

The Senate

Education and Employment
Legislation Committee

Additional estimates 2017-18

April 2018

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Chapter 1

Overview

1.1 On 8 February 2018 the Senate referred the following documents to the Education and Employment Legislation Committee (the committee) for examination and report:

- particulars of proposed additional expenditure in respect of the year ending on 30 June 2018 [Appropriation Bill (No. 3) 2017-2018];
- particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2018 [Appropriation Bill (No. 4) 2017-2018]; and
- Final Budget Outcome 2016-17.¹

Portfolio coverage

1.2 In accordance with a resolution of the Senate on 31 August 2016, as amended on 12 February 2018, the committee is responsible for the examination of the expenditure and outcomes of the following portfolios:

- Education and Training; and
- Jobs and Innovation (Jobs and Small Business).²

1.3 A full list of agencies is available at Appendix 1.

Portfolio Additional Estimates Statements (PAES) 2017-18

1.4 The Portfolio Additional Estimates Statements (PAES) 2017-18 for the Education and Training portfolio and Jobs and Small Business (Part of the Jobs and Innovation Portfolio) were tabled in the Senate on 8 February 2018.³

Education and Training portfolio

1.5 The 2017-18 PAES for the Education and Training portfolio provides information on the revised estimates for the portfolio and highlights the Australian Government's education and training priorities including:

- implementation of the child care package to enhance access by vulnerable and disadvantaged communities to child care;

1 *Journals of the Senate*, No. 83, 8 February 2018, p. 2647.

2 *Journals of the Senate*, No. 2, 31 August 2016, p. 76 and No. 84, 12 February 2018, p. 2668. Please note, as a result of a machinery of government change on 20 December 2017 the Department of Employment has been renamed the Department of Jobs and Small Business. This new department falls under the Jobs and Innovation portfolio. The rest of this report will therefore refer to the Jobs and Small Business as part of the broader Jobs and Innovation portfolio.

3 *Journals of the Senate*, No. 83, 8 February 2018, p. 2647.

- implementation of the In Home Care (IHC) Program to subsidise the cost of child care for families who are geographically located or have complex needs;
- increased funding to implement the Quality Schools reforms package;
- changes to higher education funding, including a freeze on total Commonwealth Grant Scheme funding and revised repayment thresholds under the Higher Education Loan Program (HELP);
- enhanced transparency and accountability of the VET Student Loans program;
- continued administration of the National Competitive Grants Program and the Excellence in Research for Australia evaluation framework.⁴

1.6 The Department of Education and Training has two outcomes as follows:

- Outcome One: improved early learning, schooling, student educational outcomes and transitions from school through access to quality child care, support, parent engagement, quality teaching and learning environments; and
- Outcome Two: promote growth in economic productivity and social wellbeing through access to quality higher education, international education, and international quality research, skills and training.⁵

Jobs and Small Business

1.7 The 2017-18 PAES for Jobs and Small Business provides information on the revised estimates for the portfolio and highlights the Australian Government's portfolio priorities including:

- providing policy advice and delivering programs that further the Australian Government's agenda to create more jobs, increase productivity and foster safe and fair workplaces.⁶

1.8 The Department notes that due to the changes to Administrative Arrangements on 20 December 2017, the Department has gained small business and regulatory policy functions.⁷ Resultant changes to the Department's outcomes and program structure 'will be included in the 2018-19 Portfolio Budget Statements'.⁸

1.9 The Department of Jobs and Small Business currently has the following two outcomes:

4 *Portfolio Additional Estimates Statements 2017-18: Education and Training Portfolio*, pp. 9–11 and p. 53.

5 *Portfolio Additional Estimates Statements 2017-18: Education and Training Portfolio*, p. 4.

6 *Portfolio Additional Estimates Statements 2017-18: Jobs and Small Business (Part of the Jobs and Innovation Portfolio)*, p. 10.

7 *Portfolio Additional Estimates Statements 2017-18: Jobs and Small Business (Part of the Jobs and Innovation Portfolio)*, p. 10.

8 *Portfolio Additional Estimates Statements 2017-18: Jobs and Small Business (Part of the Jobs and Innovation Portfolio)*, p. 10.

-
- Outcome One: foster a productive and competitive labour market through employment policies and programs that assist job seekers into work, meet employer needs and increase Australia's workforce participation; and
 - Outcome Two: facilitate jobs growth through policies that promote fair, productive and safe workplaces.⁹

Hearings

1.10 On 14 November 2017 the Senate resolved that Additional Estimates hearings for the committee would occur on 28 February and 1 March 2018.¹⁰ Accordingly the committee considered particulars of additional expenditure as follows:

- Jobs and Small Business—28 February 2018; and
- Education and Training portfolio—1 March 2018.

1.11 The committee heard evidence from the following Ministers:

- Senator the Hon. Michaelia Cash, Minister for Jobs and Innovation;
- Senator the Hon. Zed Seselja, Assistant Minister for Science, Jobs and Innovation; and
- Senator the Hon. Simon Birmingham, Minister for Education and Training.

1.12 Evidence was also provided by the following departmental secretaries who were accompanied by officers of the portfolio departments and agencies:

- Ms Kerri Hartland, Secretary, Department of Jobs and Small Business; and
- Dr Michele Bruniges AM, Secretary, Department of Education and Training.

1.13 The committee extends its appreciation to the Ministers and officers of the departments and agencies who assisted the committee in its conduct of the 2017-18 Additional Estimates hearings.

1.14 An index of proceedings is available at Appendix 2.

Questions on notice

1.15 In accordance with Standing Order 26(9)(a), the committee agreed that the date for the return of answers in response to questions placed on notice from the Additional Estimates 2017-18 hearings on 28 February and 1 March would be 12 April 2018.

1.16 Answers to questions on notice are published as they become available on the committee's website: www.aph.gov.au/Parliamentary_Business/Senate_Estimates/ee.

9 *Portfolio Additional Estimates Statements 2017-18: Jobs and Small Business (Part of the Jobs and Innovation Portfolio)*, p. 4.

10 *Journals of the Senate*, No. 13, 8 November 2016, pp. 411–412.

Hansard transcripts

1.17 Committee Hansard transcripts are accessible on the committee's website: www.aph.gov.au/Parliamentary_Business/Senate_Estimates/ee/2017-18_Additional_estimates.

1.18 In this report, references to the most recent Committee Hansard are to the proof transcripts. Page numbers may vary between the transcripts of the Proof Hansard and the Official Hansard.

Chapter 2

Jobs and Small Business

2.1 This chapter summarises certain key areas of interest raised during the committee's consideration of additional estimates for the 2017-18 financial year for Jobs and Small Business.

2.2 On 28 February 2018, the committee heard evidence from Senator the Hon. Michaelia Cash, Minister for Jobs and Innovation, and Senator the Hon. Zed Seselja, Assistant Minister for Science, Jobs and Innovation, along with officer from the Department of Jobs and Small Business (the Department) and several agencies responsible for administering jobs and small business policy, including:

- Australian Building and Construction Commission; and
- Office of the Fair Work Ombudsman.

Department of Jobs and Small Business

Cross Portfolio

2.3 Inquiries were made into the seven new funding measures announced for the Department since the 2017-18 Budget. Ms Kerri Hartland, Secretary of the Department of Jobs and Small Business, noted that six measures were included in the 2017-18 Mid-Year Economic and Fiscal Outlook (MYEFO) and one additional measure had been announced since MYEFO.¹ When questioned on what those measure were, Ms Hartland answered:

...one of those was a spending measure, five were savings measure, and one had a nil financial impact. There were savings to meet the Commonwealth redress scheme for survivors of institutional child sexual abuse, where there was additional funding of \$4.8 million with total savings over the forward estimates for Jobs and Small Business. There was a second one around encouraging self-sufficiency for newly arrived migrants; that was a \$3.4 million total saving over the forward estimates. There was the Fair Entitlements Guarantee scheme, which addressed corporate misuse, and that had a nil financial impact. There was the Seasonal Worker Program to improve take-up and streamlining of administration, which was a \$0.1 million total saving over the forward estimates. There was Strengthening the Integrity of Welfare Payments, which was around unlegislated components that weren't proceeding—there was a \$5.8 million total saving. There was Stronger Transitions, the transition of retrenched workers into future jobs, which is \$10.3 million in total expenses over the forward estimates. The one that I mentioned was outside the MYEFO

1 *Committee Hansard*, 28 February 2018, p. 22.

process was the digital employment services pilot, which had a nil financial impact over the forward estimates period.²

2.4 There were further inquiries into the Federal Court decision that All Trades, a large Queensland employer of apprentices, had underpaid workers.³ In particular, an update was sought on whether a Federal Government funding package would be forthcoming to assist in meeting the underpayment of Queensland apprentices and trainees.⁴ Ms Parker stated that 'the offer from Minister Cash is to work together to investigate solutions'. The Department noted that no money had been repaid to the apprentices as of yet, but discussions were ongoing with affected parties, state officials and unions.

Outcome 1

2.5 The committee sought an update on the jobactive program. Mr Greg Manning, Group Manager of the Youth and Programmes Group, said that 100 000 job placements had been supported through the wage subsidy.⁵ When further breaking down this figure, Ms Dany Turner, Acting Branch Manager of the Youth and Programmes Group, noted:

For Restart, which is the mature age wage subsidy, we had 22,238. For the long-term unemployed and the Indigenous, we had 28,944. For parents, we had 7,289. The youth wage subsidy is broken down between a youth subsidy and a youth bonus, so I'll give you the total youth, which was 34,912. As at 31 December, we had 93,383 agreements in place, and this morning's event was marking the 100,000th.⁶

2.6 Questions were asked regarding the use of quality control and quality assurance for jobactive courses in the aged care sector. Mr Manning responded that the Department does not 'have a role in relation to the quality of training'.⁷

2.7 The committee further raised the issue of the death of a worker on a Work for the Dole site and inquired as to when the Department of Jobs and Small Business report into this death will be released.⁸ Mr Martin Hehir, Deputy Secretary, noted that as the case is still before the courts in Queensland, the department would not release the report until the matter is decided.⁹

2.8 The rollout of the Stronger Transitions package was also discussed during the hearings. In particular questions were asked about the anticipated number of people

2 *Committee Hansard*, 28 February 2018, p. 22.

3 *Committee Hansard*, 28 February 2018, p. 35.

4 *Committee Hansard*, 28 February 2018, p. 37.

5 *Committee Hansard*, 28 February 2018, p. 42.

6 *Committee Hansard*, 28 February 2018, p. 42.

7 *Committee Hansard*, 28 February 2018, p. 58.

8 *Committee Hansard*, 28 February 2018, p. 44.

9 *Committee Hansard*, 28 February 2018, p. 44.

who will be part of the program and the areas covered by the package. Mr Malcolm Greening, Branch Manager of the Labour Market Strategy Group noted that approximately 2000 people will be supported and the program will be carried out in Adelaide, Mandurah, northern and north-west Tasmania and north-west Melbourne.¹⁰

Outcome 2

2.9 The committee inquired into the Seasonal Worker Program. In particular, information was sought on the growth of the program since its inception, the breakdown of seasonal worker numbers by country and whether these seasonal workers are employed in urban or rural areas.¹¹ Ms Parker noted that between 2012-13 and 2016-17 the number of seasonal worker grants had increased from 1473 to 6166.¹²

2.10 The death of several workers employed under the Seasonal Worker Program was further discussed. The Department stated that since 2009 there have been fourteen deaths of people involved in the program.¹³ Of these, five were involved in roadside accidents. Ms Parker noted that six deaths were due to pre-existing medical conditions and noted that:

...we have data that shows that fifty per cent of them [individuals from Seasonal Worker Program countries] have diabetes or cardiovascular issues. It's a systematic health issue. It's a balance between wanting to help countries grow and have opportunities here and, but at the same time knowing they're not as robust, often, as Australian workers.¹⁴

Australian Building and Construction Commission

2.11 The committee opened proceedings by acknowledging the work of Ms Cathy Cato, for her contribution as Acting Commissioner, and welcomed Mr Stephen McBurney to the role as Commissioner.¹⁵

2.12 The committee inquired into the budget and personnel numbers of the Australian Building and Construction Commission (ABCC) as well as the number of inspectors who carry out functions under the *Building and Construction Industry (Improving Productivity) Act 2016* (the Act). Mr McBurney noted that there were currently 84 inspectors, 54 of which investigate contraventions of the Act and 30 who have a function under the Building Code.¹⁶

2.13 Committee members made further inquiries into the Mr McBurney's priorities as the new ABCC Commissioner. Mr McBurney noted his personal priorities were discharging functions as required under the Act, acting in an apolitical manner. He

10 *Committee Hansard*, 28 February 2018, p. 63.

11 *Committee Hansard*, 28 February 2018, pp. 65–67.

12 *Committee Hansard*, 28 February 2018, p. 65.

13 *Committee Hansard*, 28 February 2018, p. 67.

14 *Committee Hansard*, 28 February 2018, p. 67.

15 *Committee Hansard*, 28 February 2018, p. 70.

16 *Committee Hansard*, 28 February 2018, p. 73.

also stated that he expected his staff to act impartially and professionally in all functions of their daily duties including their investigations and prosecutions.¹⁷

2.14 Committee members inquired into the ABCC's distribution of incorrect material surrounding the right of entry laws and whether a review was conducted on this matter.¹⁸ Mr McBurney noted that he 'sought assurances from [his] staff that the inaccurate material that was on the website from 1 January 2014 to 28 July 2016 has been rectified'.¹⁹ Mr McBurney further stated that the 'matter of the inaccurate material being on the website has been dealt with by the court'.²⁰

2.15 Committee members further questioned senior executive staff from the ABCC regarding their knowledge of incorrect information published and distributed on leaflets in regards to right of entry provisions.²¹ Mr McBurney noted that the ABCC was made aware of these errors in July 2016 when the CFMEU wrote to the ABCC 'to alert them to the problem in the right of entry poster, right of entry pocket guide and right of entry fact sheet'.²² Upon receiving this email, 'Mr Hadgkiss issued a direction to all staff of the agency that, with immediate effect, staff were no longer to distribute the right of entry material, and advised that the right of entry material [be] removed from the website'.²³

2.16 Information was sought regarding the differences between the 2013 Building Code and the 2016 Building Code particularly in regards to freedom of association. Ms Cathy Cato, Deputy Commissioner Operations and Code, stated that under the 2016 Building Codes there were 'more stringent requirements'.²⁴ Ms Cato referred to section 13(1)(j) of the *Code for the Tendering and Performance of Building Work 2016* which states:

...the code covered entity must ensure that:...(j) building association logos, mottos or indicia are not applied to clothing, property or equipment supplied by, or which provision is made for by, the employer or any other conduct which implies that membership of a building association is anything other than an individual choice for each employee;²⁵

Office of the Fair Work Ombudsman

2.17 Information was sought regarding the release of a report titled *An inquiry into the procurement of cleaners in Tasmanian supermarkets* released on 14 February

17 *Committee Hansard*, 28 February 2018, p. 78.

18 *Committee Hansard*, 28 February 2018, p. 81.

19 *Committee Hansard*, 28 February 2018, p. 81.

20 *Committee Hansard*, 28 February 2018, p. 81.

21 *Committee Hansard*, 28 February 2018, pp. 82–94; 97–104.

22 *Committee Hansard*, 28 February 2018, p. 93.

23 *Committee Hansard*, 28 February 2018, p. 93.

24 *Committee Hansard*, 28 February 2018, p. 110.

25 *Committee Hansard*, 28 February 2018, p. 110.

2018. Ms Natalie James, the Fair Work Ombudsman, noted the investigation was initiated after the agency received intelligence relating to stories of 'very serious' exploitation in some Tasmanian supermarkets.²⁶

2.18 In relation to the exploitation of Tasmania supermarket workers, questions were also raised surrounding the steps taken by the Office of the Fair Work Ombudsman (FWO) to recover the underpayments for the effected workers. Mr Michael Campbell, Deputy Fair Work Ombudsman, noted that the FWO 'identified underpayments and sought to recover the underpayments of \$64 000 for a number of workers'.²⁷

2.19 Mr Campbell further noted that 'the investigations...were complicated by the fact that the contractors did not keep records of the hours the employees worked nor what the employees were paid, which makes it hard to further recover monies owed'.²⁸

26 *Committee Hansard*, 28 February 2018, p. 127.

27 *Committee Hansard*, 28 February 2018, p. 129.

28 *Committee Hansard*, 28 February 2018, p. 129.

Chapter 3

Education and Training portfolio

3.1 This chapter summarises certain key areas of interest raised during the committee's consideration of additional estimates for the 2017-18 financial year for the Education and Training portfolio.

3.2 On 1 March 2018, the committee heard evidence from Senator the Hon. Simon Birmingham, Minister for Education and Training, along with officer from the Department of Education and Training (the department) and agencies responsible for administering education and training, including:

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

Department of Education and Training

Cross-portfolio

3.3 Committee members inquired into Government's school funding plan advertising campaign. In response to questions relating to this issue, the Minister noted that the funding was budgeted in the Mid-year Economic and Fiscal Outlook (MYEFO) process and accordingly is not reflected in the department's responses to questions on notice from the October 2017 estimates round.¹

3.4 Committee members also inquired into the timeliness of responses to questions on notice. Senator O'Neill noted that 40 per cent of the questions placed on notice from the October 2017 Supplementary Budget Estimates round were responded to on time.² Dr Michele Bruniges, Secretary of the department, noted that all responses were provided to the Minister's office by 11 December 2017.³ The Minister, when questioned on this, stated that he had ensured that all questions on notice were submitted to the committee prior to the commencement of the Additional Estimates hearings.⁴

3.5 Information was sought regarding proposed reductions in staffing levels at the department to meet budget constraints. Dr Bruniges noted that the department was

1 *Committee Hansard*, 1 March 2018, p. 5.

2 *Committee Hansard*, 1 March 2018, p. 11.

3 *Committee Hansard*, 1 March 2018, p. 11.

4 *Committee Hansard*, 1 March 2018, p. 12.

currently in discussions with 12 staff about their future employment in consultation with the CPSU.⁵ Dr Bruniges further stated that the department will 'case manage each one of those staff to ensure that they have a suitable landing place'.⁶

3.6 Discussions also took place regarding the employment of consultants within the department. Ms Carolyn Smith, Deputy Secretary of Corporate Strategy, noted that in the first six months of the 2017-18 financial year the department spent \$11.4 million on consultants.⁷ This compared with the figures for 2016-17 when the department spent \$10.6 million on consultants.⁸

Outcome 1

3.7 Considerable discussions took place regarding the new Child Care Package and the associated Child Care Management System (CCMS). Mr Matt Yannopoulos, Acting Deputy Secretary, responsible for Child Care Reform Implementation, noted that the CCMS was currently in the user acceptance testing phase and that the system will go into transition in early April 2018.⁹ He further stated that the system would be fully implemented in July 2018 and would be delivered on time.¹⁰ The rollout of the Child Care Subsidy System (CCSS), beginning in late March 2018, was also discussed.¹¹

3.8 The department was also questioned about the impacts of the activity and income tests. Ms Jackie Wilson, Deputy Secretary, Early Childhood, when asked how a family will report their activity and income to the government, noted:

It's all self-declaration, as it is now. I don't know if you've had a chance to go onto the estimator and have a look, but the journey that a family goes through on the estimator is similar to what they'll be required to complete. For both parents, if there's a two-parent household, it's: do they work? If they do, it's: how many hours? If they do a range of other activities—like volunteering, like looking for work, like studying, like training—it's declaring all of that. Basically, it's a collection of that information. As you've probably heard us say, to land at the step of the activity you're eligible for is an aggregation of all your activity—all of the things I've just outlined.¹²

3.9 Further questions were asked about the audit function for the self-declared activity tests. Ms Wilson noted that the department was 'developing guidelines on all

5 *Committee Hansard*, 1 March 2018, p. 14.

6 *Committee Hansard*, 1 March 2018, p. 14.

7 *Committee Hansard*, 1 March 2018, p. 18.

8 *Committee Hansard*, 1 March 2018, p. 17.

9 *Committee Hansard*, 1 March 2018, p. 107.

10 *Committee Hansard*, 1 March 2018, p. 107.

11 *Committee Hansard*, 1 March 2018, p. 109.

12 *Committee Hansard*, 1 March 2018, p. 111.

of the documentation and requirements for the activity test... People will need to provide proof. For employment, it'd just be a pay slip at the time if you are chosen'.¹³

3.10 Committee members also questioned the department about the Commonwealth funding of schools. Attention was drawn to errors in a table provided under question on notice SQ17-001191. Mr Tony Cook, Associate Secretary, School and Youth, apologised for the mistake and noted the department would submit a revised table as soon as possible.¹⁴

3.11 Questions were also asked about Commonwealth student-with-disability funding. The Minister noted the funding will be based on 2018 Nationally Consistent Collection of Data on Students with Disability data which as of the Estimates hearing was not available.¹⁵

Outcome 2

3.12 The status of negotiations for the national partnership on the Skilling Australians Fund was discussed in depth. The Minister noted that the agreement is currently with the states, awaiting signing.¹⁶

3.13 Dr Subho Banerjee, Deputy Secretary, Skills and Training, noted that there were some outstanding issues that remained unresolved after the consultation period. These included the 'structure of the agreement and how that would be worked through in practice in terms of what prescriptions would be put on the states, what accountability mechanisms, how benchmarks would be set...there were also some questions about the targets...'¹⁷

3.14 Dr Banerjee further noted that the agreement would become operative after one state or territory signs off.¹⁸

3.15 Committee members further questioned how, under the Skilling Australians Fund, the department would ensure integrity in the training that is taking place. Mr Brian Palmer, Group Manager, Skills Market, noted:

There's a number of things that states and territories need to do. The payment would be related to commencements into the program. They would need to show, where those commitments don't relate to an employment contract, where those commencements are. They would also need to establish a baseline of an existing level of commencements of this sort of activity that is currently occurring—because the agreement is in respect of additional activity, not existing levels of activity.¹⁹

13 *Committee Hansard*, 1 March 2018, p. 112.

14 *Committee Hansard*, 1 March 2018, p. 119.

15 *Committee Hansard*, 1 March 2018, p. 125.

16 *Committee Hansard*, 1 March 2018, p. 64.

17 *Committee Hansard*, 1 March 2018, p. 65.

18 *Committee Hansard*, 1 March 2018, p. 66.

19 *Committee Hansard*, 1 March 2018, p. 68.

3.16 Questions were asked about the costs associated with the Australian Apprenticeships Management System IT upgrade. The department noted that the expenditure to date is \$18 million.²⁰ This is higher than the original stated cost of \$11.4 million.²¹

3.17 There was also a discussion about the MYEFO grants freeze on commonwealth grants scheme funding. Confirmation was sought on whether the funding freeze means there will be no additional funds for growth in the number of bachelor degree student places in 2018 and 2019. In response the Minister stated:

Your reflection of the fact that it is a two-year freeze of the CGS payments only as they relate to undergraduate degrees for those two years at 2017 levels is accurate. And then there is, as was announced, a growth impact for population factored in.²²

3.18 There were further discussions surrounding whether individual universities such as Sunshine Coast and South Cross University received additional funding for additional places. The Minister responded that 'there are a few localities...where the government had made commitments to capital expansion activities'.²³ The funding for this will be addressed in the upcoming budget.²⁴

3.19 Committee members followed a line of questioning about future growth plans for universities in undergraduate Commonwealth supported places in 2018-19. Mr Dom English, Group Manager, Higher Education, noted that growth in enrolments would apply to the majority of universities with 'one or two exceptions' of planned reductions in enrolment numbers in that period.²⁵

3.20 Inquiries were made into the new allocation mechanism for sub-bachelor and post-graduate places. Mr English stated that the department was still working on the design of a new allocation mechanism that 'would allow more flexibility in the way that places would be used across the system'.²⁶ Mr English further noted that the department was currently developing briefing materials for consultation with the education sector.²⁷

3.21 International student numbers were also discussed. Ms Karen Sandercock, Group Manager, International, noted that as of November 2017 there were 621 192

20 *Committee Hansard*, 1 March 2018, p. 72. Please note, during the Estimates hearing Mr Morling stated that the expenditure to date was \$12.9 million. This was later updated to the above figure of \$18 million in a correction to evidence received from Dr Subho Banerjee on 20 March 2018.

21 *Committee Hansard*, 1 March 2018, p. 72.

22 *Committee Hansard*, 1 March 2018, p. 80.

23 *Committee Hansard*, 1 March 2018, p. 81.

24 *Committee Hansard*, 1 March 2018, pp. 80–81.

25 *Committee Hansard*, 1 March 2018, p. 82.

26 *Committee Hansard*, 1 March 2018, p. 90.

27 *Committee Hansard*, 1 March 2018, p. 91.

international students of which approximately 350 000 are in the higher education sector.²⁸

3.22 Discussions regarding the economic impact of international students also occurred. Ms Sandercock noted that export income from international education last year totalled \$30.9 billion and international opportunity fees totalled \$11.6 billion.²⁹

Australian Research Council

3.23 Committee members inquired into the engagement impact assessment pilot. This assessment 'will examine how universities are translating their research into economic, social and other benefits and encourage greater collaboration between universities, industries and end-users of research'.³⁰ Ms Leanne Harvey, Executive General Officer, noted that the total expenditure on the pilot to date was \$2 million.³¹ She further stated that across the forward estimates the total cost of the program would be \$11.2 million.³²

3.24 The question of how the success of this project would be measured was also raised. In response the Minister stated:

The point, of course, of having the engagement and impact tool is to help in future to have a clearer incentive in relation to maximising engagement and impact, and, indeed, to help inform future decisions about how we best maximise engagement and impact... the government's view is that it is valuable to seek to try to have a common basis upon which to assess impact that can in future inform policymakers and institutions.³³

3.25 A line of questioning was also undertaken in relation to the role of the ARC in encouraging international collaborations as well as engaging with Australian researchers on matters of military significance.³⁴

3.26 Committee members further inquired into the Industrial Transformation Research Program. In particular questions were asked relating to the success rate for proposals for research hubs and training centres. It was noted that in 2016 there was a 60 per cent success rate for research hub applications and a 34.6 per cent success rate for training centre applications.³⁵ Ms Harvey noted that the greater number of applications for training centres lowered their success rate.³⁶

28 *Committee Hansard*, 1 March 2018, p. 98.

29 *Committee Hansard*, 1 March 2018, p. 99.

30 Australian Research Council, *Engagement and Impact Assessment—Background*, <http://www.arc.gov.au/engagement-and-impact-assessment> (Accessed 26 March 2018).

31 *Committee Hansard*, 1 March 2018, p. 21.

32 *Committee Hansard*, 1 March 2018, p. 26.

33 *Committee Hansard*, 1 March 2018, p. 26.

34 *Committee Hansard*, 1 March 2018, pp. 28–30.

35 *Committee Hansard*, 1 March 2018, p. 31.

36 *Committee Hansard*, 1 March 2018, p. 31.

Australian Skills Quality Authority

3.27 ASQA was questioned regarding the number of complaints received by both ASQA and the VET Student Loans Ombudsman. Professor Michael Lavarch, Commissioner noted that 'each year ASQA receives in the order of about 1,200 or so complaints. A bit over 50 per cent of those complaints are sourced from students or those representing a student'.³⁷ The number of complaints referred to ASQA by the Ombudsman was taken on notice.

3.28 When questioned about whether complaint numbers are increasing or decreasing Professor Lavarch noted:

In 2015-16, 2,351 complaints were received by ASQA. In 2016-17 it was 2,183 complaints received. To the financial year to the end of December 1,244 complaints have been received. That's the total number of complaints, and intelligence reports, that ASQA has received during those times. It has come down a little bit from 2015-16, which was the peak, if you like, of the concerns around the old VET FEE-HELP scheme. For instance, in that year 419 of those 2,351 complaints related to the VET FEE-HELP program in that year.³⁸

3.29 When further questioned about the breakdown of complaints received by ASQA, Professor Lavarch stated:

For the current financial year 32 per cent of the complaints were about training, 30 per cent about assessment, 22 per cent about dishonest conduct or behaviour, 22 per cent about provider administration and management, 18 per cent about fees and refunds, 17 per cent about student information and enrolment, 15 per cent about trainers and assessors, 14 per cent about caring and support for students, 14 per cent about certification, 13 per cent about marketing and 12 per cent other. There would be an overlap, obviously, within those categories, because that's more than 100 per cent, but that's the breakdown when we categorise them.³⁹

3.30 ASQA was also asked about the effect short duration courses have on education quality:

Mr Paterson: I think it became obvious from our environmental scans in 2015 and 2016 that there was a problem in relation to what we've described as 'unduly short duration'. As you're aware, the nature of our regulatory regime doesn't specify minimum duration for courses. There are durations specified within the AQF [Australian Qualification Framework], but our regulatory regime is determined by what's in the training package and the mandatory components, where we can regulate. We undertook a strategic review and last year published recommendations in relation to addressing what we saw as a problem with unduly short duration. Those recommendations have been considered by the ministerial council that

37 *Committee Hansard*, 1 March 2018, p. 33.

38 *Committee Hansard*, 1 March 2018, p. 34.

39 *Committee Hansard*, 1 March 2018, p. 34.

oversights the work that we do, and there is a process currently underway being led by the department consulting with key stakeholders in relation to the three key recommendations that we made.

Senator CAMERON: Do you need regulatory or legislative change to fix this problem?

Mr Paterson: We think there needs to be change. We think the change needs to be made in the design and specification of training packages. We don't think that there's a one-size-fits-all solution and we don't suggest that there is a blanket minimum, nor do we suggest that it needs to be identified for all courses.⁴⁰

3.31 The Minister and the committee also noted that this will be the final estimates round for Professor Lavarch. The committee thanked the Professor for his nearly six years of service.⁴¹

Tertiary Education and Quality Standards Agency

3.32 Committee members inquired into the increase in higher education accreditation applications. Professor Nicolas Saunders, Chief Commissioner, noted that TEQSA has 77 potential new applicants. Of these 47 have indicated an intention to submit an application. Another 30 indicated that they have submitted applications and have subsequently withdrawn them or have been rejected and indicated an intention to resubmit.⁴² When asked if TEQSA had sufficient staffing levels to deal with the current workload, Professor Saunders responded in the affirmative.⁴³

3.33 Information was sought from TEQSA regarding its role in engaging with the higher education sector to establish what steps they are taking to counter sexual assault and harassment on campus. Professor Saunders stated:

Late last year, the minister wrote to all universities asking them to provide TEQSA with a response to the Human Rights Commission report on sexual harassment and sexual assault on campus. The universities have responded to that request, and we've had 41 universities respond... Subsequently, the minister and we have written to the non-university provider peak bodies—that is, TAFE Directors Australia, the Council of Private Higher Education and the Australian Council for Private Education and Training—to broaden, if you like, the engagement with the entire higher education sector on this very important matter. We haven't begun to get responses from that. There are also about 19 non-university providers who aren't members of those peak bodies. We've written to them directly as well, and we will be getting those responses back.⁴⁴

40 *Committee Hansard*, 1 March 2018, p. 37.

41 *Committee Hansard*, 1 March 2018, p. 45.

42 *Committee Hansard*, 1 March 2018, p. 46.

43 *Committee Hansard*, 1 March 2018, p. 47.

44 *Committee Hansard*, 1 March 2018, pp. 49–50.

3.34 Mr Anthony McClaran, Chief Executive Officer, further noted that TEQSA was undertaking extensive consultation with students and student groups and that TEQSA would 'almost certainly' be publishing reports following these consultations.⁴⁵

Australian Institute for Teaching and School Leadership

3.35 Questions were raised into whether initial teacher education courses were assessed under the new standards for initial teacher education. Mr Edmund Misson, Deputy Chief Executive Officer, responded that 'of 340 courses that were eligible to be assessed, 339 have been. There's one in Western Australia that's just been submitted. And, of those, 199—so about 60 per cent—have been accredited or approved. The rest have been assessed as not fully meeting the standards at this stage'.⁴⁶

Australian Curriculum, Assessment and Reporting Authority

3.36 Committee members asked ACARA to provide an overview of its learning progression work. Mr Robert Randall, Chief Executive Officer, noted that the Literacy and Numeracy Learning Progressions were endorsed by states and territories in December 2017.⁴⁷

Senator Lucy Gichuhi

Chair

45 *Committee Hansard*, 1 March 2018, pp. 51–52.

46 *Committee Hansard*, 1 March 2018, p. 57.

47 *Committee Hansard*, 1 March 2018, p. 60.

Appendix 1

Committee oversight of departments and agencies

Jobs and Small Business (Jobs and Innovation Portfolio)

Departments and Agencies examined

- Department of Jobs and Small Business
- Australian Building and Construction Commission
- Office of the Fair Work Ombudsman

Agencies not examined

- Asbestos Safety and Eradication Agency
- Australian Small Business and Family Enterprise Ombudsman
- Coal Mining Industry (Long Service Leave) Funding Corporation
- Comcare, the Safety, Rehabilitation and Compensation Commission, and the Seafarers Safety, Rehabilitation and Compensation Commission
- Fair Work Commission
- Registered Organisations Commission
- Safe Work Australia
- Workplace Gender Equality Agency

Education and Training portfolio

Departments and Agencies examined

- Department of Education and Training
- Australian Research Council
- Australian Skills Quality Authority
- Tertiary Education Quality and Standards Agency
- Australian Institute for Teaching and School Leadership
- Australian Curriculum Assessment and Reporting Authority

Agencies not examined

- Australian Institute of Aboriginal and Torres Strait Islander Studies
- Australian National University

Appendix 2

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