

The Senate

Standing Committee on
Education, Employment
and Workplace Relations

Additional estimates 2007–08

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Membership of the Committee

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Senator John Watson	LP, Tasmania	Deputy Chair
Senator Sue Boyce	LP, Queensland	
Senator George Campbell	ALP, New South Wales	
Senator Mary Jo Fisher	LP, South Australia	
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Chapter 1

Introduction

1.1 The Standing Committee on Education, Employment and Workplace Relations presents its report to the Senate.

1.2 On 13 February 2008¹ the Senate referred the following documents to the committee for examination and report in relation to the Education, Employment and Workplace Relations portfolio:

- Particulars of proposed additional expenditure in respect of the year ending on 30 June 2008 [Appropriation Bill (No. 3) 2007-2008];
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2008 [Appropriation Bill (No. 4) 2007-2008];
- Issues from the Advance to the Finance Minister as a final charge for the year ended 30 June 2007; and
- Final budget outcome 2006-07—Report by the Treasurer (Mr Costello) and the Minister for Finance and Administration (Senator Minchin), September 2007.

1.3 Standing committees are required to report to the Senate on 18 March 2008.

Restructure of the portfolio

1.4 The committee notes that the Administrative Arrangements Order (AAO) issued on 3 December 2007 significantly altered the portfolio groups under its purview. This change reflects the amalgamation of the majority of the two former departments—the Department of Education, Science and Training and the Department of Employment and Workplace Relations—into the new Department of Education, Employment and Workplace Relations.

1.5 Specifically, the AAO resulted in the transfer of all functions and agencies relating to science and research to the new Innovation, Industry, Science and Research portfolio, now under the purview of the Senate Standing Committee on Economics. The Radioactive Waste Management function was transferred to the Resources, Energy and Tourism portfolio under the same committee.

1.6 In addition, the two agencies of Indigenous Business Australia and Equal Opportunity for Women in the Workplace were transferred to the Senate Standing Committee on Community Affairs, under the Families, Housing, Community Services and Indigenous Affairs portfolio along with the following functions:

- Community Development Employment Projects; and

1 Senator John Faulkner, *Journals of the Senate Hansard*, No. 2, 13 February 2008, p. 111

- Disability Support Pension.

1.7 Further to this the AAO of 25 January 2008 transferred the 'families and children have choices and opportunities' function from the Department of Families, Housing, Community Services and Indigenous Affairs to this portfolio. This function includes youth programs, youth engagement, early childhood education and other child care issues. Appendix 1 outlines the department and agencies for which the committee now has oversight.

Restructure of departmental outcomes

1.8 The committee notes that the creation of the new Department of Education, Employment and Workplace Relations resulted in substantial changes to the outcome structures for the department. A table illustrating the changes to the outputs for each outcome is provided at Appendix 3.

Hearings

1.9 The committee conducted public hearings on the 20 and 21 February 2008. Although the committee's two former portfolios have been combined, the committee—for reasons of expediency—retained the division between the education related outcomes, examined on 20 February 2008, and employment and workplace relations outcomes and agencies, examined on 21 February 2008.

1.10 In total the committee met for 15 hours and 15 minutes, excluding breaks. The committee took into account the Additional Estimates Portfolio Statements 2007-2008 provided by the departments and also the related annual reports for 2006-2007.

1.11 The following groups and agencies were released from the hearings without examination:

- Cross portfolio;
- Children's Group & Child Care Management System Taskforce;
- International Education Group; and
- Comcare.

1.12 Appendix 2 of this report lists the table of contents of the Hansard transcripts. These transcripts are available on either the committee's homepage under estimates or on the Hansard website: <http://www.aph.gov.au/hansard/senate/committee/comsen.asp>

Questions on notice

1.13 The committee draws the attention of the departments and agencies to the agreed deadline of Friday 11 April 2008 for the receipt of answers to questions taken on notice from this round, in accordance with Standing Order 26.

1.14 For this round, written questions on notice were received from Senators Bernardi, Boswell, Fierravanti-Wells, Mason, Minchin, Siewert and Stott Despoja.

Chapter 2

Education, Employment and Workplace Relations portfolio

Introduction

2.1 This chapter summarises areas of interest and concern raised during the committee's consideration of the Additional Budget Estimates for the 2007-2008 financial year. This section of the report follows the order of proceedings over both days of hearings and is an indicative, but not exhaustive, list of issues considered.

2.2 The committee heard evidence on 20 February from Senator the Hon. Kim Carr, as the minister representing the Minister for Education, Employment and Workplace Relations and from officers of the department. On the 21 February the committee heard evidence from Senator the Hon. Penny Wong, as the minister representing the Minister for Education, Employment, along with officers of the department and related agencies, including:

- Australian Building and Construction Commission;
- Australian Fair Pay Commission Secretariat;
- Australian Industrial Registry;
- Workplace Authority; and
- Workplace Ombudsman.

2.3 Senators present over the two days of hearings were Senator Marshall (Chair), Senator Watson (Deputy Chair), Senators Abetz, Allison, Bernardi, Birmingham, Boswell, Boyce, Brandis, Carr, G. Campbell, Fielding, Fifield, Fisher, Heffernan, Humphries, Kemp, Mason, McEwen, Nash, Nettle, Parry, Patterson, Ronaldson, Sterle, Wong and Wortley.

Department of Education, Employment and Workplace Relations

Schools Groups

2.4 Senator Mason—as the shadow parliamentary secretary for education—opened the questioning of the schools groups with background questions on the number of current high school students. This led to an extensive discussion on the government's policy document 'A Digital Education Revolution' and the provision of computers and fibre-to-the-premises broadband for high school students. At issue was the extent to which Commonwealth expenditure would cover ancillary costs of computer installation, including maintenance.

2.5 Additional questioning by Senator Allison concentrated on the audit currently being undertaken to determine individual school's requirements for computers and

broadband access and the cooperation arrangements between the Commonwealth and State government, which was later taken again up by Senator Boyce. The questioning on the digital education revolution policy concluded with Senator Nash's questions on the logistics of providing broadband access to all remote and rural schools.

2.6 Senator Bernardi led the questioning on youth issues, one of the newly acquired portfolio responsibilities. The senator opened with questions on the composition of the newly announced Australian Youth Forum, concentrating on the forum's proposed costs and the consultations being undertaken to establish the forum. Senator Bernardi also explored the differences between the new Australian Youth Forum and the previous Youth Roundtable. Further questions in this area focussed on the number of Departmental Liaison Officers in the Minister for Youth's office as well as the consultations being undertaken on student support services in universities.

2.7 Senator Allison followed with questions on the assessment and interventions for students with learning disabilities and future directions/issues for national benchmark testing.

2.8 Other issues discussed included the:

- National Asian Languages and Studies in Australian Schools Strategy;
- Reading Assistance Voucher program;
- National School Chaplaincy program;
- flagpoles in schools;
- Summer Schools for Teachers program;
- trade training centres in schools;
- Investing in Our Schools program;
- National Curriculum Board; and
- the funding system for non-government schools.

2.9 Senator Wortley completed the examination of the schools groups with questions on the Ipswich Careers Links organisation.

Higher Education Group

2.10 Senators Mason and Allison began the examination of this group with questions on funding reductions for the Carrick Institute for Learning and Teaching in Higher Education.

2.11 Further discussion within the higher education group included:

- the Higher Education Endowment Fund;
- the abolition of full-fee paying places at universities;

-
- the removal of higher education workplace relations requirements and national governance protocols;
 - the review of Voluntary Student Unionism (VSU);
 - the current and future status of Australian universities and the benchmarks they will be required to meet; and
 - the fees charged by private education providers eligible for FEE-HELP.

Vocational Training and Education Groups

2.12 The examination of this group began on the topic of the Australian Technical Colleges (ATCs). The Opposition's questions centred on the funding guarantees from the new government as well as the transitional arrangements in place after the current funding agreements end in 2009. Further questions on the ATCs from Senator Wortley concerned the previous government's analysis of the implementation of the program and the Australian National Audit Office's report on the ATCs.

2.13 Senator Mason concluded with questions on the current government's policy position regarding apprenticeship incentives for agriculture and horticulture.

Indigenous Education Group

2.14 The first day's hearing concluded with questions from Senators Mason and Patterson on indigenous education. The questions were focussed on commitments given by the Prime Minister in his recent apology speech and included issues such as early childhood centre access for every four-year-old, pay for preschool teachers in remote communities and training opportunities for indigenous early childhood teachers.

Outcome 7 (Efficient and effective labour market assistance)

Outcome 8 (Increased Workforce Participation)

2.15 Senator Boyce began with questions on the Work for the Dole and Welfare to Work programs. The senator was particularly interested the employment outcomes for Work for The Dole participants and the review that was being undertaken of the Welfare to Work policy.

2.16 There were further questions on the changes to this area of the portfolio, as two of this portfolio's regularly questioned functions—the CDEP and Disability Support Pension—now rest with the Families, Housing, Community Services and Indigenous Affairs portfolio.

2.17 Other topics discussed included:

- Green Corps;
- Job Network review;
- Newstart payments;

- Financial Case Management;
- Social Inclusion Board;
- very long-term unemployed beneficiary recipients;
- the withholding of welfare payments for non-school attendance in the Northern Territory;
- STEP program; and
- Personal Support Program.

Outcome 9 (Increased workforce participation)

2.18 Questioning commenced with Senator Fisher inquiring into workers' entitlements from the National Parts Pty Ltd insolvency and the General Employee Entitlements and Redundancy Scheme (GEERS). Senator Fisher was particularly interested in possible changes to the scheme under the new government. The committee was advised that the Deputy Prime Minister currently has no plans to reform GEERS.

2.19 Senator Fielding followed with questions on the proposed National Employment Standards and their coverage of penalty rates and meal breaks. After a lengthy discussion on this issue the chair requested that further discussion would be more appropriately dealt with in the Senate. Senator Fielding concluded by placing a question on notice with the department to ascertain which employees may not be covered by awards. Senator Boyce later asked questions on this topic but focussed on the consultations being undertaken to develop the draft employment standards.

2.20 Senator Fisher requested the appearance of the Remuneration Tribunal in order to ask questions about the recent government announcement to freeze parliamentarians' wages for 18 months. This was a rare appearance for the tribunal secretariat before the committee at estimates. Senator Fisher returned to the issue of the salary freeze later on in the hearings asking questions about the government's intentions to actively encourage other sectors to also institute a wages freeze. Senators Boyce, Parry and Ronaldson also asked questions on this topic.

2.21 In addition, senators asked cursory questions regarding the Workplace Relations Amendment (Transition to Forward with Fairness) bill currently before the committee. The chair reminded all senators that although some flexibility would be granted, any questions specifically on the contents of the bill should be reserved for the inquiry currently being conducted.

2.22 Questions followed from Senator Fisher on the government's implementation process of the Forward with Fairness policy. The committee was informed that in January the department established a dedicated unit for implementing a uniform national industrial relations system. Senator Fisher also inquired into other aspects of the policy including flexibility in awards, good faith bargaining and the creation of Fair Work Australia.

2.23 Final issues raised by the committee for this outcome included:

- Special Employee Entitlements Scheme for Ansett Group Employees;
- International Labor Organisation;
- Textile, Footwear and Clothing; and
- workplace reform secret ballots.

The Workplace Authority

2.24 Senator Abetz began the examination of the Workplace Authority with questions on the transition from the Office of the Employment Advocate.

2.25 Senator Fisher followed with questions on the current rate of processing of AWAs and the possible effect the new legislation, if passed by the parliament, would have on any unprocessed AWAs.

2.26 The Workplace Authority also tabled several answers to questions on notice from the May 2007 budget estimates hearings. These answers were tabled at the request of the committee chair and outlined data collected on the content of AWAs and the fairness test. The director of the Workplace Authority noted that some of this information had also been tabled in the House of Representatives by the Deputy Prime Minister.

The Workplace Ombudsman

2.27 Senators Abetz and Fisher asked questions on:

- the ombudsman's current targeted campaigns;
- the number of complaints received by the ombudsman;
- prosecutions launched against Tasmanian companies; and
- complaints regarding the signing and/or non-signing of AWAs.

Australian Building and Construction Commission (ABCC)

2.28 Senator Abetz commenced with general questions on the commission's operations and the number of investigations and prosecutions undertaken since the last annual report was published. The senator followed with questions on specific prosecutions and the number undertaken in relation to the issue of freedom of association. Senator Fisher briefly continued with questions on industrial action in the construction sector.

2.29 The committee chair, Senator Marshall, followed with a lengthy discussion on the guidelines of the national code and the reported request to remove the Eureka Flag and other paraphernalia from work sites. Following this, Senator Marshall asked further questions on:

- *Cruse v Multiplex Constructions (VIC) Pty Ltd* decision;

- the use of coercive powers under section 52 of the act and the number of interviewees that had legal representation during an interview;
- the measures undertaken to advise people of their right to representation;
- the matter of Broad Construction Services of WA v CFMEU;
- the ABCC's plans to investigate sham subcontracting arrangements in the building and construction industry;
- the number of referrals to the Workplace Ombudsman of breaches of awards and under payments of wages;
- the capacity of the ABCC to publish non-compliance reports;
- the future budget requirements of the ABCC; and
- the process for conducting a coercive interview.

Australian Industrial Registry (AIR)

2.30 Senator Fisher asked questions on the proposed award modernisation process to be undertaken by the AIR over the next two years as well as other aspects of the Forward with Fairness policy.

Australian Fair Pay Commission Secretariat (AFPC)

2.31 Senator Fisher concluded by asking questions on the commission's outstanding tasks leading into 2010 and what, if any, of its responsibilities have been transferred elsewhere. The committee was informed that the Industrial Relations Commission will now have responsibility for the general review of pay scales for juniors and training wages as part of the wider award modernisation process.

Acknowledgements

2.32 The committee thanks the ministers, the Secretary of the Department of Education, Employment and Workplace Relations, Ms Lisa Paul, as well as officers of the various agencies, for their assistance and cooperation throughout the hearings.

Senator Gavin Marshall
Chair

Appendix 1

Departments and agencies for which the committee has oversight

Education, Employment and Workplace Relations portfolio

- Department of Education, Employment and Workplace Relations
- Australian Fair Pay Commission Secretariat;
- Australian Industrial Relations Commission and Australian Industrial Registry;
- Australian Institute for Teaching and School Leadership Ltd (Teaching Australia);
- Australian National University;
- Carrick Institute for Learning and Teaching in Higher Education Ltd
- Comcare, the Safety, Rehabilitation and Compensation Commission and the Seafarers' Safety, Rehabilitation and Compensation Authority (Seacare Authority);
- Office of the Australian Building and Construction Commissioner;
- The Workplace Authority; and
- The Workplace Ombudsman.

Appendix 2

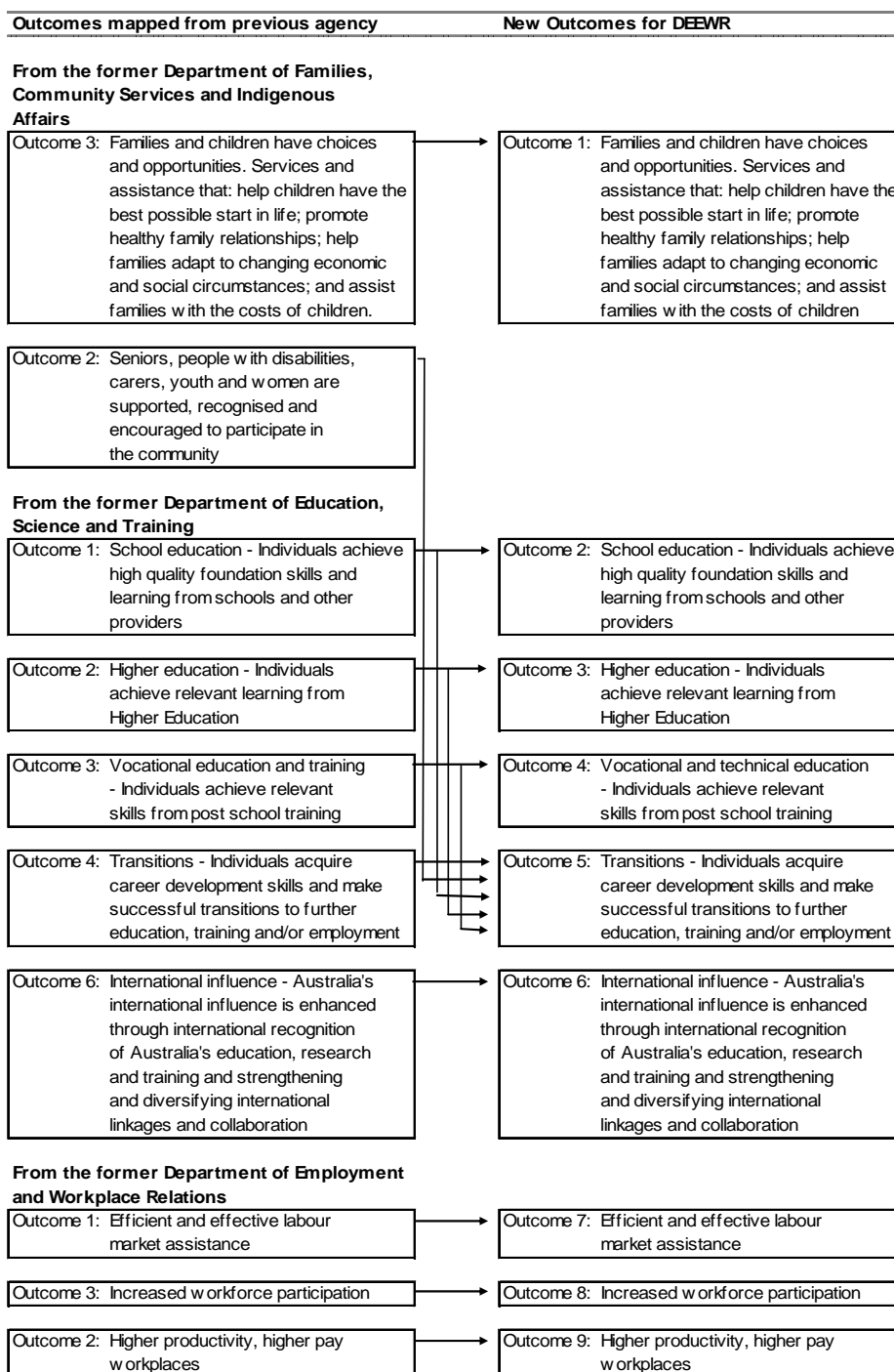
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Appendix 3

New outcome structure for the Department of Education, Employment and Workplace Relations



NB: Outcome 5 for the former Department of Education, Science and Training was transferred under the Administrative Arrangements Order to the Department of Innovation, Industry, Science and Research