

The Senate

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Standing Committee on  
Education, Employment  
and Workplace Relations

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Budget estimates 2008–09

June 2008

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## Membership of the Committee

Senator Gavin Marshall	ALP, Victoria	Chair
Senator John Watson	LP, Tasmania	Deputy Chair
Senator Sue Boyce	LP, Queensland	
Senator Trish Crossin	ALP, Northern Territory	
Senator Mary Jo Fisher	LP, South Australia	
Senator Glenn Sterle	ALP, Western Australia	
Senator Natasha Stott Despoja	AD, South Australia	
Senator Dana Wortley	ALP, South Australia	

### **Senators participating in the scrutiny of the Budget Estimates**

Senator the Hon. Eric Abetz	LP, Tasmania
Senator Lyn Allison	AD, Victoria
Senator Simon Birmingham	LP, South Australia
Senator George Campbell	ALP, New South Wales
Senator Concetta Fierravanti-Wells	LP, New South Wales
Senator Mitch Fifield	LP, Victoria
Senator the Hon. Ian Macdonald	LP, Queensland
Senator the Hon. Brett Mason	LP, Queensland
Senator Kerry Nettle	AG, New South Wales
Senator Rachel Siewert	AG, Western Australia

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# Chapter 1

## Overview

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

1.2 On 13 May 2008<sup>1</sup> 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 expenditure in respect of the year ending on 30 June 2009;
- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2009;
- Particulars of proposed supplementary expenditure in respect of the year ending on 30 June 2008; and
- Particulars of certain proposed supplementary expenditure in respect of the year ending on 30 June 2008.

1.3 Standing committees are required to report to the Senate on 24 June 2008.

### Portfolio coverage

1.4 The committee has responsibility for examining the expenditure and outcomes of the Education, Employment and Workplace Relations portfolio. Appendix 1 lists the department and agencies under this portfolio.

### Restructure of the Portfolio Budget Statements

1.5 The committee notes that considerable changes—recently developed by the Department of Finance and Deregulation—have been made to the 2008-09 Portfolio Budget Statements (PBS) in order to increase the transparency and accountability of government expenditure. The department states that:

the 2008-09 PB Statements have been revised to improve and streamline the presentation of information to Parliament and the public, and improve the strategic focus of the statements through more targeted and valuable information.<sup>2</sup>

1.6 The committee also notes that the calls for change to the PBS originated from three main sources, these being:

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1 *Journals of the Senate No. 11*, 13 May 2008.

2 Department of Finance and Deregulation, *Portfolio Budget Statements Overview*, May 2008, p. 1.

- The parliament: including Senate committee reports from the Finance and Public Administration committee and the Joint Committee of Public Accounts and Audits;
- The Australian National Audit Office; and
- The current government's Operation Sunlight agenda.

1.7 Notable changes include the addition of an agency resource statement, an agency strategic direction statement and a reformatted outcomes and planned performance section. The committee particularly notes the improvements to readability and clarity through the use of one consolidated agency funding statement. For the first time this statement displays the full funding available to an agency in one table—previously the information was displayed in four separate tables—thus greatly simplifying the scrutiny of an agency's proposed budget, leading to improved transparency and accountability.

1.8 The committee also notes the new distinction between funding drawn from the ordinary annual services of government (Appropriation Bill No. 1), other services (Appropriation Bill No.2), special appropriations and special accounts. The committee, however, still finds that insufficient detail is provided on where funding is allocated within large administered items, such as the Digital Education Revolution for which nearly \$400 million was allocated in 2008-09. Further revision in this area may further improve the transparency and accountability in government reporting.

### **Ordinary Annual Services of government**

1.9 The committee notes that in this portfolio, beyond specific payments to states and territories, there were no appropriations for new administered items listed in Appropriation Bill No.2. According to the Compact of 1965 and subsequent determinations of the senate, Appropriation Bill No. 2 should contain appropriations for:

- the construction of public works and buildings;
- the acquisition of sites and buildings;
- items of plant equipment;
- grants to the states under section 96 of the Constitution;
- new policies not authorised by special legislation. Subsequent appropriations for such items will be included in the Appropriation Bill No.1; and
- Equity injections and loans.

1.10 The fact that there were no administered items listed in bill no. 2 suggests that all administered items are either extensions of or additions to existing programs and thus qualify as the ordinary annual services of government. However, given the change of government in November 2007, the likelihood that there are no new policies or programs is unlikely. This may indicate that newly established programs have been



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inappropriately placed in bill no. 1, contrary to the determinations of the Senate and the Standing Committee on Appropriations and Staffing.

1.11 The committee has identified the following list of programs or projects that may have been inappropriately placed in bill no. 1:

- **National Curriculum Board for Australian Schools** – *establishment* of a new board (\$20 million over four years, \$5 million in 2008-09).
- **Small Business Work and Family grants program** - (\$12 million over three years, \$3.6 million in 2008-09) May be considered ordinary annual services as part of the government's continuing support for small business, but this specific administered item is 'new' as no money has been allocated to it previously. The department also referred to this administered item in the estimates hearing as:

A new program...We did not have any program like this in the past and so this is all new money and a new approach for small business.<sup>3</sup>

- **James Cook University Dental School** - *establishment* (\$49.5 million over five years, \$34.6 million in 2008-09) of a new school of dentistry in Cairns listed under 'new initiatives' in the PBS in the description of administered activities. Any new buildings may also be categorised as public buildings which should be appropriated in bill no.2.
- **Digital Education Revolution** - (at least some funding is in the appropriation bill for the ordinary annual services in 2008-09) There is still \$7.9 million for the Digital Revolution under bill no. 1, and it is hard to ascertain what these funds are for as they are not itemised in the PBS.

1.12 This issue was raised with the department by Senator Watson during the hearings on Wednesday 4 June. In response to Senator Watson's question on this issue, the department advised that:

The allocation of new moneys between appropriation bills Nos 1 and 2 and special appropriations is determined in a joint fashion with the Department of Finance and Deregulation, which have overall responsibility for appropriation bills Nos. 1 and 2... In 1999-2000, with the advent of outcome output reporting, some of the language started to change towards new outcomes. When a new measure or activity of government is announced, it requires a look at it to see if this is a new outcome in the large outcome sense or if it is the continuation of similar types of programs already covered in Appropriation Bill (No. 1)..Not all new measures—and there were probably 100 in this department in this budget—in fact, very few are included in Appropriation Bill (No. 2) as new, because a lot of them are additions to existing, ongoing activities or very similar to ongoing activities in bill No. 1... There is some movement and some of the larger new things

are being addressed more clearly, but it does get down to a very fine line when you are determining how new is new in terms of existing activities.<sup>4</sup>

1.13 In response to the department's explanation, Senator Watson noted that the directives from the Department of Finance and Deregulation are now potentially in conflict with the determinations of the Senate. Senator Watson concluded:

I just wonder where we go from here, and who will prevail in the long term. Will the parliament prevail, or the bureaucrats from the department of finance which advise you on these sorts of issues? I suppose it also raises the question of whether the need for appropriation bills Nos 1 and 2 to remain separate.<sup>5</sup>

1.14 The committee will continue to monitor the issue and identify administered items inappropriately included in bill no.1. The committee will also write to the Minister requesting her consideration of how the department will list such items in future.

## Hearings

1.15 The committee conducted four days of hearings, examining Employment and Workplace Relations outcomes and related agencies on 2 and 3 June 2008 and Education outcomes on 4 and 5 June 2008. In total the committee met for 36 hours and 5 minutes, excluding breaks.

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

- Comcare;
- Strategic Analysis and Evaluation group; and
- International Education group.

1.17 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 on the Hansard website: <http://www.aph.gov.au/hansard/senate/commtee/comsen.asp>

## Questions on notice

1.18 The committee has drawn the attention of the department and its agencies to the agreed deadline of Friday, 1 August 2008 for the receipt of answers to questions taken on notice from this round, in accordance with Standing Order 26.

1.19 The committee commends the improved performance of the portfolio in its timely answering of Questions on Notice from the Additional Estimates 2007-08

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4 *Committee Hansard*, June 4 2008, pp. 57-8.

5 *Committee Hansard*, June 4 2008, pp. 58.

rounds, where 89 per cent of answers were received on time. Furthermore, all questions were answered prior to these estimates in contrast with previous estimates rounds. This represents a significant improvement in accountability and transparency. For instance in the May Budget Estimates 2007-08 the Employment and Workplace Relations portfolio answered only 13 per cent of questions by the date set by the committee, with the Education, Science and Training portfolio answering none.

1.20 For this round, written questions on notice were received from Senators Abetz, Boyce, Fierravanti-Wells, Mason, Nettle, Siewert and Watson.

#### ***Correction to E414\_07***

1.21 The committee's attention has recently been drawn to erroneous information provided by the department in its answer to E414\_07 from the Budget Estimates 2007-08. The department has advised that it will provide the committee with a new version of the answer which will be placed on its website as soon as it is received.

#### **Portfolio restructure**

1.22 As outlined in the previous Additional Estimates report, the new Administrative Arrangements Order of December 2007 resulted in significant structural reorganisation of the portfolio. A diagram illustrating this new structure is at Appendix 3.



## **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 Budget Estimates for the 2008-2009 financial year. This section of the report follows the order of proceedings and is an indicative, but not exhaustive, list of issues considered.

2.2 The committee heard evidence on 2 and 3 June from Senator the Hon. Penny Wong, as the minister representing the Minister for Education, Employment, along with officers from areas of the department responsible for employment and workplace relations as well as officers from related agencies, including:

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

On 4 and 5 June the committee heard evidence from Senator the Hon. Kim Carr, as the minister representing the Minister for Education, Employment and Workplace Relations and from officers of the department responsible for administering education policy.

2.3 Senators present over the two days of hearings were Senator Marshall (Chair), Senator Watson (Deputy Chair), Senators Abetz, Allison, Birmingham, Boyce, Campbell, Collins, Crossin, Fierravanti-Wells, Fifield, Fisher, Hutchins, I. McDonald, Mason, Nettle, Parry, Siewert, Sterle and Wortley.

#### **Disclosure of legal advice**

2.4 In May 2008 the Department of Prime Minister and Cabinet, in a letter to the Attorney-General's department, reiterated the government's position in regard to the disclosure of legal advice. Committee members have previously expressed their concern about refusals to answer questions about such matters. The committee welcomes the new government's approach as indicated by the chair in his opening statement:

the government has expressly advised that it is appropriate for an official to disclose whether legal advice has been sought and obtained and who provided that advice. Unless there are compelling reasons to keep such

information confidential, such reasons should be explained to the committee.<sup>1</sup>

This represents a significant development in improved transparency and accountability.

### **Outcome 7 (Efficient and effective labour market assistance) and Outcome 8 (Increased Workforce Participation)**

2.5 Senator Watson began the questioning for the Opposition on the topic of working age policy and the employment services review. The department advised that following the review and tender process the aim is to have the new employment services contract starting on 1 July 2009. During the course of questioning, it was learnt that the Job Network name would not be retained in the restructuring of the program. Senator Watson also asked for a breakdown of the forward estimates by financial year as well as by program. He was reminded that no government has provided such information.

2.6 Senator Fisher asked questions on the government's economic modelling on the proposed new employment services system and whether a cost benefit analysis had been undertaken. The department advised that the costing was based on labour market statistics. The Minister at the table, Senator the Hon. Penny Wong, advised that the government's policy was based on what gave the best value for money to the taxpayer.

2.7 The committee was advised that the government's focus in the new employment services system will be on highly disadvantaged job seekers, especially those in the Personal Support and JPET programs. There will also be an Employment Pathway Fund created to provide significant amounts of funding targeted at these groups with both vocational and non-vocational barriers. The department added:

there is quite a bit of analysis and we did have regard to this in terms of the best return for investment in the job seeker. We know that there is a better return, obviously, to society, the economy and the individual if we can get the job seekers who are the most disadvantaged, who have been unemployed for the longest period of time and who may have a range of other issues into work, instead of focusing on those who will find themselves a job anyway. That sort of return on investment analysis does inform this work as well.<sup>2</sup>

2.8 The Opposition then moved to questions on the budgeted increase of \$800 million for Newstart allowance, and the reasons for this large increase. A lengthy discussion followed on the method used to calculate the increase in funding. The department advised the committee that this figure was based on a number of

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1 *Committee Hansard*, June 2 2008 , p. .3.

2 *Committee Hansard*, June 2 2008, p. 8.

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parameters, including parameters provided by Treasury which are not public and are not and have not usually been released. The minister stated:

if you really want these issues, the Treasury outlook is published in the budget papers and explains the reasons. This macroeconomic outlook is the basis of the budget papers. Any further details about how those figures translate really should be addressed to Treasury. But I would indicate again that your questions go to issues where your government also did not disclose the detailed workings-out of the Treasury modelling.<sup>3</sup>

2.9 Senator Siewert followed with a series of questions on the new system for Parenting Support Payment and Newstart and whether any modelling had been done on its interaction with Welfare to Work. The department advised that no specific inquiry into this issue has been flagged and there has not as yet been a decision to change the approach to Newstart.

2.10 Further questions were asked about:

- the forthcoming participation task force review;
- the discrepancy between family law and the Social Security Act;
- principal carers;
- employment pathway planning and funding;
- the employment entry payment;
- the Jobseeker Account;
- incentives available to job providers to place job-ready job seekers;
- the job seeker classification instrument; and
- the \$41 million innovation fund.

2.11 Senator Fisher asked further questions on the DEEWR discussion paper 'The future of employment services in Australia' and its drafting process. Senator Fisher was particularly concerned that some of the discussion paper appeared to be of a political nature, inquiring into the extent of involvement of the minister's office.

2.12 The committee chair, Senator Marshall, concluded with questions on the government's intention to streamline the employment services system and reduce red tape. The department advised that in the previous system the service providers indicated that up to 60 per cent of their time servicing job seekers was focussed on fulfilling administrative requirements and these changes will allow them to focus more of their resources on the job seeker.

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3 *Committee Hansard*, June 2 2008, p. 10.

## **Outcome 9 (Increased workforce participation)**

2.13 Senator Watson began the questioning of this outcome on the issue of home workers and the code of practice specifically in the textile, clothing and footwear area. The department advised that \$4 million has been allocated over four years to the home workers committee to ensure the promotion of the Homeworkers Code of Practice so that the industry may self-regulate. Further questions went to the auditing and practices of the home workers committee and Senator Marshall requested that a copy of its annual report be provided to the committee.

2.14 Questions followed on an answer provided by the department to Question on Notice No. EW117\_08. During this line of questioning Senator Fisher attempted to identify and establish discrepancies in the department's answer which stated that no advice had been provided to the government on the economic effects of the Forward with Fairness policy. Senator Fisher referred to a newspaper article which stated that advice had been provided by Treasury. Senator Fisher questioned whether the department's answer was still valid knowing that Treasury had provided this advice. The secretary of the department, Ms Paul, responded:

We are aware of the reports of it. Because of that I could not even begin to say whether that advice touches on the nature of our answer. My suspicion is that our answer still stands and is correct. Treasury's advice is fundamentally a matter for Treasury.<sup>4</sup>

Senator Fisher asked a series of further questions on this issue and the department reiterated that its answer stood, and offered to take on notice whether there had been further advice provided.

2.15 Further questions in this outcome were on the:

- International Labour Organisation;
- Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008 and the forthcoming substantive workplace relations bill;
- General Employee Entitlements and Redundancy Scheme (GEERS);
- department's performance indicators;
- number of departmental officers working on the drafting of forthcoming legislation;
- workplace relations reform steering committee and other DEEWR consultative committees such as the Workers Advisory Group, the Union Advisory Group, the Senior Officials Group;
- Business Advisory Group and the Small Business Working Group;
- department's role in the establishment of the Workplace Authority;

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4 *Committee Hansard*, June 2 2008, p. 33.



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- establishment of Fair Work Australia;
  - Commonwealth-State Relations Unit's role and staffing;
  - new national workplace relations system and the Forward with Fairness Policy Implementation Plan;
  - Productivity Commission's review of paid maternity-paternity-parental leave; and
  - agreement making and no-disadvantage test policy guide;

2.16 Senator Fisher had further questions on the no-disadvantage test, some of which was covered in the committee's inquiry into the Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008. The Minister finally objected to the line of questioning on the basis that many of the questions were based on hypothetical situations and thus were inappropriate.

2.17 Senator Boyce followed with general questions on the formulation of the small business work and family grants program and its overall purpose and promotion. The department advised that \$895 000 out of the total funding of \$12 million is set aside for the promotion of the program. A debate ensued between Senator Abetz and the minister regarding the role and extent of current and previous governments' expenditure on advertising.

2.18 Final issues raised within this outcome were:

- the connection between the home workers' committee and the TCFUA;
- the cost to business from the introduction of the fairness test;
- the cost and process of developing and distributing the Work Choices fact sheet;
- modelling on the economic and/or social effects of the Work Choices legislation and the public release of the only modelling commissioned by the department with the Centre of Policy Studies at Monash University in 2005;
- the government's submission to the Australian Fair Pay Commission in respect to the minimum wage which reiterated the government's support for an increase in minimum wages;
- the alternative dispute resolution proposal;
- the Homeworkers Code of Practice Program;
- the Social Inclusion Board, the ministry for social inclusion and the unit of social inclusion;
- the extension or variation of pre Forward with Fairness collective agreements;
- unlawful termination assistance scheme;

- the rules surrounding collective agreements or AWAs made under the Workplace Relations Act prior to 28 March 2008;
- the role of the Building Industry Branch under the Workplace Relations Implementation Group; and
- the forthcoming review of the ABCC and its transition to Fair Work Australia.

### **Cross portfolio**

2.19 The chair opened with questions on the expenditure to date on advertising for the successive Work Choices advertising campaigns, including all merchandise, by financial year. The department advised that the total advertising for 2005-06 and 2007-08 was \$92.6 million, with research costing \$3.1 million. The total amount spent on all three components of the WorkChoices campaign was \$137 million, GST-exclusive. Senator Marshall subsequently asked about the advertising costs for research and public relations activities for promoting skills training and apprenticeships. The committee was advised that the total amount spent was \$26.1 million since 1996, with \$8.7 million being spent in the final six months of 2007.

2.20 Senator Fisher followed with a series of questions on the department's staffing arrangements including recent redundancies, determinations under section 24 of the *Public Service Act 1999* and the status of existing AWAs.

2.21 Senator Abetz's questions initially focussed on the two per cent efficiency dividend and whether any areas within the portfolio had requested or been given an exemption. The department advised that there had not been such an exemption given to the department but there were different savings measures applied to outcome 9 as detailed in the Additional Portfolio Budget Estimates 2007-08.

2.22 Further questions from the Opposition were on the matter of the proposed government charter letters. Senator Abetz sought to establish whether the Minister for Education, Employment and Workplace Relations had received her charter letter, and queried whether that letter would be made public. This question Senator Abetz had also asked in other committees. The department advised the committee it would answer the questions on notice and the minister agreed to refer the matter of the letter's public release to the Minister representing the Prime Minister.

2.23 Senator Fisher briefly asked additional questions on the breakdown of staff working in the Deputy Prime Minister's office the office's expenditure on media monitoring, morning teas and media training.

2.24 Senator Abetz concluded the questioning of cross portfolio on the issue of staff working hours. This was of particular interest to Senator Abetz following recent media reports that public servants were being required to work excessively long hours. The department advised that this issue had not been the subject of specific complaint within DEEWR.

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## **The Workplace Authority**

2.25 The Workplace Authority was questioned extensively from the start of the day's hearings into the afternoon. The majority of Opposition questioning was from Senator Fisher and centred on the preparation and content of the 'Agreement making and the no-disadvantage test policy guide.' The director of the Workplace Authority advised that:

We had the draft legislation that was before the parliament. We looked at the requirements of the legislation, we developed a framework that operationalised and took into account the type of information and guidance that employers, employees and their representative organisations would need... On 24 April the policy guide was complete and made available on our website to assist in agreement making.<sup>5</sup>

2.26 Further questions were asked on the consultations undertaken to formulate the guide and the involvement DEEWR, other government departments as well as the Prime Minister's and Deputy Prime Minister's offices. This discussion was extensive and finally concluded when the minister at the table agreed to take the questions on notice so as to make sure that answers did not go to the detail of advice to government. Further questions on the guide concerned its content and application to assessing workplace agreements.

2.27 Additional questions concerned the \$30 million reduction in funding and the forecast reduction in staff. The Authority advised that the Forward with Fairness legislation has altered the organisation's role with the large number of staff employed to promote and provide assistance to employers for the development of AWAs no longer being required. The committee was advised that the Authority no longer has responsibility for the Employer Assistance Program.

2.28 Senator Fisher also asked about the Authority's processing rates for workplace agreements. The Authority advised the committee that there were 337,101 agreements lodged for assessment under the Fairness Test of which 136,200 passed the fairness test; 25,138 passed following a variation; 16,143 failed and 121,324 are yet to be finalised. The average turn-around for agreements under the fairness test is between 5,000 and 7,000 a week. Senator Fisher returned to the issue of processing agreements later in the day with questions on the processing time difference between the fairness test and the no-disadvantage and the number of staff devoted to each.

2.29 Senator Marshall followed with questions on whether the Authority had quantified the cost to business caused by the delays in processing workplace agreements under the fairness test and whether there has been any feedback or complaints from businesses.

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5 *Committee Hansard*, June 3 2008, p. 4.

2.30 Senator Boyce continued with general questions on the Authority's call centre and the nature of the calls. The committee was advised that the majority of calls relate to general industrial relations matters concerning wages and conditions.

2.31 Senator Wortley asked questions on the funding to date for the Employee Assistance Program (EAP) and who the major recipients were and how they were selected. Senator Marshall then followed with questions on the acquittal requirements for EAP grants so as to uncover expenditure on employee administration, office overheads and event arrangements. These questions were taken on notice by the Authority.

2.32 Senators Fisher and Abetz asked further questions on the recent redundancies offered to staff and general staffing numbers. Questions were also asked on the status of the new staff collective agreement and the process of staff changing over from AWAs. Questions were also asked on the general terms of the collective agreement compared with the entitlements provided to individual staff member on AWAs.

2.33 There were further questions on:

- assistance provided specifically to small business;
- the promotion of the making of workplace agreements;
- agreements containing prohibited content; and
- publishing of monthly and quarterly statistics on agreement lodgements and assessments on the website.

### **Australian Industrial Registry (AIR)**

2.34 Senator Fisher opened the questioning with general questions on the registry's budget and its \$13 million funding increase. Further questions from the senator focussed on the registry's award modernisation task and its ability to meet the 31 December 2009 deadline. Senator Fisher also requested a detailed breakdown of how the Registry will allocate the additional \$13.3 million across the functions of the commission.

### **The Workplace Ombudsman**

2.35 Senator Abetz began the examination of the Ombudsman with questions on the Homeworkers Code of Practice and the Seaborne Clothing company and a complaint against the Textile, Clothing and Footwear Union of Australia (TCFUA). The Ombudsman agreed to advise the committee on notice if there was a complaint about and/or investigation into the TCFUA.

2.36 Senator Abetz followed with questions on the Ombudsman's media release entitled, 'massive penalty awarded in workplace ombudsman case against Tasmanian hotel owner,' issued on 14 April 2008. The Ombudsman again agreed to take this matted on notice. The chair asked for the media release to be tabled and for the original federal court judgement to be provided with the answer on notice.

2.37 Senator Boyce followed up with questions on the number and type of public enquiries received by the Ombudsman. The senator also asked questions on how the investigations were initiated. The committee was advised that it is through either contact with the Workplace Infoline, direct contact with the office or through the claim form that the majority of investigations are initiated.

2.38 Additional questioning of the Ombudsman concerned:

- the \$16.7 million funding increase;
- the cost of the 27 separate national offices;
- expenditure on consultants; and
- the offer of AWAs to employees working at Qantas valet sites around Australia.

### **Australian Building and Construction Commission (ABCC)**

2.39 Senator Boyce commenced with questions on the ABCC's \$3 million funding reduction and the agency's intentions for dealing with the reduction. Senator Boyce continued with questions on the number of notices to attend and answer questions in relation to breaches under section 52 of the Building and Construction Industry Improvement Act. Further questions from the senator focussed on staffing at the ABCC, the number of continuing and finalised investigations and the Code Monitoring Group and site investigations.

2.40 The ABCC was extensively questioned by government senators on a range of issues. Senators Sterle and Marshall asked general questions on the nature of continuing ABCC investigations. Further questions established that investigations into sham contracting, breaches of awards, underpayment of superannuation, the Australian Fair Pay and Conditions Standards, as well as misrepresentations of employment relationships in the building industry are referred to other agencies, such as the Workplace Ombudsman or the Australian Tax Office, even though they are within its remit. Following this, Senators Sterle and Marshall questioned the number of current investigations the ABCC was undertaking into these areas where employees, as opposed to employers, are the victims. A lengthy discussion ensued on the number of both formal and informal referrals made to other agencies and the legal basis for such referrals.

2.41 Further questions were on:

- the number of site visits and national code site visits by state;
- the number of notices to produce issued by the ABCC by state;
- the government's review of the ABCC to be conducted by the Hon. Murray Wilcox QC;
- the Econtech report on the impact of the ABCC on productivity and efficiency in the industry;

- the obtaining of legal advice at the request of a building industry participants;
- the number of times the ABCC intervened in court or tribunal proceedings; and
- the criticism of the ABCC by the AIRC in the matter of Martino v McLoughlin on 29 August 2007.

### **Australian Fair Pay Commission Secretariat (AFPC)**

2.42 The committee was advised that a reduction of \$1 million in funding was due to the transfer of the responsibility of reviewing the pay scales to the Australian Industrial Relations Commission.

2.43 Questions also included:

- the review of minimum rates of pay and submissions received since December 2007;
- economic modelling;
- the forthcoming minimum wage decision; and
- the percentage of workers reliant on the Australian pay and classification scale.

### **Schools Groups (Outcomes 2 and 5)**

2.44 Opposition questioning focussed on the distribution of computers to schools, implementing a Labor election promise. The questions traversed ground covered during the examination of Additional Estimates in February 2008. Questions provided the pretext to register Opposition criticism of the program for its omission of funding to pay for connections to networks, teacher proficiency level and computer maintenance. The Minister explained that the Commonwealth partnership with states, territories and non-government school authorities required them to share costs for overall literacy and computer-assisted learning. Notwithstanding public statements from some state premiers, the program had been endorsed by COAG. Departmental officials advised that the policy was being implemented according to plan.

2.45 The committee was advised that as a result of an audit of school computers there were 476,068 computers available in schools for students, with approximately 124,000 being classified as obsolete. This meant that in years 9-12 there were approximately 200 000 'computers of utility' for one million students, thus the median was one to five. The department, after a questioning from Senator Mason, confirmed that there was funding available to achieve a ratio of one to one.

2.46 On this issue, the committee was advised that there has been a considerable commitment of funds by the Commonwealth including continuing funds in the Australian Government Quality Teacher Program, an additional \$32 million to provide online curriculum tools and resources and \$10 million to assist schools in

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their use of IT. The department also advised that the Commonwealth is not the authority responsible for teacher professional development, which is the traditional domain of the state governments and school systems. The minister added that the \$1.2 billion commitment for the digital education revolution is in addition to the \$42 billion already provided by the Commonwealth.

2.47 Senator Abetz followed with questions on Schools Assistance Learning Together Achievement through Choice and Opportunity Regulations 2005. Questioning sought to identify the compliance rates of both government and non-government schools as well as enforcement procedures. The department advised that the compliance rate is generally very high across all schools and sectors. Senator Abetz asked further questions on the National Safe Schools Framework and the Values for Australian Schooling posters that schools are required to display as part of the funding arrangement. The senator was particularly interested in whether the new government would continue to require schools to display these posters as he had been informed of an instance in which a school was unable to obtain the posters. The committee was advised that the program will continue as part of existing funding arrangements.

2.48 Senator Crossin asked questions on the Investing in Our Schools program to confirm that there was no allocation of funding from the previous government in the forward estimates. The department advised that the program will end on 30 June 2008 and that \$26 million was returned to consolidated revenue as fewer applications were received from government schools than anticipated. Senator Fifield later returned to this issue in order to clarify the previous government's intention.

2.49 Senator Mason asked additional questions on the Trade Training Centres in Schools, specifically inquiring into the operation of the funding guidelines and the indexation of the maximum grant amount. Senator Mason also followed a similar line of questioning to the earlier issue of providing computers in schools in order to register the Opposition's concerns regarding the partnership with states and the continuing costs of running the trade training centres.

2.50 Further areas examined in this outcome were:

- Improving the Practical Component of Teacher Education;
- National Action Plan on Literacy and Numeracy;
- Helping Children with Autism package and the teacher professional development component;
- trade training centres' \$2.5 billion budget and their role out over 10 years;
- the new partnership arrangements in Trade Training Centres;
- numbers of staff working on the planning and implementation of the digital revolution;
- advertising and promotions material for the digital education revolution;

- music education and the National Music Workshop;
- the discontinuation of the Summer Schools for Teachers program;
- how the federal budget allows for the increase in the average government school recurrent cost over the forward estimates;
- the National School Curriculum Board and the agreements of the states to implement a national curriculum for 1 January 2011 and the appointment process of the board's members;
- Teaching Australia's budget and staffing;
- Drought Assistance for Schools program;
- National Asian Languages and Studies in Schools;
- Even Start National Tuition Program;
- the proposed interchange between the development of online curriculum and the national curricula by the National Curriculum Board;
- the continuation of the Country Areas Program;
- Local Schools Working Together program;
- the continuation of the Quality Outcomes Program and the Anzac Day Simpson Prize;
- the auditing of non-government schools and accountability standards; and
- proposed national partnership for low-SES schools.

### ***National Schools Chaplaincy program.***

2.51 Senator Allison asked a series of questions which followed on from previous estimates rounds on the monitoring of the program to ensure that, in all states, there is compliance with the guidelines. The committee was advised that some test monitoring had been undertaken in South Australia and some subsequent monitoring has occurred in Queensland, including two schools where complaints had been lodged. The department advised that it has developed a *pro forma* covering the key areas for use in evaluating the program. The department undertook to provide a copy of this form to the committee.

2.52 Senator Allison outlined that the complaint of one of the schools is that the parents were, first, not informed that the program would be established, and second a consent form to give permission for their child to participate in the chaplaincy program was not provided. The department advised that following the inspections of the schools it is now satisfied that all the current arrangements are appropriate, and the funding agreement has been signed.

2.53 Further questions concerned the type of programs being run by the chaplains and the role of the government in monitoring the nature of programs implemented by



the chaplains. Senator Allison raised a specific program run by the Hillsong church and the secretary of the department agreed to undertake to make sure such a program met the department's guidelines. There was also extensive discussion about the appropriate role of the chaplains in the school and the qualifications that chaplains have. Senator Allison also confirmed with the minister that there has been no decision to change the policy but that an evaluation will be undertaken of the policy in the future.

2.54 The committee was also advised of an interesting development in the program, whereby if a school has been unsuccessful in identifying a chaplain—of which currently there are 190—then from 1 July this year they will be able to hire a secular worker in the school instead. This raised the interest of other senators who questioned the purpose of the chaplaincy program if their requirement was to provide assistance only to those with consent, and their role was not specifically limited to spiritual matters.

### **Early Childhood Education and Childcare Groups (Outcome 1)**

2.55 Senator Fisher asked questions on the \$114.5 million across four years to establish 38 new childcare centres. The basis for this questioning was to establish where the centres would be built and whether they can be classified as 'new.' The committee was advised that at the nominated sites there is considerable capital construction proposed, and although some centres will be rebuilt or expanded, all of the childcare places offered will be 'new.' The senator followed with questions on how the department determined the funding allocation and what proportion of the funding was for capital expenditure.

2.56 Further questions were on the:

- nationwide childcare vacancy rates;
- the provision of information to parents regarding childcare vacancies;
- the extent of the childcare crisis; and
- childcare tax rebate.

### **Indigenous Education Group (Outcomes 2 and 3)**

2.57 Senator Allison asked a series of questions on the Yachad Accelerated Learning Project and the \$1.5 million extension of the project into the 2008 calendar year. The questions sought to establish the reasons for implementing a program developed in Israel and the role of the Hebrew University of Jerusalem. Senator Allison also asked for a copy of the independent evaluation of the program undertaken by Phillips KPA which the department took on notice so the relevant permissions could be obtained.

### **Vocational Training and Education Groups (Outcomes 2 and 4)**

2.58 The Opposition began questioning on the government's Skilling Australia for the Future policy. Senator Mason inquired into the uptake of trade training places to establish that only half of the 20,000 places will be filled by the end of the month. Senator Mason argued that this was a failure on behalf of the government in a key policy area. However the department advised the committee that a take-up rate of 250 places a day at the beginning of a new program and in the middle of a semester was a great success. Following on from this, Senator Mason went through an extensive list of recommended qualifications listed by the Construction and Property Services Industry Skills Council again in an attempt to highlight the government's failure in addressing the skills shortage. The minister responded that any current inadequacies are the result of the previous government's neglect.

2.59 Additional questions in this area were on:

- the up-skilling of both job seekers and those currently employed;
- the establishment of Skills Australia;
- Australian Technical Colleges;
- FEE-HELP for VET students;
- Productivity Places program;
- the fast-tracking of individual apprenticeships;
- the apprenticeship incentives for agriculture and horticulture; and
- Australian school based apprentices;

### **Higher Education Group (Outcome 3)**

2.60 Initial questions were on the issue of the new Education Investment Fund which is replacing the Higher Education Endowment Fund. However, the majority of the guidelines and criteria for grants from the fund is yet to be determined and thus questions were limited to the general intended operation of the fund.

2.61 An additional area of questioning from the Opposition was on the phasing out of full-fee paying places for domestic students at universities. Questions provoked answers and comment on merit-based admission to university and whether domestic students should have the same opportunity to pay full-fees as foreign students.

2.62 Final issues discussed were:

- the review of the effects of Voluntary Student Unionism; and
- the construction of a new dentistry school at James Cook University.

**Acknowledgements**

2.63 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

### Index to Hansard transcripts

#### Education, Employment and Workplace Relations portfolio

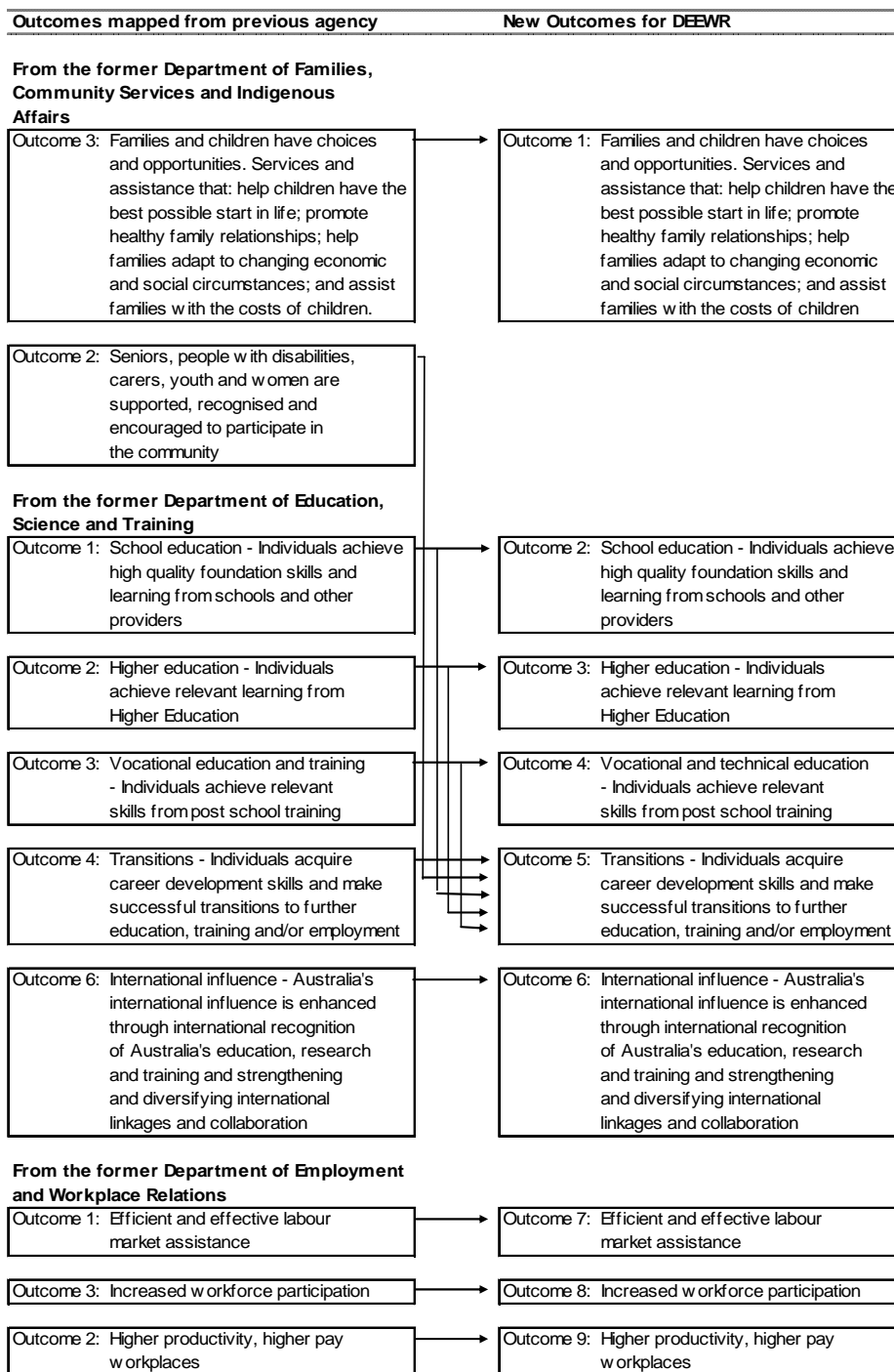
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## Appendix 3

### 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

