



COMMONWEALTH OF AUSTRALIA

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SENATE

STANDING COMMITTEE ON EDUCATION, EMPLOYMENT AND
WORKPLACE RELATIONS

ESTIMATES

(Additional Budget Estimates)

WEDNESDAY, 20 FEBRUARY 2008

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**SENATE STANDING COMMITTEE ON
EMPLOYMENT, WORKPLACE RELATIONS AND EDUCATION**

Wednesday, 20 February 2008

Members: Senator Marshall (*Chair*), Senator Watson (*Deputy Chair*), Senators Boyce, Campbell, Fisher, Sterle, Stott Despoja and Wortley

Senators in attendance: Senators Allison, Bernardi, Birmingham, Boswell, Boyce, Brandis, Carr, George Campbell, Fielding, Fifield, Fisher, Kemp, Marshall, Mason, Nash, Nettle, Paterson, Sterle, Watson and Wortley

Committee met at 9.01 am

EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS PORTFOLIO

In Attendance

Senator Carr, Minister for Information, Industry, Science and Research

Department of Education, Employment and Workplace Relations

Portfolio overview and major corporate issues

Cross Portfolio

Ms Lisa Paul, Secretary

Mr Finn Pratt, Acting Associate Secretary

Dr Wendy Jarvie, Deputy Secretary

Mr Grahame Cook, Deputy Secretary

Mr Bill Burmester, Deputy Secretary

Mr Jim Davidson, Deputy Secretary

Ms Malisa Golightly, Deputy Secretary

Mr Graham Carters, Deputy Secretary

Mr John Kovacic, Acting Deputy Secretary

Mr Craig Storen, Chief Finance Officer and Group Manager, Finance Group

Mr George Kriz, Chief Lawyer and Group Manager, Procurement, Assurance and Legal Group

Mr Jeremy O'Sullivan, General Counsel and Group Manager, Legal Group

Mr Simon Gotzinger, Branch Manager, Legal Branch, Legal Group

Mr Brien Armstrong, Branch Manager, Internal Audit

Ms Kylie Emery, Branch Manager, Internal Audit

Mr Bernard O'Donnell, Investigations

Mr Glen Archer, Chief Information Officer and Group Manager, Information Services Group

Mr John Burston, Chief Information Officer and Group Manager, IT Services Group

Ms Kerrie Reyn, Branch Manager, IT Applications, IT Services Group

Mr Vipin Mahajan, Branch Manager, IT Business, IT Services Group

Mr David Durry, Branch Manager, IT Facilities, IT Services Group

Mr Ian Rose, Acting Branch Manager, IT Support, IT Services Group

Ms Margaret Pearce, Group Manager, People, Communications and Network Group

Ms Chris Silk, Branch Manager, People Management, People, Communications and Network Group

Ms Kristina Hopkins, Branch Manager, Human Resources, People, Communications and Network Group

Ms Meredith Fairweather, Principal Advisor, Communications, People, Communications and Network Group

Schools Groups

Ms Lisa Paul, Secretary

Mr Grahame Cook, Deputy Secretary

Ms Margaret McKinnon, Group Manager, Schools Funding Group

Ms Suzanne Northcott, Branch Manager, School Quadrennium Funding Agreement Taskforce, Schools Funding Group

Mr Tony Zanderigo, Branch Manager, Benchmarks and Reporting, Schools Funding Group

Ms Deb Rollings, Branch Manager, Policy, Grants and Reporting, Schools Funding Group

Ms Sheree Harrison, Director, Policy, Grants and Reporting Branch, Schools Funding Group

Dr Evan Arthur, Group Manager, Schools Teaching, Students and Digital Education Revolution Group

Ms Shelagh Whittleston, Branch Manager, Digital Education Revolution Taskforce, Schools Teaching, Students and Digital Education Revolution Group

Ms Helen McDevitt, Branch Manager, Student Access and Equity, Schools Teaching, Students and Digital Education Revolution Group

Mr Daniel Owen, Branch Manager, Quality Teaching, Schools Teaching, Students and Digital Education Revolution Group

Ms Marie Cook, Branch Manager, Schools IT Systems Development Taskforce, Schools Teaching, Students and Digital Education Revolution Group

Mr Chris Sheedy, SA State Manager, Schools Teaching, Students and Digital Education Revolution Group

Ms Margaret Sykes, Acting Group Manager, Schools Quality Outcomes and Youth and Transitions Group

Mrs Marie Hird, Branch Manager, Curriculum Branch, Schools Quality Outcomes and Youth and Transitions Group

Ms Louise Hanlon, Branch Manager, Literacy and Numeracy, Schools Quality Outcomes and Youth and Transitions Group

Ms Katy Balmaks, Branch Manager, Trade Training Taskforce, Schools Quality Outcomes and Youth and Transitions Group

Ms Robyn Calder, Branch Manager, Transitions Branch, Schools Quality Outcomes and Youth and Transitions Group

Ms Christine Dacey, Branch Manager, Youth Bureau, Schools Quality Outcomes and Youth and Transitions Group

Children's Group

Ms Lisa Paul, Secretary

Dr Wendy Jarvie, Deputy Secretary

Ms Vicki Rundle, Group Manager
Mr Philip Brown, Branch Manager, Childcare Quality and Compliance
Ms Garbielle Phillips, Branch Manager, Children's Program Support and Performance Management
Ms Kathryn Shugg, Branch Manager, Child Care Programs
Mrs Kellie Hippit, Acting Branch Manager, Child Care Policy and Children's Policy and Programs
Mr Justin Mein, Branch Manager, Children's Implementation Unit

Child Care Management System Taskforce

Ms Lisa Paul, Secretary
Dr Wendy Jarvie, Deputy Secretary
Ms Fiona Smart, Acting Group Manager
Ms Allyson Essex, Branch Manager

Higher Education Group

Ms Lisa Paul, Secretary
Mr Jim Davidson, Deputy Secretary
Mr Colin Walters, Group Manager
Mr Rod Manns, Branch Manager, Funding and Student Support
Dr Caroline Perkins, Branch Manager, Equality and Structural Reform
Mr Jason Coutts, Branch Manager, Policy and Analysis Branch
Ms Julie Birmingham, Director, Learning and Teaching Unit, Quality Branch
Ms Shane Samuelson, Director, Quality Assurance Unit, Quality Branch

Strategic Analysis and Evaluation Group

Ms Lisa Paul, Secretary
Dr Wendy Jarvie, Deputy Secretary
Dr Trish Mercer, Group Manager
Mr Russell Ayres, Branch Manager, Review, Analysis and Economic
Mr Murray Kimber, Branch Manager, Income Support for Students Branch
Dr Paul Balnaves, Branch Manager, Transitions and Attainment

Vocation Education and Training Groups

Ms Lisa Paul, Secretary
Mr Jim Davidson, Deputy Secretary
Mr Ben Johnson, Group Manager, National Training Directions Group
Mr Neil McAuslan, Branch Manager, Funding and Performance, National Training Directions Group
Ms Chris Jeacle, Acting Branch Manager, Australian Apprenticeships, National Training Directions Group
Mr Craig Robertson, Branch Manager, National Policy Reform, National Training Directions Group
Ms Jan Febey, Acting Branch Manager, Australian Technical Colleges, National Training Directions Group
Ms Robyn Priddle, Branch Manager, Transitions to Training and Work, National Training Directions Group
Dr Carol Nicoll, Group Manager, Industry Skills Development Group

Mr Matt Davies, Branch Manager, Skills, Industry Skills Development Group
Ms Helen McLaren, Branch Manager, Technology and Communication, Industry Skills Development Group
Ms Suzi Hewlett, Branch Manager, Industry Skills Council, Industry Skills Development Group
Ms Catherine Vandermark, Branch Manager, Quality, Industry Skills Development Group
Ms Julie Yeend, Branch Manager, COAG Skills Recognition Taskforce, Industry Skills Development Group
Ms Linda White, Branch Manager, Higher Skills, Industry Skills Development Group

Indigenous Education Group

Ms Lisa Paul, Secretary
Dr Wendy Jarvie, Deputy Secretary
Mr Tony Greer, Group Manager
Mr Gary Powell, Branch Manager, Indigenous Education Policy
Ms Loire Hunter, Branch Manager, Indigenous Business Management
Mr Glenn Hansen, Acting Branch Manager, Indigenous Education Directions and Strategies
Mr Stephen Goodwin, Branch Manager, Northern Territory Taskforce

International Education Group

Ms Lisa Paul, Secretary
Dr Wendy Jarvie, Deputy Secretary
Ms Fiona Buffinton, Group Manager
Ms Mary Johnson, Branch Manager, International Quality Branch
Ms Di Weddell, Branch Manager, International Cooperation and Scholarships

CHAIR (Senator Marshall)—I declare open this public hearing of the Senate Standing Committee on Education, Employment and Workplace Relations. On Wednesday, 13 February 2008, the Senate referred to the committee the particulars of proposed additional expenditure in respect of the year ending 30 June 2008 for the portfolio of Education, Employment and Workplace Relations. The committee will examine this proposed expenditure as well as the annual reports for the department and the agencies appearing before it. The committee has resolved that answers to questions on notice are to be lodged by Friday, 11 April 2008 and the committee will report to the Senate on 18 March 2008. The committee will begin today's proceedings with cross-portfolio questions and, as far as possible, follow the order set out in the agenda. Proceedings will also be suspended for breaks, as indicated on the agenda, with one slight addition, which I will go to later.

I remind officers that they are protected by parliamentary privilege. I also remind officers that in its orders of continuing effect the Senate has resolved that there is no area in connection with the expenditure of public funds where any person has a discretion to withhold details or explanations from the parliament or its committees unless the parliament has expressly provided for otherwise. The officers shall not be asked to give opinions on matters of policy and shall be given an opportunity to refer such questions to superior officers or to the minister. Where an officer declines to answer a question, the grounds for this should be stated so that the committee may consider the matter. The giving of false or misleading evidence to the committee may constitute contempt of the Senate.

[9.04 am]

Department of Education, Employment and Workplace Relations

CHAIR—I now welcome the Minister representing the Minister for Education, Employment and Workplace Relations, Senator the Hon. Kim Carr; the Secretary of the Department of Education, Employment and Workplace Relations, Ms Lisa Paul; and other departmental officials, as well as observers, to this public hearing. Minister, do you wish to make an opening statement?

Senator Carr—Only to say, Mr Chairman, that the view from this side of the table is a considerable improvement on the view from over there for the last 12 years. I look forward to having a productive day's work.

Senator ALLISON—I wish we could say the same.

CHAIR—Thank you, Senator Carr. Ms Paul, do you wish to make an opening statement?

Ms Paul—No, thank you.

CHAIR—We can start with questions. Senator Mason, you may begin.

Senator MASON—I will start with some background questions on numbers. How many students are there in years 9 to 12 in Australian schools?

Ms Paul—That is probably best dealt with under outcome 2, Schools. At the moment we are on cross-portfolio, which we may not be on for long, but it is more about the department itself. I will take the chair's guidance—I am very happy to answer, obviously.

Senator MASON—I did mention this to the chair beforehand. The witnesses are all here.

Ms Paul—They are not, yet.

Senator Carr—The customary practice of this committee has been to deal with cross-portfolio first. That allows the officers at this level to deal with general questions and then we go through division by division, if you like, where officers can be assembled to deal with your questions in detail.

CHAIR—I am happy to continue on with that but I do want to allow some flexibility for the smooth operation of the committee. If there are questions that do not strictly fall inside the topic but the officers are here I would rather, as chair, dispose of them at the time. If the officers have not been assembled, that is a difficulty and we will have to face that as we continue. How would you like to proceed, Senator Mason?

Senator MASON—I would like to proceed with the question I have asked. I do not have questions on cross-portfolio issues, per se.

CHAIR—Are there any other questions on cross-portfolio?

Senator ALLISON—I do not know what it means.

[9.06 am]

CHAIR—On that basis we will move to output 2, Schools.

Senator MASON—How many students are there in years 9 to 12 in Australian schools?

Ms Northcott—We do not have those figures with us just at the moment but we will have them later in the morning. I presume your question is in relation to the digital education revolution.

Senator MASON—The documents of the department and certainly the government mention a figure. What is the rough figure?

Ms Northcott—I am not responsible for student numbers so I cannot provide that figure.

Senator MASON—Ms Paul? I can tell you if you want me to.

CHAIR—It is probably better to let the department answer, Senator.

Ms Paul—We will have the answer. We are just getting the officers organised. We can go on with your number if you prefer, or we can wait until we have the number with us; it is up to you.

Senator MASON—Can anyone answer the question?

Ms McKinnon—The breakdown I have is between primary and secondary. That is all I have at the moment. There are 1,432,000 secondary full-time students in Australia.

Senator MASON—Will the minister take it from me that Labor Party documents, as well as the department's website, say that there are 970,000 students in years 9 to 12 in Australian schools—a bit under a million students. Does that sound about right, Ms Paul?

Ms Paul—It could well be. There are three million students all up across all primary and secondary, and Ms McKinnon has just given the number for the whole of secondary. But I would need to check to make sure.

Senator MASON—If we are wrong on this assumption or grossly out, I am sure you will bring it up later.

Ms Paul—Of course; that is no problem.

Senator MASON—So let us take the figure of 970,000 and round it up to a million to make it simple. How many schools house those students?

Ms Paul—I think there are about 2,600 or so secondary schools at the moment.

Senator MASON—Very good, Ms Paul, yes.

Ms Paul—I should have known the other number too.

Senator MASON—I have got a figure of 2,650.

Ms Paul—Yes, that is right.

Senator MASON—How many computers do students in years 9 to 12 currently have access to?

Ms Paul—We do not know the answer to that. That is exactly why the first step of implementing the digital education revolution has been to go out and do an audit. At the COAG meeting on 21 December last year there was agreement that a first step would be a comprehensive audit across state government and non-government schools of exactly what is out there. That is still underway.

Senator MASON—Let me get this right: you do not know how many computers students in years 9 to 12 have access to?

Ms Paul—We will know within the next week or so.

Senator MASON—But you do not know now.

Ms Paul—Last week we had 91 per cent of the data, but it had not been compiled. Then the data needs to go back and be verified. But certainly this month, indeed, in the next week or so, we will have a clear picture through that comprehensive audit.

Senator MASON—It is interesting that the department say they do not know and yet there were all these claims made by the then opposition—now the government—about a lack of computers. And you say you do not know how many computers students have access to in any case.

Ms Paul—That is no surprise, because COAG only signed up to do this comprehensive audit on 21 December. So, within the next week or so, we will—actually for the first time ever, I think—know precisely what the story is across our secondary schools.

Senator MASON—Minister, how can the government claim that students have insufficient access when they do not know how many computers there are?

Senator Carr—I think you will find that, if you look at this across the country, the figures are quite variable. Each of the states has a different target for the access to computers. In my state, Victoria, for instance, if my recollection serves me correctly, the figures were based on access to a computer, some of which were up to eight years old. So while there may well be figures that suggest that people have access to steam-driven equipment, it does not necessarily allow us to claim that we have got the very best ICT programs that are available.

Senator MASON—But do you know how many computers students have access to in years 9 to 12?

Senator Carr—I can tell you that I know there are figures available in each of the states which are taken from a different basis in each of the states and record different things—that is, for instance, different levels of computer quality. So part of the process is to establish a uniform database. There is no doubt, however, that the access to computer technology is of fundamental importance to ensuring that we have high levels of educational attainment in this country.

Ms Paul—The fact that there was considerable variability was well known.

Senator MASON—But, Minister, the government made claims that there was grossly insufficient access.

Senator Carr—There is no question that that is right.

Senator MASON—So you are saying that is right?

Senator Carr—There is no question that we have a serious problem in terms of computer access in this country, and that this particularly affects people at different levels in terms of access to the hardware and access to software in terms of cabling and various other facilities in schools. These things are well known.

Ms Paul—For example, we had figures on the amount of broadband access that schools have. That showed us that, in terms of the aim of achieving 100 megabits per second, there was really quite a low capacity in schools. So even if schools had a computer, they would not have access to the internet with the speed.

Senator MASON—We will get to that in a minute.

Ms Paul—There are those two aspects. I think it is fair to say that people have been aware of a range of variability across the country, but the audit that I am speaking of is the first time that we have collected information on a standardised basis.

Senator MASON—We do not know how many computers there are, Ms Paul. That was your answer before, and that was the minister's answer, except that the minister said that there was 'grossly insufficient' access to computers. That is the evidence thus far. If we do not know how many computers, let's take a rough guess.

Dr Arthur—Perhaps I could amplify that. We do not have figures that we can publish at this exact moment. We have carried out an audit, whereby all schools in Australia have reported their computer provision. We are in the process of confirming the accuracy of that data with the chief information officers and enrolment officials in the government and non-government sectors. When that data has been looked at, and has been made available to the minister, I know that it is the minister's intention to publish that information.

Senator MASON—Dr Arthur, you would be aware that the OECD did a report, published in 2005, *Are students ready for a technology-rich world?*, in which they found that there was access to three computers for every 10 students. That is right, isn't it? I can table the document if you want.

Dr Arthur—I am aware of that document, and I do not have a particular figure in my head, but I do not in any way contest its accuracy.

Senator MASON—That is looking at data that goes back to 2003. That is right, isn't it?

Dr Arthur—Yes. That, of course, is an average figure.

Senator MASON—So we have about a million students and, roughly, 300,000 computers.

Dr Arthur—On that basis, that sounds reasonable.

Senator Carr—How old are they, Senator Mason?

Senator MASON—That is a good question, Minister. The OECD report from 2005 was based on 2003 research. It is five years ago. One can only suspect that the situation is somewhat better.

Senator Carr—How old is the individual unit? That is the question I am asking.

Senator MASON—Let's get to that in a minute. I just want to take you, Minister, to the Labor Party's policy documents and websites, and the department's. I watched this on television: Mr Rudd's campaign launch on 14 November 2007 in Brisbane. Mr Rudd said this:

Today I announce that if elected, Federal Labor will undertake a ground-breaking reform by providing for every Australian secondary school student in years nine to 12 with access to their own computer ...

Then, in the ALP's *Election 07* policy document, www.kevin07.com.au, the document says:

In coming years, a critical component of a world class education system in Australia will be having computers on every desk and having access to reliable, high speed broadband.

In big letters, highlighted in the overview of A Digital Education Revolution, on kevin07.com.au, it says:

A Rudd Labor Government will revolutionise classroom education by putting a computer on the desk of every upper secondary student and by providing Australian schools with fibre to the premises connections, which will deliver broadband speeds of up to 100 megabits per second.

Minister, will there be one computer for every student in years 9 to 12 in Australia, as promised?

Ms Paul—That is the aim of the policy, Senator, and, in addition, the policy comprehends—

Senator MASON—So there will be, Ms Paul?

Ms Paul—That is the aim of the policy. It is a policy, a program, that at the moment is a four-year program. The policy also extends to an aim to raise the level of broadband.

Senator MASON—I will get to that in a minute.

Ms Paul—There are a lot of considerations, such as can the power supply to the school support it and so on. We do need to take a quite a strategic approach.

Senator MASON—I just want to make this clear. Those one million students—we have agreed that there are about a million students between years 9 and 12—will all receive a laptop computer, as well as the interactive whiteboard and other digital equipment, over the next few years.

Ms Paul—The notion is that every student will have access to a high-speed computer.

Senator MASON—I did not say 'access'. We are talking here about their own computer. Every desk, every upper secondary student. That is what the document says.

Ms Paul—Yes.

Senator MASON—Not 'access to'. This is 'have their own computer'.

Ms Paul—I do not think personal ownership is part of it.

Senator MASON—Do you want me to read the pieces out again? Do you want me to read the documents out again?

Ms Paul—So they would have access—

Senator MASON—The words were 'own computer', 'every desk', 'every upper secondary student'.

Ms Paul—Perhaps we are debating a fine point between personal ownership and being able to use one at your desk every day—which is the intention of the policy.

Senator MASON—That may be the department's intention or the government's intention now, but let me ask you very clearly: will each student be given their own computer? Minister?

Ms Paul—The policy is clear. Students will have computers on their desks to work with.

Senator MASON—Now we are slicing and dicing, Ms Paul. Minister, can you help Ms Paul?

Ms Paul—I do not think I am slicing and dicing, Senator. The policy is clear, and you read it.

Senator MASON—Do you want me to read it out again?

Ms Paul—No, I think we have read it too.

Dr Arthur—Senator, I think that it is going to be, clearly, a matter for the government to determine, but I do not think there are very many computers which are technically ‘owned’ by the students. There are some in non-government schools. They are in schools which operate programs whereby, as part of the fee structure, parents buy laptops, and those laptops are brought to school. In that case you could perhaps say that the student owns the computer. However, I do not think there are many circumstances in Australia at the moment, apart from that, where you could say that a student owns a computer.

Senator MASON—Is that sort of like every one ‘owns’ the road, as it were? Minister, will every year 9 to 12 student be given their own computer? Can you assure the one million students and their parents—because they want to know this—that there will be one computer for every child? Not ‘access’. Let us not slice and dice. They will have their own computer.

Senator Carr—Thank you, Senator Mason. I read the policy document in different ways to you, obviously. We also have a series of measures in terms of the access to broadband which need to be considered in this context. We also need to be considering the tax rebate arrangements that are available, as well as the provision of hardware. There is also provision for software. We are talking to the states and territories. The minister is talking to the states and territories about the most effective means of delivery. I remind you that the states and territories have different programs in place in terms of the ICT arrangements. I have had the opportunity to talk to officials in Victoria and I repeat that they are making considerable progress in the development of new systems. We obviously will not be duplicating those arrangements.

Senator MASON—Minister, thank you. I will get to broadband et cetera in a minute, but I just want to clarify this. You are not making the assurance that every student will be given their own computer?

Senator Carr—I think the policy is very clear.

Ms Paul—The policy is clear, which is that every senior secondary student will have access to a computer. You read the words. I think that is pretty clear.

Senator MASON—It says ‘own computer’, ‘every desk’, ‘every upper secondary student’. They will have their own?

Ms Paul—That is our aim. It is to—

Senator MASON—Let me make this very clear, Ms Paul. I think we agreed that there are 300,000 computers and there are a million students. We agreed on that.

Ms Paul—We will not—

Senator MASON—You will be purchasing another 700,000 laptop computers—is that right?

Dr Arthur—If I could just intervene. I do not think the policy specifies laptops. It specifies computers and whether or not it is a laptop or a desktop—

Senator MASON—Oh gee, Dr Arthur—

CHAIR—Senator Mason, just allow the witnesses to answer the questions.

Ms Paul—I think the intention is clear that each student will have their computer to work with in their school. We will not know precisely whether it is 700,000 or some other figure until we have completed this audit and then it will be an unrolling of the program, working with the states and territories obviously, as the minister said, and with the non-government sectors over a period of years.

Senator MASON—Minister, you cannot assure this parliamentary committee that every year 9 to 12 student will have their own computer. Ms Paul is talking about access and you are doing a valiant job, Ms Paul!

Ms Paul—No, I'm not. I am just—

Senator MASON—The documents talk about 'own computer'.

Ms Paul—I am just agreeing with the policy actually and saying that once we know what is out there and work with all the various parties we will be able to unroll that policy over a number of years.

Senator MASON—Ms Paul, unless I am stupid and unless every year 9 to 12 student I know is stupid, every one of them thought that the government would be providing them with a computer, a laptop in fact. Dr Arthur says a computer and we might even live with that. But Senator Carr has not been able to assure this parliamentary committee that the government will be providing that, and that is a big let-down, let me tell you.

Ms Paul—I am sorry, I think you have probably misunderstood. I do not in any way—

Senator MASON—I do not think so, Ms Paul.

Ms Paul—I do not in any way say that the policy is other than what it says. So I think perhaps there has been a small misunderstanding. The policy is the policy, and we are implementing the policy—that is just the way it is—so each student will have their computer.

Senator MASON—They will have their own computer or just access to their own computer?

Ms Paul—We will be implementing the policy exactly as it says. So, yes, I would imagine they would have a computer on their desk in some form and over the next X years that is exactly what will happen.

Senator MASON—There will be at least another 700,000 computers purchased?

Ms Paul—No, it will depend on what the need is. So, for example—

Senator MASON—So they will not have their own computer?

Ms Paul—I did not say that.

Dr Arthur—If I could perhaps read from the policy which says:

Individual schools will be able to apply for funding based on the number of students enrolled and existing information technology capacity at the school.

If I can interpret that, it means that it is not possible to derive a number of how many computers would be bought independent of a number of other factors such as the number of existing computers, the age of those computers, and the refresh plans of all the states and territories. So the overall combination of those activities will give effect to the overall government policy.

Ms Paul—Perhaps we are just talking about how—

Senator MASON—The minister said that and I accept that there is a state-federal interaction here. My point is, however, despite your valiant efforts, Ms Paul—and you may have policy documents that I do not have—these publicly available policy documents, including the campaign speech, were explicit. The minister has not been able to assure a million year 9 to 12 students that they will have their own computer. If it is about access—and you want to talk about access—let us talk about access for a second.

Ms Paul—Could I just say that is not what I am saying. We will implement the policy as the policy is stated and we will implement it over a number of years. I would not want to be interpreted as saying that the policy will not be implemented. We will be implementing the policy. I think our misunderstanding is that we here at the table were talking more about the how and the range of considerations to implement the policy. But the policy stands. That is our aim and that is what we are working with states and other parties to achieve.

Senator MASON—Sure, Ms Paul, but you have said, and I think that Dr Arthur's also agreed, that if it is 'own computer' then we are 700,000 computers short of them having their own computer. And you have just said that is not going to happen.

Ms Paul—No, I have not said that, Senator. I have said that I am not sure that the answer is 700,000 or whatever your number is.

Senator MASON—I think we have agreed on the ballpark figures.

Ms Paul—I need to clarify that I am not agreeing necessarily on the number because we have not finished the audit.

Senator MASON—But we agreed on the ballpark figure. Let us get this right, Ms Paul. We agreed on the ballpark figure. It is roughly 700,000.

Dr Arthur—If I could just reiterate, Senator—

Senator MASON—My point is, that means there will have to be 700,000—roughly, I am not saying it is exact—computers purchased.

Ms Paul—We actually do not know if it is anything like 700,000—that is our point—because between then and now some computers will have aged and been retired and there would have been new computers purchased and there will be a range of other factors which Dr Arthur alluded to. We just do not know yet exactly what the range of need is, and we have also tried, I think, to make the point—

Senator MASON—It is not about range of need, Ms Paul; it is ‘own computer’ for about a million students.

Ms Paul—Yes, that is right, and that is what we are trying to pin down now.

Senator MASON—So there will be about a million computers in years 9 to 12 in the next few years: yes or no?

Ms Paul—That is the aim.

Senator MASON—That is the aim.

Ms Paul—Absolutely.

Senator MASON—So we can hold the government to providing their own computer—I would say about a million—to every year 9 to 12 student over the next couple of years? Is that right, Ms Paul?

Ms Paul—I think we are agreeing on the policy, Senator.

Senator MASON—No—as long as we understand specifically. I do not want slicing and dicing. We are talking about the provision of roughly a million computers.

Ms Paul—Yes. They could be in various forms and so on. Every one of those students will be able to use computer technology for their school work. That is the aim; that is right. We are agreeing on that.

Senator MASON—All right. So we are talking about a million computers; that is fine.

Ms Paul—Not necessarily.

Senator MASON—What do you mean, ‘not necessarily’?

CHAIR—It is clearly about being specific on the numbers.

Ms Paul—Sorry—you mean the numbers?

Senator MASON—Yes, we agree on that. Let us talk about access, then. I think we agreed before that there would be roughly three computers for every 10 students. I am not going to hold the minister or the department to that being the precise figure. The aim, then, is to go from three computers for every 10 students to 10 computers for every 10 students. Is that right?

Ms Paul—That is right.

Senator MASON—That is the aim, so that is what your government will be doing, Minister.

Senator Carr—We are obviously seeking to provide every student with access to computers and computer technology—

Senator MASON—No, Minister, it is not access—

Senator Carr—Whoa! What I learnt over the years, Senator Mason, is that if you ask a question on that side of the table you have to give us a chance to answer it.

Senator PATTERSON—It took a long time to learn.

Senator Carr—We will see, Senator Patterson, how much you have learnt in due course.

Senator PATTERSON—A lot more than you.

Senator Carr—Senator Patterson, the problem with the Liberal Party is that they have learnt so little. That is why you are on that side of the table.

Senator MASON—Minister, I am listening.

Senator Carr—I reinforce the point I made in my initial contribution to this area: the government is in the process of establishing what the needs are. We are working with states and territories and with other school systems to secure that information. Each state and territory currently has a set of targets in place for its own systems. They are meeting that in different ways. They have different methods of measurement in terms of meeting that need. We clearly need to get a consistent database to work from. It is not the Commonwealth's sole responsibility to provide ICT facilities or educational services to students in this country. Therefore, we will be working with the states and territories and other systems to ensure that the level of provision is increased dramatically in line with the policy which was announced prior to the election.

Senator MASON—This is what I kept emphasising with Ms Paul—this will mean the provision of a computer for every year 9 to 12 student.

Ms Paul—That is the aim, that each student has access to a computer to be able to do their work. That is exactly the aim of the policy.

Senator MASON—We are going back over old territory. You have made the commitment that there will be, in effect, one computer for every child. That is all that I wanted, Ms Paul. You have made that commitment and I will be holding the government to account on that, of course. Ms Paul, you raised access before, and that is fair enough. It is a slightly different issue, I think we agreed.

Ms Paul—Yes.

Senator MASON—I think, Dr Arthur, you might recall the OECD 2005 report about access to computers. I can table that if the committee wants it, but I do not think it is necessary. I just remind the committee that in terms of access to computers at school, 2003 data from that report shows that Australia had the second highest access in the world for year 9 to 12 students, behind Denmark and Liechtenstein. So we are taking that from three computers for every 10 students to one computer for every student—access is already 100 per cent, or very close to it. I could table the report, Ms Paul, but I think you know what I am talking about. Let me table it.

CHAIR—Yes, you can table the document.

Senator MASON—Have a look, Ms Paul, if you do not believe me. I am sure you do.

Ms Paul—What do you mean by 'access' in this context?

Senator MASON—The document says two things. It talks about access to computers at home or at school. It is an OECD report.

CHAIR—We need to get copies if they are going to speak to it.

Ms Paul—So it covers home access as well?

Senator MASON—Yes, it does. It covers home and school, using year 2000 data and year 2003 data. That is the latest data.

Ms Paul—So the family could have a computer or—

Senator MASON—Let us just look at schools. I am not talking about the government's response to providing computers at home. Senator Fifield's eyesight is better than mine, but that looks to me to be touching 100.

Senator FIFIELD—It sure does.

Ms Paul—But it covers both school and home, whereas our audit—

Senator MASON—No, just school. You will get the document in a second. Just school is 100. You would know what my point is, Minister: access is already about 100 per cent, the third highest in the world.

Ms Paul—Now I am confused between that and your previous figure. Are you talking about access to broadband?

Senator MASON—Access to computers.

Ms Paul—But you were saying a minute ago that it was three out of 10. I am not familiar with that report, unfortunately.

Dr Arthur—If it is a normal OECD production, there will be a definition in that report of what they mean by 'access', which we certainly can access and look at. I suspect that we are dealing with different versions of what is meant by access in this particular case.

Ms Paul—Yes. I can see that the table does not differentiate—

Senator MASON—Your eyesight is probably better than mine, Ms Paul.

Ms Paul—I would not claim that. The table does not differentiate.

Senator MASON—It does.

Ms Paul—It talks about home and school.

Dr Arthur—The heading is, 'Percentage of students saying they have access to a computer.' Clearly, that will mean whatever that student interprets as access. If they have access for half-an-hour a week, they may well have answered 'yes' to that question of access.

Senator MASON—I am not suggesting that this is the be-all and end-all. It is just another OECD report. But what it does show clearly is that Australia is doing rather well. Wouldn't you agree?

Ms Paul—I was just trying to reconcile with your statement a minute ago that only three out of 10 had a computer.

Senator MASON—That is on another table. In fact, it is just under three in that OECD report.

Senator Carr—Senator Mason, I have some figures that might be of assistance to you.

Senator MASON—Sure.

Senator Carr—The 2005 ICT literacy testing, which was released by MCEETYA on 15 January 2008, says that 51 per cent of all year 6 students did not meet the year 6 proficiency standard set at level 3 on the ICT literacy and proficiency scale.

Senator MASON—Was that year 6?

Senator Carr—Year 6. The results also show that 39 per cent of all year 10 students did not achieve the year 10 proficiency standard, set at level 4 on the ICT literacy and proficiency scale. These results obviously provide evidence that suggest that we desperately need a digital educational revolution in this country.

Senator MASON—I am not saying that access could not be improved.

Senator Carr—We need to be able to have much higher levels of proficiency in terms of computer skills if we are to encourage people to participate fully in society and at work in the economy. There is no question under any of the data that is available to us that the level of proficiency in ICT is adequate by international standards. That is what the policy aims to achieve.

Senator MASON—Sorry—

Senator Carr—We are suggesting that that is what we desperately need to achieve in this country.

Senator MASON—You are not giving a specific aim. What is the aim of the revolution? The specific aim.

Ms Paul—The aim is as stated in the policy.

Senator MASON—It is fairly vague.

Ms Paul—What the minister is referring to here is some international data about how our students have performed in ICT. The table is a self report so, as Dr Arthur said, it could be access to a computer in the school library and so on. It could be access to a two megabit connection rather than a 100, and so on. We just do not know.

Senator MASON—I am sure you are right. I have more OECD reports here. I will not go into this, because it would just be bouncing figures around. On a different question, in terms of numbers of computers per student Australia is third in the world behind Lichtenstein and the United States of America. Let us leave that. If you want me to table that, I will. But I do not think that you doubt my veracity.

On 6 February, I received a delightful letter from Ms Gillard. She said in the letter to me that the government will invest up to \$100 million over four years as a contribution to the provision of high-speed fibre-to-the-premises broadband connections to schools. Does that \$100 million come out of the \$1 billion, or is it an extra appropriation?

Dr Arthur—That was in fact stated in the policy document *A Digital Education Revolution*. In that document it was stated that, of the \$1 billion mentioned in the statement, \$100 million would be available for fibre-to-the-premises to schools.

Senator MASON—So that is part of the \$1 billion?

Dr Arthur—That is what the original policy document stated.

Senator MASON—The department's website says that the stated aim is as follows:

The Australian Government has allocated \$100 million to contribute to the provision of fibre-to-the-premises ... broadband connections to Australian schools to deliver internet download speeds of up to 100 megabits per second.

Is that correct?

Ms Paul—Yes.

Senator MASON—Are we talking here about broadband connection to all of the 2,650 schools that we discussed earlier?

Dr Arthur—The policy is all schools.

Senator MASON—Is the \$100 million enough to pay for the broadband connections to all 2,650 schools?

Ms Paul—Perhaps Dr Arthur can take us through the consideration of how we proceed from here.

Senator MASON—But you said 'yes', Ms Paul, that that \$100 million—

Ms Paul—That is right. We have the \$100 million and we will use the \$100 million to try to connect fibre-to-the-premises to all schools, many of which already have fibre-to-the-premises, by the way.

Senator MASON—It is to all 2,650 schools. I just want to make sure we are on the same page.

Ms Paul—Yes.

Dr Arthur—In answer to your particular question, as you will note from looking at the policy documents, that commitment is intimately connected with the commitment of the government to invest in the rollout of a national fibre-to-the-node network. That commitment clearly will lead to the delivery of fibre-optic cable in a wide range of areas in Australia where it is not currently present and will provide a major transformation of the overall situation in terms of provision of fibre connections to individuals, businesses and institutions, such as schools, around Australia.

It is the case that the government, as I understand it, will be making announcements in due course on how it intends to proceed with the rollout of that particular commitment. The policy document makes it clear that the rollout of fibre-to-the-premises to schools is intimately connected with that particular rollout. It is not possible for me to speculate on actual dollars involved connecting it with individual schools, apart from the overall rollout of that policy.

Senator MASON—You are telling the committee that this \$100 million will be sufficient to provide all 2,650 schools with a broadband connection with a capacity of up to 100 megabits per second. Is that right?

Ms Paul—Plus, we will be able to leverage off the other broadband network commitment. So, yes, that is the intention.

Senator MASON—The other broadband commitment is from whom?

Dr Arthur—From the government.

Ms Paul—From the government, as Dr Arthur just said.

Senator MASON—The broader commitment; I understand. When you say ‘leverage’, what do you mean?

Ms Paul—Dr Arthur was explaining that that other commitment will deliver a broadband network across this country and, of course, that will help to take a large broadband network out into our communities and from there connect fibre-to-the-premises to schools.

Senator MASON—I understand that.

Dr Arthur—Details of how that will occur are going to be completely dependent on how that rollout is conducted, and the government has not yet made an announcement on that so I am not in a position to go into detail as to how that might occur.

Senator MASON—Are you aware—in fact, Minister, I am sure that you are—of the Victorian government’s VicSmart Broadband program? It was one of Mr Brack’s initiatives.

Senator Carr—I think so, yes.

Senator MASON—It will provide 1,600 Victorian government schools with optical fibre connections of speeds of up to four megabits per second. Are you aware of that?

Dr Arthur—We are certainly very well aware of that.

Senator MASON—Good. Dr Arthur, are you aware that that program cost \$89 million, covers 1,600 schools and 536,000 students?

Dr Arthur—I am not aware of those precise figures. Perhaps I can clarify the basis of those figures, however. That program has led to the connection by optical fibre—as I understand it—to currently some 90 per cent of Victorian schools. It has involved a capital outlay by the Victorian government to achieve those fibre connections of zero dollars.

Senator MASON—But the program allocation was \$89 million and it covered 1,600 schools. That is right, isn’t it?

Dr Arthur—The program allocation—

Senator MASON—That is what the press release said.

Dr Arthur—in detail I suspect goes to recurrent costs for the usage of the network. I can state—and I have clarified this position as recently as yesterday—that the capital expenditure attributable to the Victorian government for the layout of the cables, which is what is covered in the Australian government’s policy, was zero dollars.

Ms Paul—In other words, what we are saying is that it is a bit of an apples and oranges thing. If you compare apples with apples, the comparable expenditure in Victoria was zero.

Senator MASON—To put the connection in, forgetting associated costs, cost zero. I want to make sure we are talking about the same thing.

Ms Paul—Presumably because of the way that the commercial arrangements were struck.

Dr Arthur—It was, as I understand it, paid for by the terms of a particular contract of a particular duration for the lighting up of the fibre and the carrying of traffic across that fibre,

which are recurrent costs met from the recurrent budget of the Victorian education department.

Senator MASON—Hold it. Was there some sort of deal done to provide this? Was there a deal done where someone provided the connection for little or no money on the basis that they provided the internet service? I do not know; I am just asking the question.

Ms Paul—Yes.

Dr Arthur—Yes. It was a whole-of-government deal done by the Victorian government whereby in this case Telstra rolled out fibre connections to a range of institutions, particularly schools but not just schools. I do not know the details of the contract, obviously, because it is a commercial issue. But in broad terms the capital expenditure was not a cost factor. Whatever cost factors that Telstra used in its calculation presumably were picked up in terms of the recurrent dollars of the contract with the Victorian government.

Senator MASON—Thank you. I could not work that out for a second. My friend Senator Fifield said that that is a bit like being given a free mobile phone.

Ms Paul—That is right.

Senator MASON—Now I understand. I could not quite work that out. Okay. So that has nothing to do with the estimated cost of \$89 million, which I thought was the estimated cost in 2005. Let me go back to it, then, because now I understand that that was in effect a sweetheart deal. I am not criticising the government for it. What we are saying is that the actual cost was transferred elsewhere by providing the connection.

Dr Arthur—I suspect that it was a normal commercial arrangement between a buyer and a supplier.

Senator MASON—Sure. I have no problem with that.

Dr Arthur—I will not take the sweetheart situation any further.

Senator MASON—You do not get anything for nothing, Dr Arthur. The price of the connection was obviously passed on in other areas—having to use certain internet providers, for example. That is fine; that is not a criticism. I just want to make this clear. Mr Bracks and his government said that the cost would be to connect the optical fibre. This, remember, is four megabits per second, not 100. That was going to cost \$89 million, cover 1,600 schools and 530,000 students. But the government's proposed program will cover 2,650 schools and about a million students and the government has only allocated \$100 million—in other words, only \$11 million more. So the government's proposal covers 80 per cent more students but only asks for only 10 per cent more money. How do we get that?

Ms Paul—We are saying that you cannot make that comparison. The reason that you cannot make that comparison. You are trying to compare \$89 million for a certain number of schools to \$100 million with a larger number of schools. We are saying that that would be an apples and oranges comparison that cannot be made.

Senator MASON—Why is that?

Ms Paul—I think that Dr Arthur has answered this. But in short, the Victorian arrangement is part of a whole-of-government arrangement, as we understand it, and covers a range of

commercial and other issues which go beyond the aim for the \$100 million. Indeed, as Dr Arthur has said, the comparable part—that is, fibre-to-the-premises cost—will cost the Victorian government nothing, actually. So we are not able to make that comparison.

Senator MASON—You do not dispute—and I can hand you the press release, if you want—that the budgeted cost for the connection was \$89 million. Okay, a commercial deal has been done where in effect that cost is not paid directly; the cost is made up to the provider in other ways. Fair enough; it is not a criticism of anyone. But the fact is that the provision of the connection costs goes somewhere.

Ms Paul—I think we have answered this a couple of times.

Senator MASON—Not to me, you haven't.

Ms Paul—What is in the \$89 million goes beyond and is different from what will be delivered through the \$100 million for fibre-to-the-premises to schools.

Senator MASON—It does not go beyond; it is connected. Do you want to read the press release?

Ms Paul—That is not what Dr Arthur said.

Dr Arthur—Perhaps I could clarify this and build on what the minister has said. This is not purely an area of Commonwealth activity. The states and territories right now pay for, in various ways, the connectivity of their schools out of recurrent costs—

Senator MASON—So this is a subcontracted revolution—

Dr Arthur—The issue is a—

CHAIR—We have got 13 hours to go. There is no rush and I would appreciate you allowing witnesses to fully answer the questions.

Dr Arthur—As I read the policy, the policy sets out what it sees to be an area where the Commonwealth can make a legitimate contribution to the totality of costs. It will always be the case that there will be recurrent costs of maintaining an internet connection and operators of schools will in the future, as of now, be expected to meet those costs.

To add one issue in the Victorian situation, government policy is that there will be fibre connections capable of 100 megabits per second. The Victorian connections are currently activated at four megabits per second. But they are all operating, as I understand it, under Telstra technology called Government Wideband IP. My understanding is that that technology is now capable of providing 100 megabits per second.

Senator MASON—I think you are right, but that is not quite the point. The point is that the budget proposal from the Bracks government was for connections alone to many fewer students at a much lower speed and to many fewer schools, for only \$11 million less.

Ms Paul—I think that we have answered this a couple of times. We have said that it is just not comparable. There is probably not much further we can go on that one, I think.

Dr Arthur—The cost component that is comparable to the Commonwealth policy contribution was met without an expenditure of dollars. So the issue is: in terms of what may be doable in the rest of Australia, can the Commonwealth policy commitment be met within

\$100 million? I am saying that the Victorian example provides no evidence that it cannot and, indeed, it probably provides strong evidence that it can.

Senator MASON—As Senator Fifield said, it is like having a free mobile phone. You cannot use that to say that the Commonwealth will get a similar deal. It may not; I do not know. All I can say is that the Victorian government budgeted \$89 million for it. That is a fact and I do not think that anyone disputes that.

Ms Paul—In Victoria the fibre-to-the-premises to schools cost nothing.

Senator MASON—That is right, because there was a deal that encompassed the entire avenue.

Ms Paul—That is the comparison with \$100 million—

Senator MASON—That is right. But that is like being given a free mobile phone and saying, ‘Oh, the calls do not cost anything.’

Senator FIFIELD—Ultimately, you pay for it somewhere. You buy a mobile phone; you are told it is free—Crazy John’s say that the phone is free—but you pay for it elsewhere. I think it is bordering on disingenuous to say that this costs nothing. It did cost the Victorian taxpayers.

Ms Paul—I am just commenting on the Victorian case. Of course there will be a range of different commercial arrangements; naturally. I agree with that. The point here is that it would be an apples and oranges comparison. You just cannot make the comparison, that is all.

Senator MASON—Except that we have got the figures of the Victorians and I am afraid that the figures from the Commonwealth do not add up.

Dr Arthur—I think the question is: to what extent is a capital injection of \$100 million from the Commonwealth a sufficient capital injection to achieve the objective, working with all the other things that are out there—the fibre-to-the-node network, state and territory and independent and Catholic schools purchasing optical fibre communications—and will those things in combination be enough to produce the policy result? And I would repeat that the Victorian example provides not evidence that that is not likely but, rather, evidence that that is perfectly possible.

Senator MASON—Thank you for that. I do follow your answer. We could dispute some things but I understand your answer. You said that Commonwealth money will be in conjunction with state and territory government money. Is that right?

Dr Arthur—Correct.

Senator MASON—Independent and Catholic schools. Is that right?

Dr Arthur—Correct.

Senator MASON—So they will all be footing the bill for this as well. Is that right?

Ms Paul—This is a partnership; it was always intended to be that way—

Senator MASON—So it is a subcontracted revolution. I thought it was Mr Rudd’s revolution.

Ms Paul—I think the COAG agreement makes clear the nature of the partnership between all states and the Commonwealth.

Senator MASON—This is just after the election, isn't it, not before? This is Mr Rudd's revolution.

Ms Paul—Clearly, you would be building on existing arrangements where there are already existing capacities and offerings and so on. You would not be starting with a blank slate, because the world is not like that. As you say, Victoria already has something out there—fantastic—but someone else might not, and it is our job to work that out.

Senator MASON—Sure. But you agree, then, that state and territory governments as well as independent and Catholic schools will be footing the bill? We agree on that?

Ms Paul—No.

Dr Arthur—To clarify, as I said before: it is the case right now that part of the costs of operating a school in Australia include operating connections to the internet, and that will be the case in the future. The issue is the extent to which funds that are already being used for that purpose can be combined with an injection of Commonwealth funds—which is both \$100 million for the broadband to the premises and the developments which will occur on the fibre-to-the-node network—and whether those funding sources can produce a better policy result taken in combination than they would be able to achieve separately.

Senator MASON—So can you assure the committee that in terms of connection—not ongoing cost—no school in this country will have to pay any money for that? That includes independent and Catholic schools.

Dr Arthur—I do not think that that is the policy.

Ms Paul—I do not think that that is the policy. Schooling education is a partnership and always has been a partnership, and of course constitutionally it is the responsibility of the states and so on. What the federal government is doing here is contributing \$1 billion to computers in schools and a digital education revolution beyond what are already the fundamentals, through the Constitution, delivered by the states—and always have been of course. Clearly, this extra money will be working on top of what is already out there. Naturally, states have not just sat still with technology. They have been delivering their school education since the country started. It is just that this is additional money provided for the first time by the federal government to help deliver these important things to enable young people to be more ICT capable.

Senator MASON—So there is no assurance, then, that independent and Catholic schools and parents of those children will not have to pay more money for this connection?

Ms Paul—I think it would be unreasonable to say that the policy goes to that. The policy is quite clear: it is an aspiration for the country.

Dr Arthur—The policy says on page 10 of the document:

To contribute to the additional cost of deploying FTTP connections to Australian schools, Labor will commit additional funds of up to \$100 million from its \$1 billion National Secondary Schools Computer Fund.

I think that is reasonably clear language.

Senator MASON—So there will not be enough money. Chair, I want to go on to something that the minister and Ms Paul flagged.

CHAIR—If you want to, but I do not think it is necessary. We will not be moving until the committee is satisfied that we have finished matters for this area.

Ms Paul—Just on that matter, Senator, to finish off: you said that there would not be adequate money and, no, I think we have said the opposite. Our indications are at present, although this will roll out over time, is that there will be sufficient money.

Senator MASON—Yes, but you cannot assure the parents of this country, Ms Paul, that schools and independent schools will not be forced to foot part of the bill. That is the problem.

Ms Paul—That is not a relevant question to this policy, I think.

Senator MASON—It is a very relevant question to taxpayers, Ms Paul.

Senator ALLISON—How does the audit that you are currently completing fit with the applications which will be made by the schools? Why bother doing an audit when you are going to invite the schools to tell you what they want?

Dr Arthur—The Deputy Prime Minister announced that the initial \$100 million would be focused on the neediest schools in Australia. We therefore needed a mechanism which would provide us with comparable data across Australia to identify which were the neediest schools. In discussion with the states and territories, and with the Catholic and independent sectors, we have established that the only mechanism that could reasonably be developed in the time available would be a measure of the ratio of computers to students, and in particular the ratio of computers to students in the years 9 to 12.

We also had the consideration that getting a school to apply for funding, when it is not likely that school would be judged as being truly needy, would be an unreasonable imposition on the limited time of schools. So we have tried to develop a mechanism which will concentrate on the neediest schools in Australia, provide them with an opportunity to set out what they see their needs as being, but which will not impose an unreasonable burden on all schools. In order to do that, we needed to have a mechanism of knowing, on a reliable basis, which were the neediest schools. Therefore, we carried out the survey where we asked all schools to report questions which amounted to numbers of computers, with some technical subdivisions of that particular question, so that we could carry out that process.

Senator ALLISON—This was a written survey you sent to schools? Is it possible to table that document?

Dr Arthur—Yes indeed. It was sent via the education authorities to individual schools. In some cases, in particular states and territories, it did not need to go to individual schools because of their highly developed information management which held complete current information centrally. In most other cases, they referred the question to individual schools.

Senator ALLISON—Who fills in that survey data—the principal?

Dr Arthur—In most cases I suspect it would have been the principal, or people working in the school office, but that is not for us to determine, obviously.

Senator ALLISON—Is there a standard the government has set here? Senator Carr, you mentioned something in an answer to a question about how old the computers are. Would a school that has mostly six-year-old computers warrant completely new computers being provided?

Dr Arthur—That issue was discussed in detail with the states and territories and the Catholic and independent sectors chief information officers. The view was reached that only computers that were four years and younger should be regarded as being a contribution to the formula. All computers that were older than four years are disregarded in calculating the computer-to-student ratio in that school.

Senator ALLISON—And what about the schools that might have started the year with a purchase of new computers but on hearing the election announcement then spent the money on something else?

Dr Arthur—There are limits to how refined you can go. We can carry out a snapshot at the time of the survey, which was the start of the year, of schools that had computers that met the definitions in the survey, and that information is provided to us. We really cannot go to that level of refinement in terms of what decisions they may or may not have made leading up to that particular snapshot.

Senator ALLISON—Can I get a bit of clarity about the partnership, I think you call it, with the states. Will it differ from one state to another? If you discover Victoria is more generous with computers than the Northern Territory, as I am sure is the case, especially in Indigenous schools, will you punish that state or territory or will you give them whatever they need?

Dr Arthur—The policy, as we have just been discussing, over the time of the commitment is that all schools, unless at the moment they have a one to one ratio, will benefit. However, the decision has been taken in round 1 that we would concentrate round 1 on the neediest schools nationwide. The inevitable consequence of that will be, indeed, that schools in states where there are more computers than the other states and territories will get less under round 1. That is a consequence of deciding to focus Australia-wide on areas of greatest need in round 1.

Ms Paul—That is round 1, but over the life of the program of course the whole country comes up in terms of schools having access to fibre to premises and so on. But the commitment by government has been to focus on need in this first round, as Dr Arthur has just said.

Senator ALLISON—Is the agreement with the states a dollar for dollar agreement? Do they have to put up what the Commonwealth is putting up? What is the deal about how much the Commonwealth expects them to spend on computers?

Dr Arthur—That is set out in the policy announcements made before the election and that goes to a number of statements about what the responsibility of the Australian government is and what is expected of the states and territories. That is the basis of that. Essentially, the Commonwealth government, to the extent of the policy, is building on what people are already doing. Computer equipment is the responsibility of the states and territories, and of

schools in the non-government sectors—to provide all of the very significant things required to activate the computers and to ensure that they are used effectively.

Senator ALLISON—That does not tell me very much, Dr Arthur, I am afraid.

Dr Arthur—I can certainly go into the detail of that in terms of power points, data points—

Senator ALLISON—Let me put it simply to you: will state governments, as a result of this measure, spend more or less on computers once this program rolls out?

Ms Paul—It may accelerate some of their expenditure. It may mean that they wish to offer some professional development. It may mean that they want to boost some of their infrastructure and so on. We are working really well with them and we will continue to do so in a partnership way. Clearly this is a billion dollars which they have not had access to before. It is additional, so naturally they are pretty keen to be part of it.

Senator ALLISON—Never stand between a bucket of money and a premier!

Ms Paul—That is right. There are no formal matching requirements, as you were asking at the beginning, but naturally they will contribute in various ways.

Senator ALLISON—What is the level of accountability on this? You said they may spend it on infrastructure, on training or on a range of things. Will there be a watertight agreement at the end of the day before a dollar is handed over that says, ‘The Victorian state government agrees to this, this and this,’ and that can be verified?

Ms Paul—It is not so much in the nature of a matching deal. It is more the importance of getting the strategic partnership right so that the rollout of really top quality ICT can happen in the right way—so that things happen in the right time sequence, so that teachers are able to support it themselves and so on. It is not so much that it will be saying, ‘We won’t do this until you do that,’ but, rather, that we will be working with them to work out the right strategic approach to a rollout. That means, as I was just saying, getting the sequencing of things just right and so on—if that helps?

Senator ALLISON—What does not make sense to me is how you can have an arrangement which presumably is different for every one of the state and territory governments because they have different priorities. Also, in many schools it is not the central head office that determines whether, where and how they have computers and so forth; it is the schools themselves. In Victoria, which is my state, I know that to be the case. Does this mean you will deal with each school individually?

Dr Arthur—The funding agreement will be negotiated with the state and territory governments—that is our current intention. However, the results of the process that we are going through will be that we will advise the states and territories in due course of named schools that are entitled to named amounts of dollars for equipment. There will be a funding agreement which will specify what those funds can be used to acquire. Without going to the precise detail, that funding agreement will be in accordance with the policy document which speaks in terms of computers, including such things as—to use a technical term—thin clients and other items. There will be a list of equipment which is eligible to be purchased with the Commonwealth dollars and the funding agreement will require—as they all do—appropriate

accountability against the expenditure of the dollars for the purposes for which they are provided.

Senator ALLISON—Will teachers get a computer each?

Dr Arthur—That is not my understanding of the policy.

Ms Paul—The federal government's policy is clear about the aim for young people—for senior secondary students—

Senator ALLISON—But a trade-off might be that the state government provides teachers with computers instead of having to provide students with them.

Ms Paul—It could be.

Dr Arthur—Absolutely.

Senator ALLISON—I do not want to go into the 'do students own them or not' argument. You have made that clear. The intention is not that the student will be attached to a particular machine, is it?

Ms Paul—No.

Dr Arthur—The best way to answer that is to say that I do not think that it is useful for the Commonwealth to intrude directly into how teaching occurs in individual schools. Individual schools, as part of their own approaches to teaching, have quite a variety of approaches to what is the best way to use computers in the education of those individual students. I do not think that it is useful for the Commonwealth to use a funding program to dictate those particular arrangements. Whether the schools deploy computers on every desk or whether they deploy them in other ways to ensure that the policy is met is very much for those schools to determine.

Senator ALLISON—Really? So what are the range of options that might—

Dr Arthur—There are a very wide range of options currently used in schools. They range from laptop programs through to having computers in large facilities where students can get access to them but are not on their desks to having them on their desks. There are a very wide range of arrangements at the moment and it is not my understanding of the policy that we would dictate the physical arrangement of computers in schools through a Commonwealth funding policy.

Senator ALLISON—So from that I gather that one school might say, 'Every student from year 9 to year 12 will have a laptop and can take them home, though they do not own them, and do pretty much what they like,' but another school might say, 'No, we have computer laboratories and no-one has a computer on their desk.' Is that right?

Dr Arthur—Sure. As you are aware, schools make quite a wide range of choices in terms of their physical layouts. They might have a physical layout that would be amenable to having a computer on a particular desk as opposed to a different kind of physical layout. It would be unfortunate if you were to seek to dictate that from one element of the overall educational equation.

Senator ALLISON—Finally, the program is over four years?

Dr Arthur—Correct.

Senator ALLISON—So it will be rolled out over four years. You said that we assume that anything that is four years and younger does not need to be replaced. I know that we do not think beyond four-year budgetary periods, but what is the thinking about what would happen next? Would there be a new scheme for the first lot that had been rolled that would pick up on those again?

Dr Arthur—That is picked up in the policy in that the policy states that schools can apply after three years for equipment. That is within the initial policy. That is also linked to the decision that we took in terms of inducting the audits. It relates also to the fact that you cannot get warranty on a computer after four years and its net current value at four years is more or less zero. That is the basis of both the audit and, I assume, some of the thinking that led to the policy formulation.

Senator ALLISON—Coming back to the Commonwealth/state responsibility question, we are not talking about the Commonwealth taking over IT in schools—I realise that. But you must have done some figures on what the split would be to find out how much is being spent on computers by the states and how that compares with this billion dollar program.

Ms Paul—I do not think that we have done that. The commitment in the policy is for an additional billion dollar program. We have not really needed to, because it is not a formal matched program. The audit at the minute, as Dr Arthur said, goes to how many computers there are.

Senator ALLISON—But in talks with the states you must have broached the subject of what their budget was for IT.

Dr Arthur—It depends, as you say, on the arrangements in particular states and territories. To pick the case you know, in Victoria you have devolved one-line budgets to schools, where the schools determine the allocation of that online budget. It is not an easy task to then extract the data on what the actual expenditure is to every school in Australia—let alone in independent and Catholic schools, which have their own particular accounting treatments for how they do those things. It could be a non-trivial task.

Senator ALLISON—So the states cannot tell you how much they are spending annually on IT in schools? Let us leave aside the Catholic system and private schools.

Dr Arthur—I would have to defer to people who run the normal accountability arrangements for non-government schools. Certainly in terms of government schools we do not normally go to school-by-school allocation of those dollars.

Senator ALLISON—I am talking about state by state.

Dr Arthur—I think that is a difference between the level of reporting per our overall accountability programs and what we might want to know about this particular issue. I am not aware of us having a data source. There may well be an ABS data source on this issue but I am not aware of it.

Ms Paul—Really, when you look at the policy and what is trying to be achieved here, it is not so vital. It could certainly be of interest, but the government has not required formal

matching, and the focus on need goes not to dollars but to the ratio of provision of computers currently.

Senator ALLISON—I would have thought it was central. If your premise is that you do not want the state spending less on computers because the Commonwealth is chipping in, we would need to know what the states were spending.

Dr Arthur—If I could give an example of how difficult that actually is to do, the major on-costs of activating additional computers in schools will be power points, power consumption and air-conditioning. Those are matters which will not normally appear in a budget. I know of one state did, but they are very sophisticated in how they attribute things back. But in most cases those are not things that are going to be immediately picked up in a budget breakdown that says IT.

Senator ALLISON—That is not what I am asking for. I think we are talking about broadband connections, systems within schools and the hardware itself. I know you need air-conditioning; in some circumstances you need big insurance policies—the cost goes beyond the hardware. I understand. But surely we can put in a figure on the expenditure and confine it to those areas

Dr Arthur—I think it might be useful to widen the context out on that particular conversation. It is the announced policy of the current government to look overall at its relationship with the states and territories and to look at whether or not it actually gets value from trying to control its payments by way of a plethora of input measures and instead to concentrate on outcomes and outputs. From experience, you can spend an awfully long time trying to track down hypothecated dollars within a system where it gone into other people's accounts and not get very much value in policy outcome.

Senator ALLISON—So you do not know and you are not going to ask.

Ms Paul—I think your point about effort and about not dropping effort is well made. I think that is where you are coming from. I think that the current audit will give it a really good baseline there. I think it will answer the question that you are after—that is, the current audit will tell us, as at now, what the level of provisioning is out there. That will answer the question. If we see a drop below that baseline, it will not be hard for us to track that. So I think your point is well made.

Senator ALLISON—So you can do follow-up audits? You will do another audit?

Ms Paul—Yes, we will, absolutely. We will want to know how it is working. Having reflected on your question, I think we will be able to reflect, over time, on that question of maintenance of effort.

Senator ALLISON—It would not be the first time that the states have shifted money when Commonwealth funds were available.

Ms Paul—It is always something which we consider; that is right. I take your point. I think the audit process will help there.

Senator ALLISON—When can we expect the next audit?

Ms Paul—I do not think that has been determined yet. I think this one is the important one to get the baseline. I would imagine we would be doing it on a pretty regular basis over a four-year program. We can come back to you on that.

Senator ALLISON—Regarding needy schools, I have been to a lot of Indigenous schools and the vast majority of them do not have any computers at all. Is this a high priority for the Commonwealth program?

Ms Paul—As we said, this first round will focus exactly on need. Need has been defined in terms of access to computers. So those schools that you have seen that do not have anything are absolutely the type of school that you would expect to be well served in this first round.

Dr Arthur—If I can just amplify that, if a school were to report that they do not have computers at the moment, then, absolutely, they will be identified as being in need in this particular audit. I should add that there will be some issues. I am aware of one particular state or territory where there is a school at the moment that I am not sure would want to apply for computers because of the particular educational issues they have. We will not force schools to apply. But if they apply and they do not have computers, or have a low ratio of computers, they will be eligible.

Senator ALLISON—Will all schools, even the wealthy independent schools, be entitled to apply?

Ms Paul—They can.

Dr Arthur—I suspect in round 1 most of those schools will not be eligible to be approved. They will be eligible to apply but they would be unlikely to meet the definition of need in round 1.

Senator ALLISON—What if all their students have privately owned computers—do they get factored in or not?

Dr Arthur—Yes, they are being factored in in the process we are conducting.

Senator ALLISON—With equal weight?

Dr Arthur—We are trying to ask the question ‘Do they have access to the computer at school?’ in a way which answers that question.

Senator ALLISON—They will just say, ‘No, it is the one I have at home.’

Ms Paul—No, because this audit is being conducted with chief information officers’ help from states and sectors and so on. I think it will be a credible audit.

Senator ALLISON—Are there any Australian manufacturers or assemblers of computers? We are talking about an awful lot of computers. Will this boost the local industry or will it just add to our balance of payments problem?

Dr Arthur—From our point of view, the mechanism will go on provision of grants to states and territories and, through the block grant authorities, to individual Catholic and independent schools. As now, they will make purchase decisions. The Commonwealth government will not be making purchase decisions.

Senator ALLISON—So you are just handing over the cheque and they buy from wherever they can get them?

Dr Arthur—Indeed.

Ms Paul—But most of them have existing purchasing arrangements, of course. Nonetheless, this is clearly a boost. You have to expect that this is a boost to existing purchasing arrangements.

Dr Arthur—They have existing purchasing arrangements which they will use. The Commonwealth once in the past actually did carry out a national tender for personal computers and the result was that it had a particular price effect. But no-one bought off that particular contractor because they have existing arrangements within the states and territories which they are required to participate in. So, having gone through that example, we will not be attempting that again.

Senator ALLISON—We can presumably expect schools to dump lots of five-year-old computers. Are there arrangements in place to recycle materials and take out toxic materials from those units?

Dr Arthur—The proper disposal of assets is the responsibility of the person who has acquired those assets. I anticipate that there will be conversations—

Senator ALLISON—Yes, but in your partnership agreement, surely there is some influence here?

Dr Arthur—I anticipate that certainly those issues will come up as we get to assess the details of the deployment of this initiative. At the moment, given the government's clear concern to be able to make an early commitment, we are concentrating our efforts on fulfilling that commitment at the moment, but I have no doubt those issues will come up as we go forward.

Ms Paul—It is a good point.

Senator ALLISON—Is there a commitment in what you have just said, Dr Arthur? Does the Commonwealth commit to ensuring that these old computers will be disposed of responsibly?

Dr Arthur—I am here to answer questions in terms of what is government policy. I am not in a position to make government policy.

Senator ALLISON—Minister, are these computers just going to be dumped down at the tip?

Senator Carr—In general terms I personally push very hard for industry development plans in all government programs. I am also very concerned to ensure the proper disposal of and recycling of manufactured products. Dr Arthur has highlighted the obvious statement of fact, that, in terms of the rollout of this program, these are issues that are canvassed but ultimately they are the responsibilities of state procurement policies. You may have much to say about that, and I trust you will, because this is an area of ongoing public policy that does need attention.

Ms Paul—We would be happy to raise it—

Senator ALLISON—I am glad that you have assured the committee that you will be in there.

Senator Carr—You can accept that. I will talk the leg off a chair on these issues.

Senator ALLISON—Perhaps you can take on notice whether the partnership arrangements will specifically include this important issue.

Senator Carr—The terms are subject, obviously, to discussions with the states and territories and the educational authorities. I have no doubt the Commonwealth takes the view that these are important issues.

Ms Paul—I would be happy to raise it with the various parties. I think it is a good idea. We can come back to you with how that pans out in the partnership agreements. I would be happy to do that. It is a good idea.

Senator NASH—Can I just take you back to fibre to the premises? I apologise that I was not here for the very beginning of this. Could you just outline for the committee exactly where, geographically, the fibre to the premises is going to roll out? Where is it going to go to?

Dr Arthur—No, Senator.

Senator NASH—No?

Ms Paul—The nature of the policy is that there be fibre to the premises to schools. We were discussing before that this works with the national initiative for a national broadband network. As you come into a school, there will be a national broadband network and then there will be fibre to the school premises probably coming off the broadband network itself. Exactly who lays that fibre and that sort of thing will vary across the country. But the bottom-line notion is fibre to the premises—fibre to each school.

Senator NASH—Do you have a time frame for this?

Dr Arthur—The policy overall was really in large part discussed as part of the overall communications policy of the government. The policy contained within policy documents on the digital education revolution speaks of providing \$100 million in association with the investment on the fibre-to-the-node network. That document does not have a time frame. In terms of the overall initiative, it is not really appropriate for me to seek to answer questions on that. Clearly Senator Conroy's department has responsibility for answering questions on the overall rollout of the fibre-to-the-node policy. In terms of the geographic question, to answer a question that we already answered before, the policy is that all schools would be connected. However, the policy also does recognise that there are some schools in Australia where it is not going to be possible to have a terrestrial fibre solution. The same is true—

Senator NASH—Where are they?

Dr Arthur—They are in the places you would expect them to be: isolated parts of Australia. We are talking about isolated parts of New South Wales, the Northern Territory, South Australia and Western Australia.

Senator NASH—When you are talking about isolated, what kind of population for the town that the school is in are you talking about?

Dr Arthur—That is a question which is not possible to answer in advance. The policy overall in terms of the fibre-to-the-node network likewise recognises that there are some places in Australia that you will not be able to reach with a fibre-to-the-node network. Both policies speak of reasonable alternatives to that. It is not possible for me to speculate in detail as to what that would be.

Senator NASH—You used the term ‘isolated’. I am happy for you to take this on notice. Could you come back to the committee with what the understanding is from the department’s perspective of the term ‘isolated’, in terms of town population?

Ms Paul—I think we can answer most of that now, hopefully. The policy is about fibre to premises. We are talking about schools where, as we work with the states and Catholic systems et cetera, it becomes clear that a physical fibre to premises will not work for geographical reasons. Those are the schools. We do not know which schools those are yet and will not until we work through the strategic work of working in partnership and can actually work out where the fibre can and cannot go. The policy then allows us to consider alternatives. In a way, we cannot yet answer.

Senator NASH—Until you get going, you really have no idea.

Dr Arthur—We cannot answer the question for another reason, which is that it very much depends on how far it is from a particular township to existing fibre.

Senator NASH—It does indeed.

Dr Arthur—For commercial reasons, telecommunication companies in this country and other countries do not actually reveal all of the fibre that exists around Australia. It is known to the Commonwealth government for other purposes, obviously, but it is not known in a way that is usable in these kinds of circumstances in every case. At the moment, it would be impossible to provide an answer which says where this will be impossible to achieve because we do not know enough facts at the moment to answer that question.

CHAIR—Senator Nash, do you have many more questions?

Senator NASH—Only about two or three.

CHAIR—If you have more than one, we might take the break now.

Proceedings suspended from 10.29 am to 10.46 am

CHAIR—Order! The committee will resume its question in outcome 2.

Senator NASH—We were just touching on the cost of the program, the \$100 million. Is there any kind of time constraint or funding time arrangements around that, or is it just sitting in a bucket until all this sort of starts?

Dr Arthur—That \$100 million would be covered out of an appropriation for the next financial year. It is a budget matter as to exactly how that is to be appropriated. It is part of policy but I do not think that is part of the current appropriations structure—the forward estimates.

Ms Paul—Basically, it is part of the billion dollar program. The billion dollar program is a four-year program, so that \$100 million exists within that four-year program.

Dr Arthur—There is \$400 million next year in the forward estimates, of which an element would be available for broadband. I do not think that there has been a decision on what that ultimately would be.

Senator NASH—It is all a bit hazy, isn't it? We have this \$100 million that is going to be leveraged off the overall national broadband scheme and by the minister's admission earlier in the week, they have no idea what format that is going to take yet or when it is going to start. It is just a bit hazy, isn't it?

Ms Paul—I would not say hazy. It means that we have a four-year program. We have a billion dollars within the four-year program. Within that, there is a \$100 million for this purpose. COAG, on 21 December, committed to working in partnership with states and other non-government systems—the Catholic and independent ones et cetera—on the full program. We have already started to work with them in a partnership way and over the life of the four years we will work with them on a strategic basis to achieve the policy. One of the reasons why partnerships are really important is, to get to your point, that getting the timings right is very important. You do not want to rollout something if you have not done the thing that you have to do beforehand. The fibre will need to be sequenced properly and so on. That is what we have already started to work with the other parties on. Probably over the course of this calendar year we will get a really good handle on how that strategic rollout will work over the four years.

Senator NASH—Once there is actually a fibre-to-the-node proposal in place. You really cannot do much until that is determined, can you?

Ms Paul—We are doing everything that we can now. We have the first \$100 million for this calendar year. There will probably be announcements made in June and applications will be called very shortly. As we discussed here—

Senator NASH—Applications for what?

Ms Paul—For the first round, which is focusing on need. We are already hopping into the first round.

Dr Arthur—This is computers for schools.

Ms Paul—Sorry. I am talking about the whole billion dollars.

Senator NASH—Okay.

Ms Paul—We have done a whole number of things urgently. We have done the comprehensive audit. We have set up the partnership and other arrangements formal liaison arrangements with chief information officers across the country. We have got the preparation for that first round underway, and so on. At the moment, I am happy to say, we are well ahead of ourselves, and that will set us up well for the program.

Senator NASH—I am happy for you to take my two final questions on notice, because I recognise that they might be a bit difficult. Parochially, for New South Wales, could you provide the committee with a list of schools that currently are not fibre enabled? Also—and I realise it is hypothetical, because you do not know because we have not started and you will not know what to do until we actually get going—could you come back to the committee with

what kinds of technologies you will be providing for those schools where fibre cannot be enabled?

Ms Paul—We can take that on notice.

Senator NASH—That would be great.

Senator MASON—Returning again to issues relating to broadband, does the \$100 million cover the ongoing technical maintenance of the broadband connection?

Dr Arthur—At this stage, Senator, all we can do is draw your attention to the words of the policy as I read them out—that there will be a contribution to the provision of fibre to schools capable of providing 100 megabits of speed connection. In terms of the question you asked, we are engaged in the normal process which occurs on every such occasion of discussing within government of exactly how we will operationalise the policy commitment of government. Announcements have not yet been made on key elements of that by the communications departments. So that, at the moment, is the state of play.

Senator MASON—Thank you, Dr Arthur. So you cannot assure this committee that the \$100 million will cover the ongoing technical maintenance and the broadband connections?

Dr Arthur—Senator, I do not think it is my role to assure you on particular things other than the—

Senator MASON—Minister, can you assure the committee?

Senator Carr—Senator Mason, I think the officers have made it very clear that there are further announcements to be made, and I do not think there is need to go beyond what has been said to you on about five or six occasions now.

Senator MASON—So there is no assurance. Thank you.

Ms Paul—I do not think that is quite right. What we are saying is that we are not able to answer that. I think the question of assurance—

Senator MASON—That is what the Australian people will want to know, Ms Paul.

Ms Paul—I do not think that is an appropriate question for us to be able to say yes or no to. What we are saying is that there are elements of this program which government is still considering, and we cannot, as we cannot in this forum, go any further. That does not represent either an assurance or a lack of assurance.

Senator MASON—But you cannot assure.

Dr Arthur—An example I can help you with is a parallel case. In the case of the computers for schools policy, the policy is quite explicit that it is the responsibility of states and territories to meet the recurrent cost of operating the computer equipment. This policy, in terms of broadband, does not at this stage go to the details of who will be responsible for recurrent costs. It is a matter which needs to be determined by government and, in consultation with states and territories, the policy needs to be refined. But I make the point—

Senator MASON—So the revolution is still unfolding. Is that right?

Ms Paul—Of course. It is the beginning of a four-year program.

Senator MASON—That is all I needed to know.

Ms Paul—As we were just telling Senator Nash, a great deal has been done and there will be more.

Senator MASON—I will ask a similar but related question, now that we know about ongoing technical maintenance. Will the \$100 million cover the ongoing cost of the service provider to schools?

Ms Paul—There will be all sorts of different arrangements. What we were saying a minute ago was that so far we have prepared for the very first round—\$100 million. We have done a comprehensive audit; we are in the middle of that. COAG has agreed to some partnership arrangements, and it is through those partnership arrangements that those things will become clear. We would not expect them to be clear now. So, while we cannot help you in detail now, I think next time we meet we will certainly have more information for you and we will be very happy to provide that.

Senator MASON—So you cannot assure the committee that the \$100 million will cover the cost of the service provision to schools.

Ms Paul—It is not a question of assurance or not, actually.

Senator MASON—Yes, it is.

Ms Paul—It is a matter of how each of the arrangements will work. We expect that the arrangements will be different in different areas. Like the Victorian example that you raised, it is just a fact that there will be different commercial arrangements, and which partners will put in what will unfold over time. It may be that at the end of the day it covers those things. I do not want to overcomplicate it, but it will differ, depending on the sector and the state and so on. Those things are still being developed in partnership. We will be able to come back here each time and report on those matters.

Senator MASON—But, in essence, you are not sure who is going to be paying for it. You cannot assure the committee that it will be Commonwealth. It might be federal, state, independent—

Ms Paul—Yes, and those things are positive things, in terms of an unfolding of a partnership arrangement.

Senator Carr—These are not ultimatums. The government is not seeking, as occurred under the previous regime, to make conditional arrangements in terms that are essentially ‘stand and deliver’. This is a process of discussion and dialogue and that is exactly what is happening.

Dr Arthur—It appears to be a logical implication in your question that the Commonwealth should be meeting those costs. I would have thought that that is a policy question to be determined and about which, in terms of our proper stewardship of taxpayer funds, there has to be a proper decision through consultation processes as to what costs are properly the Commonwealth’s responsibility and what costs are properly not the Commonwealth’s responsibility. Then that decision has to be properly conveyed and discussed.

Senator MASON—Dr Arthur, you are quite right. In the end, the Australian people will decide whether they think that they were misled as to who will provide the money. That is a political decision. You are quite right that it does not fall within your province.

Ms Paul—The policy is quite clear that it will roll out—

Senator MASON—The policy is clear, but we do not know who is paying.

Ms Paul—The policy is clear that there is \$100 million for fibre to premises. That is the policy aim, and the commitment is \$100 million for fibre to premises for schools. How that will roll out we will be determining through these partnership arrangements which COAG has signed up to. We will be happy to come back and report on progress.

Senator MASON—That is right. But we do not know whether it will be enough and whether the Commonwealth will be paying. What about software and software upgrades? Who is going to be paying for that?

Ms Paul—The same answer. We will be working that through.

Senator MASON—The same answer? Got that. How about maintenance and repairs, including batteries, power cords, bags and mice? Who will be paying for those?

Dr Arthur—On those things, the policy is reasonably clear. It is the responsibility of the people who are receiving the funding to meet the costs associated with the activation and maintenance of the equipment.

Senator MASON—I thought that might be right, Dr Arthur.

Dr Arthur—That is what was stated in the policy.

Ms Paul—It is in the policy.

Senator MASON—Very good. What about replacing stolen, lost, damaged and destroyed units, whether they be computers or other equipment? Who is going to pay for that?

Ms Paul—It is important to go back to the policy, which is that there is a billion dollars for a digital education revolution, including computers in schools. The policy does not go into that level of detail and nor should it, because COAG signed up to a partnership approach on 21 December, which means that the best outcome for secondary students in Australia will be for us to work strategically through all the partners that deliver schooling on the best way of rolling that out. It will differ state by state and system by system. We are at the beginning of that. It will need to build on existing arrangements, which is also why it will differ state by state and system by system. But we are more than happy to come back as it unfolds and report on the matters that you are interested in as best as we can as we know more.

Senator MASON—Ms Paul, I do not blame you, Dr Arthur or the department. The bottom line is that we do not know who is going to be paying for this. We do not know whether the \$100 million is enough.

Ms Paul—We know that there is a billion dollars in additional money that has not been there before over four years for a digital education revolution and we know that that is additional funding to existing effort.

Senator MASON—But we do not know whether it will be enough. We do not know who is going to be paying for it. I wish we did, Ms Paul.

Ms Paul—We have probably answered this one as best as we can.

Senator Carr—Senator Mason, I think the officers have sought to be extremely cooperative.

Senator MASON—I agree.

Senator Carr—They have answered your questions in many different forms, all boiling down to the same principle, that there is a process of discussion underway and these propositions have not been advanced on the basis of a prescriptive manner from the Commonwealth's point of view. A billion dollars extra has been committed to this program, which is a billion dollars over and above what the former government committed. That is the point that is being made to you repeatedly. I do not think that much more can be added to that until such time as those discussions have been had, and the officers have committed to report regularly to the committee on progress through the COAG arrangements.

Senator MASON—Minister, I do agree with you that the officers have been very helpful and I thank them for their help. But I am asking questions that my constituents ask me. The parents and teachers ask me about precisely these issues and we do not know the answers. Who is going to pay for the electrical infrastructure, additional power points, rewiring or ongoing electricity costs? Who is going to pay for that, Ms Paul?

Ms Paul—The point here is the outcome. The outcome the policy talks about is the computers that we spoke about at the beginning of this conversation. I think the assurance is that we understand that it is a complex program, as you imply, and there are a range of matters to consider. It is exactly those sorts of considerations which we will make when, with the other partners, we work through the right ways of delivering in the right order for schools. Those are all important issues. We will be happy to report back to the best of our ability on who pays at the end of the day. We are at the beginning of things now. The bottom line, though, is that we will be reporting back on the delivery—how much is out there—through this partnership arrangement. At this stage we are preparing for our first round, we have established the partnership arrangements and we are starting to work through those things. We cannot answer those questions in detail but those things will become clearer over time.

Senator MASON—How about insurance, Ms Paul? Who is going to pay for the insurance?

Dr Arthur—Perhaps I can help you by reading from page 10 of the policy statement, which says:

... will be a partnership with State and Territory Governments. State and Territory Governments will be responsible for the implementation of sophisticated ICT strategies—including training, client support, maintenance, and integration of the new technologies with the school curriculum.

It would seem to me that most of the questions that you are asking are covered under the words 'client support' and 'maintenance' so that question I think is answered in the policy.

Senator MASON—Dr Arthur, what is it then? It's like a subcontracted revolution, is it?

Dr Arthur—I think the word 'partnership' was used in the policy document, Senator.

Senator MASON—Who is going to pay? In relation to states and territories, state and territory schools may be paid for by state and territory governments—I follow that. That applies in some cases. What about the private, independent and Catholic schools, Dr Arthur?

Ms Paul—I think we have probably answered that. I would refer you to the policy which points out the main factors of the elements of the partnership, as Dr Arthur has laid out, and then I would really just end up repeating myself about the process that we are now going to go through. Those matters will all be dealt with—

Senator MASON—So we are still not sure then whether Catholic—

Ms Paul—We cannot be sure at this stage

Senator MASON—I did not think you could.

Ms Paul—The policy is clear. I would really just be repeating myself by saying that, naturally, we are at an early stage in the process and we would be happy to report back.

Senator Carr—I seek to point out to you, Senator Mason, that the government has been in office since 4 December. You are obviously impatient for change, as the entire government is. It is a pity that the former government was not more impatient for change. However, having the government sworn in only since 4 December, I think it is reasonable that these processes and discussions continue. The policy is clear and your attention has been drawn to it on repeated occasions. I do not believe the officers can add any more to the answers they have given and, frankly, it is appropriate that we move on to another topic.

Senator MASON—Minister, thank you for that. I think you are right. The officers are doing as well as they are able; that I accept. It is not a very good start to a revolution, is it?

Ms Paul—There has been considerable progress to date, and I outlined that to Senator Nash a minute ago. In the last six weeks or so, the full preparation for the first round of \$100 million will be advertised shortly. The comprehensive audit, which COAG signed up to on the 21st, is almost complete. The establishment of formal partnership arrangements in information officers and others, including the officials group to the Ministerial Council on Education, Employment, Training and Youth Affairs, has all been set up. So, at the moment we are probably running ahead of ourselves. The questions you go to are questions that will arise from the nature of the partnerships, which will unfold through the course of the year and beyond.

Senator MASON—Ms Paul, I do not blame you or the department.

Senator Carr—That is very big of you, Senator.

Senator MASON—Let us move on. We are talking about a digital education revolution. What about the costs associated with preparing teachers to embark on this revolution? Obviously they will need to have enhanced skills for this revolution. Who is going to pay for that?

Ms Paul—I really do not think we can further here. We have answered this question.

Senator MASON—So we are having an education revolution, and there is no money or estimates set aside for those who have to implement it. Is that right?

Ms Paul—No, I did not say that. I said that we have answered this question in the broad previously.

Senator MASON—This is not a good start, Minister.

Ms Paul—I think I have fully answered it.

CHAIR—Senator Mason, you are free to draw any conclusions you like from the questioning, and that is fine, but I would prefer you to simply ask questions and receive the answers if you would assist the chair in that.

Senator MASON—You are right. I am being naughty—I have learned all these tricks from Senator Faulkner over the years. Thank you, Ms Paul, I know you did your best. Mr Chairman, I have questions that relate to trade training centres. I am happy to ask them now but only if it suits the committee and the department.

CHAIR—Ms Paul, is this an appropriate time.

Ms Paul—Yes, it is appropriate.

Senator MASON—Will that suit the committee?

CHAIR—Before we do, other senators have indicated that they have some questions.

Senator WORTLEY—My questions relate to languages education.

CHAIR—Is this an appropriate time for these questions, Ms Paul?

Ms Paul—Yes, if there are no more questions on the digital education—

CHAIR—On that basis, rather than change seats right now, Senator Boyce has indicated that she has some questions on the audit. We will stay with that, and then we will come back to languages questions.

Senator BOYCE—Just some clarification around the audit: you have spoken about the roll-out going to the neediest schools. What is the criteria for ‘needy’? Is it simply lack of computers?

Dr Arthur—Yes, the ratio of computers that are four years old or younger to students in years 9 to 12.

Senator BOYCE—Who conducted the audit? How was it conducted?

Dr Arthur—We wrote to the state and territory governments, to the associations of independent schools and to the Catholic Education Office in each state and territory and asked them to provide the information. In most cases they then wrote to the schools that they look after, and the schools provided the information. At least one state government, that information—because of their particular practices—was held centrally and they simply read it off a database. But, in most cases, the request went to individual schools and they completed the questions.

Senator BOYCE—How are you giving yourselves a level of confidence in the robustness of the data being provided in the audit?

Dr Arthur—We have taken the data and provided it back to the state and territory governments and to the associations of independent schools for them to look at in terms of their detailed knowledge of schools and to carry out a validity check. Beyond that, as in any process of data collection, we are reliant upon people providing accurate data—on the basis, of course, that it is an offence to provide inaccurate data in a matter of this kind. That is the answer.

Senator BOYCE—As I understand it, the data collection is complete.

Dr Arthur—Correct.

Senator BOYCE—But the sorting of that data is yet to occur?

Dr Arthur—We have sorted it. We have provided it to the states and the territories and to the Catholic and the independent sectors. They are due to give back their responses on that by close of business today. I was at a meeting with the chief information officers yesterday and they are very well advanced with that process.

Senator BOYCE—I have some information here that said the audit was due to be completed by mid-February. When are you expecting to publish the results of this audit?

Dr Arthur—Overall, we are required by the policy to open up applications for this first round within a hundred days of the election of the Rudd government, which is interpreted as a hundred days from the swearing-in of the Rudd government. So the data which will be the basis for those decisions will have to be publicly available before 11 March. Whether or not we publish the data by individual schools we will need to consult on because individual schools will need to consent as to the publication of their data.

Senator BOYCE—What is the actual date for the hundred days?

Ms Paul—It will be between now and the first week of March.

Dr Arthur—Indeed. The minister obviously needs to have the opportunity to make a decision on exactly that publication mechanism and exact date.

Senator BOYCE—We had a mini-audit of computers in both state schools and high schools conducted in the week of 26 November. What was the result of that?

Dr Arthur—I am not sure what you are referring to.

Ms Paul—I do not know which one that would be, Senator.

Senator BOYCE—The Prime Minister set as one of the first priority homework targets for his MPs for them to go to a state school and a high school and collect data on their computer requirements.

Dr Arthur—Officials were not involved in that process.

Senator BOYCE—Perhaps the minister can help me with that.

Senator Carr—I would have thought that individual members and senators visited schools and were able to draw their own conclusions from the advice that was provided. In my case, I had the benefit of a detailed briefing from the Victorian department of education. So I got a systems-wide briefing on that, which is why I am able to advise the committee in detail.

Senator BOYCE—Did you visit a state school and a high school in that first week after the election, Senator Carr?

Senator Carr—No, I did not. I visited the state education authorities and had a full state-wide briefing on the situation.

Senator BOYCE—But the Prime Minister had asked all Labor MPs to do this.

CHAIR—I do not in any way want to limit your questions, but I do not think that is a matter for the additional estimates.

Senator BOYCE—I am just wondering what the tangible results of that time, spent at a very critical time and on instructions, were.

Ms Paul—It was a political process so we cannot answer that. It was a request from the Prime Minister to his caucus members, and we cannot answer it.

Senator BOYCE—Have the results of that mini-audit been collated or collected anywhere?

Senator Carr—I am not entirely certain of whether it has been collected in one central point. All I know is that the matter has been canvassed widely at Labor Party meetings. It is an opportunity to inform—

CHAIR—This is not a matter for the department or the additional estimates. If you want to move on to what the department might be doing about it, that is fine.

Senator BOYCE—I thought it might have been used to inform what is to happen next. I just wondered what the point of it was if it did not actually feed into anything that happened later.

Dr Arthur—As made clear by the Prime Minister, the government took a decision in terms of the digital education revolution, and it is a matter for government to determine the role that that information will have in the government's decision-making process.

Ms Paul—I understand that the Minister for Education did take some of that feedback into account, but it was not something that we collated in any way. As I say, it was a political process. I believe she took—

Senator BOYCE—How do you come do understand that?

Ms Paul—From my conversations with her in terms of her own thinking and so on. So I think it had its purpose but it was not one that had a bureaucratic side to it.

Senator BOYCE—You will make grants based on needy schools to state authorities for expenditure. Is that correct?

Dr Arthur—Yes. The process will be that we anticipate we will make funding agreements with the states and territories and with the Catholic and independent sector block grant authorities that will be on the basis of named schools being entitled to specified amounts of funds.

Senator BOYCE—So what you will say is: 'We have identified 25 schools in your state—

Dr Arthur—Yes—'here are the names and here are the dollars which are appropriate for each of those schools.'

Senator BOYCE—What will the funding be designed to achieve? Will it be aimed at getting 10 per cent more access to—

Dr Arthur—There will be a numerical basis which the minister will make clear, assuming she accepts our advice on the subject of their decision. It is not proper for me to speculate on

what that numerical basis would be at this point because she has not had an opportunity to make a decision.

Senator BOYCE—So it is going to be \$100 million divided by a certain figure? Is that how that figure will be arrived at?

Dr Arthur—It will be \$100 million based on, clearly, appropriate criteria of needs and with an appropriate objective. I cannot go any further because, clearly, that is a matter for advice to the minister and Deputy Prime Minister.

Senator BOYCE—So we really do not know at this stage what the extra amount going into each school would look like?

Ms Paul—Not until we have worked through the results of this audit and so on.

Dr Arthur—And until the Deputy Prime Minister has an opportunity to look at our advice and, as is appropriate, make a decision.

Senator BOYCE—Yes. You will develop a list of eligible equipment that the states can provide?

Dr Arthur—Yes.

Senator BOYCE—Will this include brand names and things or will it simply say ‘this size computer’ and ‘that size whatever’?

Dr Arthur—It will be more general than that; it will be: computers, laptops and other equipment. There will be some technical guidance beyond that, which we are developing with the states and territories and which will be developed in a rather more sophisticated way before the time the funding becomes available. It will certainly not go to brand names—that would be inappropriate. But it will go to the issues that need to be taken account of in purchasing equipment and, in doing so, we will be drawing on the very considerable expertise which exists within the states and territories on this subject.

Senator BOYCE—Will you be making recommendations around using, for example, open source software? What guidance will you be giving?

Dr Arthur—Whether or not we get into the issue of open source software is a policy issue for a number of players in government. The Australian Government Information Management Office within the Australian government has a central policy role in terms of open source software issues. I cannot speculate. I would think it is unlikely that, at this stage of policy on that issue, the Australian government in a particular funding program would be making specific comments on that.

Senator BOYCE—I have had a number of representations to me saying: ‘Let’s not make Microsoft any richer than they already are. Let’s put some effort into ensuring that we source Australian made or at least Australian owned material as much as possible.’ Has that been taken into consideration?

Dr Arthur—As we have canvassed this issue it is certainly going to be the case that the actual decision on this will be the responsibility of the person who has the dollars to expend. However, there are already quite strong policy structures to discuss this issue for the states and territories. In implementing this initiative we will be building on some very long

established consultation processes where issues of open standards and the need to have deployments of educational tools and objects which can be genuinely used by all Australian students are very much part of the subject matter. Also, just to pick an example, the activities which are occurring in one particular state at the moment to develop an international standards compliant way of delivering an integrated package of content, tools and student information will also be part of those discussions as they go forward. However, those things are happening in a consultation framework. The extent to which they get caught up in guidelines in terms of when you expend funds is something which we cannot determine at this stage.

Senator BOYCE—So it would be a matter for the states as to whether each school simply went down to the local computer shop or there was some sort of overall buying strategy in regard to these products?

Dr Arthur—Theoretically; but in fact, by and large, schools—certainly government schools—do not go down to the local shop. This is not greenfields territory. The states and territories in various ways have highly developed programs addressing those issues and so we will certainly be providing the funds in such a way that those programs can continue to give benefits.

Senator BOYCE—You mentioned earlier that one of the two major on-costs would be power points, powerlines and air conditioning. Can you talk a little bit more about that? Who is to bear that cost?

Dr Arthur—We have traversed this a great deal. The policy, which I read before, indicates that client support and maintenance are the responsibility, and under the partnership agreement, of the states and territories.

Senator BOYCE—That is for new installation as well?

Dr Arthur—Correct.

Senator BOYCE—So the states would have to do that. You say there will be a major on-cost—do you have any sense of the cost?

Dr Arthur—I certainly know that major state and territory systems have a very sophisticated understanding of those costs. They operate spreadsheets which contain quite detailed figures on the cost per unit, the cost of the various pieces of equipment and—as you always do in these kinds of things—they have quite detailed figures on the attributed cost to common services, such as client support officers in departments. I do not have those numbers in my head, but they certainly are—

Ms Paul—The point here of course is that they have already got programs for these things—

Dr Arthur—Correct.

Ms Paul—and they are already rolling; they supply these things to their schools already, and this will build on that.

Senator BOYCE—They are going to have an accelerated acquisition of computers, so one presumes they would need to equally accelerate these programs.

Ms Paul—Correct.

Senator BOYCE—I know the ‘average school’ is a fairly mythical creature, but would it be fair to say that in a lot of cases the on-costs for the power points, powerlines and air conditioning would be more than the value of the computer equipment that would be provided?

Ms Paul—No, we cannot say that now. We really do not know that, and, as we have said before, that is something which we will work through over time in the partnership agreements.

Senator BOYCE—There is one last area that I want to talk about. Before, when we talked about schools being considered needy on the basis that they did not have computers, without any sense of their social disadvantage or where they sit in that sense, was there some consideration given to the fact that perhaps some of the schools that are very low on computers may be so because of attitudes or abilities of staff at those schools and not necessarily because they cannot afford them?

Dr Arthur—That may well be so. It is the case, however, that schools, obviously, are not compelled to apply; we are simply making a judgement on what their eligibility would be. In terms of a decision-making process, it would be a challenge to try to integrate those issues into a process which was transparently able to say ‘This school is eligible’ or ‘This school is not eligible’, because you would need nationally comparable data to make such a decision. So we are operating this process on the basis of such data as we can use which is nationally comparable and those issues will simply be picked up as we go forward with implementation.

Senator BOYCE—Is one of the objectives of this audit to begin to collect some nationally comparable data on this?

Ms Paul—Yes.

Dr Arthur—We are collecting more data. We are collecting data in three waves. We have sent to all schools the request for data, which is actually quite basic data, in terms of numbers of computers. We have also sought, from the systems, additional information going to such things as your ICT plans and what plans you have in place to deal with the full spectrum of issues associated with ICT rollout. Those schools who actually apply will also be asked to answer a largish number of questions going into a higher level of detail. We have taken the view that we do not want to overburden schools with data collection when we do not absolutely need to. So a number of the detailed questions, which go into the specifics of power points et cetera, we are not asking of all schools; we are only asking them of schools who are going to be applying. This is on the basis that we do not want to impose a burden on all schools in Australia if it is not going to be immediately relevant, because, were they to apply in a subsequent round, all those numbers might have changed, and they would have spent some of their scarce dollars providing information not operationally relevant.

Senator BOYCE—Thank you.

Senator WORTLEY—I want to talk about the National Asian Languages and Studies in Australian Schools Strategy. Has the department monitored the provision of Asian language

teaching in schools—particularly Japanese, Chinese, Indonesian and Korean—since the abolition of the NALSAS program?

Ms Paul—My recollection is that we did do some monitoring and found that, since the cessation of the NALSAS program, provision had gone down. But I am not sure we have the precise figures here; I will just ask my people whether they do have those figures. We do have some data here and I will ask Ms Sykes to answer. It looks as though on the whole we have had a decline, with a rise in one area, Chinese, but I will ask Ms Sykes to go through that. We only have data here for year 12. As I say, my overall recollection is that I have seen data on this and that it went down, but we may have to get back to you with the fuller set of information.

Senator WORTLEY—Have any reports been prepared at this stage?

Ms Sykes—The data that I have in front of me is from the *National report on schooling in Australia 2006* for year 12 enrolments. From this data, dating from 2000 to 2006, it appears that enrolments in Japanese declined. It appears that Chinese went up slightly and Indonesian declined.

Senator WORTLEY—Do you have the figures for Korean?

Ms Sykes—Korean is not included in this particular table.

Senator WORTLEY—For Indonesian, you said it had gone—

Ms Sykes—Indonesian reduced from 2000 to 2006.

Senator WORTLEY—Have any reports on this been released?

Ms Sykes—This report, the *National report on schooling in Australia 2006*, is a public report.

Senator WORTLEY—Are they the most recent figures available?

Ms Sykes—As far as I am aware.

Senator WORTLEY—Can the department provide comparative figures on the teaching of Asian languages in schools, the number of schools and the number of students at each level of schooling for the years of operation of NALSAS and the subsequent years?

Ms Paul—We can take that on notice, but we can give you the figures here for the decline. Let us see: NALSAS ceased in 2002; I am just not sure whether we can do the figures.

Senator WORTLEY—I would be happy for you to take those questions and the questions on the comparative figures on notice.

Ms Paul—Yes, I think that is probably best. It is a bit hard to say, but say from 2001, which is probably when you would see the change from, Japanese went down from 21,000 to 20,000 and Indonesian went down from 9,000 to 6,000, for example. But, in terms of all the—

Senator Carr—That is a fairly substantial drop. What did you say?

Ms Paul—From 21,000 to 20,000 and from 9,000 to 6,000 over that time. Of course enrolments overall would have gone up in that period. On the broader sweep of your questions, we will have to come back on notice, I think; we do not have that with us.

Senator WORTLEY—How long will it take you to get that information? Would it be available later today?

Ms Paul—We will do our best; if it is easily available, certainly.

Senator WORTLEY—Can you confirm that the previous government commissioned the following two projects: Investigation of the State and Nature of Languages Education in Australian Schools, July 2006 to 2007, and Review of Teacher Education for Languages Teachers, July 2006 to 2007?

Ms Sykes—As I understand it, yes, those reports were undertaken.

Senator WORTLEY—I note that they were previously available on the DEST languages education website, but I have not been able to locate them. Do you know—

Ms Sykes—My understanding is that they are yet to be released, at this point, and that they will be released but have not yet been released. We do expect to release them shortly.

Senator WORTLEY—So you are saying that they are not on the website?

Ms Sykes—That is my understanding, but I could clarify that for you.

Senator WORTLEY—I would appreciate that. Thank you. The next question is in relation to the Investing in Our Schools Program. Can the department confirm if any funding has been allocated to additional rounds for the Investing in Our Schools Program and, if so, how much funding is it, and when were the additional rounds planned?

Ms Paul—The Prime Minister announced the last round in January, I think, last year. Then our letter following up on that said that this would be the last round—I forget how much that was, but it was clear at that stage that it was the ceasing of the program.

Ms Rollings—I can add the figures there. There was an announcement in February of \$181 million; \$127 million of that was for government schools, and \$54 million was for non-government schools.

Ms Paul—That constituted that last round.

Senator WORTLEY—Can the department also confirm what recognition requirements there are for schools that receive grants and how many schools have not met the requirements for the IOSP?

Ms McKinnon—Currently, there are 17,000 projects in government schools and 4,000 projects in non-government schools with outstanding recognition arrangements. As I answered, there are probably around 21,000 projects which currently have not met the recognition requirements. The recognition requirements involve the minister being invited to all opening ceremonies and the department working with schools to ensure that happens.

Senator WORTLEY—So part of the requirement is that the minister has to be invited to all of the opening ceremonies?

Ms McKinnon—In addition, provision must be made for the minister or representative to speak. The minister must also be provided with two months notice of the openings, or the public events related to the projects, and we ask the school to propose three ceremony dates. There has been a change in terms of the consolidation of those recognition arrangements. In

early January the Deputy Prime Minister agreed that rather than being required to hold a recognition ceremony for every project—because a school may have three to four projects in that school over the life of the program—they would only be required to hold one recognition ceremony that met the requirement for recognition for all those projects.

Senator WORTLEY—So, under the previous government, every time there was a project completed, the school had to meet those requirements?

Ms McKinnon—Yes.

Senator WORTLEY—And the changes are that the schools will no longer have to meet those requirements for each project?

Ms McKinnon—They will only have to meet it once—for the number of programs in their school—and the department now has the delegation to exempt projects with a value of under \$50,000 from that requirement.

Senator WORTLEY—Thank you. In regard to consultancies, advertising and market research, I would like to know what was the total amount spent on consultancies by the former DEST and the former DEWR to each year, going back to 1996?

Ms Paul—We will not have that here during this period on schools. But I will get that for you as quickly as we can.

Senator WORTLEY—I have some further questions in relation to that so perhaps I will put those and if you do not have them—

Ms Paul—Okay.

Senator WORTLEY—What was the total amount spent on market research by the former DEST and the former DEWR each year going back to 1996? What was the total amount spent on creative and production agencies by the former DEST and the former DEWR each year going back to 1996?

Ms Paul—We can get that for you on notice.

Senator WORTLEY—Will that be available later today?

Ms Paul—I will find out; it may not be, if we need to consolidate between the two departments, but we will certainly do our very best to get that.

Senator WORTLEY—As soon as possible.

CHAIR—So you are taking them on notice unless you can provide the information later today?

Ms Paul—Yes.

CHAIR—Anything else, Senator Wortley?

Senator WORTLEY—That is it for now, thank you.

CHAIR—Senator Fifield has some questions, but we are not 100 per cent clear where they ought to be asked so we will seek advice from the department.

Senator FIFIELD—Senator Mason is next in the queue to ask questions. I think he has questions about technical education, which is later in the program. If Senator Mason does those questions now, will I be able to come back to Investing in Our Schools?

Ms Paul—Yes, we have all the right people here for Investing in Our Schools. We do not have the people here for vocational education, but we will see what we can do for Senator Mason. Were you asking about trade training centres?

Senator MASON—I am. But Senator Nettle came to me before and wanted to ask some questions first. Senator Nettle, how long do you think you will be?

Senator NETTLE—Not that long.

Senator MASON—You sound like me—not that long.

CHAIR—Okay, we will go to Senator Nettle. Do you want to go on to vocational education, Senator Mason?

Senator Carr—Mr Chairman, I want to be clear on this. Senator Mason, do you wish to ask questions about trade training centres which are in the schools branch, or do you want to ask questions about vocational education?

Senator MASON—I want to ask questions about trades training centres in schools.

Ms Paul—Yes, that is fine.

Senator MASON—And then later on—

Senator Carr—They are separate groups of officers.

Senator MASON—Indeed, they are separate issues.

CHAIR—It is still the same outcome.

Senator MASON—It is still outcome 2.

Ms Paul—Yes, so we have the right people here for that.

CHAIR—Senator Nettle, thank you.

Senator NETTLE—I will start with some questions about the literacy and reading vouchers. Firstly, what are the take-up levels in each of the states? Is it possible to provide that?

Ms Hanlon—You are referring to the Reading Assistance Voucher program in 2007?

Senator NETTLE—Yes.

Ms Hanlon—Of the 80,736 eligible students, we had about 77,000 either partially or totally completing tuition in Australia.

Senator NETTLE—Is it possible to get a percentage for the take-up in each state?

Ms Hanlon—Yes, I can get that for you. I haven't got it with me at the moment but I can get that for you. I need to say, too, that we are still finalising the numbers. They are not quite complete.

Senator NETTLE—What is the total amount of money for the program?

Ms Hanlon—\$17½ million.

Senator NETTLE—Do you know what percentage of that money gets spent on administration in the program?

Ms Hanlon—Yes, I do. There was an administrative component of \$6.4 million that was paid to Curriculum Corporation which was 37 per cent of the \$17½ million.

Senator NETTLE—That is a lot.

Ms Hanlon—Much of that money was spent on establishment costs, such as the IT system, and payments to states and territories to manage the program as well. So there were, in effect, sunk costs initially and then there were administration costs throughout the year, that is true.

Senator NETTLE—Do you know what will be the ongoing administrative costs? You say that some of it was for set-up. Do you know what that would be?

Ms Hanlon—The program has finished—the Reading Assistance Voucher program was a one-year program. We are now into a different program, called An Even Start, which is for years 3, 5 and 7 and in literacy and numeracy, and it is being administered in a completely different way to the RAV program.

Senator NETTLE—Let us move on to that one then. What is the budget for that one?

Ms Hanlon—It was \$457 million over a four-year period. The Deputy Prime Minister has approved the program to run just for 2008 at this point.

Senator NETTLE—Presumably we do not have take-up figures yet.

Ms Hanlon—No, we do not. We have estimates. The states and territories are providing us estimates of the potential eligible students for this year in the program.

Senator NETTLE—Do you have any of those?

Ms Hanlon—I have a total. Approximately 150,000 students across Australia have not reached the reading, writing or numeracy benchmark.

Senator NETTLE—Is that broken up into states?

Ms Hanlon—It is, but the states and territories have provided that to us on the basis of a funding agreement—as the basis of the contracts that we will be negotiating with them over the next month.

Senator NETTLE—You were saying that it is administered differently. Can you explain the admin component?

Ms Hanlon—Under the RAV program we contracted Curriculum Corporation to act as the national program manager. Under the An Even Start program we are actually contracting states, territories and, in some cases, individual sectors to administer the program because of the large numbers and also because of the relationship between the program administrators and the schools. For example, in New South Wales, at this point in time, the government and the Catholic sector are going to operate together in the administration of the program for their schools and we will be contracting them.

Senator NETTLE—Good. I think that may have been all of the questions I had for the vouchers area. I wanted to ask about chaplains as well.

Mr Sheedy—I am responsible for the National School Chaplaincy Program.

Senator NETTLE—I will ask the same thing: have you got a figure and then a take-up per state?

Mr Sheedy—The total funding for the program is \$165 million, some of which is subject to appropriation in these additional estimates.

Senator NETTLE—Can you give me a take-up rate per state? Is that possible?

Mr Sheedy—I can give you numbers per state.

Senator NETTLE—Sure.

Mr Sheedy—The total approvals that have been made to date—and there are still a few in the pipeline—is 2,630 nationally. In the ACT, it is 53; New South Wales, 424; Northern Territory, 26; Queensland, 764; South Australia, 373; Tasmania, 101; Victoria, 530; and Western Australia, 359.

Senator NETTLE—Thank you. And are there any changes to that program as a result of the new government?

Mr Sheedy—There is one very minor change. The government has agreed to honour all the existing commitments made by the previous government. The one very small change is that if, after a certain amount of time, schools are unable to identify a chaplain, we will consider the use of a secular worker as opposed to a chaplain. There has been some difficulty experienced by some schools in identifying a chaplain. They are working their way through it and we expect that most will be able to find a suitable chaplain. But, if not, at around about July this year we will offer the option of using a secular worker.

Senator NETTLE—What are the parameters for that secular worker?

Mr Sheedy—It will be as identified by the school but subject to the same sort of checks—police checks and working with children checks—required by the state government and so forth. There will be very, very similar safety assurances associated with those workers.

Senator NETTLE—In terms of the job description, is it the same for them as for the chaplain?

Mr Sheedy—The job description will be essentially the same but without the religious component that is contained within the current description.

Senator NETTLE—So from July this year, if people are not able to identify, then that would—

Mr Sheedy—Yes.

Senator NETTLE—Minister, can you indicate whether the new government is proposing any other changes to the chaplaincy program.

Senator Carr—No, I cannot. That is not a matter on which I have had discussions with officers or with the minister.

Senator BOSWELL—The Deputy Prime Minister has said that she wants to expand the school chaplaincy program to include secular counsellors. I have listened to what you have said, Mr Sheedy, and what I understood you to say is: there will be a chaplaincy available to schools unless they cannot find a suitable chaplain. Is that correct?

Mr Sheedy—Yes, for those schools that were approved funding for a chaplaincy service under the previous government, if they are unable to find a chaplain by July this year, we will consider proposals from them for using a secular worker as opposed to a chaplain.

Senator BOSWELL—Are you aware of any schools that have not been able to obtain a chaplain?

Mr Sheedy—Yes, we are aware of a number that have not identified a chaplain to date.

Senator BOSWELL—How many are there?

Mr Sheedy—In very rough figures, about 600 or 700. That is a very rough estimate. Some of that is because schools were able to apply without having identified a chaplain and, having been advised that, for round 2, funding would be available—they were advised of that late last year—they have not identified one, and that is part of the normal delay that we would expect.

Senator BOSWELL—So, are there 600 or 700 schools that do not have a chaplain?

Mr Sheedy—Another way of putting it is, of the 2,630 that have been approved to date, we have concluded funding agreements with about 1,100 and, from round 1, which occurred early last year, there are about 300 that have not yet identified a chaplain. They are the ones that seem to have taken the longest to identify them. However, there are chaplaincy providers working in most states, who are assisting the schools to identify chaplains.

Senator BOSWELL—Can you assure the Senate committee that there will be no reduction in the spiritual focus of the program?

Mr Sheedy—It is a little bit difficult to be definitive on that, given that we do not know how many, if any, transfers there will be between provision for a chaplain and provision for a secular worker. By definition, if it is a secular worker, there would be less emphasis on the religious component.

Senator BOSWELL—That is correct. Who would make the decision whether to have a chaplain or a secular worker? How is that decision arrived at?

Ms Paul—There is still a requirement for the school to identify a chaplain. It is not as if they have a choice. The issue here is if they are not able to, recognising that chaplains have a high call on their time.

Senator BOSWELL—There is a chaplaincy advocate that would be able to direct the schools to a chaplain, I would imagine.

Ms Paul—Yes, we are working with all of those bodies. There are representatives of—I forget the names of the organisations—but we have been working with those bodies. This would just be in those cases where it simply was not possible.

Senator BOSWELL—Will the program, including its current spiritual focus, be renewed when the current funding round expires?

Mr Sheedy—I am not at liberty to discuss that, Senator. That is a policy question for the government.

Senator ALLISON—Perhaps the minister can answer the question.

Ms Paul—It is a matter for budget consideration in the future.

Senator Carr—No, I am not able to answer the question, as I have previously indicated. It is a matter for future deliberations.

Ms Paul—The previous government's program has terminated. The program arises from the previous government, and the commitment by the previous government was that the program terminated at a certain time. We have now committed all or most of the money.

Mr Sheedy—Yes, almost all of the money. It is our expectation that the full amount of \$165 million—

Ms Paul—So there is no change there, Senator, it is just—

Senator BOSWELL—I am sorry to cut across you, I was just asking Mr Sheedy how much the program was.

Mr Sheedy—A total of \$165 million.

Senator BOSWELL—Could you continue, Ms Paul.

Ms Paul—I was just saying that it was a terminating program under the previous government. It terminated after the commitment of the funds. The funds have been committed. What we are talking about here is the finalisation.

Senator BOSWELL—Obviously it is a government decision, but when would that decision have to be made?

Ms Paul—The decision in effect was made by the previous government, is what I am trying to say.

Senator BOSWELL—I understand that, but when would a commitment have to be made?

Dr Arthur—In the normal course of events, if the government were to make a decision in this area you would expect that to be made in the budget context and, all things being equal, you would expect it to be subject to the normal budget announcements.

Ms Paul—I am just saying, Senator, that the parameters for the program were clear from the previous government—that is, there was a certain amount of money over a certain amount of time. That is now finished and this change is because we can see, as the program comes towards its finalisation, that it may be difficult in some cases for a school to identify a chaplain. This offers an alternative to allow the full program to be met.

Senator BOSWELL—I find it difficult to see how you could not get a chaplain, because the chaplaincy people who are in charge of this would allocate a chaplain, I would imagine. I just do not see how it would not be available. I can see how people would not want one and then opt for a secular option. I can see that happening.

Ms Paul—Certainly all of these applicants want one because they applied under the program and they had to go through a rigorous process in that regard. It actually is the case that it has proven quite difficult in some cases to find chaplains because they are too few and far between. You might say, Senator, there is almost a skills shortage in chaplaincy.

Mr Sheedy—Could I add, for instance, that Scripture Union Queensland has been actively involved in helping schools find chaplains. This program has led to a very significant increase

in their workload. They are coping with that and they are doing their very best to identify, train and place chaplains, but it is a large task with an increased number of chaplains.

Ms Paul—Nonetheless, we continue to work with all those relevant bodies, like the Scripture Union and so on, to try to achieve that aim of identifying a chaplain for each case.

Senator BOSWELL—I have another question but I do not think it is relevant—the answer will come through the budget. The question was whether this program would be increased in line with the CPI.

Ms Paul—I think the answer is clear there. As we have said, the previous government set it up as a terminating program and we are now approaching its finalisation.

Senator BOSWELL—I know Senator Carr will be pushing this in cabinet.

CHAIR—I am not sure where the department can help you further, Senator.

Senator ALLISON—The figures are: 1,100 already have funding agreements and 300 are in various other states of getting there. Is there a breakdown of primary versus secondary schools in those figures?

Mr Sheedy—Yes, there is. The figures are not exact, but it is roughly in line with the proportion of primary and secondary schools in the total number of schools. It is about one-third secondary and two-thirds primary.

Senator ALLISON—How many applications were for new services and how many for existing services?

Mr Sheedy—Of the total of 2,630 currently approved, 1,766 were for new services and 864 were for expanding services.

Senator ALLISON—Were any applications not successful?

Mr Sheedy—Yes—a relatively small number. Around 90 per cent of all applications were successful.

Senator ALLISON—So 10 per cent were not successful. On what grounds were they not successful?

Mr Sheedy—Largely because they did not meet the guidelines. An extreme case would be asking for a bus rather than for the services of a chaplain.

Senator ALLISON—Buses are out, I suppose. How many buses were requested?

Mr Sheedy—I should not have volunteered that! I am not aware of that, Senator.

Senator ALLISON—Are there state-by-state breakdowns and denominational school breakdowns on the unsuccessful ones?

Mr Sheedy—I do not that on the unsuccessful ones.

Senator ALLISON—If you could take it on notice that would be good.

Senator Carr—What about successful—what is the denominational breakdown on successful?

Mr Sheedy—I have a long list here.

Senator Carr—Just in broad categories.

Senator ALLISON—Can that be tabled?

Mr Sheedy—It could be tabled, yes.

Senator ALLISON—What is the status of the steering committee and the reference group that was established as part of the program to develop the guidelines?

Mr Sheedy—The reference group was an external group of people from the various sectors and the chaplaincy providers. It is no longer meeting, nor is the internal departmental steering committee. Both were set up to assist the department in implementing this program, to make sure we took account of everybody's understandings and current knowledge and implementing it in the best way possible. But those committees have not met after that initial set-up phase.

Senator ALLISON—So there is no advisory committee operating and there is none looking at evaluation or monitoring?

Mr Sheedy—There certainly will be evaluation and monitoring.

Senator ALLISON—But not by that committee?

Mr Sheedy—Having served the purpose of assisting with the implementation, those two groups that you mentioned are no longer meeting.

Senator ALLISON—As I understand it, some schools could apply for more than one chaplain on the basis of size of school population. How many were in that category of more than one in one school?

Mr Sheedy—By far the majority asked for one chaplain only, but there were small numbers who asked for funding to apply to a number of chaplains. In each case, though, the amount available to the school was the same: up to \$20,000 per year. In some cases that was split over a number of chaplains. I do not have these numbers comprehensively tabulated, but for instance, in round 1, of the 1,390-odd that were approved, 997 were for a single chaplain, 79 were for services using two chaplains, four were for services with three chaplains and then there were one each for services using four, five and six chaplains.

Senator ALLISON—So one school applied for six chaplains?

Mr Sheedy—For the funding to be applied to the services of six chaplains. That does seem a bit extreme.

Senator ALLISON—So \$20,000 spread over six chaplains?

Mr Sheedy—There are a number of schools who use more than one chaplain for various purposes, to cater for the differing demographic make-up of the school, for instance. Schools will sometimes collaborate with other schools and share the services of chaplains. In some cases they wanted to spread this money in such a way as to allow a broad range of chaplains to provide services to their students.

Senator ALLISON—What is the monitoring regime?

Mr Sheedy—There will be some regular reports required of schools, and they will be required each year before the next year's funding is approved.

Senator ALLISON—So the schools monitor themselves and they provide you with a report—is that right?

Mr Sheedy—They will provide us with a report. We have the capacity for random checks of schools.

Senator ALLISON—How many random checks have been done?

Mr Sheedy—We have not undertaken any to date. We do not know whether or not we will but we have the capacity to do so. Built into the agreements with the schools is the requirement to provide us with regular updates and to have on hand all relevant documentation, including risk management documentation, to be available in case we ask them.

Senator ALLISON—Risk management being—

Mr Sheedy—Their assessment of the sorts of risks that might be associated with running a program like this, and how they will manage those risks.

Senator ALLISON—So a random inspection would include whether the chaplain was there or not—whether it was a fabrication. What other things would it include?

Mr Sheedy—It would include the documentation that has been kept on the program and—this is speculative at this stage because we have not undertaken any—a reassurance that there was still support within the school for the program and that there were no apparent problems or dissension within the school about the operation of the program.

Senator ALLISON—What about the issue of proselytising? Isn't that in the guidelines as being ruled out? Would you check on that?

Mr Sheedy—It is ruled out in the guidelines, and chaplains have to sign a code of conduct indicating that they will not engage in any such activity.

Senator ALLISON—Would a random check include a visit to the classroom to see that this was the case?

Mr Sheedy—I very much doubt it. I think the way in which that is likely to occur is on the basis of complaints, and we would then follow up those complaints.

Senator ALLISON—So have there been any complaints so far?

Mr Sheedy—Not about the operations of, or the mode of operation and behaviour of, any individual chaplain, no.

Senator ALLISON—What complaints have been received?

Mr Sheedy—None. Sorry, well, in the broad there have been no complaints about the operation of any particular chaplaincy service. The sorts of complaints we have had have come through ministerial correspondence about the nature of the program from those people who think that it should be designed otherwise.

Senator ALLISON—What is the nature of those suggestions or complaints?

Ms Paul—This is just representations from people who did not support the concept of the program. But we have had no complaints at all from people who are actually experiencing the program. We have not had any complaints.

Senator ALLISON—Have you had any feedback on the guidelines?

Mr Sheedy—Not recently. We went through a formal process of asking for feedback on the guidelines early in the process. We got some feedback, we made some small changes to the guidelines and otherwise they have been seen to be appropriate.

Senator ALLISON—All right. Just to be clear, is the \$165 million for this calendar year?

Mr Sheedy—No, that is over four years now.

Senator ALLISON—When does that take us out to?

Mr Sheedy—To 2010-11. Senator, I had better clarify something. You asked if we had had any complaints. We have had correspondence with a couple of schools about the nature of the service. We have had discussions with a couple of schools and we have eventually satisfied—it was a parent in these cases—the parent that the arrangements are working appropriately.

CHAIR—Are there any further questions, Senator?

Senator ALLISON—No.

Senator NETTLE—I want to ask about flagpoles and whether there has been, as a result of the change in government, any change in terms of the policy of the requirements for flagpoles.

Ms McKinnon—It is a condition of the current agreement that all non-government schools and state government schools have a functioning flagpole. There is a very high rate of compliance with that, and the government is reviewing the obligations across the quadrennial funding agreement in the context of 2009-12, so there is currently no change to that.

Senator NETTLE—Perhaps I can ask the minister if there is any discussion about change from the new government in relation to the question of flagpoles.

Senator Carr—There has been no discussion with me on that matter.

Ms Paul—The Deputy Prime Minister has committed—I think the government as a whole committed—to reviewing the quadrennial arrangement, and that is, as you know, one of the obligations in it, so it will be—

Senator NETTLE—But at the end of this current quadrennium of funding.

Ms Paul—That is where we find ourselves now. This is the last year.

Senator NETTLE—Okay. Could you take a question on notice to the minister about whether there will be any changes in relation to flagpoles?

Ms Paul—I am certainly happy to convey that. It will be a matter which will be part of the overall review of the quadrennium arrangement, so you can expect that issue to be addressed in one way or another over the course of this year, prior to the beginning of the new quadrennium in 2009.

Senator NETTLE—For the next quadrennium funding?

Ms Paul—Correct.

Senator NETTLE—The other thing I want to ask about is summer schools.

CHAIR—Ms McKinnon, before you go, I would like to ask you a question. You said that there was a very high compliance rate. How high was it, and what happened to those who did not comply?

Ms McKinnon—As I understand it, the current compliance rate is around 94 per cent, and the schools that have not complied are going to comply by the end of the quadrennium. They have a process in train either to have a flagpole installed or to repair a flagpole.

CHAIR—At the end of the what?

Ms McKinnon—At the end of 2008, which is the period in which it is a requirement.

Senator NETTLE—I want to ask about summer schools. In total a thousand teachers attended—is that correct?

Mr Owen—We had 1,014 teachers attend the 2008 summer schools in January.

Senator NETTLE—What is the funding for the program?

Mr Owen—The funding is \$101.7 million over four years and the funding available in this particular year was \$25.4 million.

Senator NETTLE—How long would it take the program to run in order to train all teachers if you are doing a thousand a year?

Ms Paul—Of course, that was not the intention of program. It is a previous government program. The intention was to identify the very best and offer them an intensive experience that they can then go back and share. We could, of course, work out that number, but it would be a different program we would be talking about. That was not ever the nature of this program.

Senator NETTLE—Perhaps you could take it on notice to work out that number.

Ms Paul—Sure, but I will put the same caveat on it. The program guidelines do not go to that issue. They go to teachers at the top of their profession who can go back and share their learnings with others.

Senator NETTLE—How much money is that per teacher for the training?

Mr Owen—The expenditure spent or committed to date on the 2008 programs has been \$15.8 million, and there is some further expenditure to come through because of the nature of the actual number of people who attended. There are some adjustments to be made with the providers. But \$15.8 million obviously translates to around about 15½ thousand dollars per participant.

Senator NETTLE—How long is the training?

Mr Owen—It was a 10-day intensive residential format.

Senator NETTLE—Have there been any changes to that program as a result of the new government?

Mr Owen—No changes have been announced around the program.

Ms Paul—Senator, actually the minister presagely has pointed something out to me. I am just going back to your question about how long it would take, et cetera. The ratio of

applicants to successfuls was about three to one. About 3,000 applied and 1,000 got in. Perhaps that gives you a bit of an indication at least of the level of interest in that very first year. That is not to say it might not change over time.

Senator NETTLE—That was not really the point that I was getting to. I was asking how long it would take to train everyone.

Ms Paul—No, I know you were asking about all the teachers, but it does put a bit of proportionality around it, I guess.

Senator ALLISON—So only one in every three applications was successful?

Ms Paul—That is right.

Senator NETTLE—So you are saying that there are no changes as a result of the new government. Minister, do you know whether there are any proposed changes?

Senator Carr—Again, this is not a matter that has come up in our conversations with the minister.

Ms Paul—It is a matter for government.

Senator ALLISON—Has there been an evaluation of the summer schools as yet and, if so, what were the results?

Mr Owen—An independent evaluation is going on at the moment.

Senator ALLISON—When is that due to finish?

Mr Owen—It is due to finish in June 2008. It is being undertaken by KPMG.

Senator ALLISON—How many participants have received their \$5,000 completion bonus?

Mr Owen—The payments are being made this week so I cannot put my hand on my heart and say exactly how many of them have got them. But the process for making those payments to the 1,014 people who participated is happening now.

Senator ALLISON—Were they tested in any way?

Mr Owen—They had to apply and they were tested or assessed against the developing advanced teacher standards that exist. They then had to get the support of two other people.

Senator ALLISON—I realise that that was part of the process. But once they had gone to the summer school, did they have to pass an exam before they got the \$5,000?

Mr Owen—No, they did not. They had to fully participate in the program. That was in a way assessed as such by the providers, who were a consortia of universities, all of whom were required also to give them advanced standing or credit towards higher education qualifications as well, so it was quite a good test.

Senator ALLISON—They all passed it?

Mr Owen—They all passed.

Senator ALLISON—Is there a breakdown between participants in government and non-government and for states in the participation?

Mr Owen—Yes, I have that. I could go through that now for you if you like.

Senator ALLISON—That would be good. Do you also have it by specialisation? Were they all maths teachers or did they all turn out to be something else?

Mr Owen—I can give you the numbers for those who agreed to attend each of the courses. I am being a little bit careful there, because the numbers I have total to 1,021, not to 1,014. We had seven people who had committed to come who at the last minute for family or illness reasons could not come. So these figures that I have right here add up to a little bit more than 1,014. In terms of state breakdown, the ACT had 29 participants, New South Wales had 194, the Northern Territory had 16, Queensland had 291, South Australia had 82, Tasmania had 50, Victoria had 246 and Western Australia had 113. That totals to that 1,021.

Senator ALLISON—Queensland seemed to get a lot.

Mr Owen—They did. It was based on demand and on applications.

Senator ALLISON—Was there an explanation given to teachers who were not successful?

Mr Owen—There was not. They were told only that they had not been successful and that it was a very competitive process.

Senator ALLISON—And there is no appeal? You cannot say, ‘How come I didn’t get in?’

Mr Owen—No. I have the figures here across the sectors if you would like that. You asked for that a minute ago. Do you want me to go through that?

Senator ALLISON—If that could be tabled, that would be very good. Thanks.

Senator MASON—I flagged before that I want to ask a few questions about trades training centres in schools. Is there going to be a trade training centre built in every one of Australia’s 2,650 secondary schools?

Ms Paul—We believe that there will be some sort of trade training centre in every school. It might build on something that exists or it might be new.

Senator MASON—Your answer is that it will be in all schools. All right. What is the timetable for rolling the trade training centres out to schools? What period are you looking at?

Ms Paul—The \$2.5 billion program is a 10-year program.

Senator MASON—What criteria will be used to decide which secondary schools receive the trade training centres first?

Ms Paul—The government is committed to taking a needs based approach. Then there will be a range of factors to consider, particularly looking at and being responsive to local industry, and so on. Ms McKinnon may want to add something, but basically a needs based approach, a local industry approach and being responsive to the school community itself.

Senator MASON—Is there an audit—again I use the word—being undertaken to divine that?

Ms Paul—Not in the same way as with the computers because, in a way, it would make a bit less sense, perhaps. But the guidelines will make it clear. We are currently formulating the guidelines; we will consult on those and they will make clear what the criteria are.

Senator MASON—It is a \$2½ billion project. I think we agreed there are 2,650 schools. The program provides that there will be between \$500,000 and \$1½ million to secondary schools to build or upgrade trade workshops, information, communications and technology labs and other facilities such as metal or woodwork workshops, commercial kitchens, hairdressing facilities, automotive workshops, plumbing workshops, graphic design laboratories, computer laboratories and other technical facilities. The program will also fund the purchase or replacement of a range of equipment such as safety equipment, soldering and welding equipment, ovens, wood- and metal-turning lathes, grinders and drills—issues such as that. That is right?

Ms Paul—Yes.

Senator MASON—I did a calculation before—not that I am very good with calculators—with the \$2½ billion and the 2,650 schools, and I averaged it, and it came to \$943,396.22. So it is under \$1 million. That is assuming no administration costs; that is just blanket costs. It is right, isn't it, that these trade training centres will be of industry standard?

Ms Paul—Yes.

Senator MASON—That is the promise, isn't it?

Ms Paul—I cannot recall what the policy says on that.

Ms Balmaks—The government commitment is the \$2.5 billion over 10 years for trade training centres and we are looking at the Australian quality framework standards around trade training. So, yes, that would be to industry standards in order to meet that.

Senator MASON—I will just read out from www.kevin07.com.

Senator Carr—Do you enjoy that?

Senator MASON—I do, Minister, as you know I do. The website says: Labor's policy will mean that the infrastructure and equipment being used in schools—in these trade training centres—is of the same standard as that being used by industry. Is that right?

Ms Paul—Yes, that is right.

Senator MASON—Ms Paul, I am not an expert in these things, but do you think there is any way that, for under \$1 million, there can be metal and woodwork workshops, commercial kitchens, hairdressing facilities, automotive workshops, plumbing workshops, graphic design laboratories, computer laboratories, and so on, built at a secondary school? I think the wording is 'build or upgrade'.

Ms Paul—Yes, Senator.

Senator MASON—Do you think you can put all those in?

Ms Paul—No.

Senator MASON—Ah! All right. So you have to pick and choose? Is that correct?

Ms Paul—As I have just said, the policy allows for schools to apply for between \$500,000 and \$1.5 million for a trade training centre in those areas. As the policy makes clear, the list that you read out is a menu. You could not possibly expect every school of the 2,650 to want to do all of those things. Indeed, I have just said that the guidelines will be clear, and the policy was clear, about the focus being on regional needs. So common sense would tell you that a particular secondary school in, say, a manufacturing area will want to probably—

Senator MASON—Do metalwork.

Ms Paul—link well with BHP or whatever company is in its local area and offer the relevant trades. That might not encompass hairdressing and computing; it might encompass more the manufacturing trades. The point here is actually to be customised to the local community and to allow that nice connection between the school and the qualifications it can offer in the trade area and local business and so on.

Senator MASON—Sure. So you agreed with me, then—

CHAIR—Senator, as I indicated earlier, the committee intends to have a private meeting now. Before we move into that, there have been a number of tabled documents. Is it the wish of the committee that we accept the tabling of those documents? There being no objection, that is so ordered. This public part of our meeting will now be suspended until 1.30 pm and the committee will move into a private meeting.

Proceedings suspended from 12.21 pm to 1.30 pm

CHAIR—The committee will reconvene.

Senator MASON—Thank you. To take up where we left off, I think no-one was questioning my mathematics that \$2.5 billion divided by 2,650 schools was a touch under \$1 million. I think we agreed on that. We also referred to the government's policy of grants being between \$500,000 and \$1.5 million. I think I am right—and I do not want to put words in anyone's mouth—that, to use Ms Paul's words, the menu available or the particular capital facilities available, as well as the equipment, at industry standard would not all be at any particular school, would they—that is, metal workshops, woodwork workshops, commercial kitchens, automotive workshops, plumbing et cetera?

Ms Paul—No.

Senator MASON—I think you said that schools, in effect, would determine what particular specialties they had and whether that might be in certain areas. It might be automotive workshops, for example, in a certain area of Melbourne.

Ms Paul—That is right.

Senator MASON—If I am in suburban Brisbane—my office is in Upper Mount Gravatt, where there is no particular attachment to any industry; it is in the southern suburbs of Brisbane—and I am a student at school and I am interested in, let's say, plumbing, but my local school has decided to invest in metal workshops, what do I do?

Ms Paul—The guidelines for this program will set out how the school community works out what priorities it wants to settle on. The policy statement itself encourages schools to link up. So you may find, for example, that several schools in the local area of Mount Gravatt

offer different things. Maybe this young person's school is offering commercial cookery and for some time during the week he is able to avail himself of plumbing at a different place. I do not have the policy in front of me, but there are words in it which encourage that sort of joining up.

Senator MASON—In fact, over the luncheon break I took advantage of looking at that, Ms Paul.

Ms Sykes—So you have seen the policy statement where schools in close proximity to each other that are seeking to share trade training centres in schools facilities will be allowed to pool capital funding to create schools trade precincts?

Senator MASON—Ms Sykes, you will be delighted to know that that particular piece is exactly what I highlighted. So we are on the same wave length. So it is right to suggest that, if I am interested in plumbing and is not at my school, I will have to go to another school. That is right, isn't it?

Ms Paul—That is possible.

Senator MASON—Possible?

Ms Paul—You are painting a hypothetical situation, so I am applying the same.

Senator MASON—Given that only one or two of those particular menu items could be addressed for that sort of money at an industry quality level—and that is what we are talking about—there is a good chance that my specialty would be elsewhere.

Ms Paul—I think that is impossible to say. Do not forget this is \$2½ billion that has not been out there before; it is in addition to what is out there now. So I do not think it is possible now to say how much those things will be catered for because, do not forget, even if it were whatever you said on average—

Senator MASON—\$943,000.

Ms Paul—it is building on top of things which are already there. So there will be a whole suite of different ways that that young person might be able to access what they wish to through existing provisions, through maybe links into TAFE and so on, and also through these precincts.

Senator MASON—We will get to them in a minute.

Ms Paul—I am just making the point that this is additionality. It is \$2½ billion that has not been there before. So you would have to say it is actually hard to tell at this point whether or not your speculation there would be true.

Senator MASON—Currently in schools there is no question, particularly in state schools, that those capital facilities, those particular items—metalwork workshops, commercial kitchens et cetera—are all of industry standard. Ms Paul, you are not really saying, are you, that all those items—and bear with me, chair—metalwork and woodwork workshops, commercial kitchens, hairdressing facilities, automotive workshops, plumbing workshops, graphic designer laboratories, computer laboratories and other technical facilities could be at industry standard at every school—2,650 of them. You are not saying that, are you?

Ms Paul—No.

Senator MASON—So there is every likelihood that a student will have to go to another school if their specialty—

Ms Paul—Not necessarily.

Senator MASON—Oh Ms Paul, really.

Ms Paul—Not necessarily.

Senator MASON—Anyway, you agree with the first part that they will not all be there. That will do me for the moment. Let us just say that I have two particular specialties. I am interested in metalwork and in commercial kitchens, but they are not offered at my local school. Metalwork is being offered at high school A and commercial kitchens is being offered at high school B, and I am at high school C. So I have to go to high school A and high school B, don't I?

Ms Paul—Maybe that is what is there now. This is all additional funding. If there are a lot of students who want to do it, maybe the school will apply to run something similar in their own school under this program.

Senator MASON—They might. But I am concerned with the individual student here. Often my choices in life have been rather individual, and I am sure that there are plenty of people just like me. Maybe a student is interested in hairdressing or something. The point is that not only might they have to go to another school but they might have to go to another two schools if their specialities are not offered by the local school but rather by high school A and high school B.

Ms Paul—Presumably at the moment they may not have access to any of the above.

Senator MASON—They may or may not.

Ms Paul—After this extra insertion of \$2½ billion over 10 years plus the associated support from the states and sectors, presumably they will have more choice.

Senator MASON—But, Ms Paul, they might, might they not?

Ms Paul—Yes, that is the nature of the program. Presumably they will have access to more trade related facilities than they do now just by the definition of the \$2½ billion injection.

Senator MASON—Let me go to that. We have already agreed that they cannot offer an entire menu at any one particular school of trade quality. Okay, there is nothing controversial about that.

Ms Paul—That is not necessarily the case. I could imagine a precinct—

Senator MASON—We will get to that. I promise to come back and if I fail to come back, you remind me, Ms Paul.

Ms Paul—I was responding to the notion that every school would offer everything. Of course, every school will not be interested in offering everything.

Senator MASON—I am not worried about the school; I am more worried about the student. I am more concerned about the students and their parents than the school.

Ms Paul—Yes.

Senator MASON—That is the difference between you and me, Ms Paul. I am a politician; I worry about the people.

Ms Paul—Yes, and likewise of course, Senator.

Senator MASON—All the Australian technical colleges that the government are abandoning were under one roof, were they not?

Ms Paul—No.

Senator MASON—Or most of them were? Were there economies of scale?

Ms Paul—I think there were four or five trades which were particularly focused on.

Senator MASON—How many?

Ms Paul—I think four areas, but I am happy to answer that under, I think, outcome 4.

Senator MASON—That is fine, but I want to go back to your cluster because this is where the issues interconnect. I thank you for that answer.

Ms Paul—There is a shortlist of particular trades which are on offer under the technical colleges.

Senator MASON—That is right and, in a sense, they take advantage of economies of scale. Is that a fair assumption?

Ms Paul—I am not sure what you mean.

Senator MASON—We will let the public make their own determination about that. Can we go then to clusters. You mentioned it and I said I would come back to it. You will have to help me here, Minister and Ms Paul, because I am not quite sure about clusters. Let us say you have four high schools. It is possible then that one might offer welding, as a sort of specialty for the money they are given, another might offer hairdressing, another might offer plumbing and another might offer automotive industries. Is that a cluster in the sense that there is some reciprocal relationship between the high schools such that my local school does not offer welding but the high school down the road does? Is that a cluster where there is this reciprocal relationship between the four schools?

Ms Paul—It could be or it could be a particular centre which a range of schools draw on. This is not something new. Often schools will now do this in various other areas. Some schools share language teachers for example. That sort of thing goes on.

Senator MASON—As Ms Sykes mentioned before, in adverting to page 18 of the ALP's policy, schools in close proximity seeking to share Trades Training Centres in Schools facilities—I think this is a cluster—will be allowed to pool capital funding to create school trade precincts. I have just spoken about reciprocal relationships, but are we talking here about—and help me here because I do not know—one particular location for a centre. For example, in the far eastern suburbs of Melbourne there is a lot of demand for automotive work. Could four schools pool their, let's say, \$1 million each and create a \$4 million centre for automotive works?

Ms Paul—I imagine they could apply in that way if they wish to. It would depend on what they want to do in their local area. It is a hypothetical question you are raising.

Senator MASON—Ms Sykes, do you know?

Ms Sykes—It is possible that they could apply as a cluster. They would have to demonstrate the need in that particular area, the availability of trainers and also any other similar facilities in the area, and put a case for why that particular application is warranted.

Senator MASON—So, under this policy, there is nothing to stop four schools each pooling their million dollars to create an automotive workshop?

Ms Paul—I think they would certainly be allowed to apply in that circumstance. As to whether they would be successful, it would no doubt be highly competitive, so it would depend on how the comparison went.

Senator MASON—I am assuming that the school communities that you have been referring to are all in favour of it. Would the policy allow that?

Ms Paul—Yes.

Senator MASON—Minister, if I did not know better, I would call them Australian Technical Colleges.

Senator Carr—I would not, because the Australian Technical Colleges had varying degrees of success. If you actually look at the evidence, it is very clear what has happened. This is a policy that does allow for pooling of capital in terms of the various proposals that have been outlined by the officers. It also allows for liaison with RTOs in any region, which of course includes the TAFE system as a registered training organisation. This will actually be a better use of facilities and will allow for a much higher level of access to trade equipment for students in schools. It goes beyond the existing VET in Schools program. This is a significant enhancement of the capacity of the Australian education system to provide a quality vocational educational program for students.

Senator MASON—We may disagree on this, Minister, in the sense that I am not sure that for a million dollars you can have industry quality—and they are the words that are being used—in any more than one or two of those areas. So issues of convenience and the economies of scale are clearly front and centre here. Okay, the government is entitled to have its own policy. You are the government; we are not. But I ask the questions because I think it is fair to say that it is highly problematic. Ms Paul, is the department pushing any particular proposals with respect to clustering and so forth? Is there any particular role that the department is playing in this or is it, in effect, simply rolling out the money?

Ms Paul—We are developing the guidelines at present. We will be consulting on those. Those guidelines will comprehend this notion of schools being able to apply to create a precinct, so that will be covered off in that process and through the assessment process. Some of the differences with technical colleges were that they were focused on delivering particular qualifications in, I think, four particular trade areas—

Senator MASON—How many?

Ms Paul—I think it is four, but I will confirm that at outcome 4. That was not in every school, of course—

Senator MASON—You have only mentioned six in the menu here.

Ms Paul—I am talking about technical colleges. They were limited—

Senator MASON—I know.

Ms Paul—They did all offer all four, but they were limited to choosing from four. And they were limited to years 11 and 12 so that was one of the main differences.

Senator Carr—And they were limited in the actual numbers of students as well. My recollection is that something like fewer than 2,000 students were involved in the Australian Technical Colleges, where this is a program aimed at providing services to a million students. So the quality, the scope of the program, the unit costs—these are substantive questions—

Senator MASON—They are.

Senator Carr—And they are very different from what you have outlined.

Senator MASON—In economies of scale in terms of developing, let us say, automotive workshops and how expensive they are, to say that one could be provided in every school for under a million dollars, Minister, is just not on.

Senator Carr—I do not recall the ATC that was centred in the north of Melbourne, because it was not in a marginal seat and it missed out.

Senator MASON—That is another issue, Minister. We could debate that in the Senate if you wish, but it is another issue. Minister, can you assure this committee that the teachers teaching metalwork, hairdressing, automotive mechanics, plumbing et cetera will have industry qualifications and experience, or will we have arts and drama teachers teaching metalwork and whatever?

Ms Paul—Part of the policy is to ensure that the teachers are correctly trained. That is spelled out in part of the policy, which you may have seen.

Senator MASON—Who is going to pay for that?

Ms Paul—That is part of the partnership arrangements with the states and the other sectors.

Senator MASON—The state government?

Ms Paul—As they do now. The Commonwealth does not employ teachers. The states and the sectors employ teachers.

Senator MASON—I understand that. So state governments will pay for it. What about independent schools and Catholic schools?

Ms Paul—That is part of the partnership for the \$2.5 billion, and they are currently the employers of teachers. That is how that will work.

Senator MASON—So we are back to that again. All right, we now know that. I had renovations done in my home recently, Minister, and I have got say it is pretty hard to get tradesmen at the moment, and it cost me a lot of money—believe me! Many tradesmen get paid more than I do. Are we confident that we can get good, industry quality teachers? It is a sincere question, given the amount that some of these plumbers, electricians and automotive workshop people charge. I do not have any more questions on trades training centres, unless you want to amplify any of your answers?

Ms Paul—No.

Senator MASON—I have questions on national curriculum and SES funding, which I think will come under outcome 2, schools—right?

Ms Paul—Yes.

Senator MASON—Actually, no, there is another question—you mentioned that it is a matter for states to pay for the teachers. You are assuring us that they are all going to be industry qualified, but in the end that will be a responsibility of state governments. You are assuring us, from where you sit as a secretary of a Commonwealth department, that the state governments will do a good job. Ms Paul, are you qualified to say that?

Ms Paul—Yes, because the policy says, ‘Labor will also negotiate with state and territory governments’—et cetera, et cetera—and, ‘Additional effort will focus on quality vocational education and training teachers.’ It is currently in the COAG agreement.

Senator MASON—Sure!

Ms Paul—Of course, ultimately it is their responsibility, but to the best of our ability we will work with them to ensure that is the case.

Senator MASON—We are going to trust state governments, who all happen to be Labor. Quite frankly, I do not really mind who they are, whether they are Labor or Liberal, if they ensure that there are sufficient teachers. There is already a shortage of teachers who can teach these skills at industry standard. You would have to have at least a couple of teachers for each subject, so how many teachers are we talking about?

Ms Paul—I do not know how many teachers we are talking about, but that consideration—

Senator MASON—A couple for each subject? Ms Sykes, do you know?

Ms Sykes—I could not estimate at this point in time how many teachers in a school, but the proposal from a school, or cluster of schools, will put forward the courses that they mean to offer, and they must be able to demonstrate that they can access the appropriate trainers. That may be an RTO through a TAFE, or it may not actually be school teachers but partnering with local industry and RTOs in their region.

Ms Paul—We will require evidence of that in our application process.

Senator MASON—However, in the end we are still talking about thousands of teachers, aren't we?

Ms Paul—I do not know how many, actually.

Senator MASON—Well, there are 2,650 schools. I think we agree on that, don't we?

Ms Paul—We will be requiring the evidence of how they will approach that in their applications, so yes, we are very interested in that, actually.

Senator MASON—Thank you, Minister and Ms Paul.

Senator WORTLEY—I have some questions on school attendance, which still comes under that first section of outcome 2 that we are addressing. What research has the department undertaken to support the suspension or income management of welfare payments to improve school attendance or enrolments?

Ms Paul—I am sorry but we should take that tomorrow because it is part of income support and it comes under employment, believe it or not—outcome 7, first thing tomorrow morning, I think, or outcome 8.

Senator WORTLEY—But it relates specifically to evidence on attendance at school.

Ms Paul—Yes, that is true. Would you like to give us the questions and we will see how we go now, and if we cannot answer some parts today we can finish them off tomorrow.

Senator WORTLEY—What research has the department undertaken to support the suspension or income management of welfare payments to improve school attendance or enrolments?

Ms Paul—I probably do need my colleagues from tomorrow for that question, I am sorry.

CHAIR—Then we will defer that question.

Senator WORTLEY—There may be another section the remaining questions can come under.

Ms Paul—I know we will have the right people for that tomorrow; I think it is probably under outcome 8.

Senator BOYCE—My questions relate to the Investing in Our Schools Program, which does not seem to be mentioned under outcome 2.

Ms Paul—Yes, the Investing in Our Schools Program is part of outcome 2.

Senator BOYCE—I am on two committees, so if you have answered any of these questions before I do apologise. How much funding under the IOSP was distributed to state government schools all up?

Ms Rollings—Funding of \$799.8 million for state government schools was approved.

Senator BOYCE—How many state government schools did that cover?

Ms Rollings—It covered 6,894 schools, as at the final round—no, I am sorry. The total changed after we included hospital schools—we had an extra round in which they were invited to apply—and so the total then became 6,935 state government schools. So the total becomes \$802.99 million if we add the hospital schools.

Senator BOYCE—I am sure Brett could do this in his head in about 10 seconds flat, but what does that give us as the average and median costs of these projects?

Ms Rollings—The average grant for each school is around \$116,000.

Senator BOYCE—Is that just for government schools or for all schools?

Ms Rollings—It is just for government schools.

Senator BOYCE—Do we have a median as well?

Ms Rollings—No, I do not have that.

Senator BOYCE—Are you able to characterise for us some of the sorts of projects that were covered?

Ms Rollings—The most popular were: shade structures and play equipment; computing and ICT equipment; classroom improvements—things like furniture and so forth—and upgrades to classrooms; school grounds improvements including play equipment; and air conditioning and heating systems. Those were the top five projects.

Senator BOYCE—What did the ‘classroom improvements’ constitute? What sorts of things did you say they were?

Ms Rollings—They included a range of things like upgrading benches and things like that, or painting and adding blinds.

Senator BOYCE—So none of them were exactly icing on the cake—a lot of them were very basic to the comfort of the students and staff and their ability to learn in a good environment?

Ms Paul—Small equipment grants—that is the nature of the program, yes.

Senator BOYCE—I did attend a function at a 120-year-old Brisbane state school that had had its school toilet block refurbished under this program. The parents there commented that the toilets had been so dark and so dingy that there was a real issue with children ‘hanging on’ all day because they were so frightened to go into this very gloomy, dark area. Were there many projects of that nature where they were refurbishing very basic equipment necessary for just satisfying the children’s human needs?

Ms Rollings—I do not have figures on how many projects were, for example, toilet blocks, but there certainly were examples like that. I could not tell you how many there were because that sort of information did not come out.

Senator BOYCE—So you have only got the figures for the top five?

Ms Rollings—That is right.

Senator BOYCE—Were there many related to irrigation and other works around school ovals, drainage and that sort of thing?

Senator Carr—There were many very good projects. The important point to remember though is that the previous government chose to end this program.

Senator BOYCE—I understood that the round had come to an end.

Senator Carr—No, the program.

Senator BOYCE—How does that relate to the funds for school ovals, Senator Carr?

Ms Paul—The Prime Minister announced the last round in, I think, January last year.

Senator WORTLEY—On the whole issue of Investing in Our Schools, can you provide the forward estimates of the program as of 23 November 2007?

Ms Paul—Yes, of course. The final round was announced in the beginning of that calendar year and the forward estimates, then through the additional estimates, showed the cessation of the program. That is right.

Senator BOYCE—I was asking about irrigation and other drainage refurbishment type projects done on school ovals. Obviously these are no longer going to be funded under

Investing in Our Schools. What other alternatives does the federal government have for school ovals?

Ms Paul—There are capital programs funded under the quadrennium funding arrangements for both government and non-government schools. While IOSP finished, the new programs which go to equipment are the \$1 billion for ICT related equipment and the \$2.5 billion for trades related equipment and trades centres, which are in addition to the existing capital programs that exist under the quadrennium—I do not have the numbers in front of me that we could offer to you in terms of that amount of funding—sorry, under that capital grants program there is \$309 million in 2008 to government schools and around \$126 million to non-government schools.

Senator BOYCE—Would this cover school ovals?

Ms Paul—Yes. That would be in the eligibility.

Ms Cook—Yes, it would, as part of landscaping.

Senator BOYCE—The development of school ovals or just the refurbishment of them?

Ms Paul—The guidelines are broad enough to encompass things to do with upgrading landscaping and so on.

Ms Cook—Both establishment and upgrading.

Senator BOYCE—This is different to information I thought that state government education departments had given to me in the past.

Ms Paul—If you like we can get for you the broad guidelines.

Senator BOYCE—I am particularly interested in school ovals because they are not funded, I understand, by state government education departments, which seems a bit counterintuitive given what we are trying to do about obesity for children and the like. I would appreciate receiving that information.

Ms Paul—Okay.

Senator FIFIELD—Senator Boyce in earlier questioning was harking back to the then Prime Minister elect's directive to his members and senators to visit two schools. I am sure we are all shocked that you defied your leader's directive, but we will leave that to one side. I happened to visit a school on the same day as a new Labor MP—I hasten to add, not because I had been directed to by my leader but because it is something that I do all the time. When I was chatting to the principal at the school that I visited they were very keen to talk about the IT computer program which the new government has in place. They wanted to talk to me about it, however, in the context of the Investing in Our Schools Program. This particular school was very concerned that, whereas under the Investing in Our Schools Program they were able to state what the priorities were for their school, under the computer program put forward by your government they cannot identify the priorities for themselves. This is a school which has put a lot of effort into making sure they have computers for every kid, and they were concerned that they would, in effect, be penalised because they had actually saved and had fundraising drives to make sure that every kid had a computer and that other schools, who might not have made that sort of effort, would in effect be advantaged over them. My

question, Minister, is: why is it that the government decided to take the view that it is better to have government dictating to schools what they need rather than letting schools identify what they need, whether that be air conditioning, carpeting, musical instruments, computers or something else?

Senator Carr—We do not want to get into tit for tat about how many schools each of us visits. I am a regular attender at schools. I have been for many, many years.

Senator FIFIELD—I was being tongue-in-cheek, Senator.

Senator Carr—I can tell. I understand the way Liberal Party operates. I also indicated to the committee before that on 27 November I had a very detailed briefing with the Victorian department of education on the system-wide issues with regard to ICT policy in that state and the provision of additional facilities in line with what the Labor Party had promised in the election. Your question then goes to the issue of whether the Commonwealth dictates to schools their priorities. That is not the case. Your assumption is just wrong.

Senator FIFIELD—With this program you are saying, ‘You can have computers or you can have computers.’ You are not saying, ‘You tell us what matters to your school, because school communities are in the best position to know their needs.’ You are not saying to the schools, ‘You can have the computers or you can apply for musical instruments or you can apply for carpet or you can apply for air-conditioning.’ You are saying, ‘Your choice is computers or computers.’

Senator Carr—My recollection is that there is some \$43 billion worth of expenditure going to schools in the next quadrennium. Under no circumstances can it be said that the Commonwealth will be dictating priorities in the context of a \$43 billion spend. We have discussed this morning one particular small aspect of election commitments that were made, I might suggest, in an area of acute need, given the figures that we discussed about the failure of Australian schools to keep pace with best international practice in ICT proficiency. This is an area of critical need if we are to talk about Australians being able to participate fully in society and the economy. That is the policy thinking that we are pursuing. It is a pity the previous government was not able to keep pace with developments in these fields.

Senator FIFIELD—It is a need which the government is unable to quantify. The government says it is a desperate need but it is unable to quantify it.

Senator Carr—We are in the process of doing an audit. We have explained that ad nauseam this morning. We are not in the business of duplicating or wasting public money. We are in the business of ensuring that we lift the skills base of the Australian people.

Senator FIFIELD—Okay. I note that you said before that the Investing in Our Schools scheme was ceasing because the previous government had ceased it. That is not right, and I am sure Ms Paul will be able to assist here. Minister Bishop issued a release on 28 August last year, stating:

Following the overwhelming response to the Howard Government’s \$1.2 billion Investing in Our Schools Programme (IOSP), the Minister for Education, Science and Training the Hon Julie Bishop MP today announced that the programme will be extended.

“The fourth and final round of the current funding was announced today, with \$140 million approved to State Government schools, which builds on the \$656 million that has already been approved under the Programme,” Minister Bishop said.

... ..

Minister Bishop said the success of this programme comes from the fact that school communities are able to identify their priorities ...

Details of the continued support for the Investing in Our Schools Programme will be announced in due course.

Clearly, that did not happen, because we lost the election. But I have got no doubt that, had the government been re-elected, there would have been funding in the 2008-09 budget. Ms Paul, you can confirm that that was the statement that the minister issued and that that was the government’s intent at that time?

Ms Paul—The implication of that would have been to have to go back into a budget process nonetheless, because it was the case that the program had ceased. That was clear in the Prime Minister’s release in, I think, January or February, and in our letter we specifically said ‘last round’. So the funding—the \$141 million or whatever—that was announced was the impact of that last round. So at that point the status was as it was, which was that the last round had been announced. Indeed, in our forward estimates, the funding dropped off and then ceased.

Senator FIFIELD—But all governments make announcements of intentions and we all know that the ERC round had not started at that stage.

Ms Paul—That is right. So, were there to have been anything further, it would have had to have gone into normal processes of government. There was not any funding attached to that announcement at all. The only funding was the rest of the final round that had been announced earlier in 2007.

Senator FIFIELD—Correct. But the then government had stated its intention to continue with the program.

Ms Paul—But there was not—

Senator FIFIELD—We lost the election before the budget round started. So I think it is disingenuous of the minister to say that the previous government ended the program, when the previous government had announced its intention to continue it. The budget round had not started.

Ms Paul—Just in terms of the facts of it, there was no funding attached to that particular announcement or statement—

Senator FIFIELD—I have not said that there was.

Ms Paul—and the only funding that there was was attached to what had been announced as the last round, which has now followed through and ceased.

Senator Carr—Furthermore, Senator Fifield, you would be aware that there was some \$26.1 million of unspent funding from the program which returned to consolidated revenue. Now, we have a situation here that, despite the promises that were made during the election,

no additional funding was ever provided to the program, no announcements were made, no dollars were allocated and no costings were submitted through the Charter of Budget Honesty. In fact, there were no commitments made by the previous government to put additional funding into schools, other than some broad and unsupported claims made, as you just referred to.

Senator FIFIELD—The public are certainly taking a different view. The *Daily Telegraph* today has a story headed ‘The Education PM? He’s just pinched \$1.2 billion: Rudd’s schools betrayal’. It then goes on to list the concerns of a number of school principals about the end of the program, which are concerns which I have been picking up as I have been going around schools—

Senator Carr—So why was the \$26 million—

Senator FIFIELD—When the previous government budgeted \$1.2 billion for the Investing in Our Schools Program and the incoming government has not budgeted a dollar for it, I think it is very difficult to say that the previous government ended the program.

Ms Paul—Well, they did, because that is the way the forward estimates work. It is just a fact. I am afraid that the announcement of a last round was a last round and, in the way that our forward estimates work, regardless of who was in government, we would have had to go back to it.

CHAIR—Let me bring it to order. I do not want to move too far away from questions and answers. We are nearly getting over into debating these matters.

Senator FIFIELD—Ms Paul, this is a statement of fact: the previous government budgeted \$1.2 billion for the Investing in Our Schools Program, and the incoming government has not budgeted and will not budget a single dollar. That is a statement of fact, isn’t it?

Ms Paul—It was a \$1.2 billion program, that is correct.

Senator FIFIELD—Thank you.

Senator Carr—And \$26.1 million was returned to consolidated revenue by the previous government.

CHAIR—Thank you, Minister.

Senator MASON—I flagged a couple of issues before. I will start with the National Curriculum Board. I understand that the government will set up a National Curriculum Board to develop a rigorous curriculum for all Australian students. It will apparently be achieved within three years. Minister or Ms Paul, who are the members of the board thus far?

Ms Sykes—To date, the Prime Minister and the Deputy Prime Minister have announced the chair of the board, Professor Barry McGaw. Deputy Prime Minister Gillard has also announced the appointment of Mr Tony Mackay as the deputy chair.

Senator MASON—What will they be paid? Will members of the board be receiving any remuneration?

Ms Paul—I am not sure, actually.

Ms Sykes—No, I am not sure.

Mr Cook—They will be remunerated according to a determination made by the Remuneration Tribunal.

Senator MASON—A bit like politicians used to be, Mr Cook, until the other day. Has a determination been made by the Rem Tribunal as to how much they should be paid?

Mr Cook—We are working on the basis of some interim advice, and a formal determination is yet to be made, is my understanding.

Senator MASON—But an application has been made?

Mr Cook—I am not sure about where we are up to with the process. We are working under an interim arrangement which applied to people in this position. A full application will go to the Rem Tribunal and a determination will be made.

Senator MASON—But we are not sure if an application has been made?

Mr Cook—No, I am not. I do not think any of us—

Ms Sykes—I understand that an application is yet to be made.

Senator MASON—When is the board first due to meet?

Mr Cook—The current state of the process is that the Deputy Prime Minister has written to state and territory colleagues asking for jurisdictions to nominate members to the board. Those nominations are not yet back; I need to check with someone on the exact date. She has also written to the Catholic and independent school sectors asking them to consider nominating three people to the board as joint nominations representing their sectors.

Ms Paul—The letter from the Deputy Prime Minister seeks nominations by 22 February.

Senator MASON—I thought I was specific but let me ask again: when is the board due to meet?

Ms Paul—It cannot be determined yet until we know who the membership is, and then the chair will have to set a date in liaison with the members.

Senator MASON—So there is no time line for the board's first meeting?

Ms Paul—The Deputy Prime Minister is keen for it to be as soon as possible. But, of course, these nominations have not even come in yet, and no doubt the chair, Professor McGaw, will want to balance up the diaries and so on of whoever the nominees are.

Senator MASON—Applications have not gone to the Rem Tribunal and the Deputy Prime Minister has called for nominations. The press release I have in front of me—from 30 January this year—says the board will be established by 1 January 2009. So we might have to wait 11 months for the start of the revolution. Is that right?

Ms Paul—No, that is not the intention.

Senator MASON—That is what it says.

Ms Paul—As I say, the process basically goes: nominations, consideration of nominations, and then the chair obviously will form the group and have his first meeting, and so on.

Senator MASON—So this press release is wrong?

Ms Paul—No, but does it say ‘by’?

Senator MASON—It does, but that could be as late as 1 January 2009.

Ms Paul—I think we are probably splitting hairs. The details of this will be clear in the implementation plan which COAG will consider at its next meeting at the end of March. This is one of the areas which, COAG last year agreed, would have a detailed implementation plan. By that stage, hopefully, we will know precisely what the schedule of meetings might look like.

Senator MASON—But there is no firm timetable. And we know, from this press release, that the board could be established as late as 1 January 2009.

Ms Paul—I do not think—

Senator MASON—What about revving up for the revolution, Minister? Is it a postponed revolution?

Ms Paul—No, not at all. The chair was announced on 30 January—

Senator MASON—Yes, the chair has been announced.

CHAIR—Senator Mason, the department is being very responsive. I think you should—

Senator MASON—I am being naughty?

CHAIR—Yes. Thank you.

Ms Paul—I will outline the progress so far, since COAG discussed it on 21 December. About six weeks later, or two weeks ago, we had the chair. Last week we had the deputy chair. We have a submission to the Remuneration Tribunal, which is probably drafted. And a letter went out on 8 February from the Deputy Prime Minister, seeking nominations closing this Friday, 22 February.

Mr Cook—The minister’s letter indicated she was keen for the board to commence operations by March, which ties up with the COAG meeting timetable.

Senator MASON—We have no timetable, but the Deputy Prime Minister is ‘keen’—is that right?

Ms Paul—I think that is the timetable; we are aiming for March.

Ms Sykes—COAG—the productivity working group—has asked that an implementation plan be brought to it on 11 March, so that does set some notion of a timetable for some piece of work to be done before that time.

Senator MASON—That might be right, Ms Paul, but what the press release says is that there is no commitment that the board will be established until 1 January 2009. That is what the press release says.

Ms Paul—We are clearly working well in front of that, at the moment.

Senator MASON—Oh, you are?

Ms Paul—Yes, that is right.

Senator MASON—So the revolution will not have to be kick-started next year, which is what this press release potentially says?

Ms Paul—No, it is well underway now.

Senator MASON—What outcomes are expected? No. Let me just go back to the press release for a second. This is a technical question with which perhaps, Ms Paul, you can help me.

The National Curriculum Board will draw together the best programs from each state and territory into a single curriculum to ensure every child has access to the highest quality learning programs ...

How is best practice to be identified? What does best practice mean?

Ms Paul—Sorry—‘best practice’? Where are you quoting from there?

Senator MASON—From the press release—the infamous one, Ms Paul, that refers to the establishment of the board by 1 January 2009; that press release.

Ms Paul—Where it says ‘best programs’; okay. That is talking about—

Senator MASON—What is best practice?

Ms Paul—The best programs that are being mentioned there—

Senator MASON—Sorry, the best programs.

Ms Paul—Yes; it does not matter. The best programs that are being mentioned there are basically the role of the curriculum board, because it will comprise Australia’s top experts in this area who will work with the curriculum authorities in the states to identify the highest quality curriculum there is. There are a range of ways of testing that, many of which are well known. There has been some previous work, for example, through the Australian Council for Educational Research and through other ways, to identify what is high level. All that work will be drawn on, I am sure, by this board.

Senator MASON—I am not an expert in this, but is this based on TIMSS or PISA—those international standards?

Ms Paul—That tests the outcome, I suppose, in part of the curriculum—

Senator MASON—That is not really my point. I want to test, in fact, whether we are achieving what we want to achieve.

Ms Paul—It does not test curriculum directly, as you probably know, but it tests students’ proficiency in certain areas, particularly in literacy and numeracy.

Senator MASON—Do we have a timetable for achieving improved outcomes? When is the testing going to be done?

Ms Paul—That is a kind of separate question, really. Testing is done on a regular annual basis and has been for some time—that is, national testing. For the international testing for PISA and TIMSS, I cannot recall a timetable. It is not every year, so I would have to go back and look at when the next round is likely to be. I just cannot recall.

Senator MASON—The other day I was reading in the *Sydney Morning Herald* an article from Anna Patty, the education editor—‘How private schools owe taxpayers \$2b: secret file exposes funding’. I am sure you know about this. Apparently it is from the department. A report was leaked. I think the article said—and correct me if I am misstating it—that the report said private schools will have been overfunded by more than \$2 billion over four years

and will be overpaid by \$2.7 billion over the next four-year cycle. In all, 60 per cent of Catholic schools and 25 per cent of independent schools—according to this leaked report—are being funded above their entitlement under the federal SES formula. Is that right, Ms Paul? I have not seen this leaked report. I wish you would give me a copy. Is that right?

Ms Paul—I do not have a copy.

Senator MASON—Have you read it?

Ms Paul—I do not know what it was that Anna Patty was referring to. In general terms, what is being referred to there is the previous government's funding system for non-government schools.

Senator MASON—Yes.

Ms Paul—The previous government's funding system for non-government schools had a particular approach to what you might call 'grandfathering'. That is, when schools—for example, the Catholic schools—came into the socioeconomic status funding system in the 2004 quadrennium, the previous government decided that the grandfathering arrangements would be to preserve the value of their previous funding in real terms. That meant that, in other words, they were not disadvantaged by coming into the previous government's funding system. Basically it is a method of grandfathering, if you like.

Senator MASON—Minister, are you still happy with this funding model?

Senator Carr—I think I can say what the article was referring to there. This is the one on 9 January—is that the one you are referring to?

Senator MASON—No; Saturday, 9 February.

Senator Carr—My understanding is that there was a decision taken by the previous government to initiate an internal review to assess the SES funding arrangements for non-government schools. The report was prepared for consideration by cabinet, has not been released and, as I understand it, is not available to the incoming government.

Ms Paul—That is right.

Senator Carr—The incoming government does not have it. What we can say is that the present government made election commitments, during the 2007 election campaign, to maintain the existing socioeconomic status funding arrangements for non-government schools for the next quadrennium. All schools will be able to rely upon that commitment.

Senator MASON—So are you happy with the current SES model?

Senator Carr—I have made it very clear what the government's position is and, ipso facto, I am happy with it.

Senator ALLISON—Minister, are you commissioning a new report?

Senator Carr—I will leave that to the officers, because I personally am not commissioning any report into the SES funding.

Senator ALLISON—Is your government?

Senator Carr—I will leave it to the officers to assist me in this regard.

Ms Paul—We have not been commissioned at present but, of course, that will be a matter for government to consider, naturally.

Senator ALLISON—In what sense was it an internal report?

Ms Paul—It was a request by the previous government for the department to undertake a review.

Senator Carr—It is a good question. Thank you very much, Senator.

Senator ALLISON—Who prepared it?

Ms Paul—We prepared it in liaison with some other agencies—I think the central agencies—for consideration by the previous government.

Senator ALLISON—So it was internal in the sense that the department did it. You did not have consultants involved.

Ms Paul—We did not have consultants involved. There were some other departments involved, but no external players.

Senator ALLISON—It would not seem to be too difficult, Minister, to commission a new report on the basis of the expertises in the department.

Senator Carr—Thank you for your advice, Senator. It is, however, not my responsibility to commission reports in this area.

Senator ALLISON—Perhaps you could take it up with the minister.

Senator Carr—I am sure your views will be noted by the minister.

Senator ALLISON—How long did the report take to develop?

Ms Paul—I cannot recall, actually; it goes back some time.

Ms Northcott—It was some 18 months ago, I think. It was commissioned in 2005, I think, by the then minister, Dr Nelson.

Senator ALLISON—It reported on the data to the end of 2005, or for some other period?

Ms Northcott—It was looking at data from the previous quadrennium, as I understand it.

Senator ALLISON—Up to what date?

Ms Paul—It was in the context of the previous and current funding for four years, which is 2005-08.

Senator MASON—I have an article, by Anna Patty, from the *Sydney Morning Herald* of 12 February 2008. Ms Gillard is quoted as saying:

... the Government would conduct a public review of the socioeconomic status funding system.

Is that right, Minister?

Senator Carr—I saw the report as well. I understand that she said an ‘open and transparent review after the current quadrennium’. That is not for this quadrennium; it is the \$43 billion I spoke of for the next one. Under the AGSRC rates, I am sure it will be a substantially higher figure than \$43 billion.

Senator MASON—So the government has committed that over the next quadrennium, but this review will relate to school funding after the current quadrennium—that is, after 2012. Is that correct?

Ms Paul—That is right. Each quadrennium, we go through a review type process.

Senator MASON—Minister, can you assure Australian parents that funding to their children's schools, relative to other schools, will not be cut after the current quadrennium?

Senator Carr—I think the words that have been used are that not one cent would be taken off schools in the current quadrennium.

Senator MASON—I was asking about after the current quadrennium.

Senator Carr—All I can say to you is what I understand to be the position of the government at the moment and what it has said it will do. It will implement its policies as it will do in every area. I do not know how many times we can say that, but that is the position.

Senator MASON—So you will not make that commitment after the current quadrennium? You cannot assure parents that after the current quadrennium that funding will not be taken from Australian schools, relative to other schools?

Senator Carr—We are here answering questions on the current arrangements.

Senator MASON—Okay, that is fine. You have not made that assurance; that is fine.

Ms Paul—Forward estimates, as you know, only go for four years. So each time we come to a quadrennium, obviously there is a consideration by government, as there will be for the 2012 quadrennium.

Senator MASON—You are of course correct, but the minister is entitled to make a political assurance that cuts across budget estimates. Thank you for your contribution.

Ms Northcott—It may be worth clarifying that the current quadrennium ends at the end of this year, on 31 December 2008. The government's commitment in terms of maintaining the current funding and indexation arrangements relates to the next quadrennium, which runs from 2009 to 2012.

Senator MASON—Yes, but my question was about after 2012.

Ms Northcott—You were referring to the current quadrennium.

Senator MASON—All right. After 2012, can you assure the parents and children of this country that funding at their schools will not be cut relative to other schools?

Senator Carr—I cannot add any more than what I have said.

Senator MASON—You have not made the assurance. That is all right. That is all I was really after on that issue.

Senator ALLISON—How many non-government schools are now 'funding maintained'?

Ms Paul—Forty three per cent of non-government schools are funding maintained.

Senator ALLISON—What is that in real figures?

Ms Northcott—There are 1,175 funding maintained schools. Of those, 969 are Catholic systemic schools and 206 are independent schools.

Senator ALLISON—Do you have a time frame showing the number of schools over the last quadrennium and the one before that?

Ms Northcott—Yes, we do.

Senator ALLISON—Can you table that?

Ms Northcott—I am not sure that I have it here. If I don't, I can certainly table it afterwards. Funding maintained schools, essentially the independent schools, will have been funding maintained since 2001. They will have stayed steady. The number will not have changed. Any new school entering the system post-2001 is funded on its SES score.

Senator ALLISON—That is not altogether the case, is it?

Ms Northcott—The number of Catholic schools that gained funding maintained status in 2005 has also remained steady.

Senator ALLISON—Is it possible for a school to move into another category and still be funding maintained?

Ms Northcott—No. There is a third category: schools funded according to their SES score—'schools funding maintained'. 'Funding guaranteed schools' is the transitional category.

Senator ALLISON—Funding guaranteed?

Ms Northcott—Funding guaranteed.

Senator ALLISON—How is that different from 'funding maintained'?

Ms Northcott—Funding guaranteed schools are schools that, with the re-calculation of the SES scores as every census is conducted, would lose funding if they are immediately transitioned onto their new SES score. 'Funding guaranteed' operates so that their funding is maintained until AGSRC and indexation catches up. Then they will be funded according to their SES score.

Senator ALLISON—It sounds like what 'funding maintained' used to mean.

Ms Northcott—No. I am obviously not explaining it very well.

Senator ALLISON—What is 'funding maintained' then?

Ms Northcott—'Funding maintained' is being funded on the score that they were funded prior to the SES system being introduced in 2001, and fully indexed at that rate.

Senator ALLISON—Okay. You have given me the 'funding maintained' group. What are the numbers for the 'funding guaranteed'?

Ms McKinnon—There are 23 of them.

Ms Northcott—That is the one that will have changed over the last quadrennium. I might have to take that on notice, but it was a larger number. As indexation kicks in, the amount of money going to schools increases as a result of indexation.

Ms McKinnon—As at the start of the quadrennium, there were 265 funding guaranteed schools; by the end of 2005 there were 183; by the end of 2006 there were 54; and by the end

of 2007 there were 23. We are projecting that, by the end of the quadrennium, there will be eight remaining.

Senator ALLISON—I understand that new ABS data is available that could be used in a new geo-coding exercise. Where is that process up to?

Ms McKinnon—The ABS data on the 2006 census is used to calculate the SES index. We are intending that the new SES scores, based on that 2006 data, will be released to schools by June 2008 and that determines their funding levels for 2009-12.

Senator ALLISON—So that is just for the new schools coming into the system?

Ms McKinnon—That reviews the SES score and the circumstances of the parents of that school according to 2006 data.

Ms Northcott—It is for all schools; all schools get a new score.

Senator ALLISON—Are you able to say what differences will have resulted from that new data?

Ms Northcott—Not at this stage—no. It is a very big exercise. 1.1 million student addresses need to be geo-coded. That process has finished. The next part of the exercise is matching that to 2006 census data, and that is being undertaken at the moment.

Senator ALLISON—When was the previous period that this was undertaken?

Ms Northcott—It happens every four years. It happened prior to the start of the current quadrennium.

Senator ALLISON—I do not think the government collects data about the surpluses generated within schools—the subject of some press in recent days. Is that correct?

Ms Northcott—We do collect quite comprehensive data in relation to school finances. Every year there is a financial questionnaire for non-government schools. Non-government schools, as part of their funding agreements, are required to complete a financial questionnaire.

Senator ALLISON—Including surplus?

Ms Northcott—They are audited accounts, so surpluses would be included in that.

Senator ALLISON—How many schools had surpluses of over \$1 million?

Ms Northcott—I am unable to answer that question.

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

Senator ALLISON—Is it possible to get a full list of those and the amounts?

Ms Northcott—Yes. It will take some time to go through. As you know, there are almost 3,000 non-government schools. We would have to go through the financial questionnaires to ascertain that information, but we can do that for you.

Ms Paul—I think there is a commercial privacy aspect to what information we are able to identify schools against.

Senator ALLISON—I thought the surpluses were part of their annual reports?

Ms Paul—Yes, I am just saying that as a caveat. I know that has been a factor in the past. Anyway, I am happy to take it on notice. If it is possible, we will list them to the extent that we can. I know there is a qualification.

Ms McKinnon—I think that in our contractual funding arrangements there is a caveat on what we can release publicly. I think part of the material in the press that you are referring to probably comes from reports to ASIC, which are publicly available.

Senator ALLISON—So it is publicly available information?

Ms Northcott—Yes. We can probably provide information on the number of schools with surpluses of more than \$1 million, but whether we can identify which schools they are is another issue.

Senator ALLISON—Why wouldn't you be able to do that?

Ms Northcott—Because of our contractual obligations with schools. We will need legal advice as to whether or not we can provide the actual names of the schools.

Ms Paul—Obviously, we are happy to do what we can.

Senator ALLISON—So a contract might have been entered into in which you agreed not to reveal surpluses?

Ms Northcott—In which we agreed not to reveal aspects of the financial information that the schools fill out in the financial questionnaire. That being said, we may be able to do it. I am quite happy to see if we can do it; I just cannot recall whether we can do it.

Senator ALLISON—Of the schools with surpluses of more than \$1 million, how many have funding maintained or guaranteed?

Ms Paul—We would obviously have to take that on notice because we do not know the answer to the first question.

Senator ALLISON—It would be useful if you could indicate the dollar amount of funding that goes to those schools. The last government introduced this model in the expectation—at least, this is what they said—of making non-government schools more accessible. In other words, because of the SES model, the fees would drop. Does the department collect that data and is that the case?

Ms McKinnon—Non-government schools are not required to advise the department of the fees they charge. As we indicated, we do collect financial data through our questionnaire, but there are limitations in regard to assessing fees. They are not recorded by primary or secondary level, for example, so you can only determine an average fee per student. Many schools do not have, for example, separately identified building levies, so you cannot tell what is a fee or a levy. The schools also report net fee income. They are not required to indicate remissions, scholarships or multiple sibling discounts.

Senator ALLISON—In the evaluation which was done—which no-one is allowed to talk about—was that objective one of the measures examined?

Ms Paul—I do not think that was in the terms of reference. The terms of reference went to the nature of the socioeconomic status funding system, which does not go to the issue of fees.

Senator ALLISON—Minister, do you consider that the extent to which fees have been able to be contained by this measure is a question which should be examined?

Senator Carr—I have heard some of these questions before, you know! There is a ring of familiarity here! I think we will run with what the officers have just said.

Senator ALLISON—Is there any evidence that there is a correlation between school surpluses and the level of fees?

Ms Paul—For the reason that Ms McKinnon has outlined, we do not know.

Senator ALLISON—I understand there has been a review of the financial questionnaire that goes out to non-government schools. What was the result of that review?

Ms McKinnon—We are currently undertaking that review. It is to go to the reporting and compliance burden. Under the Banks report, there was an undertaking to review that financial questionnaire. We are looking at whether all the questions are still necessary, how the information is collected and whether the information is collected elsewhere. We would expect that review to inform the arrangements for the next quadrennium—that is, 2009-12—but my initial impression is that the changes will not be significant. It is about streamlining the reporting from schools and ensuring our compliance regime.

Senator ALLISON—Where did the need for a review come from?

Ms McKinnon—That was a recommendation of the Banks report into the regulation review. We are working with the independent schools, the Catholic systems and also the state government registration bodies to look at the information in that financial questionnaire.

Senator ALLISON—I did not see that recommendation; was the proposition that too many questions were being asked on it? What generated the recommendation?

Ms McKinnon—I think it was not targeted at the schools specifically but looked at the overall reporting burden on schools, in a financial and non-financial sense, to their own systems, to state governments and to the Commonwealth government. The financial questionnaire was identified as a task to review.

Senator ALLISON—When will that exercise be complete?

Ms McKinnon—I suggest it would be finished probably by September-October this year, in time to inform the arrangements for the next quadrennium.

Senator ALLISON—Sorry, did you say October?

Ms McKinnon—Yes.

Senator ALLISON—Is that a public process? Did you take submissions on it?

Ms McKinnon—No, it is not a public process, but we are working with the independent schools authorities and the state governments in terms of the input from schools and suggestions for improving the financial questionnaire.

Senator ALLISON—In general terms, some questions will be dropped off as not being useful to the department?

Ms McKinnon—Or elsewhere collected—through the Bureau of Statistics or—

Senator ALLISON—Is it likely that the scale of fees will become one of the questions on the questionnaire?

Ms Paul—I think the main point of the Banks review is to simplify and get rid of questions rather than add them, so I am not sure about that.

Senator ALLISON—I would have thought the main point of the review would be to see whether there is accountability for money being expended.

Ms Paul—In terms of our review, yes, that is true. The Banks review was about red tape.

Senator ALLISON—On the SES review itself, are there any plans to release the results of that review?

Ms Paul—We are not able to do that. That was a report for the previous government.

Senator ALLISON—This is the report we were talking about before?

Ms Paul—Yes.

Senator ALLISON—I think that is all I have on the general questions. I want to refer to the current government's announcement before the election of \$16 million to be provided to Orthodox Jewish day schools. Do I need to refer to the media release?

Ms Paul—No, we are familiar with it.

Senator ALLISON—How will that money be distributed?

Ms Paul—That is still being considered by government.

Senator ALLISON—What is the start-up date for it?

Ms McKinnon—Over the next four years. It is the next quadrennium, 2009.

Senator ALLISON—Commencing next year?

Ms McKinnon—Yes.

Senator ALLISON—Is there to be a steering committee or a reference group that will oversee this?

Ms Paul—That is still being considered by government.

Senator ALLISON—So we do not know anything about this at all. Minister, can you enlighten us?

Ms Paul—We cannot go any further at this stage.

Senator ALLISON—How many Orthodox Jewish day schools are there?

Ms McKinnon—There are 20 Jewish schools in Australia, with approximately 9,000 students. They do not necessarily identify themselves as Orthodox or non-Orthodox. There are 20 Jewish schools.

Senator ALLISON—Minister, will this funding go to all 20?

Ms Paul—That is still being considered.

Senator ALLISON—Thank you, Ms Paul, but the minister must have some idea of what was behind the commitment made.

Senator Carr—I can give you some advice on this matter, some of which I have taken up in the past in terms of direct representations. One of the problems with the SES funding model—as you are only too well aware—is that, where poor families reside in wealthy communities, you get a distorted effect on the provisions available for individual schools. Take for instance Adass Israel in Victoria, which is an Orthodox school drawing upon families in the Caulfield area. These are often people who have very limited incomes and very large families, and the nature of their religious commitment means they are not able to move very far away from their synagogues. As a consequence, there are limitations on opportunities. The SES model takes none of that into account. My understanding of these measures is that there is provision available, and further detail will be available for the 20 Jewish schools that operate in Australia—although it is particularly for the Orthodox day schools that these provisions provide.

Senator ALLISON—How was it envisaged that that \$16 million would be divvied up?

Ms Paul—That is a matter for the minister to consider. That is what is happening now.

Senator ALLISON—I know, Ms Paul. An announcement has been made about \$16 million. I am asking the question of the minister as to what the rationale was for that \$16 million.

Senator Carr—I have just explained the rationale. This was an election commitment made by the former shadow minister.

Senator ALLISON—Yes. You said that, Minister.

Senator Carr—I have said this, and I will say it again. It was made on 10 August. It came about as a result of four specific schools that appealed their SES ratings. I can go through those with you if you like. In essence, the principles I have already outlined capture the essential argument.

Senator ALLISON—So the \$16 million would be spent over a quadrennium—that is, \$4 million a year?

Ms Paul—That is right.

Senator Carr—Over four years.

Ms McKinnon—I should correct my previous statement. It does start in 2007-08.

Senator ALLISON—So it does start this year? At what stage this year?

Ms McKinnon—We are awaiting the outcome of the appeal, which relies on the census data.

Senator ALLISON—So it might start in March or April?

Ms Paul—That could be right. The appeal information, the data from there which relies on census data and the survey data will help inform our advice to the minister. Then the minister will need to consider how the funding may be distributed—which goes to your previous question. You could expect to see a decision sometime soon in this calendar year.

Senator ALLISON—So, it is four schools involved, not 20

Senator Carr—No. There are four schools that have appealed their SES classification. There are 20 Jewish schools in Australia. I understand the number of Orthodox schools is yet to be defined. That will be done in cooperation with the Australian Coordinating Committee of Jewish day Schools. If you want to get into a long doctrinal argument about what is an Orthodox school and what is not, I suggest that is a good place to start.

Senator ALLISON—It might not be 20 schools. It might be 10 schools, or some other figure.

Ms Paul—That is the sort of information the minister needs to consider. The data arising from the appeal will help in that consideration.

Senator ALLISON—I come back to the business of identifying \$16 million. Was it understood, when that figure was struck, that it would be four schools, or 20 schools or something between?

Ms Paul—The commitment did not say how many schools.

Senator ALLISON—I realise that, Ms Paul. I am asking the minister.

Senator Carr—Thank you. I appreciate the point. My recollection of Mr Smith's remarks left these issues to be defined, and that is the process which the government has now commenced.

Senator ALLISON—And this is a sound way of developing funding policy for non-government schools.

Senator Carr—It is an election commitment.

Senator ALLISON—Enough said.

Senator Carr—I did look at some Democrat election commitments which were, without question, as I am sure you would agree, all rigorous in their assessments and were never intended to attract people to the Democrat vote. They were designed to repel people.

Senator ALLISON—I am not sure what this has to do with—

CHAIR—Minister Carr, we do not need to proceed down this path.

Senator ALLISON—Were there any other schools that appealed against their rating on similar grounds?

Ms McKinnon—There are currently eight schools that have move to the second stage of the appeals process, which is a parent survey of the community.

Senator ALLISON—So these are not Jewish Orthodox schools; they are some other kind of school?

Ms McKinnon—There are a range of non-government schools.

Senator ALLISON—Is there a bucket of money for those schools as well?

Senator Carr—The officers are here. They can tell us the answer to those questions.

Ms McKinnon—If the appeal, the survey and the use of the ABS data indicate that there are circumstances in that school's community that need to be reflected in its SES score, and

its SES score is recalculated as lower, it flows through to their general current grants and it is a demand-driven program.

Senator ALLISON—So you just adjust the SES score.

Ms McKinnon—Yes.

Senator ALLISON—Why did that not happen with the Orthodox schools?

Ms Paul—Their appeals have not finished so they are still underway.

Senator ALLISON—I am having difficult understanding why there is a different system for these schools. Can you explain?

Senator Carr—I think I have explained it very clearly already.

Ms Northcott—It might help if I explain that the Jewish schools that have appealed—and I cannot say whether or not they are Orthodox—are the only schools that have appealed on the basis of the large family size.

Senator ALLISON—That was my question.

Ms Northcott—Yes. So other schools have appealed but the basis of their appeal has been different than is the case for the four Jewish schools that have appealed.

Senator ALLISON—So it would not be possible to change the score on the basis of size of family?

Ms Northcott—That has been done through the appeal process. As Ms McKinnon said, there is a parent survey. First of all there is a collection of information in relation to the SES score of each of the schools and depending on the basis of the appeal, in the case of the Jewish schools, the size of family has been taken into account in recalculating that score. But for other schools, for example, a school may appeal its SES score because its circumstances have changes since its score was first calculated.

Senator ALLISON—So it is fitting in the same system and you will adjust the score. It will not be that a cheque is coming in the mail for \$2 million. You will adjust your score.

Ms Northcott—That is right. For example, if a community is affected by drought, its SES score may have changed quite dramatically during the period of the quadrennium and that is the basis for an appeal.

Senator ALLISON—This was simply a commitment prior to the appeal going through so, process wise, it has jumped the gun. Is that right?

Senator Carr—It is an election commitment. What more can I say?

Senator ALLISON—Thank you. At least we know where it fits into the process. I am not sure why that was not explained in the first instance really.

Senator Carr—There is an appeal process. These particular schools have been subject to quite serious public debate over some time, as indicated to you before. When the SES system was announced, I took up the case particularly for the Adass Israel School. They have unique characteristics and there was a commitment made to address them.

Senator ALLISON—Regardless of the outcome of the appeal.

Senator Carr—There was a commitment made on 10 August and it is being implemented.

Senator BERNARDI—My questions relate to the transfer of the programs from FaHCSIA but, specifically, the youth program. Just by way of clarification—I will address this to you minister, but feel free to allocate it to any of the department—what specifically is included within the portfolio of youth?

Ms Dacey—Three programs have come across with the Youth Bureau: that is, the Mentor Marketplace program of roughly \$2.5 million; the Transition to Independent Living Allowance program, which is roughly \$2.5 million; and the Youth Links program, which is just over \$7 million.

Senator BERNARDI—Does that transfer of funds, which I presume were in the previous estimates, appear anywhere in this document—in the supplementary budget portfolio additional estimates statements?

Ms Dacey—Under the previous reporting, there were four youth programs—to give you a number—all rolled up together and called ‘youth engagement’. There was some separating out following the latest administration order arrangements. So I am not sure that it is particularly clear in these documents.

Senator BERNARDI—I would suggest that it is unclear because I could not find it. The only reference to youth that I could find was to youth engagement for Scouting Australia which is \$1.5 million.

Ms Dacey—That is right. That is a specific payment for a specific purpose. Youth engagement is listed under outcome 5 but it is not particularly clear in the documentation, I agree with that, Senator.

Senator BERNARDI—Where does the other \$13 million or \$14 million that you have just outlined appear?

Ms Dacey—It sits under outcome 5: transitions—individuals acquire career development skills and make successful transitions to further education or training and/or employment. The youth element is not particularly transparent in that statement.

Senator BERNARDI—There are only those three programs? Are you responsible for the national youth forum that has been flagged?

Ms Dacey—The youth summit that was recently announced?

Senator BERNARDI—No, it is a national youth forum.

Ms Dacey—The Australian youth forum, which was one of the things that was discussed in the lead-up to the election?

Senator BERNARDI—Yes; that is right, an election commitment. So you are responsible for that?

Ms Dacey—Yes, Senator.

Senator BERNARDI—How will this forum differ from what was previously available through the National Youth Roundtable?

Ms Dacey—The commitment was made to have a look at how young people communicate with government and what their role and their voice with government would be. No model has yet been determined for the Australian youth forum. So, we have the roundtable still in place, and then we have the notion that some further work and some options for a model for a new Australian youth forum will be put forward. I cannot tell you how it is going to be different because the model has not been determined yet.

Senator BERNARDI—So it was an election promise with no model, and of no substance really?

Ms Dacey—We would simply say that we are not trying to pre-empt. We are going to go out and consult with advocates, young people and people in the sector to get their views on what might work well or what is worth retaining.

The **Senator BERNARDI**—Perhaps I could address this to the minister. Surely, as an election promise the minister responsible for this area, who came out and said they were going to create a forum, would have some idea and issue some advice to the department on how they would like it implemented?

Ms Paul—The commitment was that there would be an Australian youth forum: a formal communication channel between outstanding youth representatives, youth policy specialists and government. Clearly, it is about a communication channel. The Minister for Youth and Minister for Sport Kate Ellis, is very actively involved in leading consultations around the country. She is going out talking with, as Ms Dacey said, various players in this area who hear from young people directly on how they want to express their voice to government. Then she will be forming a view based on those consultations about what sort of structure a youth forum might take. The commitment did not go to the detail of the structure. So the minister is taking the opportunity to form her views via a series of consultation meetings.

Senator BERNARDI—So there was no view before about how it could work?

Ms Paul—I do not know if there was a view. I cannot answer that. The commitment itself talks about a communication channel and a voice. It does not go to the particular structure.

Senator BERNARDI—Are we going to dismantle the previous Youth Roundtable?

Ms Dacey—There has been no formal decision about that.

Senator BERNARDI—So that is still existing?

Ms Dacey—Yes, we have got the final 2007 Youth Roundtable meeting happening in Canberra on 17 March.

Senator BERNARDI—And then there is no commitment to continuing with that program?

Ms Dacey—No formal announcement has been made.

Senator BERNARDI—How do you define youth?

Ms Dacey—Generally speaking, for the purposes of youth programs it is young people aged 15 to 24.

Senator BERNARDI—Even though there is an election commitment for the forum, you would have to guess who is going to be included in that because there is no structure to it; there is no substance to it at this stage.

Ms Dacey—I think, as Ms Paul said, it is about coming up with a mechanism that allows people within that age group to have a role in the democratic process, to have a voice to communicate with government.

Ms Paul—In other words, there was no prescriptive structure put down, but the minister, Minister Ellis, has made a commitment to consult broadly through a series of consultation meetings and that will inform the view of the sort of structure and the type of representation that she will have.

Senator BERNARDI—Would this just include young people or would it include representatives and people that head up youth organisations?

Ms Dacey—Are you asking about for the youth forum?

Senator BERNARDI—Yes. You have to guess, because you do not know. There is no policy here.

Ms Dacey—One of the threshold questions is: do you make it a forum with dedicated membership of young people or do you make it a forum which allows for the service providers, the advocates and young people? So that is one of the threshold issues for what the forum might look like.

Senator BERNARDI—I thought that was pretty clear from the ALP website where it says it is going to bring together youth representatives and youth workers.

Ms Dacey—We are just going to ask the questions and seek feedback.

Senator BERNARDI—That is what they said: they are going to bring together youth representatives and youth workers—

Ms Paul—That is right—

Senator BERNARDI—as part of their forum.

Ms Paul—So that would be part of the expectation.

Senator BERNARDI—Are they still exploring that or have they made a decision? They are still exploring it?

Ms Paul—Yes, that is all part of the exploration that we have just described.

Senator BERNARDI—So the forum is going to be composed of people—even though they have described the types of people that are going to be on it; you are still exploring whether the ALP website is accurate or not.

Ms Paul—No, we did not say that; we said—

Senator BERNARDI—I know you did not. That is what I am trying to flesh out to find out.

Ms Paul—that the structure was not set prior and that the minister is understandably undertaking a broad series of consultation meetings to talk with representatives of the sector

and young people about what would work well for them to have this new voice with government.

Senator BERNARDI—I just want to come back to this: you are saying the structure has not been set out, yet it has been defined on the ALP website. It is going to involve youth representatives, young people and youth and yet you have—

Ms Paul—You would have to expect that, but I thought you were trying to get at something perhaps more detailed, which has not been spelt out.

Senator BERNARDI—I am just trying to establish this. You have said that there is still a consultation process going on. You do not know who it is going to comprise or what bodies, whether they are going to be included or not, and yet it says that very clearly. The minister obviously has not given you any instruction in this.

Ms Paul—Perhaps we were talking at another level of detail. Of course you would expect there to be young people, for example, and perhaps some representatives on this forum, but the minister has not yet decided which organisations it might be or which young people. There are a range of considerations to be made—for example, whether there will be state type representation.

Senator BERNARDI—Has she issued you with any instructions as to the relative ratios, the geographic representation or any broad guidelines for you to adhere to?

Ms Dacey—No.

Senator BERNARDI—Has the minister issued any instructions with regard to this at all?

Ms Dacey—As with most of the work that we do, one of the underlying principles is to be inclusive and particularly to seek broadly the opinions and feedback of what this mechanism might look like.

Ms Paul—I do not know whether Mr Cook wants to add anything about the series of consultation meetings and so on.

Mr Cook—In terms of the detail of it all, it is quite an appropriate process to go out and ask our youth and youth representatives about this type of forum. It is about trying to find a representative way of giving voice to all those particular interest groups, and that is what the minister is going through. She has been talking to us about getting that process underway quickly and about who we should be talking to in that process, and, in her own consultations with the sector as part of her day-to-day work, she has been talking to people about it as well. So it is a question of bringing that all together and coming up with a final structure for what the youth forum membership will actually comprise.

Senator BERNARDI—So you have received some information from the minister about who you should be talking to and liaising with.

Mr Cook—Yes, we have certainly had discussions with the office about those issues.

Senator BERNARDI—Would you be able to indicate the types of organisations that you have been in contact with about it?

Mr Cook—I cannot tell you on a day-to-day basis who we have been in touch with, but the types of organisations are a very broad range of youth groups. From memory, there is a very long list of them.

Ms Dacey—There is, and this is not final yet, but, just to give you an indication of categories, we will be talking to young people themselves and then we would be having discussions with organisations who have an interest in the sector. That would include existing youth peaks, research organisations and the youth affairs networks that are out there and running, and it would include Indigenous youth organisations; so we are aiming to talk to a mix of people who would have views on what a new Australian youth forum might look like.

Senator BERNARDI—Will you be extending that to regional Australia as well, not simply to metropolitan areas?

Ms Dacey—Yes.

Senator BERNARDI—How will the youth forum differ from the roundtable that is operating currently?

Ms Dacey—As I said, it is not clear yet because the model is not yet determined.

Senator BERNARDI—Have you received any estimates of the cost of implementing this yet-to-be-determined forum?

Ms Dacey—At the moment, we are still trying to work through what it will look like and what the model will look like, and that will have implications for what the cost will be.

Senator BERNARDI—Is there an expectation of when you will have a model that you will be working from?

Ms Dacey—We are still working through the timelines with the minister.

Senator BERNARDI—Can you be more specific? Is this expected to be enabled by the end of March? April? May? June?

Ms Dacey—I think the process of consultation will take some weeks, and then we will obviously need to go through what we get back, provide some analysis and advice to the minister, and then she will make her decision.

Senator BERNARDI—When did the consultation start?

Ms Dacey—It has not commenced yet. As I discussed with you before, the final roundtable meeting for 2007 is happening in March in Canberra.

Senator BERNARDI—So they are going to wait until the conclusion of that before they start consultation?

Ms Dacey—It is the minister's decision, and she has not taken it—

Senator BERNARDI—That is fine; I understand about that. It is very hard to ask you questions about a program where nothing has taken place. I am very happy to continue on this, though, because it is a very important thing for the young people of Australia to maintain the continuity of it. Given that nothing has really transpired as yet, it makes it a little bit tough for them to have any confidence that this is going to go on.

Ms Paul—I think the confidence would be achieved by the commitment to consult broadly. I think young people could certainly be confident at this stage that they will be heard. The commitment clearly is there to consult broadly, both with young people themselves and with representatives of their organisations. I think that is the current comfort, and I think that process is important in terms of getting a view on the nature of a forum which will genuinely represent their views.

Senator BERNARDI—Ms Paul, if it was so important, one would only presume that it would have started by now, and it has not started, and I am just wondering if the minister is really asleep and regards this as important, because nothing has happened.

CHAIR—You need to ask questions that the witnesses can answer, and that is not an appropriate question, Senator.

Senator BERNARDI—We have asked when it is going to start; there is no response to that.

CHAIR—That is a very legitimate question—

Senator BERNARDI—We have asked it, and no-one knows. So it is legitimate to ask if the minister is taking this seriously or not.

CHAIR—That is another question as well. That was not the way you phrased it earlier. That is all I was cautioning you about.

Senator BERNARDI—Is the minister taking this seriously or not? If she has not issued you with any instructions and she has not started consultation—

Ms Paul—Clearly the minister is taking this very seriously. We have met with the minister many, many times since her appointment and briefed her thoroughly on these areas. I know from my personal conversations that there is a high degree of commitment to implementing this initiative and the first stage is, naturally, to talk with young people.

Senator BERNARDI—How is that talking conducted? Is it conducted via letter, email, internet, personal visits or all of the above?

Ms Dacey—Just to clarify, I was referring to the formal consultation process. The minister has been talking to people as she meets with them in the course of her normal duties.

Senator BERNARDI—So you were referring to the consultation process with that department.

Ms Dacey—A structured, formal consultation process, which I think is what you were just asking about then, and what that might look like.

Ms Paul—A youth forum, for example.

Ms Dacey—That is right, yes.

Senator BERNARDI—But there is a consultation process with individuals—

Ms Dacey—No.

Senator BERNARDI—or organisations as well, which has commenced?

Ms Paul—No, what Ms Dacey is talking about is simply that, of course, the minister has already been active in her new portfolio. She has been out meeting various people, and so on, as you would be doing. You were wondering what the level of activity was there; I was assuring you that the level of activity was high.

Senator BERNARDI—It is quite high. This might be addressed to you, Minister Carr: I would guess that those people who have interest in this area and who have visited the minister would have participated in the lobbyist register or whatever has been constructed. Would that be correct?

Senator Carr—I am not certain what the developments have been with regard to the lobbyist register. The minister has indicated that she is keen to proceed with a proper consultation arrangement. I have every confidence that that is exactly what she is doing.

Senator BERNARDI—Ms Paul, has the minister got any DLOs in her office?

Ms Paul—I presume so, yes.

Mr Cook—I think there are two at the moment. I could check that, but I am sure there are two. She is also Minister for Sport, so there is one provided by Health and Ageing to look after that side. We have had a person there looking after the youth side as the DLO.

Senator BERNARDI—Was there a change in the DLO personnel upon the change of government or was it the same person that was there under the previous minister?

Ms Paul—There was not a ministry for youth under the previous government.

Senator BERNARDI—Of course.

Ms Paul—That is a new arrangement.

Senator BERNARDI—It would have been a different department as well.

Ms Paul—That is correct.

Senator BERNARDI—As part of the program of engaging youth and the consultation with the broader public, the minister has undertaken to go and visit universities. Is that in your bailiwick?

Ms Paul—Yes, that is correct.

Senator BERNARDI—And she will be talking about the lack of services available to some of the students there, such as child care, sporting facilities and so on? She was advocating that it was voluntary student unionism that had resulted in a reduction in these sorts of services, so she wants to go around and consult about how she can repair that damage.

Ms Paul—The minister is consulting on student support services.

Senator BERNARDI—In this instance, yes. My question is, I guess, to the minister here representing Minister Ellis: how does the government propose to fund these additional services that Minister Ellis has identified as less than adequate?

Mr Walters—There is to be consultation. A consultation document has been issued. Any funding proposals will be dealt with as part of the normal budget process. There is nothing on the table at the moment.

Senator BERNARDI—The consultation process would be going around and meeting with universities—

Mr Walters—Yes, and student groups.

Senator BERNARDI—and student groups. Small businesses?

Dr Perkins—Invitations have also been issued to sporting associations, various unions and small businesses on campuses, and also, in some cases, community groups in regional areas. Consultation has two parts. One is inviting written submissions in response to the discussion paper. The other part is actually via face-to-face meetings.

Senator BERNARDI—How do people know about making written submissions in regard to the services?

Dr Perkins—The minister issued a media release on 17 February, inviting written submissions. There was quite a bit of press coverage on the department's website. On the front page of the internet there is a link that goes to the discussion paper where all the details are. So it has been widely advertised. The minister has also written to all the key stakeholders, attaching a copy of the discussion paper and advising them of the consultations. So there are various methods by which people can find out about it.

Senator BERNARDI—But it has not gone broader than that, like to the students themselves directly?

Dr Perkins—It has gone to student organisations; that is right. And it is out in the broader community too. There has been quite a bit of publicity over the last few days.

Senator Carr—There are a number of face-to-face meetings that the minister is holding as well, so I think your characterisation of this is poorly directed, Senator.

Senator BERNARDI—I do not think so. I am just asking how you intend to communicate this message.

Senator Carr—It has already been indicated that there has been a press release. From my information here there are some 12 or so meetings scheduled through universities across the country. The minister has been engaged in quite a lengthy public discussion about the consequences of VSU, the dangers that the VSU policy has posed to the services provided by—

Senator BERNARDI—But she does not advocate for its roll-back. That seems a bit unusual to me.

Senator Carr—She has advocated that there are a range of options that are being now considered, and that is the whole point of the consultation. The fact is that the previous government brought in VSU and it led to quite serious consequences for student services. Perhaps that is an area where you could address questions to the officers.

Senator BERNARDI—If you want to explore VSU, we could ask why the minister is not indicating a roll-back on it. She said she does not want to go back to those bad old days.

Senator Carr—There are a range of financial options being considered—that is the subject of her discussion paper—there are a series of meetings to follow through on a face-to-face

basis and there are a range of quite detailed press materials that have been made available. Perhaps you could go to the question of what the consequences were for students.

Senator BERNARDI—We draw different conclusions. I do not believe that arranging meetings with 12 universities and issuing a press release is really considered wide consultation—

Senator Carr—Well, maybe you consult people without talking to them!

Senator BERNARDI—but that is your call.

Senator Carr—That is clearly not the minister's view.

Senator BERNARDI—I merely asked whether the students had been consulted themselves and you sprung up because you were unable to answer that.

Senator Carr—I have just indicated to you that there are meetings in Adelaide, Melbourne, Ballarat, Hobart and Perth in February and in Sydney, Armidale, Brisbane, Townsville and Darwin in March—

Senator BERNARDI—There are 12, aren't there?

Senator Carr—and even in Canberra there is an opportunity. There is also an opportunity to provide written submissions by the close of business on 11 March.

Senator BERNARDI—And that was—

CHAIR—Senator Bernardi, you have asked a question and the minister is answering it. So be patient.

Senator Carr—Unfortunately for you, the minister has engaged in quite a lengthy process of consultation where she has provided students with an opportunity to address her discussion paper not only in writing but in face-to-face meetings. It is a pity that the previous government did not have the same level of commitment to engage students directly as the minister has clearly shown in the short time she has been in the job.

Senator BERNARDI—Minister Carr, you keep going back to the past. We are talking about the future here and finding out what is going to be done—

Senator Carr—I am happy to talk about the past when it comes to a government—

CHAIR—Order! This estimates committee has been running I think quite smoothly and cooperatively today—

Senator BERNARDI—Well and—

Senator Carr—Thanks to you, Mr Chair.

CHAIR—You will wait till I have finished, Senator Bernardi.

Senator BERNARDI—Yes, Chair.

CHAIR—I would like to continue in that manner, so I ask all senators and the minister to consider carefully the questions they ask and the answers they give. Let us refrain from commentary and simply ask questions and get answers.

Senator BERNARDI—Was there a deadline for when written submissions as to the services on campus should be received?

Dr Perkins—Yes; it is 11 March.

Senator Carr—I think I just answered that. You have to listen to these answers too.

Senator BERNARDI—I stopped listening.

CHAIR—Minister Carr, please.

Senator BERNARDI—The process then: it would be submitted to the budgetary estimates and we would expect to find out any outcomes of that in the budget?

Dr Perkins—Yes, it will inform government processes.

Senator BERNARDI—On a similar topic, about communication and consultation, how is the new forum being marketed and how are people being invited to contribute their views to the forum?

Ms Dacey—It is anticipated that, similarly to the voluntary student unionism approach, a discussion paper will be made publicly available and that will form the basis. It will be put on the website. We will use our existing networks to make sure that people are made aware that there is an opportunity there and that there will be an opportunity to comment online as well.

Senator BERNARDI—Okay. I am sorry to jump around but I want to get back to Dr Perkins and to Mr Walters. Have there been any studies done on the percentage of students who require child care in the universities?

Dr Perkins—Not specifically that I am aware of. I know that there have been at least four reviews of the impact of VSU. Some of them may have actually considered that particular issue along with a range of other services, but I am not aware of a specific study of child care.

Senator BERNARDI—What about job losses as a result of the issue?

Dr Perkins—I know there has been some work on that. I think in their review the NUS actually did quantify the number of jobs they thought were lost as a result of the impact of VSU. I am just trying to find the reference for it now. I note that there was another study. The Australian postgraduate association also undertook a review and they found that most of the postgraduate associations actually had closed in a number of universities and there certainly had been some job losses. I am still searching for the figures, but they would be available in the reviews, which are published on the various websites.

Mr Walters—The discussion paper summarises what we know about the studies which have been conducted into the impact of VSU. It gives a summary and it gives links, I think, to what is up on the web.

Senator BERNARDI—Given that it is meant to have such a significant impact, it is surprising that there is no call by the minister to return to compulsory student unionism.

CHAIR—You could introduce a private member's bill, Senator.

Senator BERNARDI—That would be up to the minister. I just find it surprising, if they are that passionate about it, Chair. I will move onto another topic regarding youth and the proposed changes to the electoral laws. Does that also fall under your department?

Ms Paul—No. I think it would be under the Electoral Commission, which is not our portfolio.

Senator BERNARDI—You have not had any input into it?

Ms Paul—No. It would not be in our portfolio.

Senator BERNARDI—Because the focus of these changes is designed to engage the youth in the process. No?

Ms Paul—No.

Senator Carr—What the Labor Party said in the last election was that there are 150,000 mostly young Australians who are adversely affected by the previous government's changes to the electoral laws. These are obviously matters for another committee—

CHAIR—Yes. So let's—

Senator BERNARDI—That is simply what I was trying to establish.

CHAIR—It is another committee. I am conscious of the time. Have you finished your questions?

Senator BERNARDI—That is fine. I have finished.

Senator ALLISON—I have questions on the \$200 reading assistance voucher. In 2007 how many year 3 students received assistance under the original reading assistance voucher system?

Senator Carr—Have we not already canvassed this issue this morning, Chair? I do not mind if we do—

Senator ALLISON—I will not proceed if we have already asked these questions.

Senator Carr—We have dealt with these issues this morning.

Senator ALLISON—I might put my questions on notice just in case some of mine were not answered. That is what I will do. I will turn to special education, as I guess we might call it. The students with learning difficulties: I wonder if any discussions have been—

CHAIR—Senator Allison, I think that Senator Wortley had some questions on—

Senator WORTLEY—I have some questions on transition and youth.

CHAIR—Was that what we were just discussing?

Ms Paul—I just want to quickly make a few points. Anything on schools is outcome 2. Senator Allison is in outcome 2 at present, on learning and so on. The items we just dealt with in youth are actually outcome 5, which is coming up next. We are kind of rolling both together at the moment.

CHAIR—Senator Allison, we will continue with your questions. I am sorry.

Senator ALLISON—We will have another change of the guard. Assessment and intervention for students with learning disabilities: is this a matter which has been raised with the states and territories at MCEETYA in recent times?

Dr Arthur—The issue of assistance to students with various forms of disability is a matter for—

Senator ALLISON—That is not what I said, Dr Arthur. I said students with learning difficulties.

Dr Arthur—I am sorry, Senator. I was using a general description—and I accept your correction—in terms of the description. That is something which is a matter of dialogue on a regular basis around MCEETYA, yes.

Senator ALLISON—It is a matter for what?

Dr Arthur—Dialogue on MCEETYA.

Senator ALLISON—Yes, that is what I am asking about. So what has been discussed and agreed?

Ms Paul—Perhaps the best thing we could do for you is to summarise it. I do not know if you have a particular area of interest. In terms of learning difficulties in particular, I do not recall a recent discussion about learning difficulties in MCEETYA. If you like, we can go back, on notice, and look at the MCEETYA resolutions from the past several meetings and see what is there. The main activity that the department has been undertaking in recent years was looking at students generally with a physical disability, so if you are particularly interested in learning difficulties, we will have to look back, if that is okay.

Senator ALLISON—I am a bit surprised because I would have thought that this would have been on the agenda for a while. It is about the students with learning difficulties, which is a disability but not a disability in the intellectual or physical sense that is generally considered to warrant additional funding. So this is a long debate; it has not come up in the last five minutes. That is what I am really asking about. Has this been raised anew with the state governments?

Dr Arthur—I do not know that I can answer that question because I personally have been involved in these issues in the past but not more recently. In my own experience it has certainly tended to come up, particularly under areas such as literacy programs and with those parts of the policy that deal with those issues. It certainly has been subject to discussion.

Ms Paul—Perhaps you will be aware, Senator, of the various programs that relate to this—the special learning needs program, including literacy and numeracy. Special learning needs is a \$2 billion program that goes to schools to help support children with learning disabilities. In addition, you might be aware of the particular autism support, which is a new element, too. So there are a range of programmatic supports and quite a bit of funding which goes towards supporting children with special needs in schools. Perhaps I was interpreting your question too narrowly. I was reflecting on what discussions there had been in MCEETYA recently. I could not remember particular discussions, but there is a lot of support which is very active and which we evaluate and so on. In the broader sense there is a lot of activity going on.

Senator ALLISON—But the Commonwealth would not be satisfied with the level of support for students with learning difficulties. Is that right?

Dr Arthur—The Commonwealth certainly gets involved in the issue of funding for students with disabilities in the broad sense, and that can be addressed by the particular program that Ms Paul identified. But also, all of our funding is intended to produce good outcomes for those students. Therefore, issues such as the expectations of the states and

territories, specifying outcomes in very broad terms, agendas that have been pursued for some time now and being able to measure those outcomes across all students are all part of the policy process designed to achieve the objective, which is in both government policy and legislation, that all students are entitled to expect a good outcome from their education.

Proceedings suspended from 3.34 pm to 3.47 pm

Senator ALLISON—I will continue on the subject of students with learning difficulties. I would have thought this would have come to the attention of MCEETYA because of the national assessment program. I understand that Learning Difficulties Australia has written to political parties and I am sure they have written to you in the department on this subject of the results. Can you update the committee on the national assessment program and how students with learning difficulties fit in the student assessment indicators?

Mr Burmester—During the process of working with the states to develop the instrument and arrangements for the national testing program, there has been discussion about the accommodations that could be made for students that you are talking about, so they have been considered by the relevant officials committee from all states and territories. I am not sure of the final position on that or whether the accommodations that have been provided have yet been promulgated to all jurisdictions, but we could take that on notice.

Senator ALLISON—Does it require legislation or legislative change?

Mr Burmester—No, it does not require legislation. It requires agreement from state authorities so that it is on a standard national basis so that comparisons which may be made subsequently would be made on the same basis.

Senator ALLISON—I am sorry, I missed the crux of what you were saying; we are waiting for the states to come back on that. Is that correct?

Mr Burmester—I have dropped out of that committee, so I am not quite sure whether the final decision on the arrangements for those allowances that will be made for such students has been finally agreed, articulated and promulgated to the jurisdictions.

Senator ALLISON—Have you any idea of the time frame within which that will be expected?

Mr Burmester—It would have to be very soon. Because the national testing occurs in May, the arrangements have to be finished fairly soon.

Senator ALLISON—Does Labor intend to do this national testing differently from the previous government or the current arrangements?

Ms Paul—No. The way of doing the national testing has been worked up over a long period of time in the MCEETYA context and with the officials group that sits below MCEETYA, and that is proceeding. Most of the elements for a national test, particularly for a new test like what will happen in May, have had to be pinned down for quite a long period of time—even just in terms of ordering paper and the logistics of it. So no, it is a continuation—

Senator ALLISON—Are you saying that it is too hard to change?

Ms Paul—No, just in terms of the timing of the current one. You could change it over time, but arrangements are pretty well locked in now. We are proceeding as all of the jurisdictions have signed up.

Senator ALLISON—And the new government does not have a philosophical difference?

Senator Carr—As the secretary has just explained, there are certain logistical questions that have to be attended to in order to have a test at this time. It is very difficult to turn it around that quickly.

Dr Arthur—The government also has commitments in the area of national reporting which, on my broad interpretation, do not seem to mandate particular issues with this program.

Mr Zanderigo—You asked whether there is anything different about the testing. For the testing in May this year we have been working with the states and territories and have developed a new test framework so that from this year onwards there will be a single national test for all children in years 3, 5, 7 and 9 for reading, writing, numeracy and language conventions. A whole new bank of test items have been developed for that purpose. A completely new achievement scale has been put together and there will be a clearer picture for parents of exactly how their children are performing relative to other children in the country in their year and in their subject. They will get a brand new report which will outline for each subject and for each year where their child's results are in comparison to the rest of the cohort as well as some other information like the national average and things like that.

Senator ALLISON—Will it identify students with learning difficulties?

Mr Zanderigo—Students with learning difficulties are part of the arrangements that Mr Burmester mentioned before. Where it is considered that a student could not reasonably be expected to sit the literacy and numeracy test, they can be exempt. If they wish—

Senator ALLISON—That was not my question. Is the new test designed to identify students with learning difficulties such as dyslexia, dysnomia and the various groups of problems?

Mr Zanderigo—No, it is not that finessed. The teachers in each school know before the test which students have those sorts of learning difficulties. There is a basic threshold above which a child needs to be able to comprehend and master literacy and numeracy before they can participate in the test. The test itself does not test to that level of finesse.

Dr Arthur—In general terms, there are two different kinds of tests that tend to be used. One is an assessment and another is diagnostic. Clearly what the policy is working on here is assessment reporting. That is a different issue from what diagnostic tests should be administered.

Senator ALLISON—When will a diagnostic tool be used on those student who do not do well in the test? When are we going to reach that stage where we can actually identify what is wrong?

Dr Arthur—I do not know that anyone has suggested that a national diagnostic test for students with learning difficulties is a particular need. There are mechanisms, as Mr

Zanderigo has indicated, in schools at the moment which allow teachers to make those judgements and to adapt teaching strategies as a consequence.

Senator ALLISON—Do you consider that teachers are all equipped to make that judgement and diagnosis?

Dr Arthur—I do not think I said that teachers make that. I said that there are a range of mechanisms which are available in states and territories, and in schools generally, which assist teachers in carrying out those tasks.

Senator ALLISON—Minister, what do you consider needs to be done for students who have learning difficulties and disabilities?

Senator Carr—The national benchmark testing is to start its next round in May of this year. I am advised that, for the first time, that will include year 9. It will provide the basis for a national comparison of results through the years 3, 5 and 7. It is not, and never has been—in my understanding in all my time in terms of discussion on these issues—proposed that the results provide a comprehensive study of the skills that students are seeking to gain. They give you an indication of the benchmarking in terms of agreed procedures that are operating. They are not intended, as I say, to be a diagnostic tool in themselves. That is a separate—

Senator ALLISON—Do you think that is a problem? I understand why this test would not be diagnostic; it is a simple test, and you need a much more complex mechanism in order to identify what is actually going on. But surely for those students who are identified with low results there should be a follow-up testing arrangement in place.

Senator Carr—Sure.

Senator ALLISON—Why is there not?

Senator Carr—I think there is a confusion in what the benchmarked arrangements are. They are not designed to describe the whole range of programs that are actually taught.

Senator ALLISON—I understand that. I am not suggesting they are.

Senator Carr—They are not designed to provide detailed advice on attainment. They are a guide, and that is all it is—a guide to the level of achievement that students are making at those particular points in their school career. There are separate measures and there always have been—and you would know this, Senator Allison, from your time as a schoolteacher. There are special measures that are required, and there are special teachers available to provide those diagnostic services. Not all teachers are actually qualified to even conduct those tests. There are specialists who are available, and those tools are very useful, but there is a debate about the full extent of what programs are available, and it goes to a whole range of issues, be it the methods of teaching, the class size questions or the conditions in which people learn. I do not—and I do not know anyone who does—say that the benchmarks provide a comprehensive guide to all of those other actions. In terms of parents, there is a question of reporting requirements, and that is another area in which the government is moving.

I say that there is provision available under current funding arrangements to provide additional support measures for students with learning difficulties. They may not be as good as they were in the halcyon days of previous times, under the previous Labor government. I

recall that special needs teachers were laid on quite heavily at Glenroy Tech, where I taught for 10 years. Those positions are not available any more. Class sizes have risen. There are a whole series of other measures that have occurred over the last decade, and it will take time to rebuild special needs programs. I am particularly concerned—and I have said on numerous occasions—that my reading of the national skills reporting suggests we are not seeing a universal rise in the quality of education provision, and we have got to look at that. I think the programs that are available will, over time, see that. I have no doubt that that is the sort of issue that will be addressed as we move forward.

Senator ALLISON—Are you satisfied that there is adequate specialised testing for those students who do not pass—

Senator Carr—I do not have to be told—

Senator ALLISON—or have consistently low levels of responses to tests?

Senator Carr—I think the officers have addressed that already.

Senator ALLISON—I do not think so. I do not want to make this an argument, but it is my understanding that, for the vast majority of students in the vast majority of schools, the requirement for detailed assessment to discover what the problem is with learning difficulties comes down to parents having the capacity to afford to pay and to find a suitable education specialist in this field. Is that your understanding, or are we looking at any improvement whatsoever in dealing with such students?

Senator Carr—There are officers here who probably have a better grasp of the statistical analysis than I do. I can say this to you: that like you I share concerns, particularly at the middle level of schooling, in terms of the data that is available and in terms of the attainment levels. I know that there are particular areas of disadvantage in our society which are concentrated geographically. There are postcode issues in all of this. There are a much broader set of problems than have been discussed in recent years. Clearly, what the Deputy Prime Minister is seeking to attend to, in terms of her responsibility for social inclusion, is addressing those issues.

Senator ALLISON—How much money is spent on testing students under this plan?

Senator Carr—It is not just a question of testing; that is the point.

Senator ALLISON—No, I am talking about the national action plan, or whatever it is called.

Ms Paul—The national benchmark testing that we have been talking about does not go to the diagnostic. Just to clarify what we are talking about, the diagnostic remains in the school system level, as we have discussed. The cost of the national testing—

Mr Zanderigo—In relation to the new national tests, to date the Commonwealth and the states have invested around \$6 million in developing the new test framework and a new bank of test items. Actual delivery costs beyond that I think would be of the order—and this is just roughly estimating—of around \$30 million nationally. That is met by states and territories and non-government authorities. There is a further investment to be made next year in developing and equating the 2008 test framework for 2009, for which we have also made provision.

Senator ALLISON—I guess there is nowhere to go on this issue. We just get stonewalled. Every time I ask questions it is always the states' responsibility. It seems to me that this is a testing regime that does not achieve very much at all for those kids who are most in need.

Senator Carr—I think that is an unfair characterisation. The government has been in office since 4 December and terms have been sworn in.

Senator ALLISON—I asked you what you were proposing to do for such students and nothing was forthcoming.

Ms Paul—The main reference I gave was the programmatic reference to \$2 billion for learning and special needs, above and beyond the quadrennium, which should also go towards those things, and also the special targeted program for autism affected young people. We could certainly offer you a list of programmatic supports if you would like us to. But the diagnostic responsibility rests at the school system level.

Senator ALLISON—Which cannot afford it. I will not go into detailed questions, but is there a document that explains more about the autism spectrum disorder support.

Ms Paul—We can certainly get that for you.

Senator WORTLEY—I am just wondering whether you think it is good practice to monitor the effects of significant changes of policy. Is this practice normal and routine in the department?

Ms Paul—Did you have something in particular in mind? We would certainly regularly evaluate programs and so on.

Senator WORTLEY—Just generally.

Ms Paul—In monitoring changes of policy?

Senator WORTLEY—Yes.

Ms Paul—I guess my general answer would be that we are always interested in the impact of policies on their clients—the people they are supposed to affect.

Senator WORTLEY—Are there set processes and guidelines for carrying this out?

Ms Paul—I guess the most set processes would be through our evaluation frameworks, which are quite rigorous. Our evaluation of programs happens on a cyclical basis in the budget cycle context. As programs come up for renewal or termination there is that sort of consideration.

Senator WORTLEY—Is it normal to produce an analysis of any perceived trends?

Ms Paul—It is right that trends are usually useful. If we can it is always a great thing to be able to monitor trends over time, depending on whether data is available and so on.

Senator WORTLEY—Are the results of them routinely provided to government?

Ms Paul—The evaluations would be.

Senator WORTLEY—And the trends?

Ms Paul—In the context of those formal evaluations those would normally be reports that are usually considered in the budget context. So, yes, they would be considered by government.

Senator WORTLEY—Would it be usual for the department to decide not to provide an analysis of significant trends resulting from policy changes to the government?

Ms Paul—Probably not. I think it would be uncommon, that is right.

Senator WORTLEY—Can you recall any circumstances where that has happened—where the department may have decided not to provide such information to the government?

Ms Paul—The most recent reference to that sort of activity was probably the reference yesterday by the Deputy Prime Minister to analysis not undertaken on the impact of AWAs, for example. That could be one of the examples.

Senator Carr—I take this opportunity to mention something. I indicated before that the 2009-2012 quadrennium school funding arrangements was for a figure of \$43 billion. In fact the correct figure is \$42 billion.

CHAIR—Thank you, Minister. Senator Mason?

Senator MASON—I have questions, but they relate to higher education.

CHAIR—I think we are probably ready to move on at this point.

Ms Paul—While we are still on outcome 2, Senator Boyce, you asked about ovals.

Senator BOYCE—Yes.

Ms Paul—We undertook to get back to you on where in the guidelines for the broad capital programs for non-government schools ovals would be able to be funded. They are there under a line that states, ‘Use of funds. Development or preparation of land for building or other purposes.’ If you want us to offer more we can do that.

Senator BOYCE—Can I have that?

Ms Paul—Yes.

CHAIR—In order to dispose of sections if we can, as I understand it we have done some work on outcome 5, but Senator Wortley has a couple of questions on outcome 5.

Senator MASON—I think Senator Bernardi’s questions were roughly incorporated into that, were they not?

CHAIR—That is right, yes. Does the opposition have any more questions on outcome 5?

Senator MASON—No.

CHAIR—We will let Senator Wortley deal with outcome 5 and we will then move on.

Senator WORTLEY—My questions relate to transitions and, specifically, to the Ipswich Career Links. Are you able to provide a breakdown of the federal funding provided to the organisation and any expenditure records?

Ms Calder—With respect to your question about Ipswich Career Links, we provided \$76,185.10 in 2004, \$128,529 in 2005 and \$224,595.04 in 2006.

Senator WORTLEY—Thank you. What employment outcomes by year has the organisation achieved since it has received federal funding?

Ms Calder—I am unable to answer the question as it relates to employment outcomes. The program that was funded through Ipswich Career Links related to career and transition support, so it involved three specific programs—Adopt a School, Career and Transition Support, and Structured Workplace Learning.

Senator WORTLEY—You are not able to tell us the number of job placements that have resulted from that?

Ms Calder—It is not a job replacement program, so, no, there are no job placement outcomes from this program.

Senator WORTLEY—Has the department received complaints about the organisation from schools, clients or constituents?

Ms Calder—Yes, we have. We received one complaint from Redbank Senior High School regarding the service levels. We are not aware of any other specific complaints.

Senator WORTLEY—Has the department ever issued any formal warnings or applied any sanctions to the organisation and, if so, has the reason for the warning been addressed?

Ms Calder—Yes. On 21 November the department wrote to Ipswich Career Links, putting them on notice that they needed to take action to justify continuation of the funding and to seek their compliance. On 5 February 2007—so just a year ago, Senator—we formally notified them of their breach and contractual obligations and we pursued a mutual termination contract early last year.

Senator WORTLEY—I am sorry, I missed the last part of your answer. I will move on. If you answered any part of my question perhaps you would just let me know. Has any investigation or performance assessment of the organisation been undertaken and, if so, what were the outcomes? Finally, is the department still providing funding to the organisation?

Ms Calder—I will answer the second part of your question first. No, the department is not providing any funding to the organisation. No formal investigation has been undertaken. The actions taken by the department prior to the mutual termination of the contract were aimed at assisting the organisation with the contractual obligations. Ultimately, it was agreed that it was best to discontinue the contract, and another contract provider has been put in place for this region.

Senator WORTLEY—Thank you.

CHAIR—I think that is the end of outcome 5. We will move to Children's Group, outcome 1—Child care. If there are no questions on that we will move to Higher Education Group, outcome 3.

[4.11 pm]

Senator MASON—I think we have already discussed today the important role of teachers. Why is the government proposing to reduce the budget for the Carrick Institute for Learning and Teaching in Higher Education?

Mr Walters—If you refer to the additional estimates you will see what has been decided. The budget for the Carrick institute will be reduced by \$5.4 million this year and the election commitment to make a reduction in the funding for the institute for the out years of \$10.7 million will now be taken from the Learning and Teaching Performance Fund.

Senator MASON—What percentage of the annual allocation is the \$5.4 million?

Mr Walters—I will have to come back to you on the total funding. I have not got that immediately handy, I am sorry.

Senator MASON—Anyway we do know that it has been cut by \$5.4 million. That is right, is it not?

Ms Paul—That is correct.

Mr Walters—The reduction is \$5.4 million.

Senator MASON—Minister, was there any evidence to suggest that the Carrick institute was not achieving its objectives?

Mr Walters—The reduction comes from an election commitment.

Senator MASON—That is why I am asking the minister the question. I know you cannot answer this, Mr Walters—it is no fault of yours. Minister, is it right to suggest that the Carrick institute was not achieving its objectives?

Senator Carr—It is very clear that this was an election commitment.

Senator MASON—We have a so-called education revolution and we then cut the budget of an institute committed to raising the quality of tertiary teaching by \$5.4 million. It does not sound like a good start to the revolution, Minister.

Mr Walters—I can answer your earlier question, by the way, Senator. The total budget for the institute for 2007 is just under \$27 million.

Senator MASON—So it is about one-fifth—about 20 per cent. Minister, you have cut the budget of an institute committed to teaching and higher education by 20 per cent. As you know, I used to teach in higher education. Many academics are not good teachers.

Senator Carr—Are they?

Senator MASON—Many are not. Some are and some are not; that is a fair call. There are some good ones and there are some that are not so good, but if we are talking about an education revolution, we want teachers to be good, whether they are in primary, secondary or tertiary education. So why would you be cutting the budget of an institute dedicated to that by 20 per cent?

Senator Carr—The announcement was made as part of our overall target to impose fiscal discipline. At this point this is where I discuss the legacy of the previous regime in regard to inflation. I could go on at some length if you wish, but the fundamental proposition is that this is an election commitment which we are honouring.

Senator MASON—What I do not understand is that that seems totally antithetical to an education revolution, which demands good teaching, whether it be primary, secondary or tertiary education. You are cutting the budget by 20 per cent. I know, Minister, that you are

concerned about the quality of teaching and you are concerned about education, but this does not fit within that umbrella at all.

Senator Carr—You assert that. I am not in a position to take this discussion any further.

Senator MASON—Is the department looking at other separate models that may replace the Carrick institute?

Ms Paul—No, because this reduction is for only one year. So the institute's funding is re-established in the following year and it will continue to operate. As the minister said, it was an overall contribution to savings, which will now be reinstated in the following year.

Senator MASON—Minister, is there some ideological objection to this institute?

Senator Carr—Not that I am aware of. I am advised that the decision to reduce the funding has nothing to do with its name, if that is the point of your question.

Senator MASON—You mean Sir John Carrick?

Senator Carr—Yes, that is right. It has nothing to do with that. There have been some negotiations between the Carrick institute and a private entity to change the name of the institute to avoid the confusion that exists. We have two institutes: a Melbourne based private provider and a higher vocational education and training institute. We could not possibly confuse anything that is in Melbourne! I point out to you that the minister and the department will consider the role of the Carrick institute in helping the government to determine the most efficient and effective way to invest funds in the future for best practice in higher education, learning and teaching.

Senator MASON—It seems as though I cannot take this any further. I just want to make this point. We have spent the entire day thus far talking about the so-called education revolution and the importance of quality teaching. This is the principal body in this country that does that in tertiary education, yet the government is cutting its budget. It is extraordinary.

Senator ALLISON—According to the statements the cuts continue until 2010-2011 each year by \$10 million.

Mr Walters—But after the current financial year the cut will be taken from the Learning and Teaching Performance Fund rather than from the Carrick institute.

Ms Paul—That is right.

Senator ALLISON—So which bit has the Carrick institute in it? Which of the cuts is for the Carrick institute?

Mr Walters—It is the one for the current financial year of \$5.4 million.

Ms Paul— So its activities are changed this year and then basically it is reinstated but it is full funding in the out years. It is just a one-off.

Senator ALLISON—And the other fund—the teaching performance fund?

Mr Walters—The Learning and Teaching Performance Fund will take the cut of \$10.7 million from this financial year onwards.

Senator ALLISON—And what does that fund do?

Mr Walters—Under the previous government the Learning and Teaching Performance Fund was established to reward best practice in learning and teaching.

Senator ALLISON—Oh yes; I have got it.

Mr Walters—Therefore an assessment was done every year of the universities that had performed best amongst a range of indicators.

Senator ALLISON—It is okay; you do not need to go on. I have understood and recognise the fund.

Mr Walters—Right.

Senator Carr—I used to enjoy Mr Walters's advice on these questions.

Senator MASON—Minister, let us move on to the Higher Education Endowment Fund.

Senator Carr—Yes.

Senator MASON—The minister and Ms Paul may be interested to learn that the creation of the Higher Education Endowment Fund has created some international attention. It is a policy initiative that has been copied, I think, by the Democrat Governor of New York, Governor Spitzer. In fact, he will put some sort of fund together in the state of New York. You will recall that in the last budget \$5 billion was allocated, and then I think another \$1 billion was allocated in August last year.

Ms Paul—That is right.

Senator MASON—Minister, is the government going to match that?

Senator Carr—Match it?

Senator MASON—Add to the endowment fund?

Senator Carr—I am afraid that the budget is yet to be announced and we are not—

Senator MASON—I just thought I would ask.

Senator Carr—No.

Senator MASON—Minister, is the government is planning to allow universities to access the capital of the endowment fund?

Senator Carr—I do not think any of these questions have been resolved. We are in the process of developing a memorandum of understanding between my department and the department of the Deputy Prime Minister relating to administrative arrangements. We will be making joint determinations on questions of policy, priorities and proposals to be funded. I have yet to participate in a meeting, so I think it is a little premature to determine the outcomes of those discussions.

Senator MASON—Is it not nice that some Australian public policy ideas have been copied internationally, Minister?

Senator Carr—There are many. The Australian Public Service once had a reputation for being a world leader in a great many areas.

Senator MASON—Indeed. I am sure you would agree, Minister, that that endowment fund was a great initiative. Is that a yes or a no for Hansard?

Senator Carr—We are maintaining support for the fund. The operational questions have yet to be resolved, as they were left unresolved by the previous regime. Universities were in a great deal of uncertainty about how those funds would be expended, what were the divisions between research and teaching and what would be the allocative mechanisms. So these are questions that are yet to be determined.

Senator MASON—Fair enough. I will move on quickly to the abolition of full-fee paying places. Let me be more precise. Correct me if I am wrong, but it is the abolition of full-fee paying domestic students in Australian public universities. That is right, is it not? I think that is being precise.

Mr Walters—Undergraduate students.

Senator MASON—Sorry, undergraduate students? Okay. Let me get this right. So the government is proposing to do that. I take it then that foreign students will still be able to pay full fees at a public university in Australia, but not Australian students. Is that right?

Mr Walters—Yes.

Senator MASON—Right. Australian students will be able to pay full fees for a degree, not at a public university but at a private university. Is that right?

Mr Walters—Yes.

Senator MASON—The government will take away those options from domestic or Australian students? Minister, I understand that the government said that in order to compensate universities it will provide 11,000 more Commonwealth funded places. What is your best estimate, Ms Paul? How much will this cost Australian universities?

Mr Walters—The only estimate that is publicly available is one that was provided on the website of the Department of Finance and Administration—the cost of phasing out undergraduate fee-paying places for domestic students of public universities. The estimate was \$142.8 million over the financial years 2008-09 through to 2010-11. That was an Australian Labor Party estimate which was made available on the website of the Department of Finance and Administration.

Senator MASON—So that was \$142.8 million?

Mr Walters—Yes, over the financial years 2008-09 through to 2010-11.

Senator MASON—What about in the longer term? In other words, does that take into account the projected growth in full-fee paying domestic students?

Mr Walters—That was an Australian Labor Party estimate. There is no other estimate available at the moment.

Senator MASON—For what it is worth, the only estimate I have, Mr Walters, relates to a report in the *Sydney Morning Herald* of 8 December 2007. According to some estimates the removal of full-fee paying places will cost universities \$325 million. I do not own that figure; that is what has been reported. That seems a lot less. I asked that question simply because I would like to know what are the figures.

Mr Walters—Perhaps I could help by saying that—

Senator MASON—We have an Australian Labor Party figure and we have a figure from the *Sydney Morning Herald*. Potentially it is a little dodgy at the moment.

Mr Walters—The answer is: it depends on what you are counting as that which has to be replaced. For example, quite a substantial proportion of full-fee places are paid for by employers. For example, at one or two universities quite a large number of places are paid for by state governments for police officers. In other cases the Defence department pays for members of the defence forces to undertake education at some universities. So there are quite a few categories like that.

In some cases there are also students who are placed on the list as full-fee students who in fact are receiving fee waiver scholarships. In other words, the fees are effectively paid by the universities themselves. So the government will be taking a decision on which of these categories it needs to compensate the universities for, and in what fashion. Depending on what the answers are to those questions, that will be the amount it will cost the government to replace those places. None of those decisions has yet been taken. That is the reason why it is possible to come up with a number of different figures for this.

Senator BRANDIS—I wish to ask one question relating to that figure of \$142.8 million on the Australian Labor Party website. Was that the ALP's estimated cost of the promise?

Mr Walters—Yes.

Senator BRANDIS—Was that submitted to the Department of Finance and Administration and to Treasury as part of the charter of budget honesty process for costing by them prior to the election?

Mr Walters—According to the DOFA website, this was one of the commitments where a costing was not completed prior to the election because of the lateness of the request. So, therefore, this costing has been placed on the website.

Senator BRANDIS—I see. So the Australian Labor Party, which promised this policy and which was obliged under the Charter of Budget Honesty Act to submit it in a sufficiently timely manner for it to be costed under the charter of budget honesty election protocols, did not submit it in time to enable that cost to be verified?

Mr Walters—I can only refer the senator to the DOFA website on this issue.

Senator BRANDIS—Thank you.

Senator MASON—I think it is fair to say that we have two fairly widely disparate figures. We have the Australian Labor Party figure of \$142.8 million and we have some sources reported in the *Sydney Morning Herald* saying the figure is around \$325 million. I do not know but, clearly, we will be following this up in the future. Mr Walters, two days before the election, in order to make up to universities for the cost of abolishing full-fee paying domestic students, undergraduate students in public universities, the government said it would deliver 11,000 more HECS places to compensate universities. Minister, can you comment on that? Is that still the policy?

Senator Carr—Yes, that is the policy: there will be 11,000 new Commonwealth supported places. Obviously the funding arrangements will need to be confirmed in the forthcoming budget, and for obvious reasons I am not in a position to do that. There is some dispute about

the figures that have been used and we will have some figures checked later. But, clearly, as Mr Walters has indicated, that is because there are a range of other factors that go to make up the fee income for universities. My recollection is that, in terms of total university revenues, fee income was a very small number. I am going from memory here, Mr Walters, but I seem to think it was something less than four per cent. You can probably tell me whether that is right or wrong, but it is somewhere in that range. It is a small figure. Obviously the universities will be compensated by the provision of additional new Commonwealth supported places.

Senator MASON—Minister, it is not good to get between a vice-chancellor and a bag of money—any money.

Senator Carr—I would not rely on public statements published in newspapers of what are the costs of Labor Party policies.

Senator MASON—I understand that, but I am not sure whether we can rely on Labor Party costings either. They have not been verified.

Senator Carr—That is a matter of dispute.

Senator MASON—Okay, but I think we would both agree that this has to be costed correctly and in time?

Senator Carr—Yes.

Senator MASON—We probably agree on that?

Senator Carr—Yes.

Ms Paul—Just on the number of students, that is about 3 per cent. As the minister said, it is a small amount and that does include the police and so on, just to give you an idea of what proportion of students we are talking about.

Senator MASON—Three per cent of what?

Ms Paul—Three per cent of total students. That 3 per cent figure includes the police and so on, the full fee paying places paid for by employers that Mr Walters was describing before.

Senator MASON—Ms Paul, what percentage is that, however, of the income derived from students? Do we know?

Mr Walters—It is probably somewhat less than that. We would have to take that question on notice.

Senator MASON—Could you take that question on notice?

Senator Carr—In terms of university revenue there is a range of sources that are considerably less than what is paid by state governments at the moment. It is probably considerably less than what is paid by contract research at the universities. It is a very small percentage of the aggregate revenue from universities and it will be met in accordance with what policy commitments have been outlined.

Senator MASON—That is why I asked as a proportion of money paid by student fees. That is what I wanted to know.

Ms Paul—Yes, we are happy to do that. I think last year the minister had the figure of \$105 million in revenue, so it gives you a sense of proportion. We can tell you the percentage for that.

Senator MASON—How much extra income would the 11,000 extra Commonwealth-funded places generate? Do we know that?

Mr Walters—I think that that was the basis for the \$142.8 million estimate but I stand to be corrected.

Senator MASON—Mr Walters, you are saying that the 11,000 extra Commonwealth-funded places would generate sufficient income for universities to cover the ALP estimate—and let us not go over that again—of \$142.8 million. Is that what you are saying?

Mr Walters—I think at this stage it depends on how the policy plays out, but our view is that it would be, yes.

Senator MASON—How do we know that? We do not know in fact. We do not know how much this will cost universities—we do not know, as you said that before—and we are now trying to say that 11,000 places will cover it when we do not even know how much that figure is.

Ms Paul—We do know. We can work it out. It just depends on what is counted in the set, as Mr Walters was saying before.

Senator MASON—Ms Paul, we do not know because the figures have not been verified by the Department of Finance and Administration.

Ms Paul—I think what we were saying was that the decisions have not been taken yet on the set of fee paying places that this will cover, and that will make a difference to the estimate.

Senator MASON—So we do not know. We have a commitment for 11,000 extra Commonwealth places. We do not know how much money that will generate, and we do not know how much it will cost universities to take away full fee paying students.

Senator Carr—We know that the DEST finance collection indicates that in 2006 public universities received approximately \$105 million in revenue from domestic undergraduate fee paying students, which included employer reserved and summer schools.

Senator MASON—Minister, it is more complicated than that, as Mr Walters has pointed out.

Senator Carr—And that was why Mr Walters was making the point. A number of policy decisions are yet to be made, but it cannot be said that the revenue to universities is not known in terms of the figures I have just indicated. The policy questions that have yet to be determined will finally determine the cost of this initiative.

Senator MASON—Yes, but you do not know whether the 11,000 places that the government has promised will cover it. You cannot know because you do not know the cost.

Ms Paul—Mr Walters has said that our estimation is—

Senator MASON—He is pretty confident, but he does not know.

Ms Paul—That is as good as we can offer now, pending that range of decisions.

Senator MASON—It is not a good start again, Ms Paul. That is the problem. We do not know either figure. The government is committed to 11,000 extra places and we are not sure whether that will be sufficient. I wish to ask a further question on that. How will the department determine which universities receive those 11,000 places? How will they be allocated?

Mr Walters—This is a matter that we envisage will go out to the sector for consultation.

Senator MASON—Oh dear!

Ms Paul—That is what we normally do with new places. What we normally do with new places would be to consult the sector on the distribution of new places.

Senator MASON—I am sure you consult; I do not doubt that. But you see the problem, don't you? We do not know how much this will cost universities. We do not know whether 11,000 places will cover it, and all universities are not equally affected by this proposal. Clearly, Monash University is affected by this proposal far more than Southern Cross University.

Senator Carr—What we do know is that the former Prime Minister said there would be no fees charged over \$100,000. It has been established that that clearly was wrong. There were 256 such undergraduate courses, combined or double degrees of more than four years, charging fees of that dimension. We have a clear indication in some areas that there will be considerable savings for students. We know that there will be a cost to the budget, but the final cost will be determined as a result of the policy decisions that have yet to be made.

Senator MASON—But you have made a policy decision—11,000 new places—and we are not sure whether that will cover it.

Senator CARR—What I said—and what I think has been said repeatedly—is that the universities will be compensated, including by allocating.

Senator MASON—Sorry, Minister, I missed that.

Senator Carr—I will say it again. What we have said is that the universities will be compensated, including by allocating. So there are a range of measures.

Senator MASON—Oh, I see. So the 11,000 places will not cover it; there will be other initiatives as well.

Ms Paul—I think the 11,000 new places will probably cover it. Basically, it is pretty straightforward; it just depends on what is in the set and what is not. That is a decision for government—we explained that when we started—and that will determine the cost to government of this measure.

Senator MASON—That is interesting. How can universities be assured that they will not be worse off when full fee paying domestic students are not allowed anymore—when that is prohibited? How will you assure them, Ms Paul? Minister, can you assure them that no university will be worse off?

Ms Paul—That is why we will need to consult them on the 11,000, or whatever number of places, and the method of compensating them for the loss of that revenue. That is exactly what those consultations will be about.

Senator MASON—Have you commenced those consultations, Ms Paul?

Mr Walters—No, we have not. We are envisaging doing that over—

Senator MASON—It is a slow starting revolution, Mr Walters.

CHAIR—Senator Mason, let the witnesses respond to your questions.

Mr Walters—I just make the point that this policy starts from the beginning of next year, so there is quite a bit of time to settle the detail.

Ms Paul—The year 2009 is the beginning for this.

Senator MASON—It is a slow moving revolution, Ms Paul.

Ms Paul—If I may say so, it is more than a year before we implement it, so we at least can take a good amount of time, if we need to, to discuss this thoroughly with universities, which will be their preference.

Senator MASON—I am sure. So, Minister, you can assure every university that they will not be worse off with this policy?

Senator Carr—I think what the officers have indicated to you is the appropriate response. We have also indicated that a number of policy questions have to be determined, for instance employer reserved places, summer and winter school units, places subsidised by government, such as the National Institute of Dramatic Arts, the National Institute of Circus Arts, places for students who have used all their student learning entitlements, and students who do not choose to be Commonwealth supported. Under the old regime in the old education acts it used to be a program of award courses. Now all those issues are yet to be determined.

Senator MASON—So you are not giving an assurance that no university will be worse off?

Ms Paul—We said that we will go out and talk with universities. Let me repeat myself to say that we will be going out and consulting with universities on the impact, and that is from the point of view of their interest.

Senator MASON—That is fine. I think as a policy approach that is terrific. Ms Paul, I think that the consultation again is wonderful. But you see, in the end, the political question—and this is not for you; clearly it is for Senator Carr—is whether any university will be worse off. The minister will not give an assurance that that is the case, which is a great pity for our university system.

Senator Carr—I understand, as you do, that dialogues with universities often lead to lengthy discussions about the meaning of these words. I will let the officers determine those outcomes.

Senator MASON—But you will not give them the political direction that no university will be worse off, Minister.

Senator Carr—That is not my portfolio. I will not be giving anyone a political direction.

Senator MASON—Can you give that assurance on behalf of Ms Gillard?

Senator Carr—Ms Gillard has made perfectly clear what are the policies in regard to the implementation of this election commitment. I have nothing further to add to that.

Senator MASON—Ms Gillard has not made it clear that no university will be worse off. That is what she has not made clear. I have no further questions on higher education.

Senator FISHER—I do, but I am not sure to whom I should direct my questions. Minister Gillard introduced a bill in the House to change certain things in the higher education sector. I presume that, in the course of developing that legislation, the department provided advice to the government. To whom should I address my questions?

Senator Carr—Are we dealing with industrial relations issues at universities?

Senator FISHER—That is part of the bill.

Senator Carr—Why don't you fire away and we will see what we can do.

Senator FISHER—I understand that the bill will remove national governance protocols that are currently contained in legislation to protect the integrity of university boards and councils. The other day Minister Gillard indicated in the House that the protocols are being introduced by the government, presumably new ones, with a view to pursuing options for the non-legislative focus on governance standards. Can you explain how, in the course of providing advice to the minister, you envisage there will be adequate protections, given a move from legislative protection to something else?

Mr Walters—We do not normally discuss policy advice to the minister, but I can tell you what the minister said in her second reading speech:

While the governance protocols will be removed as a condition of funding, the government will of course encourage universities to pursue good governance practices and increase productivity and efficiency. This will be built into our more collaborative relationship with universities.

So what is before the parliament is that observance of the protocols will be removed as a condition of funding. But there is nothing in that to stop the universities from continuing to observe the protocols and, of course, to a large extent, the protocols are issues for state governments because they concern the size of the governing councils and things like that.

Senator FISHER—I appreciate that but, nonetheless, it is part of ensuring the integrity of our state and national educational institutions. You indicated that Minister Gillard said words to the effect of 'through more collaborative relationships'. You also indicated that the bill removes what would otherwise be a requirement to achieve funding. I am interested in what will motivate universities, indeed, require universities, to observe good governance protocols if a funding incentive has been removed and if there is no legislative provision around it. How do more collaborative relationships ensure good governance at universities? I suppose that is another way of asking the question.

Mr Walters—I think the thinking behind the government's policy is that universities do not need to be subjected to compulsion through the funding agreements in order to achieve results in this area. So, therefore, the minister said she will continue to encourage good governance practices. The government intends to introduce mission based funding compacts with the universities which will involve collaborative discussions about their future direction and mission statements. Those can include issues around governance. There are a number of other ways in which this could be explored—indeed, voluntary arrangements or some sort of

voluntary code is another possibility. But in changing the legislation the government's policy is actually saying that it does not feel that compulsion is the way to achieve these results.

Senator FISHER—So individual freedom, if you like, is a good thing in the context of universities?

Mr Walters—I beg your pardon?

Senator FISHER—Individual freedom is a good thing in the context of universities and self-regulation?

Mr Walters—I think in this context what the government is saying is that it does not feel that compulsion is necessary in order to achieve good governance. Incidentally, of course, all the universities met the governance protocols last year. So at this present time they are all compliant in relation to the size of the councils and so on.

Senator FISHER—I am keen to get some sort of indication on what we can look to in order to ensure that they continue—not so much to comply because it will not be the same sort of regime—to act consistently with those good governance protocols.

Mr Walters—In addition to the things that I just mentioned, it is worth bearing in mind that a review of the governance protocols has been taking place under the aegis of the Ministerial Council on Education, Employment, Training and Youth Affairs. That is due to report shortly and will reflect the views of universities and state governments and other stakeholders, including the councils themselves, on how effective those governance protocols have been and whether or not they need to be changed in any way. The protocols could continue in existence, even if they are not subject to the compulsion that is required under this legislation. So I think there will be a debate. That report will be made public, people will be able to express their views and there will be a debate about how to take this issue forward.

Senator FISHER—Mr Walters, is that ministerial consideration currently within the ministerial council itself or are they consulting externally?

Mr Walters—There has been external consultation. A consultation paper has been issued and it has been up on the website. A draft report has been compiled and I think that will be sent to ministers for clearance shortly.

Senator FISHER—Thank you. Within that context, have you been able to form a view about some of the possibilities for the composition of bodies that may be developed by the universities to run universities?

Mr Walters—If you are talking about the size and composition of governing councils, requirements exist in the existing governance protocols. A range of views were put to the committee of inquiry which has been looking into this for the ministerial council recently, and that is an issue which will be covered in their report. I think the new government has not had time to form a view on this matter other than that it does not believe that the issue should be a matter of compulsion through the funding legislation.

Senator FISHER—In the context of the advice you have been providing to the government, do you think it is a possibility that committees appointed by unions will end up having a significant say in the running of universities?

Ms Paul—We cannot go into much of our advice to government, Senator, as you are probably aware. As Mr Walters indicated, the government has not indicated a particular view one way or another on this matter. It really just went to the notion of it being a matter of compulsion. That is as far as it has gone so far.

Senator FISHER—If I understand it correctly, at this stage the element of compulsion has gone but there is no guarantee, as it were, from the government, ruling out the possibility that such committees might have their say at the end of the day, as in committees or councils appointed by unions? There remains a possibility in the implementation of government policy.

Ms Paul—You are speculating, and you know that we cannot address that. It is speculation. It is not something that governments have considered at this stage, so it is impossible to say. Of course, all the other jurisdictions—the universities themselves and all relevant players—are part of this review of the protocols, as Mr Walters described.

Senator FISHER—Okay, thank you. Also part of this bill, which I think sparked Senator Carr's interest initially, are provisions related to workplace agreements in universities. In the future, after the implementation of Labor's policy and reform agenda, will universities and university staff be able to enter into workplace agreements?

Mr Walters—Universities will be subject to the general law.

Ms Paul—Yes. The general national reform through Forward with Fairness will apply to universities just as they apply to everyone else.

Senator Carr—Which you are voting for now, I am told.

Senator FISHER—I know you are excited, Senator Carr. Sorry, Ms Paul?

Ms Paul—In short, universities will simply lie within the national framework of new legislation in this area. On the Forward with Fairness policy, currently there is a transitional bill in front of the House and universities will be subject to those things. We could go into the detail of that, but the short answer is: whatever legislation is enacted will apply to universities, just as it does to any other any other organisation.

Senator FISHER—So, for example, to take some logical consequence of what you are saying, Ms Paul, a university could enter into an individual transitional employment agreement with a member of staff?

Ms Paul—That is right. Once the transitional bill becomes an act, it is an act—

Senator FISHER—Were it to become law within its current term.

Ms Paul—That is correct.

Senator FISHER—Thank you. Have you provided advice to the government in terms of implementing their policies about the mechanism for hiring and firing staff—I am talking about academic staff at universities.

Mr Walters—Under the HEWRRs, whose abolition as a funding requirement is now before the House—

Senator FISHER—I am sorry Mr Walters, under what?

Mr Walters—The Higher Education Workplace Relations Requirements—the requirements which the legislation currently before parliament would abolish as a funding requirement. Under those requirements, for which the compliance date was 31 August last year, the department was engaged in providing universities with advice on policies and practices in so far as they might affect whether or not the university was compliant on the compliance date, which was 31 August. Obviously in the current circumstances, when legislation is going through parliament in order to remove those requirements, we are no longer providing advice on these issues.

Dr Perkins—The issue of universities hiring and firing staff is one that we have never actually been involved with. As you know, universities are autonomous bodies. All the Higher Education Workplace Relations Requirements sought to do was give some headline principles which universities would need to comply with as a condition of funding; we have never got down to that level of detail in terms of how universities manage their staff.

Senator FISHER—But, consistent with the bill before the House, those headline requirements would now be falling away.

Mr Walters—The universities will be subject to the general law of the land.

Senator FISHER—So, potentially, there is a prospect that unions could enjoy far more involvement in the hiring and firing of academic staff than they have in the more recent past.

Ms Paul—All this legislation does, Senator, is remove a funding link between the offer in simple form, the offer of an AWA, with funding. That is all this legislation would do if passed. The nature of future industrial arrangements, just really as at the present too, are a matter for the universities themselves and, as they are now, remain subject to national legislation in the industrial relations area. The higher education workplace relations reforms did not address every single issue to do with industrial relations in universities. It really was a funding link. I will just make that clear. That is all that will be removed here if the legislation goes through.

Senator FISHER—As you have indicated, Ms Paul, universities will be subject to the general law of the land. I guess I am coming at this from some concern that universities, like many other industries, are often wonderful creatures that can operate a bit differently within their own sector and sometimes need a bit of care that perhaps other industries do not. Thank you for your answers. I think you have answered it as best you can at this stage. Can I seek the view of the department about the challenge of attracting and retaining academic talent in the sector at the moment? How is that sitting?

Mr Walters—It is a matter on which concern is expressed sometimes in articles. Obviously if one is looking at top staff, I think universities face challenges which a lot of industry does too at the moment in that one has an international market for people with top level expertise, and they often employ international head-hunters, and so on and so forth. So it is an issue which is of concern to universities, as it is to most enterprises in the country which have an international reach. They talk to us about that. I mean, obviously, recruitment of staff is something which universities do, and they have all got their own ways of doing it.

Senator FISHER—What would you consider to be the major factors that assist the universities in attracting and retaining that talent, considering the global and national challenge that you have outlined?

Mr Walters—I think the same factors as apply to attraction of good staff in almost all enterprises, really. I mean, if you are talking about recruitment from overseas, it is whether or not people want to come here in the first place; whether there is attractive remuneration, obviously; whether the working conditions are good; whether the facilities are good; whether the university has a good reputation and so on and so forth. There are all sorts of factors.

Senator FISHER—Indeed, and, I suppose, whether Australia has a good economy, which they want to enjoy and be a part of. I will get to my question, Mr Walters. You mentioned attractive remuneration as an important factor. Let us think about wages in the sector. Minister Gillard has urged restraint on the economy, and the participants in the economy at large. Indeed we have certain sections of the population enjoying an 18-month wage freeze, so I can imagine the effect on the sector's attempts to retain talent—

CHAIR—It is 12 months.

Senator FISHER—Oh, I stand corrected, it is 12 months. Let us just say 'a wage freeze'. I shudder to think of the impact of that on this sector, were it implemented at senior levels in this sector. But Minister Gillard has clearly urged all sectors of the economy to seriously consider wage restraint. So what do you think would be the impact of wage restraint in this sector? How would you see it operating in terms of the challenges you have of attracting and retaining the talent that we need?

Ms Paul—As for most organisations and most employers, the package that a university offers to somebody is made up of a whole range of elements—that is the nature of an offer—and remuneration would be one of them. Certainly I know from my own contacts with colleagues and so on in the sector that sometimes Australian universities are able to attract back to Australia academics who have gone overseas when those academics' children reach high school, because Australia is seen as a good safe environment for young people. It is quite interesting to talk with people across the sector. So I think there is an interesting range of factors that the individual and their family consider when considering whether or not to accept an offer from a particular university in Australia.

Senator FISHER—So, consistent with what you have said, Ms Paul, do you think that, provided that the other factors that Mr Walters has specified and the general ones that you have referred to in the equation were pretty good, wages restraint in the sector would not be an obstacle to attracting and retaining key talent?

Ms Paul—I think it is hard to say. The remuneration, and the whole offer—all of those tangible and less tangible components—is a matter for each university, of course. So it is a matter for them to weigh up the balance between wages and conditions, which are often quite complex and comprehensive in universities. The university offer, I imagine, must be one of the more complex in the employment realm because it can encompass teaching hours, research, the team and the facilities. It is quite a complex matter, I think, so it would be hard to say. It is certainly easy to say that the actual bottom line wage is just one factor for an academic to consider.

Senator FISHER—So I gather from that that, yes, wages restraint would be a pretty blunt instrument to use in this sector.

Ms Paul—No, I think I was probably saying the opposite—that wages are just one factor amongst many.

Senator FISHER—Crude, were it used on its own, consistent with what you are saying, because it is part of a range of factors. I am sorry, I do not want a debate, so thank you for answering my questions.

CHAIR—Thank you. The public meeting of the committee will suspend now. The committee will now have a private meeting.

Proceedings suspended from 5.00 pm to 5.28 pm

CHAIR—I thank you for your patience. The committee will now reconvene. We are missing a few people but Senator Wortley has some questions which may not be in the exact area we were just talking about before the suspension, so let us see if we can answer them. We will dispatch them until Senator Allison returns.

Ms Paul—Chair, we may need to wait for Senator Allison, but may I ask a procedural question? In the program, in terms of my people who are here and whether they need to be—

CHAIR—Yes.

Ms Paul—I just wanted to confirm that we have gone past Outcome 1, which is child care.

CHAIR—I should have mentioned that Senator Siewert had a couple of questions, if the officer is still available for that. Why have I got this one?

Ms Paul—For Outcome 1.

CHAIR—There are too many sides to these pieces of paper! She had some questions on ‘Child care for eligible parents undergoing training’.

Ms Paul—Did she? Okay.

CHAIR—Again, we will try to deal with that straightaway, if we can.

Ms Paul—Thank you.

Senator WORTLEY—I have a question in relation to higher education, which is Outcome 3. I believe we were dealing with that prior to the break.

Ms Paul—That is right, Senator.

Senator WORTLEY—Did the department carry out any monitoring or evaluation of cost implications to publicly funded universities of the administrative, industrial and other detailed management requirements placed on universities by the previous government as conditions of funding? If so, were reports produced? Are you able to provide them?

Mr Walters—No, Senator.

Senator WORTLEY—So the answer is, no, there was no costing done.

Mr Walters—No.

Senator WORTLEY—Thank you.

Mr Walters—But if I could just make the point that with both of those requirements the governance protocols and the higher education workplace relations requirements were

conditions of additional funding. So in return for complying with the governance and the higher education workplace relations requirements, the universities were given additional funding of 2½ per cent on their base grant for 2005, an extra 2½ per cent for 2006, and an extra 2½ per cent for 2007.

Senator WORTLEY—But there was no costing done as to what the administrative costs were.

Mr Walters—No.

Senator WORTLEY—I can move, still standing within higher education, to Outcome 3, administered items, Abstudy, if the Chair would like to go that way, or perhaps Senator Mason may still have some questions.

CHAIR—What I was going to do, as soon as you were finished, was get Senator Siewert to finish with hers and then we will move back to the set program. Continue on—the quicker the better.

Senator WORTLEY—My movement will be to Outcome 3, higher education, and it is in relation to Abstudy, student financial supplements scheme, youth allowance, Austudy and fees allowance. Can you confirm that in late 1998 the department undertook a review of the effects of Abstudy changes? Was the report ever produced?

Mr Kimber—Your question went to a review of Abstudy changes, did it?

Senator WORTLEY—Yes.

Mr Kimber—The Abstudy change that came in 1998?

Senator WORTLEY—That is correct.

Mr Kimber—I will have to take that on notice. It is prior to my detailed involvement with the program. We will be able to provide those details to you.

Ms Paul—Are you asking if that report was published?

Senator WORTLEY—If it was released, and, if not, can a copy of it be provided.

Mr Kimber—Yes. We have just been advised that it was released. A copy can be provided.

Senator WORTLEY—Thank you. In addition to the published criteria and guidelines for the allocation of the VSU transition funding, were there additional criteria or guidelines?

Mr Walters—Not to the best of my recollection. In general terms, with our funding programs we are required for probity reasons to stick to the allocation criteria which are published and our legal advisers make sure we do that.

Senator WORTLEY—So in this case there were no additional criteria or guidelines?

Dr Perkins—That is correct, yes.

Senator WORTLEY—On student income support, has the department undertaken any reviews of student income support?

Dr Mercer—The department has not undertaken any reviews of student income support.

Senator WORTLEY—Thank you. On the report on impacts of HECS, can you confirm that a report on the impact of changes to the HECS scheme by Tom Karmel and others was withdrawn from the department in August 2003?

Mr Walters—That was withdrawn from the department.

Senator WORTLEY—Was withdrawn by the department?

Mr Walters—Withdrawn from what, or who.

Senator WORTLEY—My understanding is that in previous Senate estimates, comments regarding this particular report were that it was based on methodological limitations. I am aware that a draft of the report was subsequently provided to the committee.

Mr Walters—So the suggestion is that comments made by—do you know whose comments they were, Senator—were subsequently withdrawn?

Senator WORTLEY—I do not have that information before me.

Mr Walters—Would it be possible to compile a bit more information? Then we could investigate perhaps.

CHAIR—It would be a good idea to put this on notice, I suspect?

Ms Paul—Yes. We would be happy to take it on notice.

Senator WORTLEY—I will put that question on notice.

Ms Paul—I think so, because we can then spell out the whole sequence of events on the record.

Mr Walters—It is quite a long time ago so we need a bit more to go on to investigate.

Senator WORTLEY—I will put the rest of it on notice.

Senator Carr—I think there is probably more to that proposition than the question implies.

Senator WORTLEY—Thank you. I will put it on notice.

Ms Paul—Thank you.

Senator BIRMINGHAM—Minister, could you or one of the officials elaborate on what appropriate representation is for university students, please?

Senator Carr—I am sorry, you will have to rephrase that question.

Ms Paul—What sort of things do you mean there? Do you mean in terms of student representation?

Senator BIRMINGHAM—Allow me to quote from the discussion paper, impact of VSU, released by Minister Ellis this month.

Ms Paul—Oh, yes.

Senator BIRMINGHAM—It states:

The Government acknowledges that it has a responsibility to ensure universities provide suitable student services and amenities and also that students have appropriate representation.

Given the government acknowledges that students need to have appropriate representation, I am wondering if you could elaborate what that appropriate representation is.

Dr Perkins—What the government meant was independent and democratic representation, but, other than that, there has not been further elaboration. But independent and democratic, I think, are the key words.

Mr Walters—I think the purpose of the consultation is to establish what people think is an appropriate form of representation. That is the purpose of putting out the consultation document and the meetings which were discussed earlier in the session which Minister Ellis will now be going out to conduct around the country.

Senator BIRMINGHAM—We will wait to see whether it is independent and democratic or some other form. That is okay. Has the government formed a view on the National Union of Students options canvassed within the discussion paper?

Mr Walters—No.

Senator BIRMINGHAM—The government has not formed a view on any of those options?

Mr Walters—The purpose of the consultations is so that Minister Ellis can listen to what people have to say and then form a view.

Senator BIRMINGHAM—The government has not formed a view on option 2, for example, which states:

... the Government allowing students to defer their union fees through a HECS-style loan. A HECS-style loan scheme would involve the deferral of union fees until students were working and reached a minimum income level ...

Mr Walters—All these issues have been put out there for consultation, and the purpose of having the consultation is to inform the view that the government will form.

Senator BIRMINGHAM—This is despite the fact that Labor's former education spokesman, Stephen Smith, was quoted in the *Australian* on 23 May last year, dismissing media reports claiming that Labor was considering 'a HECS-style loan scheme to fund campus services following the abolition of compulsory unionism'.

Ms Paul—That is correct in that the government has not formed a view. It will go through this consultation process first.

Senator BIRMINGHAM—So Mr Smith and the previous Labor opposition had formed a view, but the government has not formed a view.

Ms Paul—Now this is the process the government has chosen to run, via Minister Ellis.

Senator BIRMINGHAM—Minister Ellis is obviously rolling back Mr Smith's commitments in the area of voluntary student unionism, and widening and opening the door, despite assurances that the previous Labor education spokesman gave. Is the government still open to compulsory student unionism?

Senator Carr—Senator, we canvassed these issues at some length earlier this afternoon. I am just wondering why it is necessary for the committee to go over this ground yet again.

Senator BIRMINGHAM—We now have the higher education officials before us, Minister, and this would seem to be a relevant issue.

Senator Carr—But the same officials were here. We have already canvassed these issues. These questions were put to us before from other members.

Senator BIRMINGHAM—Minister, I realise it is highly embarrassing—

Senator Carr—No, it is not highly embarrassing.

Senator BIRMINGHAM—The new minister is contradicting the former Labor spokesman's assurances that he gave, that students would not be paying HECS style dues.

Senator Carr—Senator, I did this for 12 years. I can tell you something about making editorial comment from that side of the table. It does not get you very far. We have had a series of questions. I can assure you this will be a pattern you will come to realise.

ACTING CHAIR (Senator Sterle)—Senator Birmingham, the minister was replying to your question, if he could be heard, and you will have the chance to quiz the minister again.

Senator Carr—Senator, I am not particularly fussed about your editorial comments or your political statements. The questions directly relate to questions that have already been asked by one of your colleagues and answered by officials. I do think we are wasting the committee's time going over the ground yet again.

Senator BIRMINGHAM—Minister, the question was: does the government now support the abolition of voluntary student unionism, or is the government considering the abolition of voluntary student unionism?

Mr Walters—My understanding is that the government has ruled out the reimposition of compulsory student fees.

Ms Paul—Yes, Minister Ellis ruled that out when she released the discussion paper.

Senator BIRMINGHAM—The government believes that, and a viable option is for the government to fund student services?

Mr Walters—At the moment universities are able to provide student services from general funding. What they are not able to do is provide that from student fees themselves. Universities derive their funding from a wide variety of sources, as I think Senator Carr pointed out earlier on today. So in some respects universities do provide student services and in some respects that could be sourced back to government funding—and that has always been the case.

Senator BIRMINGHAM—And the government believes its viable option 3 of the NUS model for universities funding services, such as sport and child care in a manner just described by Mr Walters, is why the government should provide student advocacy services. Is that viable for the government to be funding and providing student advocacy services?

Mr Walters—The government is still funding most of these services although it is conceivable that in individual cases funding could be derived from some government department, and always could have done because universities often derive funding from different Commonwealth and state government departments. However, the generality of the situation has not changed. Universities have always provided some services from their own resources and in some cases and income cases their own resources can be sourced back to government sources.

Senator BIRMINGHAM—The government is open to the option of the government directly funding student advocacy services that could be advocates on a range of political and policy matters?

Mr Walters—In terms of the new rearrangement, the options set out in the discussion paper are, as we have said, there for discussion and the government has not yet come to a view on the options which are set out in the discussion paper. That is the reason they are in the discussion paper and there are going to be consultations.

Ms Paul—So the government has not formed a view on that question.

Senator BIRMINGHAM—The government has not formed a view on whether it will fund political bodies out of taxpayers' money and it has not formed a view on whether it will roll back Mr Smith's assurances that the students would not face union fees as part of a compulsory HECS style loan.

Ms Paul—I think we have already said that the minister ruled out the reintroduction of compulsory fees when she released the discussion paper, so I think we have already dealt with a range of commitments which the government has already made. The further details will be the subject of this consultation.

Senator BIRMINGHAM—So, Ms Paul, if a HECS-style loan scheme for union fees was introduced, that would be a voluntary fee?

Ms Paul—The minister in her media release said that there would not be a return to compulsory student fees. I just said that a minute ago.

Senator BIRMINGHAM—So that applies to a HECS-style loan scheme for any form of union or student fees?

Ms Paul—That is speculating on what has not been considered yet, the final form of how this might work, so I do not think I can take it much further—

Senator BIRMINGHAM—I am just trying to work out what fees—

Ms Paul—other than to say the minister has said she will not be reinstating compulsory student fees.

Mr Walters—It would be possible to have a HECS style scheme on a voluntary basis.

Senator BIRMINGHAM—It certainly would be possible, and that is fine, as long as the assurance is on the table that the HECS style scheme will not be on a compulsory basis, compulsorily applying fees, be they for student services or for political activities to students.

Ms Paul—Yes. I have already said several times that the minister has ruled that out, the compulsory nature.

Senator BIRMINGHAM—In terms of the time line for the review, I note that the responses to the discussion paper are sought by 11 March 2008. What time line would be expected for the government to form an opinion?

Mr Walters—The government has not established a time line for the further process, but it will doubtless pick out the outcome of the review and consider it in the normal way.

Senator BIRMINGHAM—It seems like 11 March is a fairly short period of time for the discussion paper to be out. Is it likely that this a signal that this is being considered in the budget process?

Ms Paul—I think that is a matter for government. I think it was released—I cannot remember when it was released, but basically it will be out there for a month, I think, which is a pretty good period of time.

Senator BIRMINGHAM—In the *Adelaide Advertiser* on Monday, it quoted that, starting next Monday, Ms Ellis and her new adviser, star Labor recruit, Mia Handshin, will visit all Australian universities to consult on the impact of voluntary student unionism. Is that correct? That the minister—

Senator Carr—We have canvassed this issue at length. I have detailed the universities that are being attended and the dates on which they are being attended. Now I do think the coalition senators ought to at least coordinate with themselves. If they are this badly organised, these committees will take considerably longer lengths of time than they should.

Senator MASON—Could I just add, however, that there has been a bit of to-ing and fro-ing on this issue, not only by coalition senators but also by government senators. I think that is being fair.

Senator Carr—These questions have all been answered.

ACTING CHAIR—Continue minister.

Senator Carr—I have already answered the questions. I suggest you check *Hansard*.

ACTING CHAIR—Senator Mason, most of the questions have been rehashed. Time is valuable. We are here until 11 o'clock. Senator Birmingham, if you have fresh questions for the department or the minister, please proceed.

Senator BIRMINGHAM—Okay, thank you. Just clarifying, Minister, do you have all of the universities and the time lines for those meetings outlined listed in *Hansard*.

Ms Paul—We went through the meetings schedule before with the places and the months.

Senator BIRMINGHAM—Thank you very much.

ACTING CHAIR—Are there further questions on higher education?

Senator FIFIELD—Minister, you are aware of the speech that Professor Chubb, the vice-chancellor of ANU, gave last night and that there were some comments on the radio.

Senator Carr—I have read the press reports, Senator.

Senator FIFIELD—Professor Chubb, in his comments, referred to the dumbing down of the university sector, something that he dates not over an 11½ year time frame, but something in fact going back to the late eighties, referring to, I assume, the Dawkins reforms which saw all of Australia's colleges of advanced education converted into universities. I think we went from something of the order of 17 universities to something of the order of 34.

Senator Carr—I do not think I recall seeing those remarks in the press this morning. He did talk of the Dawkins reforms in less than positive terms.

Senator FIFIELD—Yes.

Senator Carr—But he did not refer to the specifics that you are claiming.

Senator FIFIELD—I am not saying he did. I am saying where Professor Chubb said, ‘Over many years we have done not much more than tinker with the policy than was put in place in the late 1980s, and I think that has to change.’ I was just saying I take it that he would be referring to the Dawkins reforms, which I have briefly mentioned there.

Senator Carr—Like you, I can only suggest that people read the speech and draw their own conclusions.

Senator FIFIELD—My question, Minister, is do you agree with Professor Chubb that the Dawkins reforms were a mistake and that we need to take a fundamental look at the structure of the university sector?

Senator Carr—Quite clearly there is a program of reform being commenced by the government. We are in the process of discussing with the universities a whole range of measures. I have responsibility directly for the research programs and the research training programs. The approach that I am taking in that area will be to see changes from the period that we have seen in the last 11 years. There is no doubt a need to address the fundamental difficulties that are arising in our university system, namely that we are slipping behind competitor nations with regard to the performance of our universities. There is a need to ensure that there is a concentration in research effort and a higher level of collaboration. I will be moving in those areas to discuss those questions with universities. We have already indicated, in terms of the funding compacts to be introduced, that there will be opportunities to pursue cultural change, structural reform and a higher level of international competitiveness than we currently enjoy in the university system.

Senator FIFIELD—Do you agree with Professor Chubb that Australia should aim to have 10 universities in the top 100?

Senator Carr—I do not think the minister of this department has made any commitments to that effect. We are looking at trying to improve the lot of the university system and I think that is a value I share with the minister. Clearly there is need to improve the general performance of the Australian university system because, frankly, all the international evidence suggests that the previous regime neglected universities and that led to a situation where our performance by international standards has fallen.

Senator FIFIELD—Minister Gillard said this morning on radio that she wanted to see our university sector become a world-class sector overall.

Senator Carr—Yes. Do you agree with that?

Senator FIFIELD—I am asking the questions, Minister.

Senator Carr—I am just taking this opportunity to ascertain what the coalition’s view is.

Senator FIFIELD—She was asked if she thought that having a goal of 10 universities in the top 100 in the world was a good aim. She responded that she wanted to see all Australian universities be world class. It is a fairly nebulous concept, having all Australian universities being world class. Quite frankly, I do not think it is a realistic or achievable one.

Senator Carr—It depends on your point of view.

Senator FIFIELD—What is the government’s benchmark for improving universities? It is fine to say, ‘They should all be world class’—that sounds lovely—but what is the concrete objective of the government’s program? Is it to have a certain number of institutions in the top 100? Is it to have one institution in the top 100, or two, or five, or 10? Or is it just, ‘We’d kinda like ‘em all to be better’?

Senator Carr—Senator, I think your whole approach to this is somewhat simplistic.

Senator FIFIELD—I am an uncomplicated soul, Senator, so it is highly probable.

Senator Carr—I am pleased that you have put that to us. The proposition that we are advancing is that the university system needs to improve dramatically. There needs to be a much higher level of attention to the quality of provision. There are serious issues which this committee drew the Senate’s attention to over a period of 11 years on the question of the quality of provision. There was in fact a report by this committee that talked about universities in crisis, if I recall rightly, and a highly agreed upon and authoritative document, if I remember. I think you should read it because you will see the sorts of issues that have arisen for some time. In terms of whether or not we could have more universities at any particular level, I think we could ensure that all our universities are world class in particular fields. Quite clearly we cannot possibly and conceivably fund all conceivable options at every university.

Senator FIFIELD—And we should not.

Senator Carr—But we can see the situation where all universities have programs that are clearly world class, and that is what we will be seeking to achieve—that is, universities take greater responsibility for their own actions in setting priorities with international frameworks. There will be opportunities through the compact to discuss a mission-based approach to ensure that universities are able to fulfil their place in the international innovation system. I think this contrasts sharply with the position taken by the previous regime, which essentially did not trust universities and took the view that universities were not to be regarded well. That is why you introduced the sorts of industrial relations changes that you did—to impose conditions on the management of universities.

Senator MASON—And endowment claims as well, any endowment claims.

Senator Carr—You did impose a micromanagement of universities which treated a lot of vice-chancellors as if they were school principals from the 1950s, and you had this notion of universities as places which were fundamentally not to be trusted, so you had your foot on their throats. What the minister is trying to do is remove the coalition’s foot from the throat of universities.

Senator FIFIELD—What the minister has chosen to do.

Senator MASON—Meanwhile it is all right for you to discredit that \$6 billion in the endowment fund.

Senator FIFIELD—Minister, I am yet to hear what the government’s benchmarks are that it would use to determine success in achieving a world class system. You have spoken about quality of provision. What do you mean by that? How will that be measured?

Senator Carr—I think this is a process by which we negotiate with universities about how they can improve their performance. That is the model we adopt. It is a collaborative model. We clearly want to see higher levels of collaboration between institutions, and of course between institutions and the private sector. That is the model that I am certainly pursuing with regard to research funding; I am sure that the Deputy Prime Minister would be pursuing similar styles of work. There are individual strengths and weaknesses for each of our universities and we the want to concentrate on the strengths.

Senator FIFIELD—Again, Minister, I ask: what will be the benchmarking? You have spoken of a world-class system, improved quality of provision, a mission-based approach and collaboration. They are terrific buzzwords—

Senator Carr—Good. I am glad you agree.

Senator FIFIELD—but how are we actually going to measure this? What is the aim of the government? How many universities does the government want to have in the top 100? We have heard that we want them all to be world class, but how many in the top 100? What is the aim?

Senator Carr—Senator, our approach is to work on a cooperative basis with our universities. Our approach is to see each of our universities improve its performance. The benchmarks that are used for that will be changed from institution to institution. As a result of our discussions through the funding compacts, we will provide a vehicle by which universities take an increasing level of responsibility. We are moving away from the central planning model that existed under your regime.

Senator FIFIELD—That must break your heart, moving away from central planning.

Senator Carr—I am instituting it, so I do not think it does.

Senator FIFIELD—We know a central planner's heart beats in your chest, Senator Carr.

Senator BIRMINGHAM—Fidel is gone and now central planning has gone too.

CHAIR—Please proceed with questions.

Senator FIFIELD—Minister, do you agree that too many Australian universities are trying to do too much rather than trying to specialise in a particular area?

Senator Carr—Quite clearly there needs to be a greater concentration on universities' strengths. I can speak directly to my area of responsibility for research. There needs to be a higher level of concentration on research effort. That does not mean we are in the business of running teaching-only institutions, or that we take the view that there are not world-class areas of performance in each institution. That is our intention—to encourage universities to be world-class performers in their areas of strength.

Senator FIFIELD—Do you think all universities should do research?

Senator Carr—Yes. I have just said that.

Senator FIFIELD—You have, okay.

Senator Carr—That is a definition of a university.

Senator FIFIELD—I appreciate that.

Senator MASON—Can I jump in?

Senator FIFIELD—Sure.

Senator MASON—You would not agree with teaching-only universities?

Senator Carr—I have said that. It is a stated policy position.

Senator MASON—It is a topic of debate.

Senator Carr—It is a stated policy position. There are some universities—the ANU for instance—that are 90 per cent research. It has a different profile to the University of Central Queensland. There is a place for each of those types of universities in our system. The question is: what do we look to in the future?

Senator FIFIELD—Thank you, Minister. I was looking to see if Professor Chubb would find much reason for hope with this government, but it does not seem like it.

Senator Carr—The truth of the matter is the ANU is a first-class institution.

Senator MASON—My alma mater.

Senator FIFIELD—Absolutely.

Senator Carr—Senator Mason, you and I spent a considerable amount of time down there on various committees. The fact is it is the only institution in the Commonwealth that reports directly to this parliament. Its profile is substantially different from other universities. It provides services to this parliament on a bipartisan basis at a much higher level than many other institutions do. It has a particularly special role within the university system.

Senator MASON—We served on its council.

Senator FIFIELD—Absolutely. But I think Professor Chubb's comments were not particular to his capacity as vice-chancellor of the university. I think he was making comments that were more general.

Senator Carr—It is rare that Professor Chubb would drift far from his capacity as the vice-chancellor of the ANU.

Senator FIFIELD—On this occasion he was talking about the Australian university sector in general. In that context I do not think he has much reason for hope from your comments, thank you, Minister.

Senator Carr—On the contrary.

Senator BIRMINGHAM—Is the government's minister going to develop some benchmarks that define what world-class universities are?

Ms Paul—What we have been talking about there are the compacts which the government is committed to creating and developing with each university. The way we will be negotiating funding with universities is to work with them one on one on their particular mission. This goes to the discussion we have just been having on the particular missions and strengths of the different universities, and they are all different. In striving to be world class for example, they would be striving in different ways because they have different strengths, different fields of research, and different areas for teaching expertise and so on.

Senator BIRMINGHAM—Each compact to meet Minister Gillard's objective will set each university up to be world class?

Ms Paul—That is the mechanism for the funding and it would be the mechanism which—I mean, they all have their own strategic plans and vision. Glyn Davis, the Vice-Chancellor of the University of Melbourne, has been very clear and public with provision for the University of Melbourne. So they have all got their own missions and strategic plans, which are public documents and often are commented on in the media and so on. But the strategic visions of the Commonwealth government funding will also be to some extent reflected in the compacts through which universities will be funded.

Senator BIRMINGHAM—Will the benchmarks set under the compacts be made public?

Mr Walters—The government still has to decide exactly how to implement the compacts, so that is certainly one possibility. I hasten to add that the vice-chancellors have yet to express a view on that particular point. I am sure the government will want to take their views into account before reaching a final decision.

Ms Paul—Yes, no doubt.

Senator BIRMINGHAM—If they are not made public, then we will never know whether the benchmarks are achieved, and we will never know whether Minister Gillard's very noble goal has ever been achieved.

Senator FIFIELD—There are two options: there is transparency and no transparency.

Senator Carr—It is clear the government's intention is to increase the level of transparency of the performance of each of our public institutions. I can say to you that in terms of the research program we have already taken steps with regard to the ARC to change those programs. We have abolished the RQF and we are moving to establish a new quality assurance regime which will highlight the need for transparency and the capacity for researchers to understand where they stand. We want to ensure that not only do we identify the strengths of our system but also where the gaps are in our system. It is important that we get a national view on where our universities fit within the innovation system and where we could improve our performance.

Senator BIRMINGHAM—Thank you.

Senator MASON—Ms Paul, you mentioned Mr Davis. I was reading something the other day along the lines that the Group of Eight—correct me if I am wrong—like the idea of the recreation of a universities or tertiary education commission, which, in a sense, Australia has had in the past. It is in the government's pipeline?

Senator Carr—No.

Senator MASON—I just thought I would ask. It is not?

Senator Carr—No.

Senator MASON—I have no further questions on higher education.

CHAIR—Are there any other questions?

Senator WORTLEY—I have a question on private providers—is that the appropriate place for it to come in?

CHAIR—Yes.

Senator WORTLEY—Has the department been monitoring the fees charged by private providers approved for eligibility for FEE-HELP?

Mr Walters—We do collect information on the fees charged. I do not know if Mr Manns can elaborate?

Mr Manns—The Higher Education Support Act 2003 requires all providers who are eligible to offer their students FEE-HELP, to publish their fee schedules and provide a copy of those schedules to the minister.

Senator WORTLEY—It has been monitored, then. When did you start doing this? At the onset, I would assume?

Mr Manns—When did we start doing that?

Senator WORTLEY—Yes.

Mr Manns—The first non-university providers who were eligible for FEE-HELP came on stream in calendar year 2005. They have been required to publish their fee schedules since then.

Senator WORTLEY—I think you missed my point. My question was: has the department been monitoring the fees charged, and have you found any trends in relation to fees being charged by the private providers approved for eligibility for FEE-HELP?

Mr Manns—The trends? Yes we do look at the increases, but the general picture is there is no consistent trend. Some do little more than increase them by CPI year-on-year. Others make decisions from time to time to change their fees for different reasons. There is no consistent trend.

Senator WORTLEY—So you have monitored them. Are you able to provide us with the details of it by provider?

Mr Manns—Yes; it is publicly available information. I have to mention that of course the fees are published by unit of study, not by course—so not by degree in X or degree in Y. They publish their fees right down to the level of units of study. We do not attempt to try and aggregate those up to what would be the fee for a whole course because students can, obviously, choose different combinations.

Senator WORTLEY—Where are we able to access the details?

Mr Manns—The details are required to be published on each of the providers' own websites.

Senator WORTLEY—So you do not have them collated?

Mr Manns—We do not publish them separately. We have a system called course finder, on which providers publish indicative course fees. That is a departmental website and the providers provide information for the purposes of that website. But they are only indicative course fees for the first year of study in a given course.

Senator WORTLEY—You said that you were monitoring them, or that you have monitored them, so do you have any reports in relation to that monitoring?

Mr Manns—We do not publish any reports on trends. If you have a particular question, I would have to take that away, look at the data and see what we can do to answer it for you.

Senator WORTLEY—Specifically, if you have found any trends or any information regarding monitoring of providers, I would like the details of those for the committee.

Mr Manns—I think I have answered that question in saying that there is not a consistent pattern. We use the term ‘private providers’ generically, but it covers a very wide spectrum of institutions, from not-for-profit theological providers, for example, right through to fully commercial operations. The drivers of their decisions on how much to charge can be quite different.

Senator WORTLEY—You have established that you do monitor it—

Mr Manns—I do not want to give you the impression that we are actively looking for what is going on in terms of each individual provider, although we are aware of it. Providers provide estimates to us of the FEE-HELP assistance they envisage giving to students in a coming year so that we can advance those FEE-HELP payments to the providers. Those estimates are affected by both their expectations of student numbers and the changes in their fee levels from year to year. We have information about it and we are aware of it, but we do not necessarily have a reason for doing a comprehensive report on what is happening across the private provider market.

Senator WORTLEY—So at this stage you are not able to provide the committee with details regarding any of the monitoring that you have done, either verbally or written?

Mr Manns—If you have specific question, like can I give you the changes in published schedule fees from this year to that year for the private providers as a whole or for each individual provider, I am happy to take that away. I think you need to give me a specific question, really. We do not produce any standardised reports.

Senator WORTLEY—I will provide the specific question to you perhaps at the end of this session.

Mr Manns—If you could give it to us in writing, we would be happy to look at what we can provide.

Senator WORTLEY—Thank you.

[6.10 pm]

Vocation Education and Training Groups

Senator MASON—I understand that the government has promised to abolish Australian technical colleges and roll them into TAFEs—is that correct?

Ms Paul—No, that is not correct.

Senator MASON—No? Could you tell me what is happening.

Mr Johnson—In December, the government made a decision to continue to honour the existing funding agreements with 24 technical colleges that are currently operating around the country.

Senator MASON—24 are currently operating now—is that right?

Mr Johnson—Yes. In that decision, the minister has written directly to each of those 24 colleges confirming that the government's intention is to continue to honour the requirements of the existing funding agreements to the expiration of those agreements which runs through to the end of the 2009 academic year.

Senator MASON—That is for the 24 currently operating—clearly, there will be no more opening or being rolled out under the government's current policy?

Ms Paul—That is right.

Senator MASON—At the end of the 2009 academic year, what will happen to the students enrolled at Australian technical colleges?

Mr Johnson—The minister has indicated in her correspondence to those 24 colleges that the government will consult both with the technical colleges, with state and territory training departments and with industry who are involved in the current management of those colleges to determine how those colleges can be best integrated into the existing national training efforts to address trades skills shortages.

Ms Paul—So the answer will be different for each one. For example, some of them might become part of the state school system, some of them might have strengthened links to TAFE, and so on. There will be a range of solutions. That is what the consultation is for, to try to work that out.

Senator MASON—So it will not necessarily all be rolled into TAFEs—as I mistakenly thought?

Ms Paul—That is right.

Senator MASON—There may be other avenues of dissolution?

Mr Davidson—I do not think they are necessarily avenues of dissolution.

Senator MASON—Mr Davidson, maybe you are more of a scholar than me—what phrase would you use?

Mr Davidson—I would have thought there were a variety of options that are open to the management committees of each of the existing Australian technical colleges. Part of the point of what the minister has asked to be done is that we consult with those groups as to what they see as the future for the particular college that they have and what opportunities exist for them.

Ms Paul—So, the question is about—

Senator MASON—Are they being dissolved or not, Mr Davidson?

Ms Paul—Not necessarily. The question is about future management arrangements, Senator.

Senator MASON—So will there be ATCs after the end of 2009 or not?

Mr Davidson—I expect that some of the management committees will continue to run the organisations that they currently run, whether they choose to call them an Australian technical college—I expect some will—or something else.

Senator MASON—It strikes me that those are avenues for dissolution, if they are not going to be ATCs any more, Mr Davidson.

Mr Johnson—The colleges are actually independent schools—

Senator MASON—The problem, Mr Davidson, when you start to playing with politicians' nomenclature, you can create trouble for yourself. You be careful.

Mr Johnson—The colleges were established under funding agreements with the Commonwealth as independent schools. In that respect, beyond 2009, assuming that they continue to operate as registered schools, they will be eligible for general recurrent grant funding for the student profile that they are supporting and they will be able to continue to deliver training services to students.

Senator MASON—What about transitional arrangements? Some are going to TAFEs and there will be other arrangements made, potentially, with schools? Is that right, Ms Paul?

Ms Paul—They are schools now, so it could be that some of them become part of one of the school systems—whether it be a government school system or a non-government school system—that is another option, yes.

Senator MASON—Have the transitional arrangements been worked out yet?

Ms Paul—No. The point of her letter was to start those discussions with the Australian technical colleges. That would have to be done with each of them on a case by case basis.

Senator MASON—What is the timetable for that?

Ms Paul—It needs to be a referral—

Senator MASON—Have you reached those discussions already? I suppose that is my point.

Ms Paul—Her letter opens those, I think. The time line for the arrangements to be put into place is the end of 2009, as I think we have said.

Mr Johnson—As Ms Paul has indicated, we have started those consultation arrangements. Our intention is to bring back advice to the government following those consultations early this year such that colleges are well positioned to consider changes to their business planning and governance arrangements into 2008 and 2009 so that they can go forward with certainty.

Ms Paul—We would hope that the future arrangements for colleges could be pretty well known by the middle of this year to help clarify enrolments for next year and so on. That is the sort of time line we are aiming for.

Senator MASON—Are the transitional arrangements for teachers and students still to be negotiated?

Ms Paul—Yes.

Mr Davidson—As I indicated, Senator, it is also a matter for the management committees of each of these colleges to form a view as to what future direction they wish to take. As the

secretary has indicated, that could be as a future continuous technical college, it could be that they become a registered training organisation and focus on that. It could be a combination of both taking the skilled students and training people. I think that option is one that we want to explore with each of the technical colleges.

Senator MASON—So you have been exploring those. That is fine. I assume that that process will be ‘transparent’, to use the word of the day?

Mr Davidson—It is open in the sense that we are talking with each of the management committees and seeking their views as to what they wish to do with the organisation for which they are responsible. As was indicated, with the exception of three technical colleges at the moment in which we have a contractual arrangement with the Victorian government, all are essentially independent organisations connected to a Catholic school system, in some cases.

Senator MASON—What are those three, Mr Davidson?

Mr Davidson—The previous government arranged for three technical colleges. The contracts are with the Victorian government for Eastern Melbourne, Sunshine and Wannon.

Senator MASON—What was the arrangement?

Mr Davidson—The arrangement is that the contractual provision arrangement between the Commonwealth and the organisation is with the Victorian state government.

Senator MASON—And that will be honoured?

Mr Davidson—I think the minister has indicated that all the contractual obligations that the Commonwealth has will be honoured.

Senator MASON—Thank you. I have no further questions on the fate of the ATCs.

Senator Carr—I used a figure before with regard to current enrolments in the ATCs. I think I said that it was something less than 2,000. My understanding is that there are only 1,597 students currently enrolled.

Senator MASON—That figure is 1,597?

Senator Carr—That is correct. There was a projected enrolment of 2,142, which has not been met.

Senator MASON—Minister, that is over the 24 colleges?

Senator Carr—That is over the 24 colleges. Some have enrolments of 20.

Mr Johnson—Senator, that is from the census data from October last year. It does not include the three technical colleges that have just commenced operations in this academic year in Queanbeyan, Central Western New South Wales and the Central Coast. The figures the minister referred to are correct as of the census.

Senator MASON—At any rate, it is within that ballpark.

Ms Paul—It is for 21 colleges.

Senator WORTLEY—Did the department prepare any analysis of the implementation of the ATC program? If it did, was this undertaken prior to or after the appearance of the ANAO report on the program?

Mr Davidson—We have an extensive program of development, and I think the ANAO report acknowledged the extensive work that was undertaken by officers of the department to implement the program. That was acknowledged.

Senator WORTLEY—Did this analysis provide comparisons with the relative costs of state and territory VET system delivery of similar courses?

Ms Paul—No, I do not think we have undertaken that analysis.

Mr Johnson—As part of that business development process that Mr Davidson referred to, the department engaged the services of independent experts including the Australian valuer's office and other expert organisations to determine the relative investments that the former government was making in relation to capital and infrastructure investments. So there was certainly, as part of a comprehensive implementation plan, advice sought by the department around the value for the money and proposals put forward by proponents around the colleges.

Senator WORTLEY—Under the previous government, did the department carry out any preparatory work for the review of the program then planned for 2008?

Mr Davidson—Yes. As was indicated in the report, again by the ANAO, the department provided advice that in a normal cycle of the budget process there would be a review of the Australian technical colleges.

Senator WORTLEY—When you say yes, and it was reported in the report, can you elaborate on that? Can you detail any findings or data?

Mr Davidson—The normal budget cycle for a review of the program that I recall was either next year or the year after. But government policy now is not to proceed with the technical colleges. So I would not see that there would be a need for us to do a review about whether they continued or not.

Senator WORTLEY—Can you provide details of the tuition fees payable for each course in each ATC?

Mr Johnson—We could take that on notice.

Senator WORTLEY—Was the department confronted with any difficulties in implementing the ATC program, particularly associated with the speed at which the program was introduced?

Mr Davidson—I thought the department, and again this was commented on in the ANAO report, was able to meet the then government's requirements to get the technical colleges operational in a very short period of time. I could only commend the officers of the department for the way in which they carried out the task.

Ms Paul—The ANAO report certainly commented on the fact that we were required to implement it with great speed, which is what we did.

Senator WORTLEY—I recall reading that in the report. I am wondering if you could elaborate on some of the difficulties that you were confronted with in relation to that.

Ms Paul—Certainly, the time frame for setting up a school would normally be a lot longer.

Senator WORTLEY—What would be the normal time frame?

Ms Paul—Normally, a school would take—and I think that we have had some of these discussions here before—three or four years to get under way as a greenfield development. The first schools came online only about four months after the legislation was passed. Legislation was enacted in October 2005, and the first schools came on-stream in the beginning of the academic year 2006. So, at the most, all of the schools came on-stream within less than an 18-month time frame, some of them much faster than that. There were more greenfield school developments than we anticipated. Certainly, the speed was in front of the normal average for the development of a new school.

Senator WORTLEY—Given that the time frame was much shorter than you would expect—the three to four years that you spoke about—what difficulties did you have in selecting the most suitable financial and education models? Also, given the time frame being a difficulty, what were the issues that resulted from a short time frame?

Ms Paul—It is a bit hard to say, really. Each school is different. Most of them are greenfield developments. In terms of having their full programs able to be offered, getting their staff up and that sort of thing, those were significant challenges.

Mr Davidson—A number of them had to operate in temporary premises for a long time.

Ms Paul—So there were quite a few interim arrangements because of the speed. Some of them were operating out of temporary premises, as Mr Davidson says.

Senator WORTLEY—How big a role did state and territory governments play in planning and implementing the ATC program?

Mr Davidson—There was extensive consultation with state and territory governments throughout the process of setting up and designing Australian technical colleges. That involved a series of meetings, both ministerial councils and individual discussions with individual states and territories. But they were not involved in the selection of individual college sites and things like that.

Ms Paul—And you will notice that almost all of them are non-government schools, so at the end of the day the states did not apply to be part of the arrangement, except Victoria.

Senator WORTLEY—I see a slight contradiction there. Would it have been an advantage to have allowed greater involvement of state and territory governments?

Ms Paul—They could have been involved if they had wished to. The application, the request for proposals, was open nationally.

Senator WORTLEY—Was the time frame an issue there?

Ms Paul—I do not know whether the time frame was an issue. It might have been for some of them. It was a tight time frame. But I could not say.

Senator WORTLEY—Can you explain how you assess the ability of individual ATCs to administer funding for the capital projects. Did you have any concerns regarding that?

Mr Johnson—As part of the submission process, colleges were asked to develop a comprehensive business plan which identified the capital proposals and requirements, and the department worked closely with each of the identified consortia in the further development of that business plan, including, in particular, the focus on the proposed infrastructure needs for

the colleges. So there was a quite deliberate and detailed process as part of the development of the funding proposals from individuals in which the department supported individual proponents.

Senator WORTLEY—From the ANAO report, I understand conflicts of interest emerged and that the mingling of operational and capital funding had occurred.

Ms Paul—Yes, there were some difficulties there. The boards of the schools came together rapidly, as we have said. Not all of them operated as well as they should, and the audit did identify some of those issues.

Senator WORTLEY—Finally, have you addressed the ANAO report's recommendations?

Ms Paul—Have we? Yes, we have.

Senator WORTLEY—All of the recommendations?

Ms Paul—Yes, we have.

Mr Davidson—I think the department's response was included in the actual ANAO report, Senator.

Senator WORTLEY—Thank you.

CHAIR—The opposition have indicated to me that they probably have only about another half an hour of questions, which would probably complete our estimates. If it is okay with officials—and I do not like extending the periods; we did have an unscheduled break, though—if people are happy to go on, we could do so. The trouble is I cannot guarantee it will be only half an hour; that is the point.

Senator MASON—I will not be long.

CHAIR—All right then. If you are happy to continue on, that may in fact conclude these estimates. If it goes on too long, we will stop and have a break.

Ms Paul—Thank you.

Senator MASON—Thanks, Chair. I have some other questions, but I might place them on notice rather than hold up the committee. If I can just return quickly to apprenticeships, what is the government's position with respect to the apprenticeship incentives for agriculture and horticulture?

Mr Davidson—The government has made a decision not to continue with the extension of additional incentives for agricultural and horticultural qualifications at the certificate II, III and IV level, and not to continue with the previous commitment to extend access to the Tools for Your Trade measure and the Apprenticeship Training (Fee) Voucher initiatives to those agricultural and horticultural apprentices as well.

Senator MASON—How many apprenticeships would this measure have funded?

Mr Johnson—The previous government made a decision late last year to extend those arrangements retrospectively to commencements from 1 July last year. In the period from 1 July to the end of January 2008 we have had approximately 1,469 commencements of Australian apprentices in those agricultural and horticultural qualifications that are eligible to access the Tools for Your Trade initiative and the apprenticeship training fee voucher measure.

Senator MASON—Was that 1,469?

Mr Johnson—That is correct, yes.

Senator MASON—How many are in horticulture and how many in agriculture? What is the division?

Mr Johnson—I do not have that with me. I have to take that on notice.

Senator MASON—All right. At what certificate level would these apprenticeships have been funded? I think you mentioned Certificate II, III and IV. Is that right?

Mr Johnson—That is correct. That particular decision of the government to extend access to the Tools for Your Trade and the apprenticeship fee voucher related to Cert IIs, IIIs and IVs—that is correct; the full range.

Ms Paul—So this is the additional incentive. Do you understand that?

Senator MASON—Yes.

Ms Paul—So it is on top of the standard incentive of \$4,000.

Senator MASON—I understand. If we look at the Labor Party's Skilling Australia policy, has any appropriation been made for the provision of the 65,000 apprentices outlined in that document? Is there any amount of money that has been—

Ms Paul—The policy commitment goes to 450,000 extra places.

Senator MASON—I am sorry, Ms Paul—I have very bad hearing.

Ms Paul—I am sorry. I should speak up. It is my fault.

Senator MASON—It is all right. I have a very loud voice, you see. Everyone can hear me!

Ms Paul—I think I was leaning back. I am sorry. The government's commitment is to 450,000 additional training places.

Mr Davidson—Of those, 65,000 are designated to be for apprenticeships.

Mr Johnson—So that is in that appropriation, Senator.

Mr Davidson—Within that 450,000.

Senator MASON—And that is what will be funded?

Ms Paul—That is right.

Senator WORTLEY—I just want to go back to the issue of the VET fee. When we spoke earlier I said that I would put forward a question, and I have got the specific question. Could you provide a table of the changing fee levels of private providers with students eligible for FEE-HELP from 2004 until this year?

Mr Davidson—Is that in relation to higher education?

Senator WORTLEY—Yes.

Mr Davidson—So that relates to higher education, not FEE-HELP in relation to VET?

Senator WORTLEY—Right across the board.

Dr Nicoll—We could not speak to VET FEE-HELP, which is yet to begin and for which there are no schedules of fees at this stage.

Senator WORTLEY—I understand the problem with VET FEE-HELP. That is 2008. My reference is to 2007.

Mr Davidson—So it correlates to higher education.

Senator WORTLEY—I want the across-the-board VET fee for 2007.

Dr Nicoll—That is fine. We can provide that.

CHAIR—Senator Mason, do you want to now move to—

Senator MASON—If that is all right, Chair. It is the Indigenous Education Group, which is outcome 2 and outcome 3. I think it is a mix, Ms Paul. Is that right?

Ms Paul—Yes, that is right. Thank you, Senator.

Senator MASON—My questions relate to the Prime Minister's commitment that he made in his apology speech. That is where I am going. My questions are about that.

Ms Paul—It looks like those officials are in the waiting room, and they will have to come in.

Senator MASON—That is all right.

Ms Paul—Chair, I think we may have been foiled by the expectation of dinner, and I do not know that they are just next door. I am sorry.

CHAIR—Well, get them back.

Ms Paul—I can try to deal with them as best I can.

Senator Carr—Senator Mason, there is a difficulty with the officers being caught out by your generous offer.

Senator MASON—I am happy to come back. I think I will be—

Senator Carr—We would rather not do that. Can I make another suggestion. Is it possible for you to ask your questions and see if they can be answered?

Ms Paul—We will see how we go with them, and then—

Senator Carr—While they are trying to find the officers.

Senator MASON—Sure. Chair, is the committee agreeable to that? I am happy to do that.

Ms Paul—I will do my very best.

Senator MASON—We will see how you go, Ms Paul.

Ms Paul—That is it.

Senator MASON—The Prime Minister in his apology speech the other day said:

Let us resolve over the next five years to have every Indigenous four-year-old in a remote Aboriginal community enrolled in and attending a proper early childhood education centre or opportunity and engaged in proper preliteracy and prenumeracy programs.

How will that work in practice? Will every remote community get its own permanent early childhood centre or will there be teachers travelling into that remote area, in a sense serially? What is the proposal?

Ms Paul—The basis of the proposal is very similar to the government's commitment universally—access for all four-year-olds to 15 hours of quality early learning, of preschool, if you like. There are a wide variety of ways in which that can be delivered. Indeed, there are a wide variety of ways it is delivered now. So you already have in some remote areas in Australia some mobile arrangements, hub sorts of arrangements and visiting. Because preschool is not full time for the four-year-olds, you are able to have teachers who are mobile and so on. So there are a range of ways which we will need to work through—

Senator MASON—So it will vary between—

Ms Paul—Yes, it will suit the circumstance I believe.

Senator PATTERSON—Will there be funding for accommodation, because many of these places—Wadeye, for example—have a preschool but there is not any additional space for people to—

Ms Paul—That is a good point. That has not been determined yet. That is a good point that you make there.

Senator PATTERSON—Will it be covered in the funding?

Ms Paul—That will be a matter for the government obviously to work through. It is something that will need to be considered in terms of the full suite, but it has not been considered yet.

Senator PATTERSON—Will this be on a regular basis of so many hours per week? What do you do in some of the Northern Territory areas in the wet when people cannot get in for six months at a time? Are they going to go in there and stay? Have any of those things been thought through?

Ms Paul—Not yet. Those details have not been worked out yet. The commitment is there. Obviously, there will be a need for us to work with each community and with the Northern Territory government, with whom we have really quite a close relationship already, on how best to deliver, because you are absolutely right that there are the climatic issues, the straight remoteness issues and so on.

Senator PATTERSON—Do you anticipate having to pay these preschool teachers additional pay to encourage them to go there?

Ms Paul—It is possible.

Senator PATTERSON—Is there any thought of doing something like they do for people who work in the Antarctic or for the AFP people in Sudan, for example, where they have tax breaks?

Ms Paul—I had not thought of tax breaks.

Senator PATTERSON—In Antarctica you get a different tax rate because you are in an area of hardship.

Ms Paul—That has not been considered yet, but certainly how to attract teachers and so on will be issues. We will need to think that through.

Senator PATTERSON—Will there be any training programs for Indigenous early childcare workers?

Ms Paul—There are some now, but we will need to look at whether those need to be boosted.

Senator PATTERSON—Wouldn't you expect they would be, given that you are going to increase the number of hours of early childhood education?

Ms Paul—Yes, they may well need to be. We would be wanting to work with the universities, the TAFEs and so on in making sure that there was enough offered and so on.

Senator PATTERSON—It seems to me that, if you want employment in Indigenous communities, training Indigenous workers would be more likely to keep them in their communities and put money into communities.

Ms Paul—Absolutely. There are quite good pathways for what are now called Aboriginal education workers. In the Territory, for example, we can see good potential for an Indigenous local person who works in the school to start with on a voluntary basis to get qualified to be an Aboriginal education worker, and then there is a pathway through to becoming a teacher. We would certainly like to see a lot more of that.

Senator PATTERSON—Where is it expected that the goal will be achieved of a universal coverage for Indigenous children in remote areas?

Ms Paul—I think the Prime Minister spelled out the aspiration, so we need to try to work towards that.

Senator MASON—What is the timetable, Ms Paul?

Ms Paul—I do not have a detailed timetable yet. He spelled out an aspiration over a number of years, didn't he, which he read out.

Senator MASON—Sure. Is there any agreed timetable yet? Is there any draft timetable?

Ms Paul—Not yet, no.

Senator MASON—That is all right. I will take up where Senator Patterson left off. Do we know how many teachers will be required to fulfil this commitment?

Ms Paul—Not yet, no.

Senator MASON—That is still being assessed?

Ms Paul—Yes. That will be part of the assessment over time.

Senator MASON—Who will bear the cost of the initiative? Will it be the federal government or the Territory government?

Ms Paul—At the moment, unlike for other preschools, the federal government bears a significant amount of cost for Indigenous preschools, but that has not yet been settled either.

Senator MASON—Details are still being worked out, again?

Ms Paul—Yes.

Senator PATTERSON—When do they expect to have it?

Senator MASON—Senator Patterson asks a good question: do you have any idea when there will be a timetable delivered? Will it be by the next estimates?

Ms Paul—Certainly by next estimates we will have a better idea. The question of universal access to quality preschooling is one of the COAG agenda items as well and is one of the areas on which we will be reporting in March to COAG.

Senator MASON—So Senator Patterson and I can ask some searching questions at the budget estimates.

Ms Paul—Yes.

Senator MASON—There are an estimated 10,000 school-age children in Indigenous communities who are part of the Northern Territory emergency response measures. Of these about 2,000 are currently not enrolled at all, and a further 2½ thousand do not attend school regularly. Before the election the Labor Party promised to deliver an extra 200 teachers for the Northern Territory to help remedy that state of affairs. I think you have already answered or touched on this: will there be any overlap between this initiative and the early childhood one in resources and teaching staff? In other words, the emergency intervention is one part of what is happening in the Northern Territory, and then we have also got the Prime Minister's new initiative.

Ms Paul—That is right.

Senator MASON—What is the interface between those two?

Ms Paul—The 200 extra teachers are for school-age children, and the commitment which you are referring to from the apology statement was for preschool.

Senator MASON—It is new policy?

Ms Paul—Yes. It is a separate workforce. The 200 in the commitment are schoolteachers who will be in primary and secondary schools in the 73 Northern Territory emergency response communities.

Senator MASON—I say this not to reflect the opposition's view. My personal view is that the Prime Minister's aspiration is a noble one but, having been up to the Torres Strait islands—they are part of Queensland, as you know; they are part of my electorate, in fact—I know that the cultural differences are often very great. I heard the Prime Minister mention this the other night. I am not making a cynical point, but it is an enormous challenge. Saibai Island and all the islands in the Torres Strait, plus the remote communities on the mainland, are a huge challenge. Are you confident? This is a very soft question for me, Ms Paul. It is not one of my searching questions. It is really a question that I ask sincerely. This is going to be a very difficult challenge.

Ms Paul—It is undoubtedly not easy and will require us to work closely both with communities themselves, as you were saying, with their own cultural needs and, particularly, with education authorities and with providers of preschool and so on—and with TAFEs and others who are training the relevant teachers, too.

Senator MASON—This is a state government issue, but do we know, for example, how many teachers are on Saibai Island? It is just spitting distance to Papua New Guinea. Do we know how many teachers are there?

Ms Paul—I could not answer that here, obviously.

Senator MASON—I raise it not to score a political point but rather to—

Senator Carr—It is known. This committee has been there and has talked to them in terms of—

Senator MASON—It is a big task, Minister, isn't it? And I am not being cynical about it.

Senator Carr—I think that the concern you express is shared across the parliament, but if there is an area in which the question of social inclusion looms very large then surely it is this one.

Ms Paul—We are confident that with goodwill and a lot of hard work it is achievable, but one would never say that it is easy.

Senator MASON—We will be watching with interest as this progresses, but I thank you for your assistance.

Dr Jarvie—Can I add a bit more detail? It will obviously require quite a lot of innovative approaches to delivery and to increasing the provision, but also to building on the sort of best practice that we have seen, say, in the Northern Territory with the use of mobile preschools. It will also require innovative ways to have skilled and highly qualified staff service the needs of communities, so we will have to be doing work around increasing the provision in a culturally sensitive and appropriate way. That will mean through preschools, through existing long day care centres and through using the multi-purpose childcare hubs, 20 of which we are rolling out. We can build on a lot of work that we already have underway. We reckon about half of the four-year-olds in remote areas currently are not attending preschool.

Senator MASON—About half?

Dr Jarvie—We think that it is about half.

Senator MASON—How many would that be? When you say half, half of how many?

Dr Jarvie—The numbers are not particularly large. There are about 3,500 four-year-olds in remote Indigenous regions.

Senator MASON—Half of them are not attending school regularly.

Dr Jarvie—No. This is four-year-olds, so it is not compulsory at all.

Senator PATTERSON—Do you agree that training of potential Indigenous staff would be a high priority to get off the ground if it has to fit in with the academic year and choosing people? It could be two years before you even start.

Dr Jarvie—We are working on developing a workforce strategy with the states and territories through the COAG process. One of the priorities as part of that will be the development of an Indigenous workforce—first of all training them, probably at the diploma level, and then providing pathways.

Senator PATTERSON—Will the Commonwealth be giving extra funding to the states and territories that have Indigenous preschool children in remoter areas?

Dr Jarvie—We already do.

Senator PATTERSON—But will you be giving additional funding?

Ms Paul—That has not been determined yet. I think I said that before.

Senator PATTERSON—Do you believe that you require additional funding to do it?

Ms Paul—We do not know that yet.

Senator PATTERSON—So it will happen by magic if you have not got any increased funding in the budget. The Northern Territory will train more preschool teachers.

Ms Paul—I think I said before that it has not been a consideration yet, but it might become one. We need to assess what the needs are, which I think we discussed before.

Senator PATTERSON—I think the Northern Territory government, WA and Queensland would be quite interested to know that they may not get extra funding for training of preschool teachers.

Ms Paul—They already do.

Senator PATTERSON—I am saying additional funding.

Ms Paul—That is right. For each Indigenous child they get a per capita loading and a range of other things. We have to work this out with them, so that will make any funding they need—which there may be—clear.

Senator PATTERSON—We will have quite a few questions in May.

Senator MASON—We will. Minister and Ms Paul, thank you very much. I appreciate your assistance on that and I suspect in budget estimates we will have new questions to see how you progress.

Senator Carr—Fair enough, too.

CHAIR—Please pass on my thanks to your officers for their flexibility and their responsiveness and the way in which they have conducted themselves today. I know that the transition is hard for everybody.

Ms Paul—Thank you.

CHAIR—Minister, thank you for ignoring some very provocative comments and for behaving yourself, and I would like to thank all my senate colleagues for, on the whole, being very well behaved. Thank you for your cooperation.

Committee adjourned at 6.49 pm