



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

**Standing Committee on Education, Community Services
and Recreation**

**1998-1999 Annual and Financial Reports of the
Department of Education and Community
Services and Related Agencies**

Report No 4

February 2000

1. Background

1.1. On 2 September 1999, the Assembly resolved that:

the Annual and Financial Reports for the financial year 1998-99 presented to the Assembly pursuant to the *Annual Reports (Government Agencies) Act 1995* stand referred, on presentation, to the relevant Standing Committee for inquiry and report by 1 February 2000. (Amended to first sitting day of February 2000)

1.2. On 9 December 1999 the Assembly resolved that:

the Standing Committee on Education, Community Services and Recreation inquire into and report on, as part of its inquiry into departmental and financial reports, the Canberra Institute of Technology report and financial statements 1998.

1.3. Pursuant to section 14 of the *Annual Reports (Government Agencies) Act (1995)*, the annual report and financial statements for the Department of Education and Community Services for 1998-99 were tabled in the Assembly on 13 October 1999.

1.4. Pursuant to section 14 of the *Annual Reports (Government Agencies) Act (1995)*, the annual report and financial statements for 1998 for the Canberra Institute of Technology were tabled in the Assembly on 20 April 1999. The report was prepared under subsection 7(1) (Administrative Units) of the Act.

2. Conduct of the inquiry

2.1. The committee conducted two public hearings. The first was held from 9 am to 6 pm on 2 December 1999, at which the Minister for Education, Mr Stefaniak MLA and departmental officials appeared.

2.2. The second was held on the morning of 16 December 1999, when three community groups appeared, namely the Australian Education Union, the ACT Council of Social Service (ACTCOSS) and the Association of Parents and Friends of ACT Schools (APFACTS). The committee issued an invitation to community groups to appear in an advertisement placed in *The Canberra Times* and *The Chronicle* in mid November 1999.

2.3. During the hearing on 2 December 1999, the Minister and officials agreed to provide answers to a number of questions that were taken on notice.

2.4. Mr Wood MLA and Mr Quinlan MLA also participated during the hearings.

2.5. The committee wishes to thank the Minister for Education, officials from the Department of Education and Community Services and the Canberra Institute of Technology and representatives from the community groups who appeared. The committee found the hearings most informative.

3. Committee comment

Presentation

3.1. Overall, the committee found both the Department of Education and Community Services' and the CIT's reports to be well set out and generally easy to follow.

3.2. The Department of Education and Community Services' report received strong endorsement from ACTCOSS. The sections are easily identifiable. It provides clear information on the use of consultants and contractors. The section on progress with capital works was found to be useful. ACTCOSS suggested that some other departments adopt a similar format.¹

3.3. The Department of Education and Community Services' report is in two volumes. Volume 1 provides a comprehensive analysis of its key achievements, whole of government issues and annexed reports from the ACT Accreditation and Registration Council, the ACT Vocational Education and Training Authority, the Board of Senior Secondary Studies, the Children's Services Council and the Official Visitor. Volume 2 includes the audited financial statements and detailed information on measures of quantity, quality/effectiveness, timeliness and cost for each output class.

3.4. The CIT's report is in one volume. The report is divided into three main parts, namely: overview of CIT performance; financial statements; and whole of government issues. The CIT's report includes a statement of performance for the year ending 31 December 1998.

3.5. Both reports met all reporting requirements.

3.6. At the time of the committee's hearings the annual report for the Department of Education and Community Services for 1998-99 was not on the Internet. Its availability on the Internet before the committee began its examination would have assisted some community organisations to access it.

Suggestions for improvement

Details of membership of consultative bodies

3.7. The committee noted reference was made to a number of Ministerial Advisory Councils and other consultative bodies that provide advice to the Minister or the department. Details of membership of bodies providing annexed reports was included. However the committee believes that the report would be enhanced if membership of all advisory committees and consultative bodies were listed. The community has a right to know who is on the Advisory Council for Government Schooling or the Ministerial Advisory Committee on Non Government Schooling, for example.

¹ Uncorrected Proof Transcript, 16 December 1999, p 12.

Recommendation 1

3.8. The committee recommends that future annual reports of the Department of Education and Community Services include the membership of the various ministerial advisory councils and other consultative bodies.

Performance information

3.9. The committee noted that the Child Health and Development Service (CHADS) provides a service to schools, however there is no measure to indicate the level of satisfaction with that aspect of the service. While the proportion of occasions of service provided to schools is relatively small, the committee believes that since CHADS often refers to this aspect of its service, a quality/effectiveness measure should be included for services provided to schools.

Recommendation 2

3.10. The committee recommends that a quality/effectiveness measure be included for services provided to schools by the Child Health and Development Service.

Financial information

3.11. The committee was frustrated by the lack of detail available, in both the financial report and at the hearing, on how the difference between the total cost and government payment for outputs (GPO) was funded by the Department of Education and Community Services. The committee was subsequently provided with further information explaining how the difference is funded in the department's response to a question on notice.

3.12. The committee considers that this information should be available within output classes. For example, how the difference is funded for Government Primary School Education, Government High School Education and so on. The difference between GPO and the total expenses for Government School Education in 1998-99 was approximately \$54m.² Given that Government School Education operated at a deficit of \$27.5m, (compared with \$7m in 1998) it would be useful for the community to know which areas of Government School Education are contributing more significantly than others to this operating deficit. It would also be useful to have a breakdown of the other revenue collected within each output class. This could be done with detailed notes.

Recommendation 3

3.13. The committee recommends that future annual reports of the Department of Education and Community Services include detailed notes on how the difference between GPO and total cost is funded within each output class.

² Department of Education and Community Services Annual Report, Volume 2 p 20.

Service purchasing arrangements

3.14. The introduction of service purchasing arrangements has changed the nature of funding for many services in the ACT. The report provides a list of services purchased by the Department of Education and Community Services. The committee agrees with the view of ACTCOSS that the report would be enhanced and the community gain a better understanding of the nature of services purchased if more detail was included on the funding arrangements. This detail could include the name of the area purchasing the service, the name of the service provider, the nature of the service provided, the funds provided to provide the service, the time period covered by the funding and the method used to choose the provider³.

Recommendation 4

3.15. The committee recommends that future annual reports of the Department of Education and Community Services include more detail on service purchasing arrangements.

Community service obligations

3.16. The committee noted that the Department of Education and Community Services received \$7.3m cash from the Government for community service obligations.⁴ This was a decrease from the \$9.7m provided in 1998. No details are contained in the annual report about the purpose of the CSO funding, the amount of funding provided for each, the name of the agency to which the funding has been provided, and details of the number and type of people assisted through this provision. The committee considers that the provision of these details would assist both Assembly members and the community in monitoring the Government's commitment to its social obligations.

Recommendation 5

3.17. The committee recommends that, in future, the annual reports of the Department of Education and Community Services and the CIT include information on the funding provided for community service obligations, including their purpose, the amount, to whom it was provided and the number of people assisted.

Funding for non-government schools

3.18. The committee had difficulty determining the level of funding provided by both the Commonwealth and ACT governments for non-government schools. The Association of Parents and Friends of ACT Schools (APFACTS) also reported a lack of transparency in the report on this matter.⁵ The report gives the impression that all that the ACT Government does in relation to non-government schools is to register

³ ACTCOSS, *The Government Report Card*, Submission to the Chief Minister for the ACT in relation to the Chief Minister's Annual Reports Directions for 1998-99, July 1999.

⁴ Department of Education and Community Services, Annual Report, Volume 2, p 53.

⁵ Uncorrected Proof Transcript, 16 December 1999, p 27.

schools and distribute Territory and Commonwealth grants. The committee considers that the public would find it helpful if more detailed and transparent information was included on the funding arrangements for non-government schools.

Regulatory issues

3.19. ACTCOSS drew the committee's attention to a lack of coverage of regulatory issues in the annual report of the Department of Education and Community Services. ACTCOSS provided a table that shows the legislation the department administers and where there are standards, if the department has reported against the standards contained in the legislation, provision of licensing, reporting on licensing and reporting on complaints mechanisms. A copy of the table is at Appendix 1. The committee considers fuller reporting on regulatory matters would enhance the department's annual report.

Recommendation 6

3.20. The committee recommends that the Government require all departments and agencies to report, where possible, on regulatory matters.

Other matters

3.21. This section examines a number of issues raised during the hearings that the committee feels need highlighting.

Support at hearing

3.22. The committee observed that there was a large number of officials (approximately 30) present at the hearing on 2 December 1999 to support the Minister and senior officials. The committee questions the need for such a large contingent of officials to spend almost a whole day away from their other responsibilities.

Reduction in central office staff

3.23. The committee heard evidence indicating that the 20 per cent reduction in the Department of Education and Community Services' central office staff in 1998-99 has resulted in serious implications for schools. The work commitments of some sections was reported to have become a pressure cooker environment which is starting to take a toll on very hard working staff.⁶

Curriculum support

3.24. The committee raised the matter of the level of curriculum support available to schools following the reduction in central office staff as a result of the 1998-99 budget. This matter was also raised by the Australian Education Union, who asserted that the notion of the department providing curriculum leadership has been lost.

⁶ Uncorrected Proof Transcript, 16 December 1999, p 8.

3.25. The committee was advised that in addition to the literacy and numeracy team, the department has a curriculum initiatives section which is structured around curriculum projects that reflect departmental priorities.⁷ Staff in the curriculum initiatives section include:

- Curriculum Executive Officer, responsible for general curriculum for years K to12 and initiatives such as Discovering Democracy;
- Curriculum Executive Officer, responsible for gender equity, anti-racism and multiculturalism;
- Curriculum Executive Officer, responsible for supporting teachers in curriculum delivery using new technology;
- Curriculum Executive Officer, responsible for languages other than English (LOTE) and the Access Asia Program;
- Curriculum Executive Officer - Vocational Education and Training in Schools;
- Project Officer - Health Promoting Schools;
- Project Officer – Implementing the Drug Education Framework for ACT Government Schools;
- Project Officer – The Green Machine in partnership with CSIRO and ANU;
- Team Leader Indigenous Education Unit.⁸

3.26. The committee understands that many of the above positions are directly funded by the Commonwealth.

3.27. The AEU expressed serious concerns about the level of curriculum support available to schools. It reported that the voluntary professional associations are being asked to take on responsibility for curriculum leadership. Many members of these associations with expertise are expected to retire from the system in the next few years, leaving a void as young professionals are not joining the professional associations.⁹

School maintenance

3.28. A number of issues related to school maintenance were raised.

3.29. Some members of the committee reported that they noted on visits to schools, during the year, that some school buildings and grounds looked quite run down. The issue of the need for regular care of trees to ensure they do not present a danger was also raised.

⁷ Uncorrected Proof Transcript, 2 December 1999 p 40.

⁸ Minister for Education, correspondence dated 23 December 1999.

⁹ AEU, Uncorrected Proof Transcript, 16 December 1999, p 9.

3.30. There has been concern about a loss of a consistent and strategic approach to school maintenance with the introduction of school based management. The committee was told that the department does regular audits of maintenance needed, including for trees. Condition audits are done every three years. The audit identifies all the projects and repairs and maintenance required for a ten-year period. In conjunction with schools the department prepares an asset management plan annually for each school which takes into account changes that have occurred at the school to the condition of plant and facilities as well as emerging and urgent needs.¹⁰ Maintenance costing less than \$5,000 is paid for by schools from their school based management funds.

3.31. The responsibilities schools have for making decisions about control of pest animals and plants was a concern to previous committees when examining the department's annual report. The committee noted that the department is upgrading its standard contract and guidelines for pest control in response to recommendations of the Commissioner for the Environment.¹¹

Child Health and Development Service (CHADS)

3.32. The committee noted a significant increase (32.4%) from the target in the number of early intervention places given to eligible children with developmental delays and disabilities.

3.33. Explanations for this increase included greater community awareness of developmental delays as a result of education, and improvements in medical interventions.

3.34. The committee also noted that CHADS expected in their target to notify 90 per cent of parents of their child's early intervention placement within three weeks of application. The result was only 40 per cent were notified within the time frame.

3.35. These matters indicate to the committee that CHADS may need extra resources to enable it to provide early intervention services in a timely manner.

Recommendation 7

3.36. The committee recommends that the Government acknowledge the increase in the demand for early intervention services and consider the need for additional resources for CHADS in the 2000-01 budget.

Social and Community Services (SACS) award

3.37. The committee continues to have concerns about the implications of the SACS award on the ability of non-government organisations to continue to provide the same level of services. In response to questions on notice, the Minister advised that when the award came into effect in 1995, only the eight logged organisations were required to meet the financial implications of the introduction of the award. Five of these

¹⁰ Uncorrected Proof Transcript, 2 December 1999, p 47.

¹¹ Uncorrected Proof Transcript, 2 December 1999, p 50.

organisations received initial financial assistance under programs administered by the department. This supplementation has been incorporated into the base funding for the organisations and is in effect recurrent.¹²

3.38. Supplementation is also available to substitute care agencies who can demonstrate that, having undertaken all appropriate measures to lessen the impact of the award, they are unable to maintain the required level of service delivery as a result of increased costs directly associated with the award. By the end of 1999 the Richmond Fellowship had received \$40,000 which has been incorporated into their base funding.

3.39. In relation to other organisations, the department has not made any provision for supplementation for salary increases as a result of the award. The Minister stated that:

From the very outset, the department's position has been that the implementation of the SACS award, and the payment of salaries in line with the new award structure, is a management responsibility of non-government organisations. Boards of management were, and continue to be, strongly encouraged to minimise the impact of the SACS award by considering all available efficiency measures to be able to meet additional costs associated with the award.¹³

3.40. The committee was advised that should the award have an impact on service delivery levels, the department will assist organisations to develop options to minimise this impact.¹⁴

3.41. The committee was told that to date the introduction of the SACS award has not resulted in any significant reduction to services in the non-government sector.¹⁵

3.42. However, the committee notes that the inquiry into the implementation of service purchasing arrangements in the ACT reported that the community service sector will be under considerable pressure if organisations are not supplemented for the impact of the SACS award. Many agencies reported that they were not prepared for the impact of the award on service provision.¹⁶

3.43. The committee continues to have serious concerns about the impact of the SACS award on the service provision capacity of organisations that are not supplemented.

¹² Minister for Education, correspondence dated 23 December 1999.

¹³ Minister for Education, correspondence dated 30 November 1999.

¹⁴ Minister for Education, correspondence dated 23 December 1999.

¹⁵ Uncorrected Proof Transcript, 2 December 1999, p 88.

¹⁶ Standing Committee on Finance and Public Administration, Report No 3, *Report on the implementation of service purchasing arrangements in the ACT*, December 1999, p 23.

Recommendation 8

3.44. The committee recommends that the Government undertake a full analysis of the impact of the SACS award on non-government organisations.

Support for students with behavioural problems

3.45. The AEU drew the committee's attention to the need for a range of services, including health services to support students with serious behavioural problems. The AEU also noted that the extent of violence in schools may be under reported because in busy schools there can be a culture of not reporting. Further, the Department of Education and Community Services has discontinued its survey of assaults on staff, which was conducted over a one-month period each year.¹⁷

Child protection

3.46. The committee noted a 40.5 per cent increase on the original target in notifications of child abuse. The result was a 20 per cent increase in notifications from the previous year. Notifications in 1998-99 were similar to the level before the introduction of mandatory reporting.¹⁸ In addition to notifications, with the introduction of mandatory reporting, a new classification of consultations is included. The Minister advised that four additional positions were created when mandatory reporting was introduced.¹⁹

3.47. The committee would be concerned if the resourcing levels for child protection do not reflect the increased workload in the future and agrees with the department that the situation needs close monitoring.²⁰ The need for increased resources needs to be considered in the 2000-01 budget if this trend has continued since the reporting period.

Recommendation 9

3.48. The committee recommends that the Government acknowledge the increase in notifications of child abuse and consider the need for additional resources for child protection in the 2000-01 budget.

Belleden (formerly Southside Youth Refuge)

3.49. The committee sought information on the contractual arrangements between the Department of Education and Community Services and Anglicare in relation to the operation of Belleden Youth Refuge. The committee has been concerned for some time that the funding provided for Belleden was insufficient to enable the refuge to meet its contractual obligations, a matter that was raised in the Select Committee on

¹⁷ Uncorrected Proof Transcript, 16 December 1999, p 7.

¹⁸ Uncorrected Proof Transcript 2 December 1999, p 90.

¹⁹ Uncorrected Proof Transcript, 2 December 1999, p 91.

²⁰ Uncorrected Proof Transcript, 2 December 1999, p 92.

Estimates Committee hearings in June 1999. Of particular concern was its designation as a shelter under the *Children's Services Act 1986* and the number of beds it was required to provide.

3.50. At the hearing on 2 December 1999, the committee felt that the matter had not been adequately clarified. However, the department subsequently provided further information which clarified the situation.

3.51. The department advised that the contract for Belleden from 1 January 1999 to 30 June 1999 stated:

The service will be registered as a designated shelter for young people under the terms of *The Children's Services Act 1986* as declared by the Minister under S157 of the *Children's Services Act 1986*. The proposal to designate a refuge as a shelter pursuant to the Children's Services Act means, and means no more than that, the refuge will be visited by the Official Visitor.²¹

3.52. The original tender documents for the Southside Refuge, also stated the above.

3.53. The contract for Belleden was reviewed on 30 June 1999 and since 2 July 1999, the refuge is not designated as a shelter. The function of the refuge has also been altered from a fourteen-bed crisis and medium term accommodation and related support service to a seven-bed crisis and three-bed medium term supported accommodation and related support service. The new contract also no longer specifies that referrals be made by Youth Justice of young people aged between 12 to 17 years.²²

3.54. The committee is of the view that this has been an unsatisfactory process. Best practice purchasing processes should not allow specifications to be changed so significantly after a contract has been awarded. This is a poor reflection on the Government's management of service purchasing and will not inspire confidence in community organisations competing in tender processes.

Secondary college outcomes

3.55. The AEU expressed concern about the number of year 12 students enrolled in February 1998 who may have left college with no or a minimal qualification.²³

3.56. The committee noted that, in 1998, there were 752 year 12 students who received a Secondary College Record.²⁴ A Secondary College Record records the units and courses studied during years 11 and 12 up to the time it is requested. It is issued on request and needed if a student is leaving college to seek employment,

²¹ Executive Director, Children's Youth and Family Services Bureau, correspondence dated 22 December 1999.

²² Executive Director, Children's Youth and Family Services Bureau, op cit; ACT Department of Education and Community Services, *Supply a residential service for the Southside Youth Refuge — tender and contract documents*.

²³ Uncorrected Proof Transcript, 16 December 1999, p 5.

²⁴ Department of Education and Community Services, Annual Report 1998-99, Volume 1, p 162.

moving interstate or changing colleges. It is also issued if a student completes year 12 without achieving a year 12 certificate or other award.

3.57. Also, between the February 1998 and August 1998 school census there was a drop of 362 in year 12 college enrolments in ACT government secondary colleges.²⁵ The Minister acknowledged this mid-year decline in enrolments in evidence to the Select Committee on Estimates 1999-2000 and used it as justification for cuts to secondary college staffing.²⁶ The committee is concerned that the Minister did not show concern about this loss of students in year 12. The evidence is clear that early school leaving is an indication of social disadvantage.

Impact of benchmarking on the CIT

3.58. The committee continues to have concerns that the funding for the CIT is benchmarked against a standard that includes Victoria. The committee was advised that five of the major TAFE institutions in Victoria are technically insolvent and another four are on the verge of technical insolvency.²⁷ The committee is also concerned that this benchmarking is translated into a notion of over funding.

Kerrie Tucker MLA
Chair
3 February 2000

²⁵ ACT Department of Education and Training and Children's, Youth and Family Services Bureau, *Government Schools Census Bulletin*, February 1998, August 1998.

²⁶ Select Committee on Estimates, Uncorrected Proof Transcript 2 June 1999, p816-817.

²⁷ Uncorrected Proof Transcript, 16 December 1999, p 1.

Appendix 1 — Provisions of and annual reporting on human services consumer protection legislation in the ACT Department of Education and Community Services

(provided by ACTCOSS)

<i>Legislation</i>	<i>Responsible Agency</i>	<i>Provision for Standards</i>	<i>Reporting on Standards</i>	<i>Provision for Licensing</i>	<i>Reporting on Licensing</i>	<i>Provision for Complaints</i>	<i>Reporting on Complaints</i>	<i>Provision for Redress</i>	<i>Reporting on Redress</i>
<i>Adoption Act 1993</i>	Family Services (Department of Education and Community Services)	Qualifications required in relation to counsellors [s72(5)] and the principals of private adoption agencies [Rs14].	No Reporting	“Approvals” required in relation to private adoption agencies [s81] and counsellors [s72(4)].	No Reporting	None	N/A	None	N/A
<i>Children’s Services Act 1986 (Care and Protection Services)</i>	Family Services (Department of Education and Community Services)	None	N/A	The Minister to “Declare” shelters, attendance centres and institutions [s157]. Director may “approve” homes for wards [s4].	No Reporting	None	N/A	None	N/A
<i>Children’s Services Act 1986 (Child Care Services)</i>	Family Services (Department of Education and Community Services)	“Conditions” may apply to licences [s120]	Yes, DECS Annual Report, Volume 2, Page 95	Yes, licence granted by Minister [s120]	Yes, DECS Annual Report, Volume 2, Page 95	None	N/A	None	N/A

<i>Legislation</i>	<i>Responsible Agency</i>	<i>Provision for Standards</i>	<i>Reporting on Standards</i>	<i>Provision for Licensing</i>	<i>Reporting on Licensing</i>	<i>Provision for Complaints</i>	<i>Reporting on Complaints</i>	<i>Provision for Redress</i>	<i>Reporting on Redress</i>
<i>Education Act 1937</i>	Department of Education and Community Services	“Conditions” may apply to registration [s23(3)].	No Reporting	Schools granted “Registration” by the Minister [s21].	Yes, DECS Annual Report - Volume 1, Page 55 and Volume 2, Page 79	None	N/A	None	N/A
<i>Education Services for Overseas Students (Registration and Regulation of Providers) Act 1994</i>	Department of Education and Community Services	“Conditions” may apply to approvals [s8(4)].	No Reporting	“Approvals” granted by the Chief Executive [s5].	No Reporting	Yes	No Reporting	Yes	No Reporting
<i>Public Baths and Public Bathing Act 1956</i>	Bureau of Sport and Recreation, Department of Education and Community Services	“Regulations” made by Minister for use of facilities [s37]	No Reporting	Minister to “Declare” baths and swimming pools [s6].	No Reporting	None	N/A	None	N/A
<i>Vocational Education and Training Act 1995</i>	Department of Education and Community Services	“Conditions” to be met [s19].	No Reporting	Providers [s19] and Courses [s17] to be accredited.	No Reporting	None	N/A	None	N/A

Appendix 2

Witnesses at the public hearing on 16 December 1999

For the Australian Education Union ACT Branch

Mr Clive Haggar	President
Ms Fiona MacGregor	Professional Officer

For ACTCOSS

Ms Cathi Moore	Acting President
Mr Adam Stankevicius	Policy Officer

For the Association of Parents and Friends of ACT Schools (APFACTS)

Dr Lawrie Woolf	Committee member
Mr Clem Dick	Committee member