

The Senate

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Standing Committee on  
Employment, Workplace  
Relations and Education

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Budget estimates 2007–08

June 2007

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## Membership of the Committee

### *Members*

Senator Judith Troeth	LP, Victoria	Chairman
Senator Gavin Marshall	ALP, Victoria	Deputy Chair
Senator Guy Barnett	LP, Tasmania	
Senator Simon Birmingham	LP, South Australia	
Senator George Campbell	ALP, New South Wales	
Senator Ross Lightfoot	LP, Western Australia	
Senator Anne McEwen	ALP, South Australia	
Senator Natasha Stott Despoja	AD, South Australia	

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

Senator Carol Brown	ALP, Tasmania
Senator Kim Carr	ALP, Victoria
Senator Trish Crossin	ALP, Northern Territory
Senator Alan Eggleston	LP, Western Australia
Senator Mitch Fifield	LP, Victoria
Senator Michael Forshaw	ALP, New South Wales
Senator Barnaby Joyce	NP, Queensland
Senator Christine Milne	AG, Tasmania
Senator Glenn Sterle	ALP, Western Australia
Senator Rachel Siewert	AG, Western Australia
Senator Penny Wong	ALP, South Australia

**Secretariat**

Mr John Carter, Secretary

Ms Alice Crowley, Research Officer (Estimates)

Ms Candice Lester, Executive Assistant

SG.52

Parliament House

CANBERRA ACT 2600

Phone: (02) 6277 3521

Fax: (02) 6277 5706

E-mail: [eet.sen@aph.gov.au](mailto:eet.sen@aph.gov.au)

Website: [www.aph.gov.au/Senate/committee/eet\\_ctte/index.htm](http://www.aph.gov.au/Senate/committee/eet_ctte/index.htm)

# Table of Contents

<b>Membership of the Committee .....</b>	<b>iii</b>
<b>Chapter 1 .....</b>	<b>1</b>
<b>Introduction .....</b>	<b>1</b>
Portfolio coverage .....	1
Hearings.....	1
Questions on notice .....	2
Restructure of portfolios.....	2
<b>Chapter 2 .....</b>	<b>7</b>
<b>Employment &amp; Workplace Relations Portfolio.....</b>	<b>7</b>
Introduction .....	7
Workplace Authority (Formerly Office of the Employment Advocate).....	7
Department of Employment and Workplace Relations.....	8
Workplace Ombudsman (Formerly Office of Workplace Services).....	9
Australian Industrial Relations Commission (AIRC) .....	10
Australian Fair Pay Commission (AFPC) .....	10
Equal Opportunity for Women in the Workplace Agency (EOWA).....	10
Department of Employment and Workplace Relations (cont.).....	11
Indigenous Business Australia (IBA).....	12
Department of Employment and Workplace Relations (cont.).....	12
<b>Chapter 3 .....</b>	<b>15</b>
<b>Education, Science and Training portfolio .....</b>	<b>15</b>
Introduction .....	15
Australian Research Council (ARC) .....	15
Australian Nuclear Science and Technology Organisation (ANSTO).....	16
Australian Institute of Marine Science (AIMS) .....	16

Commonwealth Scientific and Industrial Research Organisation (CSIRO) .....	16
Department of Education, Science and Training.....	17
Acknowledgements .....	20
<b>Chapter 4 .....</b>	<b>21</b>
<b>Opposition reservations .....</b>	<b>21</b>
Questions on Notice .....	21
Evidence from the Workplace Authority .....	22
<b>Appendix 1 .....</b>	<b>25</b>
<b>Departments and agencies for which the committee has oversight .....</b>	<b>25</b>
<b>Appendix 2 .....</b>	<b>27</b>
<b>Index to Hansard transcripts .....</b>	<b>27</b>

# Chapter 1

## Introduction

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

1.2 On 9 May 2007<sup>1</sup> the Senate referred the following documents to the committee for examination and report in relation to the Employment and Workplace Relations and the Education, Science and Training portfolios:

- Particulars of proposed expenditure in respect of the year ending on 30 June 2008. [Appropriation Bill No. 1 2007-2008]
- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2008. [Appropriation Bill No. 2 2007-2008]
- Particulars of proposed supplementary expenditure in respect of the year ending on 30 June 2007. [Appropriation Bill No. 5 2006-2007]
- Particulars of certain proposed supplementary expenditure in respect of the year ending on 30 June 2007. [Appropriation Bill No. 6 2006-2007]

1.3 Standing committees are required to report to the Senate on 19 June 2007.

### Portfolio coverage

1.4 The Committee has responsibility for examining the expenditure and outcomes of the following:

- Education, Science and Training portfolio
- Employment and Workplace Relations portfolio

Appendix 1 lists the departments and agencies under the portfolios mentioned above.

### Hearings

1.5 The committee conducted four days of hearings, examining the Employment and Workplace Relations portfolio on 28 and 29 May 2007 and the Education, Science and Training portfolio on 30 and 31 May 2007. In total the committee met for 38 hours and 41 minutes, excluding breaks.

1.6 The following agencies and groups were released from the hearings without examination: Australian Building and Construction Commission (ABCC), Comcare,

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1 Senator Nick Minchin, *Senate Hansard*, No. 143, 9 May 2007, p. 1

Safety, Rehabilitation and Compensation Commission and the Seafarers' Safety, Rehabilitation and Compensation Authority.

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

### **Questions on notice**

1.8 The committee draws the attention of the departments and agencies to the agreed deadline of Friday, 27 July 2007 for the receipt of answers to questions taken on notice from this round, in accordance with Standing Order 26.

1.9 Once again, the committee expressed its concern about the failure of the Employment and Workplace Relations portfolio to provide timely answers to questions put on notice at both the Supplementary and Additional Budget Estimates hearings in November 2006 and February 2007 respectively. The committee recognises that a proportion of questions will take longer to answer than others, but it would be encouraging to see the more straight forward questions answered quickly. At the least, a majority of questions should be answered on time, and those that are delayed should be progressively delivered to the committee as they are cleared, rather than in unwieldy bundles a day or two before the next hearings. Answers are still outstanding for both rounds and the committee expects these to be provided as soon as possible.

1.10 For this round, written questions on notice were received from Senators Brown, Carr, Crossin, Faulkner, Marshall, Siewert, Stott Despoja and Wong.

### **Restructure of portfolios**

1.11 The committee notes that both portfolio groups under its purview have undergone structural reorganisation and name changes since the committee last reported on estimates in February 2007.

#### ***Education, Science and Training portfolio***

1.12 The Department of Education, Science and Training's (DEST) outcomes and outputs structure has significantly changed for 2007-08. The Portfolio Budget Statement (PBS) states that the changes were 'implemented to better specify the Government's outcomes for education, science and training, and to enhance transparency of the administered outputs.'<sup>2</sup>

1.13 The 2007-08 structure now includes six outcomes, a doubling of the number of outcomes in 2006-07. In addition, the Department has significantly altered the structure of output groups replacing them with a description of administered programs

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2 Education, Science and Training portfolio, *Portfolio Budget Statement 2007-08*, p. 16.



and related performance information. Some output groups have been mapped to more than one outcome, specifically in the case of the Indigenous and Transitions Group which is listed under Outcomes 1, 2 and 4. The committee understands that this restructuring has been accompanied by extensive recruitment of new staff to the department, indicative of a considerable expansion in the role of the department in administering a more diverse range of programs.

1.14 The table below illustrates the changes to the Department's structure:

<b>Previous Structure</b>	<b>New Structure</b>
<p><b>Outcome 1</b> <b>Individuals achieve high quality foundation skills and learning from schools and other providers.</b></p> <p>Output 1.1 Funding for schools Output 1.2 Assistance for individuals including those with special needs Output 1.3 Assistance for quality teaching and learning Output 1.4 Assistance for transition through and from school</p>	<p><b>Outcome 1</b> <b>School Education</b> Individuals achieve high quality foundation skills and learning from schools and other providers.</p> <p><i>Administered by:</i> Schools Outcomes Group Schools Resources Group Strategic Analysis and Evaluation Group Indigenous and Transitions Group</p>
<p><b>Outcome 2</b> <b>Individuals achieve relevant skills and learning outcomes from post-school education and training.</b></p> <p>Output 2.1 Funding for vocational education and training Output 2.2 New Apprenticeships Output 2.3 Assistance for skills and career development Output 2.4 Funding for higher education Output 2.5 Assistance for post school students including those with special needs</p>	<p><b>Outcome 2</b> <b>Higher Education</b> Individuals achieve relevant learning from participation in Higher Education.</p> <p><i>Administered by:</i> Higher Education Group Strategic Analysis and Evaluation Group Indigenous and Transitions Group</p>
<p><b>Outcome 3</b> <b>Australia has a strong science, research and innovation capacity and is engaged internationally on science, education and training to advance our social development and economic growth</b></p> <p>Output 3.1 Research infrastructure Output 3.2 Assistance for collaboration and innovation Output 3.3 Support for Australian education and training export industry and international relationships Output 3.4 National leadership in engaging people in science and technology</p>	<p><b>Outcome 3</b> <b>Vocational Education and Training</b> Individuals achieve relevant skills from post school training.</p> <p><i>Administered by:</i> National Training Directions Group Industry Skills Development Group Strategic Analysis and Evaluation Group</p>

Previous Structure	New Structure
—	<p><b>Outcome 4 Transitions</b> Individuals acquire career development skills and make successful transitions to further education, training and/or employment.</p> <p><i>Administered by:</i> Indigenous and Transitions Group</p>
—	<p><b>Outcome 5 Science, Research and Innovation</b> Australia maintains the strong science, research and innovation capacity required to generate and utilise knowledge.</p> <p><i>Administered by:</i> Innovation and Research Systems Group Science Group Questacon</p>
—	<p><b>Outcome 6 International Influence</b> Australia's international influence is enhanced through international recognition of Australia's education, research and training and strengthening and diversifying international linkages and collaboration.</p> <p><i>Administered by:</i> International Education Group</p>

### ***Employment and Workplace Relations Portfolio***

1.15 There was an internal move of functions within the Department of Employment and Workplace Relations (DEWR) specifically affecting Outcome 2. These changes were not included in the 2007-08 PBS as they were announced after the PBS was finalised. However the committee was notified of the changes by the department prior to the hearings.

1.16 The following functions were moved from 2.2.3 *Workplace Relations Services* to 2.2.2 *Assistance to the Employment Advocate*:

- Workplace Infoline (formerly WorkChoices Infoline);
- Employer Advisory Programme (EAP);
- Workplace Advisory Service (WAS); and
- Independent Contractors advice and education

1.17 In addition, the framework compliance investigations unit previously in 2.2.1 *Industry and Australian Government employment advice* was transferred to the Workplace Ombudsman.

1.18 There were further changes announced on 4 May 2007 but these will not take effect until the relevant legislation is passed by parliament. However, the committee was advised that the name changes of the Office of the Employment Advocate and the Office of Workplace Services—to the Workplace Authority and the Workplace Ombudsman respectively—were effective immediately following the announcement and so this report will refer to these agencies accordingly. As in the case of DEST, the portfolio will have expanded responsibilities, particularly in the Workplace Authority and Workplace Ombudsman. The committee will take particular interest in the manner in which the amendments to the Workplace Relations Act will be administered.



## Chapter 2

### Employment & Workplace Relations Portfolio

#### Introduction

2.1 This chapter summarises areas of interest and concern raised during the committee's consideration of the Budget Estimates of the Employment and Workplace Relations portfolio for the 2007-2008 financial year. This section of the report follows the order of proceedings and is an indicative, but not exhaustive, list of issues that received consideration during the hearings.

2.2 Evidence was heard from Senator the Hon. Eric Abetz as the Minister representing the Minister for Employment and Workplace Relations and from officers of the Department of Employment and Workplace Relations (DEWR) and related agencies, including:

- Australian Fair Pay Commission (AFPC);
- Australian Industrial Relations Commission/Australian Industrial Registry (AIRC/AIR);
- Equal Opportunity for Women in the Workplace Agency (EOWA);
- Indigenous Business Australia (IBA);
- Workplace Authority (formerly Office of the Employment Advocate); and
- Workplace Ombudsman (formerly Office of Workplace Services).

2.3 Senators present at the hearing were Senator Troeth (Chairman), Senator Marshall (Deputy Chair) and Senators Barnett, Birmingham, G. Campbell, Crossin, Eggleston, Fifield, Joyce, Lightfoot, McEwen, Sterle, Siewert and Wong.

#### Workplace Authority (Formerly Office of the Employment Advocate)

2.4 Senator Marshall began by questioning the Workplace Authority on the source of recent Australian Workplace Agreements (AWAs) data published by the *Sydney Morning Herald*. Mr McIlwain, the Employment Advocate, confirmed the data appears to have been leaked by an officer of the Workplace Authority, and action which is now under investigation by the Australian Federal Police. The confirmation that the Workplace Authority did in fact hold such data, allegedly in contrast to evidence the committee had been given at previous estimates hearings, generated a lengthy discussion. Senator Wong proceeded to outline a detailed timeline of the actual data collection and sampling. Questions about whether this data could be released to the committee were taken on notice.

2.5 A lengthy discussion followed on requests made to the Workplace Authority by academics to access its data for research purposes. Questioning centred on what constituted an official request, what was required to make a formal application and how many applications the Workplace Authority had received and accepted. Questions to this effect were also taken on notice.

2.6 Additional questioning by Senator Barnett concerned the percentage of the workforce on AWAs. These questions were in response to two conflicting figures being used and reported in the press. The Workplace Authority advised the committee that both figures could be considered correct depending on which Australian Bureau of Statistics survey was used to calculate the Australian workforce. This matter was later taken up by Senator Wong who confirmed that both figures are accurate statistical estimates with the difference lying in the methodology used.

2.7 Other issues discussed included:

- staffing requirements for the implementation of the Fairness Test and associated changes;
- Independent Contractors and AWAs;
- Community Partners Program;
- transfer of outputs from DEWR;
- remuneration of the Employment Advocate;
- advertising campaigns and market research;

## **Department of Employment and Workplace Relations**

### ***Cross Portfolio***

2.8 DEWR was again questioned about the late submission of answers to questions on notice from both the November Supplementary and February Additional rounds. Senator Wong identified that over 95 per cent of answers were received after the deadline set by the committee. Furthermore during the week leading up to the Budget estimates over 350 of the answers were received from both rounds. The Minister representing the Minister for Employment and Workplace Relations explained that due to the large number of questions, some 1 151, and a recent change in Minister, a considerable workload placed on the department.

2.9 Further questioning by Senator Wong concerned the 'A Stronger Safety Net' non-campaign advertising. Senator Wong was particularly interested in when the department was advised of the campaign and what it would include. Subsequently, Senator Wong continued with questions on all current DEWR advertising campaigns, including the 'Welfare to Work', 'Support the System that Supports You' and the 'Workplace Relations System' campaign.

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**Outcome 2 — Higher productivity, higher pay workplaces**

2.10 There were numerous questions directed to Outcome 2 officers concerning the proposed changes to the Workplace Relations Act and the introduction of the 'Fairness Test.' The Chairman acknowledged that the bill was currently before the parliament, and while urging caution about trespassing on matters which were the subject of the legislative inquiry, allowed cursory questioning to proceed. Senators Marshall and Wong pursued further details on the drafting timeline of the bill, the key concepts of the bill and the new role of the Workplace Authority.

2.11 Senator Marshall also questioned the department on the telephone hotlines and websites used in the provision of workplace relations information. The questions focussed on confirming that the workplace infoline was now the main source of public information, replacing both the previous Work Choices infoline and the Work Choices Hotline. This line of questioning was later taken up by Senator Wong in reference to the current branding of campaign and promotional materials.

2.12 Other issues discussed in Outcome 2 included:

- Workplace Relations Act and pattern bargaining;
- status of the review of the Commonwealth Occupational Health and Safety (Commonwealth Employment) Act and the Occupational Health and Safety Act;
- Employer Advisor Program and Employee Assistance Program;
- AWA samples from the Workplace Authority and the report on agreement making; and
- allowances and entitlements in AWAs and collective agreements.

**Workplace Ombudsman (Formerly Office of Workplace Services)**

2.13 Questioning began on the proposed changes to the name and functions of the Workplace Ombudsman. Senator Marshall raised the issue of market research into the re-branding of the agency and asked questions on the appropriations that the office had received for this purpose.

2.14 Senator Birmingham followed on with questions concerning the Workplace Ombudsman's investigations into WorkDirections Australia and more the general issues of employers' responsibilities and obligations under the Workplace Relations Act.

2.15 Other matters discussed included:

- number and type of prosecutions underway;
- number of complaints and investigations;
- updates on the Feltex and Tristar investigations;
- follow-up on the ACT auditing campaign;

- breaches and funding in relation to 457 visas;
- additional funding for compliance activities associated with the Independent Contractors Act;
- appropriations for compliance and activities in regional areas; and
- AWAs referred to the Workplace Ombudsman by the Workplace Authority.

### **Australian Industrial Relations Commission (AIRC)**

2.16 Senator Campbell began by asking questions about funding for the AIRC in 2007-08 and staffing levels and locations. There were also questions about the AIRC's dispute resolution powers and the number of claims for unlawful dismissal lodged since the WorkChoices legislation began on 27 March 2006.

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

2.17 Senator Marshall asked questions on junior, trainee and apprentice wages and the timetable for their review. The committee was advised that a report on the economic and social circumstances of Australian young people aged 15 to 20 had been commissioned and was due to be finalised by the end of June 2007.

2.18 The Commission was again questioned on the process and timing for the next decision on the minimum wage, confirming to the committee that the announcement should be made sometime in July.

### **Equal Opportunity for Women in the Workplace Agency (EOWA)**

2.19 The committee gave more attention to this agency than previously. Senator McEwen began by questioning the agency about their budget spending for 2006-07 and 2007-08. EOWA confirmed there was a budget underspend due to uncommitted IT expenditure and some vacancies not being filled. Senator McEwen also asked questions on the number of employees on AWAs and the working arrangements for employees within the agency, specifically maternity leave entitlements.

2.20 Further questions focussed on the topic of the current yearly survey undertaken by the agency which this year will look at paid maternity leave and part-time work. The committee was informed that this survey will inform a report which is in addition to the agency's official reporting requirements under the *Equal Opportunity for Women in the Workplace Act 1999*. There was additional discussion on the provision and duration of maternity leave provided by various employers. Senator Wong focussed questions on the trends and obligations in the public sector while Senator Barnett focussed on small and micro businesses.

2.21 There were also discussions on the newly announced changes to the criteria for the EOWA Employer of Choice for Women accreditation. The committee was advised that the new requirements, including the provision of at least six weeks paid



maternity leave and the ability for women to work part-time, will probably lead to a reduction in the number of organisations that qualify for accreditation by EOWA.

2.22 Final questions were from Senators McEwen and Wong on the Banks Review on 'Reducing the Regulatory Burden on Business.' EOWA advised the committee that it was opposed to the recommendations of the Banks Review which was in favour of voluntary reporting by private businesses under the Equal Opportunity for Women in the Workplace Act. The Banks Review did not seek the views of EOWA and received only two submissions.

### **Department of Employment and Workplace Relations (cont.)**

*Outcome 1 — Efficient and effective labour market assistance*

*Outcome 3 — Increased workforce participation*

2.23 The initial questioning of officers from Outcomes 1 & 3 was confined to questions on the various indigenous programs. Senator Crossin asked various questions on the following:

- Remote Area Exemption funding and changes;
- changes to Community Development Employment Projects and top-up;
- Job Network providers servicing remote communities;
- current remote service tender processes;
- Northern Territory Employment Services Areas;
- Indigenous job placement outcomes at 13 and 26 weeks;
- allocation of funds to indigenous job seekers;
- Strengthening Indigenous Communities budget measure
- STEP program; and
- review of the Indigenous Cadetship program.

2.24 Senator Barnett asked questions on the guidelines and payments to Job Network providers. Senator Barnett was specifically interested in instances of fraudulent behaviour, investigations and payment recovery. The committee heard that for 2005-06 2.3 per cent of Job Network expenditure was recovered as a result of inaccurate or fraudulent claims by providers. Senator Barnett pursued this line of questioning further to publicly confirm that a specific Job Network provider, WorkDirections Australia, had been investigated by the department and ordered to repay monies claimed in error, and questions were taken on notice for further details. This discussion generated articles in the press relating to the investigation of the company.

## **Indigenous Business Australia (IBA)**

2.25 IBA was questioned more extensively than in the past, and provided a useful and interesting discussion on trends in expenditure on indigenous housing and the capacity of indigenous communities to provide opportunities for homeownership.

2.26 Questioning commenced with Senator Crossin inquiring about the Indigenous Home Ownership and Home Ownership on Indigenous Land programs. This was followed by a detailed discussion on IBA's contract with the Department of Families, Community Services and Indigenous Affairs (FaCSIA) to build houses for indigenous people. Senator Crossin particularly wanted to establish which agency or department was accountable when problems with the houses were identified. Questions were taken on notice and would be directed to the relevant area either within IBA or FaCSIA.

## **Department of Employment and Workplace Relations (cont.)**

*Outcome 1 — Efficient and effective labour market assistance*

*Outcome 3 — Increased workforce participation*

2.27 The officers of Outcomes 1 & 3 returned to answer questions from Senator Wong on the various payment support programs under the auspices of the department including: the Disability Support Pension (DSP), Newstart Allowance, Mobility Allowance, Sickness Allowance, Pensioner Education Supplement and Parenting Payment Single.

2.28 Senator Siewert followed with questions on principal carers, an issue which she has pursued at previous estimates hearings as well as in the Senate. The committee was advised that this issue was under review by the department. Senator Siewert also asked questions about the fortnightly reporting requirements of single parents. Senator Wong followed up the issue with reference to a *Weekend Australian* article which alleged that single parents were required to report fortnightly to Centrelink, contrary to the department's stated policy directive. This question initiated a lengthy exchange between Senator Wong and the secretary of the department, Dr Peter Boxall over the department's policy directive and accuracy of the newspaper article.

2.29 Other matters raised were:

- updates to previous answers to questions on notice
- activity tests for recipients of the parenting payment;
- job seekers who achieved only a 13 week outcome;
- Workplace Modification Scheme;
- Personal Support Program;
- Disability Employment programs in the Public Service;
- Disability Employment Network capped and uncapped referrals and commencements; and

- probity advisors and the allocation of business in the Job Network.

2.30 Final questions were from Senator Marshall on the Textiles, Clothing and Footwear (TCF) structural adjustment package.



# Chapter 3

## Education, Science and Training portfolio

### Introduction

3.1 This chapter summarises areas of interest and concern raised during the committee's consideration of the Budget Estimates of the Education, Science and Training portfolio for the 2007-08 financial year. This section of the report follows the order of proceedings and is an indicative, but not exhaustive, list of issues that received consideration during the estimates' hearings.

3.2 The committee heard evidence from Senator the Hon. George Brandis, as the Minister representing the Minister for Education, Science and Training, and from officers of the department and related agencies, including:

- Australian Research Council (ARC);
- Australian Nuclear Science and Training Organisation (ANSTO);
- Australian Institute of Marine Science (AIMS); and
- Commonwealth Scientific and Industrial Research Organisation (CSIRO).

3.3 Senators present at the hearing were Senator Troeth (Chairman), Senator Marshall (Deputy Chair) and Senators Barnett, Birmingham, C. Brown, G. Campbell, Carr, Crossin, Fifield, Forshaw, Lightfoot, McEwen, Milne and Siewert.

### Australian Research Council (ARC)

3.4 Senator Carr began with questions on the departure of the former CEO, Professor Peter Høj, and an article in the *Australian Financial Review*. Areas also covered by Senator Carr in this line of questioning included: the Quality and Scrutiny Committee, the College of Experts, recommended research proposals vetoed by the Minister, operations of the peer review system in the ARC and the appointment of the new advisory committee.

3.5 Further questions from Senator Carr focussed on ARC supported post-doctorates, fellowships, awards and research projects since 2002. The aim of this line of questioning was to establish the ARC's continuing financial commitments for post-doctoral and fellowship programs.

3.6 Senator Carr finished with questions on the Australasian Legal Information Institute and the alleged reduction in funding. The ARC officers did not have the required information and were asked by the committee to return later on in the day to answer further questions.

### **Australian Nuclear Science and Technology Organisation (ANSTO)**

3.7 ANSTO were again questioned on the proposed nuclear waste disposal facility. This round Senators Carr and Forshaw led the questioning which centred on ANSTO's involvement in the selection of sites, meetings with Parsons Brinckerhoff and the department and the timing of advice given to the Minister.

### **Australian Institute of Marine Science (AIMS)**

3.8 Senator Carr opened the questioning of AIMS on the topic of research infrastructure and equipment. Dr Ian Poiner, AIM's CEO, advised the committee that AIMS was fortunate in its research capacity with the launch of a new research vessel later in the year and the establishment of a new centre for marine microbiology and genetics.

3.9 Senator Carr also asked questions on the AIMS@JCU project which has provided a fibre-optic link between AIMS and the James Cook University.

### **Commonwealth Scientific and Industrial Research Organisation (CSIRO)**

3.10 Senator Carr began with questions on the Business Enabling Technologies Review (BETR) and SAP platform. The committee was advised that the implementation of the SAP platform had been deferred as the system did not meet the minimum accepted criteria.

3.11 Senator Siewert followed with questions on the CSIRO's baseline funding increase of 2 per cent and the flow-on effect for Flagship programs and research. Questions also followed on the budget and possible revenue sources for the agency. The committee was advised that the CSIRO had factored the effect of the drought into its research planning and resource calculations.

3.12 Senator Brown attended the estimates hearing in order to ask specific questions about an incident in her constituency of Tasmania. The questions related to an alleged incident in April on the marine research vessel, the *Southern Surveyor*. The CSIRO officials could not locate any details on the incident even after contact with their Tasmanian office. Senator Brown followed up this issue with written questions on notice.

3.13 Other issues discussed included:

- Water for a Healthy Country flagship and the Murray-Darling Basin Commission;
- the percentage of CSIRO funding derived from the mining industry;
- the percentage of funds spent on renewable energy as compared with clean coal technologies;

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- staff pay increases, bonuses and redundancies;
  - status of the CSIRO's American patent application involving Dr Prata;
  - staffing issues in the soil health area;
  - carbon emissions from chemical and organic agriculture; and
  - the Northern Rivers assessment.

## **Department of Education, Science and Training**

### ***Cross portfolio***

3.14 Senator Carr directed questions to the department on its current financial position and advertising budget. Of particular interest was the remaining uncommitted \$4 million in the advertising budget to be spent by 30 June on the third wave of the Skills for the Future campaign.

3.15 Further questions followed on the Freedom of Information (FOI) request by the National Tertiary Education Union regarding conditions of funding under the Higher Education Support Act. The committee heard that the department quoted a retrieval cost of \$103 000. The department explained that the FOI request was quite large and encompassed approximately 229 files containing 29 770 pages.

### ***Science Group***

3.16 The science group was again questioned on the progress of the radioactive waste management facility by Senators Milne and Crossin. The department confirmed to the committee that it had had discussions with the Northern Land Council on the details of a compensation package for nominating land, namely Muckaty Station, for the location of the facility. The department also confirmed that the Northern Land Council has indicated an intention to nominate land, but have not as yet formally nominated a site.

3.17 Further questions focussed on the community consultation process and obligations, administration of the compensation payments to the traditional owners and the adequacy of record keeping facilities to house a contract for 200 years.

### ***Innovation and Research Systems Group***

3.18 Questioning was opened by Senator Carr on the topic of the recently announced Higher Education Endowment Fund (HEEF). The committee was informed of the Minister's intention to assemble an advisory board, for which nominations had already been sought, to guide the initial set up and future decisions on expenditure from the fund.

3.19 Other issues discussed included:

- the total value of university maintenance backlogs;
- National Collaborative Research Infrastructure Strategy (NCRIS) applications;
- International Science Linkages program;
- Major National Research infrastructure programs;
- Research Quality Frameworks (RQF) implementation expenditure and the sitting fees for panel members; and
- Regional Training Scheme funds.

***Higher Education Group***

3.20 Senator Carr asked specific questions on the details of the changes, including funding, for the reduced number of clusters in the higher education sector, including the effects on current students and the provision of a transition fund. The committee was advised that with these changes would make it possible for a university to offer a particular course on a full fee paying basis only provided that all Commonwealth supported places in the broad discipline cluster had been filled. This issue was later reported in various press articles.

3.21 Other matters dealt with by the committee included:

- Carrick Institute forward estimates and baseline funding;
- New South Wales Auditor-General's annual review of universities and the University of New South Wales' financial reports; and
- the percentage of Central Queensland University's revenue dependent on international education.

***Industry Skills Development & National Training Directions Groups***

3.22 Senator Carr asked a series of questions on Australian Technical Colleges and the Skills for the Future package. Of particular interest was the amount of uncommitted funds for both programs which the department committed to answer on notice. Further questioning on the Australian Technical Colleges identified specific issues in the colleges of Lismore-Ballina, Western Sydney, Dubbo, Port Hedland, Queanbeyan, the Pilbara and Darwin.

3.23 Senator Birmingham followed with questions on the role of state governments in the establishment of the Australian Technical Colleges. The committee heard that each state school registering authority has its own process and the department took it on notice to inquire whether there has been any undue delay within any particular



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state. Senator Birmingham subsequently asked questions on Australian Apprenticeships.

### ***Strategic Analysis and Evaluation Group***

3.24 Senator Carr followed a line of questioning on the topic of market research for a telephone poll undertaken in January 2007. Officers informed the committee of the date, duration, staffing requirements and cost of the research associated with the poll, the results of which are published on the department's website.

3.25 Senator Carr followed with questions on the new budget measure of income support for masters students, totalling \$43.3 million over four years. Further questions then went into the details of the new payments available.

### ***Schools Resources & Schools Outcomes Groups***

3.26 Questions to the Schools Group began with the Average Government School Recurrent Costs (AGSRC) rates and the fluctuations in the last quadrennium.

3.27 Senator Carr also asked questions on:

- school enrolment projections for the next four years;
- reading assistance program uptake in 2007;
- non-government recurrent funding and number of non-government schools;
- budget measures which will benefit rural and remote schools;
- Australian Institute for Teaching and School Leadership;
- National Schools Chaplaincy Programme;
- Summer Schools for Teachers program;
- Investing in Our Schools infrastructure program;
- National Literacy and Numeracy Week program;
- school flagpole program guideline changes.

### ***International Education Group***

3.28 Senator Carr began by raising a matter with the officers regarding an allegation about the awarding of an Endeavour program scholarship. This incident was featured on ABC Radio National. However the department had no knowledge of the contents of the allegation.

3.29 Further questions followed on the International Business and Hospitality Institute which has ceased operations and was the subject of an Australian Crime Commission investigation. The committee heard that the Institute was suspended by the Office of Training and Tertiary Education in Victoria and as required under the Education Services for Overseas Students Act its registration was automatically suspended from the Commonwealth Register of Institutions and Courses for Overseas Students.

3.30 Senator Carr finished by asking questions on various other 'degree mill' universities and colleges, such as St Clements University and Greenwich University, which have been investigated for unlawful practice. The department took these questions on notice.

### ***Indigenous and Transitions Group***

3.31 Senator Crossin led the questioning of this group beginning with examination of the budget allocation and success of the Career Advice Australia program.

3.32 Questions then followed on the Indigenous Education Strategic Initiatives Programme (IESIP). The committee was informed that the term IESIP is no longer used and is now referred to more generally as indigenous education programs. Senator Crossin asked further questions on the timing for the negotiations with the states and territories for the next quadrennium.

3.33 Final questions from Senator Crossin were on the topics of:

- the Indigenous Tutorial Assistance Scheme;
- whole-of-school intervention strategy;
- Nyangatjatjara College at Yulara;
- accelerated literacy program; and
- the reading assistance voucher program and the Northern Territory.

### **Acknowledgements**

3.34 The committee thanks the ministers, departmental secretaries and officers for their assistance and cooperation during the hearings.

**Senator Judith Troeth**  
**Chairman**

## Chapter 4

### Opposition reservations

4.1 The majority report gives insufficient indication of the declining levels of accountability which have characterised the most recent appearances by the Employment and Workplace Relations portfolio before the committee. The portfolio's performance has been noticeably worse since the new minister, the Hon Joe Hockey MP, was appointed on 23 January 2007. It is without precedent for the minister to deliberately delay the answers to questions on notice. It is also without precedent for the minister to refuse to answer questions without giving reasons.

#### Questions on Notice

4.2 The return of answers to questions on notice has been particularly poor. For around three months, between February and May this year, the committee did not receive a single answer from the department, although around 700 answers were due. Then, following press criticism in the *Sydney Morning Herald* and *The Australian* in which DEWR was branded as 'the most secretive government portfolio in Australia', the committee received roughly 350 answers in one week, including over 200 in one day. Although Opposition senators were grateful to finally receive these answers, they should not have been lodged simply in order to avoid further bad press. Opposition senators request that in future the minister at least attempts to follow Senate procedure rather than public opinion.

4.3 Of particular concern is the non-receipt of answers from the Workplace Authority. The committee has not received a single answer from either the November Supplementary or February Additional estimates hearings for this agency. All other portfolio agencies and outputs have a majority of their answers tabled. The Opposition acknowledges that the portfolio as a whole has received a large volume of questions and there has been a change in minister. Late answers would have gone unremarked had some effort been made to provide them in stages. The majority report comments on this. However, the volume of questions alone cannot explain why there has not been a single answer tabled for the Workplace Authority, also coincidentally the portfolio's most politically sensitive area. It is difficult to avoid the assumption that the minister is withholding the answers in a deliberate government cover-up of the effects of the WorkChoices legislation on workers conditions and pay. If AWAs truly provide flexibility and improved benefits for workers the minister would not have delayed the tabling of these answers

4.4 It should be on record that answers are being costed according to a formula which produces bizarre results. This process was initiated at the behest of the new minister and it has given the Opposition a valuable insight into the efficiency of the portfolio. During the budget estimates hearings Senator Wong raised a concern she

had with the answer given to questions number W1144\_07 which provided a short unsatisfactory answer after 10.5 hours work at a cost of \$210. The department explained that this was due to the large amount of consulting the officer had to undertake to formulate the answer. With this in mind, the Opposition also notes its concerns with question number W1143\_07, which asked:

**Question:**

**Opinion polls/market research**

How much of the opinion polls, focus groups or market research expenditure of agencies or departments was conducted at the request of the Minister's office?

The answer given by the department was simply 'none.' The time quoted to prepare this answer was 24.5 hours at an estimated cost of \$490. The Opposition is at a loss to understand how this answer could have taken over 24 hours to write, and cannot help but think that much of the general delay in answering questions stems from the department's own inefficiencies.

4.5 The committee received its first 'nil response' to a routine question about consultancies contracted by the Workplace Ombudsman. While it appears the response indicates a blank refusal to answer the question, because of the potentially embarrassing nature of the information, the time taken nevertheless, was 4.6 hours at a cost of \$84. The Opposition will be following up on this answer.

### **Evidence from the Workplace Authority**

4.6 The Opposition also feels it necessary to comment on the evidence given by the Workplace Authority and the Employment Advocate, Mr Peter McIlwain. Most of the five or so hours the committee spent examining the Workplace Authority centred on confusing discussions about the meaning of simple terms such as 'request' as distinct from 'application' or 'collect' as distinct from 'analyse' and 'sample.' The Opposition believe that such pettifogging responses would only be employed in order to avoid answering sensitive questions. This is against the spirit of the estimates process, as Senator Marshall commented during the estimates hearings:

The purpose of us asking questions of senior public servants is to get answers. We actually default to the position that the answers will be accurate, honest and responsive. If you are suggesting that in every instance we should actually challenge that presumption, in your words 'To have the wit to challenge that presumption', I think we have really stooped to a new low.<sup>1</sup>

4.7 The Opposition is aware of the political pressures which are affecting the responses of public servants to a much more intensive degree than ever before. The extent to which senior public servants are sympathetic to this trend—when it involves

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1 Senator Gavin Marshall, *Committee Hansard*, 28 May 2007, p. 12

the failure to respond to legitimate questions about matters which are of central concern to Parliament—is speculation which must now arise.

**Senator Gavin Marshall**  
**Deputy Chair**



# Appendix 1

## Departments and agencies for which the committee has oversight

### Education, Science and Training portfolio

- Department of Education, Science and Training
- Anglo Australian Telescope Board
- Australian Institute of Aboriginal and Torres Strait Islander Studies
- Australian Institute of Marine Science
- Australian Institute for Teaching and School Leadership Ltd (Teaching Australia)
- Australian National University
- Australian Nuclear Science and Technology Organisation
- Australian Research Council
- Carrick Institute for Learning and Teaching in Higher Education Ltd
- Commonwealth Scientific and Industrial Research Organisation

### Employment and Workplace Relations portfolio

- Department of Employment and Workplace Relations
- Australian Fair Pay Commission
- Australian Industrial Relations Commission and Australian Industrial Registry
- Comcare, the Safety, Rehabilitation and Compensation Commission and the Seafarers' Safety, Rehabilitation and Compensation Authority (Seacare Authority)
- Equal Opportunity for Women in the Workplace Agency
- Indigenous Business Australia
- Office of the Australian Building and Construction Commissioner
- Workplace Authority (formerly Office of the Employment Advocate)
- Workplace Ombudsman (formerly Office of Workplace Services)





# Appendix 2

## Index to Hansard transcripts

	<i>Page no.</i>
<b>Monday, 28 May 2007</b>	
<i>Employment and Workplace Relations portfolio</i>	
Workplace Authority (Formerly the Office of the Employment Advocate).....	4
Cross Portfolio.....	60
Outcome 2.....	70
Workplace Ombudsman (Formerly the Office of Workplace Services).....	116
 <b>Tuesday, 29 May 2007</b>	
<i>Employment and Workplace Relations portfolio</i>	
Australian Industrial Relations Commission.....	3
Australian Fair Pay Commission .....	14
Equal Opportunity for Women in the Workplace Agency.....	24
Outcomes 1 and 3.....	39
Indigenous Business Australia.....	83
Outcomes 1 and 3 ( <i>cont</i> ).....	95
 <b>Wednesday, 30 May 2007</b>	
<i>Education, Science and Training portfolio</i>	
Australian Research Council.....	4
Australian Nuclear Science and Technology Organisation.....	21
Commonwealth Scientific and Industrial Research Organisation.....	32
Australian Institute of Marine Science.....	35

Commonwealth Scientific and Industrial Research Organisation.....	38
Cross Portfolio.....	72
Science Group.....	81
Innovation and Research Systems Group.....	94

### **Thursday, 31 May 2007**

#### ***Education, Science and Training portfolio***

Higher Education Group.....	4
Industry Skills Development & National Training Directions Groups.....	20
Strategic Analysis and Evaluation Group.....	36
Schools Resources & Schools Outcomes Groups .....	41
International Education Group.....	63
Indigenous and Transitions Group.....	72