

**ESTIMATES COMMITTEE F**

Mr N. S. Roberts (Chair)	Mr S. Santoro
Dr J. A. Kingston	Ms K. L. Struthers
Mr R. J. Quinn	Mr G. J. Wilson

**EMPLOYMENT, TRAINING AND INDUSTRIAL RELATIONS****IN ATTENDANCE**

Hon. P. J. Braddy, Minister for Employment,  
Training and Industrial Relations

Mr R. Marshman, Director-General

Mr P. Henneken, Deputy Director-General

Mr P. Callioni, General Manager, Division of  
Training

Mr R. Seljak, General Manager, Workplace  
Health and Safety

Mr G. Smith, Acting General Manager,  
Employment Taskforce

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The Committee commenced at 8.30 a.m.

**The CHAIRMAN:** I declare this meeting of Estimates Committee F now open. I welcome the Minister, public officials and members of the public who are in attendance here today. The Committee will examine the proposed expenditure contained in the Appropriation Bill 1998 for the areas set out in Sessional Orders of 15 September 1998. The organisational units will be examined in the following order: the Department of Employment, Training and Industrial Relations, followed by the Department of Education.

I remind members of the Committee and the Minister that the time limit for questions is one minute, and answers are to be no longer than three minutes. A single chime will give a 15-second warning, and a double chime will sound at the expiration of these time limits. The questioner may consent to an extension of time for answers. A double chime will also sound two minutes after an extension of time has been given. The Sessional Orders require that at least half the time available for questions and answers in respect of each organisational unit be allotted to non-Government members and that any time expended when the Committee deliberates in private is to be equally apportioned between Government and non-Government members. For the benefit of Hansard, I ask departmental officers to identify themselves before they first answer a question.

In accordance with the Sessional Orders, a member who is not a Committee member may, with the Committee's leave, ask the Minister questions. In this regard, the Committee has agreed that it will automatically grant leave to any non-Committee member who wishes to question the Minister, unless determined otherwise. I should point out that, in accordance with Standing Order 195, any person admitted to a hearing may be excluded at the discretion of the Chairman or by order of the

Committee. In relation to media coverage of the Estimates Committee F hearing, the Committee has resolved that silent television film coverage be allowed for the first five minutes of each department.

I now declare the proposed expenditure for the Department of Employment, Training and Industrial Relations open for examination. The time allotted is four and a half hours. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, do you wish to make an opening statement? If so, the Committee asks that you limit it to no longer than five minutes.

**Mr BRADY:** Thank you. I do wish to make an opening statement. I am pleased to report that the 1998-99 budget for Employment, Training and Industrial Relations provides hard evidence that the Beattie Labor Government is serious about employment and the creation of jobs. Record expenditure of \$712.09m represents an overall increase of 4.8%. This reflects our commitment to jobs and our intention of creating an economic environment which promotes growth and generates sustainable jobs.

All activities within my portfolio are ultimately related to the need to create job opportunities for Queenslanders. We are doing what our predecessors failed to do by addressing unemployment, the State's skill shortages and job security with a range of positive initiatives designed to get Queenslanders working again. The \$283m, four-year Breaking the Unemployment Cycle package will create more than 24,500 apprentice, trainee and job placement opportunities throughout the State. Specifically, the budget provides \$109m to create 9,000 job placements for the long-term unemployed, including disadvantaged youth, mature-aged and indigenous people, to work on essential public and community works.

This Government believes it has a responsibility as an employer to give young people the opportunity to gain work experience and on-the-job training. We will therefore set an example for the private sector and the community by attacking unemployment at all levels through a \$48m budget allocation in a full year. This funding will create 6,500 apprentice and trainee opportunities in Government departments, local government and statutory authorities. The private sector can also play its part. With support from the Government, up to 9,000 additional apprenticeships and traineeships will be created. These include 7,500 apprenticeships and traineeships in industries with skill shortages or in regions with poor employment prospects. A \$2,000 cash bonus will be offered to employers or group training schemes which employ additional apprentices in skill shortage areas, such as tourism, building and construction and the metals and engineering industries. Significantly for the building and construction industry, we are also establishing a \$5.4m training fund which is expected to create up to 1,000 additional apprentices per year.

This portfolio has a key role to play in developing the economy and promoting sustainable

employment and training. Specifically, our initiatives will produce a better educated, highly skilled and more flexible work force, consolidate TAFE as a dynamic and viable public provider of vocational education and training, attain a fair and balanced industrial relations system and promote safer and healthier workplaces. We will review the existing industrial relations legislation and promote new legislation. Our aim is to establish an industrial relations system that is fair and equitable. It will be based on cooperation and consultation that improves economic competitiveness, fosters job growth and enhances job security.

Our Government inherited a TAFE system in crisis, where funding was slashed to an extent which almost brought TAFE to the brink of ruin. We will get on with the job of addressing the urgent funding and organisational needs which will restore TAFE to its pre-eminent role in Queensland's training market. As part of our 10-point plan for TAFE Queensland, we will maintain competitive funding at January 1998 levels. A \$10m adjustment has been made to the TAFE program to meet this commitment. Further funding of \$12m will also be available to assist TAFE Queensland become more competitive in the training market.

Finally, a budget of \$1m will provide for the employment of an additional 15 workplace health and safety inspectors to service the building and construction industry. This will ensure a greater level of compliance within the industry, particularly in regional Queensland. The Beattie Labor Government will deliver on its election promises to reduce unemployment and alleviate the State's critical skill shortages. The 1998-99 Budget provides the means to achieve it.

**The CHAIRMAN:** The first period of questions will commence with non-Government members.

**Mr SANTORO:** Initially, I would like to turn to the issue of technology and to improved delivery of VET via technology. I refer to what seems to me to be a decrease of at least \$1.2m in the funding of modern technology initiatives for the improved delivery of VET. Does this reflect your belief, which you expressed at the recent ANTA conference in a formal speech that you delivered, that is, that "The quality of our skills base equates to our capacity to make things, for example, carpenters, fitters and turners, boiler makers, welders, to name but a few"? Does that \$1.2m decrease reflect that attitude?

**Mr BRADY:** In relation to the spending on technology, I will obtain the precise details of how that is proposed to be allocated and give it to you later in the course of this hearing.

**Mr SANTORO:** Are you admitting that my figures are correct and that there is at least a \$1.2m decrease in the allocation to technology within the VET budget?

**Mr BRADY:** No. What I am saying is that we will get the details in relation to the budget technology figures and give them to you and to the Committee later in the course of the hearing.

**Mr SANTORO:** I look forward to receiving those. I turn now to your Executive Support Unit.

What are the reasons for the dramatic increase in the cost of the Executive Support Unit from \$1.106m—that is a 1997-98 Actual and a coalition Estimate for 1998-99 of \$1.061m—to Labor's intended \$2.712m expenditure, as contained on page 4 of your program statements?

**Mr BRADY:** In relation to the expenditure in the Executive Support Unit, we have a transfer in of additional resources from other departmental programs of \$0.66m. There is also a transfer in of funding for ministerial support, the director-general, the deputy director-general and freedom of information from the Executive Services subprogram of \$1m.

**Mr SANTORO:** I appreciate the reasons the numbers have increased as they have in terms of what you have just stated. What are the reasons? What extra functions above and beyond what were being performed under the previous Government do you intend this additional and enlarged capacity to perform?

**Mr BRADY:** What I think is made clear by the subprogram in the Estimates is that it is not an enlargement at all. It is merely a rearrangement of programs. That is made clear by the programs as they are set out.

**Mr SANTORO:** I would suggest to you and your officers that an increase of the coalition Estimates of \$1.061m to your intended \$2.7m cannot be described as a rearrangement. I think it is an actual increase. That is underlined by the fact that staffing of your Executive Support Unit is increasing from 15 to 21 and that there is a total increase in costs of 250%. If you think that that is a rearrangement, you might care to define what you mean by "rearrangement", because it seems to me that it goes beyond the shuffling of deck chairs.

**Mr BRADY:** What we attempt to do in our budget is make sure that things are plain and clear and that moneys are allocated to the areas where they are being spent, whereas previously they were not. In relation to this matter, I will ask the director-general to give more specific details of these funds and the rearrangement of the spending.

**Mr MARSHMAN:** There always has been traditionally, as Mr Santoro will know, a reserve for the director-general. The director-general has always held a reserve between \$0.5m and \$1m. That reserve is now located in these Estimates with the director-general, whereas in previous years that has been located elsewhere in the department. That is the main reason for the increase.

**Mr SANTORO:** With respect, I understand the practice of the director-general having a reserve. You have said that the transfer of that reserve into a more open situation is the major reason for the increase. But \$0.5m does not equate to the increase that has occurred, from \$1.106m to \$2.71m. With respect, I find your answer to be not convincing. The Minister made the statement that previously certain things were not in the open and were, in fact, hidden. Would the Minister care to inform the Committee and those in attendance where that was the case? Would he like to give an example or two?

**Mr BRADY:** In relation to the matter, the budget is open and the example has been given by the director-general of the transfer. It is very clear. It is there to be seen. It is an appropriate amount. I believe the question has been answered.

**Mr SANTORO:** I will move off the Executive Support Unit for the moment. I do not like statements being made, particularly if they relate to my previous stewardship of the administration that you now have charge of, that things were hidden and that for some reason or another they are now open. I indicate that I am not satisfied with the answers given to me by you or your director-general.

**Mr BRADY:** Are you asking a question?

**Mr SANTORO:** I will ask you the question again: can you justify the statement that you made before that certain items were hidden previously? Are you referring to the previous Goss Labor administration or the Borbidge/Sheldon administration?

**Mr BRADY:** I was referring to the fact that, in relation to the answer that I have already given, it is now very transparent, including the fund that the director-general referred to. There is nothing further to be added to it.

**Mr SANTORO:** Your answers certainly are not transparent. I refer to delivery support to occur under Corporate Services. What items of delivery support were provided in 1998-99 for the \$1m mentioned in the table on page 15 of the MPS?

**Mr BRADY:** Through the higher-than-anticipated costs of this area, the delivery support variance of \$3.145m was incurred due to salaries, associated on-costs and FBT costs not included in the original Budget Estimates for two additional SES 3 officers for half a year, three additional SES 2 officers, three additional SES 1 officers and three additional AO 8 officers; payment of the "A New Focus: Working Better Together" project and the Go For It campaign; surplus staff from institutes being absorbed into the State office structure, causing the area to have a higher than budget staffing level at all times; payment to the KPMG accounting firm; and the Unisys contract, Watchdog.

In relation to the variance of the Corporate Services \$1.885m program, I will give you further information in relation to that. It is referred to in the Corporate Services Program. The officers are digging it out.

**Mr SANTORO:** When you do, I would appreciate having an outline of the support rather than the items that the money has been spent on.

**Mr BRADY:** We will give you more information on that later.

**Mr SANTORO:** I refer to Corporate Services staffing and in particular to your answer to question on notice from Government members No. 1 within which you state that the budgeted staffing increase in the Corporate Services Program is a direct result of the restructure undertaken by the Borbidge Government and that it remains largely unchanged as a result of the changing Government. I refer you to the fact that, under the coalition 1998-99 budget, we

factored in a corporate staffing of 304. How can you justify your decision to expand the Corporate Services Program from 304 to a massive 466 when the program statements for the coalition are absolutely clear and so are yours in relation to your anticipated number of people in Corporate services?

**Mr BRADY:** I believe that the answer given on notice makes it very clear. The increase in the Corporate Services Program is due to the transfer of in excess of \$10m in resources from service delivery programs as part of the restructure to undertake corporate support functions previously undertaken by the programs, including the centralisation of staff undertaking corporate service activities and the increase of \$9m to undertake corporate projects on behalf of all divisions in the department, including human resources, information systems, year 2000 compliance, SAP and managing for outcomes and various information technology projects.

The allocation of the Corporate Services Program cost to other programs is based upon the same formula distribution which was used in 1997-98. The increase in the allocation for corporate services to both the programs in question has increased by exactly 85.5%. I would point out that 45% of the increase in the corporate services budget is attributable to corporate projects that will benefit all programs. In future years, the Corporate Services Program costs should decrease in line with expenditure on corporate projects. This decrease will be reflected in the allocation of corporate services to all programs.

If the coalition Budget had been reformed to reflect both the departmental restructure and the decision to show all corporate project funding in the Corporate Services Program, the corporate services budget would have been \$327,000 greater than it is under the Labor Budget. That is, funding for corporate projects has been reduced by that amount.

**Mr SANTORO:** Just as a follow-up to that, of course, you would appreciate that I can read—

**Mr BRADY:** I was not quite finished, in fact, Mr Santoro. I do not think that my time had expired.

**Mr SANTORO:** Sorry, Minister.

**Mr BRADY:** The coalition Budget did not renegotiate the departmental restructure as the internal redistribution of the budget had not been finalised at the time of the proposed coalition Budget. The decision was made to present the 1998-99 Budget on the old departmental structure. However, the Labor Budget does reflect the new structure as it has been finalised. The Labor Budget also reflects the departmental decision to show all corporate project funding in the Corporate Services Program, which previously it did not. As I said, in previous financial years funding for corporate projects was managed through revenue retention and shown against all divisions.

**Mr SANTORO:** I find your explanation to be partly satisfactory, and I will give you credit for that.

**Mr BRADY:** Very big of you.

**Mr SANTORO:** I simply ask you again: why do you put on paper statements that clearly are not true

when you could have given that particular explanation as a reply to a question on notice by your own members? Why not provide that explanation rather than make a statement which clearly on paper in terms of the programs is not true?

**Mr BRADY:** As you so frequently do, your questions are framed in an insulting fashion.

**Mr SANTORO:** No.

**Mr BRADY:** I do not intend to be questioned on my motives; I am here to be questioned in relation to departmental Estimates. I have given my answer. I suggest that you ask questions about the Estimates and refrain from your usual use of insulting language.

**Mr SANTORO:** My questions refer very, very specifically to line items. They refer to the two Ministerial Portfolio Statements that are under consideration here today and that you have mentioned in your answer. I do question motives. You give me plenty of reason to question motives. I will try not to be offensive; that is not my intention. I think that questioning Government policy behind line items is a fair point in the Estimates.

**Mr BRADY:** I am waiting for your next question, Mr Santoro.

**Mr SANTORO:** It is my time and I will use it as I wish, unless the Chair otherwise rules. I refer to the Industrial Relations Task Force and to the Minister's answer to non-Government question on notice No. 8 in relation to the Industrial Relations Task Force. In his reply, the Minister provides a breakdown of the total budget forecast for the task force and the secretariat and states that salaries and related costs amount to \$350,600. I ask the Minister: how many departmental staff are involved in assisting the task force? Are their salaries being paid under the special allocation for salaries or is their contribution in kind additional to what the Minister has outlined in his answer to question on notice No. 8?

**Mr BRADY:** In relation to the Industrial Relations Task Force—the total budget forecast for the Industrial Relations Task Force and secretariat, that is the staff backing up the task force, is \$622,600. It is broken down into salaries and related costs, \$350,600, and administration expenses of \$272,000. That includes contractors, travel costs, general administration and building services. The secretariat task force is made up of seven staffers, who vary in level from SES1 to AO2s. As I said before, their salaries for the expected duration of the task force will amount to \$350,600 plus some dollars—of course, salaries that were applicable and to be paid to them irrespective of whether they were working in the secretariat or not. All the officers applied to the secretariat. They are officers already working in the department.

The task force is undertaking extensive consultation. It is required under its charter—as it has done—to travel all around Queensland. It needs servicing. This degree of consultation was something that you did not do when your Government was bringing in its industrial relations legislation. It is very important that the task force goes around the State. It is very important that it be serviced for a relatively short period of time by competent and experienced

officers from the department. I believe that the moneys expended on this are being expended very productively and very efficiently in terms of money and in terms of time.

**Mr SANTORO:** In a preamble to my question, I will give you and the public of Queensland an undertaking that when next in Government, particularly in your Ministry, I will follow precisely the same model of consultation that you are following.

**Mr BRADY:** Thank you for the compliment.

**Mr SANTORO:** I refer the Minister to page 26 of the Ministerial Portfolio Statements which identifies 1,450 job placements via the Community Jobs Plan. Will the Minister inform the Committee whether any of these placements will be traineeships?

**Mr BRADY:** There is an important program in relation to apprenticeships and traineeships because we have to make sure that the Government sets an example in relation to it. As I indicated before, we are talking about 6,500 apprenticeships and traineeships over the period of this Government. Those are generally split into 6,000 traineeships and 500 apprenticeships. In relation to the specific detail of the question that you are asked, Mr Santoro, I will ask the director-general to answer.

**Mr MARSHMAN:** You refer to the table on page 26 and the total of 4,350. With the Community Jobs Plan, the first item from the bottom, the 1,450 are short-run job experience placements from three to six months. The balance is either apprenticeships or traineeships. Coming down from the top, the private sector subsidy will be largely apprenticeships. We expect 500 apprenticeships in the public sector, and those will of course be apprenticeships. The 2,000 public sector traineeships are traineeships. The 10% on Government capital works will be mainly apprenticeships, because there are few traineeships in the construction industry, and that will apply similarly with the HITT program. The figures in there of course do not include any apprenticeships that may result in the construction industry from the training fund.

**The CHAIRMAN:** The time allocated for questions by non-Government members has expired. Referring to page 25 of the Ministerial Portfolio Statements, the budget provides for a massive increase in apprenticeships and traineeships. How will the Government achieve the targeted 6,000 additional traineeships and 500 additional apprenticeships over the next three years?

**Mr BRADY:** In implementing the Breaking the Unemployment Cycle initiative, the Government has established a Jobs Policy Council to act as a steering committee to ensure that the targets are met. I personally chair the committee, and the members include not only the director-general of my department but 10 directors-general from other departments. We have already established guidelines for public sector apprenticeships and traineeships, including agreement as to the funding arrangements. The target not only covers Public Service

departments but also includes local government and State statutory authorities.

In establishing targets for Public Service departments, a benchmark of 400 positions was set as the existing employment program. An additional 1,400 placements will be made in each 12-month period to bring the total recruitment to 1,800 per year. Local government and statutory authorities will take up 600 placements per year. Additional financial incentives are being made available to State Government departments, local government and statutory authorities to help defray the cost of employing those additional trainees and apprentices. These financial incentives are well in excess of the incentives available previously.

Officers of my department have worked with each department to establish targets based on the agency size and capacity to train. Departments have responded positively with a commitment to fill the full 1,800 positions in the next 12 months, to make sure that not only are extra people taken on but that the people who would usually be taken on are still taken. Departments are also aware that a similar commitment will be sought for the subsequent two years.

Within my department and statutory authorities under my ministerial portfolio, an intake of 350 trainees will occur in the first 12 months. Other departments are taking larger numbers, including Education which will take approximately 600 and Health which will take in excess of 300. Local government and statutory authorities have also responded positively. We are confident that the additional apprenticeship numbers of 500 will be achieved. Departments such as Public Works will take on additional numbers, but most of the additional places will occur in local government and agencies.

**The CHAIRMAN:** I refer the Minister to the employment initiatives as detailed on page 25 of the Ministerial Portfolio Statements and the performance of the previous Government in creating jobs. Is it true that much of the growth in apprenticeships and traineeships comes from the conversion of existing positions? For example, is it true that a regional hospital signed up its kitchen hands as office trainees? Is it a fact that such practices have resulted in young people being locked out of apprenticeships and traineeships? Are you aware of any other examples of these practices?

**Mr BRADY:** Yes. Under the previous administration, as a community Queensland was failing to train new young people. Far too much money was being expended on training people who were in existing positions. The number of trainees aged 25 and over increased from 12% of all trainees in 1994-95 to 53% of all trainees in 1997-98. That growth in traineeships, which was so often praised by the former Minister, was coupled with an abysmally low completion rate for those same trainees. The best statistics indicate that only 38% of trainees in Queensland completed their training in 1996-97. Other statistics indicate that at worst 24% of trainees completed in that period. Regardless of which statistic one takes, it seems that neither statistic is satisfactory.

We found situations where public funds were not contributing to skills development productivity or the Queensland economy in the way that they should have been, particularly for new workers. Far too much of the money was being spent on paper qualifications to existing workers. In one instance, traineeship money was being spent on a doctor in rural Queensland who registered himself as an information technology trainee with the sole purpose of receiving training at taxpayers' expense for the information technology module in the course. An RAAF squadron leader, warrant officers, Army officers and a police superintendent in Townsville signed on as information technology trainees. An aged people's home converted its entire work force into trainees. Trainees were signed up by a regional sporting club but they never received training. A university signed up its entire staff as information technology trainees and a TAFE institute in the former Minister's department applied to sign up all of its cleaners as trainees.

The fact is that at 30 June 1998, 2,317 of the 2,717 trainees employed in the State Government were existing workers who were converted to trainees. Of course, we have a situation where the former Government's approach really led to the retraining of people and the large numbers that the previous Minister was always talking about contained far too few new people receiving training and getting jobs. The former Government's approach recently led a private provider to propose clerical training for 100 existing staff at the Princess Alexandra Hospital and 90 existing staff at Logan Hospital. Our Government rejected those proposals.

**The CHAIRMAN:** I again refer you to the Employment Services Program in the Ministerial Portfolio Statements. In a statement to Parliament on 18 September 1998, the member for Clayfield referred to the enormous jobs growth experienced under the previous Government. How many of those commencing in jobs as trainees actually completed their training contract?

**Mr BRADY:** Precise statistics for traineeship completions for last year are still being finalised as some students are still completing their programs. However, the data is sufficiently complete to show that only around one-third of trainees in Queensland at the moment are actually completing their training contracts. The percentage of Queensland trainees successfully completing their training has fallen steadily since the 1994-95 financial year, when approximately half of all trainees were successfully completing their training.

According to figures published by the National Centre for Vocational Education Research Limited, Queensland trained 26.8% of the nation's trainees in 1996-97, but only contributed 20.9% of the nation's completions for traineeships. The completion rate for Queensland trainees is clearly far from satisfactory, both in terms of the number of trainees who do not successfully complete their training contract and in comparison with the completion rates for trainees in other States. We have to do considerably better in making sure that the training dollar is being spent on people who really do need the training at public

expense, particularly new young trainees in new jobs. We have to make sure that we do better at getting people to complete their training programs. It was certainly a situation that deteriorated under the previous administration and insufficient and improper attention was paid to it, both in making sure that the training dollar was spent in the right place and making sure that more people were selected and available for completion.

Under these sorts of programs we were in fact the only State in Australia that was training existing workers. What appeared statistically to be a good program in fact was contributing to the detriment of workers in this State in that money was not being spent on ensuring that new trainees were trained. Certainly, employers should train existing employees, but when the substantial amount of the money under these programs was going to existing trainees it was in fact a farcical situation and seemed to indicate that we were training a lot of new people in skills in this State which in fact was not occurring. What we were doing under the previous administration was spending a lot of money on people who were already in jobs and not enough on new jobs.

**Ms STRUTHERS:** I refer to the State Budget paper Working Queensland and page 25 of the Ministerial Portfolio Statements. I ask: is the Beattie Government on track to continue the excellent record of the Goss Labor Government in regard to employment creation?

**Mr BRADY:** As we have indicated before, our Budget locks this Government into a comprehensive jobs growth strategy. Unlike the Borbidge Government, our Government is not going to abrogate its responsibility to generate jobs. The Goss Labor Government, for example, presided over sustained jobs growth averaging 2.4% per year throughout its term of office. This compared with only 1% for Australia over the same period. During this time, the Goss Government was responsible for 41.5% of jobs growth in Australia compared with the coalition's record of 35.8% during its term in office. In fact, over the term of the Goss Government full-time employment grew by 126,000-plus compared to 90,000-plus nationally, meaning that full-time employment actually declined in some States. This impressive record was achieved despite a national recession in the early 1990s during which unemployment in Australia grew rapidly. Reducing youth unemployment, which is unacceptably high, is a priority of our Government's employment strategy.

We face a situation which we have inherited that is very interesting. During the coalition's term of office the average annual rate of unemployment for 15 to 19-year-olds was 29.4%. It had been 26.8% when they came to Government. So not only did the Borbidge Government willingly accept a high unemployment rate; its decision to abolish a range of employment programs contributed to the problem. They actually made it worse despite the fact that they were not facing a recession at the time they were in Government. Under the Borbidge Government, the number of long-term unemployed Queenslanders, that is, those unemployed for 12 months or longer, increased from 35,000-plus to

45,000-plus. The long-term unemployed rate went up from 24.1% of the total unemployed in July 1996 to 30% of the total unemployed in July 1998. As I said, this occurred at a time when they did not have to face a major economic recession.

We know from previous Goss Government experience that Queensland can do better if you do set targets and if you do have programs which you fund. We are committed to striving for a target unemployment rate of 5% over five years. We have seen in the past that we can make a difference. We have seen in the past that Governments that do not try and that cut programs in fact contribute to making it worse. Our employment package is the first step in our approach.

**Ms STRUTHERS:** I wish also to refer the Minister to the TAFE capital works program on page 14 of the Ministerial Portfolio Statements. Have facilities for the Dalby and Chinchilla areas been improved?

**Mr BRADY:** A total of \$1.385m in fact is to be spent in the Northern and Western Downs regions as a result of this Budget. \$885,000 will be spent on a purpose-built business and general studies facility adjoining the Chinchilla High School as an annexe of the Southern Queensland Institute of TAFE. Courses in business, retail information technology, aged and child care will be augmented using video links and distance learning. The Open Learning Network will also co-locate in the new facility and the two organisations will co-sponsor a coordinator. High school students will have access to the courses and state-of-the-art technology facilities.

There have been representations over a number of years from the Dalby community regarding the provision of TAFE facilities in that region. The previous Minister commissioned a \$30,000 review on the training needs of the Northern and Western Downs. But the report produced by the consultant Dennis Long was never publicly released. In fact, the three official copies of the report along with the disk version were recalled by Mr Santoro's office soon after the report was completed. It was wrapped in secrecy, and because the three official copies disappeared into Mr Santoro's office never to be seen again I have not had the opportunity of reading it.

In the 1998-99 Budget, half a million dollars was allocated for the expansion of engineering facilities at the Dalby Agricultural College. The partnership agreement will provide both TAFE and the agricultural college with access to the expanded facilities. The Dalby campus in Condamine Street has recently almost doubled its space and the number of teaching hours provided by TAFE in Dalby is expected to double to more than 35,000 this financial year. In addition, the Dalby campus will connect to the video link system, which will allow for delivery of a greater range of services within six weeks. Consultations are to be held this month in Dalby to discuss the region's training needs. That discussion, of course, could be assisted if Mr Santoro could produce an official copy of the \$30,000 Long report, which the taxpayers paid for and which disappeared

into a black hole in his office before his Government lost office.

**The CHAIRMAN:** Before we move to the next question, I ask the Minister to refer to members by their electorates.

**Ms STRUTHERS:** I have a further question in relation to your Employment Services Program on page 25 of the Ministerial Portfolio Statements. Job Network providers may be eligible for payments of up to \$9,200 from the Commonwealth Government where they place a long-term unemployed person in a Community Jobs Plan project. How will you ensure that the Community Jobs Plan funds noted on page 26 of the MPS are not used to generate large profits for these private employment agencies?

**Mr BRADY:** It is certainly correct that under the Commonwealth's privatised Job Network scheme Flex 3 providers can receive incentive payments of up to \$9,200 to help disadvantaged job seekers to get jobs for 26 weeks or more. This could result in a huge windfall for those providers. For example, if a Flex 3 provider was able to place five of its disadvantaged job seekers in our Community Jobs Plan project for 26 weeks, it would be eligible for a payment of up to \$46,000 from the Commonwealth. In some instances they will have done little or no work with the disadvantaged job seekers for that payment. So to ensure that Community Jobs Plan projects are not filled only with people on the books of such providers but are open to all eligible long-term unemployed people, guidelines have been put in place that address the issue. Under the Community Jobs Plan guidelines, applicants for funding will need to ensure that there is a balance between participants who are long-term unemployed but are ineligible for intensive Job Network assistance and those who have been referred by Flex 3 providers.

Where the applicant intends to recruit some of the participants in a project from a Flex 3 provider, the applicant will also need to specify in their submission the portion of that provider's fee or an in-kind contribution which will be made to the project. For example, in-kind contributions may include job search or interview technique training for all participants in the project. The requirements for Flex 3 providers to contribute to a Community Jobs Plan project recognise that these providers are able to receive Commonwealth payments as a result of the State Government funded employment initiative and, as such, should make a contribution towards that project.

**The CHAIRMAN:** The time allocated for questions by Government members has expired. I now call the member for Clayfield.

**Mr SANTORO:** I refer to some statements that you made in relation to the training of existing workers and I agree with you that abuses were occurring under previous guidelines and, if you read and understand the brief that I signed, you will note that I authorised the rapid overhaul of that system when I was the Minister. Just in relation to your statements, are existing workers who benefited from the training and the upskilling to believe that their training was not worth while, warranted, or, indeed, deserved? Do you believe that all those people who

were existing workers and took up traineeships were not deserving of that training? Is that what you really mean?

**Mr BRADY:** In terms of existing training, I have already stated in answer to a previous question how important it is that we proceed to make sure that people do receive training. But when we came to Government we faced a system in which the previous Government and the previous Minister particularly were going on about the numbers of people receiving training in such a way that people genuinely would have believed that these were new traineeships—thousands of new traineeships—when, in fact, they were not. The important thing is to make sure you get a balance. Twenty or 30 years ago in this country little training was being done for people in current jobs. The pendulum has swung far too far so that now far too few people in new jobs are receiving traineeships. Under the previous Government whatever briefs may or may not have been signed, the problem was getting out of hand and was not being fixed.

In terms of people in existing jobs, this Government provides the bulk of its funding for training to TAFE institutes which provide a range of training which is accessible by all interested vocational education and training students, including existing workers. In addition, there are options for existing workers to use skills recognition as an avenue to qualification. We believe that existing workers should access these other arrangements and allow young people and new entrants to the industry to access traineeships. In fact, we are in favour of existing workers attending courses at TAFE and so forth, but in terms of traineeships the scandal was that people were calling themselves trainees or being called trainees and in many instances not one new job was being supplied.

The issue, therefore, is one of funding. If we are talking about funding traineeships, we wish to fund traineeships that provide jobs and training to new people. As well as that, we encourage people who are in existing jobs to undergo training, but they should not be called traineeships, which gives the impression that many thousands of new jobs have been created and training is being provided for those people.

**Mr SANTORO:** So when existing workers from now on take on a traineeship, provided that you do not follow through with your obvious intent of barring existing workers from taking on traineeships, if you are not going to call them traineeships what are you going to call them? What are you going to call existing workers taking on traineeships? You just said that they should not be called traineeships. Putting aside the fact that you forget that training is not to create jobs but to upskill people, what will you call them?

**Mr BRADY:** In terms of what we are talking about—providing traineeships under our program—we will be making sure that those traineeships funded by them are numbered and set out for the community to see that they are, in fact, new traineeships, that new jobs are being created. Certainly people undergoing training—

**Mr SANTORO:** With respect, that does not—

**Mr BRADY:** Do not interrupt me, please.

**Mr SANTORO:** You do not want interjections, fine.

**Mr BRADY:** Do not interrupt me, please.

**Mr SANTORO:** You cannot handle them.

**Mr BRADY:** Do not interrupt me, please. In terms of traineeships that people are undergoing, that is fine. Clearly, they are undergoing training, but your Government totally confused the community. You started talking about 40,000 traineeships and it was genuinely believed that those traineeships were substantially new jobs—new traineeships for people. In fact, when we looked into it on coming to Government, we found that a vast majority of them were going not to new workers but to people already involved in working. Certainly they are undergoing traineeships, but the Government funding that we are talking about must be seen to go to providing new jobs, just as the 6,000 traineeships that we are creating in the public sector will go to new people.

Under the scheme that you used to operate, a lot of those would have obviously been funded for existing public servants. We will ensure that none of those 6,000 are, that all of the 6,000 will be 6,000 new jobs for which people will be paid to undergo training. That is the significance and the difference. Obviously, the word "trainee" or the word "traineeship" can be used in relation to existing workers as well as in relation to new workers, but it is the emphasis that is important, not the use of semantics. It is the emphasis of this Government providing traineeships for new and increased workers whereas the emphasis under your Government was providing funding for traineeships for existing workers and far too few for new and increased numbers in the work force.

**Mr SANTORO:** Let us see if we can get specific then, seeing that you do not want to play semantics and be specific. What percentage of the total number of traineeships that your Government will be funding this year will go to existing workers? What percentage of all traineeships that you will be funding will be taken up by existing workers? While you are getting advice, why do you not get advice as to how many public servants in current jobs—I presume you mean new public servants coming in—will be able to take up traineeships, or are you barring all existing public servants from taking up traineeships? You say that I have to be numerically correct. I am now asking you how many of the total. I understand what you are saying, that you want to put the emphasis of your new traineeships—and in a minute we will come to what is new and not new—but how many of the total traineeships, including the new traineeships that you intend to create, are going to existing workers? I will allow you a 5% variation, if you like.

**Mr BRADY:** Is he over time?

**The CHAIRMAN:** No, that was a 15-second warning.

**Mr BRADY:** In regard to the statistics that are collected in relation to these matters—clearly they are finally open and available at the end of the particular year. We are putting on an emphasis, saying to this department and all other Government departments that we want new people employed. There were examples in Government departments previously under you where you were funding traineeships which I think were supposedly intended for new people and, in fact, were going to sections of Government departments. We are not against trainees in Government departments being existing workers. I repeat: it is about where the emphasis must be.

One of the reasons the coalition Government presided over a growth in youth unemployment is that it did not put any emphasis on providing training jobs for people who did not have jobs. That is why the percentage of youth unemployment grew by about 4% or 5% during the coalition's term in office from the position it inherited. It had no real understanding in relation to this and that is why youth unemployment grew. In terms of what the department believes the existing situation will bring about, I will ask the director-general to give you the figures that he believes would be applicable at this time. Clearly, they will only be final at the end of the year.

**Mr MARSHMAN:** At 30 June there were 2,717 traineeships in Public Service departments or agencies. About 400 of those were new entrants. That means the balance were conversions from existing workers. The Minister has issued an instruction to other Ministers that all funded traineeships in future will be additional. That is not to say that a Government department cannot have traineeships and that the person cannot go through and receive the accredited training, but they will not be funded from the public purse to do that.

**Mr SANTORO:** How will they be funded, then?

**Mr MARSHMAN:** A traineeship is funded in the normal way. You receive incentive funds from the Commonwealth and you receive support from our department's budget in terms of the off-the-job training costs.

**Mr SANTORO:** In other words, from the public purse.

**Mr MARSHMAN:** Existing workers will not be funded in that way in future. They will have to be funded from departmental sources. If Corrective Services wants to run a traineeship in corrective services of existing employees, the Department of Corrective Services will fund that.

**Mr BRADY:** I make it very clear that the training of departmental people is a departmental responsibility and it will be funded by them. You were allowing departmental funding to go to existing workers, which was cutting out the possibility of employing new trainees. We have fixed that problem.

**Mr SANTORO:** I refer to the policies of competitive tendering and user choice. In your pre-election policy you told TAFE staff, the unions and the public of Queensland that you would freeze all

competitive arrangements at January 1998 levels for three years. For 1998-99 the coalition planned to provide 9.547 million student contact hours of new apprenticeship training under user choice. Page 21 of your MPS indicates that you have significantly increased the coalition's target by a plan to increase this competitive training area to 10.3 million student contact hours in 1998-99, up from the 7.1 million student contact hours in 1997-98. How do you reconcile this significant increase with your pre-election commitment?

**Mr BRADY:** Program outlays on TAFE will increase from an actual expenditure of \$501m in 1997-98 to an estimated \$505m in 1998-99, despite the fact that expenditure in 1997-98 included significant one-off expenditure. That one-off expenditure included a loan of \$18.8m for voluntary early retirements, together with associated long service leave payments of \$6m and further loans in excess of \$6m. Other factors that impact on the 1998-99 estimates include a reduction in the Commonwealth funds of \$10m, increased funds transferred to user choice as a result of the previous Government's decision to introduce user choice for all apprenticeships and traineeships from 1 January 1998, and a reduction in the carryover from 1997-98.

The increased allocation to user choice in 1998-99 and one-off expenditure in 1997-98 means that funds provided directly to TAFE will decrease from an actual expenditure of \$337m in 1997-98 to \$296m in 1998-99. However, in 1998-99 TAFE will earn from user choice capital grants and other sources an amount of \$209m, compared with only \$179m in 1997-98.

The reason the number of total course enrolments has not increased in the Budget papers is that the estimate of 165,000 is for calendar year 1998. The impact of the \$10m to be returned to TAFE will not occur until the first half of calendar 1999. As a result, enrolments in 1998-99 can be expected to increase over 1997-98. The need to revise outputs follows consideration of the major review of TAFE funding and the doubts about apprenticeship/traineeship enrolments consequent upon the previous Government's practice of funding off-the-job training for existing workers.

**Mr SANTORO:** I note in the answer you have just given your almost proud boast of the increase in revenue from user choice and commercial and competitive tendering policies being implemented. I also mention that I intend circulating my questions and all of your answers to the 1,700 TAFE activists who wrote to me prior to the last State election, complaining about what I was doing.

Prior to the election you assured TAFE Queensland staff that you would protect them from the increasing competition and commercialisation that was occurring within TAFE. Why, then, does your first TAFE budget, as clearly indicated on page 16 of your MPS, indicate that you intend to increase the number of TAFE administration staff engaged in commercial activities from 449 to 733 and the number of TAFE teachers and tutors involved in commercial activity from 487 to 1,083, a massive 222% increase—this when you cynically guaranteed

politically-motivated TAFE staff that you would protect them from that?

**Mr BRADY:** The information I have available here—we can supply some more details later if necessary—is that the figures supplied in relation to public servant numbers and teacher numbers are for full-time equivalent staff and are not based on a head count as some staff work part time and full time. Full-time equivalent is calculated as the actual hours worked by an officer, divided by the normal hours for the position. The figures include casual staff.

As at 1 July 1996, TAFE Queensland institutes had 1,712 public servants and 3,027 delivery staff—that is, 2,605 teachers and 422 tutors. As at 1 July 1998, equivalent numbers, which is what we inherited from you, were 2,025 public servants and 2,587 delivery staff—that is, 2,155 teachers and 432 tutors. We saw that, over the two-year period from 1 July 1996 to 1 July 1998, public servant numbers increased by 313 and delivery staff numbers decreased by 440.

We have made very clear what we have decided to do. We cannot reverse what was done by you but we can make sure that the situation does not get further out of hand. We have frozen the funds that are available in relation to the user choice principle. This will allow us time to move in relation to TAFE.

As you probably are aware, we have a review team under Mr Bannikoff looking at the whole TAFE situation. This will enable us, in our first term in Government, to review the whole of the TAFE situation and take continuing remedial action. All will not be done in this first 12 months. We have a term of Government in which to bring about reforms and changes in the TAFE profile.

**The CHAIRMAN:** The time allocated for questions from non-Government members has expired.

**Mr WILSON:** Will the Government's employment initiatives for the long-term unemployed, as set out on page 26 of the MPS, only duplicate the services provided by the Commonwealth Government's Job Network providers?

**Mr BRADY:** Of course, the short answer is: no. In introducing the Job Network, the Commonwealth Government promised all regions, including rural and remote areas, that they would benefit from a more effective and efficient job placement service. They promoted that idea. However, that, of course, has not eventuated. What has the Job Network meant for long-term unemployed Queenslanders? Very little indeed. The number of unemployed dropped from 150,000 in July 1997 to 147,500 in August 1998. But the number of long-term unemployed has risen from 39,000, or 26% plus in July 1997, to 40,300, or 27%, in August 1998.

The increase in the long-term unemployed combined with a potential reduction in job placement services for regional Queensland is of great concern. It is possible that, as Job Network providers assess the viability of providing services to regional Queenslanders, many centres are likely to be left with a limited number of Job Network providers and a

limited service for both employers and the long-term unemployed. Paul Fitzgerald of Job Futures Australia, one of the main players in the Job Network, actually has stated, "The net effect is that in disadvantaged areas they are not going to be able to provide many services." So this, of course, is where we come in.

The Community Employment Assistance Program, which is budgeted for in this budget, forms part of our Government's Breaking the Unemployment Cycle initiatives. The program will fund organisations to work with unemployed people to provide a range of assistance depending on the needs of the particular target group. The program acknowledges that some job seekers require additional intensive assistance to enable them to obtain and maintain employment, such as literacy and numeracy assistance, living skills, vocational training and job search assistance. To avoid duplication, where the Job Network provides a service the program will not be open to individuals who have been referred for intensive assistance by Job Network providers.

**Mr WILSON:** You referred a moment ago to Breaking the Unemployment Cycle. I refer you to page 25 of the MPS, which speaks of the Government's initiative Breaking the Unemployment Cycle. Could you advise on the effect of the previous Borbidge Government's decision to abolish labour market programs?

**Mr BRADY:** As we have said, we are now locked into a comprehensive growth strategy to reduce Queensland's unemployment rate by creating jobs in both the public and the private sector. As the community should know, of particular concern is the unacceptably high number of people who have been continuously unemployed for 12 months and longer. Experience shows that such people have more difficulty then in regaining employment.

The statistics that I have given show the growth in the unemployed, particularly the long-term unemployed. In July 1998, just as we came to Government, the long-term unemployed had swollen to over 45,000, or 30% of the total unemployed. What the previous Government did was preside over the situation, and it actually contributed to it by abolishing a range of employment programs which were targeted at assisting the unemployed or long-term unemployed, particularly youth. They said at the time that these programs were not needed and they were not working. The truth of the matter, of course, is that over a period of a couple of years the growth in long-term unemployment—not at a time of an economic recession—grew significantly in Queensland.

The previous Government abolished programs totalling in excess of \$16m. Those programs involved 185 staff and included: the YES Program, centring on a network of youth employment coordinators across the State; the Self Employment Venture Scheme, helping job seekers establish their own business; the Local Employment and Enterprise Facilitation Program; the Job Training and Placement Program, which particularly helped the long-term unemployed; public sector traineeship subsidies and

the Graduate Development Program. All these programs were cut and were made budget savings. We were told at the time that there was no need to continue these programs or to have substitute programs. Of course, that is what we are doing; we are bringing in programs which will address the needs of the long-term unemployed and the youth unemployed.

The truth of the matter is that, if the previous Government was right, the growth in unemployment would not have continued, particularly the growth in the long-term unemployed, which had become a national scandal. The position of the previous Government was, therefore, that employment was primarily a Commonwealth Government concern. We do not adopt that attitude. Our attitude is that there is a vacuum that has been left for us to fill quickly, which we are doing with our jobs strategy, including Breaking the Unemployment Cycle.

**Mr WILSON:** I refer again to page 25 of the MPS, which addresses the Employment Services Program. It talks about addressing the skill shortages in Queensland. Can you comment on how this Government proposes to address that issue?

**Mr BRADY:** A report prepared by Deborah Wilson Consulting Services for the engineering skill shortages study indicates, for example, that engineering skill shortages in Queensland have been experienced by between 60% and 80% of the firms surveyed for an average of eight years. Those skill shortages include trades such as fitters, machinists and boilermakers, general engineering skills, CNC operators, electrical, aviation, sheet metal and roll forming, airconditioning and refrigeration. Other shortages that exist include specialist trade areas and the basic trade capabilities of some qualified tradespeople.

The report identifies that the poor image of trades, together with the recent period of economic downturn, is the major reason. The existence of skill shortages in a period of downturn is particularly concerning, as it suggests that skill shortages will be worse when the economy recovers. Although employees generally prefer to employ apprentices and trainees aged 17 or 18, there is greater competition in the marketplace from other jobs which are seen to have higher status and are better paid at the time. Recent industry trends contribute to reduced training effort, including the downsizing of many large companies, increased outsourcing of maintenance activities, etc.

What we intend to do, having identified the problems—and there are more than I have time in this answer to enumerate—we have made a commitment to address the skill shortages. Our initiatives include: the \$2,000 maximum which will be paid for each additional apprentice engaged in private enterprise as part of a subsidy program. We believe that can provide an additional 7,500 apprentices and traineeships over three years; public sector traineeships and apprenticeships of 6,500, which I mentioned earlier today, throughout all State Government departments and agencies and local government; and strict enforcement of the 10% training rule on Government public works projects to

provide 900 additional apprenticeships in the building and construction industry over three years.

We will require that all those traineeships that we are funding in the public and private sectors be in areas of skill shortage and good employment opportunities, whether they be office skills, building and construction skills, engineering skills or wherever they may be. In addition to the ones I have enumerated, there will be an expansion of the Government's Housing Industry Trade Training Program, which we believe will create 600 additional apprenticeships in that industry over three years. That is on top of everything else. That will be done by an expansion in the number of houses built for low-income earners while at the same time creating employment and training for apprentices. The \$5.4m Industry Training Fund based on a full year for the building and construction industry will also employ an estimated 800 to 1,000 additional apprentices a year. Again, that is an area of skill shortage. There is the introduction of other programs as well. We are supplying the funds to supply the numbers and guiding them into areas of skill shortage.

**The CHAIRMAN:** What was the impact on TAFE's market share in relation to the increase of funds transferred across to competitive funding?

**Mr BRADY:** The competitive VET agenda in Queensland has accelerated rapidly in the last five years. In fact, it is an extraordinary acceleration. The budget for the VET funds that are subject to competition has increased from \$2m in the 1993-94 financial year up to \$21.84m in 1995-96—that is around the period when we were leaving office and the Borbidge Government came in—to \$125.4m in the 1997-98 financial year. It is at that level that we now have to deal and in which we are intervening to prevent the extraordinary and over-rapid expansion. That rapid rate of introduction of competition in the VET market has made it difficult for the large traditional public provider, TAFE, to compete with private training providers. TAFE Queensland was successful in tendering for only approximately 61% of the Competitive Funding Program budget in the 1997-98 financial year and 56% of the total committed value for 1998 user-choice contracts. Among other things, if the transfer of funds from TAFE Queensland's budget to fund user choice in the Competitive Funding Program had continued unabated, as it was intended to do if the Borbidge Government had been returned, an analysis of their financial position, which was available to the previous Government, reveals a likely deficit for TAFE between \$59m and \$90m by the year 2000.

The pace of change must be managed as it must be in any industry. That is why the 10-point plan for TAFE has been developed to safeguard TAFE's financial and institutional viability and to support it towards increasing levels of efficiency. The 10-point plan is to make sure that TAFE retains its position as the State's premier public provider of vocational education and training, a position no other institution could take over given the decentralised and regional nature of the Queensland economy, geography and demography. Clearly, we are not saying that competition is bad. We are saying that the pace of

change must be managed. The previous Government did not even have a concept about managing the pace of change. It proceeded helter skelter to a situation that has produced the environment in vocational education and training that we have inherited today.

**The CHAIRMAN:** Page 25 of the Ministerial Portfolio Statements states that \$48m is to be provided to expand public sector apprenticeships and traineeships. In terms of the Breaking the Unemployment Cycle initiatives, how will the Public Service traineeships be filled?

**Mr BRADY:** Over the next three years, the Government will offer the 6,500 traineeships and apprenticeships in the public sector to which I referred. By doing this, we are determined to provide a lead in employment and training opportunities for young people. Firstly, an advertisement will be placed in the Courier-Mail on 10 October this year and in all the major regional daily papers seeking expressions of interest from all young Queenslanders wishing to work under that program in the State Government and in State Government-sponsored positions. Anybody who is interested in applying for those traineeships will be forwarded an application form. Application forms can also be obtained from DETIR offices and TAFE campuses across Queensland. People with access to the Internet can also apply. The Internet is available at local libraries for people who wish to access it in that way. The application forms ask applicants to make a choice of their preferred traineeships and work locality. The form also asks for information on a person's educational and employment history. All the information will be placed on a database that can be accessed by all State Government departments when recruiting their trainees. Departments can also use their own recruitment processes to fill the traineeships.

**The CHAIRMAN:** Page 25 of the Ministerial Portfolio Statements details that the Government's employment package requires Government capital works contractors to utilise apprentices and trainees for 10% of all employable hours. Can you advise the Committee how that will be enforced?

**Mr BRADY:** There has been a policy of this nature or similar policy in place since we were in Government last. It came in in 1994; however, enforcement of that policy, which is known as the State Government Building and Construction Contract Structured Training Policy, has been a problem. A review in 1995 highlighted that non-compliance was due to a number of factors that this Government is now addressing. We will address it in these ways: the Government will be making compliance with the 10% rule and other key Government policies a condition of access to future capital works contracts. That will be considered by the Government to ensure that people who are applying for future capital works contracts are, in fact, people who are able to and in practice are complying. We believe that by enforcing the policy—which firstly is a matter of will and determination in this department, the Public Works Department and other Government departments that

it can be done, and we have communicated that clearly to all Government departments—it is anticipated that an additional 900 building and construction apprenticeships will be created over three years. Talks are currently being held between senior officers of my department and other departments such as Public Works and Main Roads to determine how compliance with Government policies can be part of their prequalification processes for tendering. You have to have a structure and a process for doing it. Those departments are working through that.

DETIR has also increased the number of staff dedicated to administering the compliance process. If you do not have staff dedicated to doing it in sufficient numbers, you cannot enforce it. That will result in closer scrutiny of contract claims and crosschecking against newly developed databases that link information from a number of sources. Already that is occurring. Officers from my department are working closely with contractors and industry groups to trial implementation of the 10% policy on major projects such as the Pacific Motorway. Only yesterday I was talking to contractors who were working on that motorway. They agree that they are now complying. We are doing it not in a rigid way but in a flexible way. Already jobs are being created on the Pacific Motorway because of this policy.

**The CHAIRMAN:** The time allocated for Government members has now expired. The hearing is now suspended for morning tea.

Sitting suspended from 10 a.m. to 10.18 a.m.

**The CHAIRMAN:** I declare the hearings for Estimates Committee F now resumed. I call the member for Maryborough.

**Dr KINGSTON:** You will be relieved to know that my questions are short and simple and will require only short and simple answers. Currently, the needs for skills training and retraining are stressed everywhere. Thus I would expect a larger training role for TAFE, but you are currently budgeting for a 17% decrease in total course enrolments and 6% in ACE. Are you expecting private providers to make up the shortfall? Do you know if the private providers have the capacity as it takes time to develop and acquire accredited curricula?

**Mr BRADY:** In relation to your question, the significant factor in the fall of the 1997 enrolment numbers is due to statistical re-basing. The data audit process has resulted in a more stringent adherence to business rules. The 1998 estimated enrolments are declining due to a further transfer of funding to the User Choice program. TAFE Queensland's estimated proportion of the competitive and User Choice funds is included in the total enrolments. As you know, we are freezing those to prevent any further fall off. We believe that this will obviously take time to have effect. It cannot be done overnight. The full effect of the Beattie Government's programs in relation to TAFE and vocational education and training and the part of it that TAFE serves will clearly become evident over the first term of this Government.

When we were faced with this ongoing transfer of funds from TAFE Queensland's budget to fund User Choice and competitive training initiatives, which I have detailed here previously, and which have risen massively under the Borbidge Government, an analysis of TAFE's financial position by Coopers and Lybrand revealed a likely deficit of somewhere between \$59m and \$90m by the year 2000 if significant and ongoing changes were not implemented. Also, in terms of the curriculum development by TAFE Queensland, we believe that the programs we are undertaking will enhance and support employment opportunities which, of course, is what we believe TAFE and vocational training should be extensively about.

**Dr KINGSTON:** With respect, I actually asked: was the capacity available among the private providers?

**Mr BRADY:** If you want to ask it as a follow-up question, by all means do so.

**Dr KINGSTON:** I will repeat the question. If you are decreasing the number of courses in certain areas, and presumably the same need exists, does the equivalent capacity exist among the private providers? As I said, it takes a long time to develop or acquire accredited courses. In my district there are two options, TAFE or private providers, and there is a shortfall.

**Mr BRADY:** One of the difficult situations faced on coming to Government was what has occurred in previous years in relation to TAFE and vocational education and training. We do have the Bannikoff team out now. We put them to work as soon as possible after coming to Government—we have been there only several months. We anticipate that we will have that report in by the end of this month. That will give us a much better understanding of what we are succeeding in and where we are not succeeding—where TAFE is not succeeding and where changes have to be made to the TAFE programs without massive restructuring, which has occurred too much in recent years. So where and how TAFE and private providers will mesh better for the benefit of students and trainees will certainly become clearer when the Bannikoff team report comes in. That will be made available for people to read and understand. It will lay the basis for us for the remaining period in this the first term of Government.

Certainly, at the moment feedback from employers and industry indicates that the current system in vocational education and training is confusing and complex—too complex. That is why we have said, "Let us keep the competitively purchased training area in the VET system at its current level to allow some stability to enter into it for the first time for several years and to restore clarity." We have got stability. We have got the Bannikoff report due by the end of October, and then we will build on that stability with the information contained in the report.

**Dr KINGSTON:** I look forward to getting that information. My second question concerns the income from competitive commercial operations. I note that you have anticipated an increase in income

of \$25.97m, which is 18.2%. It appears to me that perhaps that reflects a rectification of some financial management difficulties. Are they reflected in the report that you referred to a moment ago?

**Mr BRADY:** That report has not been completed, so neither I nor anyone else has seen it. It is not a serial report, so we do not have that information available from the report itself, except anecdotally from people around the place. We clearly have to bring in the stability that I talked about, because to date TAFE has not been able to cope in the way that was foreshadowed and neither has business in Queensland supplied the income that was forecast. Industry-funded training in the State's 16 TAFE institutes declined from \$25.4m in 1996-97 to \$16.3m in 1997-98, which is a fall of over \$9m. In fact, in that "famous" Year of Training, industry actually spent 33% less buying training from TAFE than in the previous year. Part of the reason for that decline in industry-funded training was the over-rapid increase in the competitive funding situation sponsored and fostered by the former Government, including User Choice. As a result, TAFE Queensland was forced to compete for funds simply to cover fixed costs. By bringing in stability in particular, we believe that we can allow TAFE the opportunity to compete for and win more industry-based funding.

**Dr KINGSTON:** I apologise. I probably could have put that question more simply by asking: from a superficial look at the budget, it would appear that you are budgeting for an increase in income with a decrease in the number of courses provided.

**Mr BRADY:** I will ask Peter Henneken, the deputy director-general, to give some statistical information in relation to that.

**Mr HENNEKEN:** The course enrolments data is contained on page 13. That shows a decline in course enrolments from 1997 to 1998. The notes to that table show that the decline in enrolments is due to, firstly, an increased transfer of funding to the User Choice program. TAFE Queensland's estimated proportion of the User Choice funding is included in the total enrolments. A significant issue also relates to the re-basing of the statistical data. The data is now done on a national standard and, as a result of that, it shows a number that is lower than would have been recorded previously. The money that TAFE will be receiving from commercial activities is shown in the table at the bottom of page 13. TAFE anticipates receiving \$63.6m from User Choice and competitive funding, whereas in the last year it only received \$56.17m. The table outlines various other categories of commercial activities, one of which shows an anticipated decline in overseas students from what was budgeted for last year to what is budgeted for this year. The table at the bottom of page 13 shows an overall increase in the amount of funds that TAFE will receive from its commercial activities.

**Dr KINGSTON:** My next question addresses the cost per hour of non-competitive Government-funded student contact time, which is estimated to be \$10.16 per hour. Does that include all direct and indirect costs and overheads? What is the on-cost percentage that TAFE charges? When you are calculating fees, it is normal to have an on-cost

percentage applied. I am asking what that percentage is.

**Mr BRADY:** I will see if we can get that technical information for you. I will ask the director-general to answer the question.

**Mr MARSHMAN:** The answer is: yes, all costs are included. There is \$2.79 for each dollar amount per student contact hour, which is added on as an on-cost.

**Dr KINGSTON:** Can you repeat that?

**Mr MARSHMAN:** Included in each cost per student contact hour, there is actually \$2.79 for on-costs.

**Dr KINGSTON:** To simplify that, there is a \$2.79 mark up; is that correct?

**Mr MARSHMAN:** Yes, it is part of the \$10.16. The \$10.16 includes \$2.79, which is all the corporate services—

**Dr KINGSTON:** So it is roughly 25%?

**Mr MARSHMAN:** Roughly 25%, yes.

**Dr KINGSTON:** My next question relates to the contact cost time per student hour for competitive courses. In a previous answer you said there was a shift towards more user choice programs. My experience in running an international college is that user choice programs are much harder to make a profit from—in fact, much harder to avoid making a significant loss from—than contract programs.

**Mr BRADY:** What is the question?

**Dr KINGSTON:** You have quoted the non-competitive student contact cost per hour at just over \$10, but you have not quoted the commercial non-competitive operations cost per hour.

**Mr BRADY:** I will ask the Deputy Director-General, Peter Henneken, to answer that.

**Mr HENNEKEN:** Perhaps I might be able to assist the member for Maryborough. I am assuming that what the member is doing is comparing the \$10.16 on page 13 with the \$7.29 which is the average cost per student contact hours for competitively funded programs. I think the experience of the organisation has been that in a lot of cases the people who tender for competitive programs do so at the margin. In a lot of cases they would not have included a lot of their overheads and their cost of capital and so forth. The other thing I would bring to the member's attention is that there is actually a note at the bottom of the table on page 21 which states—

"These measures are not comparable to those included in the TAFE program statement as they relate to Competitive Tendered and User Choice programs delivered by the VET sector. TAFE program relate only to non-competitive government funded programs delivered by TAFE Institutes."

What I think that note is trying to indicate is, as I mentioned before, the TAFE \$10.16 is the total costs covering all the costs of TAFE, whereas, as I mentioned, in many cases a number of the tendered

programs would be done at the margin by various providers.

**Dr KINGSTON:** You were saying that you are making a shift to user choice programs. My personal experience and that of many other people in running international colleges is that user choice programs are very difficult to run at the same cost per contact student hour as contract programs.

**Mr BRADY:** In relation to that, the decision to shift is something that substantially we inherited and we are now trying to corral and control. I gave the figures before in relation to the extraordinary growth in user choice programs, which was based, it would appear, substantially on a belief by the previous Government that that was the be-all and end-all and the way to go. We are controlling that by the freeze that I have talked about. We have not indicated here before but I have elsewhere that user choice was introduced at a faster pace and a higher rate than in any other State. So rapid was the increase in competitive funding that TAFE was forced to compete for funds to cover fixed costs and so forth.

In Queensland, the previous Government threw these programs of training open to all apprentices and trainees from 1 January 1998—something that has not been done in any other State. For example, in Victoria it is only available for first-year apprentices and all trainees. In New South Wales it is available to trainees only. No other State has opened it up to all apprentices and trainees in the way that Queensland did under the previous Government. We were faced with that situation. The problems you talk about in relation to funding and other associated problems were problems of a systemic nature which we inherited which we are now first of all controlling and then in terms of the review we will see where we will go in the future. There has to be a better balance. It was totally unbalanced and totally out of proportion under the Borbidge Government and has to be brought back into balance. Obviously, that cannot be done overnight.

**Mr HENNEKEN:** The other thing I might add is that we need to make sure we are not comparing apples and oranges. It may well be that a number of the programs that are offered on a competitive basis tend to be cheaper programs than some of the programs that the TAFE colleges run.

**The CHAIRMAN:** The time allocated for questions by non-Government members has expired. I call on the member for Archerfield.

**Mr BRADY:** If I may interpose briefly, there was some statistical information in relation to two matters that arose from questions asked by the member for Clayfield earlier. I would ask the director-general briefly to give that information on the record now in relation to both of them.

**Mr MARSHMAN:** This morning, the member for Clayfield suggested that the technology budget for TAFE or VET could have been reduced by \$1.2m. There has been a reduction in the money but there will not be a reduction in the effort. The \$16m in the Sheldon Budget was a realistic estimate at that time. That has been hardened up, and the estimate

for achieving exactly the same outcome is now \$1.2m lower. That is just a question of process.

Secondly, you asked about the \$1m that appears on page 15 under Delivery Support. There is no increase. That is actually a fall from last year of about \$9m. The reason that it remains anything at all is that that it is just the hangover from TAFE central office staff who are yet to be transferred to institutes as part of the process of closing the head office of TAFE. It also includes some rental until they move out.

**Ms STRUTHERS:** I have three further questions to ask you. Page 26 of the Ministerial Portfolio Statements states that additional houses will be constructed through the Housing Industry Trade Training Program. Will this program create additional apprenticeships for young Queenslanders?

**Mr BRADY:** In the 1992-93 Goss Budget, \$1.25m in funding was allocated under the Youth Jobs Plan to provide 244 additional apprenticeships. This initiative was called the HITT Program and it has been administered ever since by the Department of Housing. It has continued on through Governments since the 1992-93 Budget. When we had a meeting of the Government's Jobs Policy Council, to which I referred earlier, on 21 August, a proposal was accepted from the Housing Department to increase the number of projects available for HITT from a variety of sources within the Housing Program, and will be phased in over a four-year period at a total cost of \$9m. The proposal, which we accepted, will ensure that the Government's commitment of supporting an additional 600 building and construction apprentices over the next four years through HITT will in fact be realised.

I would also say that the commitment is in addition to the current HITT Program. The HITT Program started in 1992-93 and has continued. This is in addition to the current HITT Program which supports over 200 apprentices in group schemes of various kinds at various stages of their apprenticeships in the building and construction industry. The HITT Program, which provides an opportunity for group training schemes to train their first-year apprentices on real-time projects and raise their skill levels to a point where these apprentices can be attractive to any host employer, will continue and will be enhanced over the next four years to provide extra apprenticeships.

I think the program which has proved itself to be so effective will now be significantly enhanced—in effect, more than doubled. I think that, as one of the projects available in the building and construction industry through our budget and through our policies, it will offer increased opportunities in an area of skill shortage. We have a skill shortage in the building and construction industry. At a time of high youth unemployment we really have to offer these opportunities for young people to get apprenticeships and traineeships in this industry where they will have opportunities to work in the future.

**Ms STRUTHERS:** Page 93 of Budget Paper No. 3 details that the Government will invest \$4m to

complete the Construction Industry Skills Centre at Salisbury. What effect will this investment have on the location of Yeronga Institute of TAFE?

**Mr BRADY:** The \$4m in the Capital Works Program for the construction training centre at Salisbury will be used to complete roadwork and administration facilities so that the centre can become fully operational. The centre is currently operating well and a judgment has been made that it needs to improve its facilities and can operate in an even better fashion. An absence of funding would have meant that the centre could not have been completed, and that would have been a serious loss to the training and to the construction industry.

Completion of the Salisbury centre will provide Queensland with one of the most sophisticated training centres in Australia. The Salisbury centre will offer cross industry training to help address chronic skills shortages within the industry and will significantly increase the breadth of training offered in that industry. The absence of funds to complete the project in the proposed Sheldon Budget would have meant incompleteness. However, now under this Government negotiations are proceeding between the Construction Industry Skills Centre Pty Ltd and Yeronga Institute of TAFE about whether the construction faculty at Yeronga or parts of it should relocate to the Salisbury centre. The preferred option will take into account the business viability of both organisations—Yeronga and Salisbury—as well as policy considerations and the role of both in the training market.

I emphasise, however, the ultimate decision as to whether construction activities from Yeronga will relocate or not will be in the hands of Yeronga Institute, its director and its community council. There is no pressure being applied to Yeronga Institute to relocate the activity or not. It is a free choice. Depending on the choice, we will make further choices down the road. Yeronga Institute has a secure future as to whether it continues completely in its current geographical location or whether it partially relocates to work at the Salisbury skills centre, but the Salisbury skills centre will also have a secure future and that will be worked out dependent on what Yeronga does.

**Ms STRUTHERS:** Page 19 of the Ministerial Program Statements commits the Government to the establishment of an Industry Training Fund. How many additional apprentices does the Government anticipate will be employed in the building and construction industry as a result of the creation of the training fund over the next three years?

**Mr BRADY:** As you know, through a review of the provisions of the Building and Construction Industry (Portable Long Service Leave) Act, subject to the passage of legislation currently before the Parliament, the Government will return to industry a pool of funds for training the building and construction industry. The total value of the fund will be equivalent to 0.05% of leviable building and construction activity in Queensland each year. Estimates are that, based on this year's activity in the industry, that went in excess of \$5m for a full year.

Clearly, we believe the sum would increase in future years as building and construction activity expands.

The funds are transferred from the Building and Construction Industry (Portable Long Service Leave) Authority, and that authority is in a very sound financial position. As at 1 September this year, it had total assets of \$150m—many times the amount required to cover all its liabilities, including payments of benefits, and support of the training fund. We took independent actuarial advice, and that analysis shows that, on the basis of what we are proposing to do with the industry and with legislation, a review of long service levy payments would still not be required for at least 10 years. This is allowing for the creation of that training fund and other improvements in benefits under the portable long service leave Act in long service benefits and also the rationalisation of charges.

Before it was proposed to transfer funds from the long service leave surplus, there was already a large degree of consensus within industry that a training levy should be introduced. Industry wants it. After the passage of the amendments we hope the first annual training fund will be calculated—hopefully this year—on building and construction activity for the remainder of the financial year. A substantial proportion of the funds would be directed to increasing entry level training by subsidising employers' uptake of apprentices. With comparable contributions in the coming years, it is expected that the fund will boost training by 3,000 apprentices over three years.

**Mr WILSON:** I refer you to page 7 of the MPS and ask: what changes are proposed to streamline the fee structure for building and construction projects?

**Mr BRADY:** This, of course, is tied up with the reforms mentioned in the previous question and answer. As we know, building and construction activities must pay a portable long service leave levy and a workplace health and safety fee. Both charges are collected by the Building and Construction Industry (Portable Long Service Leave) Authority. The current situation is complicated by the historical development of these two charges, including decisions taken by the previous Minister in Government. Each charge is collected at a particular rate and a particular threshold. The rate of the workplace health and safety fee varies at the moment according to sectors within the building and construction industry. A long service levy rate is constant across all sectors. Thus, a different total rate applies depending on the sector of the project in question.

So the long service levy and the workplace health and safety fees use the same thresholds, but the thresholds do not apply in the same sectors as the rates. So we have three different rates paid over two different thresholds. It is very confusing—so confusing to the industry that the variations in relation to the thresholds, the workplace health and safety fee and long service levy have resulted in a 30% error rate in the completion of forms and the consequent problems and administrative costs which come from such an extremely high error rate. As well,

the variations are seen as inequitable by certain sectors in the industry. The legislation and what we propose to do to will not only improve long service leave and offer more apprenticeships in the industry but also simplify the fees and their payment dramatically. There will be one rate and one threshold across all building and construction projects. If the project is below \$80,000, there will be no charge. If the project is over \$80,000, the charge will be 0.2%. Of this, 0.075% will go to portable long service leave and 0.125% will go to workplace health and safety. This is regardless of the sector the project falls within.

Rationalisation of these charges and their methods of collection and imposition will result in a \$2.3m net saving for the industry. It is very important that this be done—in fact, it was overdue—and is another benefit from the process of engaging the industry in discussion, simplifying matters and also getting more jobs.

**Mr WILSON:** The goal of the Employment Services Program, as identified on page 25 of the MPS, is to generate and support lasting employment opportunities. However, I understand that employers have been critical of the complexity of the process for registering apprentices and trainees. How do you propose to address this concern?

**Mr BRADY:** It is certainly true. There has been significant criticism in volume and quality relating to the complexity of the process for registering apprentices and trainees. We believe the processes we have inherited for registering apprentices and trainees are indeed too onerous. Employers and employees must sign two different forms each in order to register for an apprenticeship or a traineeship. The training provider also has to sign one of those forms. Then if the employer wishes to claim incentives from the Commonwealth Government, yet another form is required. Clearly, there was a need identified to simplify the process.

I wish to inform the Committee that the Department of Employment, Training and Industrial Relations is working on simplifying both its registration processes and its involvement with the Commonwealth. These sorts of decisions sometimes contribute to people dropping out and not completing applications for apprenticeships and traineeships. This applies to both employers and employees. We have to keep the process as simple as possible if we wish to get every extra apprentice we can—so that employers do not throw up their hands in disgust and walk away and so that younger people do not find it too difficult to register and get through the process. Discussions have also begun between the State and the Commonwealth to combine the Commonwealth forms for claiming incentive payments within the training agreement—again, reducing the paperwork burden on employers.

A range of different methods for accessing training agreements is being explored to further streamline and improve service for employers and other marketing agents such as group schemes, new apprenticeship centres and registered training organisations. Red tape in its various forms—overly

complex application forms is certainly an example of red tape—is one of the inhibitors of industry and employment in this State and in this country. It is therefore important that we proceed to finalisation to get these forms simplified and get people into work in apprenticeships in the future.

**Mr WILSON:** My further question relates to expenditure in the corporate services program that is set out on page 40 and thereafter of the MPS. I understand that the department was to sponsor a new leaders forum in 1998. How much was this to cost and what were the anticipated benefits?

**Mr BRADY:** The department as it was prior to our election, the Department of Training and Industrial Relations, had agreed to pay \$75,000 sponsorship to the Johnson & Johnson New Leaders Foundation. I understand that came about because in October 1997 that foundation approached the department with a proposal seeking sponsorship of \$75,000 for the three-year period 1997-98 to 1999-2000. The foundation has run its new leaders forums for young people since 1993. This was the first time it had approached the Queensland Government through the department for sponsorship.

DTIR, as it then was, sent an officer to New Zealand in April 1998 to evaluate a new leaders forum organised by the foundation, against the background of the restructure of the department as a learning organisation. On 25 June 1998, 12 days after the Queensland general election and four days prior to the swearing-in of the full Beattie Labor Government Ministry, when clearly the department and the Government were in caretaker mode, the then Director-General of the Department of Training and Industrial Relations, Mr Col Thatcher, wrote to the foundation expressing his delight at being able to inform it of DTIR's sponsorship as proposed.

The foundation runs programs for young people which it describes as offering a unique and powerful vehicle for the debate and definition of the very essence of leadership. But to make that decision at that time was clearly wrong. It was done at a time when the Government by which that director-general was employed had axed labour market and employment programs designed to help young people find jobs here. Yet here he was agreeing to sponsor an outside organisation.

We make no criticism of the program, but we believe that the action taken at that time was wrong in time and should not have been done. The Borbidge Government had a director-general who had no difficulty in signing away \$75,000 12 days after the election. So this Government has taken the view that it could not be justified and, with the agreement of the foundation, has withdrawn the sponsorship offer. We make no judgment on the foundation. We simply could not accept that situation.

**The CHAIRMAN:** The time allocated for questions from Government members has expired. I call on the member for Clayfield.

**Mr SANTORO:** I am sure the foundation was very willing, given its agreement. I refer you to your comments—you made them obviously not from a

prepared script—that youth unemployment in Queensland dramatically increased under the coalition and that it was something like a national disgrace. I would ask you, while I am asking the remainder of the question, to get the figures on which you based your answer which will justify this statement, in view of the following statistical advice I have been given.

In January 1996, your last full month of Government, youth unemployment was 32.8%. In February 1996 it was 26.3%. Correspondingly, in June 1998 it was 26.3% and in May 1996 it was 25.3%. From whatever perspective you look at those figures, we broke even in terms of youth unemployment. How can you justify the statement that it increased dramatically and that it was a national disgrace? What figures are you using? The figures I have quoted are official statistics.

**Mr BRADY:** Everyone says they use official statistics. The statistics that I have are also official statistics.

**Mr SANTORO:** What do they say for January 1996 and February 1996?

**Mr BRADY:** I do not have figures for January or any particular year. I will tell you the figures I do have. You can correlate them any way you like, but they are official figures. During the coalition's term of office, the average annual rate of unemployment for 15- to 19-year-olds was 29.4%, compared with 26.8% under the Goss Government. We are looking at your period of office, because there are fluctuations in these—

**Mr SANTORO:** That is not what you said.

**The CHAIRMAN:** I ask the member for Clayfield to allow the Minister to answer the question.

**Mr BRADY:** The answer I am giving is what I indicated previously. Over a significant period, even at a time of economic recession, which applied for several years in the early nineties when we were in power, the average annual rate of performance of the Goss Government in providing employment for 15 to 19-year-olds was better by the figures I have quoted—29.4% unemployment average over that period of office, compared to 26.8% under the Government which replaced us. Under your former Government, the number of long-term unemployed Queenslanders who were unemployed for 12 months or longer increased from 35,000-plus, or 24.1% of total unemployed, in July 1996, which was shortly after you came to office—we left in February 1996—to 45,000-plus, or 30% of the total unemployed, in July 1998. You did not come to office with a major economic recession. The figures are there. You can look at other figures, but I think that the figures over a period of a few years, which is what we substantially rely on, show that the programs of the previous Government did not work, the programs were abandoned, and youth unemployment rose and remained high.

**Mr SANTORO:** In relation to the Dalby TAFE, I preface my question with the suggestion that you dropped the issue. My advice is that two of the three copies of the report which were delivered to my

ministerial office were returned to the department just prior to the change of Government. I was also advised by my former TAFE adviser that I released the report to the relevant round table, which comprises members who come from the region in question. I will supply you with the one copy of the report that I do have in my office. The main recommendation of that report was the establishment of a TAFE college at Dalby, which the coalition funded in its budget. When I supply you with a copy of this report tomorrow and you read it—and the report is publicly available—will you reinstate that funding for the TAFE college at Dalby which was contained within the coalition's budget?

**Mr BRADY:** I would certainly be pleased to get a copy of the report. As I said before, it was recalled by your office—all copies. Phone calls were made. It was an extraordinary action. All sources in the department tell me—and checks were made through the department—that for some extraordinary reason your office, for which you would accept responsibility, demanded that all copies of the report be sent back to you. Whoever you may have given it to, such as a round table out in the area concerned, it certainly was not released publicly in any other way.

**Mr SANTORO:** Give me a break! There were about 20 people on the round table.

**The CHAIRMAN:** The member will allow the Minister to finish his answer.

**Mr BRADY:** The copies of the report in the department were collected and taken to your office. No explanation was given as to why that should be done. It was most extraordinary that your office did not allow a copy of the report to stay in your department. I am not giving any guarantees about anything in relation to a report which you recalled and which I have not read. I would have to have some scepticism about it, in view of the fact—

**Mr SANTORO:** Have you seen that report?

**Mr BRADY:** I have not seen the report, and please do not interrupt. I have not seen the report. The report was officially recalled by senior people working for you. There must have been some scepticism by you or people working with you in relation to that report because of the nature of its recall. I will be giving no guarantees for or against anything in that report touching on Dalby unless and until I read the report and have it analysed by officers in my department, who have not had that opportunity because of the extraordinary recall of the report which occurred while you were still in Government.

**Mr SANTORO:** Why do you selectively discriminate against the Dalby TAFE college when one of the recommendations of that report, as you obviously must know, was also the establishment of a training facility at Chinchilla, which you have implemented in your budget and for which I give you credit and congratulate you. Why are you inconsistent? You claim that you have no knowledge of the report and that your department has no knowledge of the report, yet you implement Chinchilla but you do not implement Dalby. That is an inconsistent attitude. I again go on the record as saying that two of the reports were returned to the

department. One was publicly released to the round table, which has, from memory, 20 people on it. The report would be in wide circulation. If that is not a public release, I do not know what is—to the group of people most interested in knowing what the findings of that report were. So will you reinstate funding to TAFE Dalby as you have maintained the commitment of the coalition in relation to the facility at Chinchilla? Will you reinstate that funding for TAFE Dalby?

**Mr BRADY:** I repeat: your—the department informs me that—

**Mr SANTORO:** It is your department now; it is not my department.

**Mr BRADY:** I did not say "your department". I said, "I repeat: the department"——

**Mr SANTORO:** If you want a hand, I am happy to take over for you again.

**Mr BRADY:** I wish to answer the question without interruption. The department informs me that the report was taken back into your office and copies were not allowed to be left——

**Mr SANTORO:** It is out there.

**Mr BRADY:**—anywhere in relation to it. For you to try to say that it is an official report that should be taken notice of because someone should go out to Dalby and collect a copy of the report from some people on the round table is inexcusable. Whatever reason you and your ministerial staffers had for recalling that report clearly leaves it open to scepticism. I will not give any guarantees based on a report which I have not read. Your staff and your office were so concerned about that report staying in the department that not only did they demand that all copies of the report in the department be surrendered to your office, but they also recalled the disk that was involved, the clear inference being that they were going to be destroyed—the disk and the copies of the report. For you to come in here now and take up the cudgels for Dalby when you dealt as badly as you did with the report and the disk on which the report is based and recorded shows an extraordinary set of behaviour. I give no guarantees in relation to Dalby. Dalby will be looked at on its merits. It would have been looked at more on its merits if you had not had the report and the disk destroyed and if you had not said to me—as you are now saying—"Well, you go out to Dalby and track down some people on the round table and see if you can get a copy of the report from them."

**Mr SANTORO:** I preface another question in relation to Dalby by informing the Committee that we received a phone call from a senior officer of the SQIT who advised the office that that report was about to be released. She suggested to my then TAFE adviser and director-general that, until the Minister saw the report that he had commissioned, the copies should be sent to the Minister's office. That particular report was considered by the department. It was considered by the Cabinet subcommittee and the actual Cabinet, and an allocation was made in the budget for the establishment of a facility at Dalby. I did not recall the report. The suggestion came from one of your senior

officers. I ask you again—and please try to make the people of Dalby happy: will you reinstate the funding for Dalby? I again go on the record as saying that no disk and no copies of the report were destroyed by myself, any member of my office and, to the best of my knowledge, any officer within the department. I regard your statement as being scurrilous, untrue and mischievous. And if you have any evidence, any statutory declarations or anything that can prove it, please put it on the table.

**The CHAIRMAN:** Before the Minister answers, I ask the member to confine his future comments to asking questions. The member has made a number of personal statements and explanations during these hearings. I have been quite lenient. However, I ask him to confine himself to asking the Minister questions.

**Mr BRADY:** In relation to the report and the disk, they went back to your office. They were not there when I became the Minister. They were not left behind. The department was not given the disk or the report. It is as simple as that. If they were not destroyed, they were taken away by you and your staff prior to the Beattie Government coming to office. I will not make a recommendation or a decision on a report that I have not seen, which does not officially exist in the department any more but which may be lying around in some desks of people who worked on the round table at Chinchilla. The matter was dealt with disgracefully by the previous administration. If and when you produce a copy of the report for me to read, I will read it, get the department to analyse it and, at an appropriate time, we will make decisions in relation to the future of Dalby. Decisions have been made already, of course, that enhance the Dalby vocational education and training, which I referred to in a previous answer. It certainly has to be said to the people of Dalby, as I will be telling them, that their cause was not helped—in fact, they were disadvantaged—by the way the long report and its disk had disappeared from the department. They therefore will have to have the situation reviewed if and when a copy of the report is produced. If you are able to produce a copy of the report, perhaps you might be able to find a copy of the disk that was also involved, which has disappeared from the Minister's office and from the Department of Employment, Training and Industrial Relations.

**Mr SANTORO:** My next question is one that will be of great interest to TAFE staff. I refer the Minister to his answer to non-Government question on notice No. 5 in relation to the staff establishment of each TAFE institute and college and TAFE Queensland as a whole. In his answer the Minister states that there is no part-time, full-time or temporary staff establishment for each TAFE institute and that the number of staff and, I stress, the nature of their employment is a matter for each institute director to determine having regard to the requirements of the resource agreement with the department and fee-for-service activities. Are the SPSFQ and the QTU aware and accepting of those TAFE institute management prerogatives? Do the institute directors themselves know of that? What

communication exists to them that that management and hiring and firing flexibility is available to them?

**Mr BRADY:** In relation to the policy for the hiring of staff, whether they be part time, full time or whatever, the situation is that there is, of course, no absolute prerogative for each institute. They have to work out what their processes are. When that is worked out, it is a matter for each institute director to determine, having regard to the requirements of the resource agreement with the department and fee-for-service activities. It is certainly not open slather. We have an organisation now that is working well, even in its early stages, where you have a federation of TAFEs. Those processes can be looked at sensibly and rationally. There is certainly no absolute prerogative, but the processes give the initial and most significant responsibility to each institute and each director to determine what their needs and requirements are.

What we are not embarking on, of course, is what was embarked upon under your Government, where we had an enormous number of voluntary early retirement packages. In fact, 499 of them were accepted by TAFE Queensland staff during the 1997-98 financial year. At the same time that that was occurring, Public Service numbers increased and delivery staff decreased by over 400. Institutes have a capacity to work out more directly their own futures in terms of staff, but there will not be, as there was under the Borbidge/Sheldon Government, an incentive for VERs. There will be no systemic approach to realigning staff profiles in TAFE Queensland in 1998-99. Any VERs will be matter for individual institutes to progress through their budgets.

**Mr SANTORO:** My next question relates to overseas students and revenue. As the department expects an increase of only one overseas TAFE Queensland student on the 1997-98 actual figure, is their anticipated budget increase of \$630,000 from that source not a bit optimistic?

**Mr BRADY:** Certainly we have a serious problem in relation to overseas students here, not only in TAFE and vocational education and training but also in universities. The Asian economic crisis and political comments by the new political party that arrived in the Queensland Parliament have certainly created the problem. Enrolment data indicates that formal full-length course enrolments have decreased by as much as 20% from semester 1 1998 to semester 2 1998. We therefore have a decline in revenue. However, while those indications are there, we will have to market ourselves differently. We will have to move to try to get into different markets. We believe it is not a long-term end result that will always apply. We have had the Premier's recent trip to Asia aimed at boosting trade and tourism by promoting Queensland. He was trying to break down the negative perceptions that have arisen in some Asian countries because of One Nation policies. The international education export industry, which includes VET, is a big earner for us. Therefore, we have to keep the budget processes available. The marketing will have to be harder and different. We will have to go to some different places. We believe

that in the circumstances that apply, if you do not take the immediate short-term view but the medium to long-term view, we can turn this around. We will attempt to do so. We think the budget is appropriate in those circumstances.

**The CHAIRMAN:** The time allocated to questions from non-Government members has expired. I refer the Minister to pages 29 and 30 of the Ministerial Portfolio Statements and particularly the references to the Industrial Relations Program. An Industrial Relations Advisory Committee was created by the previous Borbidge Government. Can the Minister outline what impact that committee had?

**Mr BRADY:** The industrial relations advisory committee was set up by section 486 of the Workplace Relations Act 1997. It was to be composed of up to 12 members representing employee and employer organisations and industrial relations experts. Under the Borbidge Government, the industrial relations advisory committee was never constituted and, therefore, it never met. So we had a committee which was set up to have this important advisory role, yet the Minister, having had the legislation passed in 1997, never constituted the meeting. Therefore, there was never any committee.

The Act came in in March 1997. So there was well over a 12-month period before the Borbidge Government lost office for that important committee to be constituted and to meet as part of the promise of consultation. It was supposed to investigate and report to the Minister on matters of industrial relations either referred to it by the Minister or considered appropriate to be brought to the Minister's attention. It was supposed to help review the Act and its operations and to make recommendations to the Minister about any matter within the scope of its functions. So in order to perform its functions, the industrial relations advisory committee would have needed to consider only the objects of the Act and not be required to consult with any representative bodies about its deliberations.

The situation in terms of providing funding for consultation in this budget is that it will be adhered to strictly and with fairness on both sides. We will have members of employer and employee organisations on the industrial relations task force and we will follow the example of the previous Goss Labor Government, which in 1990 provided a far greater level of consultation and equity in the constitution of the industrial relations consultative committee that was set up by that Government. We have a farcical situation where the previous Government intended to consult, budgeted for consultation, legislated for consultation and never even appointed the committee to do it.

**The CHAIRMAN:** At page 6 of the Ministerial Portfolio Statements, it states that funding of \$1m is proposed to address workplace health and safety issues in the building and construction industry. Can the Minister outline what this money will be used for and what is expected to be achieved?

**Mr BRADY:** The previous Government moved a collection of workplace health and safety notification fees on building and construction work

to the Portable Long Service Leave Authority to increase compliance. The move facilitated increased compliance in the industry, but up until now these arrangements have resulted in a lot of confusion within the industry, particularly with the two different thresholds and the levy rates that I have referred to previously that are being applied on building and construction activity. The arrangements have resulted in an extraordinarily high error rate—30% in the completion of notification and payment forms—an extraordinarily high error rate, which has been the subject of numerous complaints from the industry itself.

In 1997-98, the Workplace Health and Safety Division investigated five fatalities and 101 serious bodily injuries in the building and construction industry throughout this State. As a result of these investigations, the division issued 600 warnings, 800 improvement notices and over 300 prohibition notices. So the incidence of rate of injury and disease in the Australian construction industry based on workers compensation data is 12.8 occurrences per 100 employees—far higher than the all-industry average of 2.6 occurrences per 100 employees. Therefore, we believed that something had to be done, and done quickly.

To overcome the problem in relation to the administration, we have changed the rules in relation to collection. We believe that these changes will raise approximately \$14m in this financial year, compared with \$12.7m the previous year. In addition to simplifying the administrative arrangements, the changes will allow the employment of an additional 15 workplace health and safety inspectors at a cost of \$1m. These inspectors represent an increase of nearly 40% and will address the concern that there is significant non-compliance in the building and construction industry. There will be a 40% increase in inspectors and a simplified process to get in moneys, and increased moneys. The new inspectors will be based at Cairns, Townsville, Mackay, Rockhampton, Ipswich and Toowoomba, with two each on the Gold Coast and the Sunshine Coast and an additional five in Brisbane. We believe that the improved processes of administration will more than pay for these inspectors and that they are badly needed.

**The CHAIRMAN:** I refer to the 1998-99 planned performance for the Workplace Health and Safety Program, which emphasises a stronger compliance effort. What is the Government doing to increase compliance with workplace health and safety standards?

**Mr BRADY:** A number of initiatives have already been implemented by the Government in the interests of providing an increased focus on the enforcement of workplace compliance with health and safety standards. Firstly, in recognition of the importance of the construction industry to Queensland's economy and the need to improve that sector's health and safety record, we will appoint those additional 15 inspectors, which will represent a significant increase. Obviously, they are more important now in the context of the various plans and policies which we are implementing to significantly increase apprenticeships and traineeships in the

building and construction industry. At a time where we are inviting and allowing a lot more young people to come into the industry to be trained and to become skilled workers in the industry, it is absolutely essential that we make sure that the compliance with health and safety standards is appropriate and is able to be enforced.

One of the best initiatives that has been supported by the policy of this Government is for the wider use of on-the-spot fines to provide a more visible and immediate consequence of breaches of a range of health and safety regulations. These started in July of this year. They are already proving effective with the increased health and safety inspectors available. Clearly, enforcing fines is not the only way to go, but the immediate effect is already apparent. We are quite sure that the on-the-spot fine procedure is a winner in terms of promoting health and safety in the industry, health and safety awareness and dealing with it effectively, and making sure that employers and employees know immediately that something is being done.

In addition, a new program compliance plan is being introduced based on an increased involvement of employers and workers in identifying problem areas for attention by inspectors during workplace audits. Solutions are being developed cooperatively with the employers and the workers. A project to develop the effectiveness of health and safety consultation arrangements with workplaces has also been undertaken. The project will review the support available to the workplace health and safety officers and committees. So the combination of consultation, review, more inspectors, on-the-spot fines and other programs shows that it is effective and needed.

**Ms STRUTHERS:** I have two further questions relating to workplace health and safety. Firstly, I refer you to page 6 of the Ministerial Portfolio Statements and specifically to the statement that the working relationship between the Division of Workplace Health and Safety and WorkCover will be improved. What does the Government propose to do to achieve this?

**Mr BRADY:** Certainly it is important that WorkCover and the Department of Employment, Training and Industrial Relations work appropriately together. The major objective of the realignment of the functions of the Department of Employment, Training and Industrial Relations was to ensure that there was a clearly identifiable body in the department that was responsible for workplace health and safety in Queensland divisions. On the other hand, WorkCover remains Queensland's workers compensation insurer for most workers. It is clearly in the interests of both agencies to collaborate in reducing the incidence and cost of work-caused injury.

In recognition of this, monthly meetings involving the executive managers of both agencies have been initiated to identify areas in which they can provide information and assistance to each other, as well as working to develop joint initiatives. I do not believe that workplace health and safety should be effectively an integral part of the division and an integral part of WorkCover, but they do need

to work together more effectively than they have in the past. To date, activities have focused on joint information sharing in the following areas: access to workplace health and safety information by WorkCover in respect of common law claims, the revision of publication for inclusion of joint issues, the availability of information brochures on both organisations to field staff and joint representation on national projects involving safety and compensation issues.

A workshop of managers and staff from both WorkCover and the division was held on 23 September 1998 to explore further opportunities of working better together and for making recommendations to the boards of both organisations. A joint meeting of the Workplace Health and Safety board and WorkCover Queensland board has been arranged for later this year, with the objective of promoting the development of mutually beneficial strategies. When talking recently to members of the Workplace Health and Safety board, I encouraged them to adopt and received their support for the view that, as well as this full meeting of the two boards, there should be more frequent and constant contact between the boards at officer and chairman level and at whatever other level is necessary. I believe that you will see greater association between them.

**Ms STRUTHERS:** What is the Government's position on the role of self-regulation in workplace health and safety?

**Mr BRADY:** The Workplace Health and Safety Act currently combines regulation and self-regulation. Indeed, both are necessary elements in any sensible regulatory framework. Of course, by regulation we mean the detailed standards that employers must comply with in order to satisfy legal requirements, and by self-regulation we mean those obligations that may be met in a number of ways depending upon the employer's own self-assessment of the risk.

In the recent past, the previous Government particularly tended to rely on self-regulation, requiring employers to do risk assessments to determine how best to address the health and safety issues in their workplaces. That is a very good theory and it works on occasions. However, it is certainly not easy to implement in practice. In practice it is likely to lead to holes in the regulatory net. Those holes are not acceptable and could be avoided by a more determined and specific process. More and more employers, especially those in high-risk industries such as building and construction, are saying to the Government, "This is not working well enough. We do not know whether what we are doing is sufficient. Just tell us what we have to do to meet health and safety obligations." They want to know themselves. Therefore, we have an obligation to answer that plea in our program. That may seem simplistic to some, but I believe we have to respond to a growing need in the community. The other theory has been tried and, whilst not found totally wanting, there is a growing need in the community for practical and enforceable standards that will work—standards that can be enforced, and

standards that tell people what they have to do to comply so that they can get on with it.

Of course, that is the other side of compliance. The more straightforward a program or a regulation is, the easier it is for an employer to implement and the easier it is for the department and inspectors to enforce. We are committed to developing the relevant regulatory framework that is able to be implemented at and understood in workplaces. That will provide real protection for workers.

**Ms STRUTHERS:** I want to change tack and move to the structure of your department. I note that the Ministerial Portfolio Statements reflect the structure of your department. The Borbidge Government undertook a major restructure of the department. What was the cost and the effect of this?

**Mr BRADY:** There was certainly a radical restructure of the Department of Employment, Training and Industrial Relations under the previous Government. We know the results of that restructure. There was an increase in the total SES senior officer profile of 15%, from 54 to 62. At the end of the Borbidge Government's term in office the turnover rate had increased to 26%. That was a significant increase compared to the last year of the Goss Labor Government's term in office. A rate of 26% turnover of staff represents two and a half times that of the all-industry public and private sector best practice benchmark of 10% per annum.

The increased turnover occurred during a period of low morale due to a long and drawn-out organisational restructure. There was a lack of clarity of roles associated with the purchase/provider model that we have discussed in detail here. There was extensive organisational downsizing with in excess of 500 VERs. There was excessive use of external consulting firms and a perception of an erosion of employment conditions, particularly tenure in relation to outsourcing activities. We know all of those occurred and we will know more about the detail of that when the Bannikoff report comes in, probably at the end of this month.

In terms of direct costs associated with the restructure, two senior officers, one at SES1 level and one at AO7 level, were off line for 14 months. That contrasts with what we are doing in relation to industrial relations. The member for Clayfield asked a question that referred to a matter of months; those officers were off line for 14 months. In the departmental ledgers a total of \$649,000-plus was charged for activities directly attributable to the restructure, which is apart from the \$1.6m spent on management consultancies to make sure that everyone was attuned and was bonding with each other. Those costs predominantly covered transfer and appointment expenses, the acquisition of equipment, accommodation costs and so on. The loss of officers at the executive director level has meant the loss of more than 100 years of public sector experience. There were significant financial and real costs.

**The CHAIRMAN:** The time allotted for questions by Government members has expired.

**Mr SANTORO:** I note that despite the fact that you have taken on the title "Minister for Employment" nowhere within your MPS have I been able to find yours—and that is yours as in the Minister's—forecasts for the unemployment rate, the actual number of unemployed as at 30 June 1999 or the total number of jobs that will be created by the Queensland economy during the current financial year under the policies of your Government. Will you provide this Estimates committee today with your forecasts for the unemployment rate as at 30 June 1999, the number of unemployed as at 30 June 1999 and the number of jobs which you expect the Queensland economy to create during the current financial year? How closer do you think you will be to your 5% unemployment rate target by that time?

**Mr BRADY:** Forecasts of that nature, as the member for Clayfield well knows, are done by the Treasurer at the time of the Budget and at any other appropriate time, as was done by his Treasurer when the coalition Government was in power. The Treasurer made forecasts in relation to employment and unemployment for Queensland. David Hamill made those forecasts. They are part of the Beattie Labor Government's projection of where we are and where we are going in relation to employment and unemployment. It is not the task of this department to have figures of that kind put in the Estimates or in the programs. The Government has not hidden in the Budget what the current figures are. It has not hidden what the projections are for the immediate future. Unlike any coalition Government, it has not hidden its desire to target a particular unemployment rate. So there is certainly no lack of clarity in the total Government scene. We are not hiding behind any bushes in that regard. The figures are out there before the community. They are in the Budget process. I refer the member for Clayfield to page 28 of the State Budget Overview Budget Paper No. 2 in relation to employment growth and the unemployment rate. There is a lot more interesting information in there about inflation, average earnings and a whole lot of other matters. Certainly, they are there in the Budget documents, and there is no need, nor is it the proper process, for them to be repeated in the Ministerial Portfolio Statements of this department.

**Mr SANTORO:** Without necessarily picking up a brief and looking at it, can you tell me what the forecasts that you have just mentioned in those Budget documents are? Would you be able to tell me what the unemployment rate forecast by your Government is and the total number of jobs that your Government expects to create through its policy? As the Minister for Employment, could you tell me that, or do you need to refer to that data?

**Mr BRADY:** I am aware of what the forecast job growths and unemployment rates are. I am aware of what our policies hope to do. This is not a viva voce examination by some don from some university at Clayfield.

**Mr SANTORO:** So you will not tell us?

**Mr BRADY:** They are spelled out very clearly in the documents. If you are incapable of reading them yourself, I suggest you get someone to read them to you.

**Mr SANTORO:** I am capable of reading. I am just asking you whether you know.

**Mr BRADY:** As I said, we are not conducting a viva voce examination at this place in relation to statistics and figures that are clearly set out and are well known in the community in terms of the unemployment rate and job growth that is forecast.

**Mr SANTORO:** I give up.

**Mr BRADY:** Good.

**Mr SANTORO:** I might ask you that during question time in the Parliament so you should get ready for it.

**Mr BRADY:** I am terrified.

**Mr SANTORO:** You may be aware of a decision that I made prior to leaving Government to fund the construction of a new piggery at the Burdekin Agricultural College. Do you intend honouring that commitment to fund a piggery at the Burdekin Agricultural College?

**Mr BRADY:** I do not know of any commitment that you personally made or when you made it in relation to the Burdekin Agricultural College and a piggery. You might like to tell us—not here; this is not about getting information from you today, it is about my answering your questions—when you made that commitment. I hope it was not around about the time that your director-general was making a commitment to Johnson and Johnson in the caretaker period. Give us information in relation to when you made the commitment and the amount of money involved. Also point to where it was recorded in the department and where it appears in the Budget documents. Not only is it not known to me; it is not known to any of the officers who are advising me at the table here today.

**Mr SANTORO:** I will be pleased to supply you with that information. I am sure there is a bit of fat in the system to be able to provide for that facility. In relation to a TAFE at Tewantin, I refer to the coalition's allocation of \$2.4m in its 1998-99 Budget for the construction of a new TAFE campus at Tewantin. Given the extensive public consultation process which occurred prior to the decision to allocate funds in the 1998-99 Budget and the identification of a need for a TAFE facility in the Tewantin/Noosa area, how do you justify the scrapping of this coalition commitment and financial allocation?

**Mr BRADY:** It is certainly common for a new Government to redirect funding allocations made by its predecessor. The principle that we adopted is that you do not do so where the matters will have an immediate effect. Your colleague the former Treasurer, Mrs Sheldon, caused a freeze in capital works that had a detrimental impact on the whole of the Queensland economy. We bear that very much in mind in making decisions. In the vast majority of cases, matters proceed absolutely. But it did not occur when you came to Government. When you came to Government, you chose not to continue three TAFE capital projects at Moreton, Mooloolaba and Gateway. They were projects which had been approved by the Goss Government and which you discontinued. The precedent was well and truly set by you personally and by your Government.

The proposed arts and general purpose facility at Tewantin is not funded under the revised 1998-99 capital works budget. The project was to be allocated \$4m in the Budget that did not go through, but at this stage these funds have been directed to more urgent priorities. The other campus of the Cooloola Sunshine Institute itself is a more urgent priority. The population is growing at a rapid rate, with by far the largest growth occurring in the southern part of the catchment area. Accordingly, the VET capital works program for the Cooloola Sunshine Institute is to be reviewed. Priority in the revised program will be given to investment in training infrastructure that better meets the needs of the rapid population growth in the area, addresses skills shortages and improves industry competitiveness.

The VET capital development plan has identified \$12m for infrastructure investment at the Cooloola Sunshine Institute of TAFE to commence in the year 2000. Clearly, we have a strong identified commitment and a target in relation to TAFE in that area. What we are determined to do is spend it in the best places and for the best reasons. We are proceeding on that basis. As the project had not been formally approved, new investment priorities reduced the total at this time.

**Mr SANTORO:** I note there is no allocation to Cooloola until the year 2000. In relation to rural training and particularly agricultural colleges, your Ministerial Portfolio Statements refer to the activities of the Rural Industry Training Taskforce and its development of a blueprint for future training provision to rural industries. Will you please advise the Committee of your timetable for implementing the task force recommendations and how your decision to reverse approval of a \$6m grant for capital expenditure for agricultural colleges will enhance the likely success of that blueprint?

**Mr BRADY:** I understand that the member for Clayfield commissioned a rural industries task force report some little time before the election and that it arrived only just before the election.

**Mr SANTORO:** It is a long process. It is ongoing.

**Mr BRADY:** Yes, we all understand that things are ongoing. So that report was received. I have not been briefed in relation to the report, but that report still exists, I am pleased to say, and probably the disk does as well.

**Mr SANTORO:** All reports exist.

**Mr BRADY:** I will get a copy of that report in due course with recommendations and I will sit down and discuss it with the appropriate officers of the department. I am informed that discussions have already occurred with the relevant ITAB, so that process of discussion, therefore, has not been delayed. The discussions with the ITAB will lead to more information to the department to give to the director-general and me.

In relation to the other part of your question, the capital grant of \$6m to agricultural colleges has been replaced with an approval to draw on loan funds. This will enable greater flexibility in the way

agricultural colleges are able to draw down necessary funds to rebuild or refurbish facilities. Projects can also be completed more quickly than under the previously proposed three-year grant. Colleges will continue to receive minor works funding. The department is working with the colleges to help them develop strategic asset management plans and expertise. This includes promoting future developments in information technology to meet more diverse rural industry and community training demands.

Capital for agricultural colleges has generally been funded from loans. It is not an unusual practice in the industry. For example, separate capital allocations are not uniformly applied to the resourcing of educational institutions. So the situation is that those funds are available on a loan fund basis and can be managed properly and will achieve their purpose.

**Mr SANTORO:** In relation to the number of apprenticeships and traineeships, I refer to page 21 of your MPS and to the estimated total Statewide apprentice and trainee intake. Would you be able to tell the Committee why you have decreased your estimate of the total State apprentice trainee intake from 40,000 budgeted in the coalition Budget documents to 35,000?

**Mr BRADY:** The reason, of course, is that it relates to the way you and your Government managed the apprenticeships and traineeships program. Effectively you used to count existing workers; we have taken them out. We are talking about creating jobs, creating performance in industry. It was just ludicrous that the target set in your Budget of 40,000 new apprenticeships—that is apprentices and trainees—were not, in fact, new apprentices and trainees at all. They included as new trainees many who were already employed when they commenced their traineeship. So it gave that false figure that I have been talking about today. People really believed that you were setting about creating 40,000 new apprenticeships. You were not. You were not getting anywhere near creating 40,000 new apprenticeships; you were counting people who were already employed. Because they changed to a new training program or a new apprenticeship, suddenly they were new apprentices. Well, they were not in the real sense of the real world.

The total number of apprentices and trainees recorded for the financial year 1997 was 34,000 in excess. It is estimated that up to 70% of these were people over the age of 21, many of whom were already in employment. Traineeships were originally primarily intended as a vehicle through which new entrants to an industry could gain skills and experience that would assist them to enter an industry. The registering of existing workers into traineeships is therefore at the expense of some young people and real new entrants to the work force wanting to enter that industry. It is clear that in some instances traineeship funds have been used to issue paper qualifications to existing workers who have already gained the skills from industry experience. When used in this way, public funds are not contributing in the way they should to real skills

development, productivity or the Queensland economy. The 40,000 apprentices and trainees you referred to were, therefore, in many instances farcical and did not relate to new jobs at all.

**Mr SANTORO:** I again refer to your answer to non-Government question on notice No. 5 in relation to the staff establishment for each TAFE institute and college and TAFE Queensland as a whole and also your unwillingness to provide the information that I requested. Do you agree that the current staffing establishment in each TAFE institute and in each other departmental unit is available from the payroll section of the department? Do you really expect anyone to believe that TAFE directors know but the department does not know how many staff have been paid, for what they are being paid and whether they are employed full time or part time? Do I need to assume that you were simply attempting to use semantics to avoid providing information that should be readily made available to a Committee such as this Estimates Committee? I now again ask you: will you provide either now or during the next few days the reasonable information that I requested within my reasonable question on notice a week or so ago? In other words, how many people are employed by TAFE Queensland and its institutes under the various categories requested?

**Mr BRADY:** I will ask the director-general to give the member for Clayfield a more detailed answer but the issue primarily relates to the use of the word "establishment". There is no such term that is of any meaning in this context. Now I will ask the director-general, Bob Marshman, to give more details relating to your question.

**Mr MARSHMAN:** Just quickly, there is no such thing as a staff establishment—the term—at the beginning of the year or during the year for any of the TAFE institutes. What will happen is there will be negotiations between the department and each institute over a resource agreement, and that resource agreement will include what the Government wants to purchase from each institute. In responding to that, the director and the department will negotiate on the resources that are required to do that including the permanent, the part time, the casual, etc. But information on the number of employed at any one time is available in each institute.

**Mr SANTORO:** Would you make that available?

**Mr MARSHMAN:** What is not available is a staff establishment. I see no problem, but that as you will understand is a moving feast as each institute director seeks to comply flexibly with the requirements of the resource agreement.

**Mr SANTORO:** I thank you for that explanation. I was not trying to be smart when I used the word "establishment". All I wanted to know was the number of people employed under administration, auxiliary, teachers and tutors and teaching staff. If you could make that available to me, I would be grateful.

**Mr BRADY:** Yes, we will make that available.

**The CHAIRMAN:** The time allotted for questions by non-Government members has expired.

**Mr WILSON:** You spoke earlier about voluntary early retirements. What was the total departmental expenditure on voluntary early retirements in 1997-98? What was their effect on the overall staffing numbers during that period?

**Mr BRADY:** The total expenditure on VERs during the period 1 July 1997 to 30 June 1998 was in excess of \$21.5m. The figure included severance pay, incentive payments and payments in lieu of unused leave. The total amount paid in incentive payments was \$3.4m. The total amount paid in severance payments was \$11.07m. The total amount paid in leave entitlements was \$7.17m. During this period a total of 534 offers were made, with 500 being accepted by employees. Four hundred and ninety-six of these people were from TAFE. Three hundred and eleven, that is 62%, of the about 500 were paid to teaching staff; 66, that is 13%, were paid to public servants; and 123, that is 25%, were paid to wages staff. TAFE experienced a decrease, therefore, of 500 full-time equivalents. Other departmental programs recorded increases of 61 full-time equivalents. Therefore, there has been a net decrease in full-time equivalents across the department of 439 as at 30 June 1998, as compared with the estimated 1996-97 figures.

**Mr WILSON:** I refer you to the performance of TAFE Queensland and the Government's 10-point plan, mentioned on page 11 of the MPS. What are the ramifications to the TAFE Queensland budget position of the Borbidge Government's administration of TAFE Queensland?

**Mr BRADY:** Faced with the ongoing transfer of funds from TAFE Queensland's budget to fund user choice and competitive training initiatives, an analysis of TAFE's financial position by the Borbidge Government revealed a likely deficit of somewhere between \$59.6m and \$90.6m by the year 2000 if significant and ongoing changes were not made. To address this, it was recommended that TAFE staff numbers be reduced by 1,625—around 20%—including 1,238 redundancies. That was a proposal of the previous Government.

Other factors relating to TAFE's budget which would have contributed to the potential deficit include reduction in funding to support curriculum development, declining funds for major capital investment, minor works and maintenance, a fall in the value of industry funded training, and acceptance of loans to fund staff redundancies.

As a result of all of this, TAFE Queensland would have certainly needed significant additional funding to cover further staff redundancies, changing staff skill levels and a new and improved business system if it were to survive. TAFE Queensland would have been forced to review and increase its fee structure, even though a preliminary analysis of a deferred fee payment system for VET similar to HECS showed that funding raised in this way would not cover the potential deficit.

The preliminary analysis of the likely deficit by the previous Government also highlights a TAFE

Queensland in which changes to improve the ratio of delivery to non-delivery staff would not be possible, non-productive staff costs would be carried, significant further losses post 2000 would occur, and productivity and efficiency targets would not be achieved. The output per dollar—the cost per student contact hour of public funding—would therefore also continue to deteriorate.

Faced with this, we instigated prior to coming to Government and endorsed in Government a major review of TAFE to provide advice on the implementation of the 10-point plan. That review, under Mr Kim Bannikoff, is proceeding. We were not prepared to accept the conclusions and the results that would have flowed from the TAFE situation under the previous Government. Mr Bannikoff is reviewing the situation in the context of our 10-point plan, which is there to maintain good TAFE advances and progress in the future.

**Mr WILSON:** It has been reported that TAFE Queensland had a budget overrun in the last financial year of \$27.3m. Can you say how this happened?

**Mr BRADY:** We can certainly say so on a preliminary basis, pending the final report from Mr Bannikoff and his team. Preliminary analysis of TAFE Queensland's budget position as at 30 June 1998 indicates a potential budget overrun, on an accrual accounting basis, of \$27.3m. The budget overrun is based on a special, secret loan of \$18.8m which was in the nature of a bail-out for payments associated with voluntary early retirements.

Some people in the community, in TAFE and in the system believed that that amount of \$18m was in fact not a loan. There is very good reason why they were not aware it was not a loan: it was not said to be. It was not advised, as it should have been. The fact is that it was a loan prior to our coming to Government—and it is a loan. It was not recorded in the Sheldon Budget papers. It was a secret, special arrangement designed to make the TAFE financial situation look more sound than it actually was. It was not recorded in the Sheldon Budget papers. It has come to light only since our Government has come to power. In addition to that, six institutes finished the 1997-98 year with an estimated unadjusted cumulative deficit of \$8.5m.

These are some of the matters I raised when I was in Opposition and for which I was personally and roundly abused in the worst possible terms by the then Minister. The facts are that when I came to Government the reality in relation to the budget position was confirmed—that there is an accrual accounting overrun of \$27m. There was a loan, an attempt to bridge that in some way. It is really quite disgraceful that the previous Government not only did this but also attempted to hide it under a cover of personal abuse which was very frequent and which occurred right around Queensland. We will know more once the TAFE review team completes its analysis of the financial viability of the 16 institutes. We will know more about the true nature of the budget overrun, which will be identified.

**The CHAIRMAN:** I refer the Minister to the funding allocation to TAFE as provided at page 14 of the Ministerial Portfolio Statements. Is it true that the

previous Minister's department researched the implementation of a HECS-type proposal for TAFE? What was the genesis of this proposal, and how was it to work?

**Mr BRADY:** Yes, it certainly was true. The previous administration undertook extensive work investigating the feasibility of an income contingent loan scheme for students in the TAFE sector modelled on the Higher Education Contribution Scheme, known as HECS. I repeat: extensive work had been done in the department in relation to that project and the feasibility of it. Investigations into the proposal were initiated by the former director-general, who wrote to the Commissioner for Taxation in February 1997 requesting a meeting to discuss the topic. The former director-general also directed officers of his department—the Department of Training and Industrial Relations, as it then was—to work directly to him on the project. So it was not a project that was being done at a lower level. As the former Minister has indicated, he was not playing any part in it. I think he might have said that he did not know anything about it. This was a project that was being run by his director-general, who directed officers of the department to do it and to work directly to him—the director-general—on the project.

Two meetings took place in October and November 1997 between the former Director-General, Mr Thatcher, officers working on the project and officers from the Australian Taxation Office. So this was not just a gleam in the eye of a minor official in the department; it went far beyond that. It was directed by the director-general. Meetings were held with people from outside, including the Australian Taxation Office, which clearly would have to play a part in this if it was to be a HECS-type proposal. Three options were considered: apply the fee to Certificate Level 3 and above but exclude apprenticeships; apply the fee to Certificate Level 3 and above, including apprenticeships; or apply the fee to diplomas and advanced diplomas. Current costs to students are no more than \$625.80 for tuition fees and \$154 for student service fees per year. Preliminary investigations to which I have referred considered the following fee structures based on an average cost of \$11.75 per hour, which has been taken as the basis for estimating real costs: Certificate 3, \$1,462; Certificate 4, \$1,735; Diploma, \$2,177; and Advanced Diploma, \$2,273.

**The CHAIRMAN:** The member for Clayfield asked a question about the Budget papers which showed that there was no allocation of money to fund the construction of a TAFE facility at Tewantin. Is there any additional information that the Minister can provide on the rationale for not funding that facility?

**Mr BRADY:** Certainly, I think we can give more information about the project itself. As well as the material I gave before, I want to refer to the fact that there were more urgent priorities. The population of the Sunshine Coast is growing at a rapid rate, with by far the largest growth occurring in the southern part of the catchment area. I did not refer to that before. Therefore, we have this rapid growth in the area. We have to spend the money and

plan to spend the money where it is of most use. That is why the vocational education and training capital works program for Cooloola is, in fact, being reviewed. Priority in the revised program will be given to investments in training infrastructure that better meet the needs of the population growth and certainly address skill shortages and improve industry competitiveness. The VET capital development plan certainly identified \$12m—a substantial sum for infrastructure investment—at the Cooloola Sunshine Institute of TAFE to commence in the year 2000.

**The CHAIRMAN:** Competitive funding and user choice arrangements are detailed in the Training Services Program of the Ministerial Portfolio Statements. In your statement to Parliament on 5 August 1998, you advised of the problems that have resulted from the pace of implementation of competitive funding and user choice. What has been the effect on TAFE, and how is the Government proposing to solve this problem?

**Mr BRADY:** Because it is a very important matter we have dealt a lot today with user choice training and competitive funding as it spiralled totally out of control under the previous coalition Government. So rapid was the increase in competitive funding here that TAFE was forced to compete for funds to cover fixed costs and the wages of permanently employed teaching staff. When you see what the member for Clayfield and his Government were attempting to achieve, the figures really are quite extraordinary—everything was going over to competitive funding and user choice in a way that no other State or Territory in this country attempted, and all of this in the face of a significant lowering of morale in the TAFE sector.

The funding subject to competition in 1995-96—towards the end of our six-year term in office—was \$21.846m. Yet in two years—1997 and 1998—it had grown to \$125.4m under the Borbidge Government, with every other State in Australia saying, "What is going on in Queensland? Why are they driving this in this way? Will it not have the effect of undermining the main provider of vocational education and training?" Of course, the answer to that is: yes, it did have that effect. It had that very substantial effect. So for the 1998-99 financial year, we have to make sure that we can control the situation that we have inherited and not continue this mad spiral.

As to the budget for VET funds that are subject to competition—the user choice funds will be \$81.1m, and the competitive funding budget is \$68.8m. The Goss Labor Government commenced a trial of user choice in south-east Queensland in 1996, restricted to four apprenticeship trade areas. By 1997-98, under the Borbidge Government, this was expanded to full user choice in all apprenticeship trade areas. So we had a situation that was in no way comparable to any other State or Territory in this country.

The rapid rate of introduction of competition in the VET market in Queensland has made it difficult for the large traditional public provider to compete with private training providers. TAFE Queensland

was successful in tendering for approximately only 61% of the competitive funding program budget in the 1997-98 financial year and 56% of the total committed value for 1998 user choice contracts.

**The CHAIRMAN:** The time allotted for Government members' questions has expired.

**Mr SANTORO:** Given the interest of non-Government members in TAFE and your willingness to keep on reassuring them, and my willingness to circulate to a good few thousand TAFE staff the transcript of this hearing, I will give you more opportunities to reassure them. Prior to the election, you passionately assured TAFE Queensland staff that you would protect them from increasing competition and commercialisation. Why then does your first TAFE budget clearly show, on page 16 of the MPS, that you intend decreasing TAFE's vocational education and training administration staff from a 1997-98 actual of 1,767 to 1,099 and that you intend to decrease the number of teachers and tutors in TAFE's vocational education and training programs from a 1997-98 actual of 2,577 to 1,880? That is TAFE vocational education and training—not mentioning the competitive tendering user choice figures that I gave you before. How do you intend to reassure TAFE that you are delivering on all those lovely, warm, woolly promises that you made to them prior to the election?

**Mr BRADY:** In general terms—

**Mr SANTORO:** No, be specific. I think they are interested in numbers.

**Mr BRADY:** I get to answer the questions. In general terms, in relation to the very changed process in user choice and competitive funding, you saw how in two years—or you may see now, I do not know whether you understood when you were the Minister—

**Mr SANTORO:** I encouraged it; I implemented it.

**The CHAIRMAN:** I ask the member to cease interjecting. The Minister is entitled to answer the question in a way that he sees fit.

**Mr BRADY:** I am delighted to hear that he encouraged it, implemented it, recommended it and that it grew so rapidly, because it was the main reason for the undermining of the TAFE system in this State. When you are circulating all that material, which I will be happy for you to circulate, you should highlight that you drove the competitive and user choice funding to a level that no other State or Territory did. You did so knowing, as you should have known, the consequences that it would have on the public provider and its inability to compete in a situation that was so artificially created by you and by your Government. In terms of protecting their jobs, we inherited that situation. If we did what you did, the competitive and user choice funding would be growing even more significantly. We stopped that. They knew that that would happen before we came to Government. We did not say that we would reverse the competitive and user choice funding in a way that would be cut back. It was impossible to reverse it, but it is possible to maintain it and contain it so that we do not have that accelerated nonsense

that was occurring when the member for Clayfield was the Minister.

We put forward the figures that are there now in the context of what occurred. The world did not stop when we came to office. A Bannikoff review team is looking at it. We have two more budgets, at least, before the next election. We will be judged on what we did when we inherited the mess that the former Minister so blithely now admits to: this manic drive to destroy the public provider and replace it with private providers without any sense of fairness to the staff, students, trainees and apprentices of this State. That manic drive, unfortunately, was only destructive and not constructive in what it achieved. We have inherited that. We are dealing with it now. We will deal with it in the next two budgets as well.

**Mr SANTORO:** I refer you to the Learning Generation project. As you know, 1997 was known as the Year of Training. The success of that initiative—despite what you say—received resounding endorsement from industry, the department and everybody else who was involved in the area of training. That success confirmed the need and benefits to be gained from major departmental strategies. Accordingly, 1998 saw the introduction of the Learning Generation project. Could you tell the Committee your reasons for closing that project and advise us of the departmental strategy that has replaced that most important project?

**Mr BRADY:** As I understand it, that relates to your Year of Training.

**Mr SANTORO:** No, it is something that happened afterwards. It is a 1998 project. There are a lot of very unhappy people in your department as a result of your axing it—low morale.

**Mr BRADY:** All the people in the department have been placed. I can assure you that morale is far higher than when we came to Government. As I understand it, funding for the Learning Generation business unit ceased on 25 September. The work that the Learning Generation business unit undertook certainly has not been wasted. It is being valued and it is being used. However, the emphasis of this Government, unlike the previous Government, is on employment. Therefore, we differ significantly from the previous Government's stance, its processes and its values. It is true that while the Learning Generation unit sought to inform the community of the value of training in the training system, it did not do sufficient—as it should do in any sensible Government—to relate the value of training and the training system to real jobs. If it had done that and if your Government and the department under you had done it, you would not have had so many traineeships and apprenticeships being directed to people already in jobs and so few of them being directed to people who are not in jobs. We want a learning generation who will get jobs and be trained and not just taught about the value of training and the training system.

We have redirected the resources that were in that unit in a way that directly supports the employment focus of the portfolio. The people have not been wasted. The good work that they did, such as it was, has not been wasted. They are in the

department still. No-one is being moved on. We do not have a VER program like the one you had. The Government is about maintaining and improving the quality of the apprenticeship system, rather than focusing on a communication strategy—the old fall-back position of failing Governments: if only we could talk about it better. We are doing it, not talking about it.

**Mr SANTORO:** In the table of revenue on page 4, your statistics show that \$34,000 of rental of Government assets has disappeared without trace or explanation from the Estimates of the previous Government. Would you be able to let us know where that \$34,000 has gone?

**Mr BRADY:** I will get the director-general to answer that.

**Mr MARSHMAN:** That was a special allocation last year to provide for rental accommodation for the Unisys team, who, as you know, are doing the outsourced arrangements with TAFE. That is now built into base. There probably should have been a note there to reflect that.

**Mr SANTORO:** That answer is satisfactory, thank you. In terms of TAFE and central office, I refer the Minister to the increase in the Corporate Services Division staffing numbers from 303 in 1997-98 to 466 estimated in 1998-99. I also refer the Minister to his explanation of such increases contained in his answer to the Government's question on notice No. 1. I ask the Minister: why is he playing bureaucratic musical chairs with the TAFE staff by creating another TAFE head office within the Corporate Services Division when clearly one of the aims of the previous coalition Government's restructure was to decentralise into the institutes the bulk of the personnel and functions previously performed within the TAFE head office while maintaining a small strategic centre for TAFE? In other words, why are you maintaining a TAFE head office that is so disliked by the vast majority of TAFE staff?

**Mr BRADY:** I will ask the director-general to give the detailed answer in relation to the numbers. I can certainly assure the member for Clayfield that we are leaner and more efficient in the way that is being done than the previous Government. Things are progressing well in that regard.

**Mr MARSHMAN:** There is no TAFE head office any longer. That was a transfer of staff done under the previous restructure where it was decided to centralise all corporate services functions in the Business Development Division, whether it be TAFE or elsewhere. As you know, TAFE pays the Business Development Division approximately \$20m a year to provide its services in the areas of human resource management, computer technology, audit, law and paying its staff. It has absolutely nothing to do with having a head office. It is an outsourced arrangement, if you like, from TAFE, which was the result of the previous restructure, which we have now merely implemented.

**Mr SANTORO:** Could I follow up on that question either to yourself, Mr Marshman, or to the Minister? How are the services that are going to be

provided by those 78 TAFE people who have been transferred going to be different from the services previously provided by the TAFE head office? You have just mentioned some of the functions that they will be performing. How will they be different from those previously provided by what was known as TAFE head office?

**Mr MARSHMAN:** In a sense, there were previously two corporate services units for TAFE within the department: one within the TAFE strategic centre and one within the business development or the corporate services division. The previous administration decided to centralise those and integrate them, and that is what has happened. The rest of the TAFE policy functions in the centre—the delegations, etc., that were in the TAFE head office—have all gone out to institutes.

**Mr SANTORO:** Including recruitment functions?

**Mr MARSHMAN:** Including recruitment functions—sorry, although an institute may wish to use and pay the centre to do its recruitment.

**Mr SANTORO:** On page 25 of the Ministerial Portfolio Statements it states "A key element of the employment package is a massive increase in the number of apprenticeships and traineeships in areas of skill shortage and growth industries." Will the Minister please quantify what he considers would be a massive increase and how he will be able to differentiate apprentices and trainees created by Labor Party Government initiatives from others that would have been created for the growth of numbers already budgeted for in the coalition's 1998-99 Budget?

**Mr BRADY:** Certainly. The situation is that there is a totally different mind-set and program set between the two Governments. Your Government was substantially about providing training for people who were already in work and then abolishing programs that might encourage training and employment for people who were out of work. There is an extraordinary difference in numbers between the two.

You would seek to argue, as I have heard you before, that you were going to create 40,000 apprenticeships and traineeships. They were substantially for people who were already in jobs. So whatever progress you were making in terms of decreasing skills shortages, that was basically it. You were financing silly things such as the regional hospital that wanted to sign up its kitchen hands as office trainees and the university that signed up its entire staff as information technology trainees. That is what the previous Government was substantially about.

The big difference is that we are about targeting on-the-job training for new people—the 6,500 extra apprentices and trainees in the public sector—over and above whatever new trainees may or may not have been there if the Borbidge/Sheldon Government had been returned to office—a substantial increase. As well as giving them traineeships and apprenticeships, we are setting up a program in each of the departments to ensure as far

as it is humanly possible that they will get work at the end of those traineeships either in the public or the private sector. We will not stand at the door, shake their hands and say goodbye.

In addition to that, there is all the private sector apprenticeships and traineeships, the 7,500 that we believe will come through the monetary incentive to employers to take on apprentices and trainees. There are the programs in relation to the 3,000 people who will get apprenticeships in the building and construction industry over the next three years from one program, 900 in another program and 600 in another program as well as the long-term unemployed job placement programs. There is no comparison. The previous Government had no program; we do.

**Mr SANTORO:** I would just like to follow up that question by again saying to you that I do understand your concept of new trainees and apprentices. Like you, I also look forward to them coming about under the policies of your Government. However, my questions today relate to whether you are able to differentiate between the growth of new apprentices and trainee numbers that was built in when you took over—built into the previous coalition's Government; new numbers that were previously targeted for and budgeted—in addition to those that you have been talking about. You say that you want to be transparent. You should commit yourself. You should be able to have your departmental people tell you what are the new numbers that would have been created under the coalition's Budget programs and what are your new numbers, which you have already outlined. Maybe you would care to tell us how many of those new trainees you consider have been abusive of the process that you have been mentioning, such as hospital kitchen hands and other people. How many of those—

**The CHAIRMAN:** Order! The member's time has expired. Minister?

**Mr BRADY:** Without going through and making a dissection, I cannot give the exact figures that your programs did. All we do know is that a significant number of them were not new jobs, were not new programs, were not new initiatives. You were just retraining people who were already there. So when you ask what the numbers are, I do not believe that we have those figures available here today.

**Mr SANTORO:** Would you care to make them available? All I am trying to do is to be able to compare apples with apples.

**Mr BRADY:** I will see what we can do outside this hothouse here. We can certainly tell you what it was in relation to the public sector. The Public Service departments had a benchmark of 400 positions, which were set as the existing employment program. That was what we believed was the situation when we arrived in Government and would have continued. As a result of our policies, an additional 1,400 placements will be made in each 12-month period to bring the total recruitment to 1,800. You can see the significant improvement. If you are talking about 400 and we move it up to 1,800 a year

in the public sector alone, that is a significant improvement. I think that you are entitled to use some reasonable adjectives in that process.

In addition to that, local government and statutory authorities will take another 600 placements per year. So when you add up the local government and the departments, we have moved it up from 400 to 2,400. I think that if you are doing that for each of three years, you are entitled to use some adjectives in relation to that. In addition to that, we have these significant programs in the private sector which will bring about the apprenticeships and traineeships that I have mentioned over the course of this day.

**Mr SANTORO:** As a follow-up question, I might have some disagreement about the efficiency of the way in which you have allocated your moneys, but I am not trying to criticise you for setting your targets because at the end of your three years we will determine whether or not you have been successful; and there will be other Estimates. All I am trying to do is to make sure that the information which details the number of new trainees and apprentices, that is people coming into the work force and being put on as trainees, that would have been the case under the previous Government and to add those to your additional trainees and apprentices, is publicly available so that we can compare apples with apples. In this particular instance I am not having a go; I am just simply wishing you and your departmental people to commit yourself to providing that information—not today, but to provide it. I seem to put in questions on notice in the Parliament and I do not get too many good answers. Today, could you make a public commitment to put a serious effort into providing that information? Surely that is a reasonable question to ask. If you do not, I will just FOI it. I do not want to do that, I would just like you to say yes. You save me \$30 and you save me the effort.

**Mr BRADY:** You will not FOI it because there is nothing that you could receive under FOI that would give you that answer. If it can be calculated, we are here to give information—

**Mr SANTORO:** That is all I want you to say: yes or no.

**Mr BRADY:** Let me finish: if it can be calculated in any reasonable statistical way, the answer will be forthcoming.

**Mr SANTORO:** Thank you for that.

**The CHAIRMAN:** The time allocated to non-Government members has expired.

**Ms STRUTHERS:** The year 1997 was dubbed the Year of Training by the Borbidge Government, although some of the information we have heard today has taken the shine off that to some extent. I refer to TAFE Queensland's revenue, page 14 of the Ministerial Portfolio Statements. What was the level of industry-funded training in TAFE institutes during 1997?

**Mr BRADY:** The value of industry-funded training in the State's 16 TAFE institutes in 1997-98 fell from \$25.4m to \$16.3m, a drop of \$9m in revenue for training in Queensland's industries. In the coalition Government's very much publicised Year of

Training, industry actually spent 35% less in buying training from TAFE Queensland than it did the year before. This decline is in contrast to the recommendations of the coalition's own Commission of Audit, which only 12 months prior had recognised the lack of industry investment as a significant weakness in the productivity of Queensland's work force.

We inherited the system that today the previous Minister boasted he had driven. The most significant end result of that system in relation to competitive funding and industry funding was that there was an actual drop in industry funding in the State's TAFEs from \$25m to \$16m. Clearly the TAFE system was not in a position to cope with the stresses and strains that had been placed on it by the system devised by the previous Government. That system was devised, presumably, with one eye to the chaos theory, that is, if everything was thrown into chaos and TAFE's capacity to operate and to get industry funding dropped off, somehow the system would spin out in better shape and vocational education and training in Queensland would be in a sounder position. Of course, that did not happen.

The decline in investment in industry-funded training in TAFE Queensland contrasts markedly with the trends shown during the last three years of the Goss Labor Government. We conducted user choice and the competitive market in a sensible way so that the value of such industry-funded training actually increased from \$9m in 1992 to \$25m in 1995. We conducted the system so that industry funding increased; the previous Government and the member for Clayfield conducted it in such a way that it decreased.

**Ms STRUTHERS:** I refer to the TAFE programs area at page 10 of the Ministerial Portfolio Statements. What was TAFE Queensland's budget in 1997-98 for minor works and maintenance?

**Mr BRADY:** Minor works expenditure reduced from an actual expenditure of \$11.8m in 1996 to \$4.3m in 1997-98. When I addressed Parliament on this matter and others on 5 August this year, I indicated that the decline in minor works was \$6.43m in 1997-98. However, because we have had more time to do a more detailed analysis, we have revealed that the decline was greater than that. The decline is actually \$7.5m. Again, the previous Government was driving down the capacity of TAFE to do its work in the normal sense. Clearly it failed to deliver increased industry funding to TAFE. In fact, TAFE received decreasing industry funding. The former Government also spent significantly less on minor works and maintenance. One can only draw the conclusion that this was also an indication of the coalition Government's real attitude to the public provider of vocational education and training.

The reduction in funding has restricted the ability of institutes to rectify occupational health and safety issues in a timely and comprehensive manner, and has restricted their capacity to modify outdated facilities. Consequently, the delivery of safe and up-to-date training to students has been affected by the neglect of maintenance and minor works. I am informed that TAFE institutes have now been

carrying a maintenance backlog for a number of years. An estimate of current outstanding work is \$20m. The further reduction in maintenance funding that occurred has simply exacerbated an intolerable situation. It is yet another indication of the lack of confidence and support that TAFE received from the coalition Government—a Government whose Minister boasts about the excessive pace at which he drove user choice and competitive funding but who was, in fact, destroying TAFE Queensland's facilities and programs.

**Ms STRUTHERS:** Page 10 of the Ministerial Portfolio Statements refers to a contract with Unisys. Is the department reviewing the contract signed by the Borbidge Government?

**Mr BRADY:** In July 1997, the Borbidge Government entered into a \$95m, three-year contract with an automatic two-year extension subject to the attainment of service levels, including business improvement targets, with Unisys Australia. This contract was for the outsourcing of TAFE Queensland's information technology services and the provision of business process improvement services. The contract was entered into on the basis of a partnering arrangement that involved risk sharing between Unisys and TAFE Queensland. A substantial contract was entered into in a way that would clearly drive down the capacity of TAFE Queensland to care for its information technology services, and that would take away its capacity and staff. It was entered into in July 1997. We have come to Government with a contract that we believe to be wrongly in place.

In keeping with our Government's plan to safeguard TAFE, the contract is being reviewed by the TAFE review team, which is being led by Mr Bannikoff. Departmental officers are holding discussions with Unisys representatives to ensure that the contract provides mutually beneficial outcomes to both Unisys and TAFE institutes. I understand that the discussions with both parties have been very positive on both sides and that both sides are committed to achieving outcomes that meet the needs and expectations of all stakeholders, including, of course, the needs of TAFE and the TAFE community to have a substantial presence and knowledge of information technology services, which has been threatened by the contract entered into in July 1997.

**Mr WILSON:** You mentioned VERs earlier. Is it true that the VER process put in train by the former Borbidge Government resulted in a cut in the number of TAFE teachers but an actual increase in the number of public servants?

**Mr BRADY:** Yes. Over a period of three years TAFE Queensland has been offering VERs, which have involved more than 900 employees: 499 in 1997-98, 220 in 1996-97, and approximately 170 in 1995-96. Seven hundred and nineteen TAFE Queensland staff accepted VERs offered by the Borbidge Government from July 1996 to July 1998 at a total cost to the public purse of \$30.5m. As a result of those offers, that VER process and this strategy, there was a decrease of 440 in the number of TAFE teachers at TAFE Queensland institutes but an

increase of 313 in the number of public servants. I will give you the figures for the three years for the comparisons of staff numbers at TAFE Queensland institutes. As at 1 July 1996 there were 3,027 teachers and tutors. As at 1 July 1997 there were 2,983. As at 1 July 1998 there were 2,587. That represents a drop in teachers and tutors from 1 July 1996 to 1 July 1998 of 440.

In relation to public servants, as at 1 July 1996 there were 1,712 public servants. As at 1 July 1997 there were 1,942. As at 1 July 1998 there were 2,025. That represents an increase of 313 public servants. These figures are full-time equivalent based and are drawn from payroll data in the last pay period of each financial year. This represents more than 10% of the total staff of TAFE Queensland. The VERs represents \$21m, which is equivalent to the whole budget of the Yeronga TAFE.

**Mr WILSON:** I refer to the Corporate Services Program, which is noted on page 40 of the Ministerial Portfolio Statements. How much was spent in the Department of Training and Industrial Relations in 1997-98 on management consultancies?

**Mr BRADY:** The use of consultants in the Department of Training and Industrial Relations under the Borbidge Government was excessive. In the year to June, numerous consultancies were awarded at rates as high as \$6,750 a day, or the equivalent of 13 weeks' pay for an average Queensland working man or woman. During 1997-98, consultants were paid \$1.727m in management consultancy fees. Much of that was related to the ideologically driven, unnecessary and destructive restructuring of the department at that time. One consultancy which cost the department around \$200,000 produced a report which never saw the light of day because its recommendations conflicted with the new ideology. That was the Leivesley report into workplace health and safety. Another consultant was contracted for \$215,000 and another for \$176,000. Another consultant was contracted for four days' work a month between April and December 1998. The \$108,000 contract, or four years' work for an average Queensland working man or woman, was for 36 days and, had we not cancelled the contract, would have amounted to \$108,000. The consultant was engaged "to assist the director-general and other SES officers of DETIR develop robust relationships with each other and their leadership groups". He was also paid exceptionally well to "advise the director-general and other SES officers in DETIR in developing strategies to operationalise the corporate values and principles of the learning organisation in business and group behaviours".

Other consultants in the personnel recruitment and advertising industries also did very well under the previous Government. Northern Recruitment was paid in excess of \$25,000 for an executive search for the deputy director-general. During the term of the Borbidge Government, it was paid more than \$168,000. We have seen over the life of the Government, particularly in recent times, excessive use of consultancies and excessive fees paid to some of those consultants as well.

**Mr WILSON:** Would you advise how much was budgeted for curriculum development in TAFE institutes over the past financial year?

**Mr BRADY:** In 1997-98 TAFE Queensland institutes raised \$2.6m from commercial and competitive activities for curriculum activities, predominantly for maintenance purposes. The amount was supported by an additional \$800,000 from consolidated revenue, giving a total budget of \$3.4m. This was a reduction of \$1.6m when compared with the 1996-97 budget. That is a substantial reduction when you think that the total budget was \$3.4m and there was a \$1.6m reduction. This reduction substantially reduced TAFE Queensland's ability to develop new curriculum for the total vocational education and training sector in Queensland in 1997-98, again at a time when TAFE Queensland was being asked to compete in this great drive that the previous Minister instituted—competitive funding and user choice.

In order to help them compete with private providers, their curriculum development budget was substantially reduced. The \$1.6m taken off the curriculum development area was transferred to another unit in the department. The funds were allocated to curriculum development, but an expensive and time-consuming tender process delayed responses and reduced the amount of money ultimately available for curriculum development.

It is obvious that a reasonable and proper amount has to be given to TAFE to achieve responsive and efficient responses to industry needs. Over a period of time in the term of this Government we have to ensure that we look carefully again as part of this review process at the curriculum development needs of TAFE, which have suffered in the way that I have set out, and ensure that within this term of Government proper funding is available for curriculum development of TAFE.

**The CHAIRMAN:** The time allocated to Government members has expired. There are 10 minutes remaining in this session of the hearing. Under the Sessional Orders, it is required that this time be divided equally between Government and non-Government members. I therefore allocate a remaining five minutes to the non-Government members. I call on the member for Maryborough.

**Dr KINGSTON:** My question relates to the distribution of staffing within the TAFE system. As background, I acknowledge that I am a One Nation member. I would like to add that I am the well-known president and shareholder of a high profile college in a communist Asian country and our student numbers are currently rising and will top 1,000 next month. In your budget you show full-time equivalent staff of 6,747. Of those, 50% are allocated to administration and ancillary services, 29% to teachers and 10% to support. In our college 10% is allocated to administration and business development. Why does TAFE need so much administration?

**Mr BRADY:** I note your reference to your continuing experience in a well-known communist country. I hope some of your colleagues in your parliamentary party are aware of that. They get rather

agitated about the communist countries from time to time. I applaud your continued involvement personally and I hope that you could put it to good use for vocational education and training here in Queensland as well. In relation to the specific comments on it, I would ask the director-general to answer.

**Mr MARSHMAN:** One of the major outcomes of the VER program of the past two-odd years has been a significant reduction in the number of teachers—that coupled with a parallel increase in the number of support staff. There is no question that one of the major issues to be dealt with in the Bannikoff review will be the extent of the administrative overheads or the proportion of the dollar that is being spent on administration as against the teaching effort. It is a major problem to be adjusted over the next two or three years if TAFE Queensland is to be successful competitively.

**Mr SANTORO:** I might ask a question during this bracket. I refer to your reduction of \$10m from the available competitive funding and user choice budget. What impact do you expect this decline to have on employment within the private training market?

**Mr BRADY:** I do not expect that it will have any impact on employment within the private training market. I have been talking to private providers for a period well before we came to Government. I have met with them and I have addressed ACPET, their association, on a couple of occasions both before coming to Government and since coming to Government. They understand it well and truly. They have had delegations come and see me and they have not in any way raised it as a problem. In fact, they were critical of aspects of the previous arrangements which applied at the time your Government was in power, particularly the failure to pay promptly—months went by between when bills were put in. That sort of lackadaisical, inefficient approach was far more likely to bring about employment losses than anything we are doing.

They are fully understanding of what we are about. In delegations to me they have not complained or suggested that there is a problem; they have not written to me in relation to it. We have a very good relationship because of efficiencies that we have brought about. The fact remains that ACPET and the private providers understand what we were about and they want to see a stable vocational education and training system and a stable vocational and education training market, not the unstable one that was spiralling out of control at the time we were sworn in on 29 June 1998.

**The CHAIRMAN:** The time allocated for non-Government questions has expired. There being no further questioning, that concludes the examination of the Estimates of expenditure for the Department of Employment, Training and Industrial Relations. I thank the Minister and his officers for their attendance. The hearing is now suspended for lunch and we will resume at 2.15 p.m. when the Committee will examine the portfolio of the Minister for Education.

Sitting suspended from 1.10 p.m. to 2.15 p.m.

**EDUCATION****IN ATTENDANCE**

Hon. D. M. Wells, Minister for Education  
 Mr T. Moran, Director-General  
 Ms R. Sullivan, Deputy Director-General  
 Ms S. Rankin, Assistant Director-General  
 (Resource Services)  
 Mr Brian Rout, Assistant Director-General  
 (Education Services)  
 Mr K. Rogers, Assistant Director-General  
 (Operations)  
 Mr W. Davis, Director, Strategic Planning and  
 Policy Directorate  
 Mr G. Duck, Director, Office of Non-State  
 Schooling  
 Mr J. McGowan, Director, Human Resources  
 Branch, Resource Services Directorate  
 Mr S. Williams, Director, Aboriginal & Torres  
 Strait Islander Education Branch,  
 Education Services Directorate  
 Mr M. Keily, Director, Finance Branch,  
 Resource Services Directorate  
 Mr R. Williams, Director, Facilities and Services  
 Branch, Resource Services Directorate  
 Ms J. Diessel, Director, Student Support  
 Services Branch, Education Services  
 Directorate  
 Mr C. Sutcliffe, Director, Teaching and Learning  
 Branch, Education Services Directorate  
 Mr J. Tunstall, Director, Office of the  
 Queensland School Curriculum Council  
 Ms B. Roberts, Office of the Tertiary Entrance  
 Procedures Authority  
 Mr R. Gilbert, Manager, Education Overseas  
 Unit

**The CHAIRMAN:** The hearings of Estimates Committee F are now resumed. The next item for consideration is the estimates of expenditure for the Department of Education and the time allotted is four and a half hours. For the information of the new witnesses, the time limit for questions is one minute and for answers is three minutes. A single chime will give a 15-second warning and a double chime will sound at the expiration of these time limits. The questioner may consent to an extension of time for answers. A double chime will also sound two minutes after an extension of time has been given.

The Sessional Orders require that at least half the time available for questions and answers in respect of each organisational unit be allotted to non-Government members and that any time expended when the Committee deliberates in private is to be equally apportioned between Government and non-Government members. For the benefit of Hansard I ask departmental officers to identify themselves before they first answer a question. I now declare the proposed expenditure for the

Department of Education open for examination. The question before the Committee is—

"That the proposed expenditure be agreed to."

Minister, do you wish to make an opening statement? If so, the Committee asks that you confine it to no longer than five minutes.

**Mr WELLS:** Thank you very much. I would like to make an opening statement in support of the motion. It is a great pleasure to come before the Estimates Committee with a record budget. Education spending in Queensland is now above the national average and many millions of dollars higher than under the previous Government. This record \$3.46 billion Education budget has major initiatives for Cooler Schools, literacy and numeracy, students with disabilities, behaviour management, school maintenance and security, and discretionary grants. It is estimated that this year's budget will deliver 685 additional teachers. The increase of \$165.1m, or 5%, on last year's budget, is a testament to Labor's commitment to education. The budget provides for capital funding of more than \$284m, including \$47m for 10 new preschool centres and 10 new schools, \$175m for other school projects and \$18.6m for tertiary facilities.

In terms of total education funding, Queensland is now ahead of the national average in addressing crucial funding requirements in line with pre-election commitments. This budget features an increased emphasis on literacy and numeracy. An additional \$16m will be spent over four years for priority resourcing needs to improve literacy and numeracy outcomes in primary schools with direct support to children in classrooms. There will be a further \$3.5m over four years to address the literacy and numeracy problems of Aboriginal and Torres Strait Islander students.

More than \$40m will actually be spent addressing literacy and numeracy problems this year, an increase of more than \$9m on last year's Budget Estimate. Ninety-eight full-time reading recovery staff will be employed as a result of the initiative. This initiative will provide direct support to children in classrooms. It will provide grants to schools to enable them to employ additional staff to implement intervention programs for students identified through the Year 2 diagnostic net and other school processes as being at risk in the areas of literacy and numeracy. Poor literacy and numeracy skills contribute to and reinforce the cycle of poverty and are a key factor in determining career chances for young people. There will be a particular focus on providing additional support for schools with large numbers of Aboriginal and Torres Strait Islander students in line with this Government's commitment to equity.

Queensland has an excellent reputation for reading recovery, and the training centre which operates in collaboration with the Queensland University of Technology is already well established. This Government is building on that foundation by committing an additional \$5m for reading recovery within this budget. The Committee will note that Education for All is another big initiative in this year's

budget. An additional \$35m will be spent over four years to provide support for students with disabilities and learning difficulties, including \$1m this year for the non-State sector.

Under Labor's Education for All initiative, additional teachers, teacher aides, physiotherapists and speech language pathologists will be provided to schools which require support. Professional development packages on learning difficulties, speech language impairments and autistic spectrum disorder will also be made available to schools. This financial year an additional \$5m will be allocated to helping students with disabilities under the Education for All initiative. This is on top of more than \$17.8m already available within an existing program for students with disabilities initiated by the previous Labor Government. This Government's total commitment to students with disabilities and learning difficulties is therefore more than \$22.8m.

The Education for All initiative will create employment for 127 teachers, teacher aides and specialist staff across the State. We will provide a needs based component of additional funding for State schools to provide for the education of students with disabilities. There has to be a focus on flexibility and a diverse range of services to cater for the variety of students in schools. The Labor Government is committed to ensuring greater personal attention in classroom situations where the participation of students with disabilities and difficulties resulted in greater demands on the time and resources of teachers and support staff.

The Education for All initiative will integrate with literacy and numeracy and behaviour management enhancements. This Government is about equity, and that means recognising that some students have specific needs that require different resources and approaches to help them achieve their full potential. Our objective is to give every student the best possible standard of education and to provide those who work in the education system with the best possible resources to support and maintain high standards of education services.

**The CHAIRMAN:** Thank you, Minister. The first period of questions will be allocated to non-Government members. I call on the member for Merrimac.

**Mr QUINN:** In this budget you have additional expenditure—over and above that which was in the coalition's Budget handed down in May. For instance, there are increases in capital works, \$13m; extra teachers, about \$10m; discretionary grants, about \$8m; assistance to non-Government schools, about \$2m to \$3m; and extra teacher aides, about \$2m. All up there is about an extra \$36m in initiatives, but the Consolidated Fund is increased by only about \$23.7m. Which existing programs and initiatives have been cut to fund the difference?

**Mr WELLS:** As you quite correctly pointed out, this is a record budget. There is a significantly higher sum of money available to the department from this budget than from the previous coalition budget and Ministerial Program Statements brought down in May. We should never lose sight of the fact that we are talking about a record budget that brings

Queensland into a position of being above average in terms of the amount of money spent on education.

One of the major factors which more than compensates for what you are talking about with respect to your previous program statements relates to \$26m expressed in your Ministerial Program Statements of the previous year as part of the Public Works budget, which was expressed in our Ministerial Portfolio Statements as part of the Public Works budget. That was designated for schools. It never left the Works budget but was expressed notionally in the May statement as part of the Education budget. I will ask the Assistant Director-General Resources, Susan Rankin, if she would give a more complete technical explanation of what has occurred here.

**Ms RANKIN:** Could I just clarify that Mr Quinn is actually seeking an explanation for the difference between the May document and the September document?

**Mr QUINN:** No. What I am saying is that this budget contains an extra \$36m in initiatives, yet the funding increase between the two budgets is only about \$24m. The question is: how do you pay for \$36m worth of extra initiatives with \$24m worth of funding? In other words, what programs or initiatives have been cut in order to finance the difference?

**Ms RANKIN:** Can you advise us which page of the MPS you are referring to?

**Mr QUINN:** For instance, capital works in our budget was \$209m and in this budget is \$222m. You have an extra 198 teachers for, say, \$10m. Discretionary grants are up about \$8m. Assistance to non-Government schools is up about \$3m. Extra teacher aides and so on accounts for another \$2m. It all adds up to about \$36m.

**Ms RANKIN:** So in fact you are comparing the May document with the September document?

**Mr QUINN:** Yes.

**Ms RANKIN:** In that respect, then, the explanation the Minister gave initially was correct. Comparing the May document with the September document, the sum of \$26.3m was added to the May document for a transfer which was to occur from the Public Works and Housing budget for a maintenance allocation to education in Queensland schools. That was proposed to occur at that time and was part of the former Leading Schools program. It was to be distributed on that basis.

That \$26.3m does not appear in the MPS currently before you, as the proposed movement of those dollars from Public Works and Housing to our budget did not occur, in line with the current Government policy. Therefore there is a difference, if you wish to compare the May document with the September MPS, in the order of \$26.3m in that factor alone. The funds are actually retained within the budget of Public Works and Housing and we have confirmation of that. You can find the details of the line items on page 14 of its statement.

**Mr WELLS:** The honourable member might like to ponder the fact that 26 plus 24 equals 50, take away 36 equals 14. You might very well be asking us

how we are spending the additional 14 we have got, rather than asking us about some spurious cut.

**Mr QUINN:** Perhaps I might address that later on, Mr Wells, to find out where that is going. Let us turn to learning technology. That has an allocation of \$13.3m. My recollection is that the department says that it really needs an allocation of \$20m this financial year in order to keep on track with the installation of local area networks in schools. Why has there been a cut in the allocation towards local area networks and what effect will this have on the roll-out of technology in schools?

**Mr WELLS:** The technology for the local area networks will roll out as planned by you. It is an initiative which I support and which will continue. The local area networks will be available. I ask Susan Rankin again if she would give you the technical details of this excellent initiative of yours which we will complete.

**Ms RANKIN:** Mr Quinn's recollection of the dollars in the May document are correct. At that particular time we were working off best estimates and cash flow projections that were available to us. Between the compilation of that document and the September document, we have reviewed the progress and the time taken with respect to putting LANs throughout schools. We also are mindful of the fact that there are only nine months remaining in this financial year in which to actually deliver the hardware and so on to the schools.

There is a combination of other factors that we have taken advantage of, if you like, from the experience of the implementation of the first 112 schools. For example, having now gone through that exercise we have a much better appreciation of the sorts of configurations in individual schools and we have been able to put some package arrangements in place which will enable us to not only save time but also hopefully get better value for dollars. We are also mindful of the fact that we currently have a large range of IT initiatives on the go. Connect-ED is continuing, as is a complete roll-out of new hardware under the School Management System initiative. That in and of itself is consuming an enormous amount of time with respect to technical support. Also there are issues to do with hardware availability.

We are mindful of the fact that we want to continue to maintain value for money in the roll-out of those initiatives. So a combination of the factors to do with the remaining nine months only, instead of 12, better knowledge of what is out there on the ground, and the issues surrounding both hardware and technical support have allowed us to re-cash flow the initiative for the remaining nine months. It is of interest to note that, in the original proposition, we were talking about some 300 schools under the \$20m-odd to which you are referring. In fact, we now estimate that, with the remaining nine months and \$13.3m, we will be able to cover 400 schools. And that is really just based on better information.

**Mr QUINN:** Why the difference in the number of schools? How do you drive extra efficiencies out of less money?

**Ms RANKIN:** It goes to the heart of what I was explaining before. When we did the original roll-out, we were really unaware of what we were going to find in schools, because to some extent they had all done their own thing. We have now managed to establish a certain number of packages that we can put in place which make it a lot more effective in terms of the way we actually roll the infrastructure out to the schools.

**Mr QUINN:** The original budget for that program was \$80m over four years. Is that still on track, or is it now reduced in funding?

**Ms RANKIN:** If you are referring to the local area networks—

**Mr QUINN:** Yes.

**Ms RANKIN:** The only allocation that we had at the time of the preparation of the May document was the \$19.9m that was set aside at that time. Internally, there was a commitment—given that the majority of these funds are departmental funds—to maintain the roll-out of this particular initiative. The Minister has signalled his ongoing commitment to that continued initiative. Just as it was the case in May that the ongoing roll-out of that initiative was always going to be the subject of budget availability, so it is still the case with the current MPS, etc., that the ongoing roll-out will still be subject to budget availability.

**Mr QUINN:** But Education Queensland had planned to allocate \$20m each year for a number of years. Are you saying now that that may not be the case; that it may pull back from that funding program?

**Ms RANKIN:** No.

**The CHAIRMAN:** I might just say something at this stage. The questions should be directed initially to the Minister. If the Minister wishes to pass the question to one of his officers, that is at his discretion. So the member for Merrimac should direct the question to the Minister in the first instance.

**Mr QUINN:** Minister?

**Mr WELLS:** I appreciate the opportunity to reaffirm the commitment here. The sum of money that was determined when you were the Minister was an indicative sum of what the department thought it was likely to cost over that period to complete the job. We will complete the job. If it costs a little bit more or a little bit less, we will complete the job for whatever that amount is.

**Mr QUINN:** The initiative itself, of course, is integrated with the other two technology initiatives: Schooling 2001 and Connect-Ed. So it is important that this one arrives on time and in place, otherwise the other ones do not operate. Is the department aware that the money needs to be there for the whole thing to work as one, rather than three separate programs?

**Mr WELLS:** The department is aware of the interconnectedness of all of these initiatives, and you do not really need to worry about it.

**Mr QUINN:** That is reassuring. My other question relates to—

**Mr WELLS:** Excuse me. I am sorry to interrupt you. I should have been more generous than that. It was a good initiative, and we will support it.

**Mr QUINN:** The other question relates to the commitment to the other two programs: the Connect-Ed program and Schooling 2001. My understanding is that funding for Schooling 2001 has been shaved by about \$700,000 in this budget; is that true?

**Mr WELLS:** I will refer that question directly to the ADG Resources. However, I will say this: it is going to be done. It is going to be on schedule. It is going to provide a network of record size. Again, you should have no concerns about the Government's commitment to this program.

**Mr QUINN:** So you are also committed to a total of \$84m over the next couple of years?

**Mr WELLS:** We are committed to whatever it costs to do it—whether that is a little bit above or a little bit below what was hypothesised at the time you were a Minister. I have referred the question to Susan Rankin.

**Ms RANKIN:** With respect to the Connect-Ed project, there is no alteration whatsoever to the funding commitments there, with which you would be familiar. That is proceeding according to schedule. With respect to the Schooling 2001 initiative—as you indicated, there was a slight reduction proposed for this year, and it simply went to the way in which we delivered some of the training. We put a large sum of money, in the form of professional development grants, into schools to provide for that training. We were seeking to have the schools make a contribution on a semi user-pays basis, if you will, to the professional development activities. Those matters were reflected in that slight adjustment.

**Mr QUINN:** As to the funding for user pays—you are now asking schools to pay for that professional development; am I right?

**Ms RANKIN:** I beg your pardon?

**Mr QUINN:** You mentioned the fact that there was an element of user pays in the professional development of teachers that was not there before. So are you now asking schools to pay for some of that professional development?

**The CHAIRMAN:** Once again, I make the point that each individual question should be directed to the Minister, not to the officers who are providing him with advice. If the Minister wishes to pass the question on, he can do that at his discretion. I ask the member to direct that question to the Minister.

**Mr QUINN:** Minister?

**Mr WELLS:** Schools do get grants for this purpose. It is important that they should have a certain amount of discretion in how they use those grants. Susan, would you please give some additional information?

**Ms RANKIN:** As I indicated, they do get grants under the Schooling 2001 initiative. We are seeking that they use that grant for that purpose. If you would like further information, I would ask Mr Brian Rout to provide that.

**Mr QUINN:** I will pursue that later. I move on to airconditioning of schools in north Queensland. Page 113 of Budget Paper No. 2 mentions this initiative in terms of the subsidy improvement. It says—

"Where funding is provided on a grant basis with school Parents and Citizens Associations, subsidy levels will be increased from the previous level of two-thirds of the project cost to three-quarters of the project cost."

Am I right in assuming that the subsidy level is going from a two-to-one scheme to a three-to-one scheme?

**Mr WELLS:** The subsidy level is four to one, compared with two to one, which is the way you had it. And that will be the subsidy level.

**Mr QUINN:** So the statement is wrong?

**Mr WELLS:** The subsidy level is four to one.

**Mr QUINN:** It is three to one in the book.

**Mr WELLS:** We have determined that the subsidy level will be four to one. That subsidy level will be retrospective to the appointment of the Beattie Labor Government. This is going to be enormously beneficial to a wider range of people than were previously covered by the Cool Schools program. The Cool Schools program was a good initiative, but by our standards it was not adequate. A vast number of schools in the Capricorn region are going to benefit as a result of the expansion of the territory. A vast number of schools in demographic echelons that would not have previously benefited from the airconditioning initiative are now going to benefit.

**Mr QUINN:** The improvement in the subsidy scheme from two to one to four to one—have you costed the impact of that?

**Mr WELLS:** It is fully funded. I am not sure exactly what you are driving at.

**Mr QUINN:** How much money have you allocated each year?

**Mr WELLS:** Susan?

**Ms RANKIN:** In this particular budget year, for a half-year effect, there is \$6m allocated, building to \$12m in the out years, that is, \$12m for the next three years after that, with \$6m in the year 2002-2003 for a total on the current Forward Estimate indications of \$48m.

**Mr QUINN:** I am particularly interested in the extra money that would have to be allocated to achieve the increased level of subsidy. At the moment it is a two-to-one scheme. You are going to move to a four-to-one scheme across the new expanded zones. How much money are you putting aside to fund the additional subsidy increases each year?

**Mr WELLS:** I will ask Susan to continue the answer, because that is effectively a supplementary question to the one that she was just answering.

**Ms RANKIN:** In respect of the funding arrangements, the calculations have all been done for the expanded zone based on the four-for-one subsidy increase. If you are seeking further

information about the split of that in terms of recurrent coverage, etc., I can get one of the facilities people to give you the breakdown.

**Mr QUINN:** Could we do that, please?

**Mr R. WILLIAMS:** The full-year effects of the additional funding for the extension of the airconditioning program is \$12m, of which \$3m has been identified for supplementing subsidy projects.

**Mr QUINN:** So it is an extra \$3m a year?

**Mr R. WILLIAMS:** That is right, yes.

**Mr QUINN:** Does that apply to the original Cool Schools zone or over the new expanded zone?

**Mr R. WILLIAMS:** That applies to the expanded zone. That funding is separate to the previous Cool Schools.

**Mr QUINN:** I take it that the parameters for airconditioning schools—the passive cooling features, the airconditioning of resource centres first up, the upgrade of electricals in schools—have not changed? Will they apply from the old zone through to the new zone?

**Mr WELLS:** Yes. Those guidelines have not been changed.

**Mr QUINN:** Has the department done any estimates as to the cost of airconditioning schools in the new Cooler Schools zone? If so, what are they?

**Mr WELLS:** Yes.

**Mr R. WILLIAMS:** It is difficult to model, because the variable in the whole process is the actual take-up rate by schools in terms of attracting subsidy dollars. We have done some modelling, of course, as to the full extension of the airconditioning zone in terms of costs.

**Mr QUINN:** What do the models predict?

**Mr R. WILLIAMS:** If across the full zone all schools were done, all classrooms were picked up, you would probably be looking at somewhere around the \$200m mark.

**The CHAIRMAN:** The time allocated for questions for non-Government members has expired. I refer you to page 5 of the Ministerial Portfolio Statements which draws attention to flaws in the May Ministerial Program Statements on which the previous Government's Education budget was based. Could you elaborate on why the May Ministerial Program Statements are flawed?

**Mr WELLS:** The May MPS was conceived in secrecy and executed in haste. It was done in two weeks in early March, based on February figures. It was done without any consultation. It was done in absolute secrecy, because it was necessary for the Government to have in place Ministerial Program Statements that could be the foundation of an election Budget. Because it was done without any consultation, it was therefore done without any of the supplementary information that is usually available in the formulation of the Ministerial Program Statements. Therefore, the information is frequently inadequate and is frequently a best guess dated as of February. The Ministerial Program Statements for

May do not have the standing of having been the subject of an Appropriation Bill. There has been no departmental action in respect of the May Budget. There has been no move to implement the details of the document. The Government continued to run on the basis of the previous year's MPS. Business continued as usual, because the Government had appropriation until September/October, the time that Parliament was dissolved. The long and the short of it is that these Ministerial Program Statements are simply an election document and that is it.

**The CHAIRMAN:** I refer the Minister to page 3 of the Ministerial Portfolio Statements where there is a mention of the previous Government's Leading Schools program. What is the present Government's policy position with respect to that program?

**Mr WELLS:** The very first important decision I took when I became the Minister for Education was to cancel the Leading Schools program. The name, the notion and the elitism of that program are no more. At the time I was sworn in, there were 404 phase 1 and phase 2 Leading Schools designated to receive \$15m approximately in Leading Schools grants. I allowed those schools to receive the money that they were expecting, but I also paid the same amounts to all the schools of equivalent size at a total cost of approximately \$24m. That ended the divisiveness of setting school against school. It ended the educational apartheid of a program that labelled tens of thousands of parents, teachers and children as second-class citizens. The \$24m in discretionary money to schools will be ongoing and is a feature of this year's budget. It will be spread over the whole school community on an equitable basis. This time, the smaller schools, including those west of the dividing range, will not miss out as they did under the inequitable Leading Schools program.

**The CHAIRMAN:** My reading of the Ministerial Portfolio Statements suggests that the Leading Schools program was not fair and equitable. How was inequity manifest within the system? For example, were there some preferential practices in place that discriminated against non-Leading Schools?

**Mr WELLS:** There were an enormous number of preferential practices that discriminated against non-Leading Schools. Phase 1 Leading Schools received an increase in their school grant of up to \$100,000 per school in their first year. Leading School principals received an increase in salary of 5%. Leading Schools received an extra \$2,000 for their professional development program. Leading Schools principals and others from Leading Schools attended conferences, at sometimes quite luxurious locations. Leading Schools were among the first to be connected to the department's electronic network. Leading Schools were first to receive LANs, the local area networks. Leading Schools had an opportunity to submit to be a Lighthouse Professional Development School for Information Technology under Schooling 2001. Eighteen were selected. Leading Schools received an increase in facilities grants for schools maintenance. Leading Schools received utilities grants that enabled them to manage their own utilities budgets, rather than relying

on the department to make those payments on their behalf. Leading Schools had some additional ability to make flexible staffing arrangements at the local level as a result of their special Leading Schools grants. All of that was at the expense of the other 1,200 State schools in the system.

**Mr WILSON:** I understand that the Leading Schools program included a number of conferences and seminars and that some of those were held at five-star hotels and resorts. What conferences and seminars were held in the Leading Schools program? What was the purpose of each gathering and who attended? What was the full cost of each gathering? Were those expenditures justified on educational grounds?

**Mr WELLS:** I will answer your question globally. The previous administration spent \$1,058,511 on conferences promoting the inequitable Leading Schools program. That amount of money is enough to employ about 20 teachers this year. With the cancellation of the Leading Schools program, future Leading Schools conferences are also cancelled. I am advised that that should save approximately \$1m this year. That will be channelled into actual education for Queensland kids. You might be interested if I tabled a summary of the conferences, which was provided to my office by the department. The Committee will notice that the cost of one of the conferences alone at the five-star Marriott Hotel on the Gold Coast was \$160,456. You might ask: why was the conference necessary? The records say that the conference aimed to "create awareness of and excitement about strategic education". I do not know how widely infectious that excitement was, but I doubt that it created a great deal of excitement in the students and teachers who missed out on funds. The meals bill at the Marriott alone came to \$62,988.96. The alcohol and drinks bill at one dinner amounted to \$2,250. Parents and teachers would have been horrified if they had known about this splurge. There may be a place for conferences at resorts, but the money for them should not come out of Education programs. Another conference was held at the exclusive Ramada Great Barrier Reef resort in Cairns. This is a reasonably exclusive resort. I have a picture of that rather exclusive resort. Bob, you might remember it.

**Mr QUINN:** Well.

**Mr WELLS:** That should—

**Mr QUINN:** Great value for money.

**Mr WELLS:** Thank you. That should have alerted the participants that they were perpetuating a system that did not actually distil the quintessential factors of democracy. Another conference featured \$100,000 spent to pay for a satellite dish to help with the talkfest.

Labor is committed to a fair distribution of funds and resources for all young Queenslanders. We are consulting widely to find a more equitable way to distribute funding to ensure that all Queensland schools provide the best teaching and learning outcomes. For the interest of the Committee, I will table some of the information about the venues of the conferences. I will also table the receipts and the

schedule of the costs of some of the Leading Schools conferences.

**Mr WILSON:** I refer to page 6 of the Ministerial Portfolio Statements where I note that the amount of money available for the capital works program has declined since the 1997-98 MPS. Could you explain to the Committee what the reason for this decline would be?

**Mr WELLS:** Yes, I am very pleased to have the opportunity to explain that particular decline, because the previous Minister sought constantly to refer to his May document and to seek to make comparisons between that document and this budget. I would like to point out that in his May proposal he was budgeting for a capital works program of \$270m. This is some \$54m less than the previous year's figure of \$324m. I have taken steps to turn this around. While I acknowledge that the capital programs do fluctuate from year to year, since coming to office I have made a concerted effort to redress the decline. In our capital budget, we have added \$12.6m, which the previous Minister did not have in his election document. Further, the full year impact of these new capital initiatives will be over \$24m. While I am pleased with this initial effort, I will be pushing hard to have Education's capital program further increased over time.

Our efforts in the 1998-99 Budget were frustrated by a debt left by the former Minister when his incompetent Government botched the State's Capital Works Program on coming to power. You will recall the outcry by industry when the former Treasurer put a three-month freeze on capital works projects. We all know the effect that this had on business confidence, but one of my major problems is that at that time it left the department's capital program with a debt of \$25m. This debt came about because the department responded to the former Premier's instructions, "Spend it or lose it." The former Premier was keen to overcome the effects of the capital works freeze put on by the former Treasurer and this department was in a better position than most other departments to accelerate work and did so on the specific request of the former Premier and on the clear understanding that the cost to Education would be met by those agencies who were unable to spend their capital funds. However, despite the best efforts of the department and the then Minister—and I congratulate fulsomely the then Minister on the serious efforts that he took at that time to try to recoup those funds from the parsimonious Treasurer—unfortunately, he was unsuccessful and his department was unsuccessful and the former Premier and Treasurer reneged on the deal. This has left me with a debt to repay, which severely erodes the capacity of the program.

**Mr QUINN:** We know this.

**Mr WELLS:** Pardon?

**Mr QUINN:** Done.

**Mr WELLS:** Yes, I thank you—

**Mr QUINN:** It was spent within the portfolio area.

**Mr WELLS:** I thank you for that small admission.

**Mr QUINN:** That was listed in the outlays—

**The CHAIRMAN:** The member for Merrimac will allow the Minister to complete his answer.

**Mr WELLS:** I draw the attention of the Committee to the fact that that small admission that it was only this year constitutes a complete admission of everything else that I have said, and the point is—

**Mr QUINN:** It is no secret.

**Mr WELLS:** I would need to respond to that in order to ensure that it got into Hansard. Indeed, it is no secret and you will find that I will be trumpeting it from the rooftops.

**Mr WILSON:** I refer you to page 3 of the Ministerial Portfolio Statements which refers to an enhancement of the department's resourcing of behaviour management. Is the Minister aware of any significant concerns of teachers and parents in schools about behaviour management? What initiatives will the Beattie Government be taking to address these concerns?

**Mr WELLS:** Behaviour management is one of the most important concerns of school communities. I am very much aware of that as I move around the schools, and I was aware of that before the election where people were saying to me that behaviour management was the issue. One of the major enhancements in this year's budget is the behaviour management initiative of \$5m. That \$5m is going to enable schools—and they will have a certain discretion in this—to undertake improved behaviour management practices. It is going to enable them to have additional facilities, additional human resources and it is going to enable some of the unsolved problems of behaviour management to be addressed. I wonder if the deputy director-general would like to comment further on that.

**Ms SULLIVAN:** There are a range of strategies that we could list under the ways we are attempting to deal with the behaviour management issues that the Minister has identified. In particular, the Minister has placed an emphasis on bullying. We have a number of initiatives that are coming up in that arena. We are developing professional development resources in that area. We also have some exciting developments in terms of documenting best practice in that. There are a range of notable initiatives that I should draw to the attention of the Committee, such as issues like accountability conferencing where the perpetrators, if you like—the students—and other people involved in their activities are brought together. We have school-based policing and school-based nursing now coming into our schools. We have a range of alternative education programs which, as the Minister indicated, will be enhanced under the new initiatives. So that is a sampling of the kind of strategies that the Minister is putting in place with his emphasis on behaviour management.

**Ms STRUTHERS:** I refer to page 37 of the Ministerial Portfolio Statements and ask you specifically in regard to bullying: what initiatives have you taken to address bullying in schools? Robin Sullivan has given us a general overview there. Is there anything specific that you can add to that?

**Mr WELLS:** Bullying is a major focus of the department. It is a direction that I set very early on taking the position of Minister. We have an anti-bullying task force. The chief task of the task force is to establish a register of workable solutions. So far, we have received from 150 schools around Queensland their workable solutions to the bullying problem. Those workable solutions are consolidated. We are in the process of publishing them. They will be published in due course on the Internet, in Ed Views and in other places. What this will facilitate will be that a school at one end of Queensland—maybe Coolangatta—might very well find that a solution which has worked in Cairns is ideal for them. Schools will, of course, have varying needs at various times and places. Consequently, a variety of solutions is going to assist them.

At a recent bullying conference staged by QUT in Brisbane, Dr Phil Slee, who is perhaps the nation's foremost academic expert on the question of bullying, called for the establishment of a national register of best practice workable solutions to the bullying problem. He referred to the Queensland initiative as perhaps the first step in the direction of establishing such a national register. In response to what he has said, I intend to raise this matter at the next ministerial council meeting with a view to establishing just such a national register. The anti-bullying task force has other roles as well in terms of the dissemination of information through videotapes, books, information kits and that kind of thing.

This is mainly a question of arming people with the ability to do something about a problem, because bullying is very significant indeed. It damages not only the person who is the victim of the bullying but also the person who does the bullying. Those people tend to grow up thinking that muscle is some sort of a solution to social problems. They think that they can get somewhere by applying muscle to other people and they can, usually leading them into the arms of the Corrective Services Commission. We need to provide alternatives. The best way to do that is to provide a focus on the issue, which I have sought to do, and supplement that by providing the information that will enable the motivation to achieve its fulfilment in the mitigation of its behaviour.

**Ms STRUTHERS:** I jump now from bullying to literacy. Pages 1, 3 and 37 of the Ministerial Portfolio Statements refer to literacy and numeracy as a priority. Could you outline how the funds allocated to literacy will be targeted and, secondly, according to what criteria?

**Mr WELLS:** With respect to literacy, one of my main concerns arises out of this document, a Report to the Minister for Education of the Queensland Schools Curriculum Council 1997. I came across this document a little while ago. It is a 1997 document that became available to the Minister in the middle of last year, but it has never seen the light of day. I discovered that even departmental officers have not been provided with copies of this document.

This document should have been made available very widely at the public level. It is incredibly important, because the document reveals that there is a crisis, particularly in respect of literacy

for boys. The rates of literacy for boys are significantly below those for girls. In addition, the rates of literacy for Aboriginal and Torres Strait Islander students are dramatically below the rest of the echelon. Interestingly, the rates of literacy for students from a non-English speaking background are not significantly different from the rest of their cohort. We see a significant problem in the disparity between the literacy levels of boys and girls and between the rest of the cohort and Aboriginal and Torres Strait Islander children.

The literacy initiative that this Government has achieved in the short time it has been in office involves the supplementation of roughly \$5m per year to be targeted at literacy. Obviously I am concerned that it be targeted at those groups at risk, so that we use the Year 2 Diagnostic Net and the Years 1, 2 and 3 continua to appropriately target the literacy funding with a view to making an impact here. Literacy is incredibly important to the future life chances of all people. Illiteracy is part of the cycle of poverty. If one breaks down the illiteracy levels, one will attack that cycle of poverty at one of its sources.

With respect to this document, which should never have been left to gather dust on the shelves, we need to regear our priorities in respect of literacy and numeracy. The provision of \$5m will be part of that process. We need to identify those areas where we can make an impact and strenuously turn our attention to making that impact, because people's entire lives are at stake here.

**The CHAIRMAN:** The time allocated for Government members' questions has expired. I call the member for Merrimac.

**Mr QUINN:** You mentioned the report that was provided by the Queensland Schools Curriculum Council. Does the council itself provide more detailed information to each of the employing authorities on that particular document?

**Mr WELLS:** Jim Tunstall, would you like to advise the Committee of the information that was provided to the employing authorities as a result of this report?

**Mr TUNSTALL:** The data that is obtained from the testing program, both the previous Year 6 testing program and the new Years 3 and 5 testing program, is provided to school authorities. The report that the council produces seeks to aggregate that data into Statewide trend material for the information of the Minister.

**Mr QUINN:** So Minister, that is simply a report to you. In fact, each of the employing authorities has more detailed information about levels of numeracy and literacy, and they do not really need that document at all.

**Mr WELLS:** Actually, it was a report to you.

**Mr QUINN:** That is right.

**Mr WELLS:** You did not even make it available to the senior policy makers or the program managers of your department, let alone to the public who had every right to know. We have just heard—

**Mr QUINN:** Minister, would not—

**Mr WELLS:** I have three minutes to answer.

**The CHAIRMAN:** The member will allow the Minister to respond.

**Mr WELLS:** According to the advice that we have just heard from the council, what was made available to you that was not made available to anybody else was the aggregation and the commentary in this report. The provision of raw data to schools is one thing; the provision of a report is another. This report ought to have been tabled in the Parliament at the time. It ought to have been published in the newspaper at the time. It ought to have been the subject of conversations at P & C meetings and in staff rooms at the time. The entire school community of Queensland ought to have been focused on this report and on finding a solution. One cannot find a solution to this problem by having the report sit on a ministerial desk, even if it is avidly read by the Minister. This requires a regearing of the system with a view to attacking a significant disparity that was not otherwise adequately testified to and that did not have adequate commentary attached to it. This is a unique document and it was placed in your hands over a year ago. Nothing more came of it.

Shortly, another report of this kind will come from the curriculum council. I have not received the next report yet, but preliminary information available to me indicates that the disparity between boys and girls in literacy is starting to be replicated in numeracy. If that is borne out by the final version of the report—which, as I say, I have not yet seen or read—we indeed have a critical situation on our hands. This is a cultural thing. In our schools there is a cultural syndrome that often stems from poverty. Poverty is often a characteristic of it. A student might come to school and, because they are from a background of poverty, maybe they do not turn up with their school uniform. Maybe they do not have the money to go on the Year 1 excursion to the puppet show, so they are not quite part of the group. What do they do? Maybe after a little while they turn to bullying. Maybe they take a rather negative attitude to their lessons, particularly numeracy and literacy, and the cycle rolls on. We have to break those cycles by making this kind of information available, not by concealing it and not by giving raw data to employing authorities.

**Dr KINGSTON:** With respect, I received a copy of that report at least six months ago. Perhaps that is because somebody thought I was illiterate or perhaps because my children are from a different culture, but I have certainly had it for six months.

**Mr WELLS:** That is very interesting. At some time perhaps you could let me know the channels by which that occurred, because I do know that there were members of Parliament and journalists who were interested in it and who were aware of its existence but were not able to obtain it. I do know that it was a document that was not known to a number of senior policy makers in the department. It had not been distributed and was not made widely available. You will not get the current year's report six months after it becomes available by whatever route you may have got it; you will get it directly by its being tabled in the Parliament. When I table it in

the Parliament, I will table it in the context of a \$5m program for the improvement of literacy and numeracy. It will be a \$5m program which will be targeted at those at risk. The disparities which are revealed in this report and which I believe will be accentuated in the next report are disparities which I am very keen to have the whole of the State engage its mind upon.

**Mr QUINN:** In relation to the issue of grants to Leading Schools, you mentioned the fact that you had already allocated \$24m in this budget. How much money is being sent to schools in the second semester this year already in the first round of grants and how much money will be sent in the first semester next year?

**Mr WELLS:** It is \$11.7m this semester and the balance of \$24m next semester. It is \$24m in an entire year.

**Mr QUINN:** It is \$11.7m already?

**Mr WELLS:** It is \$24m in a full year. So it is \$11.7m this semester and the balance next semester.

**Mr QUINN:** \$12.3m in the first semester next year?

**Mr WELLS:** No. You said "\$4.3m", did you not? Did you say "\$4m" or "\$12m"?

**Mr QUINN:** No, \$12.3m.

**Mr WELLS:** Yes, \$12.3m.

**Mr QUINN:** That will be recurrent next year as well; it will be in next year's budget?

**Mr WELLS:** That is right.

**Mr QUINN:** It will be recurrent from then on?

**Mr WELLS:** That is right.

**Mr QUINN:** There is no money brought forward from next year's budget to pay any of the Leading Schools grants for this year's budget?

**Mr WELLS:** The answer to that is: no. I am not sure exactly what you mean by "brought forward", but the answer is: no.

**Mr QUINN:** In the budget there is an allocation of \$1.7m for teacher housing. I think you have already received a briefing paper that states that there ought to be something in the order of \$4m spent on teacher housing. In our budget we had \$3m. Why have funds been shaved off this project?

**Mr WELLS:** In your budget—the budget which in fact was a budget—you had \$1.7m. In the last budget in respect of which any action was taken, you had \$1.7m. That is precisely the amount that was in our Ministerial Portfolio Statements. We do know that in terms of the last actuals the sum which was spent was \$4m. That is because it is an ongoing, rolling program. \$1.7m was indicative for your last budget. It is also indicative for our last budget. Ongoing programs—rolling programs—are like that. I would not put too much store in it. I will invite Susan to make any additional comment.

**Ms RANKIN:** As the Minister indicated, we have maintained the level of proposed funding at \$1.7m. We did spend in the order of \$4m last year.

As it is a rolling program we would normally spend what is appropriate and/or necessary particularly attending to any issues that are of an occupational health and safety nature.

**Mr QUINN:** Has there been any ministerial direction or request to change the capital works program since you became Minister?

**Mr WELLS:** No.

**Mr QUINN:** So the capital works program in the budget is as a result of departmental priorities?

**Mr WELLS:** Yes.

**Mr QUINN:** There have been no directions to change that? The Youth Action Program has been widely supported. The budget makes an allocation of half a million dollars for the program this year, and I think it plans to bring another 750 students into the program itself. The original program was in fact to bring in another 1,500. Why has the money not been allocated to allow for the program to proceed as planned originally?

**Mr WELLS:** I think that the idea of having a pilot on this—and this is indeed a pilot—is a good idea. I congratulate you on that idea. I am determined to continue with the pilot. The sum of money which has been allocated is the amount of money which that pilot will cost.

**Ms RANKIN:** The pilot will obviously be evaluated and then levels of funding will be determined according to the priorities determined out of that evaluation.

**Mr QUINN:** When will the pilot evaluation be completed?

**Mr WELLS:** I cannot remember how long you were proposing the pilot to be. I have not given any instruction to change that period of the pilot study.

**Ms SULLIVAN:** There have been two reports already to date on the program and I understand that a third report—an evaluation report—is due at the end of this year. At that point, the types of decisions that the Minister indicated will be taken, but we have not yet received the report that is due at the end of the year for obvious reasons.

**Mr QUINN:** That will be the final report?

**Ms SULLIVAN:** That will be the final report for this year.

**Mr QUINN:** Is it an ongoing evaluation or will you have three evaluations before a decision is made? Are we going to keep evaluating down the track?

**Mr WELLS:** There have been no changes to the proposals which you put in place. If you have any problems with the number of evaluations, I am very happy to take advantage of your concern and invite departmental officers to consider whether they need to do a further evaluation. How many people did you say that you were accommodating and that we were going to accommodate? Did you give a figure for that?

**Mr QUINN:** From memory, the funding that you have in this budget accommodates an extra 750, and we had planned an extra 1,500 to come into the program.

**Mr WELLS:** The two-year pilot was to accommodate 750 in 20 schools by January 1999.

**Mr QUINN:** It might be a faulty memory on my part.

**Mr WELLS:** I have not given any instructions to change it, anyway. I am not alone in thinking this, but I am not in a unanimous group in thinking this: your idea was one that might well prove to be good. I am prepared to give it a go. We are giving it a go on the same terms that you established it. We are not changing the program.

**Mr QUINN:** My understanding is that there was a request for \$800,000 from the department to continue this particular program. That is why the budget that we brought down had about \$750,000 in it. You have shaved that back to half a million. That is why I am asking the question.

**Mr WELLS:** I think that was what you estimated in May. The more recent estimate is that the cost of that program is going to be what it appears in there.

**Mr QUINN:** The departmental estimate to continue the program as it was established was \$800,000.

**Mr MORAN:** Could I make one comment and then ask Brian Rout to come to the table to clarify the figures that you have raised? My understanding is that it is a two-year pilot. I can give a definite undertaking that, at the end of the two years, it would be formally evaluated and the results of that evaluation made available to the Minister. As to the amount of money over the two years of the pilot and the number of students involved, Brian Rout would be the best person to comment on that.

**Mr ROUT:** We have already put out expressions of interest for the second round of schools, and the anticipation is that a further 10 schools will be added to the first pilot and the target of 750 students should be reached. However, there are anticipated savings in some of the areas in that some of the service providers do not anticipate requiring the same degree of support or funds as we had originally anticipated. In terms of the armed services and so on, there may be savings in terms of materials that the department does not have to provide to schools and so on. So it is believed that we can achieve the same number of schools and the same number of students involved but also do it more efficiently in that way.

**Mr QUINN:** I think the pilot had 10 schools at 50 students per school. Another 10 coming in with 50 students will take it up to 1,000. Why the number 750?

**Mr ROUT:** I understand that in the original intake of schools only 415 students actually came on board, so the actual number did not reach the target estimates.

**Mr QUINN:** Another 10 schools should add another 500 in.

**Mr ROUT:** We are aiming for 750, but there may be further available—some schools can find they can address an increased number of students with the resources that are made available.

**Mr QUINN:** The problem I have is that in the transition to Government documents, which the department provided to you, the number of 1,500 is mentioned.

**Mr WELLS:** Can you say that again, please?

**Mr QUINN:** In the transition to Government documents which the department provided to the Minister, in other words, the ministerial briefings when he assumed office, the number of 1,500 students coming into the program in this particular year is mentioned.

**Mr ROUT:** In the second year?

**Mr QUINN:** Yes, in the second burst, in the second round.

**Mr ROUT:** I believe that we now have more accurate figures and a more accurate estimate of the numbers based on the data from the pilot schools and on how that can be expended in the future. Those were just forward estimate figures.

**Mr QUINN:** My understanding is that in the first year the first 10 schools would have 500 students in the program. They would then be able to go into the second year, taking another 500 students and the second lot of schools to come on board at the beginning of next year would be another 500 students, bringing it to a total of 1,500.

**Mr WELLS:** As Brian said, the way it has fallen out is somewhat different from that. I can understand your concern about this because this is your initiative. I think that to have a pilot is a good initiative and I can assure you that I will do nothing to discourage that initiative from succeeding. There may be a slightly slower take-up on it than was anticipated at the time that you generated the initiative or, indeed, a couple of months after you generated the initiative.

**Mr QUINN:** I do not think the take-up is the problem. My experience of the schools is that they are clamouring to get in. All they want now is the funds to enable them to get into the program, and this budget simply is not providing the funds.

**Mr WELLS:** Those funds will be available. I will ask the director-general to comment here.

**Mr MORAN:** There might be a bit of talking at cross purposes here, Mr Quinn. You are speaking of numbers over a two-year period; I think Brian was speaking of numbers over a one-year period. Could we just check the numbers and get back to you very quickly? I do not think there is as big a gap after you allow for actuals as opposed to plan numbers as might have been apparent from the exchange between yourself and Brian.

**The CHAIRMAN:** The time allocated to non-Government members has expired. I call the member for Archerfield.

**Ms STRUTHERS:** I have a question in regard to school-based management. I draw your attention to page 2 of the Ministerial Program Statements with respect to school-based management, and I ask: what is the Government's attitude to school-based management and, secondly, what process is the Government taking to formulate an agreed position on this issue?

**Mr WELLS:** The cancellation of the Leading Schools program has no bearing on the question of school-based management. The policy of this Government is to allow that degree of school-based management that the school community generally wants. Within the limits of what is physically possible, we are going to allow the maximum amount of flexibility. In order to achieve this, we have begun a consultative process with school communities right around the State. We have based this on each of the districts, and the consultative process has involved focus groups and widespread surveys. We have been trying to engage the minds of school communities with a view to ensuring that they are able to give us adequate feedback such that we can give them the best possible outcome. I will ask Director-General Terry Moran if he would comment further.

**Mr MORAN:** The consultation occurred on the basis of 15 groups representing key stakeholders at the State level. Then there were focus groups in each district which were attended by 1,145 participants. An individual opinion survey targeted at members of school communities was sent out and over 8,000 forms have been returned of which at least half were from parents. The consultation of 24 schools which are broadly representative of State schools throughout the State occurred and there has been reference to relevant studies undertaken by tertiary institutions and departmental groups which have looked at the issue of school-based management. All of this data is being brought together in a report on the consultations which has not yet been finalised and sent to the Minister. Together with that report on the consultations will be two other documents: firstly, proposals as to how school-based management in Queensland might proceed and, secondly, how that might link to school-based budgeting in the future. The three documents sitting behind a much shorter document draws out common themes and assembles them into one unified whole.

**The CHAIRMAN:** On pages 3 and 38 of the portfolio statements there is reference to an Education for All initiative. Which groups is this initiative designed to benefit, how much has been allocated to the initiative and what will be done with the funds?

**Mr WELLS:** The Education for All initiative is dedicated to those with special needs in the community. It is a \$35m program over four years. Those who will be particularly targeted, though not exclusively, will be those with autistic spectrum disorder, including Aspergers syndrome, and those who need the assistance of speech pathologists and speech therapists. In Queensland we have been particularly short of speech pathologists and speech therapists, particularly in the special school system. Speech problems appear significantly in the State school system as well. We also need additional resources to address autistic spectrum disorder. The program, as I said, is over a four-year period.

**Ms DIESSEL:** The Education for All initiative, as the Minister has indicated, increases some funding to school-based services to students with

disabilities—students with disabilities includes those with autism spectrum disorder, intellectual impairment, hearing impairment, physical impairment, vision impairment and those with combinations of those—as well as targeting students with learning difficulties and learning disabilities. The thrust of the initiative will be particularly to increase school-based services of teachers and therapists to those particular groups.

**The CHAIRMAN:** I now refer you to page 31 of the portfolio statements, which provides some information on capital works and mentions the Building Better Schools program. Could you outline what the program is, who will benefit as a result of increased funding, how much has been allocated to the program in the coming year and how that money will be spent?

**Mr WELLS:** The Building Better Schools program is a \$265m program over five years. It was established by the last Labor Government in 1995-96 with a view to augmenting the Capital Works Program already in existence. Many schools have already benefited from this program and many more will continue to benefit.

**Mr R. WILLIAMS:** As the Minister said, it is a \$265m program over five years. We are currently in year four. The program itself has addressed a number of elements. A lot of the elements address backlog problems. A fair amount of the money has been devoted towards construction of new schools. \$80m has been used for primary classroom upgrades. About \$10m has been used for backlog maintenance. Funding has also been provided for upgrading security in schools and to support vocational education. As I said, this is year four of the program and the program completes its schedule of work next financial year.

**The CHAIRMAN:** I draw your attention to pages 4 and 43 of the Ministerial Portfolio Statements, specifically the Cooler Schools initiative. Could you outline which schools will benefit under this program and in what way?

**Mr WELLS:** The schools which will primarily benefit are those which are in the Capricorn area, in the expanded zone. It is a considerable expansion of the territory of the airconditioning program and it will benefit many people who are in areas of great thermal discomfort. The Capricorn area is a region in which many students faced thermal difficulties but were not covered by the original program.

**Mr R. WILLIAMS:** Effectively, the previous Cool Schools zone had 216 State schools in it. The expanded Cooler Schools zone will add another 183 schools to the airconditioning project, resulting in a total of 399 State schools. It will also benefit non-State schools by adding 47 non-State schools to the current 67 in the program, giving 114 non-State schools. In total, 513 schools will benefit from the airconditioning. In terms of numbers of students, this translates into a significant increase. The previous Cool Schools zone serviced nearly 80,000 students. By expanding this zone we will add another 62,000 students to the airconditioning program, with an overall benefit to 140,000 students.

**Mr WILSON:** I refer to page 17 of the MPS, which relates to cleaners in schools. What is the Government's attitude to cleaners? Will the Government be moving to contract cleaners as a cheaper alternative to the school cleaner work force?

**Mr WELLS:** The Government has a commitment to maintaining a force of employed cleaners. That is a very clear commitment. We are not going to go down the same track as the previous Government of attempting to make parsimonious savings by the expedient of sacking or otherwise getting rid of cleaners and substituting contract cleaners. We do not believe that the same benefits can be derived from the employment of contract cleaners. There is more to it than just cleaning schools. There is even more to it than just cleaning schools thoroughly. That, at least, we believe we are most likely to achieve by the employment of cleaners. In addition, we are concerned and have already taken some steps to improve the levels of permanent employment as distinct from casual employment of cleaners.

**Ms RANKIN:** We are about to commence negotiations for a further enterprise agreement with the cleaning work force. The question in part asked about the casualisation of the work force and the Minister has responded by indicating that, to date, we have made moves to make some of those cleaners permanent. There will be, as part of the ongoing enterprise bargaining processes, further consideration of permanency in the negotiations yet to commence on the cleaning agreement.

**Mr WILSON:** I take you to pages 55 to 58 of the MPS, which discuss assistance for non-State education. What is the Government's attitude to non-State school education? What benefits can be expected from systemic schools and independent schools?

**Mr WELLS:** First of all, I make it very clear that the Government is committed to the proposition that people, if they choose to, have the right to have their children educated in non-State schools and to be supported economically in exercising that right. People may, for religious reasons, reasons of family tradition or reasons of personal preference, wish to educate their children outside of the State sector.

The Government sees itself as being a Government for education, not just a Government for Government education. Having said that, there are a variety of programs in this year's Budget which specifically benefit non-State school education. I will ask Greg Duck, who is the director of that particular unit, to inform the Committee about the programs for this year.

**Mr DUCK:** There are a number of initiatives within the non-State schooling sector. There is an extra million dollars this year under the Education for All program, which I think Jo Diessel explained before. There is extra funding under the Cooler Schools program. There was an allocation from that for non-State schools, and that amounts to \$400,000 in this financial year. There is an extra \$853,000 in recurrent funding as a result of the Government share of the increase in the superannuation guarantee charge from 1 July this year. There is an extra \$1m for

capital works in non-State schools. That is just the general capital works program. There are other increases flowing through the basket nexus mechanism. Just for the benefit of the Committee, I point out that increases in non-State sector funding are reflected on a per student basis at a proportion of 20.2%. So the non-State sector, for example, benefits from increases in funding for things such as behaviour management or literacy and numeracy.

**Mr WELLS:** I might mention that these things are possible because this is a record budget. This is the highest Education budget that we have ever had in Queensland, and it is a budget which puts Queensland's education spending above the national average. Everybody benefits from that, including the non-State sector.

**Mr WILSON:** I refer to page 46 of the MPS, which shows that there has been a large increase in capital works in Corporate Services, whereas elsewhere in the MPS capital expenditure would appear to be down. Is this actually the case and, if so, why?

**Mr WELLS:** I will ask Susan Rankin to respond to that question.

**Ms RANKIN:** In line with the Government's move to introduce accrual accounting and accrual budgeting, a decision was taken with respect to the treatment of fixed capital and assets. It was decided that to reflect the corporate nature of the ownership of assets, they would be shown under the Corporate Services Program rather than under the individual subprograms in the Schools Operations area, which had previously been the case.

You will note that in the subprogram allocations under each of the primary, secondary and special areas, there is a line referred to as fixed capital outlays. In accounting terms, we look to discriminate between those dollars which we refer to as being expensed and those dollars which we refer to as being capitalised. The capitalised dollars, in simple terms, try to account for the bricks and mortar outcomes. The value of those dollars is in the Corporate Services Program. The items of capital outlay which are expensed—which for the most part in a project might go to make up something like contractors' wages—are allocated according to the amount of the expense into the various school subprograms. So you will see elements of capital outlays reflected in the Schools Operations subprograms, and those elements are in fact estimates of what will be the proportion of expense associated with the capitalisation of the assets. The balance is reflected in Corporate Services. As you will see from technical notes supplied with the MPS documentation, we then seek to apportion the total overhead associated with Corporate Services, including the new dollars associated with the capitalisation of our fixed capital outlays, across the subprogram elements. That new treatment is in line with accounting standards and the Government's move to adopt accrual accounting and accrual budgeting.

**Ms STRUTHERS:** I have a question in regard to the Reading Recovery Program. Page 3 of the Ministerial Portfolio Statements refers to this

program. I have a four-part question. How much will be allocated in 1998-99 to the Reading Recovery Program? What does this program involve? What was done with the funds allocated to the program last financial year? What will be done with the funds to be allocated this financial year?

**Mr WELLS:** The Reading Recovery Program has been particularly successful. A number of teachers have indicated to me that literacy outcomes with respect to the Reading Recovery Program have been quite impressive. I am, therefore, committed to this program. Indeed, we have increased the funds available in that program significantly, as I indicated in my opening remarks. I would like to ask the Deputy Director-General, Robin Sullivan, if she would supplement what I have to say.

**Ms SULLIVAN:** Yes, this is a planned expansion of this program, which is internationally recognised as one of the most significant contributors to improving literacy in early childhood. In the next budget, we anticipate that we will have another 10 tutors who will graduate from the State Reading Recovery Tutor Training Centre at the QUT, which the Minister mentioned earlier this afternoon. That will give us 28 tutors Statewide. We will also establish another training centre, which will give us 20 spread across the State. We will employ an additional 181 part-time reading recovery teachers, bringing the total to 563 at the beginning of 1999.

I perhaps should note that the non-State sector is also benefiting from this initiative, and they will be offered positions at the QUT for the training of their tutors next year and positions for teacher training utilising the tutors in our department. We do, of course, monitor what is happening in this program. We will constantly be reviewing it to ensure continued high standards in the delivery of this particular professional development program.

It might be of interest for the Committee to note that almost 3,000 Year 2 children will have been supported in 1998 in this program. In fact, approximately 80% of the lowest literacy achievers who have entered the program Statewide have completed it successfully and returned to their classes at or above the average level of their classroom compatriots in reading and writing. So it is a very successful program.

**The CHAIRMAN:** The time allocated for questions from Government members has expired. During this session, the Committee has received the following documents: Marriott Surfers Paradise Resort account Nos. 346549 and 346581; Marriott Surfers Paradise Resort statement dated 30 April 1997; CITEC invoice No. A246; Ramada Great Barrier Reef Resort letter dated 10 July 1997; and Ramada Great Barrier Reef Resort general information brochure. The hearing is now suspended for afternoon tea.

Sitting suspended from 3.47 p.m. to 4.04 p.m.

**The CHAIRMAN:** This hearing of Estimates Committee F is now resumed. I call on the member for Archerfield.

**Ms STRUTHERS:** I have two further questions. The first relates to the Gifted and

Talented Education Program. I am sure that with your accomplished career you were quite a gifted and talented student. I refer you to pages 36 and 38 of the Ministerial Portfolio Statements.

**The CHAIRMAN:** My apologies—I should have called the member for Merrimac. The time is now allotted to non-Government members.

**Ms STRUTHERS:** I will come back to that one.

**Mr WELLS:** If I may have the indulgence of the Chair, the member for Merrimac was pursuing a question relating to the Youth Action Program. I know that he was doing that in all sincerity. It is a bipartisan thing. One of my officers has informed me that he has additional information. If you would like that information, I will call him up.

**Mr QUINN:** Yes.

**Mr SUTCLIFFE:** The progress of the Youth Action Program has been determined as part of an evaluation process. There have been two reports to date. It is a progressive evaluation in its first year of implementation. As a result of those reports, there has been finetuning over the early life of this program. The initial concept was, we felt, quite manageable, but once the evaluators spoke with the service providers, they found that the service providers desired not to go too big too quick because they cannot handle it. Whilst we have continued to look at having 10 pilot schools this year and next year increasing that to 20 pilot schools—which was the original intention—the service providers have asked us—and this has been the advice from Western Australia and Victoria as well—to slow down on the number of students who are involved in the program for several reasons. It is a two-year program. Many of the service providers, except for the defence forces, are still developing that curriculum for the two years of the life of the program. They have indicated to us that it is necessary for them to hasten a bit slowly considering that they are using volunteers, whereas the defence forces are often using paid people.

The report by Colmar Brunton Research has indicated to us that we need to take account of the program from the point of view of service providers, from the point of view of schools and the experience that is now coming through from the data in Victoria and Western Australia. Although we are increasing to the number of schools that was our target, the number of students would not be there. For our own interest, we were looking at increasing the number of service providers. The Police Service and the Department of Environment were interested at that stage and are still very interested, but they would like to see some two-year projects and curriculum before they embark upon becoming a service provider themselves. Red Cross has in a similar way undertaken the same sort of thing. The 415 students who are there will continue in 1999 and act as second-year members of the project in order to provide leadership to beginners. You need to stagger it over the two years so that you do not have all the students at the same level of development. That is part of the leadership there.

**Mr QUINN:** You mentioned before that school-based management grants will be \$24m per year recurrent. The formula you have used for this semester's grants, I understand, is based on the \$30,000 per school plus \$11-odd per student. What about next semester? What will the formula be then?

**Mr WELLS:** We have just completed an extensive period of consultation with school communities. The focus of that was not only school-based management but also equitable distribution. Having said that, I will refer the question to Director-General Terry Moran.

**Mr MORAN:** I go back to an answer I gave earlier this afternoon, when I spoke of a parcel of work that included school-based budgeting work, which is the basis for the distribution of the \$24m. The advice based on that work has not yet gone to the Minister. It should be completed soon and be with him soon. Within that advice there are a number of options as to how those funds could be made available to schools. Obviously, he would have to be the first to see and consider those options. Nonetheless, it is done on the basis that, according to whatever formula serving whatever purpose is adopted, all schools would benefit equitably from that distribution of funds.

**Mr QUINN:** The formula itself is included in the enterprise bargaining agreement that the union has with the department. I understand that employees of Education Queensland are currently being balloted to change the EBA. If the employees are being asked to give a tick to changing the conditions of the EBA and the formula is not known publicly, how are you going to explain to schools the fact that some of them will get less, some will get more and that the teachers are being asked to tick something that at the moment they know nothing about?

**Mr WELLS:** I will invite the ADG-Resources to respond.

**Ms RANKIN:** In terms of what is being sought to change in the EBA, we are seeking to strike out reference to Leading Schools and also to the funding formula that you were referring to. In the process of negotiations with the unions to date, the Minister has made his intentions clear with respect to the potential redistribution of these funds along needs lines. In the compilation of the document to which the director-general referred, which is considering funding options, we are canvassing a variety of options in that process. Mainly, those options are looking or seeking to address some of the current inequities in the funding methodologies and the allocating methodologies. Those inequities are ones which are quite well known in system. So as a starting point, we are looking at ways and means of redressing those.

As the Minister indicated and the director-general indicated, that funding package is yet to be considered by the Minister. Obviously, there will be a process in there for involving key stakeholders in the consideration of the outcomes. The unions, who are obviously part of the changes that are being sought to the EB, have been consulted along those lines and have indicated their support of that process.

**Mr QUINN:** So there will be no funding formula in the new EB; am I right?

**Mr WELLS:** I do not want to pre-empt the result of an industrial negotiation before that industrial negotiation is completed.

**Mr QUINN:** But they are being balloted now, are they not?

**Mr WELLS:** Yes.

**Mr QUINN:** Surely they would know what the funding formula is if they are being balloted now—either that or you are not going to put a funding formula in there at all.

**Mr WELLS:** There are a whole lot of things that you put in the EB which nobody—sorry, I do not want to say nobody in their right mind—what I would say is that nobody who was operating within the normal parameters of human behaviour would put in an enterprise bargain. For example, there was a whole lot of ideological stuff in the last enterprise bargaining agreement—ideological stuff about Leading Schools, stuff which legally entrenched the status of certain schools, that is, Phase 1 and Phase 2 Leading Schools. You do not put this ideological type of stuff in an enterprise bargain and you do not usually propose formulas for enterprise bargains. Having said that, I am going to stick to my initial answer. I am not going to pre-empt the result of an industrial negotiation before it occurs, but I will give you a broad hint: we are not going to go down the same sort of track as you did.

**Mr QUINN:** No formula. Right. You mentioned before that there is no money brought forward for Leading Schools discretionary grants. I just make the point that the union seems to think that there is, because in their budget briefing that they have sent out they made the point that \$8m is coming forward for next year. Are they wrong, are they?

**Mr WELLS:** I would need to see that correspondence, but it is not actually the union that determines these things.

**Mr QUINN:** I will read it to you, "Discretionary grants to schools of \$24m replacing the coalition's Leading Schools program. This money will be distributed across all schools creating a fairer system of resource allocation. \$8m of this total is money initially meant for next year but has been brought forward." Are they right or wrong?

**Mr WELLS:** That is new money. I will ask Susan if she would explain it to you.

**Ms RANKIN:** The \$24m is the amount of money that the Minister indicated was available for redistribution to all schools in the forthcoming semester and is the subject of the funding package that we mentioned before, the consideration of which he is yet to see. In terms of the union's comments, they are correct in saying that a sum of \$24m will be redistributed across all schools next year. The way in which it is to be distributed is yet to be determined. Their use of the words "discretionary grants" are pre-emptive to the outcome of the Minister's consideration as to how the funds will, in fact, be allocated and provided.

**Mr QUINN:** What about the statement, "\$8m of this total is money initially meant for next year but has been brought forward." Are they right or wrong?

**Ms RANKIN:** As we indicated, I think, in an answer to an earlier question, the full year implementation of the Leading Schools initiative one year out would have included an additional \$8m. They are choosing to see that as a bringing forward in their correspondence. We are not indicating that. We are simply indicating that we have allocated within this budget context an additional \$8m to add to the \$15.23m which was there and funded to date in order that in the current budget round we have a total of \$24m to distribute on a new basis to all schools. We have not signalled to the union that it is bring-forward money.

**Mr QUINN:** So there is \$24m recurrent. Have you got \$24m for this sort of recurrent expenditure for what we call school-based management schools in your Forward Estimates for 1999-2000?

**Ms RANKIN:** Mr Quinn, as you might recall, the funding streams proposed under the Leading Schools initiative did not come from the Treasury in the form of new dollars for new initiatives. In fact, they were sourced internally from departmental allocations. The sourcing for future years' allocations associated with the \$24m is on the same basis as that with which you would have been familiar—internal.

**Mr QUINN:** So has the department allocated \$24m, or has it put its finger on \$24m that it can allocate to this particular purpose in the next financial year?

**Mr WELLS:** Yes. The answer was yes the first time you asked it, and it is still yes. I do not know what it is about "yes" that you do not understand.

**Mr QUINN:** I do not understand the union making a statement when, in fact, they have been privy to obviously a confidential briefing about the budget. I am trying to clarify the difference between what they are saying and what you are saying.

**Mr WELLS:** I will invite the director-general to respond to you.

**Mr MORAN:** I think that, again, there is a slight communication problem. From hearing you read out that document, which I had not previously seen, and then listening to your comment and to what Susan said, I think that the answer lies in \$24m being available this year rather than \$16m, where it was originally intended by you that \$24m would be available next year. So the extra money is available a year earlier but it is not made available by bringing forward any expenditure; it is, in effect, bringing forward an entitlement or access to funds which are to be found from within this year's budget.

**Mr QUINN:** I will wait and see. I go back to the airconditioning question. You made the statement that the subsidy levels are four for one instead of three for one. I suggest that you might tell that to Mr Pearce from central Queensland. He is in the paper quoting it as a three for one. Obviously, that is a straight take from the Budget. So there is a bit of a misconception out there. The other question that I have is that, previously, it was stated that \$200m would be needed to aircondition schools in the new

expanded Cooler Schools zone. The Budget provides over a period of time about \$121m for that particular project. Given that it is something in the order of \$80m short, how are you going to determine which schools, in fact, receive this subsidy for their projects and which do not?

**Mr WELLS:** What was the bell for?

**The CHAIRMAN:** The bell was for the member's question. So you have got three minutes from now.

**Mr WELLS:** I will ask Richard Williams if he will come forward to take up from where I leave off. As was previously indicated, the uptake of this program is going to be dependent upon schools coming forward and providing the one in four themselves. We expect that there will be a time lag in respect of schools doing that. Also, insofar as there has to be an ordering of priorities within the period of time, that priority is going to go to schools on a needs basis. In that context, I think that it is important that we take into account areas of thermal discomfort. The other thing that I would say is that this program is obviously going to be a rolling program, an ongoing program. Richard, can you supplement that please?

**Mr R. WILLIAMS:** I am not quite sure that there is a lot I can add to what the Minister has said. The matter is still to be fully considered by Government in terms of actually endorsing the policy and how the program will be delivered. As the Minister says, it will be a rolling program. I imagine that certainly over the four-year period there will be review periods as well.

**Mr QUINN:** The problem I have is that you mentioned before that you are moving from a certain number of schools within the existing zone to a larger number of schools—513 schools—across the new expanded zone. Yet when one adds the amount of money together, proportionately it is not enough to cover the additional schools that you are moving into the program.

**Mr R. WILLIAMS:** The program has always been premised on the fact that if everybody took up the availability of funding, and that is the subsidy dollars as well, more money would be required. Even under the original Cool Schools zone, it would probably have required over \$100m to fully implement airconditioning across the zone. It is the same set of circumstances. If the program was fully delivered across all schools—new schools, new buildings, resource centres, admin blocks and classrooms—you would be looking at a program of \$200m. That is premised on the fact that everybody takes up the availability of the program, which is probably unlikely. Obviously the Government will have the opportunity to review the program at various points along the way.

**Mr QUINN:** Given the take-up rate so far in the cooler zone, the access that schools are making of the subsidy program, the expenditure on resource centres, upgrades and so on, are you satisfied that the amount of money that is allocated in this Budget for the new expanded program is sufficient to cover what in fact might be the take-up rate in the new expanded zone?

**Mr WELLS:** I am satisfied that we have been given the best estimate. As you know, these things are all going to be estimates and they depend on the factors that Richard just indicated to you. They depend on an estimate of the take-up level and an estimate of the costs per implementation per school. Richard was going quite well and I will let him continue.

**Mr R. WILLIAMS:** I have lost my train of thought now.

**Mr QUINN:** Given the lessons we have learned in the northern zone, does the Budget allocate sufficient money to the expanded zone to allow the same program to continue unimpeded or will there be some reduction?

**Mr WELLS:** The budgetary recommendation was based on the knowledge of how it had gone in the northern zone.

**Mr QUINN:** So you are satisfied, in other words?

**Mr WELLS:** Human fallibility is ever present, is it not? All of the estimates are estimates. That is why they are called estimates. This is an estimation that is made on the basis of the best information available to the department, having regard to the experience that had already been had and making an estimate of the relative speed of take-up if you double the subsidy.

**Mr QUINN:** How much money is proposed to be spent this financial year on drug education?

**Mr WELLS:** The State contribution is the same as in the previous year—\$282,000. The State contribution last year was \$281,000.

**Mr QUINN:** It was more than that last year.

**Mr WELLS:** If you include the Commonwealth money. It was more because of the Commonwealth money. The Commonwealth money last year was \$133,000; this year the Commonwealth money is \$37,000.

**Mr QUINN:** It still seems a bit light. Life Education Centres currently have a resource agreement with Education Queensland. Actually, I understand that it is coming up for renewal or could have been renewed on 1 July this year. What is the progress?

**Mr WELLS:** I do not know about 1 July this year. I understood that it was necessary for them to make a submission by September. I will ask Susan to respond.

**Ms RANKIN:** We are yet to receive the report from them, which, as you know, is subject to the service agreement and the evaluation that will come out of that. I understand that that is not available at the present time.

**Mr QUINN:** Is money included in the budget should that evaluation be satisfactory?

**Ms RANKIN:** The process for dealing with that organisation is the same as for all other organisations that are the subject of service agreements. Budgets for the remainder of the financial year are yet to be determined for any of those organisations. Depending upon the outcome of the evaluation, the budget considerations will follow that.

**Mr QUINN:** Teacher numbers—let us go to the base numbers first. Through you, Minister, to the officers concerned: I know we reconciled the numbers last year and it was a very plausible explanation. I make the point that they have varied from the MPS of May to the recent MPS. Why is there a variation in the base teacher numbers—I am not interested in the increase—this time around?

**Mr WELLS:** Let me start with variations from the May MPS. There were quite a lot of variations from the May MPS. A little while ago I mentioned the circumstances in which the May MPS was conducted and the fact that the May MPS gave the concept of estimation a new degree of contingency. Let me point out another factor with respect to the May MPS.

There was a complete change in the strategy of the May MPS from the previous MPS. If you compare this MPS with the previous Government's MPS from last year, you will see a continuation of the policy line in the sense of the incremental increase of each of the subprograms, whether you are talking about preschool, primary education, secondary education, special education or distance education. There were increases generally across program areas. However, the May MPS is one-off insofar as there was an apparent significant increase in the percentage going to primary education of 70% plus, which was at the expense of secondary education, special education and education services. In the May MPS secondary education had an increase of 0.36%, special education went down to 0.75% and educational services went down 35%. That is a dramatic reallocation contained in the May MPS. It emphasises that the document was prepared in haste under the political direction of people who really wanted to get the document into the superficial veneer of budgetary form. Therefore, I would be dubious about references to the May MPS.

I table this document for the benefit of the Committee. If I did not do so previously, I also table a document that I said I would table about the conferences.

**The CHAIRMAN:** The time allocated for questions by non-Government members has expired.

**Ms STRUTHERS:** You covered this to some extent in your response to the question by the member for Merrimac. I wish to go back over the issue and to have it clarified further. Every Education budget seems to increase each year irrespective of Government, and these overall increases seem to flow through to the subprogram areas. Firstly, is that the case with respect to the Education budget? Secondly, can you compare the subprogram increases in your MPS with the subprogram expenditure changes indicated in the May MPS of the previous Minister?

**Mr WELLS:** Yes. Indeed, that is borne out by the document which I just tabled. There has been continual incremental development from this year's MPS over last year's MPS. That continued incremental development has benefited all programs, not just some of them. It has not benefited one set of schools at the expense, for example, of those whose plight is significant, such as those in special schools.

That is a significant problem with the Ministerial Portfolio Statements of May. I am sorry that the member for Merrimac's time for questions ended at the moment that it did, because I was very happy to come to the specific question of teacher numbers. But I was provoked; he talked yet once more about the May MPS. I felt that the record should be set right. The May MPS was, as I have said to the Committee, a document which should not be regarded, as it has been regarded by the former Minister and those advising him, as some sort of benchmark. It is in fact a deviation from the natural organic historical growth of the funding programs to particular subprograms in the department. The reason that it wore that complexion was that it was conceived in haste, borne of political necessity and executed without access to the fountains of information that are usually drawn upon when these kinds of documents are drawn up. Susan, would you like to add at all to that matter of the status of the May MPS?

**Ms RANKIN:** I can confirm what the Minister indicated. Normally in the process of developing MPS documentation we have a much longer period of time. During that period of time we are able to take advantage of consulting with various program activity managers, and those people give us information about the way in which the allocations are likely to actually be used. During the course of drafts that are provided through Treasury in that process we have the opportunity to modify the data to reflect more accurate allocations. Because of the May MPS being a fairly hasty document, we did not have the benefit of that additional time and information.

**Ms STRUTHERS:** I refer to page 37 of the MPS, where there is reference to the Aboriginal and Torres Strait Islander Branch. There are three parts to my question. What does this branch do within the department, how much funding has been allocated to the branch, and what is the branch planning to do this year?

**Mr WELLS:** The main priority that I have indicated to the Aboriginal and Torres Strait Islander unit is a literacy/numeracy program. That is one in respect of which I have had considerable discussions with them and other people in Education in the Aboriginal community. I have indicated to the Committee already that this document indicates that the status of Aboriginal and Torres Strait Islander children in respect of literacy and numeracy is dramatically below the rest of the cohort. I do not know how good your long-distance vision is, but this document shows the rest of the cohort and the Aboriginal and Torres Strait classes. It is really a dramatic difference. That is a priority that I have asked them to consider. But, of course, they have many other functions.

**Mr S. WILLIAMS:** The branch exists with the intent to improve the access, participation and retention rates of Aboriginal and Torres Strait Islander students in Queensland State Government schools. We currently sit at a 46% retention rate. It has increased over the years. We do sit significantly high compared with the rest of the nation, with

Queensland having the highest retention rate of indigenous students. The response to increase the resources of the branch is a very smart move, in particular in relation to literacy. We are distributing funds to remote and rural communities where literacy needs are in relation to English as a second language. That is highlighted in that document that the Minister has mentioned. The branch has also distributed most of its funding into operations. So any type of Commonwealth or State funds that do come through definitely go into the schools indirectly. Literacy/numeracy is not only a State but a national imperative. Our other areas are cultural understanding and respect in relation to curriculum offerings. I mentioned retention in terms of attendance rates as well. The last one is community participation and support. That is aimed at increasing parent/community involvement in the decisions concerning the education of their children.

**The CHAIRMAN:** The Aboriginal and Torres Strait Islander Branch has a subcentre in far-north Queensland. How much funding has been allocated to the subcentre this year and what is it planning to do?

**Mr S. WILLIAMS:** The subcentre in Cairns is certainly moving towards a process of what we call cost recovery. It does have its own surplus amount that it has generated over the years. It does come under the auspices of Education Services. We have injected salary for a manager and for an assistant resource officer there, but we have also injected funds in relation to equipment to enable that subcentre to work in response to what the schools' needs are. At this point in time I cannot give you a definite figure, but it is two salaries and about \$50,000 towards equipment and resources.

**The CHAIRMAN:** I refer the Minister to the Ministerial Portfolio Statements, which mention on a number of occasions the IT initiatives that have been undertaken within the Education Department. One initiative that has been under way for a number of years is Apple Classrooms of Tomorrow. What does this initiative consist of, how much has been allocated to it this year and how will that money be used?

**Mr WELLS:** I will ask Brian Rout, who is the officer in charge of delivering this program, to come to the table. This has been sponsored by Apple for the past 12 years. I thank you for the opportunity of revisiting the program and informing the Committee about it.

**Mr ROUT:** As the Minister has indicated, the ACOT project—the Apple Classrooms of Tomorrow project—is done through the sponsorship with Apple but with a considerable contribution also from the department. It investigates a relationship between technology and education. We have entered into this partnership with Apple Australia to establish what will be the ACOT School internationally at the Springfield State School. There are three aspects that you find in the ACOT project. One is establishing classrooms where technology is an integral part of the teaching and learning process. Very much this is a role that is being guided by the principal of the Springfield State School. With that

occurring, we also deliver what are called practicums for the professional development of teachers from other schools. Teachers from other schools stay at the ACOT School, observe the teachers in the classrooms, get feedback from the teachers and also go away and try to implement some of those strategies elsewhere. The third component is the conduct of research to investigate what is the impact of technology on student learning outcomes. We are doing this in partnership, as I said, with ACOT.

In the last financial year we actually got the process up and running. The Springfield State School was opened. We have trained the teachers at Springfield. We have the University of Technology selected to conduct the research project and we have actually established the teacher development centre at Springfield. In 1998-99 we are planning to actually get the ACOT practicums running and we are bringing teachers from all over the State for that. The professional development practicums are five-day programs and the system supports schools by funding one teacher to come and the schools fund the second teacher. So it is both a departmental and school initiative. Each practicum involves up to 16 teachers, so we are expecting to cover about 400 teachers over the year. The ACOT research is about to be under way. We are looking there at a longitudinal research project into the conditions under which the use of learning technology leads to enhanced student learning outcomes in the areas of literacy and numeracy.

**The CHAIRMAN:** On page 1 of the Ministerial Portfolio Statements the Connect-ED program is mentioned. I understand that this is part of the IT program within the department. Could you outline to the Committee what is the Connect-ED program, how much has been allocated to it and how is it progressing?

**Mr WELLS:** The Connect-ED program is a program for networking information over the Internet over three years. We have had some information already in response to some questions from the other side of the chair, but I think it would be useful to fill in some details which did not come out in the previous discussion. Would you like to do that, Susan?

**Ms RANKIN:** As I think we previously indicated, the budget for this financial year is \$10.7m. As the Minister also indicated, the project is all about connecting schools to the Internet and uses an ISDN line connection for that purpose. The network is being rolled out progressively across the State and will provide schools with the opportunity to hitch up, as it were, to the Internet and also, when they are properly connected, to utilise the information base of the department through the Intranet as well. It is being delivered by a consortia which is headed by Telstra. The project in its entirety is some \$53m. We are currently running on time with respect to having the connections out to schools by the end of the current calendar year. At this stage also it is including things like the implementation of a managed Internet service which will provide a safe environment for students by filtering inappropriate web sites and providing schools with the capacity to monitor things like email and Internet usage.

**Mr WILSON:** I refer you to page 3 of the MPS where a Schooling 2001 project to build networks within schools is mentioned. I ask a two-part question: how much has been set aside for this program in 1998-99 and how will that money be spent?

**Mr WELLS:** That is a program to enhance hardware and software and also to assist with teacher professional development.

**Mr ROUT:** The Schooling 2001 initiative comprises a number of elements in addition to supporting the networks in schools. Under this program, a major component goes out in grants to schools. We would expect about \$12.375m of that to go out in general maintenance grants to all schools. We then provide enhanced funding to schools for the areas of professional development for learning technology enhancement to actually get more computers and to actually purchase additional curriculum course ware or software. This year the total of those grants for schools will be in the order of \$13.894m.

We will be continuing to run the Connecting Teachers to the Future project as a major professional development exercise. We have just established a set of teacher learning technology competencies or standards which we have negotiated through with the Queensland Teachers Union. These have been acknowledged and accepted. These are being disseminated to schools with the expectation that by 2001 all teachers will have gained Level 1 of these competencies. Through that project we also support schools with bulk purchasing for software and so on. In terms of the actual school networks and the additions to networks, I wonder whether the funds available this year could be picked up by Susan in terms of the actual network enhancement.

**Ms RANKIN:** There are a number of initiatives associated with the roll-out of hardware. We referred earlier to the Local Area Networks initiative whose funding we have already discussed. That is \$13.3m in this financial year. In addition to that, we are upgrading all of the hardware associated with the original roll-out of the School Management System which commenced a number of years ago and we have a rolling program under which it will take us a couple of years to replace all of the hardware currently in schools associated with that original program and which they utilise to run their school management system and the software associated with it. That is ongoing as well for this financial year.

**Mr WILSON:** The importance of the Asian region to our economy has been reiterated a number of times by a number of people. How many overseas students are studying in Queensland, how much revenue does that earn for Queensland and what opportunities does this provide for Queenslanders?

**Mr WELLS:** The amount of revenue, from memory, is \$500m. That is taking the figure for all overseas students together. The officer concerned here is Rod Gilbert. I would like to make a point before Rod speaks. That \$500m is a very significant sum of money and it is a sum of money—that is revenue—that rests on the capacity of Queensland

to continue to attract overseas students. If we do not generate a climate in which overseas students feel safe and confident that they are going to be welcome, then we are going to lose that important market and, more important than the market, we are likely to lose the opportunity to have a moral influence in our region.

An idle and misconceived race debate can very well damage our capacity to attract overseas students. Indeed, we have some evidence from Hong Kong that 20% of the students who were inquiring about studying in an Australian State specifically indicated that they did not want information about Queensland. That is very alarming information and I think it is very important that we should focus the energies of the entire community on ensuring that these people are made welcome.

Remarks that might be made loosely or remarks that may be made for cynical political objectives that foster that kind of race debate are going to do enormous damage. We cannot claim a moral influence that we have in the world—a moral influence which extends beyond the amount that you would expect for a power of Australia's size—if we are going to be subject to constant character assassinations that are brought on the basis of a misconceived allegation that we are a racist society. Therefore, the community needs to work together to ensure that we do foster a climate here in which people are made welcome. \$500m is a lot of revenue, but the moral influence which is behind the capacity to educate people is even more important than that. The experience of being educated in the country and the experience of being educated anywhere is one which is very fundamental and which is very deeply felt, one which lasts the entire lifetime of the person.

**The CHAIRMAN:** The Minister's time has expired. Did the questioner wish to ask for an extension of time?

**Mr WILSON:** Yes, I would, thank you.

**Mr WELLS:** People who complete their education in Queensland have an affinity with this place which makes them, effectively, ambassadors for Queensland for the rest of their lives and a means by which a good relationship between their home country and Queensland can be fostered. We prejudice all of this with the idle racial chatter that has gone on in some quarters and which should stop. Those people who feel moved to make those kinds of remarks could serve their country best if they would just hold their tongues and shut up. I feel fairly deeply about this. You will have to forgive me for going on at greater length.

**The CHAIRMAN:** The time allocated to Government members has now expired.

**Dr KINGSTON:** If I may seek your indulgence, Mr Chairman, I would like to support what the Minister has just said about the importance of establishing lifetime relationships with this State and with this country by educating foreign students. When the Friendship Bridge was opened between Laos and Thailand, I hosted a reception for Paul Keating for 300 Lao people who were educated in Australia. The goodwill that was evident at that

meeting was exceptional and we had made a very big investment. I apologise; that is not a question.

**The CHAIRMAN:** Would the member please lead to his question?

**Dr KINGSTON:** My questions are geographically much more focused than those of previous questioners. This portfolio statement has caused some angst in my area. The electorate of Maryborough and surrounding electorates are areas with high unemployment and there is a higher need for guidance officers. One school in particular has gone to the extent of employing a chaplain, quite apart from its guidance officer, at a cost of \$35,000, funded by donations. I am gratified to hear that you have allocated \$5.5m, some of which I understand will go to behavioural management, but I am curious to know how you will prioritise the allocation of that money.

**Mr WELLS:** To what page of the MPS are you referring?

**Dr KINGSTON:** The \$5m.

**Mr WELLS:** To which page of the MPS does your question refer?

**Dr KINGSTON:** I am sorry, I did not write down the page, but it relates to the Education for All initiative.

**Mr WELLS:** I thought you were talking about the behaviour management money. You asked about the priorities for the behaviour management money?

**Dr KINGSTON:** Yes.

**Mr WELLS:** Do you mean the \$5m supplementation to behaviour management?

**Dr KINGSTON:** Prior to this meeting, a great deal of concern was expressed to me by various schools in my electorate and electorates close by that they were finding it necessary to fund additional people in the area of behaviour management.

**Mr WELLS:** Not only concern but even angst, you said! They are suffering angst about the priorities of the \$5m additional? Is that what the angst is about?

**Dr KINGSTON:** No. They would not have known, as I would not have known, that you had part of \$5m additional until today, but they were—

**Mr WELLS:** You can go back and tell them now and that will assuage their angst.

**Dr KINGSTON:** What I am asking you, and what they asked me, is: how will the additional staff be prioritised?

**Mr WELLS:** The money will be prioritised on the basis of need. There will be a certain amount of flexibility in the manner in which behaviour management money is spent. If you move around the State and talk to teachers—indeed, I have spoken to some teachers from Maryborough and the adjacent areas—you will find that different teachers and different parents have different ideas as to how you can most effectively spend behaviour management money. Some teachers, for example, would like to spend the money on additional guidance officers, but that proposal is very unpopular with other teachers who say that in the context of their school what is

needed rather is a lower class size, which you achieve by putting on an additional teacher by using the flexibility which is in your grants system to generate that additional teaching position.

Others say that the way you approach it is with more teacher aides to focus the children whose behaviour requires management. Then there are others who say that what you need is a responsible thinking classroom, which is a classroom into which the child who is misbehaving can be withdrawn until such time as they are able to announce that they are thinking responsibly about coming back. So there is a wide variety of strategies that are available and there has to be a certain amount of flexibility built into the system.

The final parameters for the expenditure of that money have not been finally set, but I have already given the department an indication that I want to ensure that there is a certain amount of flexibility to meet the needs of specific areas and to enable the behaviour management money to be targeted to areas of the greatest need.

**Ms DIESSEL:** The additional money gives extra capacity for schools in the area of staffing and program support. That flexibility is a major component of that. In the past, schools have indicated to us that in the choice of particular staff they do want that flexibility, and guidance officers is one category of staff that has been utilised.

**Dr KINGSTON:** One of the initiatives outlined in the introduction to the MPS is a skilled, confident and responsible work force. That, to me, implies a low level of stress amongst the work force. I note that towards the back of the document is a table showing that the number of staff exhibiting stress last year as compared with this year is much the same. I hear within the same electorates I mentioned earlier that staff workload is the most significant issue and the most significant cause of stress. It is caused by higher expectations for vocational education, the teaching of students with disabilities and the development of individual learning plans. Can you give me a message of comfort for those schools that are asking me questions about this issue?

**Mr WELLS:** A message of comfort? To which page of the MPS should I refer my message of comfort? I am sorry, I do not mean to be difficult. What specifically are you looking at? What specific expenditure are you looking at?

**Dr KINGSTON:** It really comes down to staff numbers. That is what they are asking about. They are saying that the staff workload is too high with the additional expectations of the existing staff.

**Mr WELLS:** This is Ken Rogers, the ADG who has responsibility for the Maryborough area. If anybody knows about stress or, indeed, angst in Maryborough, it is going to be Ken. Can you give us something quite precise in terms of a question so that Ken can answer it?

**Dr KINGSTON:** Yes. These questions are coming from secondary schools in the Maryborough and neighbouring electorates. More precisely, they are asking: will there be any decrease in their

individual workloads due to an increase in staff numbers?

**Mr WELLS:** Will there be a decrease in their workloads? Oh, yes! The behaviour management money and the literacy money will generate additional numbers of specialists in all of those areas. Those additional specialists will take a considerable amount of pressure off existing classroom teachers. The ratios will not alter. The student/staff ratios will not alter, but the behaviour management money and the literacy and numeracy money will indeed relieve the teachers of considerable burdens. That literacy money is going to be concentrated in the primary school area, because it is in the context of the Year 1, 2 and 3 continua and the Year 2 Diagnostic Net that we are able most effectively to identify literacy and numeracy problems. The point of identification is to follow it up with intervention at an appropriate level. I expect that many of the people who have been speaking to you have been primary teachers; is that right?

**Dr KINGSTON:** More have been secondary.

**Mr WELLS:** They will benefit enormously from the behaviour management money. And that, indeed, was the angle from which you were coming. The answer to the question is: yes, we have good news for Maryborough to the extent that there is an entitlement there for needs-based funding with respect to behaviour management money. They will have that respite. I should say also that the \$24m of discretionary money—which, as I mentioned, represented a significant increase on the amount of money that was distributed under the Leading Schools program—has the capacity to enable any school to put on additional specialist or generalist staff. Ken, would you like to add to that?

**Mr ROGERS:** The other component that will add to the areas the Minister has already identified is the fact that there are two nurses who have recently been announced and who are going to be distributed across the four high schools in the Maryborough/Hervey Bay area at 0.5 of a number each. That will take some of the stress and workload which is not necessarily called the business of teachers—and that has also added to that stress, I am sure—and place it with those paraprofessionals who can support them in that role.

**Dr KINGSTON:** My next question goes back to a question on notice which referred to the difficulty of securing headmasters in small rural centres. Again, there is a concern that, now that there has been a category of—I think it is a senior teacher, or there are 2.2 schools currently that have not had headmasters for more than two terms. A senior teacher classification is now paid \$50,000, which is not significantly under that of a principal. There are questions coming from places such as Coalstoun Lakes, basically asking: why would anybody become a principal at Coalstoun Lakes, which is not a remote area?

**Mr WELLS:** I will ask Ken and Jim McGowan to sort out between them whoever is appropriate to answer this question.

**Mr McGOWAN:** The issue, if I understand it correctly, is the apparent disincentive to apply for principalships as a consequence of the decisions in relation to the senior teacher classification specifically. We are aware of the issue in relation to the fact that the arbitrated decision of the QIRC awarded significant increases to teachers, particularly teachers with nine years or more experience. As a consequence of that, and a decision in relation to the rates of payment for Bands 4 and 5, principals particularly were increased by a lesser amount, and there is potential for some disadvantage. That is a matter that we have committed to look at in terms of the next round of enterprise bargaining agenda.

However, those decisions were made by the QIRC in arbitration, and as an employer and as a union we are locked into those decisions for the period of that enterprise agreement. There is some evidence, however, that many of the people who are applying for Band 4 and 5 schools, that is, one-teacher or two-teacher schools, are relatively inexperienced teachers. In those cases, they do get a significant jump from their incremental salary to a salary in excess of, I think, about \$52,000. But in terms of the general points that you have raised in relation to the gap between the top of the senior teacher range and the salary applicable to a principal in a one-teacher school, there is an issue there, but it is not an issue that we are capable of resolving until the period of the enterprise bargaining is over as a consequence of that IRC decision.

**Dr KINGSTON:** Although I am biased, I have to admit that there are other electorates, so I will cease my questioning.

**Mr QUINN:** I will get one in about Merrimac. I refer to growth in the central Merrimac area around Robina. The primary school and the high school are bursting at the seams. What plans does the Government have to purchase additional land for both a primary school and a high school in the central Gold Coast area, serving Merrimac, particularly Robina, Mudgeraba and the expanding suburbs of Reedy Creek and the new estate at Kingsmore and other places like that?

**Mr WELLS:** I do not know, but I will ask Richard Williams to come forward.

**Mr QUINN:** It has now assumed an urgent need. The last time I asked, nothing was being done. Even when I was the Minister, I could not move this.

**Mr R. WILLIAMS:** In relation to Merrimac, there is no intention at the moment in relation to adding to the high school facilities. We are certainly looking at the opportunity in terms of what we might do in the area of primary.

**Mr QUINN:** How large will you allow the Robina State High School to go? On projected figures, I think it is predicted to burst through the 2,000 mark within the next two years

**Mr R. WILLIAMS:** You are probably operating at a level of detail that I do not have before me. If you bear with me, I will be able to get an answer to that.

**Mr QUINN:** I make the point that the department has known about the expanding

enrolments at the Robina State High School for a number of years. Those are well known within the old region and the new district. It is about time that the department looked at some alternatives, not only in the high school but particularly in the primary school. If you consult the demographics and the council down there, you will find that there are enormous proposed developments, not only in Robina but also on the south-western side of the highway, which really means that they will need another primary school there within the next two years. All the primary schools surrounding those developments are at their maximum capacity now.

**Mr R. WILLIAMS:** We are certainly looking at the primary school angle at the moment, but I will get you more details on the high school.

**Mr QUINN:** In the table on page 7 of the Ministerial Portfolio Statements, the Sale of Assets (Land) columns reflect that so far the department has disposed of about \$2m worth of assets. My reading of the program statement is that remaining funds from those sales will not come back to the department. I presume they will be going to Treasury. Is that true?

**Mr WELLS:** I wonder whether you are talking about land that is being disposed of by the Department of Natural Resources.

**Mr QUINN:** On Education's behalf, I would presume, yes.

**Ms RANKIN:** The money was appropriated and spent this year, but the revenue target was not achieved. You are correct in your statement.

**Mr QUINN:** Is that a change of Government policy? Will that occur next year as well?

**Ms RANKIN:** No, it was only in respect of the fact that we did not reach our land sales target in the previous budget due to the late settlement of properties. It was appropriated to us in that period. We offset and spent that appropriation. It is not a change of Government policy.

**The CHAIRMAN:** The time allocated for non-Government questions has expired. I call the member for Ferny Grove.

**Mr WILSON:** Given the importance of overseas connections in general and the Asian connection in particular that you referred to in an earlier answer to a question, have there been any attempts to incorporate Asian studies within schools? If so, how much money has been set aside to do that?

**Mr WELLS:** There is an enormous opportunity for Queensland, by virtue of our proximity to Asia, to position ourselves as interpreters to the rest of the world. The Languages Other Than English Program has delivered very significant results. We have over 70,000 students studying Asian languages at this stage if my memory serves me correctly. That could be an enormous advantage in commercial terms to the people of Queensland generally. I will ask Col Sutcliffe, who is the departmental officer who is responsible for that area, to give us a more detailed briefing on Asian studies. One of my priorities is the study of Asian languages in schools and the study of Asian cultures. You cannot get the maximum benefit

of one without the other. I think that we can, through appropriate Asian studies, position ourselves in a position of enormous advantage.

**Mr SUTCLIFFE:** There are a number of prongs to the way that Asian studies are addressed within Queensland schools. For most schools it is through the study of society and environment. As you would be aware, there is a new syllabus that is being developed at the moment by the Queensland School Curriculum Council. That will address a number of outcomes for us to study other cultures, including Asian studies. In the long term, schools will review their present programs to make sure certain that they pick up against those particular outcomes that are associated with the study of other cultures.

The other aspects are within the LOTE or Languages Other Than English Program where a number of our students would undertake studies of the priority areas of, in particular, Chinese, Japanese and Indonesian. We also have a project that is partly Commonwealth funded and partly State funded called Access Asia, where a number of schools are targeting, trialling and developing resource materials for other schools to look at Asian studies as a particular focus area. In addition, more and more schools are looking at opportunities for teacher exchange, student exchange and principal exchange that we might facilitate within a central office area, but they are school-based management decisions. There are a quite a number of ways and means that Asian studies are picked up by our students.

**Ms STRUTHERS:** On pages 49 and 52 of the Ministerial Portfolio Statements there is mention of the Tertiary Entrance Procedures Authority. Can you explain what the authority is responsible for and specifically what it will do with its funding this year?

**Ms ROBERTS:** The Tertiary Entrance Procedures Authority is an organisation that provides informed, research-based policy advice to the Minister on all aspects of the tertiary entrance process, keeps the tertiary entrance process under review, issues tertiary entrance statements to all eligible Year 12s and provides a comprehensive information program on all aspects of the tertiary entrance process to all stakeholders within the tertiary entrance process. It also encourages better links between the secondary and tertiary education sectors.

Within the forthcoming budget year the funds of the organisation will be spent on obvious things, such as salary costs. However, our major program areas will be information. We will provide a number of resources to every student in Years 10, 11 and 12 in every secondary school, both Government and non-Government, in the State. We will have a comprehensive research program that incorporates a number of longitudinal studies about students' subject choices and career decision making and tertiary options and why they choose them. We will also have an extensive program of links encompassing things such as the management of careers expos, careers markets and a number of regional projects across Queensland.

**Ms STRUTHERS:** I want to pursue the longitudinal research study that Ms Roberts has

mentioned. In relation to the Tertiary Entrance Procedures Authority, on page 52 of the Ministerial Portfolio Statements there is mention of the longitudinal research study into career advice for students in rural areas. What is that study about? With regard to this study, what is planned for the coming year?

**Ms ROBERTS:** This study is in its third year of operation. We have operated with cohorts of students in eight secondary schools across the State. They have been interviewed in Years 10 and 11. We are currently completing our interviews while they are in their last stages of Year 12. The initial phase of the study focused on their subject choices for Year 11 and why they made those subject choices—whether the students were going to choose to be OP eligible and what future options they were considering at that time. The Year 11 phase focused on whether the students were satisfied at that point with the choices they had made and whether they would like to make changes. The Year 12 phase is focusing on their post-school options, whether they are choosing to apply for a tertiary place. Throughout the study, one of the major focuses has been the advice on which students have based their choices, the people from whom they have sought advice, the resources to which they have referred when seeking advice about subject choice and tertiary options. The fourth phase of the study will be completed next year when the students have completed Year 12. We will be following up to see what they have done post school, how many have chosen to be tertiary eligible and whether they are satisfied with the tertiary courses they have chosen. The major report from the study will report on the progress of the students in the schools, but it will also look at where students go primarily to seek their advice about senior secondary school study and tertiary options.

**Ms STRUTHERS:** I turn now to the Centre for Teaching Excellence. Page 38 of the MPS refers to this centre. What is this centre and what does it do? How much funding has been allocated for it? What does the centre intend doing with those funds in the coming year?

**Mr WELLS:** I will ask Brian Rout if he would come up and inform the Committee on behalf of the centre.

**Mr ROUT:** The Centre for Teaching Excellence is a relatively new centre within the department and within the Education Services Directorate and was established only in July 1997. Its key functions are to coordinate all teacher professional development with a Statewide or strategic focus, to provide information on a range of professional development and training services available and to make sure that that information is easily accessible, and to assess and facilitate the quality of professional development services. Over the past 12 months since it was established, it was primarily responsible for the professional development of our preschool teachers and administrators associated with the preschool curriculum guidelines implementation. It has already established the centre web site and a database of professional development services.

A number of professional development providers have put their services on that database to make sure that schools are aware of them. It has been heavily involved in the ACOT research project and developing the teacher development centre for ACOT, as I referred to previously. It has also developed standards that professional development providers might use for the development and delivery of professional development training to all State schools. We want that professional development training going to State schools to be under a certain set of standards and we require that for people applying to provide those services. It also has a major role in looking after our tertiary and service support, which actually provides support for 360 teachers to undertake tertiary studies particularly relevant to special areas of teaching.

The budget for 1998-99 for that centre is planned to be about \$7.7m, which needs to be seen in the context that it is a very small centre in terms of its personnel; it has only five full-time officers. Most of those funds will be the funds actually used for the service delivery—for schools to access professional development services. Some of the projects planned for 1998-99 include further support for the preschool curriculum guidelines. It has a fairly major role in supporting the implementation of the new syllabuses coming out of the Queensland School Curriculum Council and also providing training for advisory/visiting teachers, supporting the reading recovery teachers' professional development, and so on.

**The CHAIRMAN:** Page 55 of the Ministerial Portfolio Statements mentions that there will be recurrent and capital funding for community kindergartens. Could you explain to the Committee what this funding is for and how much will be provided to these organisations during 1998-99?

**Mr WELLS:** The Beattie Labor Government is committed to early childhood education. I will ask the officer responsible for that area.

**Mr DUCK:** Yes, there is \$21m allocated for community kindergartens in the 1998-99 Budget. The bulk of that money goes to pay recurrent salaries of kindergarten teachers and assistants in community kindergartens. The formula is based on the notion of reimbursing kindergartens for approximately 80% of the salary costs of approved staff. In addition to that, there is a capital grants program. I think that is around about \$180,000 next year. That is on the basis of applications made by community kindergartens, which are assessed by the Creche and Kindergarten Association advisers and recommendations made to the Minister. I should also say that of the recurrent funding, some of that funding is allocated to the Creche and Kindergarten Association for an educational consultancy service for community kindergartens.

**The CHAIRMAN:** On page 56, mention is made of support given to the Community Kindergarten Assistance Scheme. Could you explain to the Committee what this scheme is and what support will be provided this financial year?

**Mr DUCK:** That is what I have just explained. That is the Community Kindergarten Assistance Scheme, Mr Roberts.

**The CHAIRMAN:** Earlier the Minister's attention was drawn to pages 4 and 43 of the Ministerial Portfolio Statements and specifically to the Cooler Schools initiative. To what extent will non-State schools receive support for airconditioning?

**Mr WELLS:** There is a basket and nexus arrangement with respect to a lot of issues. In respect of other issues relating to non-State schools, we just have straight out funding. With respect to airconditioning, there is Government money that is going to the non-State schools, although it is not part of the Cooler Schools. I will ask Greg if he would explain this.

**Mr DUCK:** I can explain. Under the Cool Schools Program, there was \$2m allocated—under the previous program—and there is an extra \$400,000 in 1998-99 on account of the Cooler Schools Program. So all up there is \$2.4m in 1998-99 for cooler airconditioning of non-State schools.

**Mr WELLS:** If I could just drive that point home—the fact that although that is not part of the basket and nexus arrangement, nevertheless it is a sum of money that we are making available to the systemic and independent schools. That indicates the commitment of this Government to non-State schooling—a commitment which, by the way, detracts not at all from our commitment to the State school system.

**Mr WILSON:** Page 47 of the MPS states that there is an employment equity subprogram within corporate services. What is this program responsible for and what activities are intended to be undertaken during the next 12 months?

**Mr WELLS:** Particularly in a department like this where we have a highly feminised work force, it is important that equity considerations be given a great deal of prominence. Could I ask Jim McGowan if he could come forward?

**Mr McGOWAN:** The employment workplace equity unit sits within human resources and is designed as a developmental element of the department to promote the issues associated with target groups including women, particularly women in leadership programs. In fact, one of the major commitments in 1998-99 will be a program to enhance the proportion of women occupying senior positions. It involves strategies such as work shadowing, mentoring programs and the opportunity to act in higher positions as an avenue which assists people subsequently applying for promotions.

We have a heavy emphasis in terms of Aboriginal and Islander employment. This year we have been involved in a pilot program, in terms of a traineeship program, offering support for about 50 Aboriginal and Islander people working in school situations as teacher aides and administrative assistants. It is also focused in terms of increasing the proportion of Aboriginal and Islander people in the teaching profession. We do in fact have a gap that we need to think strategically through about

strategies which do encourage students at school to consider teaching as an option and to follow that through in terms of support for Aboriginal and Islander people in teacher education programs, not just with a vision to having those people teach in Aboriginal and Islander communities but as part of a strategy that provides opportunities for the broader range of students to experience people from different cultures and have different opportunities.

We have also operated a system which attempts to assist people with disabilities to assume roles within Education, both in terms of teaching and non-teaching roles and in ways that enable variations in terms of conditions and facilities to meet their particular needs. We have a program to support teachers trained overseas in terms of becoming aware of the way in which this system operates and the learning environment so that they are more easily able to access jobs with education—a very important program in terms of specifically targeted programs to assist people in those target group areas.

**Mr WILSON:** I will ask a question in which I have a particular interest, which is to do with concerns about the environment. I know that the department operates a number of environmental education centres, which I am especially interested in. What is being done in relation to environmental education in schools? How much has been set aside for environmental education centres? How do those centres operate?

**Mr WELLS:** The Beattie Labor Government has a commitment to environmental education. We are very proud of the environmental education centres. Will Col Sutcliffe come forward to advise the Committee, please.

**Mr SUTCLIFFE:** From the point of view of a broad aspect with regard to environmental studies, it is part of the syllabus documents that many schools would address presently in either science or within other aspects such as studies of society and environment. That would be from Year 1 right through, and specialisation for some students in agricultural studies and so on when they get into Years 9, 10, 11 and 12.

The actual environmental centres are spread throughout the State. They are available as sites for students to visit, to undertake certain studies that might not be in their own particular locality. For example, some of the sites might have a focus on wetlands and so when they go there the students are able to study first-hand the wetlands situation. Increasingly, the environmental education centres are also linking students, prior to going to the centre, through such things as CD-ROM and Internet access so that they can get an understanding of the sorts of issues and aspects of the environment that they will look at when they go to the environmental education centre.

Of course, it is important that not only is environmental education done at the centre but also that it is done locally, so that students can then compare and contrast their environment with the alternative environment that they would go to see. For example, there is an environmental education CD-ROM that is based upon central Queensland,

developed by Education Queensland—Wanp-rda Matilda. Students are able to access that and look at sites such as Lark Quarry before they actually go and see them personally or go to the Museum to study them.

**The CHAIRMAN:** The time allocated for Government questions has expired. I call on the member for Merrimac.

**Mr QUINN:** While still on environmental education centres, in the May MPS there was an allocation of some \$932,000 and this budget contains \$256,000 under the interdivisional programs in the capital works area. What is the reason for the reduction in capital works for environmental education centres?

**Mr R. WILLIAMS:** The amount of variation is a fairly slight variation and it is just part of the fine tuning of the budget.

**Mr QUINN:** It is 73%; it is hardly slight.

**Mr R. WILLIAMS:** I think in dollar terms it is fairly slight.

**Mr QUINN:** In the overall budget. It had \$932,000 and now it is down to \$256,000.

**The CHAIRMAN:** I ask the member to direct his questions to the Minister.

**Mr WELLS:** You are talking about a finite number of centres. You are talking about a need for capital works that is going to be circumstantial. It is not like you are talking about the State Capital Works Program for schools.

**Mr QUINN:** No.

**Mr WELLS:** To draw 73% on such small figures is drawing a longbow.

**Mr QUINN:** How many environmental centres are there?

**Mr WELLS:** Nineteen.

**Mr QUINN:** There are not many of them and for them \$900,000 is a fair slice of the budget.

**Mr R. WILLIAMS:** The allocation is for minor works. If issues come up during the financial year that require a reallocation of money, we will have a hard look at it at the time.

**Mr QUINN:** Going to the longitudinal study on what was the Leading Schools program, are you still going to continue with this, given the fact that you have substantially altered the basis on which the contract was awarded?

**Mr WELLS:** I think it was absolutely outrageous that just before an election, when you knew that it was possible that the Government was going to change, you entered into a contract to have a longitudinal study into a program that you knew was not going to exist if you lost the election. That was an outrageous way of splurging taxpayers' money. It was totally, completely and utterly irresponsible to do something like that so that the Government and the department are saddled with the enormous costs of that kind of exercise. I find it astounding that you would have the audacity to sit there and ask a question about it, to be perfectly frank. I am completely overcome. I will pass the

question to the director-general. Obviously we are going to have to try to guide them into investigating something sensible.

**Mr MORAN:** The study will continue. It will be refocused on schools-based management, particularly in light of the decisions that the Government will make when it receives advice following the consultation on schools-based management.

**Mr WELLS:** If I had the capacity to ask questions of you here, I would ask you why you would have the temerity to do something like that. It was not even terribly Westminster to do something like that, to commit a whole lot of Education Department money. It is like spending \$1m on Leading Schools conferences. It is the same sort of thing. Why would you do it? I do not know why you would do it.

**Mr QUINN:** You saw no value in it whatsoever?

**Mr WELLS:** I saw no value whatsoever in entering into a contract that was going to bind an incoming Government to investigate a program that you knew was going to be cancelled if you lost the election. It must have been the height of arrogance to do something like that. It is a waste of money. You wasted a whole lot of money that could have been spent on the kids. That is what you have done. You just threw it away and then you have the temerity to come to an Estimates committee and ask that question. I am a patient man, Bob, but you are trying it with that sort of question.

**Mr QUINN:** You saw no educational value at all? The fact that this program was recognised not only nationally but internationally in some parts as a leader in its field. It was breaking new ground and here was an opportunity to really put in place a definitive research project about what the advantages for schools-based management would be.

**Mr WELLS:** Spare us the——

**The CHAIRMAN:** Order! The Minister and the member are not here to debate the particular program. I would ask the member for Merrimac to please ask a question.

**Mr QUINN:** I have. Obviously, he has seen no value in it whatsoever.

**The CHAIRMAN:** I think the Minister has answered the question. Could you move on to your next question.

**Mr WELLS:** Hang on. He has presumed the answer.

**The CHAIRMAN:** Order! I will ask the member to move on to his next question.

**Mr QUINN:** Since the change of Government, have any consultants been engaged by the department and, if so, what for and what are the details?

**Mr WELLS:** None that come to \$1.3m, which, by the way, was what you spent on the longitudinal study that you approved on 4 September 1997. For \$1.3m you could get well over 20 teachers. You

could get a tremendous amount of literacy and numeracy intervention done for that sum of money. It was an absolutely outrageous thing to do on 4 September. Everybody was talking elections even at that time. I understand why you did——

**Mr QUINN:** So you will be signing no long-term contracts from now until the next election, because you think there might be a change of Government? Is that the basis on which you are making your decisions? That is what you are saying.

**Mr WELLS:** I understand why you did a lot of the things that you did. You have a different ideological position to me. I can understand you doing the Leading Schools program. I can respect the fact that you have a different philosophical position to me. That is fine. A lot of the world thinks differently from me. It is just that they are not capable of getting 50% of the vote in the State of Queensland. That is okay. I respect the fact that you did that. But what I find unconscionable is that, when an election was being talked up, an incoming Government was committed to \$1.3m for a program that you knew was going to be cancelled.

**Mr QUINN:** It was 12 months before the election.

**Mr WELLS:** As it turned out, it was nine months before the election.

**Mr QUINN:** Following your line of thought, no Government would sign any contract out of fear of there being a change of Government at the next election.

**Mr WELLS:** It was an awful lot of money.

**The CHAIRMAN:** Order! I am not going to permit this exchange to continue. I ask the member to move on to his next question.

**Mr QUINN:** I have asked the question.

**The CHAIRMAN:** I think the Minister has now responded. I ask the member to move on to his next question.

**Mr QUINN:** Do we get any details?

**Mr WELLS:** If you would like some details, I will ask Susan to give you some.

**Ms RANKIN:** You asked specifically about the amount expended. We have the details of the amount expended to the end of June 1998 with respect to external consultants, which was of the order of \$1.2m. In respect of consultants engaged since then, you were asking whether there were any commitments. I do not have that information before me at present, but I am not aware of any of the sort that you were describing before. But on an ongoing basis, of course, there would be in the normal context of operational requirements.

**Mr QUINN:** Could you take that on notice and provide details? I turn to the Centre for Leadership Excellence. Could you please tell me the budget for the centre this year and whether you plan to continue with outsourcing the programs or whether you are going to move to an internal model?

**Mr MORAN:** While I am obtaining information on the budget details, I have had an opportunity already to have a look at the Centre for Leadership

Excellence. I am aware that there has been some debate about the framework for leadership which has been developed previously and is still in use by that centre. I think that framework is quite a reasonable one and I have indicated to people in the department that I wish to go on with it for the time being. However, I am somewhat concerned about its use in some respects for performance appraisal. I am not sure that performance appraisal is necessarily best based on such a framework. There is also the question of how it might be used in respect of the selection for principals and deputy principals. That, too, is the subject of some review at the moment.

In looking at the activities of the centre, I felt that it could do a good job in identifying the developmental needs of those who would wish to be principals, but it has not yet really pinned down how people who have developmental needs identified could actually have them filled. I have asked the people involved in the centre to have a look at that, and in the light of advice on that I could then settle proposals for the Minister as to the budget for the centre for the current financial year. At this stage, there is no proposal to bring into the department that which was previously available from external providers. But the final answer to that would have to depend upon how we can tie down a little more precisely than was the case in the past the sorts of developmental opportunities that people in leadership positions or who aspire to leadership positions in the department might undertake.

**Mr QUINN:** Is there no budget at present? Is it flexible?

**Mr MORAN:** No. Along with many other areas in the department, I am going through a process at the moment of reviewing budgets for groups like that, and that has not been finally settled within the constraints imposed by the MPS, anyway.

**Mr QUINN:** I turn to teaching scholarships. You mention in the MPS that you are going to continue with the Bid O'Sullivan scholarships. What about the other scholarships that are available—the extra 60 Diploma of Education ones?

**Ms SULLIVAN:** As the Minister would be aware, in 1996 a scholarship scheme was introduced. We particularly focused on the high priority teaching subject areas of English, information processing technology and maths/science. The idea was to give those scholarships for postgraduate courses in education. But from 1999 no Queensland university will in fact offer a one-year Graduate Diploma in Education or its equivalent. All courses are at least two years in duration and will be called Bachelor of Education (Secondary) or Graduate Bachelor of Education. So there will not in fact be any students graduating under the Diploma of Education program in 1999 which we financed previously. We will continue the Bid O'Sullivan scholarships for the start of 1999, but the other system will be deferred as a consequence of the fact that universities will no longer be offering the one-year graduate program.

**Mr QUINN:** Are there any other ways in which you are exploring attracting teachers to western areas such as the scholarship scheme sought to

achieve? Are there any other ideas within the department or are we simply going to let this program lapse because of the move to the universities?

**Ms SULLIVAN:** We are undertaking a number of initiatives with other community groups. For example, the Priority Country Area Program commissioned a report on this issue and a series of recommendations flowed from that report. One of the things we are doing later this month is sponsoring a forum with all of the deans of education from around the State to look at some of the issues that were identified in that report about recruiting and keeping teachers in small remote and isolated schools. The ICPA has also joined us and is seeking sponsorship of a program that it will take a lead agent role in, so it is really a matter of strategic alliances with some of the community groups that are particularly concerned about this issue.

**Mr QUINN:** Are we maintaining the funding for the gifted and talented education program?

**Mr WELLS:** Thank you for asking that question. I would like to take the opportunity to make it clear that I am committed to gifted and talented education. The notion of inclusive education has sometimes in the past been interpreted as including those with disabilities but not adequately including those who have special gifts or talents. It is sometimes the case that those who are particularly gifted actually fall by the wayside simply by virtue of the fact that the curriculum that is put before them is not sufficient to stretch and challenge them. I am going to refer the question with respect to the programs to Jo Diessel, but I would like to make it quite clear that if we are going to run an inclusive education system—and I understand that this was your philosophy, too, Bob, when you were the Minister—we need to give due attention to gifted and talented education.

**Ms DIESEL:** In 1998-99 the commitment of \$1m continues as it was last year. A small proportion is included in that for the non-Government sector. There are three major areas that will continue. Firstly, there will be funds to schools across the 36 districts for small-scale projects in gifted and talented education. There is also the focused schools concept. At this stage we have eight schools looking at developing a whole-school approach to gifted and talented education. The Phase 1 schools of those focused schools—the first four that were brought on in 1997—in the following year will go into an exciting stage of providing outreach services to neighbouring schools and across districts. The third component will be the continuation of raising awareness of gifted and talented education and in particular about sharing good practice across the focused schools to other schools.

**Mr WELLS:** In the short time remaining for that question I might mention that the literacy and numeracy initiatives and the behaviour management initiatives, in a paradoxical way, will assist with gifted and talented education, because too often the attention of teachers is focused on the students with those particular difficulties. If teachers have assistance with respect to that area of their work,

they are able to focus their attention more adequately on those with particular talents.

**Mr QUINN:** Has the program been seen as a success in the schools themselves and by parents? What has been the general feedback?

**Ms DIESSEL:** In the aid focused schools in particular, it has been seen as very highly successful, particularly from the perceptions of teachers, staff and parents.

**Mr QUINN:** At the Cooktown State School, there is a relocation of the primary school into the secondary campus. From memory there is a budget allocation of some \$5.2m. Initially the scope of the project indicated that the budget was only about \$3.3m and, indeed, in May the facilities had a proposed budget of some \$4.5m. The question is: why has the budget for this relocation increased?

**Mr R. WILLIAMS:** Certainly the cost of the project has risen, but it is borne in mind that we start off with a level of scoping on the project. As the project gets refined, then the costs also get refined through the process. In fact, we have recently let a tender for the work at a price of \$4.329m. But it is just a refinement process in terms of development and scope of the project.

**Mr QUINN:** You are aware, of course, that there is some angst in the community up there about the project.

**Mr WELLS:** Is that a rhetorical question? You have another question about angst. There seems to be a major epidemic of angst going around.

**Mr QUINN:** It is all north of Brisbane.

**Mr WELLS:** Is it existential angst?

**Mr QUINN:** I am just saying that there are some in the community who are worried about the scope of the project and, in fact, what was promised or what was seen to be promised was not being delivered in the project itself.

**Mr R. WILLIAMS:** Certainly, the community will end up with an excellent school.

**Mr QUINN:** Like Laidley.

**Mr WELLS:** If you would like, Richard has some information about Robina now.

**Mr R. WILLIAMS:** The school opened in 1996 and we are at Year 10 at present. The school will have its full complement by the year 2000, at which time we estimate the school population will be about 1,700. At that point, because we will not be adding any more school years to the school, it will stabilise for a period of time at about the 1,700 level. We think that in about the year 2003 it might start rising again, so certainly we will be watching the school in terms of the need for another school in that area, but it is certainly outside the scope of the current Forward Estimates.

**Mr QUINN:** What is the enrolment at the moment? I understand it is about 1,600.

**Mr R. WILLIAMS:** The enrolment this year is 1,100. In 1999 it will go to 1,452.

**Mr QUINN:** What about primary schools in the area?

**Mr WELLS:** I understand your deep concern about the people of Robina.

**Mr R. WILLIAMS:** Robina State School has a population of about 823 in 1998. That will be fairly stable over the next few years.

**Mr QUINN:** It is on an extremely small site. The reason it cannot expand is that it has an enrolment cap on it and the population at the neighbouring schools at Mudgeeraba, Mudgeeraba Creek and Caningeraba is also rising fairly rapidly. What are the plans to relieve the pressures there?

**Mr R. WILLIAMS:** We are certainly more concerned about the primary schools. In fact, we are looking at potential sites in the Reedy Creek area.

**Mr QUINN:** But you have been looking for the past three years.

**The CHAIRMAN:** Just if I can interrupt, the member has asked Mr Williams four questions in a row. I ask him to now direct his next question to the Minister.

**Mr QUINN:** Mr Minister, you have been looking there for three years.

**Mr WELLS:** If only I could see it through your eyes, I might see it differently. But I see a catchment area that is not yet full enough to generate a new school.

**Mr QUINN:** It is a matter of debate.

**Mr WELLS:** We are going to do it on the numbers. When the numbers generate—

**Mr QUINN:** I have always had more success from this department when I have been in Opposition than in Government.

**Mr WELLS:** You will find that to continue to be the case.

**Mr QUINN:** So I am looking forward to a new school there very soon. I have a question about the Queensland Overseas Education Unit. Is it turning a profit yet?

**Mr WELLS:** Let us have Rod come forward.

**Mr GILBERT:** Yes, the unit is returning a profit and it has been for three years now. The figures for the last financial year—the unit had a turnover of \$4.29m, expenses of \$3.6m and will return a surplus this year of \$663,995.

**Mr QUINN:** Where does the Overseas Education Unit see its markets developing in the future?

**Mr WELLS:** It depends a certain amount on the kind of political debate that we have in this State. I very much welcome the remarks of the member for Maryborough. I think that we need to avoid that kind of loose talk. We have had a dramatic response in some of the Asian countries to that debate. Paradoxically, the response that we got was particularly acute in those countries where the effects of the Asian economic crisis were felt least severely so that what the economic crisis did not get as far as our markets are concerned, the gratuitous race debate got for us. So we were damaged in all those areas. I will ask Rod if he would respond directly to the former Minister's question.

**Mr GILBERT:** The Queensland Education Overseas Unit, as you know, has been working in north and South-East Asia, but over the past three years has diversified into South America—Brazil particularly and Argentina. We are currently joining a Government initiative to look at extension into Europe, mainly Germany, Italy and Spain. We will be following those through either later this year or early next year.

**Mr QUINN:** There was some problem with a school in the Shandong Province, Qu Lu. Have we resolved those issues?

**Mr WELLS:** I have not had any problems in that part of my foreign policy since coming to office. I think that was a problem that related to your era. Do you recall the details of that?

**Mr GILBERT:** I was not aware that there was a problem.

**Mr QUINN:** The issue was of students graduating from Qu Lu and then coming to Queensland to study and the issue of obtaining visas from the Commonwealth Government. There was a period there where one of our officers was over in Shandong trying to negotiate our way through the maze.

**Mr GILBERT:** As a non-gazetted country, the People's Republic of China does present some difficulties not just to us but to anyone recruiting international students. We took a special interest in this and sent one of our officers to work not just with Immigration and Multicultural Affairs in Canberra, but also with their desk officers in Beijing. As a result of that, we have been able to lift the success rate in securing student visas for Qu Lu graduates from about 50% to now close to 90%.

**The CHAIRMAN:** The time allotted for non-Government questions has expired. I now call on the member for Ferny Grove.

**Mr WILSON:** On page 48 of the MPS there is a timetable outlining staffing for Corporate Services. Also there has been some recent media about freedom of information applications lodged by or on behalf of the Office of the Opposition. Does the department staff a special unit to handle FOI applications, what is the FOI workload of this unit and has it increased lately?

**Mr WELLS:** Yes, we do have a special unit. I will ask Warren Davis, who is the Director of Strategic Planning and Policy, to respond to the question.

**Mr DAVIS:** Yes, the department does have a unit—quite a small unit of two people—that looks after freedom of information and judicial review activities. From time to time those two people have to be assisted by others.

Of recent times, as the media reports suggest, greater assistance has had to be given. Last year, there were about 190 FOI applications involving about 45,000 documents. This financial year, to the beginning of September, there have been 60 fresh applications. The applications are changing in nature. Whereas in the past they tended to be focused applications, the applications we are getting at the

moment are much more broad ranging. The department will have to look closely at how it staffs that area if the trend continues.

**Ms STRUTHERS:** I would like to pursue this issue and refer you to recent media claims, by the member for Merrimac specifically, about freedom of information within the department. Firstly, have you or the department ever tried to frustrate access to documents requested under FOI? Secondly, based on recent experience, what is the estimated cost of FOI requests in the coming year?

**Mr WELLS:** Of course not, especially since most of the things he has wanted have been things that were done while he was the Minister.

**Mr DAVIS:** The estimated cost for this year for the FOI unit will be somewhere between \$350,000 and \$400,000. That will depend, of course, on the number of applications received and the scope of those applications.

**Ms STRUTHERS:** I refer you to page 36 of the MPS, which outlines a range of roles performed in support of schools. Is the instrumental music program one of these? How much has been set aside for this program in 1998-99? How many students participate in the program? Given that I was one of the students who had the option of only a school recorder, can you give me some idea of what is involved in this program?

**Mr WELLS:** You were one of the more unfortunate ones. Queensland Education is unique in Australia in that we produce, I think, more people who can play a musical instrument per head of population than any other State in Australia. I think we are all entitled to be extremely proud of our musical education program.

**Ms SULLIVAN:** It is a very large program, as the Minister has indicated. We have over 40,000 students in approximately 730 of our primary and secondary schools involved in it. It includes individual and small group instruction and on-band, or instrumental or orchestral instruments. We have some showcase events that, as members, you will be invited to—such things as the biennial Statewide Fanfare festival of bands and orchestras, which we had in May. We have about 15,000 students in 509 ensembles from 295 schools participating in that event, which culminates in an appearance in the Performing Arts Centre in Brisbane.

I also have some information that relates to the question on gifted and talented education asked earlier in the session. There is a program called MOST—musically outstanding students. We hold a 12-day residential program for those students every second year, and they also mount a concert to demonstrate their skills. There was mention of costs of the program. This year the cost will rise to \$15.4m. Last year it was \$14.225m.

**Ms STRUTHERS:** I am informed that there may be a shortage of music teachers and that action is under way to overcome this problem. What was the basis of this apparent shortage and how does the department intend to address the situation?

**Mr ROUT:** Despite the apparent shortages, it is expected that in the instrumental music program this

year there should be approximately 300 instrumental instructors available, which would be an increase of approximately 25 or 26 on the number last year. Certainly, getting access to these instructors is always a challenge. However, we have an increasing number of graduates from our program now undertaking their own tertiary studies and their own training programs and then coming back teaching in the program. I think this year some of the conductors at our Fanfare concert were actually former students from the program. So we are actually starting to produce our own instructors.

Secondly, we continue to advertise strongly interstate and recruit strongly from there. We have two full-time officers within the visual and performing arts area who play a major role in the recruitment and selection of such officers. It is a challenge, but the fact that we have an increased number coming through in 1998-99 indicates that we are keeping ahead of the process.

**The CHAIRMAN:** I refer you to pages 55 to 58 of the portfolio statement relating to non-State education. How many non-State schools are there? How many students attend these schools? How is funding distributed to non-State schools?

**Mr DUCK:** There are 426 non-State schools in Queensland. They enrol 169,222 students. That is as at the census conducted in February 1998. The breakdown is about 6,736 in preschools, 82,107 in primary schools and 87,378 in secondary schools. About 61% are in Catholic schools and 39% are in non-Catholic non-State schools.

Most of the funding is paid to non-State schools on the basis of general recurrent funding. That is made up of a per capita amount and a needs-based component. The per capita amount makes up 77.5% of the total funding and the needs-based component makes up 22.5%. The needs-based component is based on factors such as the number of students with disabilities in the school, the number of Aboriginal and Torres Strait Islander students, the number of students from isolated areas and the number of students with English as a second language. The distribution mechanism is on a basis agreed with the non-State sector through a review process, which was last done in 1996.

There are some other specialised funding programs, as well as the general distribution of the bulk of the money. On the recurrent side, there is funding for students with disabilities, there is particular funding for curriculum reform flowing from the Shaping the Future initiative, and there is funding for school transport. On the capital side there is \$21m for general capital assistance, \$4.5m for

external infrastructure subsidy and \$2.4m for Cooler Schools.

**The CHAIRMAN:** Following on with the non-State school sector, specifically referring to the living away from home allowance, could you explain: what is this allowance, how does it benefit students and how much has been allocated to the allowance this year?

**Mr KEILY:** The living away from home allowance scheme was initiated in 1985 to assist parents who live in isolated areas with the costs of sending students away from home to attend school on a daily basis. The scheme incorporates four components: the remote area tuition allowance, with a maximum benefit of \$2,850 per student per annum; the road area travel allowance, with a maximum benefit of \$792 per student per annum; the remote area allowance, with a maximum of \$1,272 per annum; and the remote area disability supplement, which has a maximum of \$5,000 per student per annum. Under this scheme, the Government provides assistance to about 2,235 students. In 1998-99, the results of a review of the new remote area disability supplement will be implemented.

**The CHAIRMAN:** There is further time available, but the non-Government members have indicated that they have no further questions. Unless there are any specific questions which other Government members wish to ask, I might terminate this session.

Before I do that, the Committee has received during this session the following documents titled Conference Venues Purpose and Cost and Comparison September to May of the Ministerial Portfolio Statements.

**Mr WELLS:** Mr Chairman, may I have your indulgence to thank honourable members of the Committee, the staff of the Committee and the public servants who went to a great deal of trouble to prepare themselves and public information for this Estimates hearing. On behalf of the Government and the people of Queensland, we are very grateful.

**The CHAIRMAN:** There being no further questions, that concludes the examination of the Estimates of expenditure for the Department of Education. I also thank the Minister and the portfolio officers for their attendance. I thank the Committee members, Hansard, research staff, the caterers and attendants for their valuable contributions and assistance throughout today's hearings.

That concludes the Committee's consideration of the matters referred to it by the Parliament on 15 September 1998. I declare this public hearing closed.

The Committee adjourned at 6.11 p.m.