

The Senate

Education and Employment
Legislation Committee

Additional estimates 2018-19

April 2019

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Chapter 1

Overview

1.1 On 14 February 2019 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 2019 [Appropriation Bill (No. 3) 2018-2019];
- Particulars of certain proposed additional expenditure in respect of the year ending on 30 June 2019 [Appropriation Bill (No. 4) 2018-2019]; and
- Particulars of proposed additional expenditure in relation to the Parliamentary Departments in respect of the year ending 30 June 2019 [Appropriation (Parliamentary Departments Bill (No. 2) 2018-2019)].¹

1.2 On 14 February 2019, the Senate further resolved that these documents 'with the final budget outcome 2017-18...and the advances under the Appropriation Acts for 2017-18...be referred to committees for examination and report'.²

Portfolio coverage

1.3 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:

- Jobs and Small Business;³ and
- Education and Training.⁴

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

Portfolio Additional Estimates Statements 2018-19

1.5 The Portfolio Additional Estimates Statements (PAES) 2018-19 for the Jobs and Small Business portfolio and Education and Training portfolio were tabled in the Senate on 14 February 2019.⁵

1 *Journals of the Senate*, No. 140, 14 February 2019, p. 4692.

2 *Journals of the Senate*, No. 140, 14 February 2019, p. 4692.

3 Note that under the Australian Government Cabinet reshuffle on 18 December 2017, the Department of Employment has been renamed the Department of Jobs and Small Business. Until recently this department fell under the Jobs and Innovation portfolio. A subsequent amendment to the Administrative Arrangements Orders on 28 August 2018 removed the Department of Jobs and Small Business from the Jobs and Innovation portfolio.

4 *Journals of the Senate*, No. 2, 31 August 2016, p. 76; and *Journals of the Senate*, No. 84, 12 February 2018, p. 2668–2669.

Jobs and Small Business portfolio

1.6 The 2018-19 PAES for the Jobs and Small Business portfolio provides information on the revised estimates for the portfolio and highlights the Australian Government's jobs and small business portfolio priorities including:

- delivering policies and programs that foster safe, fair and productive workplaces of all sizes; and
- assisting job seekers to find work and small businesses to grow.⁶

1.7 Further details on the priorities of the Jobs and Small Business portfolio can be found in the Portfolio Budget Statements 2018-19 or the Senate Education and Employment Legislation Committee's *Budget Estimates Report 2018-19*.⁷

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

- 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, and facilitate the growth of small business.⁸

Education and Training portfolio

1.9 The 2018-19 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:

- implementing measures to improve payment integrity to family day care services through targeted activities to address non-compliance and fraudulent behaviour in the sector;
- increasing the *In Home Care* (IHC) program's family hourly rate cap from \$25.48 to \$32.00 and in the number of IHC places from 3000 to 3200;
- implementing recommendations of the National School Resourcing Board's *Review of the socio-economic status score methodology*;
- the provision of extra funding to increase higher education enrolment numbers in regional Australia;
- the provision of funding to increase support for Australian apprenticeships;
- funding for jobs in regional Tasmania and Caboolture; and
- the establishment of the Howard Library within the Museum of Australian Democracy at Old Parliament House.⁹

5 *Journals of the Senate*, No. 140, 14 February 2019, p. 4693.

6 *Portfolio Additional Estimates Statements 2018-19: Jobs and Small Business Portfolio*, p. 11.

7 Senate Education and Employment Legislation Committee, *Budget Estimates 2018-19*, pp. 2–3.

8 *Portfolio Additional Estimates Statements 2018-19: Jobs and Small Business Portfolio*, p. 4.

- 1.10 The Department of Education and Training has the following two outcomes:
- Outcome One: improved early learning, schooling, student educational outcomes and transitions to and 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.¹⁰

Hearings

1.11 On 28 November 2018 the Senate resolved that Additional Estimates hearings for the committee would occur on 20 and 21 February 2019.¹¹ Accordingly the committee considered particulars of additional expenditure as follows:

- Jobs and Small Business portfolio—20 February 2019; and
- Education and Training portfolio—21 February 2019.

1.12 The committee heard evidence from the following Ministers:

- Senator the Hon. Linda Reynolds, former Assistant Minister for Home Affairs (representing the Minister for Jobs and Industrial Relations, the Hon. Kelly O'Dwyer MP);
- Senator the Hon. Michaelia Cash, Minister for Small and Family Business, Skills and Vocational Education;
- Senator the Hon. Matthew Canavan, Minister for Industry, Science and Technology (representing the Minister for Jobs and Industrial Relations);
- Senator the Hon. Marise Payne, Minister for Foreign Affairs (representing the Minister for Jobs and Industrial Relations);
- Senator the Hon. Simon Birmingham, Minister for Trade, Tourism and Investment (representing the Minister for Education, the Hon. Dan Tehan MP);
- Senator the Hon. Bridget McKenzie, Minister for Regional Services, Sport, Local Government and Decentralisation (representing the Minister for Education).

1.13 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

9 *Portfolio Additional Estimates Statements 2018-19: Jobs and Small Business Portfolio*, pp. 9–12.

10 *Portfolio Additional Estimates Statements 2018-19: Education and Training Portfolio*, p. 4.

11 *Journals of the Senate*, No. 132, 28 November 2018, pp. 4286–4287.

- Dr Michele Bruniges, Secretary, Department of Education and Training.

1.14 The committee extends its appreciation to the Ministers and officers of the departments and agencies who assisted the committee in its conduct of the 2018-19 Additional Estimates hearings.

1.15 An index of proceedings is available at Appendix 2.

Questions on notice

1.16 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 2018-19 hearings on 20 and 21 February would be 29 March 2019.

1.17 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.

Hansard transcripts

1.18 Committee Hansard transcripts are accessible on the committee's website: [www.aph.gov.au/Parliamentary_Business/Senate_Estimates/ee/2018-19 Additional estimates](http://www.aph.gov.au/Parliamentary_Business/Senate_Estimates/ee/2018-19_Additional_estimates).

1.19 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 portfolio

2.1 This chapter summarises certain key areas of interest raised during the committee's consideration of additional estimates for the 2018-19 financial year for the Jobs and Small Business portfolio.

2.2 On 20 February 2019, the committee heard evidence from:

- Senator the Hon. Linda Reynolds, former Assistant Minister for Home Affairs (representing the Minister for Jobs and Industrial Relations, the Hon. Kelly O'Dwyer MP);
- Senator the Hon. Michaelia Cash, Minister for Small and Family Business, Skills and Vocational Education;
- Senator the Hon. Matthew Canavan, Minister for Industry, Science and Technology (representing the Minister for Jobs and Industrial Relations); and
- Senator the Hon. Marise Payne, Minister for Foreign Affairs (representing the Minister for Jobs and Industrial Relations).

2.3 The committee also heard evidence from officers from the Department of Jobs and Small Business (the department) and several agencies responsible for administering jobs and small business policy. These agencies were:

- the Australian Small Business and Family Enterprise Ombudsman;
- the Fair Work Commission;
- Comcare;
- the Registered Organisations Commission;
- the Australian Building and Construction Commission; and
- the Fair Work Ombudsman.

Department of Jobs and Small Business

Cross-portfolio

2.4 The committee commenced its examination of cross-portfolio issues by enquiring into the advertising campaign for government incentives for employers who hire apprentices and trainees. When questioned on the budget for the advertising campaign, it was noted that there was no specific budget for the apprenticeship component, but rather a budget for 'a campaign promoting employment services generally'.¹ Dr Jill Charker, Deputy Secretary, Corporate, noted that:

1 *Committee Hansard*, 20 February 2019, p. 9.

A total of \$27.81 million of administered funding over three years was repurposed, and there is another \$1 million in administered funding specifically for the campaign, so the total funding over the years is \$28.81 million.²

2.5 Information was sought regarding the specifics of the program for government incentives for employers who hire apprentices and trainees. When questioned on the circumstances by which an employer would be eligible for the full \$20 500 incentive, Ms Meredith Fairweather, Branch Manager, People, Communication and Assurance Group, responded:

That is a combination of wage subsidies—that is through the Department of Jobs and Small Business; the providers are the medium for that—and also incentives from the Department of Education and Training specifically for taking on apprentices. So it's a combination. That's a maximum of a combination of incentives that could be obtained by an employer for taking on an apprentice.³

2.6 Upon further questioning, Ms Fairweather additionally noted that 'for the employer, the full amount of \$20,500 would require the full wage subsidy plus incentives from the apprenticeship'.⁴

Outcome 1

2.7 Enquiries were made into the number of businesses that signed up to host Youth Jobs PaTH (Prepare-Trial-Hire) interns since the commencement of the program on 1 April 2017. Mr Nathan Smyth, Deputy Secretary, Employment, noted that as of 31 January 2019, 3933 businesses were hosting Youth Jobs PaTH internships.⁵ When questioned about the original intention to have between 18 000 and 20 000 businesses hosting internships, Mr Smyth noted that the program is currently 'not near the cap'.⁶ Minister Reynolds noted however that there were 8913 internship placements within the 3933 businesses and that '70 per cent of the young people who participated in the Youth Jobs PaTH internship were employed when surveyed three months later'.⁷

2.8 Further enquiries were made into the Targeted Compliance Framework (TCF). This included questions around Aboriginal and Torres Strait Islander involvement under the jobactive scheme. Mr Smyth noted that approximately 25 per cent of individuals who were in the 'penalty zone' for jobactive were indigenous.⁸

2 *Committee Hansard*, 20 February 2019, p. 9.

3 *Committee Hansard*, 20 February 2019, p. 11.

4 *Committee Hansard*, 20 February 2019, p. 11.

5 *Committee Hansard*, 20 February 2019, p. 16.

6 *Committee Hansard*, 20 February 2019, p. 16.

7 *Committee Hansard*, 20 February 2019, p. 17.

8 *Committee Hansard*, 20 February 2019, p. 33. The penalty zone refers to jobactive participants who have had their jobactive payments either reduced or cancelled due to non-compliance.

Mr Smyth further noted that there are a similar number of ex-offenders in the 'penalty zone'.⁹

2.9 Senators also raised the issue of the death of a worker on a Work for the Dole site and the subsequent steps taken to improve the safety of the program. Ms Janine Pitt, Group Manager, Activation and Work for the Dole Group, noted that steps included 'communication with CEOs and with providers about their obligations under the contract in terms of work health and safety' as well as the development of a 'host organisation handbook, which also identifies work health and safety obligations of Work for the Dole host organisations'.¹⁰ Ms Pitt also noted:

We've put up advice on our provider portal about specific work health and safety issues. We've liaised with other safety organisations, like Safe Work Australia and the Federal Safety Commissioner, in terms of contemporary work health and safety approaches. We're constantly looking to improve the program in that respect, so we're doing a whole range of things.¹¹

Outcome 2

2.10 Enquiries were made about the current Australian employment figures. On casual employment, Ms Kerri Hartland, Secretary, stated that casual employment as a proportion of total employees has remained 'steady over the past two decades' at around 25 per cent.¹² On labour hire figures, Mr Martin Hehir, Deputy Secretary, Workplaces and Small Business, noted that 'over the last decade labour hire workers as a proportion of all employees have been stable at just under two per cent'.¹³

2.11 Questions were asked in relation to the Fair Entitlements Guarantee (FEG) and so-called 'sharp corporate practices'. Ms Sue Saunders, Branch Manager, Workplace Relations Programs Group, noted that:

Sharp corporate practices are a range of methods and approaches adopted by company representatives, company owners or other parties involved in corporate restructures and insolvencies which seek to prevent, avoid or reduce the payment of obligations to creditors, including employees for their employee entitlements.¹⁴

2.12 Ms Saunders further noted that of the total FEG cases, approximately one in seven 'presented indications of sharp practice'.¹⁵

2.13 Senators raised the implementation of the Fair Work Amendment (Casual Loading Offset) Regulations 2018. When questioned if the regulations change existing

9 *Committee Hansard*, 20 February 2019, p. 34.

10 *Committee Hansard*, 20 February 2019, p. 41.

11 *Committee Hansard*, 20 February 2019, p. 41.

12 *Committee Hansard*, 20 February 2019, p. 54.

13 *Committee Hansard*, 20 February 2019, p. 54.

14 *Committee Hansard*, 20 February 2019, p. 63.

15 *Committee Hansard*, 20 February 2019, p. 63.

law, Ms Janey Kuzma, Group Manager and Chief Counsel, Workplace Relations Legal Group, replied that the intention of the regulations was 'to declare the existing law'.¹⁶

2.14 The contribution of small business to the Australian economy was also discussed. Mr Peter Cully, Group Manager, Small Business and Economic Strategy Group, noted that in 2015-16, 'small business accounted for slightly less than 5.7 million employees and around 50 per cent of Australia's employment'.¹⁷ In terms of the impact of economic growth caused by small business, Ms Rose Verspaandonk, Branch Manager, Small Business and Economic Strategy Group, stated that small business accounted for 'over a third of the \$1.1 trillion economic output produced by the private sector' in 2016-17.¹⁸

Australian Small Business and Family Enterprise Ombudsman

2.15 The committee discussed the implementation of a new contract clause in the Commonwealth contracting suite which requires 'all subcontractors working on government projects to have the same terms and conditions as the prime contractor on the project'.¹⁹ When queried as to why this contract clause was added, Ms Kate Carnell, Ombudsman, responded:

That is because the federal government had announced they would pay their bills in 20 days, from 1 July this year, and they have said that they're paying in 30 days to the primes, but, down the supply chain, that's not happening. It is our experience that the smaller guys are not being paid in the same time lines or, in some cases, on the same terms—for example, is it from invoice or is it from end of month?

We believed it was really important that if a prime was paid in 30 days from invoice or 30 days from end of month then that should be reflected to the smaller people in the supply chain.²⁰

Fair Work Commission

2.16 The committee commenced the questioning of the Fair Work Commission by discussing remuneration for the commission's six deputy presidents and commission. Ms Bernadette O'Neill, General Manager, noted the 'total remuneration for a deputy president is presently \$461,850 each' and the 'current remuneration of a commissioner is \$385,350'.²¹

2.17 The committee further questioned the FWC on the significant increase in the time taken to approve enterprise agreements. The committee heard that the median

16 *Committee Hansard*, 20 February 2019, p. 66.

17 *Committee Hansard*, 20 February 2019, p. 68.

18 *Committee Hansard*, 20 February 2019, p. 69.

19 *Committee Hansard*, 20 February 2019, p. 72.

20 *Committee Hansard*, 20 February 2019, p. 76.

21 *Committee Hansard*, 20 February 2019, p. 79.

approval time for these agreements in 2017-18 was 76 days, more than double the key performance indicator set by the FWC of 32 days. When questioned about whether FWC staff took significant overtime in an attempt to reduce enterprise agreement approval time, Mr Murray Furlong, Executive Director, Tribunal Services, noted that 'there has been a significant amount of overtime worked, certainly in the first half of the cycle'.²²

Comcare

2.18 Questioning of Comcare related to its financial performance, workload and the internal management system structures.²³

Registered Organisations Commission

2.19 A line of questioning was undertaken regarding changing investigation procedures by the Registered Organisations Commission (ROC) in response to the ongoing legal proceedings with the Australian Workers' Union. Mr Mark Bielecki, Commissioner, noted that procedures within the ROC are consistently and continually changing and improving.²⁴ Mr Bielecki further stated that the 'procedures and protocols for conducting investigations' have, however, not changed recently.²⁵

2.20 The committee enquired into the current legal costs of the ongoing proceedings between the ROC and the Australian Workers' Union. Mr Bielecki stated that 'the total litigation costs to date are \$507,182.70'.²⁶ Mr Bielecki further noted that the ROC had received additional invoices 'in the sum of \$42,903.01' that had currently not yet been paid.²⁷

2.21 When questioned on the likelihood of further expenditure on legal costs, Mr Bielecki replied:

Yes. The trial is ongoing. As you know, or you may not know, there's been over 20 interlocutory hearings in the matter and it's been necessary for the ROC to have been represented by counsel and solicitors at 19 of those. We've been in trial all of last week, and there are more hearing days.²⁸

Australian Building and Construction Commission

2.22 The committee enquired into measures in the Mid-Year Economic and Fiscal Outlook (MYEFO) which impacted upon funding for the Australian Building and Construction Commission (ABCC). Mr Stephen McBurney, Commissioner, responded:

22 *Committee Hansard*, 20 February 2019, p. 83.

23 *Committee Hansard*, 20 February 2019, pp. 86–87.

24 *Committee Hansard*, 20 February 2019, p. 99.

25 *Committee Hansard*, 20 February 2019, p. 99.

26 *Committee Hansard*, 20 February 2019, p. 101.

27 *Committee Hansard*, 20 February 2019, p. 101.

28 *Committee Hansard*, 20 February 2019, p. 101.

Yes, there has been an announcement by the minister of additional funding for the ABCC. That announcement was made on 12 December 2018. The minister committed additional funding of \$3.7 million over four years, commencing in 2019-20. The funding has been earmarked to engage additional resources. Part of those additional resources are to help safeguard workers' entitlements.²⁹

2.23 Information was also sought regarding the status of ongoing investigations by the ABCC into alleged unlawful industrial action related to the Change the Rules rallies. Mr Cliff Pettit, Deputy Commissioner, Operations, noted that the ABCC has 'six investigations ongoing in relation to the alleged unlawful industrial action of workers in leaving their worksite to attend the Change the Rules rallies'.³⁰ When questioned about whether the six investigations were into individual companies, Mr Pettit responded that 'some of the investigations relate to an individual employer. Others relate to a project on which there were multiple employers'.³¹

2.24 Further information was sought on the expected timeframe of these ongoing investigations. Mr Pettit noted that 'the majority of the remaining six [investigations] will be finished by the middle of the year [2019]'.³²

2.25 There were also follow-up questions from the 2018-19 Supplementary Budget Estimates round regarding the status of investigations on the Royal Hobart Hospital site. Mr McBurney noted:

I received correspondence from the committee asking that very question and asking for a reply as soon as possible. I responded to that letter on 18 February 2019. I wrote to the committee and I said: 'The investigation into the underpayment of wages is currently expected to run until at least April 2019.' I said: 'The investigation into the payment of induction fees is currently expected to be completed by the end of February 2019.' I separated out those two matters because the letter I received from this committee asked me to inform the committee as soon as each investigation is completed and to give an indication of the likely duration of the ongoing investigations into both allegations.³³

Fair Work Ombudsman

2.26 The committee opened its examination of the Fair Work Ombudsman by enquiring into comments made by the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry regarding enforceable undertakings. Ms Sandra Parker, Fair Work Ombudsman, noted that 'there are definitely lessons, I would have thought, for all regulators from the Hayne royal

29 *Committee Hansard*, 20 February 2019, p. 107.

30 *Committee Hansard*, 20 February 2019, p. 107.

31 *Committee Hansard*, 20 February 2019, p. 112.

32 *Committee Hansard*, 20 February 2019, p. 114.

33 *Committee Hansard*, 20 February 2019, p. 115.

commission' before stating 'we've currently got a little team reviewing those recommendations and asking: what do they mean for the Fair Work Ombudsman?'³⁴

2.27 The committee also enquired into the funding arrangements for the Community Engagements Grants Program. Mr Tom O'Shea, Executive Director, Strategic Engagement and Stakeholder Relations, responded that the program is a 'four-year rolling program of grants' and funding totalled \$1.8 million to six different recipients at 'the Northern Territory Working Women's Centre, the Employment Law Centre of Western Australia, the South Australian Working Women's Centre, Growcom, JobWatch and the Redfern Legal Centre'.³⁵

34 *Committee Hansard*, 20 February 2019, p. 118.

35 *Committee Hansard*, 20 February 2019, p. 119.

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 2018-19 financial year for the Education and Training portfolio.

3.2 On 21 February 2019, the committee heard evidence from:

- Senator the Hon. Simon Birmingham, Minister for Trade, Tourism and Investment (representing the Minister for Education, the Hon. Dan Tehan MP);
- Senator the Hon. Michaelia Cash, Minister for Small and Family Business, Skills and Vocational Education; and
- Senator the Hon. Bridget McKenzie, Minister for Regional Services, Sport, Local Government and Decentralisation (representing the Minister for Education).

3.3 The committee also heard evidence from officers from the Department of Education and Training (the department) and agencies responsible for administering education and training. These agencies were:

- the Australian Curriculum, Assessment and Reporting Authority;
- the Australian Research Council; and
- the Tertiary Education and Quality Standards Agency.

Department of Education and Training

Cross-portfolio

3.4 Departmental expenditure on advertising campaigns was discussed in great depth. Dr Michele Bruniges, Secretary, noted that in the 2018-19 Budget, the government allocated \$6 million to support phase 3 of the Government's Quality Schools package.¹ Ms Susan Charles, Branch Manager, Communication Branch, provided the break down by media type as:

Television, GST exclusive, is \$2,065,684. For press it is \$56,787. For radio it is \$871,351. For out-of-home it is \$1,299,351. For digital, which includes social, is \$1,752,569.²

1 *Committee Hansard*, 21 February 2019, p. 25.

2 *Committee Hansard*, 21 February 2019, p. 26.

Outcome 1

3.5 Committee members enquired into the status of bilateral negotiations between the Commonwealth and states regarding school funding. Minister Birmingham noted that seven state and territory governments, with the exception of Victoria, had signed up to the agreement by 7 December 2018.³

3.6 Discussions also occurred regarding the Commonwealth funding arrangements for public and private schools. Ms Alex Gordon, Deputy Secretary, Schools and Youth, noted that 'Commonwealth entitlements are provided to the state government. What an individual school actually receives, in terms of funding, is a matter for the state government'.⁴ When further questioned about how the Commonwealth share of funding is divided, Ms Gordon stated:

The Commonwealth provides for any schools within a system—the state government departments and government schools and Catholic systems and other smaller independent systems. The funding is provided to that system, so the entitlements are calculated based on individual school level. They're provided to the system. In the case of government schools, it's provided to the state government, and the state government...then distributes it according their own needs-based funding arrangements, and then they provide advice to us [the department] about the distribution.⁵

3.7 In-home child care arrangements were also discussed during the hearing. When asked to provide an update on the program, Ms Jackie Wilson, Deputy Secretary, Early Childhood and Child Care, responded:

The government announced some changes in MYEFO, the Mid-Year Economic and Fiscal Outlook, in December [2018] that increased the subsidy rate to \$32 and increased the number of places by around 200. From what I've heard from the team that are talking to the in-home care support agencies, there was a great influx of new applications in December [2018] and January [2019]—Queensland and Victoria being two areas, and lots from regional areas as well. I think that the increase in the rate has made it much more attractive, as well as the increase in the number of places. We were trying to redistribute more equitably on a geographic basis, but there is still, for example, a strong need coming out of Queensland that we're trying to support as well.⁶

3.8 Discussions also took place regarding the new Child Care Package. When questioned about the number of individuals accessing the child care subsidy safety net, Ms Wilson responded that as of the September quarter 2018, approximately 9080 children were receiving the additional subsidy.⁷

3 *Committee Hansard*, 21 February 2019, p. 36.

4 *Committee Hansard*, 21 February 2019, p. 41.

5 *Committee Hansard*, 21 February 2019, p. 41.

6 *Committee Hansard*, 21 February 2019, p. 41.

7 *Committee Hansard*, 21 February 2019, p. 60.

3.9 The committee further discussed the supply and demand for early childhood teachers in Australia and whether there were a sufficient number of teachers being trained in the area. Dr Bruniges noted that:

...the workforce has grown strongly in recent years. In 2016 there were 194,994 people employed across the early childhood sector. If we go back to 2013 there were only 153,000, which is a growth rate of about 27 per cent. The proportion of workforce with qualifications also continues to grow. As at 2016, which is the latest one we have, 85 per cent of staff had a relevant qualification, which is great. That compared to 70 per cent in 2010 and 82 per cent in 2013. So that trend is going in the right direction for qualifications, as are the numbers.⁸

3.10 The committee also questioned the department about commonwealth funding in the preschool education sector and the breakdown of the \$440 million in funding to states and territories for 2019. Ms Kelly Pearce, Group Manager, Early Learning Policy and Network, stated that there was \$428 million in funding for 2018 and the state breakdown by state and territory for 2019 was as follows:

New South Wales, \$128.9 million; for Victoria, \$123.9 million; for Queensland, \$88.4 million; for WA, \$47.1 million; for South Australia, \$28.4 million; for Tasmania, \$9.2 million; for the ACT, \$9.3 million; and for the Northern Territory, \$4.9 million; and that adds up to \$440.1 million.⁹

Outcome 2

3.11 The committee commenced Outcome 2 by discussing the higher education sector. This included questioning about the financial health of the sector. Mr David Learmonth, Deputy Secretary, Higher Education, Research and International, stated that the higher education sector was in good financial health, noting:

We do actually now have available the latest financial information, which is 2017. It has only just become available. Let me give you a couple of overall statistics, and I'll take you through the picture in relation to the universities that did not make a positive margin in that year. The net result across universities for 2017 was a surplus of \$2 billion. That was a 27.8 per cent increase on 2016, which had an operating \$1.6 billion. So it is a significant increase in profit or operating margin. All of the relevant measures of financial results have improved. So the total revenue is up, the net result is up, total government funding is up, international income is up, their total net assets are up, their cash and investments are up, their external borrowings are up slightly but well outweighed by the increase in cash and investments. So overall the sector is, I think, in even better financial health and viability in 2017 than 2016.¹⁰

8 *Committee Hansard*, 21 February 2019, p. 68.

9 *Committee Hansard*, 21 February 2019, p. 71.

10 *Committee Hansard*, 21 February 2019, p. 76.

3.12 Questioning then progressed into the role of the department in the awarding of university or university college status to institutions. Mr Learmonth noted that universities are established under state legislation to 'serve state purposes in terms of workforce need'.¹¹ Mr Learmonth further stated that the ANU is the only exception established under federal law.¹²

3.13 Enrolment figures for science, technology, engineering and mathematics (STEM) courses were also discussed. Mr Learmonth, when questioned about whether a cap on enrolment numbers would lead to a decline in STEM fields, responded that universities continue to plan to grow enrolments in these fields.¹³ He further stated:

...if you look at the growth for 2017 to 2021, STEM, cluster 7, will grow by about 4.5 per cent on the universities' own estimations. Cluster 7—engineering, science—is running at 4½ per cent; cluster 3—maths, stats, behavioural science et cetera—will have a 9.2 per cent increase; nursing, a six per cent increase.¹⁴

3.14 The rollout of the Regional Study Hubs program was also discussed. Mr Dom English, Group Manager, Higher Education, stated that the first tranche of regional hubs were announced and that there were 16 successful proponents.¹⁵

3.15 Following these discussions, questioning moved on to international education and the sustainability of international student revenue. Mr Learmonth noted that concerns of a slowdown in international student enrolments at Australian universities is a 'reflection of the awareness that some people [universities] have got a lot of eggs in one basket and that there is a concentration of students in some sectors, in some universities, which make it more vulnerable'.¹⁶ Mr Learmonth further stated that 'China has 63 per cent of international enrolments of the Group of Eight and most of them are concentrated in four universities'.¹⁷

3.16 The committee also discussed the skills and vocational education sector in great depth. This commenced with questioning over the student builder program. Mrs Fiona Lynch-Magor, Acting Group Manager, Skills Market, noted that there were originally 20 individual participants in the program and there are currently 17.¹⁸ Mrs Lynch-Magor further noted that the students were expected to finish the program by March 2020.¹⁹

11 *Committee Hansard*, 21 February 2019, p. 77.

12 *Committee Hansard*, 21 February 2019, p. 78.

13 *Committee Hansard*, 21 February 2019, p. 81.

14 *Committee Hansard*, 21 February 2019, p. 81.

15 *Committee Hansard*, 21 February 2019, p. 86.

16 *Committee Hansard*, 21 February 2019, p. 93.

17 *Committee Hansard*, 21 February 2019, p. 93.

18 *Committee Hansard*, 21 February 2019, p. 96.

19 *Committee Hansard*, 21 February 2019, p. 96.

3.17 The Bush Wage Subsidy Trial pilot rollout was also discussed by the committee. Ms Linda White, Branch Manager, Foundation and Industry Skills, stated that there was \$59.3 million in funding for the scheme across the forward estimates.²⁰ When questioned about the number of companies receiving funding through the scheme, Ms White noted that 'employers are only allowed to have one Australian apprentice on the pilot'.²¹ She later provided a breakdown of the companies by state as follows:

New South Wales had an allocation of 559 apprentices. So that would be 559 employers. Victoria, 331. Queensland, 421. South Australia, 108. Western Australia, 134. Tasmania, 124. Northern Territory, 55. And the ACT, zero, because they're all in rural and regional Australia, and ACT is not regarded as a location in rural and regional Australia. In total there were 1,632 places.²²

3.18 The committee also enquired into the budgeting for the Skilling Australians Fund. When asked if the Department is expecting a shortfall during the upcoming financial year, Dr James Hart, Group Manager, Vocational Education and Training Reform, noted that the fund currently has a hypothecated revenue stream 'so it is dependent upon what revenue is actually raised in the preceding financial year, but it will be for that full financial year, depending on what that figure ends up being at 30 June'.²³

3.19 Further enquiries were made into advertising campaign for \$20 500 in employer incentives for hiring apprentices and trainees. Ms Nadine Williams, Deputy Secretary, Skills and Training, noted that:

The \$20,500 is essentially made up of wage incentives which will be paid through the Department of Jobs and Small Business as well as a range of incentives currently available under the current apprenticeships program.²⁴

3.20 When further questioned about the number of individuals eligible for the full amount, Ms Williams noted that she was unsure and that 'there will be a range of employers that would be available for the full amount'.²⁵

Australian Curriculum, Assessment and Reporting Authority

3.21 The committee commenced proceedings by thanking Mr Robert Randall, former Chief Executive Officer, for his 'contribution to the development of' the Australian Curriculum, Assessment and Reporting Authority (ACARA).²⁶

20 *Committee Hansard*, 21 February 2019, p. 98.

21 *Committee Hansard*, 21 February 2019, p. 98.

22 *Committee Hansard*, 21 February 2019, p. 99.

23 *Committee Hansard*, 21 February 2019, p. 111.

24 *Committee Hansard*, 21 February 2019, p. 120.

25 *Committee Hansard*, 21 February 2019, p. 120.

26 *Committee Hansard*, 21 February 2019, p. 123.

3.22 Discussions then proceeded to the publication of National Assessment Program NAPLAN – Literacy and Numeracy (NAPLAN) data on the My School website. Ms Janet Davy, Acting Chief Executive Officer, stated that:

We're proceeding, as we normally do in the first quarter of each year, to get data ready for an upload and an upgrade of the My School website. That's proceeding as scheduled, for all non-NAPLAN data at the moment. In terms of NAPLAN 2018: yes, ministers are taking some time to consider how they want the 2018 NAPLAN data presented. That's, at the moment, in deliberations with ministers. Once we get a preference from them then we'll be ready to go and we'll start uploading that 2018 NAPLAN data.²⁷

3.23 Future planning for the 2019 NAPLAN was also discussed, with Ms Davy noting that:

2019 NAPLAN is well on track. In terms of ACARA's main work in that space, the test items have pretty much been finalised and we're just doing the final verification of those, in terms of states and territories. Schools have gone through their readiness testing, and states and territories have confirmed and identified the schools that are going online. We expect there are about 50 per cent of schools around the country going online in 2019. In terms of the work of ESA [Education Services Australia] and the national platform, that's also undergone platform readiness testing, and there are no issues. As far as 2019 NAPLAN is going, we're well on track and ready to go, with about 50 per cent of schools across the country undertaking the online assessment.²⁸

Australian Research Council

3.24 The committee enquired into the Centre of Excellence program and the finalisation of the current round of grants. Professor Sue Thomas, Chief Executive Officer, stated that the Australian Research Council (ARC) had 'gone through the first part of a two-stage process with expressions of interest now down-selected to full applications'.²⁹ Ms Kylie Emery, Policy and Strategy Branch Manager, noted that the current shortlist for potential grant recipients is 20.³⁰

3.25 The split between funding for STEM areas and Humanities, Arts and Social Sciences (HASS) was also discussed. Professor Thomas stated that 'for the last five years, on average...approximately 80 per cent of our funding has gone into STEM and about 20 per cent into HASS'.³¹ The professor further noted that history and archaeology accounted for 2.5 per cent of ARC funding in 2019, a 4.4 percentage point decline on 2017.³²

27 *Committee Hansard*, 21 February 2019, p. 123.

28 *Committee Hansard*, 21 February 2019, p. 123.

29 *Committee Hansard*, 21 February 2019, p. 124.

30 *Committee Hansard*, 21 February 2019, p. 125.

31 *Committee Hansard*, 21 February 2019, p. 131.

32 *Committee Hansard*, 21 February 2019, p. 131.

3.26 The code of responsible conduct for research was discussed. Ms Emery stated that a new code was developed and would come into effect on 1 July 2019.³³

Tertiary Education and Quality Standards Agency

3.27 The committee commenced proceedings by enquiring into the actions taken by the Tertiary Education Quality and Standards Agency (TEQSA) in investigating an alleged sexual assault at the University of Queensland. Mr Anthony McClaran, Chief Executive Officer, stated that TEQSA is investigating the complaint and that 'we're assessing the evidence that has been provided in relation to the case. We haven't reached a conclusion of that assessment yet'.³⁴

3.28 Questions were also asked about the consequences for universities which fail to report incidents of alleged sexual assault to TEQSA. Mr McClaran in response stated:

I think it's true to say that in the cases we've investigated we have not found situations where there is an ongoing fundamental breach of the standards. There have been a number of outcomes. In some cases those outcomes have been an improvement in the processes used to deal with allegations of sexual assault and sexual harassment. Also—I'd say this is quite frequently the case—they have prompted further dialogue and action between the provider and the individual student, often in a way that enables a students to feel that they are safe in the particular university environment.³⁵

3.29 Freedom of speech on campus was also discussed during estimates. When questioned about whether TEQSA was investigating allegations of potential curtailment of free speech on university campuses, Professor Nicolas Saunders, Chief Commissioner, responded:

We have not initiated a sector-wide review of freedom of speech, simply because the minister, within a week or two of our conversation at last Senate estimates, engaged the Honourable Robert French to undertake such a review. We felt that it would be an incredible burden and, indeed, unnecessary for us to also conduct our review.³⁶

Senator Slade Brockman

Chair

33 *Committee Hansard*, 21 February 2019, p. 132.

34 *Committee Hansard*, 21 February 2019, p. 134.

35 *Committee Hansard*, 21 February 2019, p. 137.

36 *Committee Hansard*, 21 February 2019, p. 138.

Appendix 1

Committee oversight of departments and agencies

Jobs and Small Business portfolio

Departments and Agencies examined

- Department of Jobs and Small Business
- Australian Small Business and Family Enterprise Ombudsman
- Fair Work Commission
- Comcare and the Safety, Rehabilitation and Compensation Commission
- Registered Organisations Commission
- Australian Building and Construction Commission
- Office of the Fair Work Ombudsman

Agencies not examined

- Asbestos Safety and Eradication Agency
- Coal Mining Industry (Long Service Leave Funding) Corporation
- Safe Work Australia
- Seafarers Safety, Rehabilitation and Compensation Commission

Education and Training portfolio

Departments and Agencies examined

- Department of Education and Training
- Australian Curriculum Assessment and Reporting Authority
- Australian Research Council
- Tertiary Education Quality and Standards Agency

Agencies not examined

- Australian Institute for Teaching and School Leadership
- Australian National University
- Australian Skills Quality Authority
- National Centre for Vocational Education and Research

Appendix 2

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