

Chapter 3

Education and Training portfolio

3.1 This chapter summarises certain key areas of interest raised during the committee's consideration of additional estimates for the 2018-19 financial year for the Education and Training portfolio.

3.2 On 21 February 2019, the committee heard evidence from:

- Senator the Hon. Simon Birmingham, Minister for Trade, Tourism and Investment (representing the Minister for Education, the Hon. Dan Tehan MP);
- Senator the Hon. Michaelia Cash, Minister for Small and Family Business, Skills and Vocational Education; and
- Senator the Hon. Bridget McKenzie, Minister for Regional Services, Sport, Local Government and Decentralisation (representing the Minister for Education).

3.3 The committee also heard evidence from officers from the Department of Education and Training (the department) and agencies responsible for administering education and training. These agencies were:

- the Australian Curriculum, Assessment and Reporting Authority;
- the Australian Research Council; and
- the Tertiary Education and Quality Standards Agency.

Department of Education and Training

Cross-portfolio

3.4 Departmental expenditure on advertising campaigns was discussed in great depth. Dr Michele Bruniges, Secretary, noted that in the 2018-19 Budget, the government allocated \$6 million to support phase 3 of the Government's Quality Schools package.¹ Ms Susan Charles, Branch Manager, Communication Branch, provided the break down by media type as:

Television, GST exclusive, is \$2,065,684. For press it is \$56,787. For radio it is \$871,351. For out-of-home it is \$1,299,351. For digital, which includes social, is \$1,752,569.²

1 *Committee Hansard*, 21 February 2019, p. 25.

2 *Committee Hansard*, 21 February 2019, p. 26.

Outcome 1

3.5 Committee members enquired into the status of bilateral negotiations between the Commonwealth and states regarding school funding. Minister Birmingham noted that seven state and territory governments, with the exception of Victoria, had signed up to the agreement by 7 December 2018.³

3.6 Discussions also occurred regarding the Commonwealth funding arrangements for public and private schools. Ms Alex Gordon, Deputy Secretary, Schools and Youth, noted that 'Commonwealth entitlements are provided to the state government. What an individual school actually receives, in terms of funding, is a matter for the state government'.⁴ When further questioned about how the Commonwealth share of funding is divided, Ms Gordon stated:

The Commonwealth provides for any schools within a system—the state government departments and government schools and Catholic systems and other smaller independent systems. The funding is provided to that system, so the entitlements are calculated based on individual school level. They're provided to the system. In the case of government schools, it's provided to the state government, and the state government...then distributes it according their own needs-based funding arrangements, and then they provide advice to us [the department] about the distribution.⁵

3.7 In-home child care arrangements were also discussed during the hearing. When asked to provide an update on the program, Ms Jackie Wilson, Deputy Secretary, Early Childhood and Child Care, responded:

The government announced some changes in MYEFO, the Mid-Year Economic and Fiscal Outlook, in December [2018] that increased the subsidy rate to \$32 and increased the number of places by around 200. From what I've heard from the team that are talking to the in-home care support agencies, there was a great influx of new applications in December [2018] and January [2019]—Queensland and Victoria being two areas, and lots from regional areas as well. I think that the increase in the rate has made it much more attractive, as well as the increase in the number of places. We were trying to redistribute more equitably on a geographic basis, but there is still, for example, a strong need coming out of Queensland that we're trying to support as well.⁶

3.8 Discussions also took place regarding the new Child Care Package. When questioned about the number of individuals accessing the child care subsidy safety net, Ms Wilson responded that as of the September quarter 2018, approximately 9080 children were receiving the additional subsidy.⁷

3 *Committee Hansard*, 21 February 2019, p. 36.

4 *Committee Hansard*, 21 February 2019, p. 41.

5 *Committee Hansard*, 21 February 2019, p. 41.

6 *Committee Hansard*, 21 February 2019, p. 41.

7 *Committee Hansard*, 21 February 2019, p. 60.

3.9 The committee further discussed the supply and demand for early childhood teachers in Australia and whether there were a sufficient number of teachers being trained in the area. Dr Bruniges noted that:

...the workforce has grown strongly in recent years. In 2016 there were 194,994 people employed across the early childhood sector. If we go back to 2013 there were only 153,000, which is a growth rate of about 27 per cent. The proportion of workforce with qualifications also continues to grow. As at 2016, which is the latest one we have, 85 per cent of staff had a relevant qualification, which is great. That compared to 70 per cent in 2010 and 82 per cent in 2013. So that trend is going in the right direction for qualifications, as are the numbers.⁸

3.10 The committee also questioned the department about commonwealth funding in the preschool education sector and the breakdown of the \$440 million in funding to states and territories for 2019. Ms Kelly Pearce, Group Manager, Early Learning Policy and Network, stated that there was \$428 million in funding for 2018 and the state breakdown by state and territory for 2019 was as follows:

New South Wales, \$128.9 million; for Victoria, \$123.9 million; for Queensland, \$88.4 million; for WA, \$47.1 million; for South Australia, \$28.4 million; for Tasmania, \$9.2 million; for the ACT, \$9.3 million; and for the Northern Territory, \$4.9 million; and that adds up to \$440.1 million.⁹

Outcome 2

3.11 The committee commenced Outcome 2 by discussing the higher education sector. This included questioning about the financial health of the sector. Mr David Learmonth, Deputy Secretary, Higher Education, Research and International, stated that the higher education sector was in good financial health, noting:

We do actually now have available the latest financial information, which is 2017. It has only just become available. Let me give you a couple of overall statistics, and I'll take you through the picture in relation to the universities that did not make a positive margin in that year. The net result across universities for 2017 was a surplus of \$2 billion. That was a 27.8 per cent increase on 2016, which had an operating \$1.6 billion. So it is a significant increase in profit or operating margin. All of the relevant measures of financial results have improved. So the total revenue is up, the net result is up, total government funding is up, international income is up, their total net assets are up, their cash and investments are up, their external borrowings are up slightly but well outweighed by the increase in cash and investments. So overall the sector is, I think, in even better financial health and viability in 2017 than 2016.¹⁰

8 *Committee Hansard*, 21 February 2019, p. 68.

9 *Committee Hansard*, 21 February 2019, p. 71.

10 *Committee Hansard*, 21 February 2019, p. 76.

3.12 Questioning then progressed into the role of the department in the awarding of university or university college status to institutions. Mr Learmonth noted that universities are established under state legislation to 'serve state purposes in terms of workforce need'.¹¹ Mr Learmonth further stated that the ANU is the only exception established under federal law.¹²

3.13 Enrolment figures for science, technology, engineering and mathematics (STEM) courses were also discussed. Mr Learmonth, when questioned about whether a cap on enrolment numbers would lead to a decline in STEM fields, responded that universities continue to plan to grow enrolments in these fields.¹³ He further stated:

...if you look at the growth for 2017 to 2021, STEM, cluster 7, will grow by about 4.5 per cent on the universities' own estimations. Cluster 7—engineering, science—is running at 4½ per cent; cluster 3—maths, stats, behavioural science et cetera—will have a 9.2 per cent increase; nursing, a six per cent increase.¹⁴

3.14 The rollout of the Regional Study Hubs program was also discussed. Mr Dom English, Group Manager, Higher Education, stated that the first tranche of regional hubs were announced and that there were 16 successful proponents.¹⁵

3.15 Following these discussions, questioning moved on to international education and the sustainability of international student revenue. Mr Learmonth noted that concerns of a slowdown in international student enrolments at Australian universities is a 'reflection of the awareness that some people [universities] have got a lot of eggs in one basket and that there is a concentration of students in some sectors, in some universities, which make it more vulnerable'.¹⁶ Mr Learmonth further stated that 'China has 63 per cent of international enrolments of the Group of Eight and most of them are concentrated in four universities'.¹⁷

3.16 The committee also discussed the skills and vocational education sector in great depth. This commenced with questioning over the student builder program. Mrs Fiona Lynch-Magor, Acting Group Manager, Skills Market, noted that there were originally 20 individual participants in the program and there are currently 17.¹⁸ Mrs Lynch-Magor further noted that the students were expected to finish the program by March 2020.¹⁹

11 *Committee Hansard*, 21 February 2019, p. 77.

12 *Committee Hansard*, 21 February 2019, p. 78.

13 *Committee Hansard*, 21 February 2019, p. 81.

14 *Committee Hansard*, 21 February 2019, p. 81.

15 *Committee Hansard*, 21 February 2019, p. 86.

16 *Committee Hansard*, 21 February 2019, p. 93.

17 *Committee Hansard*, 21 February 2019, p. 93.

18 *Committee Hansard*, 21 February 2019, p. 96.

19 *Committee Hansard*, 21 February 2019, p. 96.

3.17 The Bush Wage Subsidy Trial pilot rollout was also discussed by the committee. Ms Linda White, Branch Manager, Foundation and Industry Skills, stated that there was \$59.3 million in funding for the scheme across the forward estimates.²⁰ When questioned about the number of companies receiving funding through the scheme, Ms White noted that 'employers are only allowed to have one Australian apprentice on the pilot'.²¹ She later provided a breakdown of the companies by state as follows:

New South Wales had an allocation of 559 apprentices. So that would be 559 employers. Victoria, 331. Queensland, 421. South Australia, 108. Western Australia, 134. Tasmania, 124. Northern Territory, 55. And the ACT, zero, because they're all in rural and regional Australia, and ACT is not regarded as a location in rural and regional Australia. In total there were 1,632 places.²²

3.18 The committee also enquired into the budgeting for the Skilling Australians Fund. When asked if the Department is expecting a shortfall during the upcoming financial year, Dr James Hart, Group Manager, Vocational Education and Training Reform, noted that the fund currently has a hypothecated revenue stream 'so it is dependent upon what revenue is actually raised in the preceding financial year, but it will be for that full financial year, depending on what that figure ends up being at 30 June'.²³

3.19 Further enquiries were made into advertising campaign for \$20 500 in employer incentives for hiring apprentices and trainees. Ms Nadine Williams, Deputy Secretary, Skills and Training, noted that:

The \$20,500 is essentially made up of wage incentives which will be paid through the Department of Jobs and Small Business as well as a range of incentives currently available under the current apprenticeships program.²⁴

3.20 When further questioned about the number of individuals eligible for the full amount, Ms Williams noted that she was unsure and that 'there will be a range of employers that would be available for the full amount'.²⁵

Australian Curriculum, Assessment and Reporting Authority

3.21 The committee commenced proceedings by thanking Mr Robert Randall, former Chief Executive Officer, for his 'contribution to the development of' the Australian Curriculum, Assessment and Reporting Authority (ACARA).²⁶

20 *Committee Hansard*, 21 February 2019, p. 98.

21 *Committee Hansard*, 21 February 2019, p. 98.

22 *Committee Hansard*, 21 February 2019, p. 99.

23 *Committee Hansard*, 21 February 2019, p. 111.

24 *Committee Hansard*, 21 February 2019, p. 120.

25 *Committee Hansard*, 21 February 2019, p. 120.

26 *Committee Hansard*, 21 February 2019, p. 123.

3.22 Discussions then proceeded to the publication of National Assessment Program NAPLAN – Literacy and Numeracy (NAPLAN) data on the My School website. Ms Janet Davy, Acting Chief Executive Officer, stated that:

We're proceeding, as we normally do in the first quarter of each year, to get data ready for an upload and an upgrade of the My School website. That's proceeding as scheduled, for all non-NAPLAN data at the moment. In terms of NAPLAN 2018: yes, ministers are taking some time to consider how they want the 2018 NAPLAN data presented. That's, at the moment, in deliberations with ministers. Once we get a preference from them then we'll be ready to go and we'll start uploading that 2018 NAPLAN data.²⁷

3.23 Future planning for the 2019 NAPLAN was also discussed, with Ms Davy noting that:

2019 NAPLAN is well on track. In terms of ACARA's main work in that space, the test items have pretty much been finalised and we're just doing the final verification of those, in terms of states and territories. Schools have gone through their readiness testing, and states and territories have confirmed and identified the schools that are going online. We expect there are about 50 per cent of schools around the country going online in 2019. In terms of the work of ESA [Education Services Australia] and the national platform, that's also undergone platform readiness testing, and there are no issues. As far as 2019 NAPLAN is going, we're well on track and ready to go, with about 50 per cent of schools across the country undertaking the online assessment.²⁸

Australian Research Council

3.24 The committee enquired into the Centre of Excellence program and the finalisation of the current round of grants. Professor Sue Thomas, Chief Executive Officer, stated that the Australian Research Council (ARC) had 'gone through the first part of a two-stage process with expressions of interest now down-selected to full applications'.²⁹ Ms Kylie Emery, Policy and Strategy Branch Manager, noted that the current shortlist for potential grant recipients is 20.³⁰

3.25 The split between funding for STEM areas and Humanities, Arts and Social Sciences (HASS) was also discussed. Professor Thomas stated that 'for the last five years, on average...approximately 80 per cent of our funding has gone into STEM and about 20 per cent into HASS'.³¹ The professor further noted that history and archaeology accounted for 2.5 per cent of ARC funding in 2019, a 4.4 percentage point decline on 2017.³²

27 *Committee Hansard*, 21 February 2019, p. 123.

28 *Committee Hansard*, 21 February 2019, p. 123.

29 *Committee Hansard*, 21 February 2019, p. 124.

30 *Committee Hansard*, 21 February 2019, p. 125.

31 *Committee Hansard*, 21 February 2019, p. 131.

32 *Committee Hansard*, 21 February 2019, p. 131.

3.26 The code of responsible conduct for research was discussed. Ms Emery stated that a new code was developed and would come into effect on 1 July 2019.³³

Tertiary Education and Quality Standards Agency

3.27 The committee commenced proceedings by enquiring into the actions taken by the Tertiary Education Quality and Standards Agency (TEQSA) in investigating an alleged sexual assault at the University of Queensland. Mr Anthony McClaran, Chief Executive Officer, stated that TEQSA is investigating the complaint and that 'we're assessing the evidence that has been provided in relation to the case. We haven't reached a conclusion of that assessment yet'.³⁴

3.28 Questions were also asked about the consequences for universities which fail to report incidents of alleged sexual assault to TEQSA. Mr McClaran in response stated:

I think it's true to say that in the cases we've investigated we have not found situations where there is an ongoing fundamental breach of the standards. There have been a number of outcomes. In some cases those outcomes have been an improvement in the processes used to deal with allegations of sexual assault and sexual harassment. Also—I'd say this is quite frequently the case—they have prompted further dialogue and action between the provider and the individual student, often in a way that enables a students to feel that they are safe in the particular university environment.³⁵

3.29 Freedom of speech on campus was also discussed during estimates. When questioned about whether TEQSA was investigating allegations of potential curtailment of free speech on university campuses, Professor Nicolas Saunders, Chief Commissioner, responded:

We have not initiated a sector-wide review of freedom of speech, simply because the minister, within a week or two of our conversation at last Senate estimates, engaged the Honourable Robert French to undertake such a review. We felt that it would be an incredible burden and, indeed, unnecessary for us to also conduct our review.³⁶

Senator Slade Brockman

Chair

33 *Committee Hansard*, 21 February 2019, p. 132.

34 *Committee Hansard*, 21 February 2019, p. 134.

35 *Committee Hansard*, 21 February 2019, p. 137.

36 *Committee Hansard*, 21 February 2019, p. 138.

