

The Senate

Education and Employment
Legislation Committee

Budget estimates 2015–16

June 2015

© Commonwealth of Australia

ISBN: 978-1-76010-232-6

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



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

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

MEMBERSHIP OF THE COMMITTEE

Members

Senator Bridget McKenzie, Chair, NATS, VIC

Senator Sue Lines, Deputy Chair, ALP, WA

Senator Deborah O'Neill, ALP, NSW

Senator Lee Rhiannon, AG, NSW

Senator the Hon Arthur Sinodinos, LP, NSW

Senator the Hon David Johnston, LP, WA (from 15 June 2015)

Senators in attendance:

Senators McKenzie (Chair), Lines (Deputy Chair), Birmingham, Bushby, Carr, Cameron, Canavan, Collins, Edwards, Johnston, Lambie, Leyonhjelm, Lindgren, Macdonald, Marshall, Moore, Muir, O'Neill, Payne, Rice, Rhiannon, Ryan, Sinodinos, Sterle, Williams and Wright.

Secretariat

Ms Julia Agostino, Secretary

Dr Patrick Hodder, Principal Research Officer

Ms Chiara Edwards, Research Officer

Ms Louise Kelly, Administrative Officer

PO Box 6100
Parliament House
Canberra ACT 2600

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

TABLE OF CONTENTS

MEMBERSHIP OF THE COMMITTEE	iii
RECOMMENDATION	vii
CHAPTER 1	1
Overview	1
Portfolio coverage	1
Portfolio Budget Statements (PBS) 2015-16	1
Hearings	1
The operation of Standing Order 26(4)	2
Public interest immunity claims	2
Questions on notice	2
Note on Hansard page referencing	3
CHAPTER 2	5
Employment portfolio	5
Cross-portfolio matters	5
Outcome 1	6
Outcome 2	6
Office of the Fair Work Ombudsman	7
Fair Work Building and Construction	8
Safe Work Australia	9
Workplace Gender Equality Agency	9
Asbestos Safety and Eradication Agency	10
Fair Work Commission	11
Chapter 3	13
Education and Training portfolio	13
Australian Institute of Aboriginal and Torres Strait Islander Studies	13
Australian Research Council	14
Tertiary Education Quality and Standards Agency	15
Australian Skills and Quality Authority	16
Outcome 2	17

Cross-portfolio matters	19
Australian Curriculum Assessment and Reporting Authority.....	20
Australian Institute for Teaching and School Leadership	21
Outcome 1	22
APPENDIX 1	25
Committee oversight of departments, agencies and other bodies.....	25
Education and Training Portfolio	25
Employment portfolio	25
APPENDIX 2	27
Index to Proof Committee Hansard transcripts	27
APPENDIX 3	29
Program showing estimated and actual times	29
Employment portfolio	29
Education and Training Portfolio	30

RECOMMENDATION

1.15 The committee recommends that Standing Order 26(4) be referred to the Procedure Committee for consideration.

CHAPTER 1

Overview

1.1 On 12 May 2015 the Senate referred the following documents to the committee for examination and report in relation to its portfolios:

- Particulars of proposed expenditure in respect of the year ending on 30 June 2016;
- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2016;
- Particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2016;
- Particulars of proposed additional expenditure in respect of the year ending on 30 June 2015; and
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2015.¹

1.2 The committee is required to report to the Senate on 23 June 2015.²

Portfolio coverage

1.3 The committee has responsibility for examining the expenditure and outcomes of the Employment and Education and Training portfolios.³ Appendix 1 lists the outcomes, agencies and other bodies under these portfolios.

Portfolio Budget Statements (PBS) 2015-16

1.4 Portfolio Budget Statements (PBS) inform senators of the proposed allocation of funding to outcomes and agencies within the portfolio.

1.5 Outcomes within the Education and Training portfolio have been amended to reflect machinery-of-government changes made in December 2014.⁴

Hearings

1.6 The committee held hearings over four days, examining the Employment portfolio on 1 and 2 June 2015 and the Education and Training portfolio on 3 and 4 June 2015. The committee met for a total of 42 hours and six minutes, excluding breaks.

1 *Journals of the Senate*, No. 92, 12 May 2015, p. 2561.

2 *Journals of the Senate*, No. 76, 10 February 2015, pp 2116–2117.

3 *Journals of the Senate*, No. 1, 12 November 2013, p. 16.

4 Portfolio Budget Statements 2015–16, *Education and Training portfolio*, pp 18–19.

1.7 Over the two days that the committee spent examining the Employment portfolio, the approximate distribution of time by party was as follows:

- Labor Senators, 73.2%
- Coalition Senators, 15.6%;
- Greens Senators, 9%; and
- Other parties and independent Senators, 2.1%.

1.8 Over the two days that the committee spent examining the Education and Training portfolio, the approximate distribution of time by party was as follows:

- Labor Senators, 69.5%;
- Coalition Senators, 9%; and
- Greens Senators, 21.5%.

The operation of Standing Order 26(4)

1.9 Standing Order 26(4) provides that:

If a senator has further explanations to seek, items of expenditure shall not be closed for examination unless the senator has agreed to submit written questions or the committee has agreed to schedule additional hearings for that purpose.⁵

1.10 The effect of this standing order is that the committee must continue to examine a given agency or outcome until no senator has any questions remaining, regardless of the day's schedule. Consequently, the committee spends far longer than estimated examining certain outcomes and agencies, and far less time examining others. Senators have expressed their frustration with the uncertainty created by the operation of the standing order. Appendix 3 shows the time allocated to each area and the actual time the committee spent examining it.

Public interest immunity claims

1.11 On 13 May 2009, the Senate passed an order relating to public interest immunity claims.⁶ The order sets out the processes to be followed if a witness declines to answer a question. The full text of this order has previously been provided to departments and agencies and was incorporated in the Chair's opening statement at the commencement of each hearing.

Questions on notice

1.12 The committee has drawn the attention of the department and its agencies to the agreed deadline of Friday, 24 July 2015 for the receipt of answers to questions taken on notice from this round, in accordance with Standing Order 26.

5 The Senate, *Standing Orders and other orders of the Senate*, July 2014, SO 26.

6 *Journals of the Senate*, No. 68, 13 May 2009, p. 1941. The order was moved by Senator Cormann.

1.13 Responses to questions on notice and additional information provided to the committee are tabled in the Senate and uploaded to the committee's web page. Links to the *Hansard* transcripts of these public hearings and to answers and additional information will be posted on the committee's website.⁷

Note on Hansard page referencing

1.14 Hansard references throughout this report are to the proof transcript. Please note page numbering may differ between the proof and final Hansard.

Recommendation 1

1.15 The committee recommends that Standing Order 26(4) be referred to the Procedure Committee for consideration.

7 Information will be published at the following website address:
http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/eetctte/estimates/add1415/index

CHAPTER 2

Employment portfolio

2.1 This chapter summarises certain key areas of interest raised during the committee's consideration of the budget estimates for the 2015–16 financial year for the Employment portfolio. It follows the order of proceedings and is an indicative, not exhaustive, account of issues examined.

2.2 On 1 and 2 June 2015, the committee heard evidence from Senator the Honourable Marise Payne, Minister for Human Services, representing the Minister for Employment, along with officers from the Department of Employment (the Department) and the following agencies responsible for administering Employment policy:

- Fair Work Commission;
- Office of the Fair Work Ombudsman;
- Safe Work Australia;
- Asbestos Safety and Eradication Agency;
- Workplace Gender Equality Agency; and
- Fair Work Building and Construction.

2.3 Officers from Comcare attended the hearing on 2 June 2015 but were not called to give evidence before the hearing adjourned.

Cross-portfolio matters

2.4 The committee heard evidence for approximately two hours and 45 minutes.

Enterprise bargaining agreement (EBA)

2.5 The Secretary of the Department, Ms Renée Leon, advised the committee that negotiation continued following the unsuccessful EBA ballot in December 2014, but another formal offer had not yet been put to staff.¹

2.6 The committee heard evidence in relation to the Australian Government Public Sector Workplace Bargaining Policy and the requirement to offset remuneration increases with genuine productivity gains.² The committee discussed examples of the ways in which these gains might be achieved, such as requiring employees to work an additional six minutes per day.

Shared Services centre

2.7 Ms Leon provided an update on the performance and staffing of the shared services centre, which has expanded its provision of services to other departments and

1 Ms Renée Leon, Secretary, Department of Employment, *Estimates Hansard*, 1 June 2015, p. 5.

2 Ms Renée Leon, Secretary, Department of Employment *Estimates Hansard*, 1 June 2015, p. 12.

agencies including the Australian Electoral Commission, the Australian Taxation Office and the Department of the Prime Minister and Cabinet.³

Outcome 1

2.8 The committee heard evidence for approximately five hours and 27 minutes.

jobactive

2.9 The committee examined the transition from Job Services Australia to jobactive, which will operate under a revised fee structure with greater emphasis on employment outcomes rather than job seeker activities and administrative payments.⁴ The committee also discussed the tender process for individual employment service providers.

National Work Experience Programme

2.10 The Group Manager, Labour Market Strategy Group, Ms Margaret Kidd, told the committee that the National Work Experience Program 'provides an opportunity for job seekers to volunteer to do four weeks work experience for up to 25 hours per week in businesses'.⁵ Job seekers receive \$20.80 per fortnight to cover their expenses. There is no cost to the employer, and wage subsidies may be available if the placement leads to ongoing work.⁶

Outcome 2

2.11 The committee heard evidence for approximately two hours and 53 minutes.

Wage growth

2.12 The committee heard that wage growth is at its slowest point since the wage price index began in 1997, having risen 2.3 per cent in the year ending March 2015, 3.1 per cent per annum over the past five years and 3.5 per cent per annum over the past 10 years.⁷ Wages are expected to increase at approximately the same rate as inflation over the next three financial years.⁸

3 Ms Renée Leon, Secretary, Department of Employment, *Estimates Hansard*, 1 June 2015, p. 35.

4 Ms Renée Leon, Secretary, Department of Employment, *Estimates Hansard*, 1 June 2015, p. 39; Mr Martin Hehir, Deputy Secretary, Department of Employment, *Estimates Hansard*, 1 June 2015, pp 39–40.

5 Ms Margaret Kidd, Group Manager, Labour Market Strategy Group, Department of Employment *Estimates Hansard*, 1 June 2015, p. 52.

6 Ms Margaret Kidd, Group Manager, Labour Market Strategy Group, Department of Employment, *Estimates Hansard*, 1 June 2015, p. 52.

7 Dr Alison Morehead, Group Manager, Workplace Relations Policy Group, Department of Employment, *Estimates Hansard*, 1 June 2015, p.114.

8 Dr Alison Morehead, Group Manager, Workplace Relations Policy Group, Department of Employment, Department of Employment, *Estimates Hansard*, 1 June 2015, p. 115.

Commonwealth cleaning guidelines

2.13 The committee sought information about effect of the abolition of the Commonwealth cleaning guidelines. Ms Leon told the committee that 'the pay that is being offered to the cleaners is a result of the contracts that are being entered in to'.⁹ Ms Leon advised that departments entering into new cleaning contracts would abide by the Commonwealth procurement guidelines, including the principle of value for money.

Office of the Fair Work Ombudsman

2.14 The committee heard evidence for approximately four hours and 11 minutes.

EBA

2.15 The Fair Work Ombudsman (FWO), Ms Natalie James, advised the committee that while no formal EBA offer had been made to employees, negotiations continued and a draft offer was being revised in response to feedback from bargaining representatives. The feedback was in relation to a range of issues including grandfathering of the remote localities allowance and the level of wage rises.¹⁰

Apprentice workers

2.16 The committee heard that the Office of the FWO is in the process of auditing 700 businesses that employ apprentices. A campaign focusing on the automotive, electrical services, manufacturing, meat, retail trade and personal services industries seeks to address problems such as apprentices being underpaid, not receiving overtime and not being given payslips.¹¹ The Executive Director, Proactive Compliance and Education, Ms Lynda McAlary-Smith, told the committee:

One of the things we are doing as part of the apprenticeship campaign is focusing specifically on the businesses who have apprentices in their first year of apprenticeship, so that we can get in with an early start and make sure they get off on the right foot.¹²

2.17 There is a separate national campaign targeting construction industry workers, including apprentices.¹³

9 Ms Renée Leon, Secretary, Department of Employment *Estimates Hansard*, 1 June 2015, p. 120.

10 Ms Natalie James, Fair Work Ombudsman, *Estimates Hansard*, 2 June 2015, p. 10.

11 Ms Lynda McAlary-Smith, Executive Director, Proactive Compliance and Education, Department of Employment, *Estimates Hansard*, 2 June 2015, pp 13–14.

12 Ms Lynda McAlary-Smith, Executive Director, Proactive Compliance and Education, Department of Employment, *Estimates Hansard*, 2 June 2015, p. 14.

13 Ms Lynda McAlary-Smith, Executive Director, Proactive Compliance and Education, Department of Employment, *Estimates Hansard*, 2 June 2015, p. 13.

Chia Tung Development

2.18 The committee discussed Chia Tung Development, which was found to have underpaid 43 foreign workers. Asked why the FWO did not prosecute the company, Ms James explained:

This was a case where the employer engaged immediately with us, was prepared to make admissions and paid back the money reasonably promptly. So we agreed with them to enter into an enforceable undertaking in order to put that \$873,000 back into the hands of the workers reasonably quickly, within two months. A litigation would have taken much longer, maybe 12 months. So in this case, we decided that it was not one that we would put through the litigation route.¹⁴

Temporary work visas

2.19 Asked about monitoring of 457 visas, Ms James advised the committee that between 1 July 2014 and 31 March 2015, the Office of the FWO had investigated a total of 1 496 visa holders employed by 636 entities. Preliminary investigations suggested that in 302 cases, or 20 per cent, either the nominated position or the nominated salary was not in accordance with the visa.¹⁵ These cases are referred to the Department of Immigration and Border Protection (DIBP) for investigation.

Fair Work Building and Construction

2.20 The committee heard evidence for approximately four hours and 50 minutes.

Proceedings and compulsory powers

2.21 The Director of Fair Work Building and Construction (FWBC), Mr Nigel Hadgkiss, advised the committee that as of 30 April 2015, FWBC had 48 proceedings before the courts: 19 in relation to right of entry permits, 17 in relation to coercion, 8 in relation to unlawful industrial action and 2 in relation to wages and entitlements.¹⁶ Mr Hadgkiss also outlined the procedure for utilising his compulsory powers and advised that he had exercised these powers, which he described as a 'last resort', on 14 occasions since 1 July 2014.¹⁷

Chia Tung Development

2.22 The committee sought information about FWBC's investigation of a breach of right of entry at the Chia Tung Development site in New South Wales. The investigation was discontinued following referrals by FWBC to the FWO and the DIBP. Mr Hadgkiss explained: 'when I became aware of the seriousness of the

14 Ms Natalie James, Fair Work Ombudsman, *Estimates Hansard*, 2 June 2015, p. 25.

15 Ms Natalie James, Fair Work Ombudsman, *Estimates Hansard*, 2 June 2015, p. 46.

16 Mr Nigel Hadgkiss, Director, Fair Work Building and Construction, *Estimates Hansard*, 2 June 2015, p. 73.

17 Mr Nigel Hadgkiss, Director, Fair Work Building and Construction, *Estimates Hansard*, 2 June 2015, p. 72, 112 and 119–21.

situation at that location, I deemed it was in the public interest that we should cease the investigation'.¹⁸

Activity based costing

2.23 Asked about the cost of investigations and court cases, Mr Hadgkiss responded that he would only be able to provide external legal costs. He advised the committee that he was endeavouring to introduce an 'activity based' costing methodology taking into account the work of FWBC inspectors and lawyers.¹⁹

Intimidation of FWBC staff

2.24 The committee also heard evidence in relation to alleged intimidation and harassment of FWBC staff. Specifically, Mr Hadgkiss provided evidence that a female investigator was subjected to numerous harassing and sexually derogatory telephone calls by two male CFMEU officials, and that on one occasion, the same individuals attempted to stop her car by striking her car with a tree branch.²⁰

Safe Work Australia

2.25 The committee heard evidence for approximately 16 minutes.

Chemical labelling

2.26 The committee discussed labelling requirements for hazardous chemicals such as agricultural and veterinary medicine. The Branch Manager, Work Health and Safety Network, Ms Julia Collins, explained that there is a five year transition period from Australian Pesticides and Veterinary Medicines Authority (APVMA) labelling to the Globally Harmonised System (GHS) of classification. Ms Collins acknowledged objections to this change, but stated that it was Safe Work Australia's view that the APVMA labels were 'inadequate for workplace health and safety risk assessment'.²¹ From 1 January 2017 all Australian labels must meet GHS requirements and penalties will be imposed for noncompliance.²²

Workplace Gender Equality Agency

2.27 The committee heard evidence for approximately 20 minutes.

18 Mr Nigel Hadgkiss, Director, Fair Work Building and Construction, *Estimates Hansard*, 2 June 2015, p. 75.

19 Mr Nigel Hadgkiss, Director, Fair Work Building and Construction, *Estimates Hansard*, 2 June 2015, p. 109.

20 Mr Nigel Hadgkiss, Director, Fair Work Building and Construction, *Estimates Hansard*, 2 June 2015, pp 81-82.

21 Ms Julia Collins, Branch Manager, Work Health and Safety Network, Safe Work Australia, *Estimates Hansard*, 2 June 2015, p. 127.

22 Ms Julia Collins, Branch Manager, Work Health and Safety Network, Safe Work Australia, *Estimates Hansard*, 2 June 2015, pp 127-8.

Methodology review

2.28 Ms Jo Wood, Group Manager, Economic Strategy Group, advised the committee that the Department had engaged a consultant to assist the working group reviewing the Workplace Gender Equality Agency's (WGEA) collection, classification and analysis of data. The consultant's report will be completed by July 2015, with the working group expected to make recommendations to government in the second half of 2015.²³

Equilibrium man challenge

2.29 The Acting Director, Ms Louise McSorley, described the WGEA's latest campaign, designed to increase flexible work practices for men:

We have got a series of microdocumentaries following five men as they negotiate flexible work. There are a whole lot of tools for employers and employees that came off that platform, and they are to assist them implement and manage flexible work.²⁴

2.30 The program will last for six to eight months and is formally supported by 28 organisations including Telstra, Mirvac, Corrs Chambers Westgarth and Cisco.²⁵

Asbestos Safety and Eradication Agency

2.31 The committee heard evidence for approximately 18 minutes.

National strategic plan for asbestos awareness and management

2.32 The Chief Executive Officer, Mr Peter Tighe, confirmed that the national strategic plan for asbestos awareness and management had been signed off by all Australian states and territories.²⁶ Mr Tighe explained that the Agency would now concentrate on implementing the plan:

Now that it has been signed off, it is our job to reach those outcomes and continue to report those to the minister. A lot of those outcomes are about lifting the levels of awareness, best practice, looking at illegal dumping, looking at the number of disposal sites around—basically gathering all the information to assist in addressing the problem with asbestos and asbestos related diseases.²⁷

23 Ms Jo Wood, Group Manager, Economic Strategy Group, Department of Employment, *Estimates Hansard*, 2 June 2015, p. 130.

24 Ms Louise McSorley, Acting Director, Workplace Gender Equality Agency, *Estimates Hansard*, 2 June 2015, p. 133.

25 Ms Louise McSorley, Acting Director, Workplace Gender Equality Agency, *Estimates Hansard*, 2 June 2015, pp. 132–3.

26 Mr Peter Tighe, Chief Executive Officer, Asbestos Safety and Eradication Agency, *Estimates Hansard*, 2 June 2015, p. 135.

27 Mr Peter Tighe, Chief Executive Officer, Asbestos Safety and Eradication Agency, *Estimates Hansard*, 2 June 2015, p. 136.

Fair Work Commission

2.33 The committee heard evidence for approximately 33 minutes.

Right of entry permits

2.34 The committee heard evidence in relation to the granting, suspension and revocation of right of entry permits. The Director of Regulatory Compliance, Mr Chris Enright, outlined the matters that the Fair Work Commission (FWC) takes into account when considering an application for a permit, including whether a person has a criminal history of violent offences.²⁸

28 Mr Chris Enright, Director, Regulatory Compliance, Fair Work Commission, *Estimates Hansard*, 2 June 2015, p. 138.

Chapter 3

Education and Training portfolio

1.1 This chapter summarises certain key areas of interest raised during the committee's consideration of the budget estimates for the 2015-16 financial year for the Education and Training portfolio. This chapter of the report follows the order of proceedings and is an indicative, not exhaustive, account of issues examined.

1.2 On 3 and 4 June 2015, the committee heard evidence from Senator the Honourable Simon Birmingham, Assistant Minister for Education and Training, and Senator the Honourable Scott Ryan, Parliamentary Secretary to the Minister for Education and Training, representing the 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 Institute of Aboriginal and Torres Strait Islander Studies
- Tertiary Employment Quality and Standards Agency;
- Australian Curriculum Assessment and Reporting Authority;
- Australian Institute for Teaching and School Leadership;
- Australian Research Council; and
- Australian Skills and Quality Authority.

Australian Institute of Aboriginal and Torres Strait Islander Studies

1.3 The committee heard evidence for approximately 16 minutes.

Digitisation of cultural records

1.4 The Principal of the Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS), Mr Russell Taylor, informed the committee that an additional \$5 million appropriation to AIATSIS would be used to digitise and preserve its collection of cultural material, especially items sensitive to physical or chemical breakdown such as film, photographs and audiotapes.¹ In addition to ensuring the preservation of these culturally significant items, digitisation will improve the ease and speed of research in relation to native title claims.²

AIATSIS Foundation

1.5 The committee also discussed the establishment of the AIATSIS Foundation, which will provide financial assistance to support the work of AIATSIS and may also

1 Mr Russell Taylor, Principal, Australian Institute of Aboriginal and Torres Strait Islander Studies, *Estimates Hansard*, 3 June 2015, p. 4.

2 Mr Russell Taylor, Principal, Australian Institute of Aboriginal and Torres Strait Islander Studies, *Estimates Hansard*, 3 June 2015, p. 4.

promote related projects and activities in its own right.³ Donations to the foundation will be tax deductible.⁴

Australian Research Council

1.6 The committee heard evidence for approximately one hour and 24 minutes.

Future Fellowships

1.7 The Chief Executive Officer of the Australian Research Council, Professor Aidan Byrne, advised the committee that approval had been granted for a further 50 Future Fellowships.⁵ Asked about the benefits a Fellowship provides to mid-career researchers, Professor Byrne said:

It allows them, I think, to establish themselves as independent researchers and to be the future research leaders of the organisations they are in. It gives them the freedom to pursue their individual research career. ... These grants allow a degree of independence. It allows them to establish their own research connections. It enables them to build important research connections internationally, which is actually very important.⁶

1.8 The committee heard evidence that the Australian Research Council would have to find the resources to fund these scholarships – at \$11 million per annum – from existing resources, ‘until such time as the parliament resolves the matter through the legislation’.⁷

Industrial Transformation Research Program

1.9 The committee heard evidence in relation to the Industrial Transformation Research Program (IRTP), which connects researchers and universities with industry in priority areas such as advanced manufacturing, medical devices, mining and agribusiness.⁸ These priority areas are aligned with the priority areas of the Industry Growth Centres Initiative administered by the Department of Industry and Science.⁹

3 Mr Russell Taylor, Principal, Australian Institute of Aboriginal and Torres Strait Islander Studies, *Estimates Hansard*, 3 June 2015, p. 5.

4 Mr Russell Taylor, Principal, Australian Institute of Aboriginal and Torres Strait Islander Studies, *Estimates Hansard*, 3 June 2015, p. 5.

5 Professor Aidan Byrne, Chief Executive Officer, Australian Research Council, *Estimates Hansard*, 3 June 2015, p. 7.

6 Professor Aidan Byrne, Chief Executive Officer, Australian Research Council, *Estimates Hansard*, 3 June 2015, p. 21.

7 Mr Robert Griew, Associate Secretary, Higher Education, Research and International, Department of Education and Training, *Estimates Hansard*, 3 June 2015, p. 8.

8 Professor Aidan Byrne, Chief Executive Officer, Australian Research Council, *Estimates Hansard*, 3 June 2015, p. 15.

9 Professor Aidan Byrne, Chief Executive Officer, Australian Research Council, *Estimates Hansard*, 3 June 2015, pp 17 and 18–19.

Research Metrics

1.10 The committee heard evidence in relation to the Australian Research Council's assessment of proposals for research impact metrics, including work that has been done with the Academy for Technological Sciences and Engineering (ATSE). In evidence Professor Byrne advised the committee that:

In a sense, ATSE has done a third of the exercise. The third of the exercise that they have done is to start to coming up with, perhaps, a suitable indicator. The next part of the conversation is to test that in specific institutions to see if it actually is meaningful. It is very important to do that. The next stage of the exercise is to say, 'Well, this is what we can get with existing; what might we actually want to consider to do it better?'¹⁰

Tertiary Education Quality and Standards Agency

1.11 The committee heard evidence for approximately one hour and eight minutes.

Teacher Education Ministerial Advisory Group report

1.12 The committee sought information about how the Tertiary Education Quality and Standards Agency (TEQSA) would implement the recommendations of the Teacher Education Ministerial Advisory Group's report 'Action Now: Classroom Ready Teachers'. The Chief Commissioner, Professor Nicholas Saunders, advised that TEQSA met with the Australian Institute for Teaching and School Leadership (AITSL) in March 2015 and discussed the roles and responsibilities of each agency.

Professor Saunders described TEQSA's role in the implementation process:

I think our role at the moment is to diligently do the education course accreditation of the non-university providers and to work with AITSL to support them in their activities with regard to the vast majority of teacher education programs in the country.¹¹

Academic integrity

1.13 The committee asked about reports of student cheating using online services. Professor Saunders advised the committee that he was waiting to hear back from universities about the actions they had taken, but stated that he was satisfied that there had been appropriate responses.¹² He noted that while the issue of academic dishonesty is not new, technology has changed the nature and extent of the problem:

What has changed the game, I think, in recent years is the pervasive use of information technology, social media and the like. People have always been able to purchase essays and seek assistance with assessments from people who are not enrolled students. In the old days it used to be much more

10 Professor Aidan Byrne, Chief Executive Officer, Australian Research Council, *Estimates Hansard*, 3 June 2015, p. 12.

11 Professor Nicholas Saunders, Chief Commissioner, Tertiary Education Quality and Standards Agency, *Estimates Hansard*, 3 June 2015, p. 25.

12 Professor Nicholas Saunders, Chief Commissioner, Tertiary Education Quality and Standards Agency, *Estimates Hansard*, 3 June 2015, p. 27.

difficult to gain access to that. Nowadays, as you know, with the internet and the like, it is a much more pervasive issue.¹³

Establishment, registration and accreditation of universities

1.14 The committee heard evidence in relation to the processes and standards for establishing, registering and accrediting a new Australian university.

Australian Skills and Quality Authority

1.15 The committee heard evidence for approximately two hours and 55 minutes.

VET FEE-HELP investigations

1.16 The committee was advised that the Australian Skills and Quality Authority (ASQA) is conducting 23 audits in relation to the VET FEE-HELP loan scheme. Chief Commissioner Mr Christopher Robinson stated:

At the moment, those audits have been completed in terms of the initial audit phase. But we are interviewing students as well, because the nature of the VET FEE-HELP concerns that were raised were very much to do with how students were recruited into courses and the use of brokers and the like.¹⁴

Registered training organisation (RTO) audits

1.17 Mr Robinson told the committee that ASQA had undertaken approximately 2 500 audits of RTOs in the last four years.¹⁵ In total, ASQA has cancelled or refused the registration of 260 RTOs and has also taken outside regulatory action.¹⁶ Asked why qualifications from certain de-registered RTOs had not been withdrawn, Mr Robinson explained:

... we are very loathe to do that without clear evidence that the people who got those qualifications were not competent. The legal issue is that if we do an audit at a certain point in time, you cannot presume that the qualifications that people gained earlier were not valid or that the people who hold them are not competent. We have not tested that retrospectively.¹⁷

13 Professor Nicholas Saunders, Chief Commissioner, Tertiary Education Quality and Standards Agency, *Estimates Hansard*, 3 June 2015, p. 27.

14 Mr Christopher Robinson, Chief Commissioner, Australian Skills and Quality Authority, *Estimates Hansard*, 3 June 2015, p. 39.

15 Mr Christopher Robinson, Chief Commissioner, Australian Skills and Quality Authority, *Estimates Hansard*, 3 June 2015, p. 39.

16 Mr Christopher Robinson, Chief Commissioner, Australian Skills and Quality Authority, *Estimates Hansard*, 3 June 2015, p. 45.

17 Mr Christopher Robinson, Chief Commissioner, Australian Skills and Quality Authority, *Estimates Hansard*, 3 June 2015, p. 41.

Outcome 2

1.18 The committee heard evidence for approximately three hours and 30 minutes.

Higher Education Contribution Scheme (HECS) debt

1.19 The committee asked the Associate Secretary, Higher Education, Research and International, Mr Robert Griew, about proposals to write off HECS debt of up to \$100 000 for undergraduate students in science, technology, engineering and maths. Mr Griew estimated the cost of the proposal to be more than \$2 billion dollars, but noted that the calculation was not straightforward due to the variety of repayment rates and timeframes across any given student cohort.¹⁸

Australian Apprenticeship Services Support Network (ASSN)

1.20 The committee was informed that apprenticeship services would be delivered through the new AASSN, replacing the former Australian Apprenticeship Centres. Deputy Secretary, Skills and Training, Dr Subho Banerjee, explained that individual support would continue to be offered in addition to new gateway and mentoring services.¹⁹ The Assistant Minister for Education and Training, Senator the Honourable Simon Birmingham, added that the change was designed to address a recent reduction in the number of apprentices:

... the AASSN tender in particular is focussed on providing at least greater mentoring within the apprenticeships and greater assistance in the early stages of selection to better match apprentices and employers. This will at least ensure that, where we are still getting apprentices through the system, we boost the completion rate, which is currently hovering around 50 per cent.²⁰

Australian Consensus Centre (ACC)

1.21 In response to questions about the ACC, Mr Griew told the committee that following a government decision in 2014 to bring the 'Copenhagen consensus model methodology' to Australia, the Department held discussions with Dr Bjorn Lomborg and then with the University of Western Australia (UWA). The discussions led to a contract between the Department and UWA with \$4 million to be provided by the Department, a \$4 million in-kind contribution from UWA and \$5 million from private

18 Mr Robert Griew, Associate Secretary, Higher Education, Research and International, Department of Education and Training, *Estimates Hansard*, 3 June 2015, pp 57–8.

19 Dr Subho Banerjee, Deputy Secretary, Skills and Training, Department of Education and Training, *Estimates Hansard*, 3 June 2015, p. 66.

20 Senator the Honourable Simon Birmingham, Assistant Minister for Education and Training, *Estimates Hansard*, 3 June 2015, p. 67.

fund raising.²¹ UWA subsequently informed the Department that it could not complete the contract.²²

National Partnerships

1.22 The committee asked questions about the process for determining payments under the National Partnership on Skills Reform. Dr Banerjee and the Group Manager, Skills Policy, Mr Craig Robertson told the committee:

Dr Banerjee : There is an annual review of performance against the national partnership. I will go back into the historical record of 2012 and 2013. I will check with Mr Robertson about what the process has been for those assessments.

Mr Robertson : The normal process at the end of a calendar year is for states and territories to report against an implementation plan that they would have crafted at the time the national partnership in particular was agreed. We then go through a process of assessing their progress against those implementation plans. So there have been two lots of payments to all states and territories in respect of 2012 and 2013. We are in the process of receiving responses to the implementation plan in respect of 2014, and that is a process we are going through at the moment.²³

International agents

1.23 In response to questions about the powers to regulate international providers and the behaviour of their agents in recruiting students the committee was told that there was no direct regulation of international agents, but their behaviour was indirectly regulated by TEQSA and the Department through higher education providers.

Boosting the Commercial Returns to Research

1.24 The committee was informed in response to questions about the Boosting the Commercial Returns to Research Strategy that the Department was looking at evaluating the research grant streams. Mr Griew advised the committee:

There are a number of different programs. We will certainly be evaluating how they can work together—whether some of them might be combined or reformed in some way. But I think the work has to be done first, and then that will be a matter for government.²⁴

21 Mr Robert Griew, Associate Secretary, Higher Education, Research and International, Department of Education and Training, *Estimates Hansard*, 3 June 2015, pp 82–6.

22 Mr Robert Griew, Associate Secretary, Higher Education, Research and International, Department of Education and Training, *Estimates Hansard*, 3 June 2015, p. 87.

23 Dr Subho Banerjee, Deputy Secretary, Skills and Training, Department of Education and Training, and Mr Craig Robertson., Group Manager, Skills Policy, *Estimates Hansard*, 3 June 2015, p. 64.

24 Mr Robert Griew, Associate Secretary, Higher Education, Research and International, Department of Education and Training, *Estimates Hansard*, 3 June 2015, p. 99.

1.25 The Group Manager, Research and Economic, Mr Dom English also told the committee:

We are going to examine research programs that focus on collaboration between publicly-funded research agencies and industry to see what opportunities there are to align those programs or consolidate those programs to simplify the engagement by third parties with the government's funding streams.²⁵

Curtin Medical School

1.26 The committee discussed the development of a medical school at Curtin University in Western Australia (WA). The medical school will commence with 60 places in 2017, increasing to a full capacity of 110 places by 2022.²⁶

Cross-portfolio matters

1.27 The committee heard evidence for approximately two hours and 45 minutes.

Enterprise bargaining agreement

1.28 The committee received an update on the Department's enterprise bargaining agreement negotiations.

Parental engagement awareness campaign

1.29 The committee heard that the Department will spend \$5 million on a parental engagement awareness campaign to be based on research undertaken by the Australian Research Alliance for Children and Youth (ARACY).²⁷ The Assistant Minister for Education and Training, Senator the Honourable Simon Birmingham, outlined the link between ARACY's research and the awareness campaign:

ARACY would be looking at what the best practice is, what is actually seen to work in terms of the best and most worthwhile areas for parental engagement. And then you shift the campaign element to: how do you inspire people to undertake more of those areas of parental engagement? How do you lift that level of engagement in those areas that are seen to be most worthwhile?²⁸

1.30 Asked about the source of the campaign funding, Associate Secretary Mr Tony Cook stated:

The cost of this measure will be met by redirecting \$5.0 million in 2014-15 from the information campaign component of the *Higher Education*

25 Mr Dom English, Group Manager, Research and Economic, Department of Education and Training, *Estimates Hansard*, 3 June 2015, p. 99.

26 Ms Melissa Reardon, Director, Higher Education Reform, Department of Education and Training, *Estimates Hansard*, 3 June 2015, p. 110.

27 Mr Tony Cook, Associate Secretary, Schools and Youth, Department of Education and Training, *Estimates Hansard*, 4 June 2015, p. 9.

28 Senator the Honourable Simon Birmingham, Assistant Minister for Education and Training, *Estimates Hansard*, 4 June 2015, p. 17.

Reforms—amendments measure announced in the *Mid-Year Economic and Fiscal Outlook 2014-15*.²⁹

Departmental savings

1.31 Asked about \$131 million in savings to be made by the Department, Associate Secretary Mr Tony Cook stated:

Some of those savings are as a result of [a] functional efficiency review; some of those savings are as a result of other aspects of the smaller government agenda, that is, particular boards or committees ceasing their operations. I think some of those savings are also other minor saving activity that the government made a decision on as part of the budget process.³⁰

1.32 In relation to the functional and efficiency review conducted by the Nous Group, the Assistant Minister noted that '[t]he Nous recommendations helped to inform the savings and efficiency measures that the government was able to take in the budget'.³¹ The review has been extended for a second stage.

1.33 The committee was advised that a reduction of 50 staff between 2014–15 and 2015–16 would largely be achieved through voluntary redundancies, machinery-of-government changes and natural attrition.³² The committee also discussed programs and initiatives that may be diminished or discontinued as a result of reduced funding.

Australian Curriculum Assessment and Reporting Authority

1.34 The committee heard evidence for approximately two hours and 56 minutes.

Staffing

1.35 The committee heard that there would be 16 forced redundancies and nine new positions within the Australian Curriculum Assessment and Reporting Authority (ACARA), reflecting the changing nature of ACARA's work.

Curriculum development

1.36 Chief Executive Officer Mr Robert Randall confirmed that curricula for health and physical education, digital technologies, design technologies and the arts were completed by ACARA after extensive consultation in November 2013. The curricula were submitted to the Education Council in 2014 and are awaiting the Council's

29 Mr Tony Cook, Associate Secretary, Schools and Youth, Department of Education and Training, *Estimates Hansard*, 4 June 2015, p. 11.

30 Mr Tony Cook, Associate Secretary, Schools and Youth, Department of Education and Training, *Estimates Hansard*, 4 June 2015, p. 24.

31 Senator the Honourable Simon Birmingham, Assistant Minister for Education and Training, *Estimates Hansard*, 4 June 2015, p. 29.

32 Mr Tony Cook, Associate Secretary, Schools and Youth, Department of Education and Training, *Estimates Hansard*, 4 June 2015, pp 25–26.

approval.³³ It was noted that the Donnelly Wiltshire review delayed the process of approval.

1.37 The committee discussed the take up of classical languages, in particular Classical Greek, and whether the low number of students studying the language was taken into account when a decision was made to roll-out the national curriculum. The committee also discussed strategies to increase participation in science, technology, engineering and maths subjects. Senator the Honourable Scott Ryan, Parliamentary Secretary to the Minister for Education and Training, confirmed that the Education Council had determined to direct ACARA to stop work on senior curriculum development.³⁴

National Assessment Program – Literacy and Numeracy (NAPLAN) testing

1.38 General Manager, Assessment and Reporting, Dr Stanley Rabinowitz, outlined ACARA's preparations for electronic NAPLAN testing. The committee raised concerns about the possible limitations of the system, including the difficulty of computer-assisted grading of persuasive and narrative writing tasks and technological barriers to participation for children in remote indigenous communities or from low socioeconomic backgrounds.

1.39 In relation to allegations of misconduct in a South Australian school, Dr Rabinowitz advised that ACARA itself does not have any investigatory functions but confirmed that the incident would be followed up by the appropriate state authority.³⁵

Australian Institute for Teaching and School Leadership

1.40 The committee heard evidence for approximately two hours and 16 minutes.

Board composition

1.41 The committee discussed the composition of the Australian Institute for Teaching and School Leadership (AITSL) board and the recent selection of new members for the board. Mr Cook noted 'the constitution indicates the membership of the board. The minister has approved the change to the constitution, as previous ministers have in the past'.³⁶

1.42 Asked about the desirable skill and expertise on the board, the Chief Executive Officer, Ms Margery Evans, said:

... there is a range of characteristics. There would be people who have expertise in leadership and teaching; people who have expertise in the management of various sectors of schooling; people who have expertise in

33 Mr Robert Randall, Chief Executive Officer, Australian Curriculum Assessment and Reporting Authority, *Estimates Hansard*, 4 June 2015, p. 52.

34 Senator the Honourable Scott Ryan, Parliamentary Secretary to the Minister for Education and Training, *Estimates Hansard*, 4 June 2015, p. 66

35 Dr Stanley Rabinowitz, General Manager, Assessment and Reporting, Australian Curriculum Assessment and Reporting Authority, *Estimates Hansard*, 4 June 2015, p. 56.

governance, including risk audit and finance; and people who have expertise in regulation and accreditation, initial teacher education, public policy and government liaison.³⁷

Outcome 1

1.43 The committee heard evidence for approximately three hours and 23 minutes.

Williams decisions

1.44 The committee discussed changes to Australian Council of State School Organisations (ACSSO) funding in light of two decisions of the High Court of Australia that certain operational funding arrangements were unconstitutional.³⁸ Mr Cook advised that ACSSO's contract had been revised in response to legal advice but confirmed that there was no loss of funding. Senator Ryan highlighted the particular effect on the Education and Training portfolio:

[T]here is probably not as great an awareness as there could be of the quite substantial restriction that that now places on Commonwealth involvement. The Commonwealth does not have an open-ended for the purposes of education power. ... [I]n this one education is probably impacted a little bit more than most.³⁹

National Education Reform Agreement funding

1.45 In response to questions about whether the Department has been able to confirm that all Commonwealth funding provided under the National Education Reform Agreement was used for its intended purposes, Mr Cook stated:

We have only just now, as we would normally do, written to all state and territory heads of department asking for an acquittal of their 2014 expenditure. Normally, we would have to wait this long because audited accounts do not happen at the end of a calendar year. They usually happen in the following year. It is a requirement under the act.⁴⁰

1.46 The committee also heard that the difference in reporting requirements between participating and non-participating states is that the non-participating states do not need to break the data down beyond school level.

Federation White Paper

1.47 Mr Cook advised the committee that the Department has provided advice to Prime Minister and Cabinet on the Federation White Paper, as well as participating in state consultation events.

37 Ms Margery Evans, Chief Executive Officer, Australian Institute of Teaching and School Leadership, *Estimates Hansard*, 4 June 2015, p. 91.

38 *Williams v Commonwealth of Australia* (2012) 248 CLR 156; *Williams v Commonwealth of Australia* [2014] HCA 23.

39 Senator the Honourable Scott Ryan, Parliamentary Secretary to the Minister for Education and Training, *Estimates Hansard*, 4 June 2015, p. 112.

40 Mr Tony Cook, Associate Secretary, Schools and Youth, Department of Education and Training, *Estimates Hansard*, 4 June 2015, p. 96.

Funding of organisations

1.48 The committee asked about the funding of several organisation over the forward estimates, including Australian Council of State School Organisations, Australian Parents Council, Family-School & Community Partnerships Bureau, Isolated Children's Parents' Association. The committee heard that funding for all but the Family-School & Community Partnerships Bureau would continue, with the \$300,000 in funding for the Family-School & Community Partnerships Bureau not renewed for the 2015-16 financial year.

Students with disabilities

1.49 In response to questions around whether the Department collects, or is aware of, data relating to students with disability who have been refused enrolment or have been offered part-time enrolment, Mr Cook advised that the Department does not collect the data as enrolment is the responsibility of the states. He confirmed that the information about students' disabilities comes from the state, stating:

That information would only be collected through a medical assessment or a medical diagnosis through the state process, which means a child is attending the school to enable that to happen.⁴¹

1.50 Mr Tony Cook confirmed that the Nationally Consistent Collection of Data is on track for completion in October, and will inform the implementation of a disability loading in time for delayed commencement in 2016. When asked about the implementation of the loading after the collection of the data, and when changes to the act or regulation would need to occur, Associate Secretary Tony Cook noted that:

It is a matter for government as to when government decides the loading will be implemented. In terms of 2016 we might make a payment in June or July. Therefore, the regulations would not have to change until before that point. But it is a matter for government.

1.51 The committee heard that the Australian Clearinghouse for Youth Studies had not had their funding continued, with the annual budget for the program around \$330,000 annually.

Senator Bridget McKenzie

Chair

41 Mr Tony Cook, Associate Secretary, Schools and Youth, Department of Education and Training, *Estimates Hansard*, 4 June 2015, p. 146.

APPENDIX 1

Committee oversight of departments, agencies and other bodies

Education and Training Portfolio

- Department of Education and Training (including the Office for Learning and Teaching)
- Australian Curriculum, Assessment and Reporting Authority
- Australian Institute for Teaching and School Leadership
- Australian Research Council
- Tertiary Education Quality and Standards Agency
- Australian Skills Quality Authority
- Australian Institute of Aboriginal and Torres Strait Studies
- Australian National University

Employment portfolio

- Department of Employment (including the Office of the Federal Safety Commissioner)
- Comcare (including the Safety, Rehabilitation and Compensation Commission, and the Seafarers Safety, Rehabilitation and Compensation Authority)
- Fair Work Commission (including the Road Safety Remuneration Tribunal)
- Office of the Fair Work Ombudsman
- Office of the Fair Work Building Industry Inspectorate (known as Fair Work Building and Construction)
- Safe Work Australia
- Coal Mining Industry (Long Service Leave Funding) Corporation
- Asbestos Safety and Eradication Agency
- Equal Opportunity for Women in the Workplace Agency (known as the Workplace Gender Equality Agency)

APPENDIX 2

Index to Proof Committee Hansard transcripts

<i>Monday, 1 June 2015</i>	<i>Hansard page</i>
Department of Employment: cross-portfolio matters	4
Department of Employment: Outcome 1	38
Department of Employment: Outcome 2	107
 <i>Tuesday, 2 June 2015</i>	
Office of the Fair Work Ombudsman	4
Fair Work Building and Construction	59
Safe Work Australia	127
Workplace Gender Equality Agency	130
Asbestos Safety and Eradication Agency	135
Fair Work Commission	138
 <i>Wednesday, 3 June 2015</i>	
Australian Institute of Aboriginal and Torres Strait Islander Studies	4
Australian Research Council	6
Tertiary Education Quality and Standards Agency	24
Australian Skills and Quality Authority	38
Department of Education and Training: Outcome 2	56
 <i>Thursday, 4 June 2015</i>	
Department of Education and Training: cross-portfolio matters	4
Australian Curriculum Assessment and Reporting Authority	42
Australian Institute for Teaching and School Leadership	88
Department of Education and Training: Outcome 1	92

APPENDIX 3

Program showing estimated and actual times

Employment portfolio

Monday, 1 June 2015

Area	Time allocated	Time spent
Cross-portfolio matters	3h	2h 45m
Outcome 1: Foster a productive and competitive labour market through employment policies and programmes that assist job seekers into work, meet employer needs and increase Australia's workforce participation	3h 30m	5h 27m
Outcome 2: Facilitate jobs growth through policies that promote fair, productive and safe workplaces	4h 45m	2h 53m

Tuesday, 2 June 2015

Area	Time allocated	Time spent
Fair Work Ombudsman	2h 15m	4h 11m
Fair Work Building and Construction	2h 15m	4h 50m
Asbestos Safety and Eradication Agency	1h	18m
Workplace Gender Equality Agency	1h	20m
Fair Work Commission	2h	33m
Safe Work Australia	1h 15m	16m
Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarers' Safety, Rehabilitation and Compensation Authority	1h 30m	N/A

Education and Training portfolio*Wednesday, 3 June 2015*

Area	Time allocated	Time spent
Australian Institute of Aboriginal and Torres Strait Islander Studies	30m	16m
Australian Research Council	1h	1 h 24 m
Tertiary Education Quality and Standards Agency	1h	1h 8m
Australian Skills Quality Authority	1h	2h 55m
Outcome 2: Promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research, skills and training	7h 45m	3h 30m

Thursday, 4 June 2015

Area	Time allocated	Time spent
Cross-portfolio matters	1h 15m	2h 45m
Australian Curriculum Assessment and Reporting Authority	1h 30m	2h 56m
Australian Institute for Teaching and School Leadership	1h 30m	2h 16m
Outcome 1: Improved early learning, schooling, student educational outcomes and transitions to and from school through access to quality support, parent engagement, quality teaching and learning environments.	7h	3h 23m