser/provider model is expected to provide better benefits to DTIR clients commensurate with those expected in the model by Dr Leivesley. The Minister said that the total cost for the preparation of the Leivesley report would be approximately \$180,000 with \$90,000 directly related to the fee paid to Dr Leivesley. When asked whether one of the recommendations in the Leivesley report was that the Division of Workplace Health and Safety be corporatised and that the Executive Director become the Commissioner for Workplace Health and Safety, the Minister replied that it was one of the recommendations. He said that he had asked the reference group to provide opinions on the whole of the Leivesley report including that recommendation and he would be waiting for their advice before making a decision regarding what is taken to Cabinet.

### **3.12. UNFAIR DISMISSAL LAWS**

The Committee sought information about the basis for the estimated reduction in the number of dismissal applications for 1997-98 which was down from last years actual of 1,930. The Minister said that he made no apology for the anticipated reduction in dismissal applications because the legislative amendments were designed to reduce the number of dismissal cases going before the Industrial Relations Commission. He explained that the underlying philosophy of the legislation was for parties to solve their problems before they became a full-blown unfair dismissal case. A departmental officer said that for the period 27 March 1996 to 16 June 1996 there were 382 unfair dismissal cases filed and for the same period this year 416 cases were filed. He noted the increase was probably due to the publicity surrounding the legislative changes. The Committee noted that the Minister did not address the question about why the actual basis for the estimated reduction in the number of dismissal applications for 1997-98 was down from last years actual of 1,930.

### **3.13. INDUSTRIAL RELATIONS PROGRAM — INITIATIVES FOR WOMEN**

The Minister supplied the Committee with a deal of information about the initiatives that would benefit women within the industrial relations program. This included references to the *Queensland Workplace Relations Act* of 1997 that seeks to ensure enterprise bargaining agreements do not discriminate on the basis of sex and that the particular interest of certain groups are included; the *Workplace Relations Act*

that clearly supports non-discriminatory outcomes for women; and the Industrial Relations Commission that must also refuse to certify an agreement if the agreement is inconsistent with the provisions in the Act relating to minimum wages and equal remuneration for work of equal value which is based on ILO conventions.

### **3.14. TAFE SUPPORT OF SMALL BUSINESS**

The Committee was interested to know about the extent TAFE Queensland has supported small business in the community. The Minister told the Committee that TAFE Queensland was doing an enormous amount to support small business. This included the fact that small business had been given a voice in helping TAFE to determine what training output they wanted from their local small business and a better business centre at the Logan Institute of TAFE which together with the North Point Institute of TAFE was awarded a contract for training of women operating or intending to open small businesses at 12 sites throughout Queensland.

### **3.15. VOCATIONAL EDUCATION AND TRAINING (VET)**

The Committee sought clarification from the Minister regarding the additional 14,000 Government-funded places in VET when the total appropriation for VET this year will fall by some \$28m. The Minister replied that the State government has injected an additional \$23.3m into the VET system through new initiatives and growth funding. The commitment by this Government is clear as compared to the funds from the Federal Government. In relation to the Federal Government there have been reductions due, for example, to labour market programs and reduction in capital works funding. There has also been a reduction because of carryovers, from 1996-97 through to 1997-98, of \$28.2m.

When questioned further about the additional 14,000 Government places, given that funding had been decreased, the Minister replied that as the system becomes more efficient the cost of purchasing a student contact hour decreased and therefore the number of places that are funded increases.

### **3.16. TAFE STUDENT CONTACT HOURS**

The Committee asked the Minister whether it was true that TAFE would fall short of its contact hours in 1996-97 by about four per cent, that is by more than \$2m student contact hours and if this was the case, why this had occurred. In response to this question taken on notice, the Minister failed to provide a specific answer regarding whether student contact hours had fallen short of the target by four per cent or more than 2m contact hours, but did reply that the 1996-97 financial year target was based on data for student contact hour delivery in the 1995 calendar year. At the time the 1996-97 target was set, the 1995 calendar year data had not yet been validated in accordance with the Australian Vocation Education and Training Management Information Statistical Standard (AVETMISS). He added that the first time data validation occurred under this standard was for 1995 data and that a AVETMISS compliance audit for the 1995 calendar year data revealed a Module Enrolment Non Attendance rate of 15 per cent. He continued that this meant that

the base data used to set the 1996-97 financial year target was inflated by at least that rate and that it was expected that data collection forecasts for future years would be more reliable.

### **3.17. FAR NORTH QUEENSLAND TAFE**

In answer to a question from the Committee about the Far North Queensland Institute of TAFE being \$3m in the red and the source of funds to make up the deficit, a departmental officer replied that funds had been reallocated from within TAFE Queensland and did not have to be repaid. The Committee pursued its line of questioning regarding TAFE Budget objectives and asked which other institutes would not meet their budget objectives for 1996-97. The Minister assured the Committee that TAFE would not exceed its budget allocation as a whole system for 1996-97, he mentioned two other institutes, Southbank and Central Queensland Institute of TAFE that were having difficulties.

### **3.18. OUTSOURCING IT**

The Committee asked the Minister whether it was true that TAFE Queensland had budgeted \$150,000 a year for consultants to manage the outsourced IT function. The Minister confirmed the amount had been allocated for that purpose. A departmental officer added that the outsourcing project was not only about the oversight of computing hardware and computing systems, but also about the development of business information systems and the improvement of systems within TAFE. He assured the Committee that there was no intention of making people redundant as a result of the outsourcing project, as part of the role of the outsourcer would be to take on staff.

### **3.19. WORKING BETTER TOGETHER (WBT)**

The Committee asked the Minister to explain the WBT initiative and detail the outcomes and how the initiative has benefited TAFE. The Minister said that a key element of the initiative was the establishment of eight project groups to examine issues that were of concern to TAFE staff and issues that arose out of the 1996 employee benchmark survey. As well, a communication strategy was being developed which provided a framework for improved corporate and local level decision making and communication, an increased skills base amongst TAFE staff through a system-wide investment of two per cent of salaries in professional development and the reduction of red tape through a task group of directors. Also, the issue of tenure for TAFE staff was being addressed. The Minister added that the constitution of the TAFE college and institute councils would also benefit the business of TAFE.

### **3.20. APPRENTICESHIPS AND TRAINEESHIPS**

The Committee was interested to determine of the 23,790 apprenticeships and traineeships expected to start in the 1997-98 year, how many of these were apprenticeships and how many were traineeships. The Minister acknowledged that

his Government had inherited the challenge of arresting the decline of apprenticeship numbers. He said the Government was in the process of implementing for example, the Federal MAATS system that seeks to make traineeships and apprenticeships more flexible and more conducive to the needs of small business. The VET legislation would also be amended to provide for a more friendly apprenticeship system. The Minister said the Government would provide \$6.5m for an additional 3,790 trainees.

In response to a Question on Notice about how many of the 23,790 would be apprentices and how many would be trainees and whether it was true that apprenticeship numbers were dropping, the Minister replied that in 1997-98, an estimated 5,790 would be apprentices and 18,000 would be trainees. He added that there had been a decline in approvals in apprenticeship intakes over the last three years; and that during the past year (May 1996 to May 1997) the rate of decrease had slowed and was currently at 13 per cent. The rate of growth in traineeship new approvals was 68 per cent over the same period.

### **3.21. RECRUITMENT SEARCH CONSULTANTS**

The Committee asked the Minister how much the Department spent on recruitment search consultants in 1996-97. The Minister referred the Committee to their response to a Question on Notice and a departmental officer further explained, that three companies had been used for executive search and these were; Morgan and Banks \$35,836 (institute directors); Northern Recruitment \$25,332 (Deputy Director-General); and Hines Management Consultants \$20,000 (Enterprise Commissioner). He added that as his Department had an enormous range and complexity of functions that senior managers were expected to perform in an environment of a huge reform agenda, it was important to recruit the best staff possible.

### **3.22. THE YEAR OF TRAINING**

The Committee sought more details on The Year of Training and how it would contribute to Queensland's skills base. The Minister enthused about The Year of Training. He said that without good training the State would not have a competitive work force to move the Queensland economy into the 21<sup>st</sup> century. He said he was urging Federal and State Ministers to adopt a more imaginative definition of 'capital' so that technology could be used in a more flexible way to deliver training, for example, into rural and regional Queensland. The implementation of the Modern Australian Apprenticeship and Traineeship System, the Small Business Training Strategy, and the opening of the one-stop apprenticeship shops were exciting components for the year, he said.

### **3.23. SKILLS DEVELOPMENT AND RECOGNITION PROGRAM (SDRP)**

The Committee inquired about the SDRP and asked what strategies had been adopted to support adult community education. The Minister responded that the \$1m 1997-98 Budget initiative would provide an extra 5,000 Queenslanders from rural and remote areas with the opportunity to participate in adult and community

education. This was in addition to the funds that provided for an equivalent of 100,000 student contact hours already allocated under the 1997 State Training Profile. He added that funds would be made available under a competitive tendering process.

### **3.24. COMPETITIVE TENDERING PROCESS**

The Committee referred the Minister to the 1995-96 Annual Report which stated that TAFE Queensland intended to increase its proportion of funds in the competitive tendered segment of the vocational education and training market to 65 per cent, and to the 1997-98 Ministerial Program Statement that revealed that TAFE Queensland won 57.2 per cent of funds allocated under competitive funding arrangements to the end of March 1997. The Committee asked what the reasons were for the shortfall in performance. The Minister said that the training market was becoming increasingly competitive as more training providers came into the market. He also said that community service obligations of TAFE Queensland were a factor.

## **4. RECOMMENDATION**

The Committee recommends that the proposed expenditures, stated in the *Appropriation Bill 1997* of the organisational units within the portfolios referred to Estimates Committee F for examination, be agreed to by the Legislative Assembly without amendment.

## **5. ACKNOWLEDGMENTS**

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 Cassandra Adams, Executive Assistant for their support and assistance.

Hon Vince Lester MLA  
Chairman