

The Senate

Education and Employment
Legislation Committee

Budget estimates 2018-19

June 2018

© Commonwealth of Australia 2018

ISBN: 978-1-76010-786-4

This work is licensed under the Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Australia License.



The details of this licence are available on the Creative Commons website: <http://creativecommons.org/licenses/by-nc-nd/3.0/au/>.

This document was produced by the Senate Standing Committee on Education and Employment and printed by the Senate Printing Unit, Parliament House, Canberra.

MEMBERSHIP OF THE COMMITTEE

Members

Senator Lucy Gichuhi, Chair, LP, SA

Senator Gavin Marshall, Deputy Chair, ALP, VIC

Senator Sarah Hanson-Young, AG, SA

Senator Jim Molan, LP, NSW

Senator Deborah O'Neill, ALP, NSW

Senator James Paterson, LP, VIC

Secretariat

Mr Stephen Palethorpe, Secretary

Ms Natasha Rusjakovski, Principal Research Officer

Ms Kate Campbell, Senior Research Officer

Mr Matthew Hughes, Research Officer

Ms Jade Monaghan, Administration Officer

Committee web page:

www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment

PO Box 6100
Parliament House
Canberra ACT 2600

Ph: 02 6277 3521
Fax: 02 6277 5706
E-mail: eec.sen@aph.gov.au

TABLE OF CONTENTS

MEMBERSHIP OF THE COMMITTEE	iii
Chapter 1	1
Overview	1
Portfolio coverage	1
Portfolio Budget Statements 2018-19	1
Hearings.....	3
Questions on notice	4
Hansard transcripts	4
Chapter 2	5
Jobs and Small Business	5
Department of Jobs and Small Business	5
Australian Building and Construction Commission.....	10
Office of the Fair Work Ombudsman.....	10
Fair Work Commission	11
Registered Organisations Commission	11
Safe Work Australia	12
Australian Small Business and Family Enterprise Ombudsman.....	13
Asbestos Safety and Eradication Agency.....	13
Seafarers Safety, Rehabilitation and Compensation Authority, Comcare and the Safety, Rehabilitation and Compensation Commission	13
Chapter 3	15
Education and Training portfolio	15
Department of Education and Training	15
Education Services Australia.....	20
Tertiary Education Quality and Standards Agency	20
Australian Institute for Teaching and School Leadership	21
Australian Curriculum, Assessment and Reporting Authority.....	21
Australian Research Council	22
Australian Skills Quality Authority.....	22

National Centre for Vocational Education and Research.....	23
Appendix 1	25
Committee oversight of departments and agencies	25
Jobs and Small Business (Jobs and Innovation portfolio).....	25
Education and Training portfolio	25
Appendix 2.....	27
Index to Proof Committee Hansard Transcripts.....	27

Chapter 1

Overview

1.1 On 8 May 2018 the Senate referred the following documents to the Education and Employment Legislation Committee (the committee) for examination and report:

- particulars of proposed and certain expenditure in respect of the year ending on 30 June 2019;
- particulars of certain proposed expenditure in respect of the year ending on 30 June 2019;
- particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2019;
- particulars of proposed additional expenditure in respect of the year ending on 30 June 2018;
- particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2018.¹

Portfolio coverage

1.2 In accordance with a resolution of the Senate on 31 August 2016, as amended on 12 February 2018, the committee is responsible for the examination of the expenditure and outcomes of the following portfolios:

- Education and Training; and
- Jobs and Innovation (Jobs and Small Business).²

1.3 A full list of agencies is available at Appendix 1.

Portfolio Budget Statements 2018-19

1.4 The Portfolio Budget Statements (PBS) 2018-19 for the Education and Training portfolio and Jobs and Small Business (part of the Jobs and Innovation portfolio) were tabled in the Senate on 8 May 2018.³

Education and Training portfolio

1.5 The 2018-19 PBS for the Education and Training portfolio provides information on the revised estimates for the portfolio and details the Australian Government's education and training priorities including:

1 *Journals of the Senate*, No. 95, 8 May 2018, pp. 3032–3033.

2 *Journals of the Senate*, No. 2, 31 August 2016, p. 76; and No. 84, 12 February 2018, p. 2668.

3 *Journals of the Senate*, No. 95, 8 May 2018, p. 3033.

- the full implementation of the Child Care Package including the replacement of the Child Care Benefit and Child Care Rebate with the Child Care Subsidy and the Child Care Safety Net;
 - the extension of the National Partnership on Universal Access to Early Childhood Education;
 - ongoing work to implement a national school reform agreement;
 - creation of the High Achieving Teachers Program;
 - extension of the National School Chaplaincy Programme;
 - expansion of the number of available sub-bachelor and enabling places in regional and rural areas;
 - developing Australia's research system through the creation of the Research Infrastructure Investment Plan; and
 - ongoing commitment to the Skilling Australians Fund.⁴
- 1.6 The Department of Education and Training has two outcomes as follows:
- Outcome One: improved early learning, schooling, student educational outcomes and transitions from school through access to quality child care, support, parent engagement, quality teaching and learning environments; and
 - Outcome Two: promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research, skills and training.⁵

Jobs and Small Business

1.7 The 2018-19 PBS for Jobs and Small Business provides information on the revised estimates for the portfolio and details the Australian Government's priorities including:

- delivering efficient and effective employment services and helping job seekers find and keep a job through the continued implementation of jobactive;
- implementing initiatives to support Australians in regional areas or those experiencing challenges due to large-scale industry changes;
- providing mature age Australians with opportunities to contribute to the workforce;
- administering payments and recovery activities under the Fair Entitlements Guarantee which assists workers who have unpaid employment entitlements when they are made redundant by the liquidation or bankruptcy of their employer;

4 *Portfolio Budget Statements 2018-19: Education and Training Portfolio*, pp. 10–11.

5 *Portfolio Budget Statements 2018-19: Education and Training Portfolio*, p. 3.

- supporting small and family business and enterprise development, and ensuring that small business interests are considered in national economic reform; and
- contributing to higher productivity through implementation of national approaches to workplace health and safety and workers' compensation laws.⁶

1.8 The department notes that due to the changes to Administrative Arrangements on 20 December 2017, the department has gained small business and regulatory policy functions.⁷

1.9 The Department of Jobs and Small Business currently has the following two outcomes:

- Outcome One: foster a productive and competitive labour market through employment policies and programs that assist job seekers into work, meet employer needs and increase Australia's workforce participation; and
- Outcome Two: facilitate jobs growth through policies that promote fair, productive and safe workplaces, and facilitate the growth of small business.⁸

Hearings

1.10 On 14 November 2017 the Senate resolved that Budget Estimates hearings for the committee would occur between Tuesday, 29 May and Friday, 1 June.⁹

1.11 On 10 May 2018, an amendment to this resolution passed the Senate stating that the committee would meet from 'Tuesday, 29 May to Thursday, 31 May and Tuesday, 5 June and, if required, Friday, 22 June'.¹⁰ The resolution further stated 'that if a committee agrees to sit on 1 June instead of Tuesday, 5 June, then that be allowed if it suits the convenience of the committee'.¹¹

1.12 The committee decided to sit on Tuesday, 5 June. Accordingly particulars of budget expenditure were considered as follows:

- Jobs and Small Business—29 May and 30 May 2018; and
- Education and Training portfolio—31 May and 5 June 2018.

1.13 The committee heard evidence from the following Ministers:

- Senator the Hon. Michaelia Cash, Minister for Jobs and Innovation;

6 *Portfolio Budget Statements 2018-19: Jobs and Small Business (Part of the Jobs and Innovation Portfolio)*, pp. 13–14.

7 *Portfolio Budget Statements 2018-19: Education and Training Portfolio*, p. 13.

8 *Portfolio Budget Statements 2018-19: Education and Training Portfolio*, p. 13. Note that following the changes to Administrative Arrangement Orders on 20 December 2017, Outcome Two was updated to reflect the department gaining small business policy functions.

9 *Journals of the Senate*, No. 69, 14 November 2017, pp. 2206–2207.

10 *Journals of the Senate*, No. 97, 10 May 2018, p. 3110.

11 *Journals of the Senate*, No. 97, 10 May 2018, p. 3110.

- Senator the Hon. Zed Seselja, Assistant Minister for Science, Jobs and Innovation; and
- Senator the Hon. Simon Birmingham, Minister for Education and Training.

1.14 Evidence was also provided by the following departmental secretaries who were accompanied by officers of the portfolio departments and agencies:

- Ms Kerri Hartland, Secretary, Department of Jobs and Small Business; and
- Dr Michele Bruniges, Secretary, Department of Education and Training.

1.15 The committee extends its appreciation to the Ministers and officers of the departments and agencies who assisted the committee in its conduct of the 2018-19 Budget Estimates hearings.

1.16 An index of proceedings is available at Appendix 2.

Questions on notice

1.17 In accordance with Standing Order 26(9)(a), the committee agreed that the date for the return of answers in response to questions placed on notice from the Budget Estimates 2018-19 hearings on from 29 May to 31 May and 5 June would be 13 July 2018.

1.18 Answers to questions on notice are published as they become available on the committee's website: www.aph.gov.au/Parliamentary_Business/Senate_Estimates/ee.

Hansard transcripts

1.19 Committee Hansard transcripts are accessible on the committee's website: www.aph.gov.au/Parliamentary_Business/Senate_Estimates/ee/2018-2019_Budget_estimates.

1.20 In this report, references to the Committee Hansard are to the proof transcripts. Page numbers may vary between the transcripts of the Proof Hansard and the Official Hansard.

Chapter 2

Jobs and Small Business

2.1 This chapter summarises certain key areas of interest raised during the committee's consideration of budget estimates for the 2018-19 financial year for Jobs and Small Business.

2.2 On 29 May 2018, the committee heard evidence from Senator the Hon. Michaelia Cash, Minister for Jobs and Innovation, and Senator the Hon. Zed Seselja, Assistant Minister for Science, Jobs and Innovation, along with officers from the Department of Jobs and Small Business (the department). On 30 May 2018, the committee heard evidence from Senator Seselja, along with agencies responsible for administering jobs and small business policy, including:

- Asbestos Safety and Eradication Agency
- Australian Building and Construction Commission;
- Australian Small Business and Family Enterprise Ombudsman;
- Comcare and the Safety, Rehabilitation and Compensation Authority;
- Fair Work Commission;
- Office of the Fair Work Ombudsman;
- The Registered Organisations Commission;
- Safe Work Australia; and
- Seafarers Safety, Rehabilitation and Compensation Authority.

Department of Jobs and Small Business

Cross Portfolio

2.3 Enquiries were made into recent voluntary redundancies undertaken by the department. Ms Moya Drayton, Group Manager of the People and Communication Group, noted that 'for 2015-16, there were 39 voluntary redundancies; for 2016-17, there were 25; and for the financial year 2017-18 up until 31 March, there's been five.'¹

2.4 Committee members further enquired into the use of contractors by the department. Dr Jill Charker, Deputy Secretary of Corporate, stated that 'at March this year we had in the department 321 contractors in total which is about 15 per cent of our total headcount in the organisation'.² When asked about the breakdown of these contractors, Dr Charker noted that '163 are...classified as ICT contractors, 41 are in

1 *Committee Hansard*, 29 May 2018, p. 6.

2 *Committee Hansard*, 29 May 2018, p. 8.

our call centres, 19 are in legal and accounting areas, 17 are in economic and evaluation, three are in data analytics, 46 are in short-term general admin and support, and the remaining 32 are in a general category'.³ Dr Charker further stated that expenditure on contractors in 2017-18, up to 31 March 2018, is \$30.4 million. In 2016-17 the comparable figure was \$22.8 million and in 2015-16 it was \$25.6 million.⁴

2.5 Committee members also enquired into the death of a worker on a Work for the Dole site. Mr Martin Hehir, Deputy Secretary, Employment, noted that the department was waiting for a decision on the matter by the Toowoomba Magistrates Court before it would release the report into the worker's death.⁵

Outcome 1

2.6 Committee members enquired into staffing as well as the timeframe of the Future of Work Taskforce.⁶ The department noted that they have 10 staff (Average Staffing Level) assigned to the project.⁷ Mr Hehir further noted that the department was extending the Taskforce for a further 12 months as 'there's still further work to do'.⁸

2.7 There were further questions regarding the role of the Taskforce. Ms Angela Hope, Acting Branch Manager within the Youth and Programs Group, stated that:

In general terms, the team is a cross disciplinary team, so we do have people with experience in a broad range of skills. That includes data analytics, economic analysis, policy development and project management. Part of the work of the task force has been...to actually improve the data that we are collecting in relation to jobs and skills so we have more of an understanding of what is actually happening at a granular level both in respect of occupations in terms of how they are growing and declining and in respect of what is actually happening to jobs in particular regions at a more specific level than what we've had before.

The team is also looking at big data techniques to try and get more real-time information to assist in determining what's happening with the job market and what skills are in demand. We've been doing qualitative analysis of what is happening across the 19 industry groups and the uptake of technology within those particular industry groups. And, obviously, part of the work of the branch is to consider policy options in relation to the future of work and how we can best support people to make the transitions that they will need to make into the future.⁹

3 *Committee Hansard*, 29 May 2018, p. 9.

4 *Committee Hansard*, 29 May 2018, pp. 10–11.

5 *Committee Hansard*, 29 May 2018, p. 13.

6 *Committee Hansard*, 29 May 2018, p. 28.

7 *Committee Hansard*, 29 May 2018, p. 29.

8 *Committee Hansard*, 29 May 2018, p. 30.

9 *Committee Hansard*, 29 May 2018, p. 44.

2.8 Further questions were asked regarding the rising prevalence of 'gig economy' workers in Australia. Ms Sandra Parker, Deputy Secretary for Workplaces and Small Business, noted that there are gaps in the data regarding the number of gig economy workers making it difficult to calculate total numbers accurately. However, Ms Parker stated the 'we got some new figures in March [2018] from the Association of Superannuation Funds of Australia which said about 150,000 people, or 1.2 per cent of the workforce, use digital platforms' for employment.¹⁰

2.9 The 'More Choices for a Longer Life—jobs and skills for mature age Australians' measure was also discussed. The department noted that there was a \$9.3 million saving in the project for 2017-18 due to an underspend in the Labour Market Support Stream. When further questioned regarding the reasons behind this underspend the department agreed with the assertion that 'it's a demand-driven program and the demand hasn't been there'.¹¹ Ms Kerri Hartland, Secretary of the Department of Jobs and Small Business, noted that the \$9.3 million had 'been utilised for other purposes'.¹²

2.10 There were further enquiries into the Work for the Dole program. Questions were posed around the efficacy of the program and its ability to help long-term unemployed find a job. Ms Janine Pitt, Group Manager of Activation and Work for the Dole Group, stated that the department had undertaken surveys into the willingness of Work for the Dole members to find employment after six weeks on the program. The data showed that '74.1 per cent of participants reported an increased desire to find a job...69.6 per cent of participants reported an increase in self-confidence and 67.3 per cent of participants reported improved work related skills'.¹³

2.11 Discussions regarding the rollout of the Regional Employment Trials Program also occurred. Ms Hartland noted that the program would cost \$18.4 million and would be 'commencing 1 October 2018 and running until June 2020'.¹⁴ When questioned on which regions the project would be rolled out in, departmental representatives stated that the '10 regions are expected to be announced mid this year'.¹⁵

2.12 Enquiries were made into Youth Jobs PaTH. Questioned about the cost to run the project over the forward estimates, Mr Hehir stated that 'approximately \$26 million [is] budgeted for this financial year, and then in the order of \$49 million to \$50 million over each of the next four years'.¹⁶

10 *Committee Hansard*, 29 May 2018, p. 44.

11 *Committee Hansard*, 29 May 2018, p. 38–39.

12 *Committee Hansard*, 29 May 2018, p. 39.

13 *Committee Hansard*, 29 May 2018, p. 48.

14 *Committee Hansard*, 29 May 2018, p. 62.

15 *Committee Hansard*, 29 May 2018, p. 62.

16 *Committee Hansard*, 29 May 2018, p. 67.

2.13 Questions were further asked about the number of individuals who participated in the PaTH program who succeeded in finding employment. Mr Greg Manning, Group Manager of the Youth and Program Group, noted that '62 per cent of the individuals who have participated in one or more elements of PaTH have achieved a job placement'.¹⁷

2.14 Committee members also enquired into the number of complaints received by the department in regards to the PaTH program. Mr Manning replied that 'as at 20 May of this year, the department's national customer service line had received 28 complaints from jobseekers relating to PaTH internships...I think it's 0.01 per cent of commenced internships'.¹⁸

2.15 The Career Transition Assistance Program was also discussed. The department noted that the program would cost \$303.8 million from 2018-19 over the four years to 2021-22.¹⁹ When questioned about where the trials would be carried out, Mr Ty Emerson, Branch Manager in the Activation and Work for the Dole Group, stated 'it will be rolled out in Perth North, Western Australia; Central West, New South Wales; Ballarat, Victoria; Somerset; and Adelaide South, South Australia'.²⁰

Outcome 2

2.16 The committee discussed the amount of money returned to workers under the Fair Entitlements Guarantee (FEG) Recovery Program. Ms Debbie Mitchell, Group Manager of the Workplace Relations Programs Group, noted that the FEG had recovered \$58 million since the recovery program was launched.²¹

2.17 Ms Mitchell noted that the ongoing government funding for this program was \$10 million per year.²² However, she further noted that 'in a particular year when we have particularly complex or expensive litigation, we're [the department] able to source additional funding'.²³ The ongoing court case against Queensland Nickel, where the department has spent between \$8 and \$9 million, was later used as an example of a situation where such additional funding was required.²⁴

2.18 The Murray Review into security of payments was also discussed. When questioned about whether the department had 'any communication with any employer associations or industry bodies...about the Murray Report since it was released' Ms Justine Ross, Acting Group Manager, Work, Health and Safety Group, replied that

17 *Committee Hansard*, 29 May 2018, p. 68.

18 *Committee Hansard*, 29 May 2018, p. 73.

19 *Committee Hansard*, 29 May 2018, p. 76.

20 *Committee Hansard*, 29 May 2018, p. 76.

21 *Committee Hansard*, 29 May 2018, p. 87.

22 *Committee Hansard*, 29 May 2018, p. 102.

23 *Committee Hansard*, 29 May 2018, p. 102.

24 *Committee Hansard*, 29 May 2018, pp. 102–103.

neither she nor any employee of the department had made contact with these groups.²⁵ When further asked about whether the department would look at implementing any of the recommendations from the Review, the department replied that that would be a matter for the Building Ministers' Forum in combination with the Department of Industry, Innovation and Science.²⁶

2.19 Carrying on from discussions at the previous estimates round in February, there were further enquiries into the Federal Court decision that All Trades, a large Queensland employer of apprentices, had underpaid workers.²⁷ In particular, an update was sought on whether apprentices employed by All Trades were going to be reimbursed for their underpayment. Ms Parker noted that the situation is ongoing and that discussions were being undertaken with the Queensland Government.²⁸

2.20 The alleged underpayment and mistreatment of individuals under the Seasonal Workers Program was also discussed in great detail. The department noted that they are currently investigating the case in question and have conducted interviews with the workers.²⁹ The department also noted that all allegations of underpayment were referred to the Fair Work Ombudsman.³⁰

2.21 Enquiries were made into changes to the Australian Small Business Advisory Services program. Mr Peter Cully, Group Manager of the Small Business and Economic Strategy Group noted that the program moved from the Department of the Treasury under the December 2017 machinery-of-government changes.³¹ Mr Cully noted the changes were as follows:

Coming out of that were a couple of key changes to the program. The previous program had had 33 providers around the country, each receiving approximately \$200,000 per year. The new model that is scheduled to commence in July this year has divided the country into three regions: New South Wales and ACT; Victoria, South Australia and Tasmania; and Queensland, Northern Territory and Western Australia. There'll just be a single provider in each of those regions and they will each receive in the order of approximately \$2 million per year for the program. The program will be focused on digital rather than more broad small business skills.³²

2.22 The committee concluded proceedings on Tuesday, 29 May by discussing employment figures. Ms Alison Durbin, Acting Group Manager of the Workplace Relations Policy Group, noted the latest employment data is from August 2016 and it

25 *Committee Hansard*, 29 May 2018, pp. 93–94.

26 *Committee Hansard*, 29 May 2018, pp. 94–95.

27 *Committee Hansard*, 29 May 2018, p. 97.

28 *Committee Hansard*, 29 May 2018, p. 98.

29 *Committee Hansard*, 29 May 2018, p. 104.

30 *Committee Hansard*, 29 May 2018, p. 108.

31 *Committee Hansard*, 29 May 2018, p. 122.

32 *Committee Hansard*, 29 May 2018, p. 122.

stated 'that there were about 10.1 million employees, of whom about 3.3—that's just over 32 per cent—were part time, and around 6.8 million, basically two-thirds, 67.6 per cent, were full time'.³³ The department also noted that in August 2017, 25.1 per cent of the workforce was in casual employment, a 1.6 percentage point increase on 2012.³⁴

Australian Building and Construction Commission

2.23 The committee questioned senior executive staff regarding their knowledge of incorrect information published on the ABCC website.³⁵ When asked about the steps the executive staff took to ensure that correct information was distributed, Mr Peter Darlaston, Regional Manager Eastern, responded that he 'instructed [his] officers to ensure that they were aware of the changes in the legislation and to ensure that they accurately gave information and advice to industry participants'.³⁶

2.24 Information was sought regarding ongoing legal matters currently in the courts between the ABCC and Construction, Forestry, Maritime, Mining and Energy Union (CFMMEU).³⁷ Mr Stephen McBurney, the ABCC Commissioner, noted that 'the CFMMEU is a respondent in 41 matters currently before the court, and they are 41 of the 44 matters the agency currently has before the court'.³⁸

Office of the Fair Work Ombudsman

2.25 Information was sought about the involvement of Fair Work Ombudsman staff in the ongoing AFP investigations into the alleged unauthorised disclosure of information concerning the execution of search warrants obtained by the Registered Organisations Commission. Ms Natalie James, the Fair Work Ombudsman, noted that 'the situation remains as it was last time we spoke at estimates [28 February 2018], which is that the AFP continues to investigate the matter. The public interest immunity set out by the Attorney-General continues to apply and I am not in a position to traverse that area'.³⁹

2.26 When questioned about whether any employee or former employee of the FWO has been subpoenaed to give evidence in the Federal Court in the case between the Australian Workers' Union and the Registered Organisations Commission, Ms James stated that 'both the Fair Work Ombudsman and the former media director of the Fair Work Ombudsman were subpoenaed to provide documents in relation to that matter'.⁴⁰

33 *Committee Hansard*, 29 May 2018, p. 133.

34 *Committee Hansard*, 29 May 2018, p. 135.

35 *Committee Hansard*, 30 May 2018, pp. 5–6.

36 *Committee Hansard*, 30 May 2018, p. 9.

37 *Committee Hansard*, 30 May 2018, p. 11.

38 *Committee Hansard*, 30 May 2018, p. 11.

39 *Committee Hansard*, 30 May 2018, p. 44.

40 *Committee Hansard*, 30 May 2018, p. 44.

2.27 The committee also discussed the FWO's inquiry into the underpayment and exploitation of Tasmanian supermarket workers. In particular, questions were asked regarding the steps the FWO took to recover the underpayments for the effected workers. Mr Michael Campbell, the Deputy Fair Work Ombudsman responsible for Operations, noted that the FWO has 'identified \$64,000 in underpayments for a number of employees of subcontractors of cleaners within those sites'.⁴¹ When further questioned about the total amount that workers were underpaid, Ms James responded:

...when we assess any underpayment, we do so based on the information and the evidence that we have before us. It is possible that we don't always have the full information and evidence, so all I am able to give you is what they were back paid. That back pay amount would have been calculated based on the information we had to hand about the hours that they worked, what they had been paid and what the shortfall was, as far as we could ascertain it. When there are cases such as these ones where there are record keeping failings—no records, false records or records that are highly inadequate—we can't actually be certain, we can't verify, what the exact amount is. We do our best based on the information we have.⁴²

2.28 Ms James further noted that 'it's estimated that the total underpayment quantum would be far greater [than \$64,000] because Fair Work inspectors were impeded in quantifying entitlements because of poor record keeping; incomplete, inaccurate and/or false records; and a lack of cooperation from workers'.⁴³

Fair Work Commission

2.29 The Fair Work Commission was questioned regarding the process whereby Mr Bruce Billson was commissioned to write a report in consultation with small business. Mr Murray Furlong, Executive Director for Tribunal Services, noted that 'the direct approach [made to Mr Billson] is permitted under the Commonwealth Procurement Rules under the PGPA Act. Direct approaches can be made when value for money can be established based on a particular supplier's relevant experience'.⁴⁴

Registered Organisations Commission

2.30 The committee discussed the legal costs incurred by the Registered Organisations Commission (ROC) in regards to the ongoing investigation against the AWU. Mr Mark Bielecki, Commissioner, noted that 'the ROC has spent \$434,646, including GST'.⁴⁵ Of this, \$249,525 has been paid to Ashurst, a commercial law firm, \$82,642 has been paid to Mr Frank Parry QC, senior counsel, and a further \$100,489 has been paid to Matthew Follett, junior counsel.⁴⁶

41 *Committee Hansard*, 30 May 2018, p. 52.

42 *Committee Hansard*, 30 May 2018, p. 52.

43 *Committee Hansard*, 30 May 2018, p. 54–55.

44 *Committee Hansard*, 30 May 2018, p. 66.

45 *Committee Hansard*, 30 May 2018, p. 73.

46 *Committee Hansard*, 30 May 2018, p. 74.

2.31 The committee further enquired into the organisational structure of the ROC. Mr Bielecki noted that the commission consists of three streams. The first stream is in education, guidance and assistance. This includes information sessions and providing materials to assist whistleblowers.⁴⁷ The second stream is in relation to financial analysis. As part of this stream the ROC receives 'the financial returns and annual returns of registered organisations and the reporting units' of approximately 400 organisations and assesses them.⁴⁸ The third stream is in relation to compliance. The compliance stream is responsible to investigating whistleblower disclosures and undertakes investigations and inquiries.⁴⁹

Safe Work Australia

2.32 The committee asked Safe Work Australia to provide an overview of health and safety in the building and construction sector. When asked how many traumatic injuries have occurred in the building and construction sector, Ms Amanda Grey, the Deputy Chief Executive Officer responded:

In building and construction, the preliminary number of fatalities for this year is 10 and the preliminary number at this time last year was 17. I can get you the full number. In 2016 in construction there were 27 deaths, and so far this year there have been 33 fatalities.⁵⁰

2.33 When questioned about what agencies do to make construction sites safer for workers, Ms Parker replied:

The Federal Safety Commissioner has quite an extensive role. Part of its role is, again, to oversight building companies that wish to tender for Commonwealth funded work or substantially Commonwealth funded work, some of which might be state government funded. And they work with regulators as well but they provide an overarching framework of accreditation that is a higher standard than the state and regulatory requirements. In order to be an accredited company that can tender for Commonwealth work, companies have to meet that standard, and it is enforced through the Federal Safety Commissioner, which is an independent statutory agent that sits within the department but has powers under the act.⁵¹

2.34 The committee also discussed jurisdictional issues surrounding workplace investigations which cross state and territory boundaries. Safe Work Australia noted that they were aware that New South Wales had recently amended their health and safety laws to address the issue but that the issue has not been raised at any Safe Work Australia member meetings.⁵²

47 *Committee Hansard*, 30 May 2018, pp. 84–85.

48 *Committee Hansard*, 30 May 2018, p. 85.

49 *Committee Hansard*, 30 May 2018, p. 85.

50 *Committee Hansard*, 30 May 2018, p. 89.

51 *Committee Hansard*, 30 May 2018, p. 91.

52 *Committee Hansard*, 30 May 2018, p. 92.

Australian Small Business and Family Enterprise Ombudsman

2.35 The committee enquired into the funding and staffing allocations for the Australian Small Business and Family Enterprise Ombudsman (ASBFEO). Ms Kate Carnell, Ombudsman, noted that \$6 million is allocated to ASBFEO each year and that the staffing cap is approximately 17.⁵³ Dr Craig Latham, Deputy Ombudsman, also noted that ASBFEO currently has eight contracted workers.⁵⁴

2.36 Comments by Ms Carnell regarding several government policies were also raised. Ms Carnell in response to these questions noted that 'my job, really clearly, as it says in the [ASBFEO] legislation...is to advocate on behalf of small business'.⁵⁵ She further noted 'if we [the ASBFEO] believe legislation or regulation is not small business friendly, then we'll make it clear what we think'.⁵⁶

Asbestos Safety and Eradication Agency

2.37 The committee discussed the number of asbestos detections by the Australian Border Force over the past two years and questioned whether there was any validity to the claim that 'more asbestos products are entering the country'.⁵⁷ Mr Peter Tighe, Chief Executive Officer, noted that these 'suppositions are probably true' and that there is also a 'much more focused process at the border than there has been in the past'.⁵⁸

2.38 The National Strategic Plan for Asbestos Management and Awareness was also discussed. Mr Tighe noted that the first iteration of the national strategic plan, which commenced in 2014, will expire in 2018.⁵⁹ The next iteration of the strategic plan will have greater focus on 'being proactive in relation to the identification and targeted removal of asbestos to lower the incidences of asbestos-related diseases'.⁶⁰

2.39 The committee also noted that this was Mr Tighe's last estimates and thanked him for his services and contribution to the Public Service.⁶¹

Seafarers Safety, Rehabilitation and Compensation Authority, Comcare and the Safety, Rehabilitation and Compensation Commission

2.40 The committee sought information on third-party claims administrators and the in-house claims processing. Ms Jennifer Taylor, Chief Executive Officer, noted that two departments, Defence Housing Australia and the Australian Taxation Office,

53 *Committee Hansard*, 30 May 2018, p. 94.

54 *Committee Hansard*, 30 May 2018, p. 95.

55 *Committee Hansard*, 30 May 2018, p. 98.

56 *Committee Hansard*, 30 May 2018, p. 99.

57 *Committee Hansard*, 30 May 2018, p. 107.

58 *Committee Hansard*, 30 May 2018, p. 107.

59 *Committee Hansard*, 30 May 2018, p. 108.

60 *Committee Hansard*, 30 May 2018, p. 108.

61 *Committee Hansard*, 30 May 2018, p. 110.

were part of the 2016 trial allowing departments to assess their workers' compensation claims in-house and that there are no third-party claims administrators at the moment.⁶²

2.41 The committee further noted that over the last few financial years there has been a decrease in the number of claims received. When questioned about whether this was due to issues with the claims process, Ms Taylor responded:

I wouldn't have attributed it to the difficulty of the claims process. In fact, we have instituted a number of measures—an online claim form, for example—to try and speed up that claim process and the time it takes to get that to us. We've also increased our performance measures around determination of claims and the time frames for reconsideration et cetera. I haven't had feedback that the claims process itself has been an issue.⁶³

62 *Committee Hansard*, 30 May 2018, p. 111.

63 *Committee Hansard*, 30 May 2018, p. 112.

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'.¹ 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'.²

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'.³

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.⁴

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.⁵

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.⁶

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.⁷

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.⁸ It was further noted that in 2017, 3309 schools were participating in the programme.⁹

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'.¹⁰

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.¹¹ 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

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.

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.¹²

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.¹³ 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.¹⁴

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.¹⁵ In addition, the attendance rates were 65 per cent for vulnerable and disadvantaged children and 59 per cent for Indigenous children.¹⁶

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.¹⁷

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'.¹⁸

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

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'.¹⁹

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.²⁰

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.²¹ 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.²²

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'.²³

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.²⁴ In 2017, there were seven provider closures which involved payments to students, whilst in 2016 there were five provider closures and four in 2015.²⁵

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'.²⁶ When asked if he was in favour of this bequest being spent on a program at ANU, Minister Birmingham responded:

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.

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.²⁷

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.²⁸

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 17.²⁹ This figure takes into account six student builders who have left the pilot and some additional ones that have entered the program.³⁰

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.³¹ 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.³²

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'.³³ 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

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'.³⁴ He further noted that project proposals were due to be lodged with the department on 7 June.³⁵

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.³⁶

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.³⁷

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.³⁸ 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]'.³⁹ Mr Smith noted that 'this is the first year of transition towards having all schools undertaking NAPLAN Online by 2020 or thereabouts'.⁴⁰

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.⁴¹ 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'.⁴²

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

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.

has begun regulatory action and 'is currently involved in about six inquiries...following up on either media stories or complaints'.⁴³ 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'.⁴⁴

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.⁴⁵

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'.⁴⁶ 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'.⁴⁷

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.⁴⁸ 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.⁴⁹

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'.⁵⁰ He further noted that the goal was to have all students sitting NAPLAN Online by 2020.⁵¹

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.⁵²

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'.⁵³

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'.⁵⁴

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.⁵⁵

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

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.

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'.⁵⁶

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—150.⁵⁷

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.⁵⁸

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'.⁵⁹

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.⁶⁰ However, Dr Fowler also stated that there has been a \$1 million reduction in funding for the 2018-19 year.⁶¹

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'.⁶² He elaborated that:

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.⁶³

Senator Lucy Gichuhi

Chair

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

Appendix 1

Committee oversight of departments and agencies

Jobs and Small Business (Jobs and Innovation portfolio)

Departments and Agencies examined

- Department of Jobs and Small Business
- Asbestos Safety and Eradication Agency
- Australian Building and Construction Commission
- Australian Small Business and Family Enterprise Ombudsman
- Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarers Safety, Rehabilitation and Compensation Commission
- Fair Work Commission
- Office of the Fair Work Ombudsman
- Registered Organisations Commission
- Safe Work Australia

Agencies not examined

- Coal Mining Industry (Long Service Leave) Funding Corporation

Education and Training portfolio

Departments and Agencies examined

- Department of Education and Training
- Australian Curriculum Assessment and Reporting Authority
- Australian Institute for Teaching and School Leadership
- Australian Research Council
- Australian Skills Quality Authority
- Education Services Australia
- National Centre for Vocational Education Research
- Tertiary Education Quality and Standards Agency

Agencies not examined

- Australian National University

Appendix 2

Index to Proof Committee Hansard Transcripts

<i>Tuesday 29 May 2018</i>	<i>Hansard page</i>
Department of Jobs and Small Business	
Cross-Portfolio	4
Outcome 1	27
Outcome 2	87
<i>Wednesday 30 May 2018</i>	<i>Hansard page</i>
Australian Building and Construction Commission	4
Office of the Fair Work Ombudsman	44
Fair Work Commission	65
Registered Organisations Commission	70
Safe Work Australia	88
Australian Small Business and Family Enterprise Ombudsman	94
Asbestos Safety and Eradication Agency	107
Seafarers Safety, Rehabilitation and Compensation Authority Comcare Safety, Rehabilitation and Compensation Commission	110

<i>Thursday 31 May 2018</i>	<i>Hansard page</i>
Department of Education and Training	
Cross Portfolio	4
Outcome 1	49
Education Services Australia	108
Tertiary Education Quality and Standards Agency	115
Department of Education and Training - Outcome 2 (Higher Education)	122
<i>Tuesday 5 June 2018</i>	
Australian Institute for Teaching and School Leadership	4
Australian Curriculum, Assessment and Reporting Authority	22
Department of Education and Training – Cross Portfolio	26
Department of Education and Training – Outcome 2 (Higher Education)	30
Australian Research Council	43
Department of Education and Training – Outcome 2 (Research)	51
Department of Education and Training – Outcome 2 (Skills and Training)	67
Australian Skills Quality Authority	114
National Centre for Vocational Education and Research	126