

## Chapter 2

### Education and Training portfolio

2.1 This chapter summarises certain key areas of interest raised during the committee's consideration of additional estimates for the 2016-17 financial year for the Education and Training portfolio.

2.2 On 1 March 2017, 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 Skills Quality Authority (ASQA);
- Australian Institute for Teaching and School Leadership (AITSL);
- Australian Curriculum Assessment and Reporting Authority (ACARA);
- Tertiary Education Quality and Standards Agency (TEQSA); and
- Australian Research Council (ARC).

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

2.3 The committee opened proceedings by acknowledging the work of Mr Chris Robinson, who has recently departed as Chief Commissioner, and welcomed Mr Mark Paterson to the role.<sup>1</sup>

#### ***Quality and compliance of registered training organisations***

2.4 Committee members pursued questions relating to ASQA's investigations of training organisations who were receiving public funds and who were allegedly engaged in non-compliant behaviour. Attention was drawn to the report by the Australian National Audit Office (ANAO) on VET FEE-HELP, which detailed issues with the accountability and quality control mechanisms built into the VET FEE-HELP scheme.<sup>2</sup>

2.5 Senators Cameron and Williams questioned reports they had heard of training organisations allowing students to graduate and enter electrical, carpentry or other trades without appropriate skills, thus putting their lives in danger.<sup>3</sup> Mr Paterson replied:

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1 *Committee Hansard*, 1 March 2017, p. 4.

2 Australian National Audit Office, *Administration of the VET FEE-HELP Scheme*, Audit Report No. 31, 2016–2017, [www.anao.gov.au/work/performance-audit/administration-vet-fee-help-scheme](http://www.anao.gov.au/work/performance-audit/administration-vet-fee-help-scheme).

3 *Committee Hansard*, 1 March 2017, p. 12.

[t]he greatest systemic risk to the system is if an individual does not have the competency that their qualification would assert they have. That is why a lot of our attention is given to the quality of the trainers, the nature of the training that is provided and the nature of the assessment systems. Where we find failure in relation to those, then we take regulatory action... [T]he quality of the assessment, the quality of the training and the skills and competencies of the trainers within those RTOs are a key focus of our regulatory activity and will continue to be a key focus of our regulatory activity.<sup>4</sup>

2.6 Inquiries were made about the case of the training organisation registered as MHM, which allegedly enrolled students and allowed them to incur FEE-HELP debts shortly before it closed.<sup>5</sup> Dr Banerjee, Deputy Secretary, Skills and Training, informed the committee that MHM was no longer operating,<sup>6</sup> and Mr Paterson explained the steps ASQA took in relation to this organisation's behaviour:

[o]ur audit activity did identify noncompliances. The RTO was given an opportunity to rectify those noncompliances and it did rectify them. But we took further regulatory activity, on examining the RTO, and as I indicated prior to the break we issued a notice of intention to that RTO. We received a response on that notice of intention and we were planning to take a regulatory decision. It would appear on the information that is now available to us that that RTO is no longer operating and is now in liquidation.<sup>7</sup>

### ***Audit practices and risk model***

2.7 Mr Paterson and Professor Lavarch, Commissioner, provided information about ASQA's audit and compliance activities. Professor Lavarch confirmed that 1174 audits were completed in 2015-16.<sup>8</sup>

2.8 They also detailed the organisation's revised model in which a proactive approach is taken. Mr Paterson stated:

[o]ur approach in relation to regulating registered training organisations has progressively moved away from application-driven audits to an assessment of the risk to the system that an RTO places and then to focus more and more attention on the nature of that risk. We have moved to a much more comprehensive risk based audit approach that I think means that we can assess the performance of individual RTOs and the impact that they have on the student experience with those RTOs, which is critically important.<sup>9</sup>

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4 *Committee Hansard*, 1 March 2017, p. 12.

5 *Committee Hansard*, 1 March 2017, p. 15.

6 *Committee Hansard*, 1 March 2017, p.19.

7 *Committee Hansard*, 1 March 2017, p. 21.

8 *Committee Hansard*, 1 March 2017, p. 22.

9 *Committee Hansard*, 1 March 2017, p. 4.

2.9 Furthermore, Mr Lavarch detailed the scanning procedures, which are a key part of the proactive risk assessment model:

[f]irstly, we look at all of the datasets that we have available to us. We look at our own direct regulatory experience: what sorts of standards or obligations providers in the sector as a whole were having trouble consistently complying with. We would look at other publicly available data, such as some of the metadata for the sector as a whole collected through research agencies and the like. Importantly, we undertook effectively a dialogue with core stakeholders across the sector... So a combination of looking at datasets and talking to stakeholders is the core activity which we do in terms of environmental scanning. That document in turn helps inform ASQA, in terms of our regulatory strategy, which are our major projects, apart from day-to-day regulating individual providers, that ASQA should be allocating its resources to.<sup>10</sup>

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

2.10 The Minister thanked the departed CEO Mr Chris Wardlaw and welcomed the new CEO, Ms Lisa Rodgers.<sup>11</sup>

2.11 The committee asked AITSL for an update on the accreditation of initial teacher education courses, and how the competencies of students are assessed prior to graduation. Mr Misson, Deputy CEO, informed the committee that 300 courses were scheduled to be accredited by December 2017, and this milestone was on track to be attained, though it was noted that the responsibility for accreditation lay with state and territory regulators.<sup>12</sup>

2.12 Similarly, information was sought regarding quality assurance mechanisms for entrance into teacher training courses. Mr Misson stated:

[u]nder the new standards, there are compulsory literacy and numeracy tests which all graduates must pass prior to graduation, and that is nationally implemented. We were also talking earlier about the teaching performance assessment, which is a much broader assessment. The requirement is that all graduates will have passed a rigorous, valid and reliable assessment of their classroom teaching performance before they graduate.<sup>13</sup>

2.13 AITSL undertook to provide the committee with information on notice regarding the best ways to track and map student progress.<sup>14</sup>

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

2.14 Inquiries were made about ACARA's staff satisfaction survey and the benchmarks used to define levels of satisfaction,<sup>15</sup> and the agency's approach to

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10 *Committee Hansard*, 1 March 2017, p. 5.

11 *Committee Hansard*, 1 March 2017, p. 23.

12 *Committee Hansard*, 1 March 2017, p. 24.

13 *Committee Hansard*, 1 March 2017, p. 28.

14 *Committee Hansard*, 1 March 2017, pp. 28–29.

combating bullying.<sup>16</sup> Mr Randall, CEO, informed the committee that the agency was committed to undertaking a more systematic approach to performance assessment, and dealing with bullying claims more quickly.<sup>17</sup>

2.15 The committee asked ACARA officials whether they agreed with some media reports alleging NAPLAN testing was biased in favour of girls. Mr Randall replied that he did not think that was the case, and furthermore that he did not believe in any inherent difference in boys' and girls' abilities.<sup>18</sup>

2.16 Committee members also asked for clarification of the use of an emoji in a NAPLAN sample test. Mr Randall and Mr Rabinowitz, General Manager, explained that the graphic was a tool of engagement, and the questions related to a passage of text that the graphic accompanied.<sup>19</sup>

2.17 There was discussion around development of best practice in formative assessment. Mr Randall used the Best Start assessment in New South Wales as a key example, and elaborated on the value of a common testing framework:

[t]he Best Start assessment in New South Wales is an example of a system-wide assessment that is done in a consistent way. The value of that is that it is a common reference for teachers. Instead of having to, if you like, develop the process themselves, they have that. The tool has been made available, the training has been made available to teachers and it is linked into the curriculum... We should not necessarily assume that everything should be left to every teacher in every way to discover the best way to assess. If we can help teachers improve their assessment, I think we should.<sup>20</sup>

2.18 ACARA was questioned about media reports that some schools were discouraging certain students from taking the Victorian Certificate of Education because of concerns about the school's ranking.<sup>21</sup> Mr Randall replied that, while it was a state matter, he did not believe it was widespread. Rather, he perceived that 'a great majority of parents, teachers and others actually do see this information as valuable and see the value in doing it to an extent.'<sup>22</sup>

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15 *Committee Hansard*, 1 March 2017, p. 31.

16 *Committee Hansard*, 1 March 2017, p. 34.

17 *Committee Hansard*, 1 March 2017, p. 33.

18 *Committee Hansard*, 1 March 2017, pp. 29–30.

19 *Committee Hansard*, 1 March 2017, pp. 34–35.

20 *Committee Hansard*, 1 March 2017, p. 37.

21 *Committee Hansard*, 1 March 2017, p. 39.

22 *Committee Hansard*, 1 March 2017, p. 39.

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## Australian Research Council

2.19 The committee inquired about the CEO recruitment process, and also about the public reporting of that position's remuneration.<sup>23</sup> The Minister advised that the selected candidate was to be announced imminently, and the Acting CEO Ms Harvey undertook to clarify the remuneration data.<sup>24</sup>

2.20 Committee members also inquired about the ARC's engagement and impact assessment process. Ms Harvey elaborated on the consultation process with industry and universities regarding the indicators used for this process, and explained that a pilot was about to be launched.<sup>25</sup>

2.21 There was discussion of issues associated with the measurement of research impact in the United Kingdom, including the gaming of the system and the negative effect on interdisciplinary research.<sup>26</sup> Ms Harvey assured the committee that the ARC was committed to both upholding the integrity of Australia's research framework and maintaining interdisciplinary research capacity.<sup>27</sup>

## Tertiary Education Quality and Standards Agency

2.22 TEQSA's Director, Professor Nicholas Saunders, gave an overview of the agency's regulatory framework in the context of the VET FEE-HELP reports of recent years.<sup>28</sup>

2.23 Committee members questioned Professor Saunders about the effect of budget cuts on the organisation. Professor Saunders replied that the mix of staff has changed with more contractors working in the organisation, though this does not lead to efficiency or savings in the longer term.<sup>29</sup>

2.24 Committee members asked about TEQSA's ability to cope with its increased workload in light of budget cuts. The committee was assured by Minister Birmingham that TEQSA 'is more than adequately fulfilling its responsibilities' and by Professor Saunders that the agency is 'seeking to further refine [its] risk based approach.'<sup>30</sup>

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23 *Committee Hansard*, 1 March 2017, pp. 41–42.

24 *Committee Hansard*, 1 March 2017, p. 44.

25 *Committee Hansard*, 1 March 2017, p. 45.

26 *Committee Hansard*, 1 March 2017, p. 50.

27 *Committee Hansard*, 1 March 2017, pp. 50–51.

28 *Committee Hansard*, 1 March 2017, p. 53.

29 *Committee Hansard*, 1 March 2017, pp. 54–55.

30 *Committee Hansard*, 1 March 2017, p. 54.

## Department of Education

### *Cross-portfolio*

2.25 The committee inquired about the administrative arrangements relating to the Education Investment Fund (EIF).<sup>31</sup> Mr Learmonth, Deputy Secretary, Higher Education, Research and International, informed the committee that the Department of Finance had overall responsibility for the administration of the fund, but would clarify on notice whether the Department had a role in allocating any money from the fund.<sup>32</sup>

2.26 Information was also sought about the Department's expenditure on advertising. Ms Ulrick, Branch Manager, People, Communication and Legal, and Dr Bruniges, Secretary, outlined the costs for various campaigns including Jobs for Families, VET student loans and overseas HELP debts.<sup>33</sup> Ms Ulrick also outlined the concept testing process for the Jobs For Families campaign.<sup>34</sup>

2.27 There was discussion about the saving of almost \$2.7 billion across the Department listed in the MYEFO statement. Mr Ford, Branch Manager, Finance, Technology and Business Services, advised that the two significant areas of budgetary variation were in the areas of child care and Trade Support Loans. Minister Birmingham stated that the government continued to look for savings where possible.<sup>35</sup>

### *Outcome 1*

2.28 Senator Bernardi questioned the operation of the priority access guidelines in the child care sector. Specifically, there was concern that parents 'are being told that their child could lose their place because another child comes along who happens to have Aboriginal parents or happens to have a disabled parent or parents who are dysfunctional or comes from a low socioeconomic group.'<sup>36</sup> Ms Wilson advised that:

...in practice what happens is the centre negotiates a successful outcome where they can take on board that child who has a priority of access without displacing others. I have heard service providers talk to me in workshops about adjusting hours and consulting other families and trying to negotiate to find a solution around that.<sup>37</sup>

2.29 There was discussion about the calculations undertaken to determine the figures for the child care subsidy. Ms Mitchell, Group Manager, Early Childhood Strategy, confirmed that the original sample of 2000 families had continued to be used in calculations, and the Minister stated he was confident that 230 000 families would

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31 *Committee Hansard*, 1 March 2017, p. 57.

32 *Committee Hansard*, 1 March 2017, p. 59.

33 *Committee Hansard*, 1 March 2017, pp. 63–70.

34 *Committee Hansard*, 1 March 2017, pp. 65–66.

35 *Committee Hansard*, 1 March 2017, p. 71.

36 *Committee Hansard*, 1 March 2017, p. 173.

37 *Committee Hansard*, 1 March 2017, p. 173.

be able to increase their workforce participation as a result of the fifty per cent subsidy.<sup>38</sup>

2.30 The committee also inquired about modelling for the child care subsidy, specifically in relation to the activity test.<sup>39</sup> After much discussion, Mr Palmer, Group Manager, Early Childhood Manager, provided an in-depth explanation of the methodology used, namely the seasonal autoregressive integrated moving average (SARIMA).<sup>40</sup> Minister Birmingham and Dr Bruniges also confirmed that the model did not disaggregate data to allow comparative break downs of current estimates and previous estimates, but gave a point-in-time picture of the actual compared to the estimate.<sup>41</sup>

2.31 Committee members inquired about funding for school students with disabilities. Mr Cook, Associate Secretary, Schools and Youth, and Minister Birmingham outlined the use of the Nationally Consistent Collection of Data to allocate \$118 million in funding as a top-up measure to support students with disability.<sup>42</sup>

2.32 There was examination of the Department's efforts with regard to parental engagement. Mr Cook outlined a range of activities:

[t]he Smith Family Learning for Life Program does intersect across parental engagement because it works with parents and students, and there is \$48 million to expand that program that the Smith Family runs so that parents actually become partners in school education. There is also work happening around ARACY [Australian Research Alliance for Children and Youth]. There is \$4 million that ARACY is utilising to undertake some research in relation to parental engagement. There is funding that the Catholic School Parent Associations of Australia have received from the Commonwealth to look at re-energising parental engagement in Australian primary and secondary schools. We are waiting for a report from them. So there is a range of additional research and activities that are happening across the parental bodies, as well as bodies like ARACY, to inform government around future activity in this area.<sup>43</sup>

## **Outcome 2**

2.33 The committee inquired into the \$640 000 federal grant to Dr Bjorn Lomborg's Copenhagen Consensus Centre, which resulted in the publication of a book.<sup>44</sup> Ms Hart, Acting Group Manager, Research and Economic, advised that all

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38 *Committee Hansard*, 1 March 2017, p. 76.

39 *Committee Hansard*, 1 March 2017, pp. 79–83.

40 *Committee Hansard*, 1 March 2017, p. 82.

41 *Committee Hansard*, 1 March 2017, pp. 82–83.

42 *Committee Hansard*, 1 March 2017, pp. 120–121.

43 *Committee Hansard*, 1 March 2017, p. 119.

44 *Committee Hansard*, 1 March 2017, p. 122.

relevant contractual documents have been released as part of a freedom of information release.<sup>45</sup>

2.34 The committee also pursued questioning about reduced funding to the Commonwealth Grants Scheme (CGS). Minister Birmingham advised that the 20 per cent reduction to the CGS was still factored into the Budget, however it was unlikely that the measure would be brought forward in legislation. The Minister advised he was continuing a process of consultation to develop alternative budgetary solutions.<sup>46</sup>

2.35 The committee examined the operation of the expert panel charged with consulting on developing these alternative solutions. Minister Birmingham and Mr Learmonth advised there was extensive engagement between the Department, the panel and the university sector, and that the panel was engaging with the public through the submissions process.<sup>47</sup>

2.36 There was discussion about the Higher Education Participation and Partnerships Program (HEPPP). Mr Learmonth advised that there was a \$152 million funding reduction to the program over four years. The Minister stated that he was committed to supporting equity and participation in tertiary education, and that an evaluation of HEPPP was forthcoming.<sup>48</sup>

2.37 There was discussion about departmental modelling in relation to fee deregulation. Mr Learmonth advised that 'there was work done to try and understand what the likely changes and effects would be under that policy.'<sup>49</sup> Minister Birmingham informed the committee that further information about higher education funding would be made available in the context of the upcoming Budget.<sup>50</sup>

2.38 The committee queried whether the Minister saw TAFE as a pathway to high school completion. Minister Birmingham reiterated the importance of this function of the TAFE system, and undertook to provide more information about funding on notice.<sup>51</sup> The committee also questioned whether the number of arts courses on offer at TAFEs had decreased due to their exclusion from the VET student loan scheme. Mr Hart advised there 'are fewer arts courses that are available for subsidy through VET student loans than VET FEE-HELP, but there are still 13 that are on the courses and loan caps determination and a further nine were added in late December.'<sup>52</sup>

2.39 There was also discussion of matters relating to apprenticeship training, including Trade Support Loans and the Industry Skills Fund. Ms Hewlett, Group

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45 *Committee Hansard*, 1 March 2017, p. 123.

46 *Committee Hansard*, 1 March 2017, p.123.

47 *Committee Hansard*, 1 March 2017, p. 125.

48 *Committee Hansard*, 1 March 2017, p. 127.

49 *Committee Hansard*, 1 March 2017, p. 129.

50 *Committee Hansard*, 1 March 2017, p. 129.

51 *Committee Hansard*, 1 March 2017, p. 130.

52 *Committee Hansard*, 1 March 2017, p.131.



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Manager, Industry Skills and Quality, advised that the average debt held by people who have taken out Trade Support Loans but not completed their apprenticeships was \$5166.<sup>53</sup> In relation to the Industry Skills Fund, Ms White, Branch Manager, Skills Programs, outlined the following allocations: '\$230,000 to the Master Builders Association, \$1 million to NECA, \$230,000 to the North East Vocational College, \$759,000 to The Australian Industry Group and \$1 million to PricewaterhouseCoopers.'<sup>54</sup>

2.40 Concerns were raised about the security of personal information relating to students who have VET student loans. Dr Bruniges confirmed that if any breach of personal information occurred the Department would be very concerned.<sup>55</sup>

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53 *Committee Hansard*, 1 March 2017, p. 137.

54 *Committee Hansard*, 1 March 2017, p. 138.

55 *Committee Hansard*, 1 March 2017, p. 140.

