



COMMONWEALTH OF AUSTRALIA

Official Committee Hansard

SENATE

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS
REFERENCES COMMITTEE

Reference: Primary Schools for the 21st Century program

MONDAY, 30 NOVEMBER 2009

CANBERRA

BY AUTHORITY OF THE SENATE

INTERNET

Hansard transcripts of public hearings are made available on the internet when authorised by the committee.

The internet address is:

<http://www.aph.gov.au/hansard>

To search the parliamentary database, go to:

<http://parlinfo.aph.gov.au>

SENATE EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS

REFERENCES COMMITTEE

Monday, 30 November 2009

Members: Senator Humphries (*Chair*), Senator Marshall (*Deputy Chair*), Senators Back, Bilyk, Cash and Hanson-Young

Participating members: Senators Abetz, Adams, Barnett, Bernardi, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Heffernan, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McGauran, McLucas, Mason, Milne, Minchin, Moore, Nash, O'Brien, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Sterle, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Back, Barnett, Bilyk, Cash, Marshall and Humphries

Terms of reference for the inquiry:

To inquire into and report on:

- (a) consideration of the Federal Government's Primary Schools for the 21st Century program, with particular reference to:
 - (i) the conditions and criteria for project funding,
 - (ii) the use of local and non-local contractors,
 - (iii) the role of state governments,
 - (iv) timing and budget issues, including duplication,
 - (v) requirements for school signs and plaques,
 - (vi) the management of the program; and
- (b) other related matters.

WITNESSES

BRUNIGES, Dr Michele, Deputy Secretary, Schools, Department of Education, Employment and Workplace Relations 2

MITCHELL, Ms Gillian, Branch Manager, Building the Education Revolution, Department of Education, Employment and Workplace Relations..... 2

WALL, Ms Catherine, Group Manager, Building the Education Revolution, Department of Education, Employment and Workplace Relations..... 2

Committee met at 2.01 pm

CHAIR (Senator Humphries)—I declare open this public hearing of the inquiry into the Primary Schools for the 21st Century program, which was referred to the Senate Education, Employment and Workplace Relations References Committee on 9 September 2009 for inquiry and report. The purpose of this hearing is to assist senators to understand the details of the program and how it has been implemented. This session is for information only. Officials from the Department of Education, Employment and Workplace Relations are here to explain and then answer questions on the program, and senators are reminded that officials are not here to give opinions. The committee is yet to consider and agree on a hearing program, but a further hearing will be held in Canberra, where there will be a further chance to ask detailed questions of the department.

I will hand over to the department shortly to begin their briefing. Before the committee starts taking evidence, I advise that all witnesses appearing before the committee are protected by parliamentary privilege with respect to their evidence. This gives them special rights and immunities, because people must be able to give evidence to committees without prejudice to themselves. Any act which disadvantages a witness in the course of evidence given before the Senate or any of its committees is treated as a breach of privilege. Witnesses may request that part or all of their evidence is heard in private. However, I also remind witnesses that giving false or misleading evidence to the committee may constitute a contempt of the Senate.

[2.03 pm]

BRUNIGES, Dr Michele, Deputy Secretary, Schools, Department of Education, Employment and Workplace Relations

MITCHELL, Ms Gillian, Branch Manager, Building the Education Revolution, Department of Education, Employment and Workplace Relations

WALL, Ms Catherine, Group Manager, Building the Education Revolution, Department of Education, Employment and Workplace Relations

CHAIR—Welcome, and thank you very much for appearing today. We have in front of us the hard copy versions of the national partnership agreement, the BER guidelines, the Coordinator-General's progress report and the implementation report. I think it might be best if you give us an overview of what is going on. I assume you have a set piece you want to present to us. It might be best if you do that, and then we will come back and ask questions after you have done that rather than pepper your presentation with questions. Is that acceptable to the committee? We will do that. We are now in your hands.

Dr Bruniges—First of all, I wish to thank the committee for the opportunity to provide a briefing on the implementation of the Primary Schools for the 21st Century program. I will first of all provide an overview of the program, its objectives and its outcomes, and then I will ask Ms Wall, the Building the Education Revolution national coordinator, to explain how the program is actually being implemented. As you have pointed out, Senator, we have prepared the folders for committee members which contain key documents relevant to the inquiry—the national partnership agreement on the Nation Building and Jobs Plan, the BER guidelines, the Commonwealth Coordinator-General's progress report and the *Building the Education Revolution: national coordinator's implementation report*—for your information.

To give you a brief overview of the program, Building the Education Revolution is the largest component of the government's Nation Building and Jobs Plan. It represents an investment of more than one per cent of GDP and is the biggest school capital infrastructure program in Australia's history. The objectives of the program have been agreed by first ministers and are expressed in the COAG National Partnership Agreement on the Nation Building and Jobs Plan which states that the program will achieve two main objectives: the first of those is to provide economic stimulus through the rapid construction and refurbishment of school infrastructure; and the second is to build learning environments to help children, families and communities participate in activities that will support achievement, develop learning potential and bring communities together. The plan represents significant investments in Australia's infrastructure in education, housing, transport and local communities.

The education infrastructure is being delivered through three elements of the Building the Education Revolution Program. The first of those is National School Pride and is providing \$1.29 billion for minor capital works and refurbishment projects in all eligible Australian schools. The second, Primary Schools for the 21st Century, or P21, is providing for \$14.1 billion for eligible Australian primary schools to build major new facilities such as libraries and

multipurpose halls and to provide upgraded existing facilities. The third component is Science and Language Centres for 21st Century Secondary Schools and is providing \$821.8 million for the construction of new or refurbishment of existing sites for science laboratories and language learning centres in our secondary schools.

This level of investment in schools is unprecedented in Australia's history. The time frames are inevitably short in order to support jobs during this period of economic downturn yet we have seen schools and education authorities across Australia mobilise quickly to secure funding within the prescribed parameters to build innovative learning environments for current and future generations of students. The national partnership is being implemented under the Intergovernmental Agreement on Federal Financial Relations, and the Building the Education Revolution Program is being delivered by all governments in partnership with the non-government schools sector. The program is leveraging off existing delivery systems as both government and non-government education authorities have well established processes for planning, assessing and implementing school infrastructure projects. Where necessary these processes have been strengthened or modified to address particular monitoring and reporting requirements of the Building the Education Revolution Program.

The funding for the Primary Schools for the 21st Century element of this program was made available to every eligible primary school according to school enrolment numbers. The program has proven to be highly successful and, while the 90 per cent take-up was originally assumed for costing purposes, the numbers of schools seeking to participate in the program was close to 100 per cent. The high demand together with the need to reflect updated student enrolment data led to the government's decision to allocate an additional \$1.5 billion to the program to maximise its objectives of job support and providing learning environments for the 21st century. This was achieved through a recalibration of the various program elements within the plan. Overall through the Primary Schools for the 21st Century program \$13.85 billion in funding has been approved for 10,697 projects in 7,962 schools. Funding considerations are now complete. Implementation is progressing very well with 8,179 projects having commenced as at the end of October and, although the required completion date for round one projects is 20 December 2010 48 projects are already completed, significantly ahead of schedule.

The Treasury has recently reported that the stimulus plan is having a significant impact on the economy. Over the year to May 2009, before the BER effects started boosting building approvals and while the global recession was adversely affecting the Australian economy, the total value of building approvals fell by almost 40 per cent in seasonally adjusted terms. This could have had a large adverse impact on total employment given that almost a million Australians work in the building and construction industry. Without a pipeline of approved projects, many of these workers would not have a job. BER has triggered a massive increase in the number of non-residential building approvals in the education sector. Over the year to May 2009 the average monthly value of non-residential building approvals in the education sector was around 330,000. Over the next four months, the BER alone added \$1.9 billion per month on average to the value of non-residential building approvals and restored the total value of building approvals to around the level it was before the effects of the global recession hit the Australian economy.

It is not just about construction jobs that are being supported, however. It is known that there are flow-on effects to other sectors such as suppliers of products, the legal industry and the service industry. History shows that it is indeed our young people, and training opportunities for

these people, that are most affected in economic downturns. For this reason the funding agreements with education authorities require that schools use their best endeavours to give priority in contracting and tendering arrangements to businesses that have demonstrated commitment to adding or retaining trainees or apprentices.

Putting the economic impact of the program to one side, it is important to also note that there is strong professional support for the program and its positive impact on school communities. Results from a survey conducted by the Australian Primary Principals Association showed that 85 per cent of primary school principals strongly support the Primary Schools for the 21st Century program and the BER, with one principal stating that the funding from the program ‘has brought forward our plans, hopes and dreams for our school by at least 20 years!’ The project profiles demonstrate that schools are taking this unique opportunity to enhance their learning environments, to install energy efficient features, to improve disability access for students and the community and to address occupational health and safety standards.

I will now ask Ms Wall to outline the actual implementation of the P21 program.

Ms Wall—The Department of Education, Employment and Workplace Relations has entered into bilateral agreements with eight states and territories, and funding agreements with 14 block grant authorities which represent non-government schools. These agreements specify the policy objectives, the conditions of funding and the reporting requirements. The BER guidelines detail the business rules including the eligibility criteria, the application process, implementation time frames and variations process. So it is the national partnership, the agreements and the guidelines that guide the implementation of the program.

The program is being delivered through a national partnership with clear responsibilities for both the Commonwealth and the states. In relation to Primary Schools for the 21st Century, both government and non-government education authorities are responsible for working with schools and school communities to develop and submit proposals for projects for managing the construction and refurbishment projects that are funded, for monitoring and reporting progress to DEEWR, and financial management and other accountability requirements.

DEEWR is responsible for developing a reporting regime to monitor outcomes, for developing program guidelines, for assisting the education authorities with project assessment and for providing funding to education authorities for approved projects. The P21 program provides funding in priority order for: the construction of new libraries; the construction of new multipurpose halls—or, in the case of smaller schools, covered outdoor living areas; the construction of classrooms; the replacement of demountables or other buildings as approved by the Commonwealth; or the refurbishment of existing facilities.

The national partnership detailed indicative funding caps for primary schools based on their school enrolments and established that there would be three application rounds under the program. Following finalisation of these three funding rounds for primary schools, 77 per cent of all schools have received their full funding allocation, 14 per cent have received more than their notional funding allocation and nine per cent have received less. Reporting for the period ending 31 October shows that project—

Senator BARNETT—What was the date of that?

Ms Wall—31 October.

Senator BARNETT—That is to 31 October?

Ms Wall—Do you mean the 77 per cent—

Senator BARNETT—All the figures: the 77 per cent, 14 per cent and nine per cent.

Ms Wall—That is at the end of funding decisions, which would have been September. Yes, that was the final round of funding decisions. As at 31 October, there is a project commencement rate of 77 per cent, with 23 per cent of approved P21 projects already under construction. This is quite a significant achievement given that projects were only approved in the period of May to August.

The government recently announced that \$500 million of the funding will be moved from 2010-11 to 2011-12. This will provide flexibility for those small number of projects requiring additional time to either obtain value for money or deal with unexpected environmental or site challenges. We are currently working with education authorities on the implementation of this rephasing.

There have been some concerns expressed about the program. But, given the size of the program and the number of schools involved, the number of complaints to me as the national coordinator has been quite small. I have had 62 complaints to date across the whole BER program, with 41 of those relating specifically to P21.

The concerns raised generally relate to three primary areas. One is about value for money and project management fees. The second is around the implementation time frame and the third relates to negotiations between government schools and the state and territory education authorities regarding the nature of the projects. I will just briefly go through each of those areas of concern.

Due to the unprecedented scale of the program and the compressed time frames, achieving value for money remains a key priority for all the education authorities—government and non-government—that are involved in the delivery of the program. DEEWR has investigated any concerns about value for money as they have been raised. To date we have been satisfied that education authorities have actively sought to achieve value for money.

Similarly, claims that education authorities have applied project management fees in excess of four per cent, which is the cap, have not been substantiated. Our analysis has shown that reported cases of high project management fees have generally resulted from the inclusion of items which are not regarded as project management, such as architects' fees or site fees, which should actually be classified as project costs and not project management fees.

The compressed time frames have attracted the criticism from a small number of schools that there was insufficient time for consultation or consideration of the design options. These concerns must however be considered in the context of the policy intent, which is to provide economic stimulus through the rapid construction and refurbishment of school infrastructure. The national partnership requires states and territories to fast-track the design application and

assessment process with minimal red tape. Furthermore, the BER guidelines state that projects which are unable to demonstrate their ability to be completed within the specified time frame will not be funded. Although it is understandable that some schools may have liked more time to consider project designs, it is important to recognise that the vast majority have appreciated the need for timely decision making in the context of economic stimulus and have acted accordingly.

A total of 7,962 schools are receiving funding for P21 projects. A small number of these schools have publicly expressed dissatisfaction with the projects submitted by their education authorities. DEEWR has examined each of these cases. We are satisfied that the schools concerned have been adequately considered by the relevant education authorities. In the vast majority of cases, a mutually acceptable solution has been negotiated. There are some cases however where the school's preference simply cannot be accommodated because of the longer term impact on the education system as the preferred project will generate unreasonable maintenance costs or population projection statistics show a declining school enrolment, which means that the desired facility may not be utilised in future years. The funding agreements with education authorities require them to be fully responsible for all ongoing current costs and maintenance of any new or refurbished infrastructure that is built or refurbished under the program.

The program provides the flexibility for education authorities to fund some schools at a slightly lower or higher amount than that specified in their indicative funding caps. This flexibility has been used in some circumstances to direct funding to schools with greater need.

In terms of signage, consistent with the approach taken in previous infrastructure programs schools are required to display signs that inform the public of the Commonwealth's contribution to the project. We have provided details of the signage requirements in our submission to the inquiry.

Primary Schools for the 21st Century is a program of substantial investment and national significance, so it is important to note that we have put in place a comprehensive monitoring and reporting regime to support its implementation. Each month education authorities submit a detailed report at project level, which enables DEEWR to monitor project progress and expenditure. Any anomalies in this reporting are immediately investigated. In addition, DEEWR officers visit education authorities regularly to discuss local implementation issues. Recent visits have included school sites and discussions with principals.

As part of routine program assurance, DEEWR has recently engaged Walter Turnbull to assess the implementation of BER across six education authorities against the program's policy objectives and business rules. In addition, education authorities are required to submit a detailed annual statement of income expenditure, which details the use of project funding, administration funding and interest earned on funds. This multilayered program assurance approach has been designed to support the rapid implementation timeframes and to provide robust monitoring of public funds.

Finally, I wish to inform the committee that a much more detailed account of the administration of the program can be found in my implementation report, which has been provided to you today.

CHAIR—Thank you, Ms Wall. Ms Mitchell, do you also wish to make an opening statement?

Ms Mitchell—No thank you.

CHAIR—I will invite colleagues to ask some questions in a minute. I will start with a couple of questions. Could you take us through the process that typically applies for an application under the P21 process? I gather they are different for government and non-government schools. How would an application process work for a government school, and can you tell us how, typically, concerns or complaints about the way in which that process was handled would be dealt with by the state or federal apparatus set up to deal with such an application?

Ms Mitchell—When the program was first announced we called for applications from all the primary schools through the education authorities. Each education authority was responsible for seeking applications from their schools. Typically, the process would work such that most education authorities put in place some kind of form that the schools filled in to put down their desire against each of the building priorities for P21. Then the education authority, on behalf of a school, filled in the application form that we had—we had an online application form. That, typically, gave us all the information about the program, including the name of the school, the name of the school principal and the name of the contact officer within the relevant education authority.

CHAIR—You said that the relevant education department sent out these requests to schools, but that you had an online place for an application to be made as well—is that what you said?

Ms Mitchell—The way the program was implemented was that education authorities submitted applications on behalf of schools. It was the education authority that had access to the online system, not the individual schools. They collected all the information from their schools and filled in the online applications on behalf of their schools.

CHAIR—That was the way it was designed; it was not the intention that the schools make direct application online?

Ms Mitchell—That is correct, yes. Because of the funding agreements, it was designed that our relationship would be direct with the education authorities rather than with the schools. Part of that was because of the time frames and our ability to deal with 9½ thousand schools across Australia, when the education authorities are responsible for managing their schools.

CHAIR—Was there flexibility for education departments to apply different systems to collect that information?

Ms Mitchell—Yes. Each education authority typically used the system that they already had in place for the management of capital infrastructure programs, and they differed from state to state and from block grant authority to block grant authority in the case of non-government schools.

CHAIR—Going to a typical situation, were state education departments entitled to have a separate negotiation with schools about, for example, the recurrent costs that were implicit in applications for certain things to be built in those schools under P21?

Ms Mitchell—Recurrent costs are managed differently from state to state. I understand that in Victoria, for example, the recurrent costs are part of a budget that is given to each school, so there may well have been negotiations about that with individual school principals. It depends how recurrent costs are managed by each state.

CHAIR—Do you know of those negotiations actually happening, though? For example, would a school submitting that it wanted a certain number of extra classrooms in some cases have had to negotiate any recurrent costs—electricity or other costs that had to be met for those buildings—with its own education department?

Ms Mitchell—Yes, I believe those discussions did take place.

CHAIR—So the application is made through the department to DEEWR?

Ms Mitchell—That is right.

CHAIR—What happens then?

Ms Mitchell—It was assessed by a team within the Building the Education Revolution Taskforce. Because it was an online system, each application had to go through a series of eligibility ticks to move through the system, where it ultimately came out at the other end as a project that met the guidelines and was one that we could recommend to the minister for approval. As part of that process we would negotiate back and forth with education authorities when we had questions—for example, about projects where an application was unclear. So there were opportunities for education authorities to clarify and refine applications to make sure that they did meet the guidelines.

CHAIR—So these negotiations were going on only between the education departments and DEEWR. If there were issues or questions about particular details of these processes, would DEEWR have exercised the option of going back to the school itself and seeking clarification from the school?

Ms Mitchell—We would ask the education authority to do that on our behalf.

Senator MARSHALL—Did the process of you making a final decision include, effectively, the principal of the relevant school signing off on the project?

Ms Mitchell—Yes. My understanding is that most educational authorities received sign-off from their school principals prior to the application being submitted to us—that is, as part of the form they filled in. Many of those forms required not only the school principal's signature but also that of the president of the school council or P&C. That would have been done before the application was submitted to us.

CHAIR—Presumably these discussions between DEEWR and the education departments would result in some changes to some of the applications, in effect.

Ms Mitchell—Yes.

CHAIR—Would those changes also have been signed off with school principals?

Ms Mitchell—Yes. That is my understanding. Because we had three funding rounds, where an application might have required substantial changes or a lot of negotiation it may have been held over to allow time for the negotiation with the education authority and the relevant school. For example, an application that came in in round 1 may have been held over to round 2 or round 3.

CHAIR—Was each of these applications assessed on a merit basis or on the basis of a certain share or proportion of funding being the entitlement of a school or a school system?

Ms Mitchell—No, it was not assessed on a merit basis, because every eligible Australian school could apply. We had a number of eligibility tests and quality assurance tests. They are set out on pages 24 and 25 of the national coordinator's report. So, for example, when an application came in, we would have asked basic questions like: 'Is it a primary school?' How many students does it have? Does that number of students equate to the amount of funding that they are asking for in terms of the funding caps that are set out in the BER guidelines?' In terms of quality assurance, we again looked at things to make sure that particular issues to do with fit-out costs were recorded properly and that the community access costs were recorded properly. Where they were not building a library or a multipurpose hall, we looked at whether the school, through the education authority, had given us enough evidence to substantiate that they did not have a need for those facilities, so they could move further down the order of priority—that kind of thing.

CHAIR—Is it possible to say how many of the school proposals were renegotiated or significantly changed in shape between being submitted to the state education department and being approved by DEEWR?

Ms Mitchell—No, I do not think I would be able to know that.

CHAIR—Obviously with each state education department handling all of the schools' applications and engaging in negotiations, it would have required a fair degree of resourcing by the individual education departments.

Ms Mitchell—Yes.

CHAIR—Were the departments entitled under the guidelines to any reimbursement for the costs associated with that?

Ms Mitchell—Built into the program is a 1.5 per cent administration funding amount for each education authority; that is 1.5 per cent of the total dollar value of the projects that they were funded for. Education authorities have used that funding to bring in additional staff where they have needed it to help with the volume.

CHAIR—That is a flat, across-the-board fee?

Dr Bruniges—Yes. I think it would be fair to say that each education system or authority probably have a core of properties people, and they were the core that we used in most things to go through the process we went through.

Senator MARSHALL—That extra funding applied to the independent sector as well?

Ms Mitchell—That is right.

CHAIR—With what you have described so far in that process, how was that different from the process applying to independent or Catholic schools?

Ms Mitchell—It was an identical process. The block grant authority had the same role as the state education department in that they provided us with applications on behalf of their schools, and the process was exactly the same.

CHAIR—With the process to date, what is the distribution of funds between those three sectors—government, Catholic and independent—across the country? You might take this on notice. What is the break-up between those three sectors across the board and in each state and territory?

Ms Wall—I do not actually have a percentage. I have got the dollars but not the percentage. For P21, funding for the government sector in Australia is \$9.5 billion, for the Catholic system \$2.7 billion and for the independent, \$1.6 billion.

Senator BACK—Could you relate that to the numbers of children in each of those three sectors?

Ms Mitchell—It is on page 29 of the coordinator's report.

Dr Bruniges—I can provide those percentages per sector. For the government sector it was 68.6 per cent, for the Catholic sector it was 19.9 per cent and for the independent sector it was 11.5 per cent.

Senator BARNETT—On notice, could you break that down on a state and territory basis as well?

Ms Mitchell—That is also on page 29 of the national coordinator's report, which is the final document in your folder.

CHAIR—It would be useful to have a break-up of the percentage of students enrolled in each sector in each state as well if you could, please.

Ms Mitchell—Yes, we can do that.

CHAIR—So all three processes were effectively identical: the schools submitted their proposals to the education department and they would then broker the arrangements, as it were, with DEEWR.

Ms Mitchell—That is correct.

CHAIR—Having had this panel within DEEWR consider these applications and presumably decide whether they fell within the criteria or not, there was not any need to rank the proposals, was there, because every school was entitled to funding?

Ms Mitchell—That is correct.

CHAIR—Was this then submitted as a recommendation for funding to the minister?

Ms Mitchell—Yes. The program was broken up across three funding rounds. The intention was that we would get 20 per cent of schools in the first round and then 40 per cent in the second two rounds. The reason the first round was smaller was that the time frame was much shorter for applications for the first round. After each round we made recommendations to the minister for the projects that we had received based on them meeting the eligibility requirements of the program.

CHAIR—Okay. So the criteria on which people may have submitted applications in the first round was presumably a project of some urgency or a project that might have been worked up already by the school—it was ready to roll, as it were?

Ms Mitchell—That is correct.

CHAIR—In the first round, how much funding was announced? These were announced separately, weren't they?

Ms Mitchell—They were announced separately, yes. The first round was announced on 10 April and the funding was \$2.8 billion.

CHAIR—Once the funding is announced, are schools or the state education department sent correspondence to satisfy the legal requirements about accepting that money and beginning to have money paid to the school for the project?

Ms Mitchell—DEEWR advised the education authorities of the successful schools in each round. The Deputy Prime Minister wrote to principals congratulating them on their successful applications.

CHAIR—Having told them that they are successful, what happens then in terms of making sure they can start to draw down the money for the project?

Ms Wall—We had funding agreements with education authorities, and the schedules to those agreements reflected the approved projects. With subsequent approvals those schedules have been updated to reflect the total project value.

CHAIR—Okay. So, again, this has been done through the education department?

Ms Wall—That is right.

CHAIR—What happens then? The school gets its money and it wants to bring in the builder to start the work. What do they do next? Do they then rely on the state education department to

deal with builders and architects and others to get the project preliminaries underway, or do they do it themselves?

Ms Wall—That has varied quite a lot across the country and across the sectors. Generally in the independent schools sector each school has self-managed their own project, so we have paid the block grant authority in regular instalments and they have then entered into agreements with their schools in terms of payment schedules. They vary across block grant authorities. The Catholic systems, as you are aware, operate more as a system, so they have managed that accordingly. So have state governments. Some state governments have taken a more centralised approach in terms of the actual contracts with the builders, and the management of the project has been done centrally. In others it has been more regionally or even at the school level, with some principals electing to self-manage. So there is quite a range of variability in terms of how that process has—

Senator MARSHALL—That varies based on what the states normally do, doesn't it?

Ms Wall—That is right, yes.

Senator MARSHALL—I know that in Victoria there is much more autonomy for the schools to do some of that project management, whereas I understand that in New South Wales it has always been done more at a departmental level. So states have effectively just picked up the culture of doing capital projects and applied it to this scheme. Would that be a fair assessment?

Dr Bruniges—It is. In fact, it really comes down to the amount of devolution. I can give you an example in the ACT of school based management. A lot of the decisions are at the school board level in the ACT, whereas somewhere like New South Wales it would be based either on a regional properties plan or a centralised one. That comes down to each of the state and territory jurisdictions and what functions they have devolved to the school level or, indeed, a regional level and what they have held in a centralised system. It varies enormously.

CHAIR—So, in the cases of the schools that are self-managing their projects, is that the end of a role for the state education department?

Ms Wall—No.

CHAIR—What more do they do?

Ms Wall—Ultimately they are responsible for the delivery, so they are responsible, obviously, for paying the schools. But, in terms of ongoing monitoring and reporting to the Commonwealth, the education authority has that responsibility. So until the end of projects, even if a school is self managing, education authorities would be overseeing that, getting regular reports from that school and then feeding that back in their monthly reports to us. So there is quite a high level of ongoing engagement.

CHAIR—Let us suppose a school self-manages its project, there is a parent who is a builder and that parent is prepared to lay the concrete for the base of the new library wing or something like that. Does that have any implications for the way in which the state departments manage the

project—that is, do they have a view and see value for money, probity of arrangements or anything like that?

Ms Wall—Again, that depends on what sector you are looking at. Certainly the state departments have a responsibility around value for money under the program. But, in accordance with their state requirements, they would have certain standards around procurement which all the schools would need to adhere to regardless of whether they were self managing or not. In the non-government sector, again, that might vary. An independent school would not need to comply with those state system requirements, but obviously under our contracts we were requiring value for money as well. So again it would vary.

CHAIR—Typically, with government schools, these negotiations and arrangements would have been handled entirely by the state education department.

Ms Mitchell—Not necessarily. In some instances, as I think Dr Bruniges alluded to before, a state has a public works department. For example, in Western Australia they have an organisation called Building Management and Works which sits inside their Department of Treasury and Finance, and they are responsible for tendering and procuring. So Western Australia has set up a steering committee between its education department and BMW—that is the acronym. They work together, but BMW is responsible for tendering, procuring, assuring value for money and so on. It just depends on where the tendering and procurement responsibilities lie within the state government system.

CHAIR—I expect a very high standard of work out of a unit called BMW! It is not quite Rolls-Royce on that analogy, but anyway.

Dr Bruniges—That is part of the importance of our guideline documents and the insistence that those authorities come back to DEEWR as an overarching monitoring way of us telling them so. Because of the diversity that you feel in different jurisdictions, not only with governments but with the block grant authorities, it was really important that we have an overarching monitoring role to ensure that those high-level principles were being met.

CHAIR—In the case of the ACT I had a couple of building contractors who contacted me about their dissatisfaction with the way in which certain contractual arrangements were being handled. In both cases I think they were non-government schools. I take it that in those situations the schools themselves, if they were self-managing the projects—being non-government schools in the ACT I assume that they would have—or did it through the Catholic Education Office, then those sorts of concerns are purely matters between the schools or the overarching authority such as the CEO and the individual builders or contractors. Is that correct?

Dr Bruniges—I do not know the specific example but we are more than happy to follow it up. But it would not be a normal course of action in whatever governance mechanism was there for the BGA or the Catholic education system to have that direct relationship with the school. So the first port of call for a school with an issue with a contractor would normally be that course. I think Ms Wall said that some may come through at a higher level of authority or indeed some might come through to Cathy, as national coordinator, to have a closer look at if that was not resolved at the local level.

CHAIR—How many of the projects that have been approved so far have been completed?

Ms Mitchell—Forty-eight have been completed. The first deadline is not until 20 December 2010, so those 48 are well ahead of the game.

Senator BARNETT—Forty-eight schools?

Ms Mitchell—Forty-eight school projects I guess.

CHAIR—But is that 48 schools? Some schools have more than one project.

Ms Mitchell—I think it is 48 individual schools but we could confirm that.

CHAIR—How many of those 48 have been officially opened?

Ms Mitchell—A handful.

CHAIR—And by whom?

Senator MARSHALL—I haven't done any.

Ms Mitchell—I am aware that Senator Arbib has opened at least one and Parliamentary Secretary Clare has also done one, but I would have to get that information for you.

CHAIR—I might put that question to you next time we see you so that we can get more up-to-date information rather than taking it on notice now.

Senator MARSHALL—I want to come back to the process. Some of the complaints that were aired seemed to be coming from principals who were saying, 'This isn't what we wanted,' and that is why I was interested at the time when it was pointed out that principals had signed off and when you said today that generally it was not only principals it was sometimes also the president of the school community. Given that the Commonwealth and certainly your department do not own or manage any of these schools—you are simply providing money to the owners—and you have explained the relationship through this process, your application would have included the signing off. I am not sure what my question is, but why would we have this issue? I suppose it would come as a surprise to you, if you have the application that has the appropriate signatures, that those people who signed off on the project were complaining about it. What do those complaints eventually mean? It is a very general comment to explain how they came into being and what was the process for resolving them?

Ms Wall—Generally we have found that in those instances where a principal might have agreed to the initial phases of a project—time lines have been quite short, so all of this was done quite quickly—as time has passed sometimes they have reconsidered that. Many times a principal has changed or the P&C composition has changed or they have heard about other projects that have been funded and had second thoughts. That has happened over the months after the application going in.

Senator MARSHALL—But how does that end up being a criticism of the program or of the department? It is more a criticism of themselves, isn't it?

Ms Wall—We have found that as they have raised complaints the relevant state department has entered into discussions with them and that the vast majority of those have been resolved. Sometimes it has meant that the project has been slightly rescoped to compromise. At other times the school has ultimately agreed with the education authority's call. It has been a matter of working those things through.

Senator MARSHALL—You said that there was one that did not end up being resolved to the party's satisfaction. What was that one?

Ms Wall—I am not sure that I said there was one. There had been a couple of cases where, despite negotiations, the schools at this stage still had some concerns. But, as I indicated, they seem to be around quite legitimate issues. For example, a school wants to build something which will have a quite excessive, long-term maintenance cost for the education authority to bear, or in another instance, a school might want additional facilities but the state authority's view is that long-term population projections show that numbers will actually be declining over future years and so it is judged that it is not reasonable to invest in new facilities that will not be used. It is about system-wide approaches, I guess, versus the individual schools.

Senator MARSHALL—One of the other things that you said to us is that a proportion of schools have got more than their notional funding and some have got less. Can you just explain how that has come about and how that has been dealt with?

Ms Wall—There were funding allocations based on a school's enrolments with more funding for more students, and that was considered an indicative cap. But we did not want to be prescriptive around that because if a school did not need funding it would not have been sensible to stick with that. For example, if a school was brand new it would not need that level of funding, or if it had recently had major refurbishment or something. At the same time, there are also schools with much higher needs that have not had any capital improvements for a while. So there was always the flexibility for the education system to be able to give a school a project less than their cap and use that additional or leftover funding for schools that had a greater need, and we have seen that happen. But as you can see, with 77 per cent getting their cap—and the majority have—then the education authorities have used that flexibility to direct funding that was not needed to schools that did need it.

Senator MARSHALL—I have seen some examples in Victoria where effectively they are building the same indoor hall, basketball court, gymnasium or some extra rooms et cetera, but one school is on level ground and the other school is on quite a steep incline, so effectively, the same building is going to have quite different costs at the end of the day because of the architectural work needed and also the footings and stuff. Was the program actually designed to have some of that flexibility, acknowledging that there are going to be different building circumstances for similar projects in different areas?

Dr Bruniges—I think that that is one of the benefits of allowing that flexibility in the guidelines, to ensure that the diversity of both student needs and sites that schools are on across Australia was met. The one-size-fits-all component in rolling that out had to make sure that it

accommodated both student needs and the vocational needs of schools. Things down to the proportion of students with disabilities might affect cost in terms of ramps in some schools with special education units, and a variety of other things have to be considered very pragmatically on the ground to be able to deal with that. So you are right, the same infrastructure but in different settings will have to have different means put to it to ensure that the students have access to that facility.

Senator MARSHALL—And you say that that was actually designed into the program so there is nothing new about that.

Dr Bruniges—That is correct. The guidelines have always permitted that flexibility.

Senator BARNETT—On that point, the breakdown, you have said 77 per cent, and then 14 per cent were more than and nine per cent less than the full notional funding allocation, according to page 26 of your submission and your opening statement. Could you perhaps, on notice—just following up Senator Marshall's question—provide the breakdown of the 14 per cent and the nine per cent in particular and let us know the cost variation amongst the 14 per cent and then the nine per cent and the reasons why?

Ms Wall—Can I just clarify that you mean for the nine per cent how much less than their notional allocation they received?

Senator BARNETT—Yes. Obviously that would cover a whole range of schools. I do not know how many, so I want to know how many; I want to know where they are, in which state and territory; and I want to know the cost variation or how much over. If you can do it in terms of dollars and percentage, that would be helpful, and likewise for the nine per cent less.

Ms Wall—Yes.

Senator BARNETT—Thank you. Is it possible for your opening statement to be tabled for the committee, please?

Ms Wall—Yes, certainly.

Senator BARNETT—Thanks. The secretariat will organise that. I have a couple of questions regarding the outcomes. I have looked at your submission and the documents that we have received. I cannot see any key performance indicators with respect to educational outcomes whether they be literacy or numeracy. I am just getting on the record whether that is accurate and correct: there are no key performance indicators regarding educational outcomes and then, secondly, with respect to jobs created by the program. Can you answer that?

Dr Bruniges—One key indicator was the number of projects. In my opening statement I referred to the two high-level objectives, one that referred to building learning environments to help children and families, so the learning environments relate to the educational side.

Senator BARNETT—Improving the environment—but there are no specific targets or outcomes that we can attach?

Dr Bruniges—No.

Senator BARNETT—And what about jobs?

Dr Bruniges—They are not in the funding agreements.

Ms Mitchell—Jobs are being measured at the level of the entire economic stimulus plan.

Senator BARNETT—Yes, I am aware of that. We are talking about this particular program, P21.

Ms Mitchell—There is no specific target.

Senator BARNETT—Thank you. That is what I wanted on the record. If we could move to your one-year delay from 2010-11 to 2011-12, I think that decision was made on 1, 2 or 3 November by the Deputy Prime Minister. I have got a whole lot of media clippings here from around 3 November. Can you confirm that? There is a lot of concern, frankly, that there is considerable waste and profiteering. I would like to know exactly how many projects have been put back. I think the estimated projects value was some \$500 million. I was wondering if you could confirm or clarify that and also clarify exactly how many projects there are and where they are.

Ms Wall—The government announced the rephrasing of the \$500 million in the context of the Mid-Year Economic and Fiscal Outlook. I do not exactly remember the day but I can check that for you.

Senator BARNETT—You can take that on notice.

Ms Wall—It was on the same day that MYEFO was released. The rephrasing was announced on that day, and the objective is to allow some projects to move into a further year where there is a case or a need for extra flexibility. We expect that most of those cases will be around value for money, where education authorities or schools believe that they can get better value for money by delaying the project given that there is quite intense construction activity, particularly in some local areas.

Senator BARNETT—So you are worried about inflated prices in particular?

Ms Wall—Generally across the country that has not been an issue, although in some local pockets it is an issue. That allows for better value for money there.

Senator BARNETT—When you say ‘some local areas’—what did you say?

Ms Wall—Local pockets.

Senator BARNETT—When you say a ‘local pocket’, are you talking about rural and regional areas in particular, where there is limited access to project operators?

Ms Wall—Yes. We are hearing that, in some towns in rural areas, there is a limited number of builders and that they are fairly busy.

Senator BARNETT—And that is where the inflated prices obviously increase more than perhaps in a city area, where you can have access to different contractors and so on?

Ms Wall—That is right. But that is not uniform. In some rural areas it does not seem to be a problem and in others it is. The other need for flexibility is around where there are unexpected site or environmental issues. For example, we know that, in northern Australia, if the wet season is excessively long it can have an impact on building because there is a particular window for building. We know already that, when construction has started on some schools, there have been some unexpected site challenges. So the rephasing is allowing education authorities to address those particular issues.

Senator BARNETT—And this is \$500 million worth?

Ms Wall—That is right.

Senator BARNETT—How did you calculate the \$500 million?

Ms Wall—That decision was taken by the government in the context of—

Senator BARNETT—Yes, and I would like to know how it was calculated.

Ms Wall—It was a decision taken by government and I am not in a position to comment on it.

Senator BARNETT—So it was picked out of the air? There must have been some analysis behind it. You must have prepared some options for the minister; is that correct?

Ms Wall—No, we did not. It was a decision of the government in the context of MYEFO.

Senator BARNETT—We need to get to the bottom of this. Let's move on, just to follow this through. How many projects will be put back?

Ms Wall—We are not in a position to identify how many projects yet. What we have been doing is talking with the education authorities about how the rephasing will be managed. As with the rest of the program, we acknowledge that it would need to be flexible because, with different education systems, the education authorities will want to manage it in different ways. We have asked them to provide us with their proposed strategy for managing the rephasing.

Senator BARNETT—‘Them’ being the state and territory governments?

Ms Wall—The education authorities; that is right.

Senator BARNETT—Are you talking to the Catholics and independents as well?

Ms Wall—Yes. We are talking to everyone. The \$500 million represents about four per cent of the P21 funding.

Senator BARNETT—If you take an average cost per project, how many projects would there be?

Ms Wall—I have not done that calculation.

Senator BARNETT—Would you take the question on notice.

Ms Wall—Yes, I can. We are waiting for the strategies to come in and we will consider them.

Senator BARNETT—When are they due to come in?

Ms Wall—They are due to come in on Friday this week.

Senator BARNETT—And they are going to give you an estimate of what, exactly?

Ms Wall—How many and what sorts of projects they will want to stagger to take advantage of the rephasing.

Senator BARNETT—Would you take on notice that, when that does come in, you will advise how many projects there are and what their value is. That would be useful to our committee.

Ms Wall—I would like to add that we probably will not have a comprehensive list in the first instance because, as I said, some of these circumstances arise when they are not expected. It is not until construction starts that a site problem is identified. So it is likely that we will have a list of some projects but that each education authority will want to add to that list as they go along so that they can be flexible in responding to unforeseen circumstances.

Dr Bruniges—It might be the case in a primary school where there is not sufficient ground space to relocate classes in the school, so the majority of work may have to be done during school holiday periods. They have to carefully plan, scope and sequence that to ensure that the learning of the children is not interrupted and that there is space for the children to go. So, where there are high enrolments at some primary schools, they are nearly at capacity and they are doing building work, they will plan and sequence so that particular building works are done only in school holiday periods so that they do not have to relocate some of the classes. It is right down to that level of detail.

Senator BARNETT—I hope you can understand the concerns and where we are coming from. This is on the back of a \$1.5 million blow-out in the funding. Then we have pressure—you have just advised us that the minister has made an arbitrary decision to push the \$500 million out an extra 12 months in order to give yourselves a bit more time for the projects to be undertaken. So it does give rise to concerns about waste and mismanagement. That is where we are coming from.

Senator MARSHALL—I do not know about the blow-out in the funding. That is not the evidence that has been put.

Senator BARNETT—I will take that as an observation. You do not have to respond to that.

Senator MARSHALL—Can I just ask about the funding, because there are a couple of things there?

Senator BARNETT—Sure.

Senator MARSHALL—Was the rephrasing something that was being requested by the authorities? Again, as we have talked about, they are managing the projects. We are doing the overarching quality control monitoring process, but they are their schools; they own them, and they are managing the best they can. Was the request coming back from there about the need for flexibility in the phasing, or is it something that you or the minister looked at in the overall monitoring and said, ‘This needs to happen’? I am just interested to know where the pressure for the rephrasing came from. Did it come from the block grant authorities or did it come from the department’s overall monitoring and making a decision?

Ms Wall—It is a combination of both of those, because of the relatively short time frame—the program initially was to end in mid-2011. Certainly education authorities, whilst planning for that time frame, were expressing some concern that, should unexpected things happen, it might be outside their control and there might be some slippage and also concerns about areas where they felt that they could get better value for money if they waited. In monitoring the program, that was certainly our observation as well.

Ms Mitchell—If I may, I will just come back your question about when the rephrasing was announced. MYEFO was released on Monday, 2 November and it was announced in that context.

Senator BARNETT—Excellent, thanks very much. Could I go on to another area—through you, Chair—that is, to the school signs, which you mentioned in your opening remarks, and the plaques. With respect to the signs and then the plaques, could you provide an update for us just to confirm on the record, firstly, the budget for the school signs and the budget for the plaques and, secondly, the funds that have been expended to date, how many signs and plaques have been put up to date and the average cost per sign and plaque?

Ms Wall—The total cost of the signs and plaques is estimated to be \$3.6 million. That is \$3.37 million for signs and \$226,000 for plaques. You asked for the number of signs that have been distributed?

Senator BARNETT—Yes.

Ms Wall—Just over 4,000 have been distributed.

Senator BARNETT—Do you have an exact figure there?

Ms Wall—4,034. I am not sure if we have any—

Ms Mitchell—It was 4,034 as at October.

Senator BARNETT—What date in October?

Ms Mitchell—The day we came to Senate estimates.

Senator BARNETT—All right, we can check that. Can you please let us know.

Ms Wall—I do not have an updated figure. We are assuming that all those that have been distributed are installed. At that point, we had a further 1,966 in storage.

Senator BARNETT—Ready to be distributed?

Ms Wall—Yes.

Senator BARNETT—And what was the total number to be distributed?

Ms Wall—We are estimating 8,325 signs. That includes science and language centres as well, so for P21 and science. I do not have the breakdown.

Senator BARNETT—So you have about half so far distributed; right?

Ms Wall—That is correct.

Senator BARNETT—Okay, go on. And the average cost per sign?

Ms Wall—I am not sure that I have the average cost.

Senator BARNETT—We can come back to that—that is not a problem—if you do not have it with you.

Ms Wall—The average cost of a sign is \$295.

Senator BARNETT—Could you go to the total number of plaques, and then the number to date?

Ms Wall—Plaques are being produced as we confirm openings. That is more progressive. As Ms Mitchell said, we have had a handful of openings, but we are not sure exactly how many, so I would need to check that for you.

Senator BARNETT—You can take that on notice.

Ms Wall—I will see if we have the average cost of a plaque. It is an estimated cost of \$27.

Senator BARNETT—You mentioned earlier—I think it was Ms Mitchell—that 48 projects were completed. How many do you expect to have completed by 31 December? How many are

budgeted for? Secondly, how many do you expect to have completed? We only have 31 days until the end of December.

Ms Mitchell—I would have to take that on notice and find out for you. The guidelines say that a school is to have a recognition ceremony within three months, I think, of the completion of their project. They come to us about two months in advance seeking to settle their date and start the arrangements. So I would need to take that on notice and find out for you.

Senator BARNETT—That is okay. How many projects have you budgeted to complete by 31 December? Do you have that on your file?

Ms Wall—What do you mean by ‘budgeted to complete’?

Senator BARNETT—You have 48 projects completed to date—that is what Ms Mitchell just said. How many have you budgeted to complete by 31 December? And how many do you expect to complete? They may not be the same answer.

Dr Bruniges—In my opening statement I referred to the required completion date for a round 1 project as 20 December 2010. So, for 2009 we have not—

Senator BARNETT—You do not have a figure?

Dr Bruniges—projected for completions in 2009.

Senator BARNETT—I thought you might have a figure for that.

Dr Bruniges—The 48 that are finished are well in front of schedule.

Senator BARNETT—So you do not have a budget per month through to the end of 2010?

Ms Mitchell—We have an annual appropriation for signage and plaques.

Senator BARNETT—What about through to 30 June next year? Do you have an estimate for how many projects you expect to have completed?

Ms Mitchell—We would have to take that on notice.

Senator BARNETT—That is fine.

Dr Bruniges—We only have it to 20 December—

Senator BARNETT—I realise you may not have all the answers. Thank you very much.

Senator MARSHALL—I have a question on plaques and signs. Would you be able to take on notice the cost of plaques and signs as a percentage of the overall program and make a comparison with a previous program, for instance?

Ms Wall—I can give that to you now, if you like, Senator. BER recognition costs for a P21 project equates to 0.014 per cent of the total project funding. If we compare that to, say, the Investing in Our Schools Program, recognition costs equated to 0.39 per cent of the total project.

Senator MARSHALL—Let's say half as much.

Senator BARNETT—I will finish with regard to the issue of the Australian Electoral Commission and concerns about any potential breach of our electoral laws. Have you received any further evidence since budget estimates regarding the potential breach of the Australian electoral laws or state electoral laws? In a moment I want to refer specifically to South Australia and Tasmania, which have elections scheduled for March next year.

Ms Wall—Since that time a number of Commonwealth agencies have been working on this with the Australian Electoral Commission. You would be aware of some statements by the government that indicated that the Commonwealth would undertake whatever was necessary to ensure compliance. In terms of the BER, a decision has been made to put authorisation stickers on all signs and we are in the process of doing that. We are progressively putting stickers on the signs that are already up. As I mentioned, we had a number of signs in storage. We kept those in storage until we had a decision on the authorisation. We have put the authorisation on those signs and they are now going out, and any future signs—

Senator BARNETT—So every sign that was put up will get an authorisation sticker?

Ms Wall—That is right.

Senator BARNETT—What cost will that be? How many? Will there be 4,034 or will there be fewer than that?

Ms Wall—We estimate that the cost of stickers will be \$26,994.

Senator BARNETT—That is for the stickers. Then there is the cost of putting the sticker on the sign, I assume. Who is doing that?

Ms Wall—No. There is not a cost to that. For schools that already have the signs up, we have sent those stickers to the schools and they have applied them. For signs that were in storage—

Senator BARNETT—Do you know they have applied them? You have asked them to?

Ms Wall—We have asked them to, yes. For the signs that were in storage, the manufacturer did that. For signs yet to be produced, that will not be an issue.

Senator BARNETT—Thank you. Is there anything else you wanted to add there? You are working your way through it.

Ms Wall—No. We are satisfied. We are working our way through, yes.

Senator BARNETT—You mentioned earlier South Australia and Tasmania and that certain agencies have been working with them. What agencies were you referring to that have been

dealing with this matter, apart from your own, regarding the electoral laws and working with the Australian Electoral Commission?

Ms Wall—I was referring to Commonwealth agencies. I am most familiar with those agencies delivering under the economic stimulus plan. That is FaHCSIA with social housing and Infrastructure et cetera.

Senator BARNETT—So the authorisation has to go on every sign under the different aspects of the economic stimulus package?

Ms Wall—I am not sure that it is every sign. I am not familiar enough with other agencies, but I know that we have been looking at which signs were required. I am most familiar with Building the Education Revolution and all our signs would be authorised.

Senator BARNETT—Is it your understanding that most of the signs in other departments will be required to have authorisation stickers?

Dr Bruniges—I think the issue with schools was that schools are used as polling places. That was the most significant thing for Building the Education Revolution. Road signs that are along a highway are not in the same ballpark as what we were dealing with with Building the Education Revolution.

Senator BARNETT—So it is only with respect to the electoral laws that you are concerned about having authorisation stickers and signs?

Dr Bruniges—Building the Education Revolution is the area that we have responsibility for, so we have taken action in that area.

Senator BARNETT—South Australia and Tasmania—have you had any feedback regarding any potential breach of their electoral laws?

Ms Wall—No.

Senator BARNETT—So you have had no correspondence from the Solicitor-General or any other government agency regarding a potential breach of the Tasmanian or South Australian electoral laws?

Ms Mitchell—No, we have not. The Australian Electoral Commission has provided us with advice on how the laws apply at both the Commonwealth and state level, and we are working with them and with education authorities to make sure that the signs are compliant for which ever election may be taking place.

Senator BARNETT—Can you provide a copy of that advice, please? I mean the advice from the Electoral Commission.

Ms Mitchell—Yes. I will take that on notice. I do not have anything with me.

Senator BARNETT—If you could, yes. Thanks very much. I have some more questions but I do not want to interrupt if others have questions.

CHAIR—I just wanted to—sorry.

Senator BILYK—Most of my questions have been asked by either Senator Marshall or Senator Barnett, so I am happy for someone else to go ahead.

Senator MARSHALL—I just want to go back. Senator Barnett used the words ‘blow-out of the funding’. You touched on that in your introductory remarks, so it is probably worth a little bit of further exploration. You said that effectively the program was oversubscribed, because you only expected 90 per cent of schools to take up the offer. Why did you expect only 90 per cent of the schools to take up the offer?

Dr Bruniges—That costing assumption was built in by Finance in keeping with past practice of a rigorous way to cost a program. What we found was that the uptake of schools—I guess schools that were very hungry for an investment in their building facilities and capital works—put up their hands at a much faster rate than that costing assumption had anticipated and therefore the take-up rate, I think I said in my opening remarks, was nearly 100 per cent of schools.

Senator MARSHALL—So it was not more money in the sense that the schools needed more money to complete projects based on how much money was there. It was simply that more schools applied, so more money needed to be made available. Do you recall what the take-up was for the Investing in Our Schools Program?

Dr Bruniges—No, I do not, but I am happy to take that on notice.

Senator MARSHALL—Maybe you could, because again it would be interesting to make that comparison.

Dr Bruniges—I think the costing assumption was 80 per cent. I was in a jurisdiction in those days, so it was a little bit different, but I think the costing assumption for that was around 80 per cent. For this one they expected a slightly higher take-up, so the assumption pivoted around 90 per cent. What we found was, I guess, a measure of the success and willingness of schools to participate in a program that they saw as being greatly needed in their community, and therefore it was close to 100 per cent.

Senator MARSHALL—All of the funding considerations have now been completed. Do we have an exact percentage?

Dr Bruniges—We can take that on notice if you would like

Senator MARSHALL—Yes, take that on notice if you could. By the sound of it it is a much more attractive program than the Investing in Our Schools Program.

Ms Wall—The total take-up has been 99.2 per cent of schools.

Senator BARNETT—That is throwing the money around, mate—here is some money; take it.

Senator MARSHALL—Senator, you can always name the schools that you do not want to have it. That is a standing invitation.

CHAIR—Are there any questions?

Senator MARSHALL—I have finished.

Senator BARNETT—I have a few more on the complaints.

CHAIR—I was going to ask about those too, so you start off.

Senator BARNETT—You indicated there were just 62 complaints. Bearing in mind that in your figures there is only a small number, 62, I wonder if you can take on notice the details—the complainants, the detail of the complaint, whether it has been resolved or not resolved and the outcome. I do not know if you have a document that you could perhaps table either now or later to indicate to us those results.

Ms Wall—I do not have that detail with me but I can provide it.

Senator BARNETT—Are you happy to table it?

Dr Bruniges—Yes. Senator, I think it was 41 of those 62 referred to P21.

Senator BARNETT—Right. The issue here of course is that this is in your possession. What about the state and territory governments and the other agencies, whether they be Catholic or independent school agencies and education authorities, and the complaints that have gone to them? They have obviously received complaints as well. Have you got details of those complaints?

Ms Wall—We do not routinely collect that information. Certainly education authorities are working closely with schools and trying to deal with any concerns they might have, but we do not collect that information. It is generally when a school, a community or an individual feels that they have pursued that channel and they still have a concern—

Senator BARNETT—Yes, I know. But you are referring to complaints that have come to you directly at the Commonwealth level. The question is what we do not have. I would like to obtain a copy of the complaints that have gone to the other education authorities, whether they be state and territory, Catholic or independent. How can we access them? Can you assist us?

Ms Wall—Because we do not collect that information, it would require me to ask them.

Senator BARNETT—But wouldn't that be important to you? Wouldn't you want to know if the states and territories have got complaints and whether they are being adequately handled? It is your money, it is our money, it is everybody's money—taxpayers' money. This is what we want to do, to make sure we are getting value for money. Clearly, if a complaint does not come

directly to you but goes to the authority that is actually spending the money, of course that is relevant, because we are actually signing the cheques at the Commonwealth level but it is being administered by these various education authorities. This is what we do not know about at this stage.

Ms Wall—But certainly, as I said, I am aware that education authorities are dealing with schools and school communities as any complaints are raised. If they are not resolved they tend to come to me. So the ones I am not hearing about have been resolved.

CHAIR—How do you know that? How do you know that a school is not dealing with an education department, cannot make any headway and assumes that this is the answer it is getting from the system and does not in fact take it up with DEEWR?

Ms Wall—Because that avenue is there to raise a complaint with me and if they choose not to it is fair to assume that they have had it resolved.

CHAIR—Isn't that like saying that every complaint about a federal government agency that is not resolved must end up with the Commonwealth Ombudsman and if it does not end up with the Commonwealth Ombudsman it has not happened, so that sort of thing? There are some large assumptions.

Dr Bruniges—I think you can be reassured that most jurisdictions—in fact, all that I am aware of—and educational authorities do have a complaints process, so having a requirement to have a complaints process in place, and many of those report through their annual report. They have places where they have time taken to resolve complaints. I think, as Ms Wall has pointed out, the escalation point of coming to her as the national coordinator would be exercised by those who have not been satisfied with what is happening in a jurisdiction. I think that is widely known through the website and I think principals are very attuned, in my meetings with both primary principals and secondary principals, to the mechanisms that they can go through with their education authority. If it is not suitably resolved at that level, then they have the option of complaining by coming forward to the national coordinator.

Senator MARSHALL—Are you aware of any complaints from principals in relation to senators writing to them, encouraging them to complain about the program?

CHAIR—I do not believe there is any such correspondence, Senator Marshall.

Senator BILYK—You might not know what other senators are doing, Chair, with due respect.

CHAIR—I am well aware of people asking for information. That is another matter.

We have to resolve as a committee how we access this information. We could ask you to ask the state education departments to report to us what complaints they have received under their own complaint mechanisms about these programs or we could resolve as a committee to write ourselves to the state education ministers and ask for that information. We will resolve that question ourselves, and if we want to ask you to do that for us I assume you will accommodate our request if we come back to you.

Ms Wall—Certainly.

Senator BILYK—If I can clarify this, is there actually a complaints process in writing so that people do know that if they do not get resolution at a state level, or whatever level, then they can come to you? I just want to clarify this.

Ms Mitchell—Yes, it is in the BER guidelines.

Senator BILYK—So every school principal would have a copy of that and would know?

Ms Mitchell—Yes.

CHAIR—So whereabouts in the guidelines are they?

Ms Mitchell—They are towards the back, on page 23.

CHAIR—And this here is made available to every school?

Ms Mitchell—It is on our website and, yes, we have asked that it be made available to schools.

CHAIR—You have asked the state education departments to make it available?

Ms Mitchell—We have asked the state education departments to do that and we have also asked the state education departments to remind schools of the process for complaints

Senator BARNETT—But, with the greatest respect, it talks of a complaint if it is not in accordance with the BER guidelines—so the schools have to accept the money even though the project may not be exactly what they need and it does not necessarily meet the needs of the school. I will give you the example of the Abbotsford Public School, in Sydney, which I have visited twice. They wanted an outdoor learning area, they wanted a couple of extra classrooms and they wanted an upgrade of their school oval, to remove asbestos from the school oval. The initial proposal in accordance with the guidelines was to knock down four classrooms and build four new classrooms. This was a debacle—let's face it—and it was \$2.5 million.

What happened there is that they could not meet the guidelines. The guidelines said that they had to knock down these four classrooms and get four new ones, which they did not want. I understand that that is now at a mutually agreeable outcome, so I guess the guidelines were bent a bit to satisfy both their needs and, I presume, the department's needs.

Dr Bruniges—That is one of the complaints in that count that we have been dealing with. As you said, we think it has now been resolved at a mutual level but it certainly was registered with us.

Senator MARSHALL—But has it been resolved within the guidelines? Senator Barnett put to you that the guidelines have been bent. I am not sure that we should let that stand.

Senator BARNETT—I said 'stretched', I think.

Senator MARSHALL—No. I think you said ‘bent’, but ‘stretched’ is alright.

Senator BARNETT—Whatever.

Ms Wall—The issue there was not about the guidelines. The guidelines allow for new or refurbished classrooms. That was an issue between the school and the education authority and it was in the manner of, as I explained earlier, a difference of views about the age and the longevity of the buildings.

Senator MARSHALL—Had the principal signed off on that, though? It is alright to say, ‘We didn’t want that.’ I thought what we talked about was that, if that is what they were getting and that is what was approved, the principal had actually signed off on it. Is this a case of his changing his mind later on?

Ms Mitchell—The principal has signed off on it. I believe it might have been a difference of opinion between the principal and his or her school council and the Department of Education and Training in New South Wales.

Senator BARNETT—Do you mean the original proposal or the mutually agreed final proposal?

Ms Mitchell—The original proposal was signed off by the school principal, as was the final, mutually agreed proposal.

Senator BARNETT—I am sorry about that, but I encourage you to look at your files. I do not want to get anybody into strife here but, in terms of being signed off, I think you might find that your interpretation of signing might be different from the principal’s interpretation of signing off. He wanted the project to go ahead so that they would get some funding on the basis that the money could be used for what the school would—

Senator MARSHALL—He signed off on a proposal to get the money to use for something else?

Senator BARNETT—No, it was not. Your use of the words ‘signing off’ is a bit different. He wanted to progress to another level where they could discuss and work out was required to meet the needs of the school, rather than simply being told, ‘You’ve got to have what we give you.’ That is exactly what happened. They ended up negotiating an outcome which was more mutually agreeable than the one that was foisted upon them.

Senator MARSHALL—Let’s have a look at the original sign-off, because I am interested in that. Let us get to the bottom of this particular example.

Senator BARNETT—Yes, take it on notice. I am happy to look at the details. I want to deal now with the Queensland school with the \$250,000 library. It is a one-student school in outback Queensland. What is the latest?

Ms Mitchell—I believe that that school is one of a number of schools that the Queensland education minister has announced is to be ‘mothballed’, as they call it. They have a process in

Queensland whereby they ‘mothball’ schools for 12 months. At the end of those 12 months, after community consultation and so on the school may be closed or it may reopen. So we are currently working with the Queensland Department of Education and Training on those mothballed schools, including the one that you have referred to, and discussing what will happen to those schools and how BER funding may change in terms of whether schools are amalgamating, where the student populations are moving to and so on. At the moment that is still under discussion between the Queensland department of education and us.

Senator BARNETT—So are you saying that, when it comes out of mothballs and they decide subsequently to reopen the school, it will still be able to access the money, that the \$250,000 will be there to build this library for one student?

Ms Mitchell—That will depend upon the outcome of the discussions with the Queensland department of education.

Senator BARNETT—You are not giving us a lot of information there, Ms Mitchell. I am happy for you to take that on notice. I would like to know how many schools have been mothballed and the status of those discussions between the federal and Queensland governments. Could you do that?

Ms Mitchell—Certainly.

Senator BARNETT—And specifically about that school—

Ms Mitchell—Yes.

Senator BARNETT—I just do not have the name of the school with me.

Ms Mitchell—I think it is Evesham.

Senator BARNETT—Evesham, yes.

Senator MARSHALL—But those schools had to apply for the funding, didn’t they?

Ms Mitchell—They applied for funding and they were eligible for funding, but they have subsequently been announced as possibly closing, and the BER guidelines say that schools that are closing not to be funded.

CHAIR—But not schools that are possibly closing?

Ms Mitchell—Their funding at the moment is on hold until we resolve the status of each of the schools.

CHAIR—Okay.

Senator BARNETT—But the schools that are still out there, as Senator Humphries indicated, even if they are possibly closing, are still getting the money, are they not, if they applied for it?

Ms Mitchell—The guidelines say that a school that is to close I think it is within the next one to three years is not to receive funding—let me just check.

Senator BARNETT—Yes, but that is based on a definite decision that it is going to close in one to three years, not on a possible closure. Is that right?

Ms Mitchell—That is correct. It says:

If a school is planned for closure, then funding must not be approved ...

Senator BARNETT—That is right.

Ms Mitchell—Yes.

Senator BARNETT—So that is a big difference to possible closure.

Dr Bruniges—So, Senator, until a decision is made about whether or not a school is closing, we retain the funding.

Senator BARNETT—But is Evesham planned for closure?

Ms Mitchell—I think it is, based on the definition of a mothballed school in Queensland, but again we need to continue having those discussions.

Senator BARNETT—I am happy for you to take it on notice. Either it is planned for closure or it is not planned for closure. What is it?

Senator MARSHALL—It is not a matter for the department to decide.

Ms Mitchell—It is this funny definition of ‘mothballed’, in that this term ‘mothballing’—

Senator BARNETT—But, with respect, you have the guidelines. They say ‘if the school is planned for closure’ within one to three years. Is Evesham planned for closure?

Dr Bruniges—I do not think the Queensland department has made that decision. I think that is the situation we are in. There is no decision at this point on whether to keep the school open or indeed to close the school. So in ongoing discussions with the Queensland department—

Senator BARNETT—How long do we wait to find out, Dr Bruniges?

Dr Bruniges—We will retain the funding until a decision is made.

Senator BARNETT—But this is bizarre, isn’t it? You have got schools that are not planned for closure but you are saying you are retaining their funding. If the school applies for the funding, surely you must provide it to them?

Dr Bruniges—Senator, I guess I was trying to give you an assurance that the money has not gone out the door with no decision being made about the school. So, as Ms Mitchell has indicated, in discussions with the Queensland department we will work through that issue with them and hopefully resolve it sooner rather than later.

Senator BARNETT—Following that rationale would throw the whole administration of the project before us into chaos—

Senator MARSHALL—Why?

Senator BARNETT—if you are deciding arbitrarily to hold back the money for certain schools even though they meet the guidelines. That is extraordinary.

Senator MARSHALL—You are not encouraging them to spend the money on schools that might close, are you?

CHAIR—Senator Marshall, can we let Senator Barnett ask his questions.

Senator MARSHALL—Well, he ought to use a level of common sense in asking his questions.

CHAIR—That is a matter for him.

Senator BARNETT—Dr Bruniges, do you want to add anything?

Dr Bruniges—No.

Senator BARNETT—All right. Could you take on notice to give us a list of all the schools that are being mothballed. You are saying that there are schools whose money you are retaining, even though they meet the guidelines for funding; I would like to know how many of those schools there are.

Dr Bruniges—Sorry, Senator; I was referring to the particular case that you were talking about.

Senator BARNETT—How many other similar cases are there?

Dr Bruniges—I would have to take that on notice.

Senator BARNETT—Thank you. The second question, again on notice, is: how many schools in each state and territory are planned for closure—and can you identify the schools for us—over the next one to three years, in accordance with the guidelines. You must have a list of those schools; do you, Ms Mitchell?

Ms Mitchell—Only to the extent that it has already been provided. We would have to take that on notice.

Senator BARNETT—When you say ‘already been provided’, what does that mean?

Ms Mitchell—When we were finishing the application process, we checked with each education authority to make sure that every school that was eligible to apply had applied and, if they had not applied, the reasons why they did not apply, and in that context we were notified about schools that were closing.

Senator BARNETT—So you would have that information with you and you could take that on notice?

Ms Mitchell—Yes.

Senator BARNETT—In my state of Tasmania, for example, how many schools are planned for closure in the next one to three years? Do you have that with you?

Ms Mitchell—Not with me, no.

CHAIR—With respect to the resolution of complaints, you have mentioned that there is a coordinator who handles complaints made directly to DEEWR. You said before that there were 41 complaints in relation to P21. You said most of those have been resolved satisfactorily but some are still being negotiated.

Ms Wall—That is correct.

CHAIR—When these complaints have been made, who has dealt with them? Is it you personally, Ms Wall, or officers within your unit or other people?

Ms Wall—When they are sent to me, I look at them and I discuss with the officers in my team what we will do to investigate those. The officers in my team will do that and then they will provide advice to me. At such time as I am satisfied, I will write to the person who has written. In most instances, that means discussing first with the relevant education authority, getting the information. Sometimes we will phone the school or the person directly if we need further information. Then, at such time, I will write back to them. As I said, in most cases the situation has been resolved by that time. There are a couple—and I am afraid I do not have the numbers with me at the moment—where the education authority is still in negotiations with the school or the school community and we are waiting to see the outcome of that.

CHAIR—So you or your officers in that unit will deal with possibly the school directly and the education department to try and resolve the matter. Have you involved the office of the federal minister in resolving any of these matters?

Ms Wall—No.

CHAIR—So relevant House of Representatives members or other representatives have not been involved in resolving any of these disputes?

Ms Wall—I have not raised those, but it is quite possible that a person or a school has written to multiple people, so they may have written to the minister and other MPs as well as to me. But I am only dealing with those that write directly to me.

CHAIR—Have you had correspondence from members of parliament about those complaints?

Ms Wall—I would need to check, but it is possible that I have been asked to provide information to the minister's office on issues raised with them. I am not sure about the overlap with the actual complaints to me.

Senator BARNETT—Your budget papers show that the state administration costs are \$207.8 million, or 1.5 per cent of the total costs. Are those figures correct?

Ms Wall—Total administration funding?

Senator BARNETT—Yes.

Ms Wall—It is some \$238.9 million.

Senator BARNETT—That is total administration costs for who?

Ms Mitchell—For the total of the BER.

Senator BARNETT—Is that to pay for you or for the state department?

Ms Wall—For education authorities.

Senator BARNETT—For the different education authorities?

Ms Wall—Yes.

Senator BARNETT—And that is the budget for the total project?

Ms Wall—Yes. But, on page 40 of the implementation report, that administration funding is broken down by program element, by state and by education authority.

Senator BARNETT—That is interesting, because it conflicts with this document I have here, which is your submission of October 2009, at page 26. It says:

Education authorities also received 1.5% administration funding under P21. This amounts to \$207.8 million.

Ms Mitchell—That is correct. That figure we just gave you was for the three elements of the BER, but on page 40 the total figure for P21 is \$207.7 million.

Senator BARNETT—So what is the difference? Is that funding to date compared to total funding?

Ms Mitchell—No. There are three program elements in the BER, and each program element attracts administration funding, so the \$207 million is just in respect of P21. The balance included SLC and NSP.

Senator BARNETT—All right, I am with you. Thank you for that. Do we have a breakdown of the P21 funding? Is that in the implementation report?

Ms Wall—Yes. Do you mean administration funding or project funding?

Senator BARNETT—Yes, for P21.

Ms Wall—For P21 projects?

Senator BARNETT—Yes.

Ms Wall—Yes, it is on page 29—

Senator BARNETT—Of the implementation report?

Ms Wall—of the implementation report.

Senator BARNETT—So how do the state and territory governments skim off funding over and above the 1.5 per cent? How do they access that funding?

Ms Wall—I am not sure what you mean by ‘skimming off’.

Senator BARNETT—How do they access further funding over and above the 1.5 per cent?

Ms Wall—We provide to the education authorities funding for the projects that have been approved, and then we provide 1.5 per cent administration funding. That 1.5 per cent administration funding is only to be used for administration. If they wanted to add their own funding from their other sources, they could do that.

Senator BARNETT—Is that what happens in some cases—they do add their own funding to meet the needs of a local school community or what have you?

Ms Wall—I do not think we are talking about administration funding there.

Senator BARNETT—No.

Ms Wall—No.

Senator BARNETT—If they spend their own money over and above the 1.5 per cent then that is up to them; that is what you are saying.

Ms Wall—For the purposes of administration, yes.

Senator BARNETT—The supplementary question, then, is: to what extent do state and territory authorities or the education authorities spend funding over and above the funding that is granted under P21?

Ms Wall—For projects.

Senator MARSHALL—Is that what you call ‘skimming’ though?

Senator BARNETT—No, that is a separate question.

Ms Wall—Education authorities or schools can certainly add a co-contribution to the project funding. If they have applied for a hall and we have given X amount of funding for that, if they wish to add a further amount of money to add extra rooms or extra features, they can. That needs to be clearly identified to us, and they do that in their monthly reporting. That is happening in some instances.

Senator BARNETT—That is my question. Can you take on notice and let us know to what extent that is occurring—

Ms Wall—Yes.

Senator BARNETT—perhaps with the number of projects and as much detail as you possibly can—I do not want full detail—to tell us about the types of projects and how many?

Ms Wall—We could give you the number of projects that have a co-contribution, and we should be able to total the value of the co-contribution.

Senator BARNETT—You see, one of the issues we have here that is certainly in the community, from the feedback we get, is that the feds are providing all this money and as a result the states are dropping away with theirs: they were going to do this project or they were going to do that one, but the feds are now stepping in so they do not have to do it anymore. So they are sitting pretty; they are just like Cheshire cats, licking their lips, thinking that, now all this money is coming in for their schools, they were going to undertake at least some of these projects but now they do not have to.

Ms Wall—That is certainly an important issue. At the time of signing the national partnership agreement and announcing this, the federal government made it very clear that all of the stimulus infrastructure funding was to be additional effort and that states, territories and non-government authorities are required to maintain effort. That maintenance of effort is being monitored through Treasury, and Treasury is doing that on a quarterly basis.

Senator BARNETT—How do they monitor it?

Ms Wall—I am afraid you would have to ask Treasury that because they are responsible for it. There is certainly very rigorous monitoring in place to ensure that there is not a withdrawal of effort and that the stimulus funding is truly additional.

Senator BARNETT—Have you received any report from Treasury on their analysis to date?

Ms Wall—We have not but I would not expect to. It is being done by Treasury over the entire plan.

Senator BARNETT—So they would have done a report to that, to your knowledge. We can ask Treasury for that.

Ms Wall—I cannot speak on their behalf.

Senator BARNETT—No; but it has been going awhile; they would have done a report. You would have expected them to have completed a report to date, wouldn't you?

Ms Wall—I believe they have certainly been collecting quarterly data, but I do not know about the status of any report.

Senator MARSHALL—Just to clarify, they are not expected to report to you.

Ms Wall—No.

Senator BARNETT—I was just asking about that.

Senator MARSHALL—Is this the area that you were referring to, because I am still unclear about what the question was?

Senator BARNETT—You can ask questions of the department. I am happy to talk to you at a later time.

Senator MARSHALL—You asked the officers how the states go about skimming the money. What do you mean?

CHAIR—Senator Barnett obviously clarified that question and moved on to a different area, so if he does not want to pursue it—

Senator MARSHALL—So there is no suggestion that there is skimming going on, is there?

Senator BARNETT—If you want to ask me some questions, I am happy to answer them, but we are actually asking the department some questions.

Senator MARSHALL—I just want to be satisfied that, if a question is asked, it is being responded to, and I am not clear what you mean by 'skimming'.

Senator BARNETT—The department officials have done pretty well in answering the questions. I am very happy for their comprehensive answers and I thank them for their answers. That is about all I can say at this stage. There is a lot of concern, Senator Marshall, in the community regarding waste and mismanagement and how the program is being run. That is one of the reasons we are having the inquiry, and let me say thank you to the departmental officials for the information they have provided. If we want to have a further debate about the merits of the program, that will be at a later time and particularly when we conclude our report.

Senator MARSHALL—So you have not got any examples of skimming to put to the committee?

CHAIR—Senator Marshall, if you want to put that question yourself to the officers, that is fine, but Senator Barnett has clarified what he is asking.

Senator MARSHALL—Then can I ask the officers: has Senator Barnett provided any examples of any skimming to you for you to answer?

CHAIR—Is it your turn to ask questions? Do you have further questions, Senator Barnett?

Senator BARNETT—I do not think so.

CHAIR—Would you like to ask that question again, Senator Marshall?

Senator MARSHALL—Yes. Has Senator Barnett provided any examples of what people might call ‘skimming’ to the department?

CHAIR—I do not think that it is up to you to ask them about what Senator Barnett has offered by way of examples. You are asking them to tell you what—

Senator MARSHALL—Yes; but Senator Barnett has provided the examples—

Senator BARNETT—How many examples do you want me to talk about? We have had Abbotsford Primary School.

Senator MARSHALL—Where was the skimming involved in that?

Senator BARNETT—That was \$2.5 million.

Senator MARSHALL—Of skimming?

Senator BARNETT—No; \$2.5 million in terms of the waste and mismanagement.

Senator BILYK—What is the definition of ‘skimming’?

Senator BARNETT—We have had \$250,000 for a one-person library in Queensland at Evesham primary school.

Senator MARSHALL—Which you are suggesting the funding should be provided for even though schools like that may be—

Senator BARNETT—I did not suggest that.

Senator MARSHALL—That is what you are putting forward.

Senator BARNETT—I did not suggest that at all.

Senator BILYK—Chair, can I clarify what ‘skimming’ is?

CHAIR—Order, please. One at a time.

Senator BILYK—I am serious. I want to know what the definition of ‘skimming’ is. What is ‘skimming’?

CHAIR—With respect, we are not entitled to ask each other questions in this process.

Senator BILYK—How can I follow the rest of the debate if I do not know what skimming is?

CHAIR—You can ask officers about matters within their confidence.

Senator BILYK—I am asking Senator Barnett to clarify what he means by ‘skimming’.

CHAIR—You are not entitled to ask Senator Barnett that question.

Senator BILYK—Why not?

CHAIR—Because it is not within the standing orders. We do not ask each other questions; we can ask questions of the witnesses. Are there any other questions for the witnesses who are appearing before the committee today?

Senator MARSHALL—I do not think I have any.

CHAIR—That being the case, I would like to thank them very much for their appearance.

Senator BARNETT—Can I just interrupt, Chair, before you make a concluding thankyou.

CHAIR—Yes.

Senator BARNETT—Your point earlier is a very important one for the committee as to whether we ask the department or whether we ask the state and territory government representatives to respond to questions that we have about complaints that they have received. I just wanted to flag that with you and put the officers on notice that it may end up coming to them from the committee. On the other hand, it may end up going direct to the states and territories directly because I think we have a whole range of questions for them to do not just with complaints but with the way they administer the program in their jurisdictions.

CHAIR—I propose that we deal with that as soon as the public hearing is closed. I thank you very much for your evidence today. You have taken a number of questions on notice. We do not have a particular deadline for receiving that information because we do not have a deadline for the report, but we would obviously appreciate it if that information could be provided to us before the end of the year, if not somewhat sooner. And, as I indicated, if we wish to ask you to ask questions of the state departments, we will get back to you as soon as we can with that. Thank you very much indeed.

Committee adjourned at 3.55 pm