

The Senate

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Education and Employment  
Legislation Committee

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Budget estimates 2014–15

June 2014

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ISBN: 978-1-76010-025-4

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# Chapter 1

## Overview

1.1 On 13 May 2014, the Senate referred the following to the Senate Education and Employment Legislation Committee (the committee):

- Particulars of proposed expenditure in respect of the year ending on 30 June 2015 [Appropriation Bill (No. 1) 2014–15];
- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2015 [Appropriation Bill (No. 2) 2014–15]; and
- Particulars of certain proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2015.<sup>1</sup>

1.2 Standing legislation committees are required to report to the Senate on 24 June 2014.<sup>2</sup>

### Portfolio coverage

1.3 The committee has responsibility for examining the expenditure and outcomes of the Education and Employment portfolios.<sup>3</sup> Appendix 1 lists the department and agencies under this portfolio.

### Portfolio Budget Statements (PBS) 2014–15

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

### Hearings

1.5 The committee conducted four days of hearings, examining Employment outcomes and agencies on 2 and 3 June 2014 and Education outcomes and agencies on 4 and 5 June 2014. In total the committee met for 36 hours and 57 minutes, excluding breaks.

1.6 The committee took evidence from Senator the Hon Eric Abetz, Minister for Employment; Senator the Hon Marise Payne, Minister for Human Services, Senator the Hon Scott Ryan, Parliamentary Secretary to the Minister for Education, representing the Minister for Education; and officers of the relevant departments and

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1 *Journals of the Senate*, No.27, 13 May 2014, p. 778.

2 *Journals of the Senate*, No. 6, 4 December 2013, p. 224.

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

agencies. The committee thanks the Ministers, departmental secretaries and officers for their assistance.

1.7 The following outcomes and agencies appeared before the committee for the Employment Portfolio:

- Fair Work Ombudsman;
- Office of the Fair Work Building Industry Inspectorate (Fair Work Building and Construction);
- Asbestos Safety and Eradication Agency;
- Workplace Gender Equality Agency;
- Fair Work Commission;
- Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarers' Safety, Rehabilitation and Compensation Authority;
- Safe Work Australia; and
- Cross Portfolio and Outcomes 1 and 2.

1.8 The following outcomes and agencies appeared before the committee for the Education Portfolio:

- Australian Curriculum, Assessment and Reporting Authority;
- Australian Institute of Teaching and School Leadership;
- Australian Research Council;
- Tertiary Education Quality and Standards Agency; and
- Cross Portfolio and Outcomes 1, 2 and 3.

### **Public interest immunity claims**

1.9 On 13 May 2009, the Senate passed an order relating to public interest immunity claims.<sup>4</sup> 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 on each day of the estimates hearing.

### **Questions on notice**

1.10 The committee has drawn the attention of the department and its agencies to the agreed deadline of Friday, 25 July 2014 for the receipt of answers to questions taken on notice from this round, in accordance with Standing Order 26.

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



1.11 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.<sup>5</sup>

### **Note on Hansard page referencing**

1.12 Hansard references throughout this report relate to proof Hansard page numbers. Please note page numbering may differ between the proof and final Hansard.

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5 Information will be published at the following website address:  
[http://www.aph.gov.au/Parliamentary\\_Business/Senate\\_Estimates/eetctte/estimates/bud1415/index](http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/eetctte/estimates/bud1415/index)



# Chapter 2

## Employment portfolio

2.1 This chapter summarises key areas of interest raised during the committee's consideration of budget estimates for the 2014–15 financial year for the Employment Portfolio. This chapter of the report follows the order of proceedings and is an indicative, but not exhaustive, account of issues examined.

2.2 On 2 and 3 June 2014 the committee heard evidence from Senator the Hon. Eric Abetz, Minister for Employment, along with officers from the Department of Employment and agencies responsible for administering employment policy, including:

- Fair Work Ombudsman;
- Office of the Fair Work Building Industry Inspectorate (Fair Work Building and Construction);
- Asbestos Safety and Eradication Agency;
- Workplace Gender Equality Agency;
- Fair Work Commission;
- Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarers' Safety, Rehabilitation and Compensation Authority; and
- Safe Work Australia.

### Fair Work Ombudsman

#### *Small Business Helpline*

2.3 The committee followed up from the previous Additional Estimates round with representatives from the Fair Work Ombudsman (FWO) on the Small Business Helpline. Since its launch on 6 December 2013 to the end of April, the helpline answered more than 65,000 calls.<sup>1</sup> Ms Natalie James, the Fair Work Ombudsman, explained that the primary concerns received by the FWO through the helpline relate to wages and modern awards, followed by queries about apprentice and traineeship wages.<sup>2</sup>

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1 Ms Natalie James, Fair Work Ombudsman, *Estimates Hansard*, 2 June 2014, p. 8.

2 Ms Natalie James, Fair Work Ombudsman, *Estimates Hansard*, 2 June 2014, p. 9.

## **457 visas**

2.4 The committee discussed the memorandum of understanding between the Department of Immigration and the FWO in relation to 457 visa abuse.<sup>3</sup> In regards to allegations of 457 visa abuse at Roy Hill in Western Australia, Mr Michael Campbell, Deputy Fair Work Ombudsman-Operations, explained that although there is an overlap with the Fair Work Act, the matters raised were more properly dealt with by the Department of Immigration who has lead responsibility for the issue.<sup>4</sup> He explained that the FWO does not have the powers under migration law to enforce the Migration Act.<sup>5</sup>

## **Office of the Fair Work Building Industry Inspectorate (Fair Work Building and Construction)**

### ***Surveillance on workers***

2.5 The committee asked the Fair Work Building and Construction (FWBC) about the use of photographs and videotape surveillance of illegal industrial action.<sup>6</sup> In response to concerns that rallies can be legal, Mr Nigel Hadgkiss, Director of the FWBC, agreed and explained that the FWBC would be:

...interested where people walk out of a site...They hold a meeting. They are addressed by certain senior union officials. The strike is unlawful. This is hypothetical. My people would film that.<sup>7</sup>

2.6 In response to the committee's concerns that footage was being collected covertly, Mr Hadkiss stated that there is no covert or undercover surveillance taking place anywhere in the country and that the FWBC does not have dual exemption under any laws for surveillance and that they must comply with the law in each state.<sup>8</sup>

## **Asbestos Safety and Eradication Agency**

### ***Scope of problems***

2.7 The committee heard the scope of the problems relating to the asbestos agency, both in industry and residential areas. Mr Peter Tighe, Chief Executive

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3 Senator the Hon. Doug Cameron, *Estimates Hansard*, 2 June 2014, p. 12.

4 Mr Michael Campbell, Deputy Fair Work Ombudsman-Operations, *Estimates Hansard*, 2 June 2014, p. 12.

5 Mr Michael Campbell, Deputy Fair Work Ombudsman-Operations *Estimates Hansard*, 2 June 2014, p. 12.

6 Senator the Hon. Doug Cameron, *Estimates Hansard*, 2 June 2014, p. 42.

7 Mr Nigel Hadgkiss, Director, Fair Work Building Construction, *Estimates Hansard*, 2 June 2014, p. 43.

8 Mr Nigel Hadgkiss, Director, Fair Work Building Construction, *Estimates Hansard*, 2 June 2014, p. 43.

Officer of the Asbestos Safety and Eradication Agency, said that there are continued increases in relation to people being diagnosed with asbestos related diseases.<sup>9</sup> He said that there has been a continuing increase yearly in relation to deaths associated with asbestos related diseases (ARDs), with mesothelioma deaths moving close to 700 deaths a year and over 1,000 deaths from ARDs.<sup>10</sup>

2.8 Mr Tighe identified that there is widespread asbestos across Australia and expressed concern about the lack of knowledge and awareness. Mr Tighe noted that more people are moving into home renovation or DIY stating that:

There has, in my view, been a drop in the general public arena of the awareness of asbestos dangers. What we are starting to see now is the change in the demographics in relation to asbestos related diseases. The latest figures show that there is an increasing number coming from the home renovations area outside the occupational areas that should be aware of what is happening in relation to asbestos. The initial demographic, which were people involved in mining and the manufacturing of goods, as time has gone on, has started to change to people who are end users of the products, either in a commercial sense or a residential sense.<sup>11</sup>

2.9 The committee heard that the issue of awareness is a critical exercise and that a lot of work needs to be done over the next couple of years to set up strategic steps to address the issues of identification and removal of asbestos.<sup>12</sup>

## **Workplace Gender Equality Agency**

### ***Workload***

2.10 The committee heard from Ms Helen Conway, Director of the Workplace Gender Equality Agency (WGEA), that the peak workload for the agency to date has been dealing with inquiries from organisations and assisting them in the reporting process, especially with new reporting arrangements.<sup>13</sup> She explained that the next phase for the agency is to check and cleanse the data provided and prepare confidential benchmark reports for each organisation. She highlighted the importance of the reports, saying:

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9 Mr Peter Tighe, Chief Executive Office, Asbestos Safety and Eradication Agency, *Estimates Hansard*, 2 June 2014, p. 49.

10 Mr Peter Tighe, Chief Executive Office, Asbestos Safety and Eradication Agency, *Estimates Hansard*, 2 June 2014, p. 49.

11 Mr Peter Tighe, Chief Executive Office, Asbestos Safety and Eradication Agency, *Estimates Hansard*, 2 June 2014, p. 54.

12 Mr Peter Tighe, Chief Executive Office, Asbestos Safety and Eradication Agency, *Estimates Hansard*, 2 June 2014, p. 55.

13 Ms Helen Conway, Director, Workplace Gender Equality Agency, *Estimates Hansard*, 2 June 2014, p. 61.

The purpose of that report is to give them a clear indication of where they are doing well and where they might need to put more focus. This is an intelligence tool. It is an evidence base for them to focus their efforts going forward and certainly shows them how they are tracking in relation to their peers. So that is a very important report. We take the position that if people are reporting to us, we should return to them commensurate value.<sup>14</sup>

2.11 Ms Conway advised that the WGEA has tentatively scheduled the release of the benchmark reports at the end of October 2014.<sup>15</sup> In regards to questions around the effect of workforce reductions and the impact on the workload, Ms Conway responded by saying that there has been a review of how the agency manages work across the agency and that they 'ensure that everybody is able to do multiple tasks.'<sup>16</sup>

## **Fair Work Commission**

### *Default superannuation funds review*

2.12 The committee heard evidence from Justice Iain Ross, President of the Fair Work Commission, regarding the constitution and reconstitution of the expert panel looking into the conduct of the default superannuation funds review. The committee heard that due to concerns of industry about possible conflict of interests and their directorships of superannuation funds, Ms Allen and Mr Gibbs were stood down from the expert panel.<sup>17</sup> Justice Ross said that Mr Harcourt was the only member who did not have a conflict of interest and was appointed, as well as himself. Justice Ross said:

The act expressly provides in section 622 subsection 2(a) that, in the event of reconstitution, the panel can continue with two expert panel members provided the president is a member of the panel. For that reason, I went on to the panel.<sup>18</sup>

2.13 Justice Ross explained that the expert panel was appointed by the government of the day and not by him. He explained that the executive appoints six members to the expert panel and the allocation of those members to either the default

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14 Ms Helen Conway, Director, Workplace Gender Equality Agency, *Estimates Hansard*, 2 June 2014, p. 61.

15 Ms Helen Conway, Director, Workplace Gender Equality Agency, *Estimates Hansard*, 2 June 2014, p. 61.

16 Ms Helen Conway, Director, Workplace Gender Equality Agency, *Estimates Hansard*, 2 June 2014, p. 62.

17 Justice Iain Ross AO, President, Fair Work Commission, *Estimates Hansard*, 2 June 2014, p. 72.

18 Justice Iain Ross AO, President, Fair Work Commission, *Estimates Hansard*, 2 June 2014, p. 72.

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superannuation process or the annual wage review under the act is a matter for the president.<sup>19</sup>

## **Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarers' Safety, Rehabilitation and Compensation Authority**

### ***Fit Note***

2.14 The committee asked Mr Paul O'Connor, Chief Executive Officer, about the trial of Fit Note in the ACT and surrounding regions. Mr O'Connor explained that the initiative comes under the heading of what they are trying to promote with the Comcare Scheme, focusing on the health benefits of work.<sup>20</sup> He said he believed that workplaces should have an appropriate focus on the benefit of people getting back to work quickly after injury or illness. From the recent visit to Australia by Dame Carol Black, an expert work health adviser to the UK government, Comcare is attempting to change the way general practitioners view and prescribe time off work.<sup>21</sup>

2.15 Mr O'Connor outlined research from the United Kingdom and the World Health Organisation saying 'that people out of work are generally unhealthier and unwell and have higher rates and earlier timing of death the longer the period they are off work.'<sup>22</sup> He said the Australian Medical Association and Royal Australian College of General Practitioners strongly supported this timely reform and welcomed the initiative.<sup>23</sup>

2.16 The Minister also acknowledged that this Budget Estimates was Mr O'Connor's last estimates with Comcare as he is leaving in August and thanked him for his service over the past five years.<sup>24</sup>

## **Safe Work Australia**

### ***Codes of practice***

2.17 The committee raised concerns expressed by small businesses and employees in small businesses about the degree of complexity in the codes of practice. The committee heard that Safe Work Australia has been asked by the work health and safety ministers across Australia to revise a number of the codes of practice to ensure

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19 Justice Iain Ross AO, President, Fair Work Commission, *Estimates Hansard*, 2 June 2014, p. 74.

20 Mr Paul O'Connor, Chief Executive Officer, Comcare, *Estimates Hansard*, 2 June 2014, p. 86.

21 Mr Paul O'Connor, Chief Executive Officer, Comcare, *Estimates Hansard*, 2 June 2014, p. 86.

22 Mr Paul O'Connor, Chief Executive Officer, Comcare, *Estimates Hansard*, 2 June 2014, p. 87.

23 Mr Paul O'Connor, Chief Executive Officer, Comcare, *Estimates Hansard*, 2 June 2014, p. 87.

24 Senator the Hon. Eric Abetz, Minister for Employment, *Estimates Hansard*, 2 June 2014, p. 94.

that they are clean, concise and practical.<sup>25</sup> Ms Michelle Baxter, Chief Executive Officer, said that the commentary Safe Work Australia has been receiving:

...has been quite positive in terms of the fact that the codes are briefer but more to the point, the language is more straightforward, and there is not a lot of repetitive work in those codes. However, the test will be on this Friday, 6 June, when members come together to consider the codes. Those codes will then be progressed to work health safety ministers.<sup>26</sup>

## **Department of Employment Cross Portfolio**

### ***Shared Services Centre***

2.18 The committee discussed with the Department of Employment the experience of setting out the shared services model and whether the department looked at the states' experience in moving towards shared services. Ms Renée Leon, Secretary, said the department had looked at experiences both in the states and overseas in the shared services area.<sup>27</sup> She explained that the department had an advantage of starting in a position where they already had shared IT and business systems. The committee heard that the:

...shared services centre was born out of a department that had previously been a single department, we already have a shared IT and HR system, and therefore it made good sense to retain that shared spine of services and simply treat it as a shared services centre that we both will contribute to and draw services from.<sup>28</sup>

## **Department of Employment Outcome 1**

### ***Australian Jobs 2014***

2.19 The committee asked representatives of the department about the *Australian Jobs 2014* document. The committee heard that the document is aimed at school leavers and career advisers to help with career choices.<sup>29</sup> The committee was concerned that the document only indicated where there was job growth, without regard for job decline. Ms Leon explained that school leavers want to know where

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25 Ms Michelle Baxter, Chief Executive Officer, Safe Work Australia, *Estimates Hansard*, 2 June 2014, p. 97.

26 Ms Michelle Baxter, Chief Executive Officer, Safe Work Australia, *Estimates Hansard*, 2 June 2014, p. 97.

27 Ms Renée Leon PSM, Secretary, Department of Employment, *Estimates Hansard*, 3 June 2014, p. 6.

28 Ms Renée Leon PSM, Secretary, Department of Employment, *Estimates Hansard*, 3 June 2014, p. 6.

29 Mr Ivan Neville, Branch Manager, Labour Market Strategy Group, Department of Employment, *Estimates Hansard*, 3 June 2014, p. 50.



jobs are starting and that the document has been kept as simple and straightforward as possible.<sup>30</sup>

2.20 In response to where information can be found about jobs in decline, the department said that on page 43 of the document under Department of Employment 2014 employment projections, information on detailed employment projections could be found.<sup>31</sup> The committee was concerned that this was not very clear and the department advised it was happy to take feedback surrounding that issue.<sup>32</sup>

## **Department of Employment Outcome 2**

### ***Road Safety Remuneration Tribunal***

2.21 The committee heard about the National Heavy Vehicle Regulator that deals with the most common issues affecting the truck driving industry. These included fatigue management, making sure that trucks are in good order and that there is driver awareness and training. The National Heavy Vehicle Regulator also ensures that if a company operates across more than one state, the company is held to account.<sup>33</sup>

2.22 Dr Alison Morehead, Group Manager of the Workplace Relations Policy Group, said that one of the main reasons that trucks crash is the quality of roads. She explained that from studies in the United States of America, it was found that having two or three lanes going in the same direction and having a well-maintained road can help. She said that:

Wherever roads can be of high quality, there will be fewer road accidents, per se, including ones involving trucks. Unfortunately, the majority of the fatalities that happen in the trucking industry have been found, when fully investigated at the site, to not be the fault of the truck driver.<sup>34</sup>

2.23 The issue of fatigue was also addressed with Dr Morehead stating that the issue of fatigue can affect either party of the crash. She said the proportion of accidents that are primarily caused by fatigue, which is hard to determine in the coronial work that is done around a crash, has tended to halve over the last eight years. According to data from the National Truck Accident Research Centre, 26 per cent was caused primarily by fatigue in 2003, dropping to 11.9 per cent in 2011. She also noted

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30 Mr Ivan Neville, Branch Manager, Labour Market Strategy Group, Department of Employment, *Estimates Hansard*, 3 June 2014, p. 50.

31 Mr Ivan Neville, Branch Manager, Labour Market Strategy Group, Department of Employment, *Estimates Hansard*, 3 June 2014, p. 51.

32 Ms Samantha Taylor, Deputy Secretary, Department of Employment, *Estimates Hansard*, 3 June 2014, p. 52.

33 Dr Alison Morehead, Group Manager of the Workplace Relations Policy Group, Department of Employment, *Estimates Hansard*, 3 June 2014, p. 124.

34 Dr Alison Morehead, Group Manager of the Workplace Relations Policy Group, Department of Employment, *Estimates Hansard*, 3 June 2014, p. 124.

that is has not fallen enough as they do not want to see any fatalities involving trucks, but it is something that is falling over time.<sup>35</sup>

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35 Dr Alison Morehead, Group Manager of the Workplace Relations Policy Group, Department of Employment, *Estimates Hansard*, 3 June 2014, p. 124.

## **Chapter 3**

### **Education portfolio**

3.1 This chapter summarises key areas of interest raised during the committee's consideration of budget estimates for the 2014–15 financial year for the Education Portfolio. It follows the order of proceedings and is an indicative, but not exhaustive, account of issues examined.

3.2 The committee heard evidence on 4 and 5 June 2014 from Senator the Hon. Marise Payne and Senator the Hon. Scott Ryan, as the Ministers representing the Minister for Education, along with officers from the Department of Education and agencies responsible for administering education policy, including:

- Australian Curriculum and Reporting Authority;
- Australian Institute of Teaching and School Leadership;
- Australian Research Council; and
- Tertiary Education Quality and Standards Agency.

#### **Cross portfolio**

##### *Shared services centre*

3.3 The committee discussed the shared services centre with the Department of Education. The committee asked why there was no announcement of the initiative to employ 650 people in the centre and why there is no budget line. Ms Lisa Paul, Secretary, said that as staff are still employed either by the Department of Education or Department of Employment, it is not listed as a separate agency in the PBS.<sup>1</sup>

3.4 The committee heard the CEO is attached to the Department of Education and the Secretary of the Department of Employment is the chair of the advisory board. In terms of administrative accountability, the CEO is responsible to Ms Paul and that formally and technically, staff are mapped to either department for administrative accountability. Ms Paul agreed that a public announcement would have been a good idea.<sup>2</sup>

#### **Department of Education Outcome 1**

##### *National Quality Framework*

3.5 The committee asked representatives from the Department of Education about issues surrounding the National Quality Framework (NQF). The committee heard that supervisor certificates have been one of the administrative processes that have caused

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1 Ms Lisa Paul AO PSM, Secretary, Department of Education, *Estimates Hansard*, 4 June 2014, p. 14.

2 Ms Lisa Paul AO PSM, Secretary, Department of Education, *Estimates Hansard*, 4 June 2014, p. 15.

the most concern in the sector. Feedback from the ACECQA regulatory burden report released in December last year, indicated the process involved quite a high administrative burden with 78,649 persons being issued with a supervisor's certificate from 31 March 2014.<sup>3</sup> Mr David De Silva, Group Manager, Early Childhood and Care, Early Childhood Initiatives, explained that:

The reason for a supervisor certificate is that under the national quality framework there is a requirement for, whenever a service is open and has a child in it there must be a person who is either the approved provider, the nominated supervisor, or a person who has been approved to hold a supervisor certificate.<sup>4</sup>

3.6 He explained that long day care centres have been very cautious and obtaining supervisor certificates for all staff on the off chance they might be put in charge on a short basis.<sup>5</sup> Mr De Silva also outlined for the committee that one of the changes agreed to by the standing council in April was to create a new class of staff that does no longer need to apply for a supervisor's certificate. He said 'if you are, for example, a director or a leader in a room you will automatically be deemed to have a supervisor certificate because you are actually in a class.'<sup>6</sup>

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

### ***NAPLAN***

3.7 The committee sought information from the Australian Curriculum Assessment and Reporting Authority (ACARA) about the proposal for NAPLAN testing to move online. Mr Robert Randall, Chief Executive Officer, said that education ministers in the states and territories see a movement to online assessment as a way of improving on what is currently available.<sup>7</sup> Mr Randall explained that as part of the movement for NAPLAN to go online, there will be a better alignment with the Australian curriculum, with the Australian curriculum aligning with NAPLAN as of 2016.<sup>8</sup>

3.8 The committee raised concerns about resource implications, including some schools not having enough computers, internet connectivity difficulties and computer breakdowns. Mr Randall said that ACARA has done work with the department, state

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3 Mr David De Silva, Group Manager, Early Childhood and Care, Early Childhood Initiatives, Department of Education, *Estimates Hansard*, 4 June 2014, p. 33.

4 Mr David De Silva, Group Manager, Early Childhood and Care, Early Childhood Initiatives, Department of Education, *Estimates Hansard*, 4 June 2014, p. 32.

5 Mr David De Silva, Group Manager, Early Childhood and Care, Early Childhood Initiatives, Department of Education, *Estimates Hansard*, 4 June 2014, p. 33.

6 Mr David De Silva, Group Manager, Early Childhood and Care, Early Childhood Initiatives, Department of Education, *Estimates Hansard*, 4 June 2014, p. 32.

7 Mr Robert Randall, Chief Executive Officer, Australian Curriculum Assessment and Reporting Authority, *Estimates Hansard*, 4 June 2014, p. 67.

8 Mr Robert Randall, Chief Executive Officer, Australian Curriculum Assessment and Reporting Authority, *Estimates Hansard*, 4 June 2014, p. 59.

and territories and Education Services Australia for NAPLAN to move online. He said ACARA is doing work to design and be ready to run NAPLAN online, build capability to be able to deliver it and have it in schools and work with state and territories to ultimately put it in the classroom.<sup>9</sup>

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

### ***Teacher quality***

3.9 The committee discussed with the Australian Institute for Teaching and School Leadership (AITSL) the issue of teacher quality. Ms Margery Evans, Chief Executive Officer, said that it is necessary that graduates coming into teaching have strong literacy and numeracy capacity and that they are in the top 30 per cent of the population with their personal literacy and numeracy skills.<sup>10</sup> She outlined that a test is 'an elegant, simple way of assuring ourselves and assuring the public that that is so.'<sup>11</sup> The test is an online test that is ready to trial and will test personal literacy and numeracy as opposed to capacity to teach literacy and numeracy.

## **Department of Education Outcome 2**

### ***National School Chaplaincy program***

3.10 The committee discussed the National School Chaplaincy Program with the Department of Education. Senator the Hon. Scott Ryan, Minister representing the Minister at the table, and Parliamentary Secretary to the Minister for Education, indicated the reintroduction of the chaplaincy program can support a range of pastoral care activities including to:

...enhance academic achievement, encourage positive attitudes and behaviours by students towards themselves, their school community and others; reduce behavioural and mental health issues such as truancy, aggression, criminal behaviour, drug and alcohol use, anxiety and depression; and, in more general terms, enhance a student's social and emotional competence.<sup>12</sup>

3.11 The committee asked representatives of the department about what the definition of a chaplain will be and whether there will be new guidelines. Mr Tony Cook, Associate Secretary, Early Childhood, Schools and Youth, said that the details around the operation of the new National School Chaplaincy Program, including guidelines have yet to be finalised and have not been released. Ms Paul explained that

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9 Mr Robert Randall, Chief Executive Officer, Australian Curriculum Assessment and Reporting Authority, *Estimates Hansard*, 4 June 2014, p. 67.

10 Ms Margery Evans, Chief Executive Officer, Australian Institute for Teaching and School Leadership, *Estimates Hansard*, 4 June 2014, p. 71.

11 Ms Margery Evans, Chief Executive Officer, Australian Institute for Teaching and School Leadership, *Estimates Hansard*, 4 June 2014, p. 71.

12 Senator the Hon. Scott Ryan, Parliamentary Secretary to the Minister for Education, *Estimates Hansard*, 4 June 2014, p. 122.

'[t]he government's intent is clear, and that is to return the program to a focus on chaplains.'<sup>13</sup>

3.12 The committee also discussed that welfare workers not affiliated with religious denominations and who are not chaplains, will no longer be employed under the program.<sup>14</sup>

## **Australian Research Council**

### ***Australian Institute of Tropical Health and Medicine***

3.13 The Australian Research Council (ARC) responded to questions regarding special research initiatives (SRI). The committee heard that \$42 million is contained in the budget for SRI funding for the Australian Institute of Tropical Health and Medicine. For this initiative there was one eligible organisation nominated by the government, James Cook University (JCU).<sup>15</sup> The committee asked the ARC to identify any outstanding research performance in the relevant fields at JCU that would warrant \$42 million being allocated to them and if the location of JCU was a factor in the allocation.<sup>16</sup> Professor Aidan Byrne, Chief Executive Officer, replied that institutional focus is a factor and that JCU:

...is an institution that has a focus on the tropics. It is, as I said, about building capacity in an area that is probably of very significant importance to Australia. So it is not inappropriate to lay the foundations for an activity that is going to be critically important to Australia.<sup>17</sup>

## **Tertiary Education Quality and Standards Agency**

3.14 The committee asked the Tertiary Education Quality and Standards Agency (TEQSA) if funding cuts would have an impact on their ability to evaluate the applications of education providers, public and private, as well as specific courses for institutions that are not self-accrediting.<sup>18</sup> Ms Dorte Kristoffersen, Acting Chief Commissioner, told the committee that TEQSA:

...has already revised our processes to allow us to focus more on those providers where we have concerns of non-compliance with the threshold

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13 Ms Lisa Paul AO PSM, Secretary, Department of Education, *Estimates Hansard*, 4 June 2014, p. 103.

14 Ms Lisa Paul AO PSM, Secretary, Department of Education, *Estimates Hansard*, 4 June 2014, p. 127.

15 Professor Aidan Byrne, Chief Executive Officer, Australian Research Council, *Estimates Hansard*, 5 June 2014, p. 7.

16 Senator the Hon. Kim Carr, *Estimates Hansard*, 5 June 2014, p. 8.

17 Professor Aidan Byrne, Chief Executive Officer, Australian Research Council, *Estimates Hansard*, 5 June 2014, p. 8.

18 Senator Lee Rhiannon, *Estimates Hansard*, 5 June 2014, p. 24.

standards and less with those providers that have a low risk profile and a positive track record.<sup>19</sup>

3.15 She commented that the revision of the regulatory process will enable TEQSA to effectively undertake their responsibilities and the assessment of providers.<sup>20</sup>

### **Department of Education Outcome 3**

#### ***Higher education funding reforms***

3.16 The committee discussed changes to Commonwealth government supported funding for students, specifically the deregulation of fees and 20 per cent reduction in Commonwealth government contribution per place. The department described how funding reforms need to be looked at in the context of the broader suite of reforms which constitute incentives which, in time, are expected to put downward pressure on fees in a number of ways. For example, while liberalisation of fee setting will allow universities to set their own prices, Commonwealth funding will be extended to accredited private education providers, allowing them to enter the system and provide competition for universities.<sup>21</sup>

3.17 Similarly, Commonwealth funding will extend to the higher education diploma, advanced diploma and associate degree—known as sub-bachelor higher education diplomas—in order to broaden the market further and place competitive pressure on universities.<sup>22</sup>

3.18 Senators asked the department about individual institutions' intentions to raise student fees as a consequence of Commonwealth funding reforms. The department explained that while universities have complete flexibility in deciding how to charge for their courses, they are not required to pass changes in funding through to students:<sup>23</sup>

It is going to be up to the university. So for the first time ever, a university or, indeed, a higher education provider which is approved to operate in these circumstances will be able to set its own course and to compete on the basis of price. Meanwhile, because, as I like to emphasise, the package is a package of balanced incentives, the universities in particular will need to be cognisant of the increased competition, which will put downward pressure on prices from the extension of Commonwealth funding to the private higher education sector and the extension of Commonwealth funding to

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19 Ms Dorte Kristoffersen, Acting Chief Commissioner, Tertiary Education Quality and Standards Agency, *Estimates Hansard*, 5 June 2014, p. 25.

20 Ms Dorte Kristoffersen, Acting Chief Commissioner, Tertiary Education Quality and Standards Agency, *Estimates Hansard*, 5 June 2014, p. 25.

21 Ms Lisa Paul AO PSM, Secretary, Department of Education, *Estimates Hansard*, 5 June 2014, p. 38.

22 Ms Lisa Paul AO PSM, Secretary, Department of Education, *Estimates Hansard*, 5 June 2014, p. 48.

23 Ms Lisa Paul AO PSM, Secretary, Department of Education, *Estimates Hansard*, 5 June 2014, pp 39–42.

Commonwealth grants and, of course, to sub-bachelor. Of course, if a university, say, chooses to put its prices up from the current baseline, then one dollar out of every five will have to go to its own equity fund to support scholarships and bursaries for disadvantaged students.<sup>24</sup>

3.19 The department added that reductions in Commonwealth funding are also combined with a simplification of the funding model, which has been streamlined from eight to five funding clusters.<sup>25</sup> It is expected that fees will rise in some areas and decrease in others, but actual figures cannot be known until the Senate considers the package of measures as a whole and the resulting reforms are implemented.<sup>26</sup>

3.20 The committee heard that as well as increasing competition between metropolitan institutions, the funding reforms will likely have the added benefit of enabling regional higher education institutions to attract students from urban areas.<sup>27</sup>

### ***Scholarship funds***

3.21 Representatives of the department informed the committee that, under the proposed reforms, universities receiving additional Commonwealth funding will be required to put 20 per cent of that money into a scholarship fund targeted at students from disadvantaged backgrounds. The committee heard that this would allow students from low socio-economic status backgrounds in regional universities to access scholarships to a high prestige university and course.<sup>28</sup>

## **Senator Chris Back Chair**

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24 Ms Lisa Paul AO PSM, Secretary, Department of Education, *Estimates Hansard*, 5 June 2014, p. 42.

25 Ms Lisa Paul AO PSM, Secretary, Department of Education *Estimates Hansard*, 5 June 2014, pp 39–40.

26 See discussion, *Estimates Hansard*, 5 June 2014, p. 41.

27 Ms Lisa Paul AO PSM, Secretary, Department of Education, *Estimates Hansard*, 5 June 2014, p. 50.

28 Mr Robert Griew, Associate Secretary, Higher Education, Research and International, Department of Education, *Estimates Hansard*, 5 June 2014, p. 50.



# Appendix 1

## Committee oversight of departments and agencies

### Employment portfolio

- Department of Employment
- Asbestos Safety and Eradication Agency
- Coal Mining Industry (Long Service Leave Funding) Corporation
- Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarers' Safety, Rehabilitation and Compensation Authority
- Fair Work Commission
- Office of the Fair Work Building Industry Inspectorate (Fair Work Building and Construction)
- Office of the Fair Work Ombudsman
- Safe Work Australia
- Workplace Gender Equality Agency

### Education Portfolio

- Department of Education
- Australian Curriculum, Assessment and Reporting Authority
- Australian Institute for Teaching and School Leadership
- Australian Institute of Aboriginal and Torres Strait Islander Studies
- Australian National University
- Australian Research Council
- Tertiary Education Quality and Standards Agency



## **Appendix 2**

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