

The Senate

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Education and Employment  
Legislation Committee

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Annual reports (No. 1 of 2018)

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# MEMBERSHIP OF THE COMMITTEE

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Senator Gavin Marshall, Deputy Chair, ALP, VIC

Senator Sarah Hanson-Young, AG, SA

Senator Jim Molan, LP, NSW (from 5 February 2018)

Senator Deborah O'Neill, ALP, NSW (from 5 December 2017)

Senator James Paterson, LP, VIC

## Former members

Senator Linda Reynolds, Chair, LP, WA (from 17 August 2017 to 5 February 2018)

Senator Chris Ketter, ALP, QLD (from 30 November 2016 to 5 December 2017)

Senator John Williams, NATS, NSW (from 1 September 2016 to 5 February 2018)

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# Chapter 1

## Introduction

1.1 This is the Senate Education and Employment Legislation Committee's (the committee) first report on annual reports for 2018. It provides an overview of the committee's examination of annual reports for the 2016-17 financial year.

### Terms of Reference

1.2 This report was prepared pursuant to Standing Order 25(20) relating to the consideration of annual reports by committees, which states:

Annual reports of departments and agencies shall stand referred to the legislation committees in accordance with an allocation of departments and agencies in a resolution of the Senate. Each committee shall:

- (a) Examine each annual report referred to it and report to the Senate whether the report is apparently satisfactory.
- (b) Consider in more detail, and report to the Senate on, each annual report which is not apparently satisfactory, and on the other annual reports which it selects for more detailed consideration.
- (c) Investigate and report to the Senate on any lateness in the presentation of annual reports.
- (d) In considering an annual report, take into account any relevant remarks about the report made in debate in the Senate.
- (e) If the committee so determines, consider annual reports of departments and budget-related agencies in conjunction with examination of estimates.
- (f) Report on annual reports tabled by 31 October each year by the tenth sitting day of the following year, and on annual reports tabled by 30 April each year by the tenth sitting day after 30 June of that year.
- (g) Draw to the attention of the Senate any significant matters relating to the operations and performance of the bodies furnishing the annual reports.
- (h) Report to the Senate each year whether there are any bodies which do not present annual reports to the Senate and which should present such reports.

### Allocated portfolios

1.3 In accordance with the resolution of the Senate on 31 August 2016 the committee has oversight of the following portfolios:

- Education and Training; and

- Employment.<sup>1</sup>

### **Role of annual reports**

1.4 Annual reports place information about government departments and agencies on the public record in relation to the performance, activities, management and financial position of the reporting body. They are a primary accountability mechanism and assist the Parliament in the effective examination of the performance of departments and agencies, and the administration of government programs.

### **Annual reporting requirements**

1.5 The annual reporting requirements of departments and agencies have a defined legislative framework.

1.6 The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) establishes a performance reporting framework for all Commonwealth entities and companies. Section 39 of the PGPA Act requires all Commonwealth entities to prepare an annual performance statement and include those statements in their annual reports. Entities use the annual performance statements to report on the results achieved against the targets, goals and measures established at the beginning of a reporting year in its corporate plan.

1.7 The Public Governance, Performance and Accountability Rule 2014 (PGPA Rule 2014), established under the PGPA Act, details the requirements for the corporate plan, annual performance statements as well as the guidelines for annual reports.<sup>2</sup>

1.8 A range of PGPA Act bodies provide annual reports which are referred to committees for examination.

### ***PGPA Act bodies***

1.9 The PGPA Act categorises bodies as a Commonwealth entity (either a non-corporate Commonwealth entity or a corporate Commonwealth entity), or a Commonwealth company, as detailed below:

- Non-corporate Commonwealth entity—an entity that is legally and financially part of the Commonwealth, and includes departments of state, parliamentary departments, statutory authorities, and listed entities (a body, person, group of persons or organisation that is prescribed by rules made under the PGPA Act).
- Corporate Commonwealth entity—a body corporate that has a separate legal personality from the Commonwealth, and includes certain statutory

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1 *Journals of the Senate*, No. 2, 31 August 2016, p. 76. Note that under the Australian Government Cabinet reshuffle on 18 December 2017 the Department of Employment has been renamed the Department of Jobs and Small Business. The new department falls under the Jobs and Innovation portfolio. This change does not influence the committee's assessment for the 2016-17 annual reports but will likely impact the 2017-18 reports that are examined.

2 See *Public Governance, Performance and Accountability Rule 2014* (Sections 16E, 16F and 27A).

authorities. It can act in its own right exercising certain legal rights such as entering into contracts and owning property.

- Commonwealth company—a company established by the Commonwealth under the *Corporations Act 2001* that is controlled by the Commonwealth.

### ***Annual reporting requirements***

1.10 Commencing in the 2015-16 period, annual reporting requirements for non-corporate and corporate Commonwealth entities are set out in section 46 of the PGPA Act, including that annual reports must comply with any requirements prescribed by the rules. Section 97 prescribes the annual reporting requirements for Commonwealth companies.

1.11 Below is a summary of the instruments under which the 2016-17 annual reports were prepared:

#### *Non-corporate Commonwealth entities:*

- PGPA Act, section 46 and the PGPA Rule 2014, Division 3A(A);
- for portfolio departments and executive agencies, the *Public Service Act 1999*, subsections 63(2) and 70(2); for parliamentary departments, the *Parliamentary Service Act 1999*, section 65; and
- for statutory bodies, relevant enabling legislation.

#### *Corporate Commonwealth entities:*

- PGPA Act, section 46 and the PGPA Rule 2014, Division 3A(B); and
- for statutory bodies, relevant enabling legislation.

#### *Commonwealth companies:*

- PGPA Act, section 97, which also refers to requirements under the *Corporations Act 2001* and the PGPA Rule 2014, Part 3-3; and
- for statutory bodies, relevant enabling legislation.

### **Annual reports referred**

1.12 In accordance with Senate Standing Order 25(20)(f) this report examines those annual reports tabled between 1 May 2017 and 31 October 2017. The committee examined the following reports:

#### *Non-corporate entities:*

- Asbestos Safety and Eradication Agency (ASEA);
- Australian Building and Construction Commission (ABCC);
- Australian Research Council (ARC);
- Australian Skills Quality Authority (ASQA);
- Department of Education and Training;
- Department of Employment;
- Fair Work Commission;

- The Fair Work Ombudsman and Registered Organisations Commission Entity;
- Safe Work Australia;
- Seafarers Safety, Rehabilitation and Compensation Authority (Seacare Authority); and
- Tertiary Education Quality and Standards Authority (TEQSA).

***Corporate entities:***

- Australian Curriculum Assessment and Reporting Authority (ACARA);
- Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS);
- Australian National University (ANU);
- Coal Mining Industry (Long Service Leave Funding) Corporation; and
- Comcare and Safety, Rehabilitation and Compensation Commission.

***Commonwealth companies:***

- Australian Institute for Teaching and School Leadership (AITSL).

**Reports not examined**

1.13 The committee is not obliged to report on Acts, statements of corporate intent, surveys, policy papers, budget documents, corporate plans or errata. Accordingly, the following documents were referred to the committee but are not examined in this report:

- Final Budget Outcome 2016-17.

**Method of assessment**

1.14 Senate Standing Order 25(20) requires the committee to examine the annual reports referred to it to determine whether they are timely and 'apparently satisfactory'. In making this assessment, the committee considers whether the reports comply with the relevant legislation and requirements for the preparation of annual reports.

**Timeliness**

***Presentation to ministers***

1.15 Section 46 of the PGPA Act requires Commonwealth entities, both corporate and non-corporate, to prepare an annual report and provide it to the responsible Minister by the 15<sup>th</sup> day of the fourth month after the end of the reporting period, which translates as 15 October. Certain agencies, however, have a specific date stipulated in their enabling legislation. For example, the Workplace Gender Equality Agency's (WGEA) legislation stipulates that an annual report must be prepared within



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6 months, after each 31 May, and submitted to the Minister. This translates as 30 November.<sup>3</sup>

1.16 For Commonwealth companies, the deadline for providing the report to the responsible minister is stipulated under section 97 of the PGPA Act, namely four months after the end of the company's reporting period.

1.17 For this reporting period the annual reports of non-corporate and corporate Commonwealth entities, and Commonwealth companies were presented to the relevant ministers in a timely way with the exception of AIATSIS, which was presented to the Minister for Education on 16 October 2017.

### ***Tabling in Parliament***

1.18 Formerly, annual reports of non-corporate entities had to be presented by the responsible Minister to each House of Parliament on or before 31 October each year.<sup>4</sup> There is no longer an explicit stipulation for this to occur because the PGPA Rule 2014 is silent on this matter. However, as explained below, the PGPA Rule does recommend that such reports be tabled before Supplementary Budget Estimates.

1.19 The PGPA Rule states that annual reports for corporate Commonwealth entities, non-corporate Commonwealth entities and Commonwealth companies must comply with the *Guidelines for the Presentation of Documents to the Parliament* which is prepared by the Department of the Prime Minister and Cabinet.<sup>5</sup>

1.20 The guidelines advise that for all Commonwealth entities:

As per past practice, it is expected that the responsible Minister will present the report to each House of Parliament on or before 31 October. If Senate Supplementary Budget Estimates hearings are scheduled to occur prior to 31 October, it is best practice for annual reports to be tabled prior to those hearings. This ensures that annual reports are available for scrutiny by the relevant Senate standing committee.<sup>6</sup>

1.21 For Commonwealth companies, subsection 97(5) of the PGPA Act states that the Minister must table the reports as soon as practicable after receiving them.<sup>7</sup> This provision is clarified in the *Guidelines for the Presentation of Documents to the Parliament* which sets out the expectation that reports will be tabled on or before

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3 See the *Workplace Gender Equality Act 2012*, ss. 12(1).

4 Department of the Prime Minister and Cabinet, *Requirements for Annual Reports for Departments, Executive Agencies, and other Non-Corporate Commonwealth Entities*, 25 June 2015, p. 2.

5 Department of the Prime Minister and Cabinet, *Guidelines for the Presentation of Documents to the Parliament*, February 2017, [www.dpmmc.gov.au/sites/default/files/publications/pmc-tabling-guidelines.pdf](http://www.dpmmc.gov.au/sites/default/files/publications/pmc-tabling-guidelines.pdf) (accessed 7 February 2018).

6 Department of the Prime Minister and Cabinet, *Guidelines for the Presentation of Documents to the Parliament*, February 2017, p. 4.

7 *Public Governance, Performance and Accountability Act 2013*, ss. 97(5).

31 October, or sooner if Senate Supplementary Budget Estimates hearings are scheduled prior to 31 October.<sup>8</sup>

1.22 In this regard the committee notes that the Joint Committee on Public Accounts and Audit (JCPAA) has considered formally bringing the tabling date forward:

...the [JCPAA] Committee believes that bringing forward both of these dates [presentation to ministers and tabling in Parliament], and formalising the required tabling date in legislation, is both viable and valuable. If achieved, it will provide some certainty to Senate Estimates Committees in particular that the important performance information in annual reports will be made available in a timely manner to assist scrutiny.<sup>9</sup>

1.23 Despite the clear guidance contained in the *Guidelines for the Presentation of Documents to the Parliament*, many bodies did not meet the recommended timeframe for tabling annual reports in Parliament prior to Supplementary Budget Estimates. In 2017, Supplementary Budget Estimates for the Employment and Education and Training portfolios took place on 25 and 26 October. The following bodies tabled reports in both Houses before this period:

- Australian National University (tabled on 14 June);<sup>10</sup>
- Comcare and Safety, Rehabilitation and Compensation Commission (tabled on 23 October);
- Department of Employment (tabled on 18 October); and
- Seacare Authority (tabled on 23 October).

1.24 The following bodies tabled annual reports in the House of Representatives prior to the commencement of the Supplementary Budget Estimates hearings for the Employment and Education and Training portfolios but did not table in the Senate until 13 November:

- Asbestos Safety and Eradication Agency;
- Australian Building and Construction Commission;
- Coal Mining Industry (Long Service Leave Funding) Corporation;
- Fair Work Commission; and
- Fair Work Ombudsman and Registered Organisations Commission Entity.<sup>11</sup>

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8 Department of the Prime Minister and Cabinet, *Guidelines for the Presentation of Documents to the Parliament*, February 2017, paragraph 4.10, p. 4.

9 Joint Committee of Public Accounts and Audit, *Report 457: Development of the Commonwealth Performance Framework Second Report*, May 2016, p. 11.

10 The tabling date specified is the date by which the report was tabled in both houses.

11 The committee acknowledges that because the report had been tabled in the House of Representatives it was available publicly prior to Supplementary Budget Estimates.

1.25 The Department of Education and Training tabled its annual report in the House of Representatives on 25 October. This was not before the Supplementary Budget Estimates for the Employment and Education and Training portfolios commenced. However, it was before the department appeared on 26 October.

1.26 At the hearing Senator the Hon Jacinta Collins acknowledged that the Department of Education and Training had met their statutory obligations. However, the Senator also questioned why the annual report was not published in a more timely manner.<sup>12</sup> Senator Collins also drew attention to her comments on the Department of Education and Training's lateness in tabling reports during the 2016 Supplementary Estimates round.<sup>13</sup>

1.27 The following agencies did not table in either the House of Representatives or the Senate before the Supplementary Estimates round:

- Australian Curriculum Assessment and Reporting Authority (tabled on 4 December);
- Australian Institute for Teaching and School Leadership (tabled on 4 December);
- Australian Institute of Aboriginal and Torres Strait Islander Studies (tabled on 4 December);
- Australian Research Council (tabled on 4 December);
- Australian Skills Quality Authority (tabled on 4 December);
- Safe Work Australia (tabled on 4 December); and
- Tertiary Education Quality and Standards Authority (tabled on 4 December).<sup>14</sup>

1.28 The committee expresses concern that numerous agencies failed to table their annual reports before the commencement of Supplementary Budget Estimates, in accordance with the best practice guidance.

1.29 The committee reminds agencies that it is possible to table their annual reports out-of-sitting to ensure that they meet their statutory obligations and to ensure that reports are available before Supplementary Budget Estimates.

1.30 The committee, in particular, commends Comcare and the Safety, Rehabilitation and Compensation Commission and Seacare for tabling their annual reports in the Senate out-of-sitting to ensure that the committee had access to them before the commencement of Supplementary Budget Estimates.

1.31 In December 2017, the committee wrote to all departments and agencies under the Education and Training portfolio and the Employment portfolio reminding

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12 *Committee Hansard*, 26 October 2017, p. 55.

13 *Committee Hansard*, 20 October 2016, p. 6.

14 These agencies did however present their reports to the Senate out of sitting between 25 and 28 October, prior to the formal deadline of 31 October 2017.

them that it is best practice to ensure that annual reports are tabled prior to Supplementary Budget Estimates. The correspondence also noted that several agencies had not met these guidelines and that the committee encourages them to do so in the future.

1.32 The committee notes that with a few understandable exceptions, all agencies responded positively to this letter stating they will take all necessary steps or make best endeavours to table future annual reports before the commencement of Supplementary Budget Estimates. These responses are welcome and the committee will monitor the situation closely.

1.33 The committee reminds all entities and companies that it is best practice for annual reports to be tabled prior to Supplementary Budget Estimates, which commences on 22 October 2018.

1.34 Appendix 1 lists the annual reports which were presented to Parliament between 1 May 2017 and 31 October 2017 and referred to the committee, with relevant tabling dates.

### **Senate debate**

1.35 Senate Standing Order 25(20) requires the committee to take into account any relevant remarks about the reports made in debate in the Senate.

### **Bodies not presenting annual reports to the Senate**

1.36 The committee is required to report to the Senate on whether there are any bodies which should have presented an annual report to the Senate but did not. The committee is satisfied that there are no such bodies at this time.

### **General comments on reports**

1.37 The reports presented by most agencies met all requirements under the PGPA Rule 2014 relating to the letter of transmittal, inclusion of audit reports, style and formatting, and assessment of performance against targets.<sup>15</sup>

1.38 The committee reminds AIATSIS to include a letter of transmittal in future annual reports in accordance with clause 17AI of the PGPA Rule 2014.

1.39 The committee also reminds ACARA, AITSL and the Coal Mining Industry (Long Service Leave Funding) Corporation to include an alphabetical index of the contents of the report in all future annual reports in accordance with clause 17AJ of the PGPA Rule 2014.

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15 For non-corporate Commonwealth entities see PGPA Rule 2014, Subdivision 3A(A); for corporate Commonwealth entities see Subdivision 3A(B); for Commonwealth companies see PGPA Rule 2014 Part 3-3.

# Chapter 2

## Review of annual reports

2.1 This chapter examines selected annual reports in greater detail, and provides the Senate with information that may be of particular interest.

2.2 The following reports under the Employment portfolio are discussed in this chapter:

- Department of Employment;<sup>1</sup>
- Australian Building and Construction Commission (ABCC);
- Comcare;
- Fair Work Commission (FWC); and
- the Fair Work Ombudsman; and
- the Registered Organisations Commission.<sup>2</sup>

2.3 After that analysis, the following reports under the Education and Training portfolio are discussed in this chapter:

- Department of Education and Training;
- Australian Curriculum and Reporting Authority (ACARA);
- Australian Institute for Aboriginal and Torres Strait Islander Studies (AIATSIS);
- Australian Institute for Teaching and School Leadership (AITSL); and
- Australian Skills Quality Authority (ASQA).

### **Employment portfolio**

#### ***Department of Employment***

2.4 The department has two outcomes,<sup>3</sup> which are to:

- 
- 1 The Department of Employment changed its name to the Department of Jobs and Small Business under the Administrative Arrangements Order amendments issued on 20 December 2017.
  - 2 In annual reporting and the flipchart of PGPA Act Commonwealth entities and companies, the Fair Work Ombudsman and the Registered Organisation Commission have been listed as a single entity. However, for ease of reporting and to illustrate the clear delineation of responsibilities between these two organisations this report will analyse them separately.
  - 3 The Portfolio Additional Estimates Statements 2017-18 for Jobs and Small Business notes that 'the [December 2017] machinery of government changes are continuing to be implemented, including changes to outcomes and program structures as appropriate'. It further notes that 'the required changes are expected to be finalised ahead of the 2018-19 Budget and included in the 2018-19 Portfolio Budget Statements'.

- (a) foster a productive and competitive labour market through employment policies and programs that assist job seekers into work; and
- (b) facilitate jobs growth through policies that promote fair, productive and safe workplaces.<sup>4</sup>

2.5 The first outcome is measured against five objectives. These include the number of job seekers who find and keep a job, the number of job seekers who move from welfare to work and the number of young people who move into work or education.<sup>5</sup> The second outcome is measured against three objectives relating to employee assistance programs, workplace assistance and workers' compensation payments.<sup>6</sup>

2.6 With regard to the first outcome, the department continued to refine the jobactive system which is now in its second year of operation.<sup>7</sup> At the beginning of the financial year the jobactive system consisted of five services:

- (a) help job seekers find and keep a job and ensure employers are receiving candidates who meet their business needs;
- (b) Work for the Dole coordinators to help prepare job seekers for the work environment;
- (c) the New Enterprise Incentive Scheme to encourage job seekers to start and run their own small businesses;
- (d) Harvest Labour Services to obtain information on vacancies from growers and supply job seekers to horticultural producers that need out-of-area harvest workers; and
- (e) the National Harvest Labour Information Service, which coordinates information about harvest opportunities across Australia.<sup>8</sup>

2.7 The Work for the Dole service was scheduled to discontinue at the end of December 2017, with all Work for the Dole places to be sourced in future by jobactive providers.

2.8 The second year performance of jobactive exceeded the department's expectations with 17 of the 19 targets for the outcome either being met or exceeded.<sup>9</sup> Of particular note, all six targets regarding the proportion of job placements of four, 12 and 26 weeks for both Indigenous and non-Indigenous people were exceeded.<sup>10</sup>

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4 Department of Employment, *Annual Report 2016-17*, p. 2.

5 Department of Employment, *Annual Report 2016-17*, p. 9.

6 Department of Employment, *Annual Report 2016-17*, p. 9.

7 Department of Employment, *Annual Report 2016-17*, p. 12.

8 Department of Employment, *Annual Report 2016-17*, p. 12.

9 Department of Employment, *Annual Report 2016-17*, p. 16.

10 Department of Employment, *Annual Report 2016-17*, p. 18.

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This was a marked improvement on the 2015-16 reporting period where only three of the six targets were met.<sup>11</sup>

2.9 In 2016-17, 370 000 job placements were recorded. Though this was a marked improvement on the previous year, the total number of placements fell 10 000 short of the job placement target. There was also a 14 percentage point increase in job placements for Indigenous Australians.<sup>12</sup> Despite this increase, overall job placements for Indigenous Australians were still short of the placement target.<sup>13</sup>

2.10 During the reporting period, the New Enterprise Incentive Scheme supported the establishment of 6172 small businesses, a 20 per cent increase on last financial year.<sup>14</sup>

2.11 The Harvest Labour Services scheme filled close to 14 200 harvest positions in 11 harvest areas in 2016-17. This represents more than an 11 per cent increase on 2015-16.<sup>15</sup>

2.12 Work has been undertaken to expand the ParentsNext scheme nationally, with delivery to commence on 1 July 2018. The program seeks 'to reduce welfare dependency and child poverty, and help increase labour force participation by females and Indigenous Australians'.<sup>16</sup>

2.13 With regard to Outcome 2, the department supported the Government by providing advice on workplace relations policy, including on the establishment of the ABCC and the Registered Organisation Commission (ROC).<sup>17</sup> In addition, the department administered the Fair Entitlements Guarantee, the Fair Entitlements Guarantee Recovery Program and the Australian Government Building and Construction Work Health and Safety Accreditation Scheme.<sup>18</sup>

2.14 The Fair Entitlements Guarantee continues to provide a safety net to workers who have lost their job as a result of liquidation or bankruptcy. In 2016-17, over \$186 million was paid to over 12 300 claimants under the guarantee.<sup>19</sup>

2.15 The Office of the Federal Safety Commissioner (OFSC) continued to operate to improve safety conditions in the building and construction industry. According to the 2017 annual survey more than 95 per cent of companies accredited under the Building and Construction Work Health and Safety Accreditation Scheme believed the OFSC led to improvements in safety in the building and construction industry.<sup>20</sup>

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11 Department of Employment, *Annual Report 2016-17*, p. 17.

12 Department of Employment, *Annual Report 2016-17*, p. 19.

13 Department of Employment, *Annual Report 2016-17*, p. 16.

14 Department of Employment, *Annual Report 2016-17*, p. 15.

15 Department of Employment, *Annual Report 2016-17*, p. 15.

16 Department of Employment, *Annual Report 2016-17*, p. 51.

17 Department of Employment, *Annual Report 2016-17*, p. 52.

18 Department of Employment, *Annual Report 2016-17*, p. 52.

19 Department of Employment, *Annual Report 2016-17*, p. 54.

20 Department of Employment, *Annual Report 2016-17*, p. 52.

2.16 The department also advised the Government on the establishment and implementation on the Fair Work Amendment (Protecting Vulnerable Workers) Bill 2017 which was introduced into the Parliament on 1 March 2017.<sup>21</sup> The bill was drafted in response to numerous high-profile worker exploitation cases and evidence which suggested that the existing legal framework required updating in order to deter future unlawful behaviour.<sup>22</sup>

2.17 The committee notes the department's overall sound financial position.<sup>23</sup>

2.18 The committee commends the department on its operations during the 2016-17 reporting period. In particular it welcomes the ongoing refinements and improvements made to the jobactive scheme.

### ***Australian Building and Construction Commission***

2.19 The ABCC began operations on 2 December 2016 after the passage of the *Building and Construction Industry (Improving Productivity) Act 2016* (BCIIP Act).<sup>24</sup> It has replaced its predecessor, the Office of the Fair Work Building Industry Inspectorate (also known as Fair Work Building and Construction).

2.20 Under the BCIIP Act the ABCC is required to produce an annual report as soon as practicable after the end of the financial year.<sup>25</sup> As was noted in the second report on annual reports for 2017, the ABCC was established after the conclusion of the 2015-16 reporting period.<sup>26</sup> This report is therefore the first which analyses an annual report from the ABCC.

2.21 The stated purpose of the ABCC is:

- to enforce workplace relations laws in the building and construction industry through the provision of education, assistance and advice and, where necessary, civil penalty litigation in the courts; and
- to ensure compliance with Building Codes by educating the industry, monitoring compliance and, where appropriate, seeking rectification by, or sanctions against, non-compliant contractors.<sup>27</sup>

2.22 Of the nine performance criteria the ABCC set itself over the 2016-17 reporting period, eight were achieved. Of particular note:

- (a) 227 formal presentations were delivered to a total audience of over 5500. This well exceeded the target of 125 formal presentations;

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21 On 23 March 2017, the Senate referred an inquiry into the bill to the Senate Education and Employment Legislation Committee for inquiry and report by 9 May 2017.

22 Department of Employment, *Annual Report 2016-17*, p. 57.

23 Department of Employment, *Annual Report 2016-17*, pp. 122–123.

24 Australian Building and Construction Commission, *Annual Report 2016-17*, p. 3.

25 See the *Building and Construction Industry (Improving Productivity) Act 2016* (BCIIP Act), s. 32K.

26 Senate Education and Employment Legislation Committee, *Annual reports (No. 2 of 2017)*, p. 9.

27 Australian Building and Construction Commission, *Annual Report 2016-17*, p. 13.



- (b) 1058 building and construction sites were visited;
- (c) 99 per cent of surveyed industry participants were satisfied or highly satisfied with the contact by Fair Work Building and Construction and the ABCC; and
- (d) 352 Building Code inspections and audits were undertaken.<sup>28</sup>

2.23 The performance criterion that the ABCC did not meet was in regard to the percentage of clients satisfied or highly satisfied by the quality and timeliness of the advice and assistance provided.<sup>29</sup>

2.24 In the 2016-17 reporting period the ABCC noted a dramatic increase in the number of enquiries received. This figure increased from over 3500 in 2015-16 to nearly 5900. Enquiries into Code assessment and general Code information accounted for nearly half the total enquiries.<sup>30</sup>

2.25 The 1058 sites visited during 2016-17 marked a notable decrease on the 1372 achieved in the previous financial year. Of these visits, nearly 30 per cent took place in Western Australia. Only 12 per cent took place in Victoria. This was fewer than either South Australia and the Northern Territory.<sup>31</sup>

2.26 In 2016-17, the agency initiated eight proceedings in the courts. Each of these proceedings was initiated prior to the ABCC's commencement on 2 December 2016. At the close of 2016-17 reporting period, the agency had 49 matters before the court.<sup>32</sup>

2.27 During the reporting period, the ABCC was awarded over \$2 million in penalties.<sup>33</sup> This marked the third time the ABCC, or its predecessor, have been awarded penalties in excess of \$2 million in a year.

2.28 The committee notes that the ABCC operated at a loss of \$3.4 million for the 2016-17 financial year. This was caused largely by a legal expenditure overspend of over \$3.6 million.<sup>34</sup>

### ***Comcare***

2.29 Comcare is the statutory authority established under the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act).<sup>35</sup> Alongside the Safety, Rehabilitation and Compensation Commission it administers the Commonwealth's statutory framework for rehabilitation and workers' compensation. Comcare's principal role is to support

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28 Australian Building and Construction Commission, *Annual Report 2016-17*, p. 14.

29 Australian Building and Construction Commission, *Annual Report 2016-17*, p. 14.

30 Australian Building and Construction Commission, *Annual Report 2016-17*, p. 18.

31 Australian Building and Construction Commission, *Annual Report 2016-17*, p. 19.

32 Australian Building and Construction Commission, *Annual Report 2016-17*, p. 24.

33 Australian Building and Construction Commission, *Annual Report 2016-17*, p. 25.

34 Australian Building and Construction Commission, *Annual Report 2016-17*, p. 45.

35 Comcare and Safety, Rehabilitation and Compensation Commission, *Annual Reports 2016-17*, p. 10.

participation and productivity through healthy and safe workplaces that minimise the impact of harm in workplaces covered by Comcare.<sup>36</sup>

2.30 During the reporting period Comcare set performance criteria for its four stated purposes of being a leading insurer, national regulator, showing excellence in scheme management and design, and undertaking efficient and effective operations.<sup>37</sup>

2.31 Of particular note, Comcare achieved a funding ratio of 102 per cent during the reporting period. As a result, Comcare's premium scheme has returned to a fully funded position three years ahead of the target date of 2020.<sup>38</sup> Comcare also saw reductions in the average Commonwealth premium rate as a percentage of payroll.<sup>39</sup>

2.32 The committee notes however, that several criteria were not met for the reporting period. These included:

- reduction of insurance scheme liabilities to \$2.3 billion by 1 July 2017;<sup>40</sup>
- reduction of administrative cost ratio to 21 per cent by 1 July 2017;<sup>41</sup> and
- high levels employee and employer satisfaction with Comcare services.<sup>42</sup>

2.33 The committee notes the increased client satisfaction with corporate operations over the reporting period. In 2016-17, Comcare reported 81 per cent satisfaction with service delivery. This was a 14 percentage point increase on the 2015-16 period and met the 75 per cent target set in the Corporate Plan.<sup>43</sup>

2.34 During the 2016-17 reporting period, Comcare recorded an operating surplus of \$467.4 million. This marks the fourth successive operating surplus for Comcare.<sup>44</sup>

2.35 The committee recognises that Comcare has set itself demanding targets as part of its Corporate Plan. However, it also notes that despite steps taken to establish a more efficient and cost-effective authority numerous performance criteria were not met for the reporting period.

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36 Comcare and Safety, Rehabilitation and Compensation Commission, *Annual Reports 2016-17*, p. 2.

37 Comcare and Safety, Rehabilitation and Compensation Commission, *Annual Reports 2016-17*, p. 18.

38 Comcare and Safety, Rehabilitation and Compensation Commission, *Annual Reports 2016-17*, p. 20.

39 Comcare and Safety, Rehabilitation and Compensation Commission, *Annual Reports 2016-17*, p. 21.

40 Comcare and Safety, Rehabilitation and Compensation Commission, *Annual Reports 2016-17*, p. 20.

41 Comcare and Safety, Rehabilitation and Compensation Commission, *Annual Reports 2016-17*, p. 21.

42 Comcare and Safety, Rehabilitation and Compensation Commission, *Annual Reports 2016-17*, p. 23.

43 Comcare and Safety, Rehabilitation and Compensation Commission, *Annual Reports 2016-17*, p. 38.

44 Comcare and Safety, Rehabilitation and Compensation Commission, *Annual Reports 2016-17*, p. 15.

### ***Fair Work Commission***

2.36 The FWC was established by the *Fair Work Act 2009* (Fair Work Act) and is responsible for administering that legislation.<sup>45</sup> The FWC's powers and functions include:

- resolving unfair dismissal claims;
- dealing with general protections and unlawful termination claims;
- setting the national minimum wage;
- minimum wages in modern awards; and
- assisting the bargaining process for enterprise agreements.<sup>46</sup>

2.37 The *Fair Work (Registered Organisations) Amendment Act 2016*, passed in November 2016, resulted in the creation of the Registered Organisations Commission (ROC).<sup>47</sup> Many of the functions of the FWC were transferred to the ROC as a result.<sup>48</sup> These functions included conducting inquiries and investigations about the finances and financial administration of federally registered unions and employer organisations.<sup>49</sup>

2.38 The FWC has met all performance criteria during the 2016-17 reporting period.<sup>50</sup> These criteria included:

- (a) 100 per cent of financial reports required to be lodged under the *Fair Work (Registered Organisations) Act 2009* are assessed for compliance within 40 days;<sup>51</sup>
- (b) registered organisations demonstrate high levels of compliance with legislative obligations; and<sup>52</sup>
- (c) at least 80 per cent of survey respondents are satisfied that their conference conciliator was even-handed.<sup>53</sup>

2.39 During the reporting period, 33 071 applications were lodged with the FWC, a slight decrease on the 34 215 applications lodged in 2015-16. Of these, unfair dismissal applications continued to be the most common.<sup>54</sup>

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45 Fair Work Commission, *2016-17 Annual Report – Access to Justice*, p. 16.

46 Fair Work Commission, *2016-17 Annual Report – Access to Justice*, p. 16.

47 Fair Work Commission, *2016-17 Annual Report – Access to Justice*, p. 17.

48 Fair Work Commission, *2016-17 Annual Report – Access to Justice*, p. 13.

49 Fair Work Commission, *2016-17 Annual Report – Access to Justice*, p. 17.

50 Fair Work Commission, *2016-17 Annual Report – Access to Justice*, p. 37.

51 Fair Work Commission, *2016-17 Annual Report – Access to Justice*, p. 39.

52 Fair Work Commission, *2016-17 Annual Report – Access to Justice*, p. 39.

53 Fair Work Commission, *2016-17 Annual Report – Access to Justice*, p. 37.

54 Fair Work Commission, *2016-17 Annual Report – Access to Justice*, p. 41.

2.40 The FWC held 15 804 hearings and conferences during 2016-17, a slight reduction on the previous year. Hearings and conferences were held in all capital cities and regional locations.<sup>55</sup>

2.41 There was a slight increase in the number of applications made for enterprise agreement approval between 2015-16 and 2016-17 from 4801 to 4858. Additionally, there was a sharp increase in the number of withdrawn enterprise application from 595 in the previous year to 709.<sup>56</sup>

2.42 According to the General Manager's Overview the FWC recorded a funded surplus of \$1.13 million during the reporting period.<sup>57</sup>

### ***Fair Work Ombudsman***

2.43 The Fair Work Ombudsman and Registered Organisations Commission Entity comprises of two independent government bodies:

- (a) the Fair Work Ombudsman (FWO), created by the *Fair Work Act 2009* (Fair Work Act); and
- (b) the Registered Organisations Commission (ROC), established under the *Fair Work (Registered Organisations) Amendment Act 2016*, which commenced operations on 1 May 2017.<sup>58</sup>

2.44 The FWO has one outcome, to ensure 'compliance with workplace relations legislation by employees and employers through advice, education and, where necessary, enforcement'.<sup>59</sup>

2.45 During the reporting period the FWO met all its performance indicators.<sup>60</sup>

2.46 In the 2016-17 reporting period the FWO recovered more than \$30.6 million in unpaid wages for more than 17 000 workers.<sup>61</sup>

2.47 Of the requests for assistance involving workplace disputes during the year, 94 per cent were resolved through education and dispute resolution activities, and

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55 Fair Work Commission, *2016-17 Annual Report – Access to Justice*, p. 42.

56 Fair Work Commission, *2016-17 Annual Report – Access to Justice*, pp. 54–55.

57 Fair Work Commission, *2016-17 Annual Report – Access to Justice*, p. 1. Please note according to the agency's financial statement on page 162, the FWC recorded an operating deficit of \$3.8 million during the reporting period. The difference between the General Manager's figure and the financial statement is due to the former not taking into account the \$4.9 million worth of expenses of arising from depreciation and amortisation.

58 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 5.

59 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 5.

60 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 10.

61 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 14.

6 per cent through compliance activities.<sup>62</sup> In addition, the FWO conducted 5645 activities including inquiries and campaign audits in sectors at high risk of non-compliance.<sup>63</sup>

2.48 In 2016-17 the FWO released the 'Record My Hours' app. The app allows employees to record the hours they work and is available in multiple languages. It also has a GPS feature to automatically record when an employee enters and leaves their workplace. The app was downloaded over 13 000 times during the 2016-17 period.<sup>64</sup> The committee commends the FWO on the successful release of the app.

2.49 The FWO made use of an Anonymous Report tool to allow the community to report non-compliance without identifying themselves. During the 2016-17 reporting period, over 10 500 anonymous reports were received. Of these half came from the hospitality (36 per cent) and retail (14 per cent) industries.<sup>65</sup>

### ***Registered Organisations Commission***

2.50 The ROC has one outcome, to ensure 'effective governance and financial transparency of registered employee and employer organisations, through regulation, investigation and appropriate enforcement'.<sup>66</sup>

2.51 To ensure compliance with the *Fair Work (Registered Organisations) Act 2009* the ROC has set itself two performance indicators:

- (a) 95 per cent of financial reports required to be lodged are assessed within 40 working days; and
- (b) greater than 56 per cent (the 2015-16 compliance rate) of financial reports that meet compliance measures.<sup>67</sup>

2.52 Both performance indicators were met by the ROC.<sup>68</sup>

2.53 In its first two months of operation the ROC undertook an array of education programs. This included four broad education campaigns targeted at organisations, six one-to-one meetings with organisations and peak bodies regarding compliance, two

62 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 14.

63 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 14.

64 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 14.

65 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 17.

66 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 5.

67 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 29.

68 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 29.

workshops which attracted 35 participants and two webinars which attracted 75 participants.<sup>69</sup>

2.54 The Royal Commission into Trade Union Governance and Corruption (TURC) was established in 2014 to inquire into 'irregularities associated with union affairs'.<sup>70</sup> Of the 30 matters that were referred to the FWC, 24 were subsequently transferred to the ROC.<sup>71</sup> Of the six that weren't transferred, four were closed with no further action and two resulted in successful civil litigation proceedings. Of the 24 that were transferred, eleven are in abeyance pending police investigations or criminal proceedings, ten are subject to formal investigation by the ROC, one is subject to ongoing assessment by the ROC, one is subject to a formal inquiry and one is before the Federal Court.<sup>72</sup>

2.55 During the reporting period, the FWO and ROC registered an operating deficit of \$8.64 million, a decrease of approximately \$5 million on 2015-16.<sup>73</sup> This decrease was largely due to an increase in revenue received from the Government.

## **Education and Training portfolio**

### ***Department of Education and Training***

2.56 The Department of Education and Training has two outcomes:

- (a) improved early learning, schooling, student education outcomes and transitions to and from school through access to quality child care, support, parent engagement, quality teaching and learning environments; and
- (b) promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research, skills and training.<sup>74</sup>

2.57 The Department has set itself four goals as published in the Corporate Plan and Portfolio Budget Statements for the 2016-17 reporting year:

- (a) improving access to quality child care through building a sustainable national child care system that supports parents to enter and remain in the workforce while providing quality care and early learning;

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69 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 30.

70 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 31.

71 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 31.

72 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 32.

73 The Fair Work Ombudsman and Registered Organisations Commission Entity, *16-17 Annual Report*, p. 54.

74 Department of Education and Training, *Annual Report 2016-17*, p. 6.

- (b) ensuring quality schooling by supporting a high quality school education system, including preschool, with improved outcomes for Australia's students by building on schooling successes and focusing on quality teaching, school autonomy, parent engagement and the Australian Curriculum;
- (c) ensuring world-class tertiary education through enabling the delivery of quality higher education, international education and research that contributes to both the Australian and the global economy and society; and
- (d) maintaining a skilled workforce by ensuring that Australia's workforce has the capability to respond to the needs of current and emerging industries thus contributing to their global competitiveness.<sup>75</sup>

2.58 In April 2017 the *Family Assistance Legislation Amendment (Jobs for Families Child Care Package) Act 2017* was enacted. This legislation gave effect to the Government's new child care package, including the new Child Care Subsidy and Additional Child Care Subsidy payments.<sup>76</sup>

2.59 The department has introduced some elements of the child care package before the July 2017 introduction date including the Inclusion Support Programme (ISP) and Connected Beginnings. The ISP supports improved access to mainstream child care for children with additional needs including those with disabilities, individuals from culturally or linguistically diverse backgrounds, Indigenous children and those with refugee or humanitarian intervention backgrounds. Connected Beginnings focuses on improving outcomes for vulnerable Indigenous children by supporting the integration of child care, maternal and child health and family support services in selected Indigenous communities that are experiencing disadvantage.<sup>77</sup>

2.60 On a national basis the school system continues to be on track for its target of 90 per cent of 20–24 year olds completing Year 12 or attaining a Certificate III by 2020.<sup>78</sup>

2.61 On current trends the gap between Indigenous and non-Indigenous Australians attaining a Year 12, or equivalent qualification, is likely to halve by 2020.<sup>79</sup>

2.62 There was no significant change in the gap between Indigenous and non-Indigenous school attendance between 2014 and 2016. The target of reducing the attendance gap difference therefore appears unlikely to be met by 2018.<sup>80</sup>

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75 Department of Education and Training, *Annual Report 2016-17*, p. 19.

76 Department of Education and Training, *Annual Report 2016-17*, p. 21.

77 Department of Education and Training, *Annual Report 2016-17*, p. 22.

78 Department of Education and Training, *Annual Report 2016-17*, p. 28.

79 Department of Education and Training, *Annual Report 2016-17*, p. 29.

80 Department of Education and Training, *Annual Report 2016-17*, p. 29.

2.63 In relation to higher education, the number of domestic undergraduate students has increased by 21.7 per cent since 2011 from 611 000 to 744 200.<sup>81</sup>

2.64 Between 2011 and 2016 there has been a continued increase in the number of people from identified equity groups participating in higher education, including:

- students with disabilities increasing by 57 per cent;
- Indigenous student numbers increasing by 50.6 per cent; and
- low socioeconomic status numbers increasing by 29.5 per cent.

2.65 During the reporting period the Government announced legislation to reduce the minimum repayment threshold for HELP debt to \$42 000 with a one per cent repayment rate.<sup>82</sup> This would have applied to all current and future HELP debtors from 1 July 2018.<sup>83</sup> From 1 January 2017, the 10 per cent HECS-HELP upfront payment discount and the five per cent voluntary HELP repayment bonus were removed.<sup>84</sup>

2.66 Between May 2015 and May 2016 the number of Australians aged 15–74 with vocational education and training (VET) skills remained steady at 6.1 million.<sup>85</sup> During the same period the number of overall Australian Apprenticeship commencements decreased by 2.9 per cent, with a 12.4 per cent decrease in trade commencements.<sup>86</sup>

2.67 During the financial year the Department of Education and Training registered a \$21 million deficit on continuing operations.<sup>87</sup>

### ***Australian Curriculum and Reporting Authority***

2.68 ACARA is an independent statutory authority and corporate Commonwealth entity established under section 5 of the *Australian Curriculum, Assessment and Reporting Authority Act 2008*.<sup>88</sup> The authority has been in operation since 2009 and was established with the goal of improving the learning of all young Australians through world-class curriculum, assessment and reporting.<sup>89</sup>

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81 Department of Education and Training, *Annual Report 2016-17*, p. 44.

82 On 11 May 2017, the Senate referred an inquiry into the Higher Education Support Legislation Amendment (A More Sustainable, Responsive and Transparent Higher Education System) Bill 2017 to the Senate Education and Employment Legislation Committee for inquiry and report by 9 August 2017. On 15 February 2018 the Senate referred a related inquiry into the Higher Education Support Legislation Amendment (Student Loan Sustainability) Bill 2017 to the committee for inquiry and report by 16 March 2018.

83 Department of Education and Training, *Annual Report 2016-17*, p. 45.

84 Department of Education and Training, *Annual Report 2016-17*, p. 48.

85 Department of Education and Training, *Annual Report 2016-17*, p. 59.

86 Department of Education and Training, *Annual Report 2016-17*, p. 59.

87 Department of Education and Training, *Annual Report 2016-17*, p. 103.

88 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2016-17*, p. 11.

89 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2016-17*, p. 11.



2.69 During the reporting period ACARA achieved, or partially achieved all set performance criteria.<sup>90</sup> The committee notes that for the first performance criterion the 2016 Monitoring Report was published on 13 February 2017. This was after the set timeframe of the end of January.<sup>91</sup>

2.70 The period additionally marked several milestones for ACARA. In October 2016, ACARA completed the first iteration of the Australian Curriculum with the publication of Auslan and Classical languages curricula.<sup>92</sup>

2.71 During 2016, ACARA commenced the redevelopment of the Australian Curriculum website in preparation for its launch in 2017-18.<sup>93</sup>

2.72 A key project for ACARA during the previous reporting period was the delivery of an online version of the National Assessment Program – Literacy and Numeracy (NAPLAN).<sup>94</sup> ACARA notes that this goal was not achieved due to the decision of participating states and territories to postpone the online transition.<sup>95</sup> The committee recognises ACARA's work on this project and its stated desire to continue working closely with state and territory governments to ensure the transition to NAPLAN Online continues in 2018.

2.73 The committee notes ACARA's strong financial position and the \$869 000 surplus it achieved during the financial year. The committee further recognises that the improvement in ACARA's financial position was due largely to an increase in own source income driven by revenue through projects and recoveries.<sup>96</sup>

2.74 The committee again reminds ACARA to include an index in all future annual reports to assist with ease of navigation.

### ***Australian Institute of Aboriginal and Torres Strait Islander Studies***

2.75 AIATSIS was established by the *Australian Institute of Aboriginal and Torres Strait Islander Studies Act 1989*.<sup>97</sup> Its vision is 'a world in which Aboriginal and Torres Strait Islander knowledge and cultures are recognised, respected, celebrated and valued'.<sup>98</sup>

2.76 During the 2016-17 reporting period AIATSIS established its new Corporate Plan for 2016-17 to 2019-20. For this period, AIATSIS has identified five strategic

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90 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2016-17*, pp. 16–32.

91 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2016-17*, p. 16.

92 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2016-17*, p. 8.

93 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2016-17*, p. 8.

94 Education and Employment Legislation Committee, *Annual Reports (No.1 of 2017)*, p. 18.

95 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2016-17*, p. 9.

96 Australian Curriculum, Assessment and Reporting Authority, *Annual Report 2016-17*, p. 61.

97 Australian Institute for Aboriginal and Torres Strait Islander Studies, *Annual Report 2016-2017*, p. 9.

98 Australian Institute for Aboriginal and Torres Strait Islander Studies, *Annual Report 2016-2017*, p. 9.

priorities. These include ensuring its collection is safe, accessible, valued and growing; providing leadership in Indigenous research; and strengthening institutional and community understanding of Aboriginal and Torres Strait Islander culture and heritage.<sup>99</sup>

2.77 During the reporting period, AIATSIS met the majority of the targets set in its five strategic priorities. These include targets in digitally preserving material, increased rate of access to the collection, increase in ethics approvals for external clients and increases in external funding for research projects and staff publications.<sup>100</sup>

2.78 The committee notes that certain targets were not met during the reporting period. These include the rate at which material is accepted into the collection as well as engagement and membership targets.

2.79 The committee notes the varied results in Strategic Priority 5 on building strong governance and organisational resilience. In particular it notes that whilst the large decrease in voluntary departures and small improvements in employee job and supervisor satisfaction during the reporting period are welcome, the large increase in unscheduled absences is a cause for concern.<sup>101</sup> The committee however welcomes AIATSIS's acknowledgement of this increase and willingness to monitor the situation closely.

2.80 The committee recognises the improved financial situation of AIATSIS with the agency reporting a surplus of \$880 000 during the reporting period. This was due largely to increased own-source income driven by increases in grants received and an increase in revenue received from the Government from \$14.9 million in 2015-16 to \$19.8 million in 2016-17.<sup>102</sup>

2.81 The committee commends AIATSIS on its continued role in preserving and promoting Aboriginal and Torres Strait Islander culture.

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

2.82 AITSL was established in 2010 as a Commonwealth company under the *Corporations Act 2001*. It is wholly-owned by the Commonwealth of Australia and is a public company limited by guarantee.<sup>103</sup>

2.83 During the 2016-17 reporting period AITSL achieved all of its performance measures. AITSL exceeded its target for both e-News subscribers and unique sessions on the AITSL website. The Tertiary Education Ministerial Advisory Group (TEMAG)

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99 Australian Institute for Aboriginal and Torres Strait Islander Studies, *Annual Report 2016-2017*, p. 22.

100 Australian Institute for Aboriginal and Torres Strait Islander Studies, *Annual Report 2016-2017*, pp. 25–90.

101 Australian Institute for Aboriginal and Torres Strait Islander Studies, *Annual Report 2016-2017*, p. 90.

102 Australian Institute for Aboriginal and Torres Strait Islander Studies, *Annual Report 2016-2017*, p. 102.

103 Australian Institute for Teaching and School Leadership, *Annual Report 2016-2017*, p. 8.

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Work Plan milestones were on track for successful delivery. The Work Plan was also achieved within the available budget.<sup>104</sup>

2.84 AITSL undertook a number of projects aligned to its Statement of Intent and Work Plan. These included:

- (a) receiving an agreement with the Education Council to commence the implementation of the Australian Workforce Data Strategy. This will establish a national understanding of the characteristics, deployment, supply and career lifecycle trajectory of the teaching workforce in Australia;
- (b) continued work on implementing the Australian Government's response to *Action Now: Classroom Ready Teachers* report; and
- (c) establishment of a future strategic direction for national teacher certification with the release of the *Taking the Lead: national certification of Australia's best teachers* paper.<sup>105</sup>

2.85 At the conclusion of this reporting period, the *AITSL Strategic Plan 2017–2020* was released. This plan is aligned to AITSL's vision and mission and is structured around the following five focus areas:

- placing the impact of initial teacher education, teaching and leadership at the centre of AITSL's work;
- building, enhancing and sustaining effective teaching and leadership at every level;
- advocating for quality and rigour in the design and implementation of national policies, tools and resources;
- supporting the professional education community to make evidence-based decisions; and
- affirming the status of the profession.<sup>106</sup>

2.86 AITSL also continued to implement the Government's response to the *Action Now: Classroom Ready Teacher* report. In addition, AITSL continued working with stakeholders and education sectors and systems in all states and territories to produce the revised *Accreditation of initial teacher education programs in Australia: Standards and Procedures*. The first of the reforms in this report were implemented in 2017 and others will be progressively implemented in 2018 and 2019.<sup>107</sup>

2.87 AITSL's 2016-17 work program targeted resources and initiatives to each of the four teacher career stages of the Standards: Graduate, Proficient, Highly Accomplished and Lead. To assist graduate teachers, the My Induction mobile app

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104 Australian Institute for Teaching and School Leadership, *Annual Report 2016-2017*, p. 25.

105 Australian Institute for Teaching and School Leadership, *Annual Report 2016-2017*, p. 24.

106 Australian Institute for Teaching and School Leadership, *Annual Report 2016-2017*, p. 26.

107 Australian Institute for Teaching and School Leadership, *Annual Report 2016-2017*, p. 29.

was established to complement the induction teachers receive within schools.<sup>108</sup> AITSL also further refined the Teacher Self-Assessment Tool to help more established teachers identify their strengths and areas for development and guide their professional learning choices.<sup>109</sup>

2.88 The committee would appreciate the inclusion of an index in the all future annual reports to assist with ease of navigation.

### ***Australian Skills Quality Authority***

2.89 ASQA was established by the enactment of the *National Vocational Education and Training Regulator Act 2011* and supplementary legislation.<sup>110</sup> Its role as the national regulator in the vocational education and training sector is to maintain the strength and reputation of the sector both nationally and internationally.<sup>111</sup> It also seeks to ensure that students and employers have confidence that providers are delivering good quality programs so that employers are confident that VET graduates have the necessary skills and competencies to become successful employees and that students can be confident that the training they receive will be of a high standard.<sup>112</sup>

2.90 The 2016-17 reporting period saw ASQA implement its first annual regulatory strategy.<sup>113</sup> This strategy outlined ASQA's strategic priorities and identified significant risks. The 2016-17 strategy targeted three areas posing significant and systematic concern: learner protection, the amount of training that providers deliver, and the capability of trainers and assessors.<sup>114</sup>

2.91 ASQA also worked in conjunction with the Department of Education and Training to address the issue of protection for students through finalising its VET FEE-HELP Regulatory Strategy. ASQA contributed to the Department's review of the VET Student Loans program, which replaced the VET FEE-HELP scheme on 1 January 2017.<sup>115</sup>

2.92 ASQA continues to ensure the quality of the VET sector. During 2016-17, 19.5 per cent of applications for VET registration were rejected.<sup>116</sup> This is a 3.4 percentage point increase on the previous year. ASQA also completed over 1600 audits during the year, the largest number since the agency's establishment.<sup>117</sup>

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108 Australian Institute for Teaching and School Leadership, *Annual Report 2016-2017*, p. 39.

109 Australian Institute for Teaching and School Leadership, *Annual Report 2016-2017*, p. 40.

110 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 5.

111 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 5.

112 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 5.

113 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 1.

114 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 1.

115 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 1.

116 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 16.

117 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 20.

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2.93 A key focus for ASQA over the reporting period was maturing its regulatory risk framework.<sup>118</sup> Provider 'risk ratings' have been replaced by 'provider profiles'. These profiles draw upon a broad variety of information and data sources to allow ASQA to make judgements about the risk posed by a provider at any time.<sup>119</sup>

2.94 In response to increasing concerns about the incidence of unduly short training in VET, ASQA conducted a review of course duration and published the report *A review of issues related to unduly short training*.<sup>120</sup> This report recommended that the Standards for Registered Training Organisations be amended to include a definition of the 'amount of training' that focuses on supervised learning and that training package developers be able to set a mandatory amount of training where there is a persistent risk of unduly short training.<sup>121</sup>

2.95 To help with facilitating access to accurate information about VET, ASQA has agreed and signed information-sharing protocols with each state and territory. The building and maintaining of strong relationships with key stakeholders, such as government funded agencies, is a further step taken to identify poor-quality training providers.<sup>122</sup>

2.96 ASQA also held 27 training provider briefing sessions from April to June 2017, including 24 face-to-face sessions across Australia and three webinars. These sessions covered several topics, ranging from student-centred audit approaches to guidance on assessment practices and assessment validation.<sup>123</sup>

2.97 The agency recorded an operating deficit of \$3.1 million. This deficit was greater than the originally budgeted \$1.7 million and was largely due to a decrease in revenue received from the Government.<sup>124</sup>

## **Senator Lucy Gichuhi** **Chair**

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118 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 31.

119 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 31.

120 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 35.

121 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 35.

122 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 39.

123 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 40.

124 Australian Skills Quality Authority, *Annual Report 2016-17*, p. 49.



# Appendix 1

## Dates relating to annual reports presented between 1 May 2017 and 31 October 2017

Reporting Body	Type of body	Submitted to Minister	Received by Minister	Tabled in the Senate or presented out of sitting (*)	Tabled in the House of Representatives
<b>EDUCATION AND TRAINING PORTFOLIO</b>					
Australian Curriculum, Assessment and Reporting Authority	Corporate Commonwealth entity	12/10/17	12/10/17	31/10/17*	4/12/17
Australian Institute of Aboriginal and Torres Strait Islander Studies	Corporate Commonwealth entity	16/10/17	16/10/17	30/10/17*	4/12/17
Australian Institute for Teaching and School Leadership	Commonwealth company	15/9/17	21/9/17	30/10/17*	4/12/17
Australian Research Council	Non-corporate Commonwealth entity	10/10/17	10/10/17	31/10/17*	4/12/17
Australian Skills Quality Authority	Non-corporate Commonwealth entity	4/10/17	5/10/17	31/10/17*	4/12/17
Australian National University	Corporate Commonwealth entity	13/04/17	13/04/17	13/04/17*	14/06/17
Department of Education and Training	Non-corporate Commonwealth entity	13/10/17	13/10/17	13/11/17	25/10/17
Tertiary Education Quality and Standards Agency	Non-corporate Commonwealth entity	15/09/17	15/09/17	31/10/17*	4/12/17

<b>EMPLOYMENT PORTFOLIO</b>					
Asbestos Safety and Eradication Agency	Non-corporate Commonwealth entity	25/09/17	26/09/17	13/11/17	23/10/17
Australian Building and Construction Commission	Non-corporate Commonwealth entity	27/09/17	28/09/17	13/11/17	19/10/17
Coal Mining Industry (Long Service Leave Funding) Corporation	Corporate Commonwealth entity	12/10/17	13/10/17	13/11/17	24/10/17
Comcare and Safety, Rehabilitation and Compensation Commission	Corporate Commonwealth entity	28/09/17	28/09/17	20/10/17*	23/10/17
Department of Employment	Non-corporate Commonwealth entity	12/09/17	12/09/17	18/10/17*	18/10/17
Fair Work Commission	Non-corporate Commonwealth entity	22/09/17	11/10/17	13/11/17	24/10/17
Fair Work Ombudsman and Registered Organisations Commission Entity	Non-corporate Commonwealth entity	5/10/17	5/10/17	13/11/17	24/10/17
Safe Work Australia	Non-corporate Commonwealth entity	5/10/17	9/10/17	30/10/17*	4/12/17
Seafarers Safety, Rehabilitation and Compensation Authority – Seacare	Non-corporate Commonwealth entity	28/09/17	28/09/17	20/10/17*	23/10/17