

## 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 31 May and 5 June 2018, the committee heard evidence from Senator the Hon. Simon Birmingham, Minister for Education and Training, along with officers from the Department of Education and Training (the department) and agencies responsible for administering education and training policy, including:

- Australian Curriculum, Assessment and Reporting Authority (ACARA);
- Australian Institute for Teaching and School Leadership (AITSL);
- Australian Research Council (ARC);
- Australian Skills Quality Authority (ASQA);
- Education Services Australia (ESA);
- National Centre for Vocational Education Research (NCVER); and
- Tertiary Education and Quality Standards Agency (TEQSA).

#### Department of Education and Training

##### *Cross-portfolio*

3.3 The cessation of the Australian Apprenticeship Management System (AAMS) was discussed in great depth. Dr Michele Bruniges, Secretary, Department of Education and Training, provided a preamble explaining the key dates in the project and reasons behind its cessation. Dr Bruniges noted that 'on May 18 this year, the department announced that it ceased work on the AAMS project'.<sup>1</sup> Dr Bruniges further stated, that 'I deeply regret that this has occurred. I have acknowledged and apologised that weaknesses in our project management practices did contribute to this outcome'.<sup>2</sup>

3.4 Dr Bruniges further noted that in November 2017 she requested an internal review by Price Waterhouse Cooper into the system. The report, released on 19 April 2018 'identified serious weaknesses in practices across the department's project governance, project management, and contractor and stakeholder management'.<sup>3</sup>

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1 *Committee Hansard*, 31 May 2018, p. 15.

2 *Committee Hansard*, 31 May 2018, p. 15.

3 *Committee Hansard*, 31 May 2018, p. 15.

Dr Bruniges additionally stated that all findings and recommendations from the review have been accepted and will be implemented.<sup>4</sup>

3.5 The committee also enquired into the role the vendor played in the failure of the project. Dr Bruniges stated that the vendor, NEC, underestimated the complexity of the AAMS system and probably under-resourced its technical development.<sup>5</sup>

3.6 When questioned about the total expenditure on the project, Mr Marcus Markovic, Group Manager for Finance Technology and Business Services, responded that the amount spent was \$24.1 million.<sup>6</sup>

3.7 There were further enquiries into expenditure on school funding advertising over the past two financial years. Ms Carolyn Smith, Deputy Secretary for Corporate Strategy, noted that in the previous year \$9.7 million had been allocated to advertising and a further \$6 million was allocated in this year's budget.<sup>7</sup>

### ***Outcome 1***

3.8 Several committee members enquired into the extension and expansion of the National School Chaplaincy Programme. Dr Bruniges stated that the Government has allocated \$247 million over four years between 2018-19 and 2021-22 to the program.<sup>8</sup> It was further noted that in 2017, 3309 schools were participating in the programme.<sup>9</sup>

3.9 When questioned on the role of school chaplains under the program, Minister Birmingham replied that its purpose is to provide 'pastoral care and wellbeing support to students, staff and school communities'.<sup>10</sup>

3.10 Changes to funding measures for the Australian Children's Education & Care Quality Authority (ACECQA) were also discussed during the hearings. Under the previous funding arrangements it was ascertained that both the Commonwealth and states and territories funded ACECQA. Of this \$20.3 million was provided by the department to states and territories for the national partnership, and the states and territories provided roughly \$5.75 million of this funding back to ACECQA.<sup>11</sup> Minister Birmingham, in answering questions about future funding of ACECQA stated:

I make no denial of the fact that we're not providing as much money to the states and territories. We expect them to do their job and to fulfil their

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4 *Committee Hansard*, 31 May 2018, p. 15.

5 *Committee Hansard*, 31 May 2018, p. 17.

6 *Committee Hansard*, 31 May 2018, p. 31.

7 *Committee Hansard*, 31 May 2018, p. 45.

8 *Committee Hansard*, 31 May 2018, p. 22.

9 *Committee Hansard*, 31 May 2018, p. 23.

10 *Committee Hansard*, 31 May 2018, p. 26.

11 *Committee Hansard*, 31 May 2018, p. 52.

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regulatory functions and responsibilities. Given the partnership agreement was expiring, we had a look at the situation in relation to ACECQA. We wanted to guarantee that their work in terms of national leadership was able to continue, and we made the budget decision to budget funding additional to what was previously provided to ACECQA, to fully fund their operations.<sup>12</sup>

3.11 Committee members also made enquiries into the rollout of the Child Care Subsidy System. Mr Matt Yannopoulos, Acting Deputy Secretary for Early Childhood, noted that the system will be ready for rollout on 2 July 2018. He further stated that the department has met each of its own time lines for the start date with the exception of the second element, software vendor registration, which is behind schedule.<sup>13</sup> When questioned if all the early learning centres and providers will be ready for the 2 July rollout, Mr Yannopoulos replied:

Not all providers are ready yet. They are required to do a transition process. As at this morning, a little over 5,200 of those have completed their readiness work in terms of their accessing of the new system, so we've got about 800 to go. That is progressing well. Our belief is that we'll complete those finals in the next two weeks.<sup>14</sup>

3.12 Discussion took place regarding preschool attendance rates. Minister Birmingham noted that an estimated 70 per cent of children across Australia met the 600 hour attendance preschool target.<sup>15</sup> In addition, the attendance rates were 65 per cent for vulnerable and disadvantaged children and 59 per cent for Indigenous children.<sup>16</sup>

3.13 The committee further discussed the special arrangements for school funding. Minister Birmingham when questioned on the number of arrangements responded that there are around 27 different arrangements.<sup>17</sup>

3.14 Additional funding for independent schools with low growth was also discussed. Minister Birmingham stated that the funding was a one-year transition arrangement for 'schools that were otherwise going to receive...a reduction in funding or funding below the previous minimum growth rate of three per cent'.<sup>18</sup>

3.15 The costings of recommendations from Mr David Gonski's *Report of the review to achieve educational excellence in Australian schools* were discussed. Ms Alex Gordon, Acting Deputy Secretary for Early Childhood, noted that as the recommendations were broad in nature and no formal agreements with states and

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12 *Committee Hansard*, 31 May 2018, p. 53.

13 *Committee Hansard*, 31 May 2018, p. 57.

14 *Committee Hansard*, 31 May 2018, p. 58.

15 *Committee Hansard*, 31 May 2018, p. 68.

16 *Committee Hansard*, 31 May 2018, p. 68.

17 *Committee Hansard*, 31 May 2018, p. 94.

18 *Committee Hansard*, 31 May 2018, p. 89.

territories have been entered 'it's not possible to provide a definitive cost of implementation'.<sup>19</sup>

3.16 The committee concluded questioning on Outcome 1 with discussions over the Independent Review into Regional, Rural and Remote Education. Dr Bruniges, when questioned around the costings of this review, noted that \$14 million will be spent on an additional 500 Commonwealth supported place for rural and regional students and \$28.2 million on expanding the availability of sub-bachelor places.<sup>20</sup>

### ***Outcome 2***

3.17 The creation of eight regional hubs and new medical schools were discussed. The department noted that currently 25 submissions have been received from a range of stakeholders including universities and local councils. These submissions will then be considered by an expert panel to assess the relative merits of the applications.<sup>21</sup> Mr David Learmonth, Deputy Secretary of Higher Education, Research and International, when questioned on an expected timeframe to process the applications responded that he hoped it would take less than three months.<sup>22</sup>

3.18 Conversations also took place surrounding the allocation of sub-bachelor and postgraduate places and the establishment of a new allocation mechanism based on institutional outcomes and industry needs. Mr Learmonth, when questioned about the status of the policy replied 'we're due to go to consultation with the sector with a discussion paper very shortly'.<sup>23</sup>

3.19 The committee also questioned the role of the Tuition Protection Service (TPS). When asked to provide an update on the number of payouts to students the TPS has made over the past four years, Ms Karen Sandercock, Group Manager, International, noted so far in 2018 it has made payouts to students at one provider which closed.<sup>24</sup> In 2017, there were seven provider closures which involved payments to students, whilst in 2016 there were five provider closures and four in 2015.<sup>25</sup>

3.20 The committee also discussed the recent decision by the Australian National University to withdraw from negotiations with the Ramsey Centre for Western Civilisation. Minister Birmingham noted that 'in relation to the decision of the ANU...I have spoken both with the vice-chancellor and with Mr Howard as Chair of the Ramsey Centre'.<sup>26</sup> When asked if he was in favour of this bequest being spent on a program at ANU, Minister Birmingham responded:

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19 *Committee Hansard*, 31 May 2018, p. 102.

20 *Committee Hansard*, 31 May 2018, p. 108.

21 *Committee Hansard*, 31 May 2018, p. 131.

22 *Committee Hansard*, 31 May 2018, p. 131.

23 *Committee Hansard*, 5 June 2018, p. 32.

24 *Committee Hansard*, 5 June 2018, p. 38.

25 *Committee Hansard*, 5 June 2018, pp. 38–39.

26 *Committee Hansard*, 5 June 2018, p. 41.

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I would like to see one of Australia's universities, at least—maybe more than one—access the potential that is offered by the Ramsay Centre to create new scholarships, new research undertakings in an area that I believe is of value and entirely consistent with the foundations of universities themselves and the academic freedoms and inquiries they undertake.<sup>27</sup>

3.21 Questions were raised about the issue of visa management for individuals seeking to enter Australia, over the past 12 to 18 months, as post-doctoral researchers and visiting scholars. Mr Learmonth noted that the department has received some feedback that the Chinese have raised concerns 'from time to time' about visa processing times which have been passed on to the Department of Home Affairs.<sup>28</sup>

3.22 In regards to the Skills and Training aspects of Outcome 2, the committee also undertook extensive questioning regarding the North East Vocational College. Ms Fiona Lynch-Magor, Branch Manager for Workforce and Apprenticeships Policy, Industry Skill and Quality, Skills and Training, noted that of the original 20 student builders involved in the program, there are now 17.<sup>29</sup> This figure takes into account six student builders who have left the pilot and some additional ones that have entered the program.<sup>30</sup>

3.23 Ms Lynch-Magor also stated that the student builders spend 35 weeks of work experience on-site over the three year duration of the course.<sup>31</sup> When questioned what qualifications these students would receive after they graduate, Ms Lynch-Magor responded they would receive a Certificate III in Building and Construction and become eligible to apply for a builder's licence.<sup>32</sup>

3.24 Revenue estimates for the Skilling Australians Fund were also discussed. Mr Bryan Palmer, Group Manager for Skills Market, noted that 'in 2017-18 the revenue estimate is zero, in 2018-19 the revenue estimate is \$243.4 million, in 2019-20 the revenue estimate is \$288.3 million, in 2020-21 the revenue estimate is \$248.2 million, and in 2021-22 the revenue estimate is \$243.2 million'.<sup>33</sup> In addition, it was further noted that there is a guaranteed \$50 million for signing on to the new National Partnership Agreement.

3.25 The committee further enquired into whether any money from the Skilling Australians Fund had been paid out to states and territories yet. Mr Palmer replied that 'at this stage I have no project proposals from states and territories. My understanding is that a number of the states and territories are working on project proposals for

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27 *Committee Hansard*, 5 June 2018, p. 41.

28 *Committee Hansard*, 5 June 2018, p. 65.

29 *Committee Hansard*, 5 June 2018, p. 68.

30 *Committee Hansard*, 5 June 2018, p. 68.

31 *Committee Hansard*, 5 June 2018, p. 69.

32 *Committee Hansard*, 5 June 2018, p. 71.

33 *Committee Hansard*, 5 June 2018, p. 91.

2017-18'.<sup>34</sup> He further noted that project proposals were due to be lodged with the department on 7 June.<sup>35</sup>

3.26 The department further provided a state-by-state breakdown of the \$300 million in the Skilling Australian Fund for skills and apprenticeships:

In terms of the [\$300 million] that's being made available in 2017-18, New South Wales is eligible for \$95.9 million; Victoria is eligible for \$77.4 million; Queensland is eligible for \$60.1 million; Western Australia is eligible for \$31.4 million; South Australia is eligible for \$20.9 million; Tasmania is eligible for \$6.3 million; the ACT is eligible for \$5 million; and the NT is eligible for \$3 million.<sup>36</sup>

### **Education Services Australia**

3.27 The committee began its questioning of the ESA by noting that this was its first appearance at senate estimates and welcoming Mr Andrew Smith, Chief Executive Officer.<sup>37</sup>

3.28 Enquiries were made into the development of the NAPLAN Online system. Mr Smith noted that government funding to the ESA to develop the online assessment program was \$24 million.<sup>38</sup> Mr Smith, when questioned about the number of students who have sat the NAPLAN online test responded 'the exact number is 192,878...as at the close of business on Friday [25 May 2018]'.<sup>39</sup> Mr Smith noted that 'this is the first year of transition towards having all schools undertaking NAPLAN Online by 2020 or thereabouts'.<sup>40</sup>

### **Tertiary Education Quality and Standards Agency**

3.29 The committee enquired into funding and staffing arrangements at TEQSA. Mr Anthony McClaran, Chief Executive Officer, noted that the increase in TEQSA's budget has played a 'very significant' role in its ability to hire permanent staff.<sup>41</sup> Professor Nicolas Saunders, Chief Commissioner, concurred stating 'it's given us an extra 44 Australian Public Service staff. We'll go up to over 90 permanent staff now and only a dozen or so contractors within that funding envelope'.<sup>42</sup>

3.30 The committee also undertook a line of questioning into TEQSA's role in addressing sexual assault on university campuses. Mr McClaran noted that TEQSA

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34 *Committee Hansard*, 5 June 2018, p. 93.

35 *Committee Hansard*, 5 June 2018, p. 93.

36 *Committee Hansard*, 5 June 2018, pp. 96–97.

37 *Committee Hansard*, 31 May 2018, p. 109.

38 *Committee Hansard*, 31 May 2018, p. 110.

39 *Committee Hansard*, 31 May 2018, p. 110.

40 *Committee Hansard*, 31 May 2018, p. 110.

41 *Committee Hansard*, 31 May 2018, p. 116.

42 *Committee Hansard*, 31 May 2018, p. 117.

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has begun regulatory action and 'is currently involved in about six inquiries...following up on either media stories or complaints'.<sup>43</sup> Mr McClaran also stated that TEQSA has reached out to the Centre Against Sexual Assault and has commenced building links with them so that 'in cases where students may contact the agency in distress and we don't have the capacity to provide trained counselling, because that is not within our scope as an agency, we are confident that we are able to direct them to appropriate sources of support, while taking up issues appropriate to us which centre on the extent to which providers are or are not implementing their requirements under the standards'.<sup>44</sup>

### **Australian Institute for Teaching and School Leadership**

3.31 Considerable discussion took place about the review into the national teacher registration process. Questions were asked about the findings and recommendations of the expert panel. Ms Lisa Rodgers, Chief Executive Officer, replied that she didn't have in-depth knowledge of current deliberations but concurred with the summation that early learning, early childhood teachers, VET issues and Australian professional standards for teachers would be key themes to come out the expert panel's review.<sup>45</sup>

3.32 The committee also enquired into AITSL funding arrangements. Questions, in particular, were asked over the decline in the AITSL budget from \$15.3 million in 2017-18 to \$9.4 million in 2021-22. Ms Rodgers, noted that this is a reduction in funding, but 'as it stand at the moment in terms of the forward estimates, we have enough funding to cover all staff and all operational costs'.<sup>46</sup> Ms Alex Gordon, Acting Deputy Secretary, Schools and Youth, noted however that additional funding could be provided to AITSL for future work and that 'the forward budget reflects the work that's already been commissioned, but it doesn't necessarily reflect anticipated work that's not yet been commissioned of AITSL'.<sup>47</sup>

### **Australian Curriculum, Assessment and Reporting Authority**

3.33 The committee enquired into the NAPLAN Online trial period. Mr Robert Randall, Chief Executive Officer, confirmed ESA's evidence from 31 May stating that 192,878 students used NAPLAN Online during the nine days of testing.<sup>48</sup> When asked to provide a more detailed breakdown of these numbers, Mr Randall noted that 'just under 20 per cent' of the student population and six of the eight states and territories, excluding the Northern Territory and Tasmania, undertook the testing.<sup>49</sup>

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43 *Committee Hansard*, 31 May 2018, p. 118.

44 *Committee Hansard*, 31 May 2018, p. 118.

45 *Committee Hansard*, 5 June 2018, p. 10.

46 *Committee Hansard*, 5 June 2018, p. 17.

47 *Committee Hansard*, 5 June 2018, p. 17.

48 *Committee Hansard*, 5 June 2018, p. 25.

49 *Committee Hansard*, 5 June 2018, p. 25.

3.34 Mr Randall when questioned about the proportion of students who will sit NAPLAN Online next year, responded 'A larger number than this year, but it would be premature of me to speculate on that'.<sup>50</sup> He further noted that the goal was to have all students sitting NAPLAN Online by 2020.<sup>51</sup>

### **Australian Research Council**

3.35 The new Australian Antarctic Science Program was discussed. Professor Sue Thomas, Chief Executive Officer, noted that the Australian Research Council (ARC) received funding for a Special Research Initiative of \$56 million over seven years.<sup>52</sup>

3.36 The committee further discussed the Engagement and Impact Assessment. When asked how many submissions had been received by the ARC, Ms Leanne Harvey, Executive General Officer, stated that universities are in the process of uploading a range of different information and that that process was not finalised yet'.<sup>53</sup>

3.37 The committee also enquired into the applications for competitive grants process. Professor Thomas, when discussing the success rate for this process, stated 'in the round of discovery grants for funding starting in 2018 the success rate was 18.9 per cent. For 'discovery early career researchers awards', that same year it is 16.3 per cent; for 'laureate fellowships', 15.2 per cent; 'future fellowships', 30.9 per cent; and 'discovery Indigenous', 32.4 per cent'.<sup>54</sup>

### **Australian Skills Quality Authority**

3.38 The committee discussed the auditing processes for Registered Training Organisations (RTOs), in particular trainers passing students who are not suitably skilled and knowledgeable. Mr Mark Paterson, Chief Commissioner noted:

The greatest systemic risk is that the RTOs issue qualifications that attest to competency that the student doesn't hold. That's the greatest systemic risk that we would focus attention on. The majority of our regulatory decisions are invariably based on poor or inadequate assessment, inadequate numbers of appropriately qualified trainers and inadequate resourcing generally in relation to the delivery of training.<sup>55</sup>

3.39 The committee further questioned whether it is acceptable for RTOs to have paperwork done for them by a third party. Mr Paterson responded to this stating:

'...the RTO is responsible for the behaviour of the third parties, so the RTO cannot avoid its accountability or responsibility by having the activity undertaken by a third party. The RTO is responsible for the activities of

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50 *Committee Hansard*, 5 June 2018, p. 25.

51 *Committee Hansard*, 5 June 2018, p. 26.

52 *Committee Hansard*, 5 June 2018, p. 43.

53 *Committee Hansard*, 5 June 2018, p. 47.

54 *Committee Hansard*, 5 June 2018, p. 49.

55 *Committee Hansard*, 5 June 2018, p. 117.

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third parties that it engages, and, if a third party failed, the RTO would not be able to hide behind the fact that it was a third party that was doing it'.<sup>56</sup>

3.40 The committee further enquired into the number of RTOs that have had their registrations revoked. Mr Paterson responded:

From 2013-14 to now, we've cancelled the registration of 436 RTOs. We have suspended all or part of the registration of 240. We've given notice of intention to cancel or suspend 1,318, and we've applied other administrative sanctions for 361. So that's a total of 2,355 from 2013-14 to 31 March this year. The reason for the high number of intentions to cancel then not resulting in the same number of suspensions or cancellations is that an RTO given a notice of intention to cancel or suspend would be in a position to provide rectification evidence to us that they had overcome the reason for that suspension or cancellation, and we would be obligated to examine that. But, as I say, 436 were cancelled, and the numbers on a per-year basis are: in 2013-14 there were 25 cancelled; in 2014-15, 27; in 2015-16, 69; in 2016-17, 125; and, in 2017-18—that's to 31 March—150.<sup>57</sup>

### **National Centre for Vocational Education and Research**

3.41 The committee began its questioning of NCVER by noting that this was its first appearance at senate estimates before the Education and Employment Legislation Committee and welcomed Dr Craig Fowler, Managing Director.<sup>58</sup>

3.42 NCVER funding arrangements were discussed. Dr Fowler noted 'the major sources are contracts that we have with the Department of Education and Training for statistical services and research services, and then we have the membership fees—that is, the members of the company [state and territory governments] pay fees for the purpose of being members'.<sup>59</sup>

3.43 The research budget of the NCVER was also discussed. Dr Fowler noted that the research budget has remained steady at around \$3.3 million to \$3.5 million per annum for the last six years.<sup>60</sup> However, Dr Fowler also stated that there has been a \$1 million reduction in funding for the 2018-19 year.<sup>61</sup>

3.44 Dr Fowler was also questioned about the use of 'enterprise-specific training' meaning that workers don't have portability of skills. Dr Fowler responded with the analogy that 'there is a good deal of skilling in the form of Twenty20 cricket going on'.<sup>62</sup> He elaborated that:

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56 *Committee Hansard*, 5 June 2018, p. 118.

57 *Committee Hansard*, 5 June 2018, p. 119.

58 *Committee Hansard*, 5 June 2018, p. 126.

59 *Committee Hansard*, 5 June 2018, p. 126.

60 *Committee Hansard*, 5 June 2018, p. 129.

61 *Committee Hansard*, 5 June 2018, p. 129.

62 *Committee Hansard*, 5 June 2018, p. 130.

I think, [this] is partly where the skilling environment is going. Whilst we have some 4.2 million estimated students under our total VET activity assessment of VET in the country, it is the case that increasing numbers of them are undertaking subject-only enrolments and shorter skill sets. Aspects of portability, transferability and quality in that area are things that it would be wise to look to consider into the future.<sup>63</sup>

**Senator Lucy Gichuhi**

**Chair**

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63 *Committee Hansard*, 5 June 2018, p. 130.